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Campaign Finance [Folder 1][1]

105TH CONGRESS
1ST SESSION

S. 25

IN THE SENATE OF THE UNITED STATES

Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, and Mr. WELLSTONE) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To reform the financing of Federal elections.

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 “Bipartisan Campaign Reform Act of 1997”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

Sec. 101. Senate election spending limits and benefits.

Sec. 102. Free broadcast time.

Sec. 103. Broadcast rates and preemption.

Sec. 104. Reduced postage rates.

Sec. 105. Contribution limit for eligible Senate candidates.

Sec. 106. Reporting requirement for Senate candidates.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Political Action Committees

Sec. 201. Ban on activities of political action committees in Federal elections.

Subtitle B—Provisions Relating to Soft Money of Political Party Committees

Sec. 211. Soft money of political party committee.

Sec. 212. State party grassroots funds.

Sec. 213. Reporting requirements.

Subtitle C—Soft Money of Persons Other Than Political Parties

Sec. 221. Soft money of persons other than political parties.

Subtitle D—Contributions

Sec. 231. Contributions through intermediaries and conduits.

Subtitle E—Independent Expenditures

Sec. 241. Reporting requirements for certain independent expenditures.

TITLE III—ENFORCEMENT

Sec. 301. Filing of reports using computers and facsimile machines.

Sec. 302. Audits.

Sec. 303. Authority to seek injunction.

Sec. 304. Reporting requirements for contributions of \$50 or more.

Sec. 305. Increase in penalty for knowing and willful violations.

Sec. 306. Prohibition of contributions by individuals not qualified to vote.

Sec. 307. Use of candidates' names.

Sec. 308. Prohibition of false representation to solicit contributions.

Sec. 309. Expedited procedures.

TITLE IV—MISCELLANEOUS

Sec. 401. Restrictions on use of campaign funds for personal purposes.

Sec. 402. Campaign advertising.

Sec. 403. Limit on congressional use of the franking privilege.

Sec. 404. Party independent expenditures.

Sec. 405. Coordinated expenditures; independent expenditures.

Sec. 406. Express advocacy.

TITLE V—CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

Sec. 501. Severability.

Sec. 502. Review of constitutional issues.

Sec. 503. Effective date.

Sec. 504. Regulations.

1 **TITLE I—SENATE ELECTION**
2 **SPENDING LIMITS AND BENE-**
3 **FITS**

4 **SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENE-**
5 **FITS.**

6 (a) **IN GENERAL.**—The Federal Election Campaign
7 Act of 1971 is amended by adding at the end the following
8 new title:

9 **“TITLE V—SPENDING LIMITS**
10 **AND BENEFITS FOR SENATE**
11 **ELECTION CAMPAIGNS**

12 **“SEC. 501. DEFINITIONS.**

13 “In this title:

14 “(1) **ELIGIBLE SENATE CANDIDATE.**—The term
15 ‘eligible Senate candidate’ means a candidate who
16 the Commission has certified under section 505 as
17 an eligible primary election Senate candidate or as
18 an eligible general election Senate candidate.

19 “(2) **GENERAL ELECTION EXPENDITURE**
20 **LIMIT.**—The term ‘general election expenditure
21 limit’, with respect to an eligible Senate candidate,
22 means the limit applicable to the eligible Senate can-
23 didate under section 503(d).

24 “(3) **OUT-OF-STATE RESIDENT CONTRIBUTION**
25 **LIMIT.**—The term ‘out-of-State resident contribution

1 limit', with respect to an eligible Senate candidate,
2 means the limit applicable to the candidate under
3 section 502(c).

4 “(4) PERSONAL FUNDS EXPENDITURE LIMIT.—
5 The term ‘personal funds expenditure limit’ means
6 the limit stated in section 503(a).

7 “(5) PRIMARY ELECTION EXPENDITURE
8 LIMIT.—The term ‘primary election expenditure
9 limit’, with respect to an eligible Senate candidate,
10 means the limit applicable to the eligible Senate can-
11 didate under section 503(b).

12 “(6) RUNOFF ELECTION EXPENDITURE
13 LIMIT.—The term ‘runoff election expenditure limit’,
14 with respect to an eligible Senate candidate, means
15 the limit applicable to the eligible Senate candidate
16 under section 503(c).

17 **“SEC. 502. ELIGIBLE SENATE CANDIDATES.**

18 “(a) IN GENERAL.—A candidate is—

19 “(1) an eligible primary election Senate can-
20 didate if the Commission certifies under section 505
21 that the candidate—

22 “(A) has met the primary election filing re-
23 quirement of subsection (b); and

24 “(B) has met the threshold contribution
25 requirement of subsection (d); and

1 to the current election cycle from a preced-
2 ing election); and

3 “(ii) will not accept contributions for
4 the primary election, any runoff election,
5 or the general election that would cause
6 the candidate to exceed the out-of-State
7 resident contribution limit; and

8 “(B) at least 1 other candidate has quali-
9 fied for the same primary election ballot under
10 the law of the candidate’s State.

11 “(2) DEADLINE FOR FILING PRIMARY ELEC-
12 TION DECLARATION.—The declaration under para-
13 graph (1) shall be filed not later than the date on
14 which the candidate files with the appropriate State
15 officer as a candidate for the primary election.

16 “(c) GENERAL ELECTION FILING REQUIREMENT.—

17 “(1) IN GENERAL.—The requirement of this
18 subsection is met if the candidate files with the
19 Commission—

20 “(A) a declaration under penalty of per-
21 jury, with supporting documentation as re-
22 quired by the Commission, that—

23 “(i) the candidate and the candidate’s
24 authorized committees—

1 “(I) did not exceed the personal
2 funds expenditure limit, primary elec-
3 tion expenditure limit, or runoff elec-
4 tion expenditure limit;

5 “(II) did not accept amounts of
6 contributions for the primary election
7 or any runoff election in excess of the
8 primary election expenditure limit or
9 runoff election expenditure limit (re-
10 duced by any amount transferred to
11 the current election cycle from a pre-
12 ceding election); and

13 “(III) did not accept contribu-
14 tions for the primary election or any
15 runoff election that caused the can-
16 didate to exceed the out-of-State resi-
17 dent contribution limit;

18 “(ii) the candidate has met the
19 threshold contribution requirement of sub-
20 section (d), as demonstrated by documents
21 accompanying the declaration under sub-
22 section (b) or the declaration under this
23 subsection; and

24 “(iii) at least 1 other candidate has
25 qualified for the same general election bal-

1 lot under the law of the candidate's State;
2 and

3 "(B) a declaration that candidate and the
4 candidate's authorized committees—

5 "(i) except as otherwise provided by
6 this title, will not make expenditures in ex-
7 cess of the personal funds expenditure
8 limit or general election expenditure limit;
9 and

10 "(ii) except as otherwise provided by
11 this title, will not accept any contribution
12 for the general election to the extent that
13 the contribution—

14 "(I) would cause the aggregate
15 amount of contributions accepted to
16 exceed the amount of the general elec-
17 tion expenditure limit, reduced by any
18 amounts transferred to the current
19 election cycle from a previous election
20 and not taken into account under sub-
21 paragraph (A)(ii); or

22 "(II) would cause the candidate
23 to exceed the out-of-State resident
24 contribution limit.

1 “(2) DEADLINE FOR FILING GENERAL ELEC-
2 TION DECLARATION.—The declaration under para-
3 graph (1) shall be filed not later than 7 days after
4 the earlier of—

5 “(A) the date on which the candidate
6 qualifies for the general election ballot under
7 State law; or

8 “(B) if under State law, a primary or run-
9 off election to qualify for the general election
10 ballot occurs after September 1, the date on
11 which the candidate wins the primary or runoff
12 election.

13 “(d) THRESHOLD CONTRIBUTION REQUIREMENT.—

14 “(1) IN GENERAL.—The requirement of this
15 subsection is met—

16 “(A) if the candidate and the candidate’s
17 authorized committees have received allowable
18 contributions during the applicable period in an
19 amount at least equal to the lesser of—

20 “(i) 10 percent of the general election
21 expenditure limit; or

22 “(ii) \$250,000; and

23 “(B) the candidate files with the Commis-
24 sion a statement under penalty of perjury that
25 the requirement of subparagraph (A) has been

1 met, with supporting materials demonstrating
2 that the requirement has been met.

3 “(2) DEFINITIONS.—In this subsection:

4 “(A) ALLOWABLE CONTRIBUTION.—

5 “(i) IN GENERAL.—The term ‘allow-
6 able contribution’ means a contribution
7 that is made as a gift of money by an indi-
8 vidual pursuant to a written instrument
9 identifying the individual as the contribu-
10 tor.

11 “(ii) EXCLUSIONS.—The term ‘allow-
12 able contribution’ does not include a con-
13 tribution from—

14 “(I) an individual residing out-
15 side the candidate’s State to the ex-
16 tent that acceptance of the contribu-
17 tion would bring a candidate out of
18 compliance with subsection (e); or

19 “(II) a source described in sec-
20 tion 503(a)(2).

21 “(B) APPLICABLE PERIOD.—The term ‘ap-
22 plicable period’ means—

23 “(i) the period beginning on January
24 1 of the calendar year preceding the cal-
25 endar year of a general election and ending

1 on the date on which the declaration under
2 subsection (b) is filed by the candidate; or

3 “(ii) in the case of a special election
4 for the office of United States Senator, the
5 period beginning on the date on which the
6 vacancy in the office occurs and ending on
7 the date of the general election.

8 “(e) OUT-OF-STATE RESIDENT CONTRIBUTION
9 LIMIT.—

10 “(1) REQUIREMENT.—

11 “(A) IN GENERAL.—The requirement of
12 this subsection is met if at least 60 percent of
13 the total amount of contributions accepted by
14 the candidate and the candidate’s authorized
15 committees are from individuals who are legal
16 residents of the candidate’s State.

17 “(B) SPECIAL RULE FOR SMALL
18 STATES.—In the case of a candidate to which
19 the general election expenditure limit under sec-
20 tion 503(d)(1)(B)(i) applies, the requirement of
21 this subsection is met if, at the option of the
22 candidate—

23 “(i) at least 60 percent of the total
24 amount of contributions accepted by the
25 candidate and the candidate’s authorized

1 committees are from individuals who are
2 legal residents of the candidate's State; or
3 "(ii) at least 60 percent of the num-
4 ber of individuals whose names are re-
5 ported to the Commission as individuals
6 from whom the candidate and the can-
7 didate's authorized committees accept con-
8 tributions are legal residents of the can-
9 didate's State.

