

106TH CONGRESS
1ST SESSION

S. 982

Entitled “Clean Money, Clean Elections Act.”

IN THE SENATE OF THE UNITED STATES

MAY 6, 1999

Mr. WELLSTONE (for himself and Mr. KERRY) introduced the following bill;
which was read twice and referred to the Committee on Rules and Ad-
ministration

A BILL

Entitled “Clean Money, Clean Elections Act.”

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Clean Money, Clean Elections Act”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—CLEAN MONEY FINANCING OF SENATE ELECTION
CAMPAIGNS

Sec. 101. Findings and declarations.

Sec. 102. Eligibility requirements and benefits of clean money financing of Sen-
ate election campaigns.

Sec. 103. Reporting requirements for expenditures of private money candidates.

Sec. 104. Transition rule for current election cycle.

TITLE II—INDEPENDENT EXPENDITURES; COORDINATED
EXPENDITURES

- Sec. 201. Reporting requirements for independent expenditures.
 Sec. 202. Definition of independent expenditure.
 Sec. 203. Limit on expenditures by political party committees.
 Sec. 204. Party independent expenditures and coordinated expenditures.

TITLE III—VOTER INFORMATION

- Sec. 301. Free broadcast time.
 Sec. 302. Broadcast rates and preemption.
 Sec. 303. Campaign advertisements; issue advertisements.
 Sec. 304. Limit on congressional use of the franking privilege.

TITLE IV—SOFT MONEY

- Sec. 401. Soft money of political parties.
 Sec. 402. State party grassroots funds.
 Sec. 403. Reporting requirements.
 Sec. 404. Soft money of persons other than political parties.

TITLE V—RESTRUCTURING AND STRENGTHENING OF THE
FEDERAL ELECTION COMMISSION

- Sec. 501. Appointment and terms of commissioners.
 Sec. 502. Audits.
 Sec. 503. Authority to seek injunction.
 Sec. 504. Standard for investigation.
 Sec. 505. Petition for certiorari.
 Sec. 506. Expedited procedures.
 Sec. 507. Filing of reports using computers and facsimile machines; filing by
Senate candidates with Commission.
 Sec. 508. Power to issue subpoena without signature of chairperson.
 Sec. 509. Prohibition of contributions by individuals not qualified to vote.
 Sec. 510. Penalties for violations.

TITLE VI—EFFECTIVE DATE

- Sec. 601. Effective date.

1 **TITLE I—CLEAN MONEY FINANC-**
 2 **ING OF SENATE ELECTION**
 3 **CAMPAIGNS**

4 **SEC. 101. FINDINGS AND DECLARATIONS.**

- 5 (a) UNDERMINING OF DEMOCRACY BY CAMPAIGN
 6 CONTRIBUTIONS FROM PRIVATE SOURCES.—The Senate
 7 finds and declares that the current system of privately fi-

1 nanced campaigns for election to the Senate undermines
2 democracy in the United States by—

3 (1) violating the democratic principle of “one
4 person, one vote” and diminishing the meaning of
5 the right to vote by allowing monied interests to
6 have a disproportionate and unfair influence within
7 the political process;

8 (2) diminishing a Senator’s accountability to
9 constituents by compelling legislators to be account-
10 able to the major contributors who finance their
11 election campaigns;

12 (3) creating a conflict of interest, perceived and
13 real, by encouraging Senators to take money from
14 private interests that are directly affected by Federal
15 legislation;

16 (4) imposing large, unwarranted costs on tax-
17 payers through legislative and regulatory outcomes
18 shaped by unequal access to lawmakers for cam-
19 paign contributors;

20 (5) driving up the cost of election campaigns,
21 making it difficult for qualified candidates without
22 personal fortunes or access to campaign contribu-
23 tions from monied individuals and interest groups to
24 mount competitive Senate election campaigns;

1 (6) disadvantaging challengers, because large
2 campaign contributors tend to give their money to
3 incumbent Senators, thus causing Senate elections
4 to be less competitive; and

5 (7) burdening incumbents with a preoccupation
6 with fundraising and thus decreasing the time avail-
7 able to carry out their public responsibilities.

8 (b) ENHANCEMENT OF DEMOCRACY BY PROVIDING
9 CLEAN MONEY.—The Senate finds and declares that the
10 replacement of private campaign contributions with clean
11 money financing for all primary, runoff, and general elec-
12 tions to the Senate would enhance American democracy
13 by—

14 (1) helping to eliminate access to wealth as a
15 determinant of a citizen’s influence within the polit-
16 ical process and to restore meaning to the principle
17 of “one person, one vote”;

18 (2) increasing the accountability of Senators to
19 the constituents who elect them;

20 (3) eliminating the inherent conflict of interest
21 caused by the private financing of the election cam-
22 paigns of public officials, thus restoring public con-
23 fidence in the fairness of the electoral and legislative
24 processes;

1 (4) reversing the escalating cost of elections
 2 and saving taxpayers billions of dollars that are cur-
 3 rently misspent due to legislative and regulatory
 4 agendas skewed by the influence of contributions;

5 (5) creating a more level playing field for in-
 6 cumbents and challengers, creating genuine opportu-
 7 nities for all Americans to run for the Senate, and
 8 encouraging more competitive elections; and

9 (6) freeing Senators from the constant pre-
 10 occupation with raising money, and allowing them
 11 more time to carry out their public responsibilities.

12 **SEC. 102. ELIGIBILITY REQUIREMENTS AND BENEFITS OF**
 13 **CLEAN MONEY FINANCING OF SENATE ELEC-**
 14 **TION CAMPAIGNS.**

15 The Federal Election Campaign Act of 1971 (2
 16 U.S.C. 431 et seq.) is amended by adding at the end the
 17 following:

18 **“TITLE V—CLEAN MONEY FI-**
 19 **NANCING OF SENATE ELEC-**
 20 **TION CAMPAIGNS**

21 **“SEC. 501. DEFINITIONS.**

22 “In this title:

23 “(1) **ALLOWABLE CONTRIBUTION.**—The term
 24 ‘allowable contribution’ means a qualifying contribu-
 25 tion or seed money contribution.

1 “(2) CLEAN MONEY.—The term ‘clean money’
2 means funds that are made available by the Com-
3 mission to a clean money candidate under this title.

4 “(3) CLEAN MONEY CANDIDATE.—The term
5 ‘clean money candidate’ means a candidate for the
6 Senate who is certified under section 505 as being
7 eligible to receive clean money.

8 “(4) CLEAN MONEY QUALIFYING PERIOD.—The
9 term ‘clean money qualifying period’ means the pe-
10 riod beginning on the date that is 270 days before
11 the date of the primary election and ending on the
12 date that is 30 days before the date of the general
13 election.

14 “(5) GENERAL ELECTION PERIOD.—The term
15 ‘general election period’ means, with respect to a
16 candidate, the period beginning on the day after the
17 date of the primary or primary runoff election for
18 the specific office that the candidate is seeking,
19 whichever is later, and ending on the earlier of—

20 “(A) the date of the general election; or

21 “(B) the date on which the candidate with-
22 draws from the campaign or otherwise ceases
23 actively to seek election.

24 “(6) GENERAL RUNOFF ELECTION PERIOD.—
25 The term ‘general runoff election period’ means,

1 with respect to a candidate, the period beginning on
2 the day following the date of the last general election
3 for the specific office that the candidate is seeking
4 and ending on the date of the runoff election for
5 that office.

6 “(7) IMMEDIATE FAMILY.—The term ‘imme-
7 diate family’ means—

8 “(A) a candidate’s spouse;

9 “(B) a child, stepchild, parent, grand-
10 parent, brother, half-brother, sister, or half-sis-
11 ter of the candidate or the candidate’s spouse;
12 and

13 “(C) the spouse of any person described in
14 subparagraph (B).

15 “(8) MAJOR PARTY CANDIDATE.—The term
16 ‘major party candidate’ means a candidate of a po-
17 litical party of which a candidate for Senator, for
18 President, or for Governor in the preceding 5 years
19 received, as a candidate of that party, 25 percent or
20 more of the total number of popular votes received
21 in the State by all candidates for the same office.

22 “(9) PERSONAL FUNDS.—The term ‘personal
23 funds’ means an amount that is derived from—

1 “(A) the personal funds of the candidate
2 or a member of the candidate’s immediate fam-
3 ily; and

4 “(B) proceeds of indebtedness incurred by
5 the candidate or a member of the candidate’s
6 immediate family.

7 “(10) PERSONAL USE.—

8 “(A) IN GENERAL.—The term ‘personal
9 use’ means the use of funds to fulfill a commit-
10 ment, obligation, or expense of a person that
11 would exist irrespective of the candidate’s elec-
12 tion campaign or individual’s duties as a holder
13 of Federal office.

14 “(B) INCLUSIONS.—The term ‘personal
15 use’ includes—

16 “(i) a home mortgage, rent, or utility
17 payment;

18 “(ii) a clothing purchase;

19 “(iii) a noncampaign-related auto-
20 mobile expense;

21 “(iv) a country club membership;

22 “(v) a vacation or other noncampaign-
23 related trip;

24 “(vi) a household food item;

25 “(vii) a tuition payment;

1 “(viii) admission to a sporting event,
2 concert, theater, or other form of enter-
3 tainment not associated with an election
4 campaign; and

5 “(ix) dues, fees, and other payments
6 to a health club or recreational facility.

7 “(11) PRIMARY ELECTION PERIOD.—The term
8 ‘primary election period’ means the period beginning
9 on the date that is 90 days before the date of the
10 primary election and ending on the date of the pri-
11 mary election.

12 “(12) PRIMARY RUNOFF ELECTION PERIOD.—
13 The term ‘primary runoff election period’ means,
14 with respect to a candidate, the period beginning on
15 the day following the date of the last primary elec-
16 tion for the specific office that the candidate is seek-
17 ing and ending on the date of the runoff election for
18 that office.

19 “(13) PRIVATE MONEY CANDIDATE.—The term
20 ‘private money candidate’ means a candidate for the
21 Senate other than a clean money candidate.

22 “(14) QUALIFYING CONTRIBUTION.—The term
23 ‘qualifying contribution’ means a contribution that—

24 “(A) is in the amount of \$5 exactly;

1 “(B) is made by an individual who is reg-
2 istered to vote in the candidate’s State;

3 “(C) is made during the clean money
4 qualifying period; and

5 “(D) meets the requirements of section
6 502(a)(2)(D).

7 “(15) SEED MONEY CONTRIBUTION.—The term
8 ‘seed money contribution’ means a contribution (or
9 contributions in the aggregate made by any 1 per-
10 son) of not more than \$100.

11 “(16) SENATE ELECTION FUND.—The term
12 ‘Senate Election Fund’ means the fund established
13 by section 507(a).

14 **“SEC. 502. ELIGIBILITY FOR CLEAN MONEY.**

15 “(a) PRIMARY ELECTION PERIOD AND PRIMARY
16 RUNOFF ELECTION PERIOD.—

17 “(1) IN GENERAL.—A candidate qualifies as a
18 clean money candidate during the primary election
19 period and primary runoff election period if the can-
20 didate files with the Commission a declaration,
21 signed by the candidate and the treasurer of the
22 candidate’s principal campaign committee, that the
23 candidate—

24 “(A) has complied and will comply with all
25 of the requirements of this title;

1 “(B) will not run in the general election as
2 a private money candidate; and

3 “(C) meets the qualifying contribution re-
4 quirement of paragraph (2).

5 “(2) QUALIFYING CONTRIBUTION REQUIRE-
6 MENT.—

7 “(A) MAJOR PARTY CANDIDATES.—The re-
8 quirement of this paragraph is met if, during
9 the clean money qualifying period, a major
10 party candidate receives the greater of—

11 “(i) 1,000 qualifying contributions; or

12 “(ii) a number of qualifying contribu-
13 tions equal to 0.25 percent of the voting
14 age population of the candidate’s State.

15 “(B) CANDIDATES THAT ARE NOT MAJOR
16 PARTY CANDIDATES.—The requirement of this
17 paragraph is met if, during the clean money
18 qualifying period, a candidate that is not a
19 major party candidate receives a number of
20 qualifying contributions that is at least 150
21 percent of the number of qualifying contribu-
22 tions that a major party candidate in the same
23 election is required to receive under subpara-
24 graph (A).

1 “(C) RECEIPT OF QUALIFYING CONTRIBU-
2 TION.—A qualifying contribution shall—

3 “(i) be accompanied by the contribu-
4 tor’s name and home address;

5 “(ii) be accompanied by a signed
6 statement that the contributor understands
7 the purpose of the qualifying contribution;

8 “(iii) be made by a personal check or
9 money order payable to the Senate Elec-
10 tion Fund or by cash; and

11 “(iv) be acknowledged by a receipt
12 that is sent to the contributor with a copy
13 kept by the candidate for the Commission
14 and a copy kept by the candidate for the
15 election authorities in the candidate’s
16 State.

17 “(D) DEPOSIT OF QUALIFYING CONTRIBU-
18 TIONS IN SENATE ELECTION FUND.—

19 “(i) IN GENERAL.—Not later than the
20 date that is 1 day after the date on which
21 the candidate is certified under section
22 505, a candidate shall remit all qualifying
23 contributions to the Commission for de-
24 posit in the Senate Election Fund.

1 “(ii) CANDIDATES THAT ARE NOT
2 CERTIFIED.—Not later than the last day of
3 the clean money qualifying period, a can-
4 didate who has received qualifying con-
5 tributions and is not certified under section
6 505 shall remit all qualifying contributions
7 to the Commission for deposit in the Sen-
8 ate Election Fund.

9 “(3) TIME TO FILE DECLARATION.—A declara-
10 tion under paragraph (1) shall be filed by a can-
11 didate not later than the date that is 30 days before
12 the date of the primary election.

13 “(b) GENERAL ELECTION PERIOD.—

14 “(1) IN GENERAL.—A candidate qualifies as a
15 clean money candidate during the general election
16 period if—

17 “(A)(i) the candidate qualified as a clean
18 money candidate during the primary election
19 period (and primary runoff election period, if
20 applicable); or

21 “(ii) the candidate files with the Commis-
22 sion a declaration, signed by the candidate and
23 the treasurer of the candidate’s principal com-
24 mittee, that the candidate—

1 “(I) has complied and will comply
2 with all the requirements of this title; and

3 “(II) meets the qualifying contribu-
4 tion requirement of subsection (a)(2);

5 “(B) the candidate files with the Commis-
6 sion a written agreement between the candidate
7 and the candidate’s political party in which the
8 political party agrees not to make any expendi-
9 tures in connection with the general election of
10 the candidate in excess of the limit in section
11 315(d)(3)(C); and

12 “(C) the candidate’s party nominated the
13 candidate to be placed on the ballot for the gen-
14 eral election or the candidate qualified to be
15 placed on the ballot as an independent can-
16 didate, and the candidate is qualified under
17 State law to be on the ballot.

18 “(2) TIME TO FILE DECLARATION OR STATE-
19 MENT.—A declaration or statement required to be
20 filed under paragraph (1) shall be filed by a can-
21 didate not later than the date that is 30 days before
22 the date of the general election.

23 “(c) GENERAL RUNOFF ELECTION PERIOD.—A can-
24 didate qualifies as a clean money candidate during the
25 general runoff election period if the candidate qualified as

1 a clean money candidate during the general election pe-
2 riod.

3 **“SEC. 503. REQUIREMENTS APPLICABLE TO CLEAN MONEY**
4 **CANDIDATES.**

5 “(a) OBLIGATION TO COMPLY.—A clean money can-
6 didate who accepts benefits during the primary election
7 period shall comply with all the requirements of this Act
8 through the primary runoff election period, the general
9 election period, and the general runoff election period (if
10 applicable) whether the candidate continues to accept ben-
11 efits or not.

12 “(b) CONTRIBUTIONS AND EXPENDITURES.—

13 “(1) PROHIBITION OF PRIVATE CONTRIBU-
14 TIONS.—Except as otherwise provided in this title,
15 during the election cycle of a clean money candidate,
16 the candidate shall not accept contributions other
17 than clean money from any source.

18 “(2) PROHIBITION OF EXPENDITURES FROM
19 PRIVATE SOURCES.—Except as otherwise provided in
20 this title, during the election cycle of a clean money
21 candidate, the candidate shall not make expenditures
22 from any amounts other than clean money amounts.

23 “(c) USE OF PERSONAL FUNDS.—

1 “(1) IN GENERAL.—A clean money candidate
2 shall not use personal funds to make an expenditure
3 except as provided in paragraph (2).

4 “(2) EXCEPTIONS.—A seed money contribution
5 or qualifying contribution from the candidate or a
6 member of the candidate’s immediate family shall
7 not be considered to be use of personal funds.

8 “(d) DEBATES.—

9 “(1) NUMBER OF DEBATES.—A clean money
10 candidate shall participate in at least—

11 “(A) 1 public debate with other clean
12 money candidates from the same party for the
13 same office during the primary election period;
14 and

15 “(B) 2 public debates with other clean
16 money candidates for the same office during the
17 general election period.

18 “(2) REGULATION.—The Commission shall pro-
19 mulgate a regulation as necessary to carry out para-
20 graph (1).

21 **“SEC. 504. SEED MONEY.**

22 “(a) SEED MONEY LIMIT.—A clean money candidate
23 may accept seed money contributions in an aggregate
24 amount not exceeding—

25 “(1) \$50,000; plus

1 “(2) if there is more than 1 congressional dis-
2 trict in the candidate’s State, an amount that is
3 equal to \$5,000 times the number of additional con-
4 gressional districts.

5 “(b) CONTRIBUTION LIMIT.—Except as provided in
6 section 502(a)(2), a clean money candidate shall not ac-
7 cept a contribution from any person except a seed money
8 contribution (as defined in section 501).

9 “(c) RECORDS.—A clean money candidate shall
10 maintain a record of the contributor’s name, street ad-
11 dress, and amount of the contribution.

12 “(d) USE OF SEED MONEY.—

13 “(1) IN GENERAL.—A clean money candidate
14 may expend seed money for any election campaign-
15 related costs, including costs to open an office, fund
16 a grassroots campaign, or hold community meetings.

17 “(2) PROHIBITED USES.—A clean money can-
18 didate shall not expend seed money for—

19 “(A) a television or radio broadcast; or

20 “(B) personal use.

21 “(e) REPORT.—Unless a seed money contribution or
22 expenditure made with a seed money contribution has
23 been reported previously under section 304, a clean money
24 candidate shall file with the Commission a report dis-

1 closing all seed money contributions and expenditures not
2 later than 48 hours after—

3 “(1) the earliest date on which the Commission
4 makes funds available to the candidate for an elec-
5 tion period under paragraph (1) or (2) of section
6 506(b); or

7 “(2) the end of the clean money qualifying pe-
8 riod,
9 whichever occurs first.

10 “(f) TIME TO ACCEPT AND EXPEND SEED MONEY
11 CONTRIBUTIONS.—A clean money candidate may accept
12 and expend seed money contributions for an election dur-
13 ing the time period beginning on the day after the date
14 of the previous general election for the office to which the
15 candidate is seeking election and ending on the earliest
16 date on which the Commission makes funds available to
17 the candidate for an election period under paragraph (1)
18 or (2) of section 506(b).

19 “(g) DEPOSIT OF UNSPENT SEED MONEY CON-
20 TRIBUTIONS.—A clean money candidate shall remit any
21 unspent seed money to the Commission, for deposit in the
22 Senate Election Fund, not later than the earliest date on
23 which the Commission makes funds available to the can-
24 didate for an election period under paragraph (1) or (2)
25 of section 506(b).

1 “(h) NOT CONSIDERED AN EXPENDITURE.—An ex-
2 penditure made with seed money shall not be treated as
3 an expenditure for purposes of section 506(f)(2).

4 **“SEC. 505. CERTIFICATION BY COMMISSION.**

5 “(a) IN GENERAL.—Not later than 5 days after a
6 candidate files a declaration under section 502, the Com-
7 mission shall—

8 “(1) determine whether the candidate meets the
9 eligibility requirements of section 502; and

10 “(2) certify whether or not the candidate is a
11 clean money candidate.

12 “(b) REVOCATION OF CERTIFICATION.—The Com-
13 mission may revoke a certification under subsection (a)
14 if a candidate fails to comply with this title.

15 “(c) REPAYMENT OF BENEFITS.—If certification is
16 revoked under subsection (b), the candidate shall repay
17 to the Senate Election Fund an amount equal to the value
18 of benefits received under this title.

19 **“SEC. 506. BENEFITS FOR CLEAN MONEY CANDIDATES.**

20 “(a) IN GENERAL.—A clean money candidate shall
21 be entitled to—

22 “(1) a clean money amount for each election
23 period to make or obligate to make expenditures
24 during the election period for which the clean money
25 is provided, as provided in subsection (c);

1 “(2) media benefits under section 315 of the
2 Communications Act of 1934 (47 U.S.C. 315); and

3 “(3) an aggregate amount of increase in the
4 clean money amount in response to certain inde-
5 pendent expenditures and expenditures of a private
6 money candidate under subsection (d) that, in the
7 aggregate, are in excess of 125 percent of the clean
8 money amount of the clean money candidate.

9 “(b) PAYMENT OF CLEAN MONEY AMOUNT.—

10 “(1) PRIMARY ELECTION.—The Commission
11 shall make funds available to a clean money can-
12 didate on the later of—

13 “(A) the date on which the candidate is
14 certified as a clean money candidate under sec-
15 tion 505; or

16 “(B) the date on which the primary elec-
17 tion period begins.

18 “(2) GENERAL ELECTION.—The Commission
19 shall make funds available to a clean money can-
20 didate not later than 48 hours after—

21 “(A) certification of the primary election
22 or primary runoff election result; or

23 “(B) the date on which the candidate is
24 certified as a clean money candidate under sec-
25 tion 505 for the general election,

1 whichever occurs first.

2 “(3) RUNOFF ELECTION.—The Commission
3 shall make funds available to a clean money can-
4 didate not later than 48 hours after the certification
5 of the primary or general election result (as applica-
6 ble).

7 “(c) CLEAN MONEY AMOUNTS.—

8 “(1) PRIMARY ELECTION CLEAN MONEY
9 AMOUNT.—

10 “(A) MAJOR PARTY CANDIDATES.—The
11 primary election clean money amount with re-
12 spect to a clean money candidate who is a
13 major party candidate is 67 percent of the gen-
14 eral election clean money amount with respect
15 to the clean money candidate.

16 “(B) CANDIDATES THAT ARE NOT MAJOR
17 PARTY CANDIDATES.—The primary election
18 clean money amount with respect to a clean
19 money candidate who is not a major party can-
20 didate is 25 percent of the general election
21 clean money amount with respect to the clean
22 money candidate.

23 “(2) PRIMARY RUNOFF ELECTION CLEAN
24 MONEY AMOUNT.—The primary runoff election clean
25 money amount with respect to a clean money can-

1 didate is 25 percent of the primary election clean
 2 money amount with respect to the clean money can-
 3 didate.

4 “(3) GENERAL ELECTION CLEAN MONEY
 5 AMOUNT.—

6 “(A) IN GENERAL.—The general election
 7 clean money amount with respect to a clean
 8 money candidate is the lesser of—

9 “(i) \$4,400,000; or

10 “(ii) the greater of—

11 “(I) \$760,000; or

12 “(II) \$320,000; plus

13 “(aa) 24 cents multiplied by
 14 the voting age population not in
 15 excess of 4,000,000; and

16 “(bb) 20 cents multiplied by
 17 the voting age population in ex-
 18 cess of 4,000,000.

19 “(B) EXCEPTION.—In the case of an eligi-
 20 ble Senate candidate in a State that has not
 21 more than 1 transmitter for a commercial Very
 22 High Frequency (VHF) television station li-
 23 censed to operate in that State, subparagraph
 24 (A)(ii)(II) shall be applied by substituting—

1 “(i) ‘64 cents’ for ‘24 cents’ in item
2 (aa); and

3 “(ii) ‘56 cents’ for ‘20 cents’ in item
4 (bb).