10 "(2) PERSONAL FUNDS.—For purposes of para-
11 graph (1), amounts consisting of funds from sources
12 described in section 503(a) shall be treated as con-
13 tributions from individuals residing outside the can-
14 didate's State.

15 "(3) TIME FOR MEETING REQUIREMENT.—In
16 each report filed by a candidate under section 304,
17 the candidate shall confirm that the requirement of
18 paragraph (1) is met on the basis of the aggregate
19 of all contributions accepted by a candidate as of the
20 end of the reporting period.

21 "(4) REPORTING REQUIREMENTS.—In addition
22 to information required to be reported under section
23 304, a candidate that elects to comply with the re-
24 quirements of paragraph (1)(B)(ii) shall include in
25 each report required to be filed under section 304

1 the name and address of and the amount of con-
2 tributions made by each individual that, during the
3 calendar year in which the reporting period occurs,
4 makes contributions aggregating \$20 or more.

5 **"SEC. 503. EXPENDITURE LIMITS.**

6 **"(a) PERSONAL FUNDS EXPENDITURE LIMIT.—**

7 **"(1) IN GENERAL.—**The aggregate amount of
8 expenditures that may be made during an election
9 cycle by an eligible Senate candidate or the can-
10 didate's authorized committees from the sources de-
11 scribed in paragraph (2) shall not exceed the lesser
12 of—

13 **"(A)** 10 percent of the general election ex-
14 penditure limit; or

15 **"(B)** \$250,000.

16 **"(2) SOURCES.—**A source is described in this
17 paragraph if the source is—

18 **"(A)** personal funds of the candidate and
19 members of the candidate's immediate family;

20 or

21 **"(B)** proceeds of indebtedness incurred by
22 the candidate or a member of the candidate's
23 immediate family.

24 **"(b) PRIMARY ELECTION EXPENDITURE LIMIT.—**

25 The aggregate amount of expenditures for a primary elec-

1 tion by an eligible primary election Senate candidate and
2 the candidate's authorized committees shall not exceed the
3 lesser of—

4 “(1) 67 percent of the general election expendi-
5 ture limit; or

6 “(2) \$2,750,000.

7 “(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The
8 aggregate amount of expenditures for a runoff election by
9 an eligible primary election Senate candidate and the can-
10 didate's authorized committees shall not exceed 20 percent
11 of the general election expenditure limit.

12 “(d) GENERAL ELECTION EXPENDITURE LIMIT.—

13 “(1) IN GENERAL.—Except as otherwise pro-
14 vided in this title, the aggregate amount of expendi-
15 tures for a general election by an eligible general
16 election Senate candidate and the candidate's au-
17 thorized committees shall not exceed the lesser of—

18 “(A) \$5,500,000; or

19 “(B) the greater of—

20 “(i) \$950,000; or

21 “(ii) \$400,000; plus

22 “(I) 30 cents multiplied by the
23 voting age population not in excess of
24 4,000,000; and

1 “(II) 25 cents multiplied by the
2 voting age population in excess of
3 4,000,000.

4 “(2) EXCEPTION.—In the case of an eligible
5 Senate candidate in a State that has not more than
6 1 transmitter for a commercial Very High Fre-
7 quency (VHF) television station licensed to operate
8 in that State, paragraph (1)(B)(ii) shall be applied
9 by substituting—

10 “(A) ‘80 cents’ for ‘30 cents’ in subclause
11 (I); and

12 “(B) ‘70 cents’ for ‘25 cents’ in subclause
13 (II).

14 “(e) EXCEPTIONS FOR COMPLYING CANDIDATES
15 RUNNING AGAINST NONCOMPLYING CANDIDATES.—

16 “(1) FUNDRAISING IN ANTICIPATION OF IN-
17 CREASE.—Notwithstanding any other provision of
18 this title, if any opponent of an eligible Senate can-
19 didate is a noneligible candidate who—

20 “(A) has received contributions; or

21 “(B) has made expenditures from a source
22 described in subsection (a);

23 in an aggregate amount equal to 50 percent of the
24 primary election expenditure limit, runoff election
25 expenditure limit, or general election expenditure

1 limit, the eligible Senate candidate may accept con-
2 tributions in excess of the primary election expendi-
3 ture limit, runoff election expenditure limit, or gen-
4 eral election expenditure limit (as the case may be)
5 so long as the eligible Senate candidate does not
6 make any expenditures with such excess contribu-
7 tions before becoming entitled to an increase in the
8 limit under paragraph (2) or (3).

9 “(2) 50 PERCENT INCREASE.—If any opponent
10 of an eligible Senate candidate is a noneligible can-
11 didate who has made expenditures in an aggregate
12 amount equal to 105 percent of the primary election
13 expenditure limit, runoff election expenditure limit,
14 or general election expenditure limit, the primary
15 election expenditure limit, runoff election expendi-
16 ture limit, or general election expenditure limit (as
17 the case may be of the eligible Senate candidate)
18 shall be increased by 50 percent.

19 “(3) 100 PERCENT INCREASE.—If any oppo-
20 nent of an eligible Senate candidate is a noneligible
21 candidate who has made expenditures in an aggre-
22 gate amount equal to 155 percent of the primary
23 election expenditure limit, runoff election expendi-
24 ture limit, or general election expenditure limit, the
25 primary election expenditure limit, runoff election

1 expenditure limit, or general election expenditure
2 limit (as the case may be of the eligible Senate can-
3 didate) shall be increased by 100 percent.

4 “(f) EXPENDITURES IN RESPONSE TO INDEPENDENT
5 EXPENDITURES.—If an eligible Senate candidate is noti-
6 fied by the Commission under section 304(c)(4) that inde-
7 pendent expenditures in an aggregate amount of \$10,000
8 or more have been made in the same election in support
9 of another candidate or against the eligible Senate can-
10 didate, the eligible Senate candidate shall be permitted to
11 spend an amount equal to the amount of the independent
12 expenditures, and any such expenditures shall not be sub-
13 ject to any limit applicable under this title to the eligible
14 candidate for the election.

15 “(g) INDEXING.—The amounts under subsections
16 (b)(1) and (d)(1) shall be increased as of the beginning
17 of each calendar year based on the increase in the price
18 index determined under section 315(c), except that the
19 base period shall be calendar year 1997.

20 “(h) PAYMENT OF TAXES.—The primary election ex-
21 penditure limit, runoff election expenditure limit, and gen-
22 eral election expenditure limit shall not apply to any ex-
23 penditure for Federal, State, or local taxes with respect
24 to earnings on contributions raised.

1 “(i) NOTICE OF FAILURE TO COMPLY WITH RE-
2 QUIREMENTS.—A candidate who filed a declaration under
3 section 502 and subsequently acts in a manner that is in-
4 consistent with any of the statements made in the declara-
5 tion shall, not later than 24 hours after the first of the
6 acts—

7 “(1) file with the Commission a notice describ-
8 ing those acts; and

9 “(2) notify all other candidates for the same of-
10 fice by sending a copy of the notice by certified mail,
11 return receipt requested.

12 **“SEC. 504. BENEFITS FOR ELIGIBLE CANDIDATES.**

13 “‘If an eligible Senate candidate has an opponent who
14 has qualified for the ballot and who has received contribu-
15 tions (or expended funds from a source described in sec-
16 tion 503(a)(2)) in an amount equal to 10 percent or more
17 of the applicable expenditure limit, the eligible Senate can-
18 didate shall be entitled to—

19 “(1) the broadcast media rates provided under
20 section 315(b) of the Communications Act of 1934;

21 “(2) the free broadcast time provided under
22 section 315(c) of the Communications Act of 1934;
23 and

24 “(3) the reduced postage rates provided in sec-
25 tion 3626(e) of title 39, United States Code.

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

2 “(a) **IN GENERAL.**—The Commission shall determine
3 whether a candidate has met the requirements of this title
4 and, based on the determination, issue a certification stat-
5 ing whether the candidate is an eligible Senate candidate
6 entitled to receive benefits under this title.

7 “(b) **CERTIFICATION.**—

8 “(1) **PRIMARY ELECTION.**—Not later than 7
9 business days after a candidate files a declaration
10 under section 502(b), the Commission shall deter-
11 mine whether the candidate meets the eligibility re-
12 quirements of section 502(b)(1) and, if so, certify
13 that the candidate is an eligible primary election
14 Senate candidate entitled to receive benefits under
15 this title.

16 “(2) **GENERAL ELECTION.**—Not later than 7
17 business days after a candidate files a declaration
18 under section 502(c), the Commission shall deter-
19 mine whether the candidate meets the eligibility re-
20 quirement of section 502(c)(1), and, if so, certify
21 that the candidate is an eligible general election Sen-
22 ate candidate entitled to receive benefits under this
23 title.

24 “(c) **REVOCATION.**—

25 “(1) **IN GENERAL.**—The Commission shall re-
26 voke a certification under subsection (a), based on

1 information submitted in such form and manner as
2 the Commission may require or on information that
3 comes to the Commission by other means, if the
4 Commission determines that a candidate—

5 “(A) violates any of the expenditure limits
6 contained in this title by making an aggregate
7 amount of expenditures that exceeds any appli-
8 cable expenditure limit by 5 percent or more;

9 “(B) uses a benefit made available to a
10 candidate under this title in a manner not pro-
11 vided for in this title; or

12 “(C) fails to continue to meet the require-
13 ment of this title.

14 “(2) NO FURTHER BENEFITS.—A candidate
15 whose certification has been revoked shall be ineli-
16 gible for any further benefits made available under
17 this title for the duration of the election cycle.

18 “(d) DETERMINATIONS BY COMMISSION.—A deter-
19 mination (including a certification under subsection (a))
20 made by the Commission under this title shall be final,
21 except to the extent that the determination is subject to
22 examination and audit by the Commission under section
23 506 and to judicial review.

1 **“SEC. 506. MISUSE OF BENEFITS.**

2 “(a) MISUSE OF BENEFITS.—If the Commission re-
3 vokes the certification of an eligible Senate candidate, the
4 Commission shall so notify the candidate, and the can-
5 didate shall pay to the provider of any benefit received
6 by the candidate under this title an amount equal to the
7 difference between the amount the candidate paid for such
8 benefit and the amount the candidate would have paid for
9 the benefit if the candidate were not an eligible Senate
10 candidate.

11 “(b) CIVIL PENALTIES.—

12 “(1) LOW AMOUNT OF EXCESS EXPENDI-
13 TURES.—Any eligible Senate candidate who makes
14 expenditures that exceed a limitation under this title
15 by 2.5 percent or less shall pay to the Commission
16 an amount equal to the amount of the excess ex-
17 penditures.