5 “(C) INDEXING.—The clean money
6 amount under subparagraphs (A) and (B) shall
7 be increased as of the beginning of each cal-
8 endar year based on an increase in the price
9 index determined under section 315(c), except
10 that the base period shall be calendar year
11 1999.

12 “(4) GENERAL RUNOFF ELECTION CLEAN
13 MONEY AMOUNT.—The general runoff election clean
14 money amount with respect to a clean money can-
15 didate is 25 percent of the general election clean
16 money amount with respect to the clean money can-
17 didate.

18 “(5) UNOPPOSED CANDIDATES.—Except for a
19 candidate receiving amounts under paragraph
20 (1)(B), a clean money candidate in a primary or
21 general election in which there is no opposing can-
22 didate shall receive a clean money amount with re-
23 spect to that election equal to 25 percent of the full
24 clean money amount that the candidate would re-
25 ceive in a contested election.

1 “(d) MATCHING FUNDS IN RESPONSE TO INDE-
2 PENDENT EXPENDITURES AND EXPENDITURES OF PRI-
3 VATE MONEY CANDIDATES.—

4 “(1) IN GENERAL.—If the Commission—

5 “(A) receives notification under—

6 “(i) subparagraph (A) or (B) of sec-
7 tion 304(c)(2) that a person has made or
8 obligated to make an independent expendi-
9 ture in an aggregate amount of \$1,000 or
10 more in an election period or that a person
11 has made or obligated to make an inde-
12 pendent expenditure in an aggregate
13 amount of \$500 or more during the 20
14 days preceding the date of an election in
15 support of another candidate or against a
16 clean money candidate; or

17 “(ii) section 304(d)(1) that a private
18 money candidate has made or obligated to
19 make expenditures in an aggregate amount
20 in excess of 100 percent of the amount of
21 clean money provided to a clean money
22 candidate who is an opponent of the pri-
23 vate money candidate in the same election;
24 and

1 “(B) determines that the aggregate
2 amount of expenditures described in subpara-
3 graph (A) in an election period is in excess of
4 125 percent of the amount of clean money pro-
5 vided to a clean money candidate who is an op-
6 ponent of the private money candidate in the
7 same election or against whom the independent
8 expenditure is made,

9 the Commission shall make available to the clean
10 money candidate, not later than 24 hours after re-
11 ceiving a notification described in subparagraph (A),
12 an aggregate amount of increase in clean money in
13 an amount equal to the aggregate amount of ex-
14 penditures that is in excess of 125 percent of the
15 amount of clean money provided to the clean money
16 candidate as determined under subparagraph (B).

17 “(2) CLEAN MONEY CANDIDATES OPPOSED BY
18 MORE THAN 1 PRIVATE MONEY CANDIDATE.—For
19 purposes of paragraph (1), if a clean money can-
20 didate is opposed by more than 1 private money can-
21 didate in the same election, the Commission shall
22 take into account only the amount of expenditures of
23 the private money candidate that expends, in the ag-
24 gregate, the greatest amount (as determined each

1 time notification is received under section
2 304(d)(1)).

3 “(3) CLEAN MONEY CANDIDATES OPPOSED BY
4 CLEAN MONEY CANDIDATES.—If a clean money can-
5 didate is opposed by a clean money candidate, the
6 increase in clean money amounts under paragraph
7 (1) shall be made available to the clean money can-
8 didate if independent expenditures are made against
9 the clean money candidate or in behalf of the oppos-
10 ing clean money candidate in the same manner as
11 the increase would be made available for a clean
12 money candidate who is opposed by a private money
13 candidate.

14 “(e) LIMITS ON MATCHING FUNDS.—The aggregate
15 amount of clean money that a clean money candidate re-
16 ceives to match independent expenditures and the expendi-
17 tures of private money candidates under subsection (d)
18 shall not exceed 200 percent of the clean money amount
19 that the clean money candidate receives under subsection
20 (c).

21 “(f) EXPENDITURES MADE WITH CLEAN MONEY
22 AMOUNTS.—

23 “(1) IN GENERAL.—The clean money amount
24 received by a clean money candidate shall be used
25 only for the purpose of making or obligating to make

1 expenditures during the election period for which the
2 clean money is provided.

3 “(2) EXPENDITURES IN EXCESS OF CLEAN
4 MONEY AMOUNT.—A clean money candidate shall
5 not make expenditures or incur obligations in excess
6 of the clean money amount.

7 “(3) PROHIBITED USES.—The clean money
8 amount received by a clean money candidate shall
9 not be—

10 “(A) converted to a personal use; or

11 “(B) used in violation of law.

12 “(4) PETTY CASH FUND.—

13 “(A) IN GENERAL.—A candidate may es-
14 tablish a petty cash fund, to be used to pay ex-
15 penses such as the costs of food, newspapers,
16 magazines, pay telephone calls, and other minor
17 necessary expenses, that contains, on any day,
18 not more than—

19 “(i) \$200; plus

20 “(ii) if there is more than 1 congres-
21 sional district in the candidate’s State, an
22 amount that is equal to \$20 times the
23 number of additional congressional dis-
24 tricts.

1 “(B) RECEIPT.—An expenditure from the
2 petty cash fund in an amount greater than \$25
3 shall be evidenced by a receipt describing the
4 item purchased, the purpose and cost of the
5 item, and the name and street address of the
6 seller.

7 “(5) PENALTY.—A person that uses a clean
8 money amount in violation of this subsection shall be
9 imprisoned not more than 5 years, fined not more
10 than \$15,000, or both.

11 “(g) REMITTING OF CLEAN MONEY AMOUNTS.—Not
12 later than the date that is 14 days after the last day of
13 the applicable election period, a clean money candidate
14 shall remit any unspent clean money amount to the Com-
15 mission for deposit in the Senate Election Fund.

16 **“SEC. 507. ADMINISTRATION OF CLEAN MONEY.**

17 “(a) SENATE ELECTION FUND.—

18 “(1) ESTABLISHMENT.—There is established in
19 the Treasury a fund to be known as the ‘Senate
20 Election Fund’.

21 “(2) DEPOSITS.—The Commission shall deposit
22 unspent seed money contributions, qualifying con-
23 tributions, penalty amounts received under this title,
24 and amounts appropriated for clean money financing
25 in the Senate Election Fund.

1 “(3) FUNDS.—The Commission shall withdraw
2 the clean money amount for a clean money can-
3 didate from the Senate Election Fund.

4 “(b) REGULATIONS.—The Commission shall promul-
5 gate a regulation to—

6 “(1) effectively and efficiently monitor and en-
7 force the limits on use of private money by clean
8 money candidates;

9 “(2) effectively and efficiently monitor use of
10 publicly financed amounts under this title; and

11 “(3) enable clean money candidates to monitor
12 expenditures and comply with the requirements of
13 this title.

14 **“SEC. 508. EXPENDITURES MADE FROM FUNDS OTHER**
15 **THAN CLEAN MONEY.**

16 “If a clean money candidate makes an expenditure
17 using funds other than funds provided under this title, the
18 Commission shall assess a civil penalty against the can-
19 didate in an amount that is not more than 10 times the
20 amount of the expenditure.

21 **“SEC. 509. AUTHORIZATION OF APPROPRIATIONS.**

22 “‘There are authorized to be appropriated to the Sen-
23 ate Election Fund such sums as are necessary to carry
24 out this title.’”.

1 **SEC. 103. REPORTING REQUIREMENTS FOR EXPENDITURES**
2 **OF PRIVATE MONEY CANDIDATES.**

3 Section 304 of the Federal Election Campaign Act
4 of 1971 (2 U.S.C. 434) is amended by adding at the end
5 the following:

6 “(d) PRIVATE MONEY CANDIDATES.—

7 “(1) EXPENDITURES IN EXCESS OF CLEAN
8 MONEY AMOUNTS.—Not later than 48 hours after
9 making or obligating to make an expenditure, a pri-
10 vate money candidate (as defined in section 501)
11 that makes or obligates to make expenditures during
12 an election period (as defined by section 501), in an
13 aggregate amount in excess of 100 percent of the
14 amount of clean money provided to a clean money
15 candidate (as defined in section 501), who is an op-
16 ponent of the private money candidate shall file with
17 the Commission a report stating the amount of each
18 expenditure (in increments of an aggregate amount
19 of \$1,000) made or obligated to be made.

20 “(2) PLACE OF FILING; NOTIFICATION.—

21 “(A) PLACE OF FILING.—A report under
22 this subsection shall be filed with the Commis-
23 sion.

24 “(B) NOTIFICATION OF CLEAN MONEY
25 CANDIDATES.—Not later than 24 hours after
26 receipt of a report under this subsection, the

1 Commission shall notify each clean money can-
2 didate seeking nomination for election to, or
3 election to, the office the private money can-
4 didate is seeking, of the receipt of the report.

5 “(3) DETERMINATIONS BY THE COMMISSION.—

6 “(A) IN GENERAL.—The Commission may,
7 on a request of a candidate or on its own initia-
8 tive, make a determination that a private
9 money candidate has made, or has obligated to
10 make, expenditures in excess of the applicable
11 amount in paragraph (1).

12 “(B) NOTIFICATION.—In the case of such
13 a determination, the Commission shall notify
14 each clean money candidate seeking nomination
15 for election to, or election to, the office the pri-
16 vate money candidate is seeking, of the deter-
17 mination not later than 24 hours after making
18 the determination.

19 “(C) TIME TO COMPLY WITH REQUEST
20 FOR DETERMINATION.—A determination made
21 at the request of a candidate shall be made not
22 later than 48 hours after the time of the re-
23 quest.”.

1 **SEC. 104. TRANSITION RULE FOR CURRENT ELECTION**
2 **CYCLE.**

3 (a) **IN GENERAL.**—During the election cycle in effect
4 on the date of enactment of this Act, a candidate may
5 be certified as a clean money candidate (as defined in sec-
6 tion 501 of the Federal Election Campaign Act of 1971,
7 as added by section 102 of this Act), notwithstanding the
8 acceptance of contributions or making of expenditures
9 from private funds before the date of enactment that
10 would, absent this section, disqualify the candidate as a
11 clean money candidate.

12 (b) **PRIVATE FUNDS.**—A candidate may be certified
13 as a clean money candidate only if any private funds ac-
14 cepted and not expended before the date of enactment of
15 this Act are—

16 (1) returned to the contributor; or

17 (2) submitted to the Federal Election Commis-
18 sion for deposit in the Senate Election Fund (as de-
19 fined in section 501 of the Federal Election Cam-
20 paign Act of 1971, as added by section 102 of this
21 Act).

1 **TITLE II—INDEPENDENT EX-**
 2 **PENDITURES; COORDINATED**
 3 **EXPENDITURES**

4 **SEC. 201. REPORTING REQUIREMENTS FOR INDEPENDENT**
 5 **EXPENDITURES.**

6 (a) INDEPENDENT EXPENDITURES.—Section 304(c)
 7 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 8 434(c)) is amended—

9 (1) by striking “(c)(1) Every person” and in-
 10 serting the following:

11 “(c) INDEPENDENT EXPENDITURES.—

12 “(1) IN GENERAL.—

13 “(A) REQUIRED FILING.—Except as pro-
 14 vided in paragraph (2), every person”;

15 (2) in paragraph (2), by redesignating subpara-
 16 graphs (A), (B), and (C) as clauses (i), (ii), and
 17 (iii), respectively, and adjusting the margins accord-
 18 ingly;

19 (3) by redesignating paragraphs (2) and (3) as
 20 subparagraphs (B) and (C), respectively, and adjust-
 21 ing the margins accordingly; and

22 (4) by adding at the end the following:

23 “(2) SENATE ELECTIONS.—

24 “(A) INDEPENDENT EXPENDITURES MORE
 25 THAN 20 DAYS BEFORE AN ELECTION.—

1 “(i) IN GENERAL.—If, more than 20
2 days before the date of an election for the
3 office of Senator, a person makes or obli-
4 gates to make independent expenditures in
5 an aggregate amount exceeding \$1,000
6 during an election period (as defined in
7 section 501) in support of, or in opposition
8 to, a candidate for the office, such person
9 shall file with the Commission a statement
10 containing the information described in
11 clause (ii) not later than 48 hours after
12 making or obligating to make such expend-
13 itures.