18 “(2) MEDIUM AMOUNT OF EXCESS EXPENDI-
19 TURES.—Any eligible Senate candidate who makes
20 expenditures that exceed a limitation under this title
21 by more than 2.5 percent and less than 5 percent
22 shall pay to the Commission an amount equal to 3
23 times the amount of the excess expenditures.

24 “(3) LARGE AMOUNT OF EXCESS EXPENDI-
25 TURES.—Any eligible Senate candidate who makes
26 expenditures that exceed a limitation under this title

1 by 5 percent or more shall pay to the Commission
2 an amount equal to 3 times the amount of the ex-
3 cess expenditures plus a civil penalty to be imposed
4 pursuant to section 309.

5 “(c) EXPENDITURES MADE BEFORE JANUARY 1,
6 1999.—An expenditure made before January 1, 1999,
7 shall not be counted as an expenditure for purposes of the
8 expenditure limits contained in the amendment made by
9 subsection (a).”.

10 **SEC. 102. FREE BROADCAST TIME.**

11 (a) IN GENERAL.—Section 315 of the Communica-
12 tions Act of 1934 (47 U.S.C. 315) is amended—

13 (1) in the third sentence of subsection (a) by
14 striking “within the meaning of this subsection” and
15 inserting “within the meaning of this subsection and
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 follow-
20 ing:

21 “(c) FREE BROADCAST TIME.—

22 “(1) IN GENERAL.—Except as provided in para-
23 graph (3), each eligible Senate candidate who has
24 qualified for the general election ballot as a can-
25 didate of a major or minor party shall be entitled to

1 receive a total of 30 minutes of free broadcast time
2 from broadcasting stations within the candidate's
3 State or an adjacent State.

4 “(2) TIME.—

5 “(A) PRIME TIME.—Unless a candidate
6 elects otherwise, the broadcast time made avail-
7 able under this subsection shall be between 6:00
8 p.m. and 10:00 p.m. on any day that falls on
9 Monday through Friday.

10 “(B) LENGTH OF BROADCAST.—Except as
11 otherwise provided in this Act, a candidate may
12 use such time as the candidate elects, but time
13 may not be used in lengths of less than 30 sec-
14 onds or more than 5 minutes.

15 “(C) MAXIMUM REQUIRED OF ANY ONE
16 STATION.—A candidate may not request that
17 more than 15 minutes of free broadcast time be
18 aired by any one broadcasting station.

19 “(3) MORE THAN 2 CANDIDATES.—In the case
20 of an election among more than 2 candidates de-
21 scribed in paragraph (1), only 60 minutes of broad-
22 cast time shall be available for all such candidates,
23 and broadcast time shall be allocated as follows:

24 “(A) MINOR PARTY CANDIDATES.—The
25 amount of broadcast time that shall be provided

1 to the candidate of a minor party shall be equal
2 to 60 minutes multiplied by the percentage of
3 the number of popular votes received by the
4 candidate of that party in the preceding general
5 election for the Senate in the State (or if sub-
6 section (e)(4)(B) applies, the percentage deter-
7 mined under that subsection).

8 “(B) MAJOR PARTY CANDIDATES.—The
9 amount of broadcast time remaining after as-
10 signment of broadcast time to minor party can-
11 didates under clause (i) shall be allocated equal-
12 ly between the major party candidates.

13 “(4) ONLY 1 CANDIDATE.—In the case of an
14 election in which only 1 candidate qualifies to be on
15 the general election ballot, no time shall be required
16 to be provided by a broadcasting station under this
17 subsection.

18 “(5) EXEMPTION.—The Federal Election Com-
19 mission shall by regulation establish a procedure to
20 exempt from the requirements of this subsection—

21 “(A) licensees the signals of which are
22 broadcast substantially nationwide; and

23 “(B) licensees that establish that the re-
24 quirements of this subsection would impose a

1 significant economic hardship on the licens-
2 ees.”; and

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

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

7 (B) by striking the period at the end of
8 paragraph (2) and inserting a semicolon; and

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

10 “(3) the term ‘major party’ means, with respect
11 to an election for the United States Senate in a
12 State, a political party whose candidate for the Unit-
13 ed States Senate in the preceding general election
14 for the Senate in that State received, as a candidate
15 of that party, 25 percent or more of the number of
16 popular votes received by all candidates for the Sen-
17 ate;

18 “(4) the term ‘minor party’ means, with respect
19 to an election for the United States Senate in a
20 State, a political party—

21 “(A) whose candidate for the United
22 States Senate in the preceding general election
23 for the Senate in that State received 5 percent
24 or more but less than 25 percent of the number

1 of popular votes received by all candidates for
2 the Senate; or

3 “(B) whose candidate for the United
4 States Senate in the current general election for
5 the Senate in that State has obtained the signa-
6 tures of at least 5 percent of the State’s reg-
7 istered voters, as determined by the chief voter
8 registration official of the State, in support of
9 a petition for an allocation of free broadcast
10 time under this subsection; and

11 “(5) the term ‘Senate election cycle’ means,
12 with respect to an election to a seat in the United
13 States Senate, the 6-year period ending on the date
14 of the general election for that seat.”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall take effect on January 1, 1999.

17 **SEC. 103. BROADCAST RATES AND PREEMPTION.**

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

20 (1) by striking “(b) The charges” and inserting
21 the following:

22 “(b) BROADCAST MEDIA RATES.—

23 “(1) IN GENERAL.—The charges”;

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

4 (3) in paragraph (1)(A) (as redesignated by
5 paragraph (2))—

6 (A) by striking “forty-five” and inserting
7 “30”; and

8 (B) by striking “lowest unit charge of the
9 station for the same class and amount of time
10 for the same period” and inserting “lowest
11 charge of the station for the same amount of
12 time for the same period on the same date”;
13 and

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

15 “(2) SENATE CANDIDATES.—

16 “(A) ELIGIBLE SENATE CANDIDATES.—In
17 the case of an eligible Senate candidate (within
18 the meaning of section 501 of the Federal Elec-
19 tion Campaign Act), the charges for the use of
20 a television broadcasting station during the 30-
21 day period and 60-day period referred to in
22 paragraph (1)(A) shall not exceed 50 percent of
23 the lowest charge described in paragraph
24 (1)(A).

1 “(B) NONELEGIBLE SENATE CAN-
2 DIDATES.—In the case of a candidate for the
3 United States Senate who is not an eligible
4 Senate candidate, paragraph (1)(A) shall not
5 apply.”.

6 (b) PREEMPTION; ACCESS.—Section 315 of the Com-
7 munications Act of 1934 (47 U.S.C. 315), as amended by
8 section 102(a), is amended—

9 (1) by redesignating subsections (d) and (e) (as
10 redesignated by section 102(a)(2)), as subsections
11 (e) and (f), respectively; and

12 (2) by inserting after subsection (c) the follow-
13 ing:

14 “(d) PREEMPTION.—

15 “(1) IN GENERAL.—Except as provided in para-
16 graph (2), a licensee shall not preempt the use, dur-
17 ing any period specified in subsection (b)(1)(A), of
18 a broadcasting station by an eligible Senate can-
19 didate who has purchased and paid for such use
20 pursuant to subsection (b)(2).

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 (c) **REVOCAION OF LICENSE FOR FAILURE TO PER-**
4 **MIT ACCESS.**—Section 312(a)(7) of the Communications
5 Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

6 (1) by striking “or repeated”;

7 (2) by inserting “or cable system” after “broad-
8 casting station”; and

9 (3) by striking “his candidacy” and inserting
10 “the candidacy of the candidate, under the same
11 terms, conditions, and business practices as apply to
12 the most favored advertiser of the licensee”.

13 (d) **EFFECTIVE DATE.**—The amendments made by
14 this section shall take effect on January 1, 1999.

15 **SEC. 104. REDUCED POSTAGE RATES.**

16 (a) **IN GENERAL.**—Section 3626(e) of title 39, Unit-
17 ed States Code, is amended—

18 (1) in paragraph (2)—

19 (A) in subparagraph (A)—

20 (i) by striking “and the National” and
21 inserting “the National”; and

22 (ii) by inserting before the semicolon
23 the following: “, and, subject to paragraph
24 (3), the principal campaign committee of
25 an eligible Senate candidate;”;

1 (B) in subparagraph (B), by striking
2 “and” after the semicolon;

3 (C) in subparagraph (C), by striking the
4 period and inserting a semicolon; and

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

6 “(D) the term ‘principal campaign committee’
7 has the meaning given in section 301 of the Federal
8 Election Campaign Act of 1971; and

9 “(E) the term ‘eligible Senate candidate’ has
10 the meaning given in section 501 of the Federal
11 Election Campaign Act of 1971.”; and

12 (2) by adding after paragraph (2) the following:

13 “(3) The rate made available under this subsection
14 with respect to an eligible Senate candidate shall apply
15 only to that number of pieces of mail that is equal to 2
16 times the number of individuals in the voting age popu-
17 lation (as certified under section 315(e) of the Federal
18 Election Campaign Act of 1971) of the State.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect on January 1, 1999.

21 **SEC. 105. CONTRIBUTION LIMIT FOR ELIGIBLE SENATE**
22 **CANDIDATES.**

23 Section 315(a)(1) of the Federal Election Campaign
24 Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

1 (1) in subparagraph (A), by inserting “except
2 as provided in subparagraph (B),” before “to”;

3 (2) by redesignating subparagraphs (B) and
4 (C) as subparagraphs (C) and (D), respectively; and

5 (3) by inserting after subparagraph (A) the fol-
6 lowing:

7 “(B) if the general election expenditure limit,
8 primary election expenditure limit, or runoff limit
9 election expenditure limit applicable to an eligible
10 Senate candidate has been increased under section
11 503(d), to the eligible Senate candidate and the au-
12 thorized political committees of the candidate with
13 respect to any election for the office of United
14 States Senator, which, in the aggregate, exceed
15 \$2,000;”.

16 **SEC. 106. REPORTING REQUIREMENT FOR SENATE CAN-**
17 **DIDATES.**

18 (a) CONTRIBUTIONS BY IN-STATE RESIDENTS.—Sec-
19 tion 304(b)(2) of the Federal Election Campaign Act of
20 1971 (2 U.S.C. 434(b)(2)) is amended—

21 (1) by striking “and” at the end of subpara-
22 graph (J);

23 (2) by striking the period at the end of sub-
24 paragraph (K) and inserting “; and”; and

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

1 “(L) in the case of an eligible Senate can-
2 didate, the total amount of contributions from
3 individuals who are residents of the State in
4 which the candidate seeks office.”.

5 (b) REPORTS BY SENATE CANDIDATES.—Section
6 304 of the Federal Election Campaign Act of 1971 (2
7 U.S.C. 434) (as amended by section 221) is amended by
8 adding at the end the following:

9 “(h) SENATE CANDIDATES.—

10 “(1) EXPENDITURES OF PERSONAL FUNDS.—

11 “(A) IN GENERAL.—A candidate for the
12 Senate who during an election cycle makes ex-
13 penditures from sources described in section
14 503(a)(2) in excess of the personal funds ex-
15 penditure limit under 503(a) shall report the
16 expenditures to the Commission within 48
17 hours after the expenditures have been made.

18 “(B) ADDITIONAL REPORTS.—A candidate
19 shall file an additional report within 48 hours
20 after the date on which the candidate makes ex-
21 penditures for the general election from sources
22 described in section 503(a)(2) that in the ag-
23 gregate exceed 25 percent of the general elec-
24 tion expenditure limit.

1 “(2) EXPENDITURES OF PERSONAL FUNDS BY
2 A SENATE CANDIDATE WHO IS NOT AN ELIGIBLE
3 CANDIDATE.—

4 “(A) IN GENERAL.—A primary election
5 Senate candidate or general election Senate
6 candidate who is not certified as an eligible can-
7 didate under section 505 and who has received
8 contributions or made expenditures from
9 sources described in section 503(a)(2) in an ag-
10 gregate amount that exceeds 50 percent of the
11 general election expenditure limit shall file a re-
12 port with the Commission within 48 hours after
13 that amount of contributions have been received
14 or expenditures have been made.

15 “(B) ADDITIONAL REPORTS.—A primary
16 election Senate candidate or general election
17 Senate candidate shall file an additional report
18 within 48 hours after the candidate has re-
19 ceived contributions or made expenditures from
20 sources described in section 503(a)(2) in an ag-
21 gregate amount that exceeds 105 percent or
22 155 percent of the applicable expenditure limits.

23 “(3) NOTIFICATION.—Within 48 hours after a
24 report is filed under paragraph (1) or (2), the Com-

1 mission shall notify each eligible Senate candidate in
2 the election of the filing.

3 “(4) REPORT AND NOTIFICATION REQUIRE-
4 MENTS WITHIN 20 DAYS OF AN ELECTION.—

5 “(A) REPORTS.—If any act which requires
6 the filing of any report under paragraphs (1) or
7 (2) occurs after the 20th day, but more than 24
8 hours before an election, the report shall be
9 filed by the candidate within 24 hours of the
10 occurrence of the act.

11 “(B) NOTIFICATION.—For any such report
12 filed under this subsection, the Commission
13 shall notify the appropriate eligible Senate can-
14 didate within 24 hours after the filing of such
15 report.

16 **TITLE II—REDUCTION OF**
17 **SPECIAL INTEREST INFLUENCE**
18 **Subtitle A—Political Action**
19 **Committees**

20 **SEC. 201. BAN ON ACTIVITIES OF POLITICAL ACTION COM-**
21 **MITTEES IN FEDERAL ELECTIONS.**

22 (a) IN GENERAL.—Title III of the Federal Election
23 Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended
24 by adding at the end the following:

1 **"SEC. 324. BAN ON FEDERAL ELECTION ACTIVITIES BY PO-**
2 **LITICAL ACTION COMMITTEES.**

3 "Notwithstanding any other provision of this Act, no
4 person other than an individual or a political committee
5 may make a contribution to a candidate or candidate's au-
6 thorized committee."

7 (b) DEFINITION OF POLITICAL COMMITTEE.—

8 (1) SECTION 301(4).—Section 301(4) of the
9 Federal Election Campaign Act of 1971 (2 U.S.C.
10 431(4)) is amended to read as follows:

11 "(4) The term 'political committee' means—

12 "(A) the principal campaign committee of
13 a candidate;

14 "(B) any national, State, or district com-
15 mittee of a political party, including any subor-
16 dinate committee thereof;

17 "(C) any local committee of a political
18 party that—

19 "(i) receives contributions aggregating
20 in excess of \$5,000 during a calendar year;

21 "(ii) makes payments exempted from
22 the definition of contribution or expendi-
23 ture under paragraph (8) or (9) aggregat-
24 ing in excess of \$5,000 during a calendar
25 year; or

1 “(iii) makes contributions or expendi-
2 tures aggregating in excess of \$1,000 dur-
3 ing a calendar year; and

4 “(D) any committee jointly established by
5 a principal campaign committee and any com-
6 mittee described in subparagraph (B) or (C) for
7 the purpose of conducting joint fundraising ac-
8 tivities.”.

9 (2) SECTION 316(b)(2).—Section 316(b)(2) of the
10 Federal Election Campaign Act of 1971 (2 U.S.C.
11 441b(b)(2)) is amended—

12 (A) by inserting “or” after “subject;”;

13 (B) by striking “and their families; and” and
14 inserting “and their families.”; and

15 (C) by striking subparagraph (C).

16 (c) CANDIDATE’S COMMITTEES.—

17 (1) CONTRIBUTIONS TO AUTHORIZED COMMIT-
18 TEE.—Section 315(a) of the Federal Election Cam-
19 paign Act of 1971 (2 U.S.C. 441a(a)) is amended by
20 adding at the end the following:

21 “(9) For the purposes of the limitations provided by
22 paragraphs (1) and (2), any political committee that is
23 established, financed, maintained, or controlled, directly or
24 indirectly, by any candidate or Federal officeholder shall

1 be deemed to be an authorized committee of such can-
2 didate or officeholder.”.

3 (2) DESIGNATION OF AUTHORIZED COMMITTEE.—

4 Section 302(e)(3) of the Federal Election Campaign Act
5 of 1971 (2 U.S.C. 432) is amended by striking paragraph
6 (3) and inserting the following:

7 “(3) No political committee that supports, or has
8 supported, more than one candidate may be designated as
9 an authorized committee, except that—

10 “(A) a candidate for the office of President
11 nominated by a political party may designate the na-
12 tional committee of such political party as the can-
13 didate’s principal campaign committee, if that na-
14 tional committee maintains separate books of ac-
15 count with respect to its functions as a principal
16 campaign committee; and

17 “(B) a candidate may designate a political com-
18 mittee established solely for the purpose of joint
19 fundraising by such candidates as an authorized
20 committee.”.

21 (d) RULES APPLICABLE WHEN BAN NOT IN EF-
22 FECT.—For purposes of the Federal Election Campaign
23 Act of 1971 (2 U.S.C. 431 et seq.), during any period
24 beginning after the effective date in which the limitation

1 under section 324 (as added by subsection (a)) is not in
2 effect—

3 (1) the amendments made by subsections (a),
4 (b), and (c) shall not be in effect; and

5 (2)(A) it shall be unlawful for a candidate for
6 election, or nomination for election, to the Senate or
7 an authorized committee of a Senate candidate to
8 accept a contribution from a multicandidate political
9 committee or an intermediary or conduit (within the
10 meaning of paragraph (8)), to the extent that the
11 making or accepting of the contribution would cause
12 the aggregate amount of contributions received by
13 the candidate and the candidate's authorized com-
14 mittees from multicandidate political committees,
15 intermediaries, and conduits to exceed 20 percent of
16 the primary election expenditure limit, runoff elec-
17 tion expenditure limit, or general election expendi-
18 ture limit (as those terms are defined in section
19 501) that is applicable (or, if the candidate were an
20 eligible Senate candidate (as defined in section 501),
21 would be applicable) to the candidate, and a can-
22 didate shall return to the contributor the excess of
23 any contributions received over the amount of con-
24 tributions allowed to be accepted under this subpara-
25 graph; and

1 (B) it shall be unlawful for a political commit-
2 tee, intermediary, or conduit to make a contribution
3 to any candidate or an authorized committee of a
4 candidate that, in the aggregate, exceeds the amount
5 that an individual is permitted, under section
6 315(a), to make directly to the candidate and can-
7 didate's authorized committees.

8 **Subtitle B—Provisions Relating to**
9 **Soft Money of Political Party**
10 **Committees**

11 **SEC. 211. SOFT MONEY OF POLITICAL PARTY COMMITTEE.**

12 Title III of the Federal Election Campaign Act of
13 1971 (2 U.S.C. 431 et seq.) (as amended by section 201)
14 is amended by adding at the end the following:

15 **“SEC. 325. SOFT MONEY OF PARTY COMMITTEES.**

16 “(a) NATIONAL COMMITTEES.—A national commit-
17 tee of a political party (including a national congressional
18 campaign committee of a political party), an entity that
19 is directly or indirectly established, financed, maintained,
20 or controlled by, or acting on behalf of, a national commit-
21 tee or by its agent, and an officer or agent of any such
22 party national or congressional party committee or entity
23 (but not including an entity regulated under subsection
24 (b)) shall not solicit or receive any contributions, dona-
25 tions, or transfers of funds, or spend any funds, that are

1 not subject to the limitations, prohibitions, and reporting
2 requirements of this Act.

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

4 “(1) IN GENERAL.—Any amount that is ex-
5 pended or disbursed by a State, district, or local
6 committee of a political party (including an entity
7 that is established, financed, maintained, or con-
8 trolled by a State, district, or local committee of a
9 political party and an agent or officer of any such
10 committee or entity) during a calendar year in which
11 a Federal election is held, for any activity that might
12 affect the outcome of a Federal election, including
13 any voter registration or get-out-the-vote activity,
14 any generic campaign activity, and any communica-
15 tion that refers to a candidate (regardless of whether
16 a candidate for State or local office is also men-
17 tioned or identified) shall be made from funds sub-
18 ject to the limitations, prohibitions, and reporting
19 requirements of this Act.

20 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH
21 (1).—

22 “(A) IN GENERAL.—Paragraph (1) shall
23 not apply to an expenditure or disbursement
24 made by a State, district, or local committee of
25 a political party for—

1 head expenses in the election year in ques-
2 tion;

3 “(iv) the costs of grassroots campaign
4 materials, including buttons, bumper stick-
5 ers, and yard signs that name or depict
6 only a candidate for State or local office;
7 and

8 (v) the cost of any campaign activity
9 conducted solely on behalf of a clearly
10 identified candidate for State or local of-
11 fice, if the candidate activity is not an ac-
12 tivity described in paragraph (1).