14 “(ii) CONTENTS OF STATEMENT.—A
15 statement under subparagraph (A) shall
16 include a certification, under penalty of
17 perjury, that contains the information re-
18 quired by subsection (b)(6)(B)(iii).

19 “(iii) ADDITIONAL STATEMENTS.—An
20 additional statement shall be filed for each
21 aggregate of independent expenditures that
22 exceeds \$1,000.

23 “(B) INDEPENDENT EXPENDITURES DUR-
24 ING THE 20 DAYS PRECEDING AN ELECTION.—
25 If, during the 20 days preceding the date of an

1 election for the office of Senator, a person
2 makes or obligates to make independent ex-
3 penditures in an aggregate amount exceeding
4 \$500 in support of, or in opposition to, a can-
5 didate for the office, such person shall file with
6 the Commission a statement setting forth the
7 amount of each such expenditure not later than
8 24 hours after making or obligating to make
9 such expenditures.

10 “(C) PLACE OF FILING; NOTIFICATION.—

11 “(i) PLACE OF FILING.—A report or
12 statement under this paragraph shall be
13 filed with the Commission.

14 “(ii) NOTIFICATION OF CLEAN MONEY
15 CANDIDATES.—Not later than 24 hours
16 after receipt of a statement under this
17 paragraph, the Commission shall notify
18 each clean money candidate seeking nomi-
19 nation for election to, or election to, the of-
20 fice in question of the receipt of a state-
21 ment.

22 “(D) DETERMINATION BY THE COMMIS-
23 SION.—

24 “(i) IN GENERAL.—The Commission
25 may, on request of a candidate or on its

1 own initiative, make a determination that a
 2 person has made or obligated to make
 3 independent expenditures with respect to a
 4 candidate that in the aggregate exceed the
 5 applicable amount under subparagraph
 6 (A).

7 “(ii) NOTIFICATION.—Not later than
 8 24 hours after making a determination
 9 under clause (i), the Commission shall no-
 10 tify each clean money candidate in the
 11 election of the determination.

12 “(iii) TIME TO COMPLY WITH RE-
 13 QUEST FOR DETERMINATION.—A deter-
 14 mination made at the request of a can-
 15 didate shall be made not later than 48
 16 hours after the time of the request.”.

17 **SEC. 202. DEFINITION OF INDEPENDENT EXPENDITURE.**

18 (a) IN GENERAL.—Section 301 of the Federal Elec-
 19 tion Campaign Act of 1971 (2 U.S.C. 431) is amended
 20 by striking paragraph (17) and inserting the following:

21 “(17) INDEPENDENT EXPENDITURE.—

22 “(A) IN GENERAL.—The term “inde-
 23 pendent expenditure” means an expenditure
 24 made by a person other than a candidate or
 25 candidate’s authorized committee—

1 “(i) for a communication that is ex-
2 press advocacy; and

3 “(ii) that is not coordinated activity
4 or is not provided in coordination with a
5 candidate or a candidate’s agent or a per-
6 son who is coordinating with a candidate
7 or a candidate’s agent.

8 “(B) EXPRESS ADVOCACY.—Except as pro-
9 vided in subparagraph (C), the term ‘express
10 advocacy’ means a communication that is made
11 through a broadcast medium, newspaper, maga-
12 zine, billboard, direct mail, or similar type of
13 general public communication or political adver-
14 tising and that advocates the election or defeat
15 of a clearly identified candidate by—

16 “(i) containing a phrase such as ‘vote
17 for’, ‘re-elect’, ‘support’, ‘cast your ballot
18 for’, ‘(name of candidate) for Congress’,
19 ‘(name of candidate) in (year)’, ‘vote
20 against’, ‘defeat’, ‘reject’;

21 “(ii) containing campaign slogans or
22 individual words that in context can have
23 no reasonable meaning other than to rec-
24 ommend the election or defeat of 1 or more
25 clearly identified candidates; or

1 “(iii) referring to a clearly identified
2 candidate in a paid advertisement that is
3 broadcast through radio or television but
4 only if the communication—

5 “(I) is made not more than 60
6 days before the date of a general elec-
7 tion; and

8 “(II) involves aggregate disburse-
9 ments of \$5,000 or more.

10 “(C) VOTING RECORD AND VOTING GUIDE
11 EXCEPTION.—The term ‘express advocacy’ does
12 not include a communication which is in printed
13 form or posted on the Internet that—

14 “(i) presents information solely about
15 the voting record or position on a cam-
16 paign issue of 1 or more candidates (in-
17 cluding any statement by the sponsor of
18 the voting record or voting guide of its
19 agreement or disagreement with the record
20 or position of a candidate), so long as the
21 voting record or voting guide when taken
22 as a whole does not express unmistakable
23 and unambiguous support for or opposition
24 to one or more clearly identified can-
25 didates;

1 “(ii) is not coordinated activity or is
2 not made in coordination with a candidate,
3 political party, or agent of the candidate or
4 party, or a candidate’s agent or a person
5 who is coordinating with a candidate or a
6 candidate’s agent, except that nothing in
7 this clause may be construed to prevent
8 the sponsor of the voting guide from di-
9 recting questions in writing to a candidate
10 about the candidate’s position on issues for
11 purposes of preparing a voter guide or to
12 prevent the candidate from responding in
13 writing to such questions; and

14 “(iii) does not contain a phrase such
15 as ‘vote for’, ‘re-elect’, ‘support’, ‘cast your
16 ballot for’, ‘(name of candidate) for Con-
17 gress’, ‘(name of candidate) in (year)’,
18 ‘vote against’, ‘defeat’, or ‘reject’, or a
19 campaign slogan or words that in context
20 can have no reasonable meaning other than
21 to urge the election or defeat of one or
22 more clearly identified candidates.”.

23 (b) DEFINITION APPLICABLE WHEN PROVISION NOT
24 IN EFFECT.—For purposes of the Federal Election Cam-
25 paign Act of 1971, during any period beginning after the

1 effective date of this Act in which the definition, or any
2 part of the definition, under section 301(17)(B) of that
3 Act (as added by subsection (a)) is not in effect, the defini-
4 tion of ‘express advocacy’ shall mean, in addition to the
5 part of the definition that is in effect, a communication
6 that clearly identifies a candidate and—

7 (1) taken as a whole and with limited reference
8 to external events, such as proximity to an election,
9 expresses unmistakable support for or opposition to
10 1 or more clearly identified candidates; or

11 (2) is made for the clear purpose of advocating
12 the election or defeat of the candidate, as shown by
13 the existence of each of the following factors:

14 (A) A statement or action by the person
15 making the communication.

16 (B) The targeting or placement of the
17 communication.

18 (C) The use by the person making the
19 communication of polling, demographic, or
20 other similar data relating to the candidate’s
21 campaign for election.

22 **SEC. 203. LIMIT ON EXPENDITURES BY POLITICAL PARTY**
23 **COMMITTEES.**

24 Section 315(d)(3) of the Federal Election Campaign
25 Act of 1971 (2 U.S.C. 441a(d)(3)) is amended—

1 (1) in subparagraph (A)—

2 (A) by inserting “except an election in
3 which 1 or more of the candidates is a clean
4 money candidate (as defined in section 501)”
5 after “Senator”; and

6 (B) by striking “and” at the end;

7 (2) in subparagraph (B), by striking the period
8 at the end and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(C) in the case of a candidate for election to
11 the office of Senator in which 1 or more candidates
12 is a clean money candidate (as defined in section
13 501), 10 percent of the amount of clean money that
14 a clean money candidate is eligible to receive for the
15 general election period.”.

16 **SEC. 204. PARTY INDEPENDENT EXPENDITURES AND CO-**
17 **ORDINATED EXPENDITURES.**

18 (a) DETERMINATION TO MAKE COORDINATED EX-
19 PENDITURES.—Section 315(d) of the Federal Election
20 Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

21 (1) in paragraph (1)—

22 (A) by inserting “coordinated” after
23 “make”; and

24 (B) by striking “(2) and (3)” and inserting
25 “(2), (3), and (4)”; and

1 (2) by adding at the end the following:

2 “(4)(A) Before a committee of a political party
3 makes a coordinated expenditure in connection with
4 a general election campaign for Federal office in ex-
5 cess of \$5,000, the committee shall file with the
6 Commission a certification, signed by the treasurer
7 of the committee, that the committee has not made
8 and will not make any independent expenditures in
9 connection with that campaign for Federal office. A
10 party committee that determines to make a coordi-
11 nated expenditure shall not make any transfer of
12 funds in the same election cycle to, or receive any
13 transfer of funds in the same election cycle from,
14 any other party committee that determines to make
15 independent expenditures in connection with the
16 same campaign for Federal office.

17 “(B) A committee of a political party shall be
18 considered to be in coordination with a candidate of
19 the party if the committee—

20 “(i) makes a payment for a communication
21 or anything of value which constitutes a coordi-
22 nated activity described in section 301(8)(C);

23 “(ii) makes a coordinated expenditure
24 under this subsection on behalf of the can-
25 didate;

1 “(iii) participates in joint fundraising with
2 the candidate or in any way solicits or receives
3 a contribution on behalf of the candidate;

4 “(iv) communicates with the candidate, or
5 an agent of the candidate (including a pollster,
6 media consultant, vendor, advisor, or staff
7 member), acting on behalf of the candidate,
8 about advertising, message, allocation of re-
9 sources, fundraising, or other campaign matters
10 related to the candidate’s campaign, including
11 campaign operations, staffing, tactics or strat-
12 egy; or

13 “(v) provides in-kind services, polling data,
14 or anything of value to the candidate.

15 “(C) For purposes of this paragraph, all polit-
16 ical committees established and maintained by a na-
17 tional political party (including all congressional
18 campaign committees) and all political committees
19 established by State political parties shall be consid-
20 ered to be a single political committee.

21 “(D) For purposes of subparagraph (A), any
22 coordination between a committee of a political party
23 and a candidate of the party after the candidate has
24 filed a statement of candidacy constitutes coordina-
25 tion for the period beginning with the filing of the

1 statement of candidacy and ending at the end of the
2 election cycle.”.

3 (b) DEFINITION OF COORDINATION WITH CAN-
4 DIDATES.—

5 (1) SECTION 301(8).—Section 301(8) of the
6 Federal Election Campaign Act of 1971 (2 U.S.C.
7 431(8)) is amended—

8 (A) in subparagraph (A)—

9 (i) by striking “or” at the end of
10 clause (i);

11 (ii) by striking the period at the end
12 of clause (ii) and inserting “; or”; and

13 (iii) by adding at the end the fol-
14 lowing:

15 “(iii) any coordinated activity (as de-
16 fined in subparagraph (C)).”; and

17 (B) by adding at the end the following:

18 “(C) The term ‘coordinated activity’ means
19 anything of value provided by a person in co-
20 ordination with a candidate, an agent of the
21 candidate, or the political party of the can-
22 didate or its agent for the purpose of influ-
23 encing a Federal election (regardless of whether
24 the value being provided is a communication
25 that is express advocacy) in which such can-

1 candidate seeks nomination or election to Federal
2 office, and includes any of the following:

3 “(i) A payment made by a person in
4 cooperation, consultation, or concert with,
5 at the request or suggestion of, or pursu-
6 ant to any general or particular under-
7 standing with a candidate, the candidate’s
8 authorized committee, the political party of
9 the candidate, or an agent acting on behalf
10 of a candidate, authorized committee, or
11 the political party of the candidate.

12 “(ii) A payment made by a person for
13 the production, dissemination, distribution,
14 or republication, in whole or in part, of any
15 broadcast or any written, graphic, or other
16 form of campaign material prepared by a
17 candidate, a candidate’s authorized com-
18 mittee, or an agent of a candidate or au-
19 thorized committee (not including a com-
20 munication described in paragraph
21 (9)(B)(i) or a communication that ex-
22 pressly advocates the candidate’s defeat).

23 “(iii) A payment made by a person
24 based on information about a candidate’s
25 plans, projects, or needs provided to the

1 person making the payment by the can-
2 didate or the candidate's agent who pro-
3 vides the information with the intent that
4 the payment be made.