13 “(B) FUNDRAISING COSTS.—Any amount
14 spent by a national, State, district, or local
15 committee, by an entity that is established, fi-
16 nanced, maintained, or controlled by a State,
17 district, or local committee of a political party,
18 or by an agent or officer of, any such commit-
19 tee or entity to raise funds that are used, in
20 whole or in part, to pay the costs of an activity
21 described in paragraph (1) shall be made from
22 funds subject to the limitations, prohibitions,
23 and reporting requirements of this Act.

24 “(c) TAX-EXEMPT ORGANIZATIONS.—No national,
25 State, district, or local committee of a political party (in-

1 cluding a national congressional campaign committee of
2 a political party, an entity that is directly or indirectly
3 established, financed, maintained, or controlled by, or act-
4 ing on behalf of any such national, State, district, or local
5 committee, and an officer acting as agent of any such
6 party committee or entity), shall solicit any funds for or
7 make any donations to an organization that is exempt
8 from Federal taxation under section 501(c) of the Internal
9 Revenue Code of 1986.

10 “(d) CANDIDATES.—

11 “(1) IN GENERAL.—No candidate, individual
12 holding Federal office, or agent of a candidate or in-
13 dividual holding Federal office may—

14 “(A) solicit, receive, transfer, or spend
15 funds in connection with an election for Federal
16 office unless the funds are subject to the limita-
17 tions, prohibitions, and reporting requirements
18 of this Act;

19 “(B) solicit, receive, or transfer funds that
20 are to be expended in connection with any elec-
21 tion other than a Federal election unless the
22 funds—

23 “(i) are not in excess of the amounts
24 permitted with respect to contributions to

1 candidates and political committees under
2 section 315(a) (1) and (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; or

6 “(C) solicit, receive, or transfer any funds
7 on behalf of any person that are not subject to
8 the limitations, prohibitions, and reporting re-
9 quirements of the Act if the funds are for use
10 in financing any campaign-related activity or
11 any communication that refers to a clearly iden-
12 tified candidate for Federal office.

13 “(2) EXCEPTION.—Paragraph (1) does not
14 apply to the solicitation or receipt of funds by an in-
15 dividual who is a candidate for a State or local office
16 if the solicitation or receipt of funds is permitted
17 under State law for the individual’s State or local
18 campaign committee.”.

19 **SEC. 212. STATE PARTY GRASSROOTS FUNDS.**

20 (a) INDIVIDUAL CONTRIBUTIONS.—Section
21 315(a)(1) of the Federal Election Campaign Act of 1971
22 (2 U.S.C. 441a(a)(1)) (as amended by section 105) is
23 amended—

24 (1) in subparagraph (C) by striking “or” at the
25 end;

1 (2) by redesignating subparagraph (D) as sub-
2 paragraph (E); and

3 (3) by inserting after subparagraph (C) the fol-
4 lowing:

5 “(D) to—

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

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

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

20 (b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS
21 TO STATE PARTY.—Section 315(a)(2) of the Federal
22 Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is
23 amended—

24 (1) in subparagraph (B), by striking “or” at
25 the end;

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

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

5 “(C) to—

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

10 “(ii) to any other political committee estab-
11 lished and maintained by a State committee of
12 a political party which, in the aggregate, exceed
13 \$5,000;

14 except that the aggregate contributions described in
15 this subparagraph that may be made by a multican-
16 didate political committee to the State Party Grass-
17 roots Fund and all committees of a State Committee
18 of a political party in any State in any calendar year
19 shall not exceed \$10,000; or”.

20 (c) LIMITS.—

21 (1) IN GENERAL.—Section 315(a) of the Fed-
22 eral Election Campaign Act of 1971 (2 U.S.C.
23 441a(a)) is amended by striking paragraph (3) and
24 inserting the following:

25 “(3) OVERALL LIMITS.—

1 “(A) INDIVIDUAL LIMIT.—No individual
2 shall make contributions during any calendar
3 year that, in the aggregate, exceed \$30,000.

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 (d) 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) The term ‘generic campaign activity’
2 means a campaign activity that promotes a political
3 party and does not refer to any particular Federal
4 or non-Federal candidate.

5 “(21) The term ‘State Party Grassroots Fund’
6 means a separate segregated fund established and
7 maintained by a State committee of a political party
8 solely for purposes of making expenditures and other
9 disbursements described in section 326(d).”.

10 (e) STATE PARTY GRASSROOTS FUNDS.—Title III of
11 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
12 et seq.) (as amended by section 211) is amended by adding
13 at the end the following:

14 **“SEC. 326. STATE PARTY GRASSROOTS FUNDS.**

15 “(a) DEFINITION.—In this section, the term ‘State
16 or local candidate committee’ means a committee estab-
17 lished, financed, maintained, or controlled by a candidate
18 for other than Federal office.

19 “(b) TRANSFERS.—Notwithstanding section
20 315(a)(4), no funds may be transferred by a State com-
21 mittee of a political party from its State Party Grassroots
22 Fund to any other State Party Grassroots Fund or to any
23 other political committee, except a transfer may be made
24 to a district or local committee of the same political party
25 in the same State if the district or local committee—

1 “(1) has established a separate segregated fund
2 for the purposes described in subsection (d); and

3 “(2) uses the transferred funds solely for those
4 purposes.

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

7 “(1) IN GENERAL.—Any amount received by a
8 State Party Grassroots Fund from a State or local
9 candidate committee for expenditures described in
10 subsection (d) that are for the benefit of that can-
11 didate shall be treated as meeting the requirements
12 of 325(b)(1) and section 304(d) if—

13 “(A) the amount is derived from funds
14 which meet the requirements of this Act with
15 respect to any limitation or prohibition as to
16 source or dollar amount specified in section
17 315(a) (1)(A) and (2)(A)(i); and

18 “(B) the State or local candidate commit-
19 tee—

20 “(i) maintains, in the account from
21 which payment is made, records of the
22 sources and amounts of funds for purposes
23 of determining whether those requirements
24 are met; and

1 “(ii) certifies that the requirements
2 were met.

3 “(2) DETERMINATION OF COMPLIANCE.—For
4 purposes of paragraph (1)(A), in determining wheth-
5 er the funds transferred meet the requirements of
6 this Act described in paragraph (1)(A)—

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

11 “(B) the committee must be able to dem-
12 onstrate that its cash on hand contains funds
13 meeting those requirements sufficient to cover
14 the transferred funds.

15 “(3) REPORTING.—Notwithstanding paragraph
16 (1), any State Party Grassroots Fund that receives
17 a transfer described in paragraph (1) from a State
18 or local candidate committee shall be required to
19 meet the reporting requirements of this Act, and
20 shall submit to the Commission all certifications re-
21 ceived, with respect to receipt of the transfer from
22 the candidate committee.

23 “(d) EXPENDITURES.—A State committee of a politi-
24 cal party may make expenditures from its State Party
25 Grassroots Fund only for—

1 “(1) any generic campaign activity;

2 “(2) payments described in clauses (v), (x), and
3 (xii) of paragraph (8)(B) and clauses (iv), (viii), and
4 (ix) of paragraph (9)(B) of section, 301;

5 “(3) subject to the limitations of section
6 315(d), payments described in clause (xii) of para-
7 graph (8)(B), and clause (ix) of paragraph (9)(B),
8 of section 301 on behalf of candidates other than for
9 President and Vice President;

10 “(4) voter registration; and

11 “(5) development and maintenance of voter files
12 during an even-numbered calendar year.”.

13 **SEC. 213. REPORTING REQUIREMENTS.**

14 (a) **REPORTING REQUIREMENTS.**—Section 304 of the
15 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
16 (as amended by section 241) is amended by adding at the
17 end the following:

18 “(e) **POLITICAL COMMITTEES.**—

19 “(1) **NATIONAL AND CONGRESSIONAL POLITI-**
20 **CAL COMMITTEES.**—The national committee of a po-
21 litical party, any congressional campaign committee
22 of a political party, and any subordinate committee
23 of either, shall report all receipts and disbursements
24 during the reporting period, whether or not in con-
25 nection with an election for Federal office.

1 “(2) OTHER POLITICAL COMMITTEES TO WHICH
2 SECTION 325 APPLIES.—A political committee (not
3 described in paragraph (1)) to which section
4 325(b)(1) applies shall report all receipts and dis-
5 bursements whether or not the receipts are received
6 or disbursements are made in connection with a
7 Federal election.

8 “(3) TRANSFERS.—In a report under para-
9 graph (1) or (2), a political committee shall—

10 “(A) include any amount received by a na-
11 tional committee that is to be transferred to a
12 State committee for use directly for (or pri-
13 marily to support) activities described in section
14 325(b)(2); and

15 “(B) itemize such amounts to the extent
16 required by subsection (b)(3)(A).

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

21 “(5) ITEMIZATION.—If a political committee
22 has receipts or disbursements to which this sub-
23 section applies from any person aggregating in ex-
24 cess of \$200 for any calendar year, the political
25 committee shall separately itemize its reporting for

1 such person in the same manner as required in para-
2 graphs (3)(A), (5), and (6) of subsection (b).

3 “(6) REPORTING PERIODS.—Reports required to be
4 filed under this subsection shall be filed for the same time
5 periods required for political committees under
6 subsection (a).”.

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

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

12 (2) by redesignating clauses (ix) through (xiv)
13 as clauses (viii) through (xiii), respectively.

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

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

24 (d) OTHER REPORTING REQUIREMENTS.—

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

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

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

8 (C) by adding at the end the following new
9 subparagraph:

10 “(J) in the case of an authorized commit-
11 tee, disbursements for the primary election, the
12 general election, and any other election in which
13 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 in-
17 serting “, and the election to which the operating ex-
18 penditure relates” after “operating expenditure”.

19 **Subtitle C—Soft Money of Persons**
20 **Other Than Political Parties**

21 **SEC. 221. SOFT MONEY OF PERSONS OTHER THAN POLITI-**
22 **CAL PARTIES.**

23 Section 304 of the Federal Election Campaign Act
24 of 1971 (2 U.S.C. 434) (as amended by section 213) is
25 amended by adding at the end the following:

1 “(f) ELECTION ACTIVITY OF PERSONS OTHER THAN
2 POLITICAL PARTIES.—

3 “(1) IN GENERAL.—A person other than a com-
4 mittee of a political party that makes aggregate dis-
5 bursements totaling in excess of \$10,000 for activi-
6 ties described in paragraph (2) shall file a statement
7 with the Commission—

8 “(A) within 48 hours after the disburse-
9 ments are made; or

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

13 “(2) ACTIVITY.—The activity described in this
14 paragraph is—

15 “(A) any activity described in section
16 316(b)(2)(A) that refers to any candidate for
17 Federal office, any political party, or any Fed-
18 eral election; and

19 “(B) any activity described in subpara-
20 graph (B) or (C) of section 315(b)(2).