5 “(iv) A payment made by a person if,
6 in the same election cycle in which the pay-
7 ment is made, the person making the pay-
8 ment is serving or has served as a member,
9 employee, fundraiser, or agent of the can-
10 didate's authorized committee in an execu-
11 tive or policymaking position.

12 “(v) A payment made by a person if
13 the person making the payment has served
14 in any formal policymaking or advisory po-
15 sition with the candidate's campaign or
16 has participated in formal strategic or for-
17 mal policymaking discussions (other than
18 any discussion treated as a lobbying con-
19 tact under the Lobbying Disclosure Act of
20 1995 in the case of a candidate holding
21 Federal office or as a similar lobbying ac-
22 tivity in the case of a candidate holding
23 State or other elective office) with the can-
24 didate's campaign relating to the can-
25 didate's pursuit of nomination for election,

1 or election, to Federal office, in the same
2 election cycle as the election cycle in which
3 the payment is made.

4 “(vi) A payment made by a person if,
5 in the same election cycle, the person mak-
6 ing the payment retains the professional
7 services of any person that has provided or
8 is providing campaign-related services in
9 the same election cycle to a candidate (in-
10 cluding services provided through a polit-
11 ical committee of the candidate’s political
12 party) in connection with the candidate’s
13 pursuit of nomination for election, or elec-
14 tion, to Federal office, including services
15 relating to the candidate’s decision to seek
16 Federal office, and the person retained is
17 retained to work on activities relating to
18 that candidate’s campaign.

19 “(vii) A payment made by a person
20 who has directly participated in fund-
21 raising activities with the candidate or in
22 the solicitation or receipt of contributions
23 on behalf of the candidate.

24 “(viii) A payment made by a person
25 who has communicated with the candidate

1 or an agent of the candidate (including a
2 communication through a political com-
3 mittee of the candidate’s political party)
4 after the declaration of candidacy (includ-
5 ing a pollster, media consultant, vendor,
6 advisor, or staff member acting on behalf
7 of the candidate), about advertising mes-
8 sage, allocation of resources, fundraising,
9 or other campaign matters related to the
10 candidate’s campaign, including campaign
11 operations, staffing, tactics, or strategy.

12 “(ix) The provision of in-kind profes-
13 sional services or polling data (including
14 services or data provided through a polit-
15 ical committee of the candidate’s political
16 party) to the candidate or candidate’s
17 agent.

18 “(x) A payment made by a person
19 who has engaged in a coordinated activity
20 with a candidate described in clauses (i)
21 through (ix) for a communication that
22 clearly refers to the candidate or the can-
23 didate’s opponent and is for the purpose of
24 influencing that candidates’s election (re-

1 regardless of whether the communication is
2 express advocacy).

3 “(D) For purposes of subparagraph (C),
4 the term ‘professional services’ means polling,
5 media advice, fundraising, campaign research or
6 direct mail (except for mailhouse services solely
7 for the distribution of voter guides as defined in
8 section 301(17)(C)) services in support of a
9 candidate’s pursuit of nomination for election,
10 or election, to Federal office.

11 “(E) For purposes of subparagraph (C),
12 all political committees established and main-
13 tained by a national political party (including
14 all congressional campaign committees) and all
15 political committees established and maintained
16 by a State political party (including any subor-
17 dinate committee of a State committee) shall be
18 considered to be a single political committee.”.

19 (2) SECTION 315(a)(7).—Section 315(a)(7) (2
20 U.S.C. 441a(a)(7)) is amended by striking subpara-
21 graph (B) and inserting the following:

22 “(B) a coordinated activity, as described in
23 section 301(8)(C), shall be considered to be a
24 contribution to the candidate, and in the case

1 of a limitation on expenditures, shall be treated
2 as an expenditure by the candidate.”.

3 (c) MEANING OF CONTRIBUTION OR EXPENDITURE
4 FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2)
5 of the Federal Election Campaign Act of 1971 (2 U.S.C.
6 441b(b)(2)) is amended by striking “shall include” and
7 inserting “includes a contribution or expenditure (as those
8 terms are defined in section 301) and also includes”.

9 **TITLE III—VOTER INFORMATION**

10 **SEC. 301. FREE BROADCAST TIME.**

11 Section 315 of the Communications Act of 1934 (47
12 U.S.C. 315) is amended—

13 (1) in subsection (a), in the third sentence, by
14 striking “within the meaning of this subsection” and
15 inserting “within the meaning of this subsection or
16 subsection (c)”;

17 (2) by redesignating subsections (c) and (d) as
18 subsections (d) and (e), respectively;

19 (3) by inserting after subsection (b) the fol-
20 lowing:

21 “(c) FREE BROADCAST TIME.—

22 “(1) AMOUNT OF TIME.—A clean money can-
23 didate shall be entitled to receive—

1 “(A) 30 minutes of free broadcast time
2 during each of the primary election period and
3 the primary runoff election period; and

4 “(B) 60 minutes of free broadcast time
5 during the general election period.

6 “(2) TIME DURING WHICH THE BROADCAST IS
7 AIRED.—The broadcast time available under para-
8 graph (1) shall be—

9 “(A) with respect to a television broadcast,
10 the time between 6:00 p.m. and 10:00 p.m. on
11 any day that falls on Monday through Friday;
12 and

13 “(B) with respect to a radio broadcast, the
14 time between 7:00 a.m. and 9:30 a.m. or be-
15 tween 4:30 p.m. and 7:00 p.m. on any day that
16 falls on Monday through Friday.

17 “(3) MAXIMUM REQUIRED OF ANY STATION.—
18 The amount of free broadcast time that any 1 sta-
19 tion is required to make available to any 1 clean
20 money candidate during each of the primary election
21 period, primary runoff election period, and general
22 election period shall not exceed 15 minutes.

23 “(4) CONTENT OF BROADCAST.—A broadcast
24 under this subsection shall be more than 30 seconds
25 and less than 5 minutes in length.”; and

1 (4) in subsection (d) (as redesignated by para-
2 graph (1))—

3 (A) by striking “and” at the end of para-
4 graph (1);

5 (B) by striking the period at the end of
6 paragraph (2) and inserting a semicolon, and
7 by redesignating that paragraph as paragraph
8 (4);

9 (C) by inserting after paragraph (1) the
10 following:

11 “(2) the term ‘clean money candidate’ has the
12 meaning given in section 501 of the Federal Election
13 Campaign Act of 1971;

14 “(3) the term ‘general election period’ has the
15 meaning given in section 501 of the Federal Election
16 Campaign Act of 1971;” and

17 (D) by adding at the end the following:

18 “(5) the term ‘primary election period’ has the
19 meaning given in section 501 of the Federal Election
20 Campaign Act of 1971;

21 “(6) the term ‘private money candidate’ has the
22 meaning given in section 501 of the Federal Election
23 Campaign Act of 1971; and

1 “(7) the term ‘primary runoff election period’
2 has the meaning given in section 501 of the Federal
3 Election Campaign Act of 1971.”.

4 **SEC. 302. BROADCAST RATES AND PREEMPTION.**

5 (a) BROADCAST RATES.—Section 315(b) of the Com-
6 munications Act of 1934 (47 U.S.C. 315(b)) is amended—

7 (1) by redesignating paragraphs (1) and (2) as
8 subparagraphs (A) and (B), respectively, and adjust-
9 ing the margins accordingly;

10 (2) by striking “The charges” and inserting the
11 following:

12 “(1) IN GENERAL.—Except as provided in para-
13 graph (2), the charges”; and

14 (3) by adding at the end the following:

15 “(2) CLEAN MONEY CANDIDATES.—In the case
16 of a clean money candidate, the charges for the use
17 of a television broadcasting station shall not exceed
18 50 percent of the lowest charge described in para-
19 graph (1)(A) during—

20 “(A) the 30 days preceding the date of a
21 primary or primary runoff election in which the
22 candidate is opposed; and

23 “(B) the 60 days preceding the date of a
24 general or special election in which the can-
25 didate is opposed.

1 “(3) RATE CARDS.—A licensee shall provide to
2 a Senate candidate a rate card that discloses—

3 “(A) the rate charged under this sub-
4 section; and

5 “(B) the method that the licensee uses to
6 determine the rate charged under this sub-
7 section.”.

8 (b) PREEMPTION.—Section 315 of the Communica-
9 tions Act of 1934 (47 U.S.C. 315) (as amended by section
10 301) is amended—

11 (1) by redesignating subsections (d) and (e) as
12 subsections (e) and (f), respectively; and

13 (2) by inserting after subsection (d) the fol-
14 lowing:

15 “(d) PREEMPTION.—

16 “(1) IN GENERAL.—Except as provided in para-
17 graph (2), a licensee shall not preempt the use of a
18 broadcasting station by a legally qualified candidate
19 for the United States Senate who has purchased and
20 paid for such use.

21 “(2) CIRCUMSTANCES BEYOND CONTROL OF LI-
22 CENSEE.—If a program to be broadcast by a broad-
23 casting station is preempted because of cir-
24 cumstances beyond the control of the broadcasting
25 station, any candidate advertising spot scheduled to

1 be broadcast during that program may also be pre-
2 empted.”.

3 **SEC. 303. CAMPAIGN ADVERTISEMENTS; ISSUE ADVERTISE-**
4 **MENTS.**

5 (a) CONTENTS OF CAMPAIGN ADVERTISEMENTS.—

6 Section 318 of the Federal Election Campaign Act of
7 1971 (2 U.S.C. 441d) is amended—

8 (1) in subsection (a)—

9 (A) in the matter preceding paragraph

10 (1)—

11 (i) by striking “Whenever” and insert-
12 ing “Whenever a political committee makes
13 a disbursement for the purpose of financ-
14 ing any communication through any broad-
15 casting station, newspaper, magazine, out-
16 door advertising facility, mailing, or any
17 other type of general public political adver-
18 tising, or whenever”;

19 (ii) by striking “an expenditure” and
20 inserting “a disbursement”; and

21 (iii) by striking “direct”; and

22 (B) in paragraph (3), by inserting “and
23 permanent street address” after “name”; and

24 (2) by adding at the end the following:

1 “(c) Any printed communication described in sub-
2 section (a) shall be—

3 “(1) of sufficient type size to be clearly read-
4 able by the recipient of the communication;

5 “(2) contained in a printed box set apart from
6 the other contents of the communication; and

7 “(3) consist of a reasonable degree of color con-
8 trast between the background and the printed state-
9 ment.

10 “(d)(1) Any broadcast or cablecast communication
11 described in paragraph (1) or (2) of subsection (a) shall
12 include, in addition to the requirements of those para-
13 graphs, an audio statement by the candidate that identi-
14 fies the candidate and states that the candidate has ap-
15 proved the communication.

16 “(2) If a broadcast or cablecast communication de-
17 scribed in paragraph (1) is broadcast or cablecast by
18 means of television, the communication shall include, in
19 addition to the audio statement under paragraph (1), a
20 written statement which—

21 “(A) appears at the end of the communication
22 in a clearly readable manner with a reasonable de-
23 gree of color contrast between the background and
24 the printed statement, for a period of at least 4 sec-
25 onds; and

1 “(B) is accompanied by a clearly identifiable
2 photographic or similar image of the candidate.

3 “(e) Any broadcast or cablecast communication de-
4 scribed in subsection (a)(3) shall include, in addition to
5 the other requirements of this section, in a clearly spoken
6 manner, the following statement: ‘_____ is
7 responsible for the content of this advertisement.’ (with
8 the blank to be filled in with the name of the political
9 committee or other person paying for the communication
10 and the name of any connected organization of the payor).
11 If broadcast or cablecast by means of television, the state-
12 ment shall also appear in a clearly readable manner with
13 a reasonable degree of color contrast between the back-
14 ground and the printed statement, for a period of at least
15 4 seconds.

16 “(f) Any broadcast or cablecast communication de-
17 scribed in subsection (a)(1), made by or on behalf of a
18 private money candidate (as defined in section 501), shall
19 include, in addition to the other requirements of this sec-
20 tion, in a clearly spoken manner, the following statement:
21 ‘This candidate has chosen not to participate in the Clean
22 Money, Clean Elections Act and is receiving campaign
23 contributions from private sources.’.”