21 “(3) ADDITIONAL STATEMENTS.—An additional
22 statement shall be filed each time additional dis-
23 bursements aggregating \$10,000 are made by a per-
24 son described in paragraph (1).

1 “(4) 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 “(5) CONTENTS.—A statement under this sec-
7 tion shall contain such information about the dis-
8 bursements as the Commission shall prescribe, in-
9 cluding—

10 “(A) the name and address of the person
11 or entity to whom the disbursement was made;

12 “(B) the amount and purpose of the dis-
13 bursement; and

14 “(C) if applicable, whether the disburse-
15 ment was in support of, or in opposition to, a
16 candidate or a political party, and the name of
17 the candidate or the political party.”.

18 **Subtitle D—Contributions**

19 **SEC. 231. CONTRIBUTIONS THROUGH INTERMEDIARIES** 20 **AND CONDUITS.**

21 Section 315(a)(8) of the Federal Election Campaign
22 Act of 1971 (2 U.S.C. 441a(a)(8)) is amended by striking
23 paragraph (8) and inserting the following:

24 “(8) INTERMEDIARIES AND CONDUITS.—

25 “(A) DEFINITIONS.—In this paragraph:

1 “(i) ACTING ON BEHALF OF THE EN-
2 TITY.—The term ‘acting on behalf of the
3 entity’ means soliciting one or more con-
4 tributions—

5 “(I) in the name of an entity;

6 “(II) using other than incidental
7 resources of an entity; or

8 “(III) by directing a significant
9 portion of the solicitations to other of-
10 ficers, employees, agents, or members
11 of an entity or their spouses, or by so-
12 liciting a significant portion of the
13 other officers, employees, agents, or
14 members of an entity or their spouses.

15 “(ii) BUNDLER.—The term ‘bundler’
16 means an intermediary or conduit that de-
17 livers contributions made by other persons,
18 and that is any of the following persons:

19 “(I) A political committee (other
20 than the authorized campaign com-
21 mittee of the candidate receiving the
22 funds) or an officer, employee or
23 agent of a political committee.

24 “(II) A corporation, labor organi-
25 zation, or partnership or an officer,

1 employee, or agent of a corporation
2 labor organization, or partnership,
3 acting on behalf of the corporation,
4 labor organization, or partnership.

5 “(III) A person required to be
6 listed as a lobbyist on a registration
7 or other report filed pursuant to the
8 Lobbying Disclosure Act of 1995 (2
9 U.S.C. 1601 et seq.) or any successor
10 law that requires reporting on the ac-
11 tivities of a person who is a lobbyist
12 or foreign agent.

13 “(iii) DELIVER.—The term ‘deliver’
14 means to deliver contributions to a can-
15 didate by any method used or suggested by
16 a bundler that communicates to the can-
17 didate (or to the person who receives the
18 contributions on behalf of the candidate)
19 that the bundler collected the contributions
20 for the candidate, including such methods
21 as—

22 “(I) personal delivery;

23 “(II) United States mail or simi-
24 lar services;

25 “(III) messenger service; and

1 “(IV) collection at an event or re-
2 ception.

3 “(B) TREATMENT AS CONTRIBUTIONS
4 FROM PERSONS BY WHOM MADE.—

5 “(i) IN GENERAL.—For purposes of
6 the limitations imposed by this section, all
7 contributions made by a person, either di-
8 rectly or indirectly, on behalf of a can-
9 didate, including contributions that are in
10 any way earmarked or otherwise directed
11 through an intermediary or conduit to the
12 candidate, shall be treated as contributions
13 from the person to the candidate.

14 “(ii) REPORTING.—The intermediary
15 or conduit through which a contribution is
16 made shall report the name of the original
17 contributor and the intended recipient of
18 the contribution to the Commission and to
19 the intended recipient.

20 “(C) TREATMENT AS CONTRIBUTIONS
21 FROM THE BUNDLER.—Contributions that a
22 bundler delivers to a candidate, agent of the
23 candidate, or the candidate’s authorized com-
24 mittee shall be treated as contributions from

1 the bundler to the candidate as well as from the
2 original contributor.

3 “(D) NO LIMITATION ON OR PROHIBITION
4 OF CERTAIN ACTIVITIES.—This subsection does
5 not—

6 “(i) limit fundraising efforts for the
7 benefit of a candidate that are conducted
8 by another candidate or Federal office-
9 holder; or

10 “(ii) prohibit an officer, employee, or
11 agent of a corporation, labor organization,
12 or partnership from soliciting, collecting,
13 or delivering a contribution to a candidate,
14 agent of the candidate, or the candidate’s
15 authorized committee if the officer, em-
16 ployee, or agent does so by use of the per-
17 sonal resources of the officer, employee, or
18 agent and is not acting on behalf of the
19 corporation, labor organization, or partner-
20 ship.”.

1 **Subtitle E—Independent**
2 **Expenditures**

3 **SEC. 241. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
4 **PENDENT EXPENDITURES.**

5 Section 304(c) of the Federal Election Campaign Act
6 of 1971 (2 U.S.C. 434(c)) is amended—

7 (1) in paragraph (2), by striking the undesig-
8 nated matter after subparagraph (C);

9 (2) by redesignating paragraph (3) as para-
10 graph (7); and

11 (3) by inserting after paragraph (2), as amend-
12 ed by paragraph (1), the following:

13 “(d) **TIME FOR REPORTING CERTAIN EXPENDI-**
14 **TURES.—**

15 “(1) **EXPENDITURES AGGREGATING \$1,000.—**

16 “(A) **INITIAL REPORT.—**A person (includ-
17 ing a political committee) that makes independ-
18 ent expenditures aggregating \$1,000 or more
19 after the 20th day, but more than 24 hours, be-
20 fore an election shall file a report describing the
21 expenditures within 24 hours after that amount
22 of independent expenditures has been made.

23 “(B) **ADDITIONAL REPORTS.—**After a per-
24 son files a report under subparagraph (A), the
25 person filing the report shall file an additional

1 report each time that independent expenditures
2 aggregating an additional \$1,000 are made with
3 respect to the same election as that to which
4 the initial report relates.

5 “(2) EXPENDITURES AGGREGATING \$10,000.—

6 “(A) INITIAL REPORT.—A person (includ-
7 ing a political committee) that makes independ-
8 ent expenditures aggregating \$10,000 or more
9 at any time up to and including the 20th day
10 before an election shall file a report describing
11 the expenditures within 48 hours after that
12 amount of independent expenditures has been
13 made.

14 “(B) ADDITIONAL REPORTS.—After a per-
15 son files a report under subparagraph (A), the
16 person filing the report shall file an additional
17 report each time that independent expenditures
18 aggregating an additional \$10,000 are made
19 with respect to the same election as that to
20 which the initial report relates.

21 “(3) PLACE OF FILING; CONTENTS; TRANSMIT-
22 TAL.—

23 “(A) PLACE OF FILING; CONTENTS.—A re-
24 port under this subsection—

1 “(i) shall be filed with the Commis-
2 sion; and

3 “(ii) shall contain the information re-
4 quired by subsection (b)(6)(B)(iii), includ-
5 ing the name of each candidate whom an
6 expenditure is intended to support or op-
7 pose.

8 “(B) TRANSMITTAL TO CANDIDATES.—In
9 the case of an election for United States Sen-
10 ator, not later than 2 business days after re-
11 ceipt of a report under this subsection, the
12 Commission shall transmit a copy of the report
13 to each eligible candidate seeking nomination
14 for election to, or election to, the office in ques-
15 tion.

16 “(4) OBLIGATION TO MAKE EXPENDITURE.—
17 For purposes of this subsection, an expenditure shall
18 be treated as being made on the making of any pay-
19 ment or the taking of any action to incur an obliga-
20 tion for payment.

21 “(5) DETERMINATIONS BY THE COMMISSION.—

22 “(A) IN GENERAL.—The Commission may,
23 upon a request of a candidate or on its own ini-
24 tiative, make its own determination that a per-
25 son, including a political committee, has made,

1 or has incurred obligations to make, independ-
2 ent expenditures with respect to any candidate
3 in any Federal election that in the aggregate
4 exceed the applicable amounts under paragraph
5 (1) or (2).

6 “(B) NOTIFICATION.—In the case of a
7 United States Senator, the Commission shall
8 notify each candidate in the election of the
9 making of the determination within 2 business
10 days after making the determination.

11 “(C) TIME TO COMPLY WITH REQUEST
12 FOR DETERMINATION.—A determination made
13 at the request of a candidate shall be made with
14 48 hours of the request.

15 “(6) NOTIFICATION OF AN ALLOWABLE IN-
16 CREASE IN INDEPENDENT EXPENDITURE LIMIT.—
17 When independent expenditures totaling in the ag-
18 gregate \$10,000 have been made in the same elec-
19 tion in support of an opposing candidate or against
20 an eligible Senate candidate, the Commission shall,
21 within 2 business days, notify the eligible Senate
22 candidate that the eligible Senate candidate is enti-
23 tled under section 503(e) to an increase in the appli-
24 cable expenditure limit in an amount equal to the
25 amount of the independent expenditures.”.

TITLE III—ENFORCEMENT

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting at the end the following:

“(11)(A) The Commission may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

“(i) are required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

“(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

“(B) The Commission shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

1 “(C) In prescribing regulations under this para-
2 graph, the Commission shall provide methods (other
3 than requiring a signature on the document being
4 filed) for verifying designations, statements, and re-
5 ports covered by the regulations. Any document veri-
6 fied under any of the methods shall be treated for
7 all purposes (including penalties for perjury) in the
8 same manner as a document verified by signature.”.

9 **SEC. 302. AUDITS.**

10 (a) **RANDOM AUDITS.**—Section 311(b) of the Federal
11 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is
12 amended—

13 (1) by inserting “(1)” before “The Commis-
14 sion”; and

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

16 “(2) **RANDOM AUDITS.**—

17 “(A) **IN GENERAL.**—Notwithstanding para-
18 graph (1), the Commission may conduct ran-
19 dom audits and investigations to ensure vol-
20 untary compliance with this Act.

21 “(B) **SELECTION OF SUBJECTS.**—The sub-
22 jects of audits and investigations under para-
23 graph (1) shall be selected on the basis of cri-
24 teria established by vote of at least 4 members

1 of the Commission to ensure impartiality in the
2 selection process.