24 (b) REPORTING REQUIREMENTS FOR ISSUE ADVER-
25 TISEMENTS.—Section 304 of the Federal Election Cam-

1 paign Act of 1971 (2 U.S.C. 434) (as amended by section
2 103) is amended by adding at the end the following:

3 “(e) ISSUE ADVERTISEMENTS.—

4 “(1) IN GENERAL.—A person that makes or ob-
5 ligates to make a disbursement to purchase an issue
6 advertisement shall file a report with the Commis-
7 sion not later than 48 hours after making or obli-
8 gating to make the disbursement, containing the fol-
9 lowing information—

10 “(A) the amount of the disbursement;

11 “(B) the information required under sub-
12 section (b)(3)(A) for each person that makes a
13 contribution, in an aggregate amount of \$5,000
14 or greater in a calendar year, to the person who
15 makes the disbursement;

16 “(C) the name and address of the person
17 making the disbursement; and

18 “(D) the purpose of the issue advertise-
19 ment.

20 “(2) DEFINITION OF ISSUE ADVERTISEMENT.—

21 In this subsection, the term ‘issue advertisement’
22 means a communication through a broadcasting sta-
23 tion, newspaper, magazine, outdoor advertising facil-
24 ity, mailing, or any other type of general public po-
25 litical advertising—

1 “(A) the purchase of which is not an inde-
2 pendent expenditure or a contribution;

3 “(B) that contains the name or likeness of
4 a Senate candidate;

5 “(C) that is communicated during an elec-
6 tion year; and

7 “(D) that recommends a position on a po-
8 litical issue.”.

9 **SEC. 304. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**
10 **ING PRIVILEGE.**

11 Section 3210(a)(6) of title 39, United States Code,
12 is amended by striking subparagraph (A) and inserting
13 the following:

14 “(A)(i) Except as provided in clause (ii), a
15 Member of Congress shall not mail any mass
16 mailing as franked mail during a year in which
17 there will be an election for the seat held by the
18 Member during the period between January 1
19 of that year and the date of the general election
20 for that office, unless the Member has made a
21 public announcement that the Member will not
22 be a candidate for reelection in that year or for
23 election to any other Federal office.

24 “(ii) A Member of Congress may mail a
25 mass mailing as franked mail if—

1 “(I) the purpose of the mailing is to
2 communicate information about a public
3 meeting; and

4 “(II) the content of the mailed matter
5 includes only the candidate’s name, and
6 the date, time, and place of the public
7 meeting.”.

8 **TITLE IV—SOFT MONEY**

9 **SEC. 401. SOFT MONEY OF POLITICAL PARTIES.**

10 Title III of the Federal Election Campaign Act of
11 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
12 end the following:

13 **“SEC. 323. SOFT MONEY OF POLITICAL PARTIES.**

14 (a) NATIONAL COMMITTEES.—

15 “(1) IN GENERAL.—A national committee of a
16 political party (including a national congressional
17 campaign committee of a political party) and any of-
18 ficers or agents of such party committees, shall not
19 solicit, receive, or direct to another person a con-
20 tribution, donation, or transfer of funds, or spend
21 any funds, that are not subject to the limitations,
22 prohibitions, and reporting requirements of this Act.

23 “(2) APPLICABILITY.—This subsection shall
24 apply to an entity that is directly or indirectly estab-
25 lished, financed, maintained, or controlled by a na-

1 tional committee of a political party (including a na-
2 tional congressional campaign committee of a polit-
3 ical party), or an entity acting on behalf of a na-
4 tional committee, and an officer or agent acting on
5 behalf of any such committee or entity.

6 “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

7 “(1) IN GENERAL.—An amount that is ex-
8 pended or disbursed by a State, district, or local
9 committee of a political party (including an entity
10 that is directly or indirectly established, financed,
11 maintained, or controlled by a State, district, or
12 local committee of a political party and an officer or
13 agent acting on behalf of such committee or entity)
14 for Federal election activity shall be made from
15 funds subject to the limitations, prohibitions, and re-
16 porting requirements of this Act.

17 “(2) FEDERAL ELECTION ACTIVITY.—

18 “(A) IN GENERAL.—The term ‘Federal
19 election activity’ means—

20 “(i) voter registration activity during
21 the period that begins on the date that is
22 120 days before the date a regularly sched-
23 uled Federal election is held and ends on
24 the date of the election;

1 “(ii) voter identification, get-out-the-
2 vote activity, or generic campaign activity
3 conducted in connection with an election in
4 which a candidate for Federal office ap-
5 pears on the ballot (regardless of whether
6 a candidate for State or local office also
7 appears on the ballot); and

8 “(iii) a communication that refers to a
9 clearly identified candidate for Federal of-
10 fice (regardless of whether a candidate for
11 State or local office is also mentioned or
12 identified) and is made for the purpose of
13 influencing a Federal election (regardless
14 of whether the communication is express
15 advocacy).

16 “(B) EXCLUDED ACTIVITY.—The term
17 ‘Federal election activity’ does not include an
18 amount expended or disbursed by a State, dis-
19 trict, or local committee of a political party
20 for—

21 “(i) campaign activity conducted sole-
22 ly on behalf of a clearly identified can-
23 didate for State or local office, provided
24 the campaign activity is not a Federal elec-

1 tion activity described in subparagraph
2 (A);

3 “(ii) a contribution to a candidate for
4 State or local office, provided the contribu-
5 tion is not designated or used to pay for a
6 Federal election activity described in sub-
7 paragraph (A);

8 “(iii) the costs of a State, district, or
9 local political convention;

10 “(iv) the costs of grassroots campaign
11 materials, including buttons, bumper stick-
12 ers, and yard signs, that name or depict
13 only a candidate for State or local office;

14 “(v) the non-Federal share of a State,
15 district, or local party committee’s admin-
16 istrative and overhead expenses (but not
17 including the compensation in any month
18 of an individual who spends more than 20
19 percent of the individual’s time on Federal
20 election activity) as determined by a regu-
21 lation promulgated by the Commission to
22 determine the non-Federal share of a
23 State, district, or local party committee’s
24 administrative and overhead expenses; and

1 “(vi) the cost of constructing or pur-
2 chasing an office facility or equipment for
3 a State, district or local committee.

4 “(c) FUNDRAISING COSTS.—An amount spent by a
5 national, State, district, or local committee of a political
6 party, by an entity that is established, financed, main-
7 tained, or controlled by a national, State, district, or local
8 committee of a political party, or by an agent or officer
9 of any such committee or entity, to raise funds that are
10 used, in whole or in part, to pay the costs of a Federal
11 election activity shall be made from funds subject to the
12 limitations, prohibitions, and reporting requirements of
13 this Act.

14 “(d) TAX-EXEMPT ORGANIZATIONS.—A national,
15 State, district, or local committee of a political party (in-
16 cluding a national congressional campaign committee of
17 a political party), an entity that is directly or indirectly
18 established, financed, maintained, or controlled by any
19 such national, State, district, or local committee or its
20 agent, and an officer or agent acting on behalf of any such
21 party committee or entity, shall not solicit any funds for,
22 or make or direct any donations to, an organization that
23 is described in section 501(c) of the Internal Revenue
24 Code of 1986 and exempt from taxation under section
25 501(a) of such Code (or has submitted an application to

1 the Secretary of the Treasury for determination of tax-
2 exemption under such section).

3 “(e) CANDIDATES.—

4 “(1) IN GENERAL.—A candidate, individual
5 holding Federal office, agent of a candidate or indi-
6 vidual holding Federal office, or an entity directly or
7 indirectly established, financed, maintained or con-
8 trolled by or acting on behalf of one or more can-
9 didates or individuals holding Federal office, shall
10 not—

11 “(A) solicit, receive, direct, transfer, or
12 spend funds in connection with an election for
13 Federal office, including funds for any Federal
14 election activity, unless the funds are subject to
15 the limitations, prohibitions, and reporting re-
16 quirements of this Act; or

17 “(B) solicit, receive, direct, transfer, or
18 spend funds in connection with any election
19 other than an election for Federal office or dis-
20burse funds in connection with such an election
21 unless the funds—

22 “(i) are not in excess of the amounts
23 permitted with respect to contributions to
24 candidates and political committees under

1 paragraphs (1) and (2) of section 315(a);
2 and

3 “(ii) are not from sources prohibited
4 by this Act from making contributions with
5 respect to an election for Federal office.

6 “(2) STATE LAW.—Paragraph (1) does not
7 apply to the solicitation, receipt, or spending of
8 funds by an individual who is a candidate for a
9 State or local office in connection with such election
10 for State or local office if the solicitation, receipt,
11 or spending of funds is permitted under State law
12 for any activity other than a Federal election activ-
13 ity.

14 “(3) FUNDRAISING EVENTS.—Notwithstanding
15 paragraph (1), a candidate may attend, speak, or be
16 a featured guest at a fundraising event for a State,
17 district, or local committee of a political party.”

18 **SEC. 402. STATE PARTY GRASSROOTS FUNDS.**

19 (a) INDIVIDUAL CONTRIBUTIONS.—Section
20 315(a)(1) of the Federal Election Campaign Act of 1971
21 (2 U.S.C. 441a(a)(1)) is amended—

22 (1) in subparagraph (B) by striking “or” at the
23 end;

24 (2) by redesignating subparagraph (C) as sub-
25 paragraph (D); and

1 (3) by inserting after subparagraph (B) the fol-
2 lowing:

3 “(C) to—

4 “(i) a State Party Grassroots Fund estab-
5 lished and maintained by a State committee of
6 a political party in any calendar year which, in
7 the aggregate, exceed \$20,000;

8 “(ii) any other political committee estab-
9 lished and maintained by a State committee of
10 a political party in any calendar year which, in
11 the aggregate, exceed \$5,000;

12 except that the aggregate contributions described in
13 this subparagraph that may be made by a person to
14 the State Party Grassroots Fund and all committees
15 of a State Committee of a political party in any
16 State in any calendar year shall not exceed \$20,000;
17 or”.

18 (b) LIMITS.—

19 (1) IN GENERAL.—Section 315(a) of the Fed-
20 eral Election Campaign Act of 1971 (2 U.S.C.
21 441a(a)) is amended by striking paragraph (3) and
22 inserting the following:

23 “(3) OVERALL LIMITS.—

1 “(A) INDIVIDUAL LIMIT.—No individual
2 shall make contributions during any calendar
3 year that, in the aggregate, exceed \$25,000.

4 “(B) CALENDAR YEAR.—No individual
5 shall make contributions during any calendar
6 year—

7 “(i) to all candidates and their au-
8 thorized political committees that, in the
9 aggregate, exceed \$25,000; or

10 “(ii) to all political committees estab-
11 lished and maintained by State committees
12 of a political party that, in the aggregate,
13 exceed \$20,000.

14 “(C) NONELECTION YEARS.—For purposes
15 of subparagraph (B)(i), any contribution made
16 to a candidate or the candidate’s authorized po-
17 litical committees in a year other than the cal-
18 endar year in which the election is held with re-
19 spect to which the contribution is made shall be
20 treated as being made during the calendar year
21 in which the election is held.”.

22 (c) DEFINITIONS.—Section 301 of the Federal Elec-
23 tion Campaign Act of 1970 (2 U.S.C. 431) is amended
24 by adding at the end the following:

1 “(20) GENERIC CAMPAIGN ACTIVITY.—The
2 term ‘generic campaign activity’ means an activity
3 that promotes a political party and does not promote
4 a candidate or non-Federal candidate.

5 “(21) STATE PARTY GRASSROOTS FUND.—The
6 term ‘State Party Grassroots Fund’ means a sepa-
7 rate segregated fund established and maintained by
8 a State committee of a political party solely for pur-
9 poses of making expenditures and other disburse-
10 ments described in section 324(d).”.

11 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of
12 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
13 et seq.) (as amended by section 401) is amended by adding
14 at the end the following:

15 **“SEC. 324. STATE PARTY GRASSROOTS FUNDS.**

16 “(a) IN GENERAL.—A State committee of a political
17 party shall only make disbursements and expenditures
18 from the committee’s State Party Grassroots Fund that
19 are described in subsection (d).

20 “(b) TRANSFERS.—

21 “(1) IN GENERAL.—Notwithstanding section
22 315(a)(4), a State committee of a political party
23 shall not transfer any funds from the committee’s
24 State Party Grassroots Fund to any other State

1 Party Grassroots Fund or to any other political com-
2 mittee, except as provided in paragraph (2).

3 “(2) EXCEPTION.—A committee of a political
4 party may transfer funds from the committee’s
5 State Party Grassroots Fund to a district or local
6 committee of the same political party in the same
7 State if the district or local committee—

8 “(A) has established a separate segregated
9 fund for the purposes described in subsection
10 (d); and

11 “(B) uses the transferred funds solely for
12 those purposes.

13 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS
14 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

15 “(1) IN GENERAL.—Any amount received by a
16 State Party Grassroots Fund from a State or local
17 candidate committee for expenditures described in
18 subsection (d) that are for the benefit of that can-
19 didate shall be treated as meeting the requirements
20 of 323(b)(1) and section 304(d) if—

21 “(A) the amount is derived from funds
22 which meet the requirements of this Act with
23 respect to any limitation or prohibition as to
24 source or dollar amount specified in paragraphs
25 (1)(A) and (2)(A) of section 315(a); and

1 “(B) the State or local candidate
2 committee—

3 “(i) maintains, in the account from
4 which payment is made, records of the
5 sources and amounts of funds for purposes
6 of determining whether those requirements
7 are met; and

8 “(ii) certifies that the requirements
9 were met.

10 “(2) DETERMINATION OF COMPLIANCE.—For
11 purposes of paragraph (1)(A), in determining wheth-
12 er the funds transferred meet the requirements of
13 this Act described in paragraph (1)(A)—

14 “(A) a State or local candidate commit-
15 tee’s cash on hand shall be treated as consisting
16 of the funds most recently received by the com-
17 mittee; and

18 “(B) the committee must be able to dem-
19 onstrate that its cash on hand contains funds
20 meeting those requirements sufficient to cover
21 the transferred funds.

22 “(3) REPORTING.—Notwithstanding paragraph
23 (1), any State Party Grassroots Fund that receives
24 a transfer described in paragraph (1) from a State
25 or local candidate committee shall be required to

1 meet the reporting requirements of this Act, and
2 shall submit to the Commission all certifications re-
3 ceived, with respect to receipt of the transfer from
4 the candidate committee.

5 “(d) DISBURSEMENTS AND EXPENDITURES.—A
6 State committee of a political party may make disburse-
7 ments and expenditures from its State Party Grassroots
8 Fund only for—

9 “(1) any generic campaign activity;

10 “(2) payments described in clauses (v), (ix),
11 and (xi) of paragraph (8)(B) and clauses (iv), (viii),
12 and (ix) of paragraph (9)(B) of section 301;

13 “(3) subject to the limitations of section
14 315(d), payments described in clause (xii) of para-
15 graph (8)(B), and clause (ix) of paragraph (9)(B),
16 of section 301 on behalf of candidates other than for
17 President and Vice President;

18 “(4) voter registration; and

19 “(5) development and maintenance of voter files
20 during an even-numbered calendar year.

21 “(e) DEFINITION.—In this section, the term ‘State
22 or local candidate committee’ means a committee estab-
23 lished, financed, maintained, or controlled by a candidate
24 for other than Federal office.”.

1 **SEC. 403. REPORTING REQUIREMENTS.**

2 (a) REPORTING REQUIREMENTS.—Section 304 of the
3 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
4 (as amended by section 303(b)) is amended by adding at
5 the end the following:

6 “(f) POLITICAL COMMITTEES.—

7 “(1) NATIONAL AND CONGRESSIONAL POLIT-
8 ICAL COMMITTEES.—The national committee of a
9 political party, any congressional campaign com-
10 mittee of a political party, and any subordinate com-
11 mittee of either, shall report all receipts and dis-
12 bursements during the reporting period, whether or
13 not in connection with an election for Federal office.

14 “(2) OTHER POLITICAL COMMITTEES TO WHICH
15 SECTION 323 APPLIES.—A political committee to
16 which section 323(b)(1) applies shall report all re-
17 ceipts and disbursements made for activities de-
18 scribed in paragraphs (1) and (2)(A)(iii) of section
19 323(b).

20 “(3) OTHER POLITICAL COMMITTEES.—Any po-
21 litical committee to which paragraph (1) or (2) does
22 not apply shall report any receipts or disbursements
23 that are used in connection with a Federal election.

24 “(4) ITEMIZATION.—If a political committee
25 has receipts or disbursements to which this sub-
26 section applies from any person aggregating in ex-

1 cess of \$200 for any calendar year, the political
2 committee shall separately itemize its reporting for
3 the person in the same manner as required in para-
4 graphs (3)(A), (5), and (6) of subsection (b).

5 “(5) REPORTING PERIODS.—Reports required
6 to be filed under this subsection shall be filed for the
7 same time periods as reports are required for polit-
8 ical committees under subsection (a).”.

9 (b) BUILDING FUND EXCEPTION TO THE DEFINI-
10 TION OF CONTRIBUTION.—Section 301(8)(A) of the Fed-
11 eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(A))
12 is amended—

13 (1) by striking clause (viii); and

14 (2) by redesignating clauses (ix) through (xiv)
15 as clauses (viii) through (xiii), respectively.

16 (c) REPORTS BY STATE COMMITTEES.—Section 304
17 of the Federal Election Campaign Act of 1971 (2 U.S.C.
18 434) (as amended by subsection (a)) is amended by adding
19 at the end the following:

20 “(g) FILING OF STATE REPORTS.—In lieu of any re-
21 port required to be filed by this Act, the Commission may
22 allow a State committee of a political party to file with
23 the Commission a report required to be filed under State
24 law if the Commission determines that such reports con-
25 tain substantially the same information.”.

1 (d) OTHER REPORTING REQUIREMENTS.—

2 (1) AUTHORIZED COMMITTEES.—Section
3 304(b)(4) of the Federal Election Campaign Act of
4 1971 (2 U.S.C. 434(b)(4)) is amended—

5 (A) by striking “and” at the end of sub-
6 paragraph (H);

7 (B) by inserting “and” at the end of sub-
8 paragraph (I); and

9 (C) by adding at the end the following:

10 “(J) in the case of an authorized com-
11 mittee, disbursements for the primary election,
12 the general election, and any other election in
13 which the candidate participates;”.

14 (2) NAMES AND ADDRESSES.—Section
15 304(b)(5)(A) of the Federal Election Campaign Act
16 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by
17 striking “operating expense” and inserting “oper-
18 ating expenditure, and the election to which the op-
19 erating expenditure relates”.

20 **SEC. 404. SOFT MONEY OF PERSONS OTHER THAN POLIT-**
21 **ICAL PARTIES.**

22 Section 304 of the Federal Election Campaign Act
23 of 1971 (2 U.S.C. 434) (as amended by section 403(e))
24 is amended by adding at the end the following:

1 “(h) DISBURSEMENTS OF PERSONS OTHER THAN
2 POLITICAL PARTIES.—

3 “(1) IN GENERAL.—A person, other than a po-
4 litical committee of a political party or a person de-
5 scribed in section 501(d) of the Internal Revenue
6 Code of 1986, that makes an aggregate amount of
7 disbursements in excess of \$50,000 during a cal-
8 endar year for activities described in paragraph (2)
9 shall file a statement with the Commission—

10 “(A) on a monthly basis as described in
11 subsection (a)(4)(B); or

12 “(B) in the case of disbursements that are
13 made within 20 days of an election, within 24
14 hours after the disbursements are made.

15 “(2) ACTIVITY.—The activity described in this
16 paragraph is—

17 “(A) Federal election activity (as defined
18 in section 323(b)(2));

19 “(B) an activity described in section
20 316(b)(2)(A) that expresses support for or op-
21 position to a candidate for Federal office or a
22 political party; and

23 “(C) an activity described in subparagraph
24 (B) or (C) of section 316(b)(2).

1 “(3) APPLICABILITY.—This subsection does not
2 apply to—

3 “(A) a candidate or a candidate’s author-
4 ized committees; or

5 “(B) an independent expenditure.

6 “(4) CONTENTS.—A statement under this sec-
7 tion shall contain such information about the dis-
8 bursements made during the reporting period as the
9 Commission shall prescribe, including—

10 “(A) the aggregate amount of disburse-
11 ments made;

12 “(B) the name and address of the person
13 or entity to whom a disbursement is made in an
14 aggregate amount in excess of \$200;

15 “(C) the date made, amount, and purpose
16 of the disbursement; and

17 “(D) if applicable, whether the disburse-
18 ment was in support of, or in opposition to, a
19 candidate or a political party, and the name of
20 the candidate or the political party.”.

1 **TITLE V—RESTRUCTURING AND**
 2 **STRENGTHENING OF THE**
 3 **FEDERAL ELECTION COMMIS-**
 4 **SION**

5 **SEC. 501. APPOINTMENT AND TERMS OF COMMISSIONERS.**

6 (a) IN GENERAL.—Section 306(a) of the Federal
 7 Election Campaign Act of 1971 (2 U.S.C. 437e(a)) is
 8 amended—

9 (1) in paragraph (1)—

10 (A) by striking “(1) There is established”
 11 and inserting “(1)(A) There is established”;

12 (B) by striking the second sentence and in-
 13 serting the following:

14 “(B) COMPOSITION OF COMMISSION.—The Commis-
 15 sion is composed of 6 members appointed by the Presi-
 16 dent, by and with the advice and consent of the Senate,
 17 and 1 member appointed by the President from among
 18 persons recommended by the Commission as provided in
 19 subparagraph (D).”;

20 (C) by striking “No more than” and in-
 21 serting the following:

22 “(C) PARTY AFFILIATION.—Not more than”; and

23 (D) by adding at the end the following:

24 “(D) NOMINATION BY COMMISSION OF ADDITIONAL
 25 MEMBER.—

1 “(i) IN GENERAL.—The members of the Com-
2 mission shall recommend to the President, by a vote
3 of 4 members, 3 persons for the appointment to the
4 Commission.

5 “(ii) VACANCY.—On vacancy of the position of
6 the member appointed under this subparagraph, a
7 member shall be appointed to fill the vacancy in the
8 same manner as provided in clause (i).”; and

9 (2) in paragraphs (3) and (4), by striking
10 “(other than the Secretary of the Senate and the
11 Clerk of the House of Representatives)”.

12 (b) TRANSITION RULE.—Not later than 90 days after
13 the date of enactment of this Act, the Commission shall
14 recommend persons for appointment under section
15 306(a)(1)(D) of the Federal Election Campaign Act of
16 1971, as added by subsection (a)(1)(D).

17 **SEC. 502. AUDITS.**

18 (a) RANDOM AUDIT.—Section 311(b) of the Federal
19 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is
20 amended—

21 (1) by inserting “(1)” before “The Commis-
22 sion”; and

23 (2) by adding at the end the following:

24 “(2) RANDOM AUDITS.—

1 “(A) IN GENERAL.—Notwithstanding para-
 2 graph (1), after every primary, general, and
 3 runoff election, the Commission may conduct
 4 random audits and investigations to ensure vol-
 5 untary compliance with this Act.

6 “(B) SELECTION OF SUBJECTS.—The sub-
 7 jects of audits and investigations under this
 8 paragraph shall be selected on the basis of im-
 9 partial criteria established by a vote of at least
 10 4 members of the Commission.

11 “(C) EXCLUSION.—This paragraph does
 12 not apply to an authorized committee of a can-
 13 didate for President or Vice President subject
 14 to audit under chapter 95 or 96 of the Internal
 15 Revenue Code of 1986.”.

16 **SEC. 503. AUTHORITY TO SEEK INJUNCTION.**

17 Section 309(a) of the Federal Election Campaign Act
 18 of 1971 (2 U.S.C. 437g(a)) is amended—

19 (1) by adding at the end the following:

20 “(13) AUTHORITY TO SEEK INJUNCTION.—

21 “(A) IN GENERAL.—If, at any time in a pro-
 22 ceeding described in paragraph (1), (2), (3), or (4),
 23 the Commission believes that—

1 “(i) there is a substantial likelihood that a
2 violation of this Act is occurring or is about to
3 occur;

4 “(ii) the failure to act expeditiously will re-
5 sult in irreparable harm to a party affected by
6 the potential violation;

7 “(iii) expeditious action will not cause
8 undue harm or prejudice to the interests of oth-
9 ers; and

10 “(iv) the public interest would be best
11 served by the issuance of an injunction;

12 the Commission may initiate a civil action for a tem-
13 porary restraining order or preliminary injunction
14 pending the outcome of proceedings under para-
15 graphs (1), (2), (3), and (4).