3 “(C) LIMITATION.—The Commission shall
4 not conduct an audit or investigation of a can-
5 didate’s authorized committee under paragraph
6 (1) until the candidate is no longer a candidate
7 for the office sought by the candidate in an
8 election cycle.

9 “(D) APPLICABILITY.—This paragraph
10 does not apply to an authorized committee of a
11 candidate for President or Vice President sub-
12 ject to audit under section 9007 or 9038 of the
13 Internal Revenue Code of 1986.”.

14 (b) EXTENSION OF PERIOD DURING WHICH CAM-
15 PAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the
16 Federal Election Campaign Act of 1971 (2 U.S.C. 438(b))
17 is amended by striking “6 months” and inserting “12
18 months”.

19 **SEC. 303. AUTHORITY TO SEEK INJUNCTION.**

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

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

23 “(13)(A) If, at any time in a proceeding described
24 in paragraph (1), (2), (3), or (4), the Commission believes
25 that—

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

3 “(ii) the failure to act expeditiously will result
4 in irreparable harm to a party affected by the poten-
5 tial violation;

6 “(iii) expeditious action will not cause undue
7 harm or prejudice to the interests of others; and

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

10 the Commission may initiate a civil action for a temporary
11 restraining order or a preliminary injunction pending the
12 outcome of the proceedings described in paragraphs (1),
13 (2), (3), and (4).

14 “(B) An action under subparagraph (A) shall be
15 brought in the United States district court for the district
16 in which the defendant resides, transacts business, or may
17 be found, or in which the violation is occurring, has oc-
18 curred, or is about to occur.”;

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

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

1 **SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBU-**
2 **TIONS OF \$50 OR MORE.**

3 Section 304(b)(3)(A) of the Federal Election Cam-
4 paign Act at 1971 (2 U.S.C. 434(b)(3)(A) is amended—

5 (1) by striking “\$200” and inserting “\$50”;

6 and

7 (2) by striking the semicolon and inserting “,
8 except that in the case of a person who makes con-
9 tributions aggregating at least \$50 but not more
10 than \$200 during the calendar year, the identifica-
11 tion need include only the name and address of the
12 person”.

13 **SEC. 305. INCREASE IN PENALTY FOR KNOWING AND WILL-**
14 **FUL VIOLATIONS.**

15 Section 308(a)(5)(B) of the Federal Election Cam-
16 paign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended
17 by striking “the greater of \$10,000 or an amount equal
18 to 200 percent” and inserting “the greater of \$15,000 or
19 an amount equal to 300 percent”.

20 **SEC. 306. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**
21 **UALS NOT QUALIFIED TO VOTE.**

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

24 (1) in the heading by adding “AND INDIVID-
25 UALS NOT QUALIFIED TO REGISTER TO
26 VOTE” at the end; and

1 (2) in subsection (a)—

2 (A) by striking “(a) It shall” and inserting
3 the following:

4 “(a) PROHIBITIONS.—

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

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

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

8 It shall be unlawful for an individual who is not
9 qualified to register to vote in a Federal election to
10 make a contribution, or to promise expressly or
11 impliedly to make a contribution, in connection with
12 a Federal election; or for any person to solicit, ac-
13 cept, or receive a contribution in connection with a
14 Federal election from an individual who is not quali-
15 fied to register to vote in a Federal election.”.

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

19 (1) in subparagraph (A)—

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

22 (B) by inserting “, and an affirmation that
23 the individual is an individual who is not pro-
24 hibited by section 319 from making a contribu-
25 tion” after “employer”; and

1 (2) in subparagraph (B) by inserting “and an
2 affirmation that the person is a person that is not
3 prohibited by section 319 from making a contribu-
4 tion” after “such person”.

5 **SEC. 307. USE OF CANDIDATES' NAMES.**

6 Section 302(e) of the Federal Election Campaign Act
7 of 1971 (2 U.S.C. 432(e)) is amended by striking para-
8 graph (4) and inserting the following:

9 “(4)(A) The name of each authorized commit-
10 tee shall include the name of the candidate who au-
11 thorized the committee under paragraph (1).

12 “(B) A political committee that is not an au-
13 thorized committee shall not—

14 “(i) include the name of any can-
15 didate in its name, or

16 “(ii) except in the case of a national,
17 State, or local party committee, use the
18 name of any candidate in any activity on
19 behalf of such committee in such a context
20 as to suggest that the committee is an au-
21 thorized committee of the candidate or
22 that the use of the candidate’s name has
23 been authorized by the candidate.”.

1 **SEC. 308. PROHIBITION OF FALSE REPRESENTATION TO**
2 **SOLICIT CONTRIBUTIONS.**

3 Section 322 of the Federal Election Campaign Act
4 of 1971 (2 U.S.C. 441h) is amended—

5 (1) by inserting after “SEC. 322.” the follow-
6 ing: “(a)”; and

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

8 “(b) No person shall solicit contributions by falsely
9 representing himself as a candidate or as a representative
10 of a candidate, a political committee, or a political party.”.

11 **SEC. 309. 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 303)
14 is amended by adding at the end the following new para-
15 graph:

16 “(14)(A) If the complaint in a proceeding was
17 filed within 60 days immediately preceding a general
18 election, the Commission may take action described
19 in this subparagraph.

20 “(B) If the Commission determines, on the
21 basis of facts alleged in the complaint and other
22 facts available to the Commission, that there is clear
23 and convincing evidence that a violation of this Act
24 has occurred, is occurring, or is about to occur and
25 it appears that the requirements for relief stated in

1 paragraph (13)(A) (ii), (iii), and (iv) are met, the
2 Commission may—

3 “(i) order expedited proceedings, shorten-
4 ing the time periods for proceedings under
5 paragraphs (1), (2), (3), and (4) as necessary
6 to allow the matter to be resolved in sufficient
7 time before the election to avoid harm or preju-
8 dice to the interests of the parties; or

9 “(ii) if the Commission determines that
10 there is insufficient time to conduct proceedings
11 before the election, immediately seek relief
12 under paragraph (13)(A).

13 “(C) If the Commission determines, on the
14 basis of facts alleged in the complaint and other
15 facts available to the Commission, that the com-
16 plaint is clearly without merit, the Commission
17 may—

18 “(i) order expedited proceedings, shorten-
19 ing the time periods for proceedings under
20 paragraphs (1), (2), (3), and (4) as necessary
21 to allow the matter to be resolved in sufficient
22 time before the election to avoid harm or preju-
23 dice to the interests of the parties; or

24 “(ii) if the Commission determines that
25 there is insufficient time to conduct proceedings

1 before the election, summarily dismiss the com-
2 plaint.”.

3 **TITLE IV—MISCELLANEOUS**

4 **SEC. 401. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR** 5 **PERSONAL PURPOSES.**

6 (a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—
7 Title III of the Federal Election Campaign Act of 1971
8 (2 U.S.C. 431 et seq.) (as amended by section 212(e)) is
9 amended by adding at the end the following:

10 **“SEC. 327. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN** 11 **PURPOSES.**

12 “(a) PERMITTED USES.—A contribution accepted by
13 a candidate, and any other amount received by an individ-
14 ual as support for activities of the individual as a holder
15 of Federal office, may be used by the candidate or individ-
16 ual—

17 “(1) for legitimate and verifiable expenditures
18 in connection campaign for Federal office of the can-
19 didate or individual;

20 “(2) for ordinary and necessary expenses in-
21 curred in connection with duties of the individual as
22 a holder of Federal office;

23 “(3) for contributions to an organization de-
24 scribed in section 170(c) of the Internal Revenue
25 Code of 1986; or

1 “(4) for transfers to a national, State, or local
2 committee of a political party.

3 “(b) PROHIBITED USE.—

4 “(1) IN GENERAL.—A contribution or amount
5 described in subsection (a) shall not be converted by
6 any person to personal use.

7 “(2) CONVERSION.—For the purposes of para-
8 graph (1), a contribution or amount shall be consid-
9 ered to be converted to personal use if the contribu-
10 tion or amount is used to fulfill any commitment,
11 obligation, or expense of a person that would exist
12 irrespective of the candidate’s election campaign or
13 individual’s duties as a holder of Federal office-
14 holder, including—

15 “(A) a home mortgage, rent, or utility pay-
16 ment;

17 “(B) a clothing purchase;

18 “(C) an automobile expense, vacation, or
19 trip of a nonelection campaign nature;

20 “(D) household food items;

21 “(E) a tuition payment;

22 “(F) admission to a sporting event, con-
23 cert, theater, or other form of entertainment
24 not associated with an election campaign; and

1 “(G) dues, fees, and other payments to a
2 health club or recreational facility.”.

3 **SEC. 402. CAMPAIGN ADVERTISING.**

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

6 (1) in subsection (a)—

7 (A) in the matter preceding paragraph

8 (1)—

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

17 (ii) by striking “an expenditure” and
18 inserting “a disbursement”; and

19 (iii) by striking “direct”; and

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

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

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

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

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

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

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

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

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

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

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

14 **SEC. 403. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**
15 **ING PRIVILEGE.**

16 (a) IN GENERAL.—Section 3210(a)(6)(A) of title 39,
17 United States Code, is amended to read as follows:

18 “(A) A Member of Congress shall not mail
19 any mass mailing as franked mail during a year
20 in which there will be an election for the seat
21 held by the Member during the period between
22 January 1 of that year and the date of the gen-
23 eral election for that Office, unless the Member
24 has made a public announcement that the
25 Member will not be a candidate for reelection to

1 that year or for election to any other Federal
2 office.”.

3 (b) APPLICATION OF SAVINGS.—It is the intent of
4 Congress that any savings realized by virtue of the amend-
5 ment made by subsection (a) shall be designated to pay
6 for the benefits of section 104 (relating to reduced postage
7 rates for eligible Senate candidates) provided under
8 section 104.

9 **SEC. 404. PARTY INDEPENDENT EXPENDITURES.**

10 Section 315(d) of the Federal Election Campaign Act
11 of 1997 (2 U.S.C. 441a(d)) is amended—

12 (1) in paragraph (1)—

13 (A) by inserting “coordinated” after
14 “make”; and

15 (B) by striking “(2) and (3)” and inserting
16 “(2), (3), and (4)”; and

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

18 “(4) Before a committee of a political party
19 may make coordinated expenditures in connection
20 with a general election campaign for Federal office
21 in excess of \$5,000 pursuant to this subsection, the
22 committee shall file with the Commission a certifi-
23 cation, signed by the treasurer, that the committee
24 has not and will not make any independent expendi-
25 tures in connection with that campaign for Federal

1 office. A party committee that determines to make
2 coordinated expenditures pursuant to this subsection
3 shall not make any transfers of funds in the same
4 election cycle from, any other party committee that
5 determines to make independent expenditures in
6 connection with the same campaign for Federal of-
7 fice.