16 “(B) VENUE.—An action under subparagraph
17 (A) shall be brought in the United States district
18 court for the district in which the defendant resides,
19 transacts business, or may be found, or in which the
20 violation is occurring, has occurred, or is about to
21 occur.”;

22 (2) in paragraph (7), by striking “(5) or (6)”
23 and inserting “(5), (6), or (13)”;

24 (3) in paragraph (11), by striking “(6)” and in-
25 serting “(6) or (13)”.

1 **SEC. 504. STANDARD FOR INVESTIGATION.**

2 Section 309(a)(2) of the Federal Election Campaign
3 Act of 1971 (2 U.S.C. 437f(a)(2)) is amended by striking
4 “reason to believe that” and inserting “reason to open an
5 investigation on whether”.

6 **SEC. 505. PETITION FOR CERTIORARI.**

7 Section 307(a)(6) of the Federal Election Campaign
8 Act of 1971 (2 U.S.C. 437d(a)) is amended by inserting
9 “(including a proceeding before the Supreme Court on cer-
10 tiorari)” after “appeal”.

11 **SEC. 506. EXPEDITED PROCEDURES.**

12 Section 309(a) of the Federal Election Campaign Act
13 of 1971 (2 U.S.C. 437g(a)) (as amended by section 503)
14 is amended by adding at the end the following:

15 “(14) EXPEDITED PROCEDURE.—

16 “(A) 60 DAYS BEFORE A GENERAL ELEC-
17 TION.—If the complaint in a proceeding was
18 filed within 60 days before the date of a general
19 election, the Commission may take action de-
20 scribed in this subparagraph.

21 “(B) RESOLUTION BEFORE AN ELEC-
22 TION.—If the Commission determines, on the
23 basis of facts alleged in the complaint and other
24 facts available to the Commission, that there is
25 clear and convincing evidence that a violation of
26 this Act has occurred, is occurring, or is about

1 to occur and it appears that the requirements
2 for relief stated in clauses (ii), (iii), and (iv) of
3 paragraph (13)(A) are met, the Commission
4 may—

5 “(i) order expedited proceedings,
6 shortening the time periods for proceedings
7 under paragraphs (1), (2), (3), and (4) as
8 necessary to allow the matter to be re-
9 solved in sufficient time before the election
10 to avoid harm or prejudice to the interests
11 of the parties; or

12 “(ii) if the Commission determines
13 that there is insufficient time to conduct
14 proceedings before the election, imme-
15 diately seek relief under paragraph
16 (13)(A).

17 “(C) MERITLESS COMPLAINTS.—If the
18 Commission determines, on the basis of facts
19 alleged in the complaint and other facts avail-
20 able to the Commission, that the complaint is
21 clearly without merit, the Commission may—

22 “(i) order expedited proceedings,
23 shortening the time periods for proceedings
24 under paragraphs (1), (2), (3), and (4) as
25 necessary to allow the matter to be re-

1 solved in sufficient time before the election
2 to avoid harm or prejudice to the interests
3 of the parties; or

4 “(ii) if the Commission determines
5 that there is insufficient time to conduct
6 proceedings before the election, summarily
7 dismiss the complaint.”.

8 **SEC. 507. FILING OF REPORTS USING COMPUTERS AND**
9 **FACSIMILE MACHINES; FILING BY SENATE**
10 **CANDIDATES WITH COMMISSION.**

11 (a) USE OF COMPUTERS AND FACSIMILE MA-
12 CHINES.—Section 302(g) of the Federal Election Cam-
13 paign Act of 1971 (2 U.S.C. 432(g)) is amended by add-
14 ing at the end the following:

15 “(5) FILING OF REPORTS USING COMPUTERS
16 AND FACSIMILE MACHINES.—

17 “(A) COMPUTERS.—The Commission, in
18 consultation with the Secretary of the Senate
19 and the Clerk of the House of Representatives,
20 shall issue a regulation under which a person
21 required to file a designation, statement, or re-
22 port under this Act—

23 “(i) is required to maintain and file
24 the designation, statement, or report for
25 any calendar year in electronic form acces-

1 sible by computers if the person has, or
2 has reason to expect to have, aggregate
3 contributions or expenditures in excess of a
4 threshold amount determined by the Com-
5 mission; and

6 “(ii) may maintain and file the des-
7 ignation, statement, or report in that man-
8 ner if not required to do so under a regula-
9 tion under clause (i).

10 “(B) FACSIMILE MACHINES.—The Com-
11 mission, in consultation with the Secretary of
12 the Senate and the Clerk of the House of Rep-
13 resentatives, shall prescribe a regulation that
14 allows a person to file a designation, statement,
15 or report required by this Act through the use
16 of a facsimile machine.

17 “(C) VERIFICATION.—In a regulation
18 under this paragraph, the Commission shall
19 provide methods (other than requiring a signa-
20 ture on the document being filed) for verifying
21 a designation, statement, or report. Any docu-
22 ment verified under any of the methods shall be
23 treated for all purposes (including penalties for
24 perjury) in the same manner as a document
25 verified by signature.

1 “(D) COMPATIBILITY OF SYSTEMS.—The
2 Secretary of the Senate and the Clerk of the
3 House of Representatives shall ensure that any
4 computer or other system that the Secretary or
5 the Clerk may develop and maintain to receive
6 designations, statements, and reports in the
7 forms required or permitted under this para-
8 graph is compatible with any system that the
9 Commission may develop and maintain.

10 “(E) INTERNET ACCESS.—The Commis-
11 sion shall make a designation, statement, re-
12 port, or notification that is filed electronically
13 with the Commission accessible to the public on
14 the Internet not later than 24 hours after the
15 designation, statement, report, or notification is
16 received by the Commission.”.

17 (b) SENATE CANDIDATES FILE WITH COMMIS-
18 SION.—Title III of the Federal Election Campaign Act of
19 1971 (2 U.S.C. 431 et seq.) is amended—

20 (1) in section 302, by striking subsection (g)
21 and inserting the following:

22 “(g) FILING WITH THE COMMISSION.—All designa-
23 tions, statements, and reports required to be filed under
24 this Act shall be filed with the Commission.”; and

25 (2) in section 304—

1 (A) in subsection (a)(6)(A), by striking
2 “the Secretary or”; and

3 (B) in the matter following subsection
4 (c)(2), by striking “the Secretary or”.

5 **SEC. 508. POWER TO ISSUE SUBPOENA WITHOUT SIGNA-**
6 **TURE OF CHAIRPERSON.**

7 Section 307(a)(3) of the Federal Election Campaign
8 Act of 1971 (2 U.S.C. 437d(a)(3)) is amended by striking
9 “, signed by the chairman or the vice chairman,”.

10 **SEC. 509. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**
11 **UALS NOT QUALIFIED TO VOTE.**

12 (a) PROHIBITION.—Section 319 of the Federal Elec-
13 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

14 (1) in the heading by adding “AND INDIVID-
15 UALS NOT QUALIFIED TO REGISTER TO VOTE” at the
16 end; and

17 (2) in subsection (a)—

18 (A) by striking “(a) It shall” and inserting
19 the following:

20 “(a) PROHIBITIONS.—

21 “(1) FOREIGN NATIONALS.—It shall”; and

22 (B) by adding at the end the following:

23 “(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—

24 It shall be unlawful for an individual who is not
25 qualified to register to vote in a Federal election to

1 make a contribution, or to promise expressly or
2 impliedly to make a contribution, in connection with
3 a Federal election; or for any person to solicit, ac-
4 cept, or receive a contribution in connection with a
5 Federal election from an individual who is not quali-
6 fied to register to vote in a Federal election.”.

7 (b) INCLUSION IN DEFINITION OF IDENTIFICA-
8 TION.—Section 301(13) of the Federal Election Campaign
9 Act of 1971 (2 U.S.C. 431(13)) is amended—

10 (1) in subparagraph (A)—

11 (A) by striking “and” the first place it ap-
12 pears; and

13 (B) by inserting “, and an affirmation that
14 the individual is an individual who is not pro-
15 hibited by section 319 from making a contribu-
16 tion” after “employer”; and

17 (2) in subparagraph (B), by inserting “and an
18 affirmation that the person is a person that is not
19 prohibited by section 319 from making a contribu-
20 tion” after “such person”.

21 **SEC. 510. PENALTIES FOR VIOLATIONS.**

22 (a) INCREASED PENALTIES.—Section 309(a) of the
23 Federal Election Campaign Act of 1971 (2 U.S.C.
24 437g(a)) is amended—

1 (1) in paragraphs (5)(A), (6)(A), and (6)(B),
2 by striking “\$5,000” and inserting “\$10,000”; and

3 (2) in paragraphs (5)(B) and (6)(C), by strik-
4 ing “\$10,000 or an amount equal to 200 percent”
5 and inserting “\$20,000 or an amount equal to 300
6 percent”.

7 (b) **EQUITABLE REMEDIES.**—Section 309(a)(5)(A) of
8 the Federal Election Campaign Act of 1971 (2 U.S.C.
9 437g(a)(5)) is amended by striking the period at the end
10 and inserting “, and may include equitable remedies or
11 penalties, including disgorgement of funds to the Treasury
12 or community service requirements (including require-
13 ments to participate in public education programs).”.

14 (c) **AUTOMATIC PENALTY FOR LATE FILING.**—Sec-
15 tion 309(a) of the Federal Election Campaign Act of 1971
16 (2 U.S.C. 437g(a)), as amended by section 506, is
17 amended—

18 (1) by adding at the end the following:

19 “(15) **PENALTY FOR LATE FILING.**—

20 “(A) **IN GENERAL.**—

21 “(i) **MONETARY PENALTIES.**—The Com-
22 mission shall establish a schedule of mandatory
23 monetary penalties that shall be imposed by the
24 Commission for failure to meet a time require-
25 ment for filing under section 304.

1 “(ii) REQUIRED FILING.—In addition to
2 imposing a penalty, the Commission may re-
3 quire a report that has not been filed within the
4 time requirements of section 304 to be filed by
5 a specific date.

6 “(iii) PROCEDURE.—A penalty or filing re-
7 quirement imposed under this paragraph shall
8 not be subject to paragraph (1), (2), (3), (4),
9 (5), or (12).

10 “(B) FILING AN EXCEPTION.—

11 “(i) TIME TO FILE.—A political committee
12 shall have 30 days after the imposition of a
13 penalty or filing requirement by the Commis-
14 sion under this paragraph in which to file an
15 exception with the Commission.

16 “(ii) TIME FOR COMMISSION TO RULE.—
17 Within 30 days after receiving an exception, the
18 Commission shall make a determination that is
19 a final agency action subject to exclusive review
20 by the United States Court of Appeals for the
21 District of Columbia Circuit under section 706
22 of title 5, United States Code, upon petition
23 filed in that court by the political committee or
24 treasurer that is the subject of the agency ac-
25 tion, if the petition is filed within 30 days after

1 the date of the Commission action for which re-
2 view is sought.”;

3 (2) in paragraph (5)(D)—

4 (A) by inserting after the first sentence the
5 following: “In any case in which a penalty or
6 filing requirement imposed on a political com-
7 mittee or treasurer under paragraph (15) has
8 not been satisfied, the Commission may insti-
9 tute a civil action for enforcement under para-
10 graph (6)(A).”; and

11 (B) by inserting before the period at the
12 end of the last sentence the following: “or has
13 failed to pay a penalty or meet a filing require-
14 ment imposed under paragraph (15)”; and

15 (3) in paragraph (6)(A), by striking “paragraph
16 (4)(A)” and inserting “paragraph (4)(A) or (15)”.

17 **TITLE VI—EFFECTIVE DATE**

18 **SEC. 601. EFFECTIVE DATE.**

19 This Act and the amendments made by this Act take
20 effect on January 1, 2000.