8 “(5)(A) A committee of a political party shall
9 be considered to be in coordination with a candidate
10 of the party if the committee—

11 “(i) makes a payment for a communication
12 or anything of value in coordination with the
13 candidate, as described in section
14 301(8)(A)(iii);

15 “(ii) makes a coordinated expenditure
16 under section 315(d) on behalf of the candidate;

17 “(iii) participates in joint fundraising with
18 the candidate or in any way solicits or receives
19 a contribution on behalf of the candidate;

20 “(iv) communicates with the candidate or
21 an agent of the candidate (including a pollster,
22 media consultant, vendor, advisor, or staff
23 member), acting on behalf of the candidate,
24 about advertising, message, allocation of re-
25 sources, fundraising, or other campaign matters

1 related to the candidate's campaign, including
2 campaign operations, staffing, tactics or strat-
3 egy; or

4 "(v) provides in-kind services, polling data,
5 or anything of value to the candidate.

6 "(6) For purposes of paragraphs (4) and (5),
7 all political committees established and maintained
8 by a national political party (including all congres-
9 sional campaign committees) and all political com-
10 mittees established by State political parties shall be
11 considered to be a single political committee.

12 "(7) For purposes of paragraph (5), any coordi-
13 nation between a committee of a political party and
14 a candidate of the party after the candidate has filed
15 a statement of candidacy constitutes coordination for
16 the period beginning with the filing of the statement
17 of candidacy and ending at the end of the election
18 cycle."

19 **SEC. 405. COORDINATED EXPENDITURES; INDEPENDENT**
20 **EXPENDITURES.**

21 (a) DEFINITION OF COORDINATED EXPENDITURE.—

22 (1) SECTION 301(8).—Section 301(8) of the
23 Federal Election Campaign Act of 1971 (2 U.S.C.
24 431(8)) is amended—

25 (A) in subparagraph (A)—

1 (i) by striking “or” at the end of
2 clause (i);

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

5 (iii) by adding at the end the follow-
6 ing:

7 “(iii) a payment made for a commu-
8 nication or anything of value that is for
9 the purpose of influencing an election for
10 Federal office and that is a payment made
11 in coordination with a candidate.”; and

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

13 “(C) For the purposes of subparagraph
14 (A)(iii), the term ‘payment made in coordina-
15 tion with a candidate’ includes—

16 “(i) a payment made by a person in
17 cooperation, consultation, or concert with,
18 at the request or suggestion of, or pursu-
19 ant to any general or particular under-
20 standing with a candidate, the candidate’s
21 authorized committee, or an agent acting
22 on behalf of a candidate or authorized
23 committee;

24 “(ii) a payment made by a person for
25 the dissemination, distribution, or republi-

1 cation, in whole or in part, of any broad-
2 cast or any written, graphic, or other form
3 of campaign material prepared by a can-
4 didate, a candidate's authorized committee,
5 or an agent of a candidate or authorized
6 committee (not including a communication
7 described in subparagraph (B)(i) or a com-
8 munication that expressly advocates the
9 candidate's defeat);

10 "(iii) a payment made based on infor-
11 mation about a candidate's plans, projects,
12 or needs provided to the person making the
13 payment by the candidate or the can-
14 didate's agent who provides the informa-
15 tion with a view toward having the pay-
16 ment made;

17 "(iv) a payment made by a person if,
18 in the same election cycle in which the pay-
19 ment is made, the person making the pay-
20 ment is serving or has served as a member,
21 employee, fundraiser, or agent of the can-
22 didate's authorized committee in an execu-
23 tive or policymaking position;

24 "(v) a payment made by a person if
25 the person making the payment has served

1 in any formal policy or advisory position
2 with the candidate's campaign or has par-
3 ticipated in strategic or policymaking dis-
4 cussions with the candidate's campaign re-
5 lating to the candidate's pursuit of nomi-
6 nation for election, or election, to Federal
7 office, in the same election cycle as the
8 election cycle in which the payment is
9 made;

10 "(vi) a payment made by a person if,
11 in the same election cycle, the person mak-
12 ing the payment retains the professional
13 services of any individual or person who
14 has provided or is providing campaign-re-
15 lated services in the same election cycle to
16 a candidate in connection with the can-
17 didate's pursuit of nomination for election,
18 or election, to Federal office, including
19 services relating to the candidate's decision
20 to seek Federal office, and the professional
21 is retained to work on activities relating to
22 that candidate's campaign.

23 "(D) For purposes of subparagraph
24 (C)(vi), the term 'professional services' includes
25 services in support of a candidate's pursuit of

1 nomination for election, or election, to Federal
2 office such as polling, media advice, direct mail,
3 fundraising, or campaign research.

4 (2) SECTION 315(a)(7).—Section 315(a)(7) (2
5 U.S.C. 441a(a)(7)) is amended by striking para-
6 graph (B), and inserting the following:

7 “(B) Payments made in coordination with
8 a candidate, as described in section
9 301(8)(A)(iii), shall be considered to be con-
10 tributions to such candidate, and in the case of
11 limitations on expenditures, shall be treated as
12 expenditures for purposes of this paragraph.

13 (b) MEANING OF CONTRIBUTION OR EXPENDITURE
14 FOR THE PURPOSES OF SECTION 316.—Section
15 316(b)(2) of the Federal Election Campaign Act of 1971
16 (2 U.S.C. 441b(b)) is amended by striking “shall include”
17 and inserting “includes a contribution or expenditure, as
18 those terms are defined in section 301, and also includes”.

19 (c) DEFINITION OF INDEPENDENT EXPENDITURE.—
20 Section 301 of the Federal Election Campaign Act of
21 1971 (2 U.S.C. 431) is amended by striking paragraph
22 (17) and inserting the following:

23 “(17) INDEPENDENT EXPENDITURE.—

24 “(A) IN GENERAL.—The term ‘independent ex-
25 penditure’ means an expenditure that—

1 “(i) contains express advocacy; and

2 “(ii) is made without the participation or
3 cooperation of, or without consultation with, or
4 without coordination with a candidate or a can-
5 didate’s authorized committee or agent (within
6 the meaning of section 301(8)(A)(iii).

7 “(B) EXCLUSION.—The term ‘independent
8 expenditure’ does not include an expenditure or
9 payment made in coordination with a candidate
10 (within the meaning of section 301(8)(A)(iii)).”.

11 **SEC. 406. EXPRESS ADVOCACY.**

12 (a) DEFINITION OF EXPENDITURE.—Section
13 301(9)(A) of the Federal Election Campaign Act of 1971
14 (2 U.S.C. 431(9)(A)) is amended—

15 (1) by striking “and” at the end of clause (i);

16 (2) by striking the period at the end of clause

17 (ii) and inserting a semicolon; and

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

19 “(iii) any payment during an election
20 year or in a nonelection year, within 60
21 days before a special election, for a com-
22 munication that is made through any
23 broadcast medium, newspaper, magazine,
24 billboard, direct mail, or similar type of
25 general public communication or political

1 advertising by a national, State, district, or
2 local committee of a political party, includ-
3 ing a congressional campaign committee of
4 a party, that refers to a clearly identified
5 candidate; and

6 “(iv) any payment for a communica-
7 tion that contains express advocacy.”

8 (b) DEFINITION OF EXPRESS ADVOCACY.—Section
9 301 of the Federal Election Campaign Act of 1971 (2
10 U.S.C. 431) (as amended by section 212(d)) is amended
11 by adding at the end the following:

12 “(20) EXPRESS ADVOCACY.—

13 “(A) IN GENERAL.—The term ‘express ad-
14 vocacy’ includes—

15 “(i) a communication that conveys a
16 message that advocates the election or de-
17 feat of a clearly identified candidate for
18 Federal office by using an expression such
19 as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote
20 against,’ ‘defeat,’ ‘reject,’ ‘(name of can-
21 didate) for Congress,’ ‘vote pro-life,’ or
22 ‘vote pro-choice,’ accompanied by a listing
23 or picture of a clearly identified candidate
24 described as ‘pro-life’ or ‘pro-choice,’ ‘re-

1 ject the incumbent', or a similar expres-
2 sion;

3 “(ii) a communication that is made
4 through a broadcast medium, newspaper,
5 magazine, billboard, direct mail, or similar
6 type of general public communication or
7 political advertising that refers to a clearly
8 identified candidate, that a reasonable per-
9 son would understand as advocating the
10 election or defeat of the candidate, and
11 that is made within 30 days before the
12 date of a primary election (and is targeted
13 to the State in which the primary is occur-
14 ring), or 60 days before a general election;
15 or

16 “(iii) a communication that is made
17 through a broadcast medium, newspaper,
18 magazine, billboard, direct mail, or similar
19 type of general public communication or
20 political advertising that refers to a clearly
21 identified candidate, that a reasonable per-
22 son would understand as advocating the
23 election or defeat of a candidate, that is
24 made before the date that is 30 days be-
25 fore the date of a primary election, or 60

1 days before the date of a general election,
2 and that is made for the purpose of advo-
3 cating the election or defeat of the can-
4 didate, as shown by 1 or more factors such
5 as a statement or action by the person
6 making the communication, the targeting
7 or placement of the communication, or the
8 use by the person making the communica-
9 tion of polling, demographic, or other simi-
10 lar data relating to the candidate's cam-
11 paign or election.

12 “(B) EXCLUSION.—The term ‘express ad-
13 vocacy’ does not include the publication or dis-
14 tribution of a communication that is limited
15 solely to providing information about the voting
16 record of elected officials on legislative matters
17 and that a reasonable person would not under-
18 stand as advocating the election or defeat of a
19 particular candidate.”.

20 **TITLE V—CONSTITUTIONALITY;**
21 **EFFECTIVE DATE; REGULATIONS**

22 **SEC. 501. SEVERABILITY.**

23 If any provision of this Act or amendment made by
24 this Act, or the application of a provision or amendment
25 to any person or circumstance, is held to be unconstitu-

1 tional, the remainder of this Act and amendments made
2 by this Act, and the application of the provisions and
3 amendment to any person or circumstance, shall not be
4 affected by the holding.

5 **SEC. 502. REVIEW OF CONSTITUTIONAL ISSUES.**

6 An appeal may be taken directly to the Supreme
7 Court of the United States from any final judgment, de-
8 cree, or order issued by any court ruling on the constitu-
9 tionality of any provision of this Act or amendment made
10 by this Act.

11 **SEC. 503. EFFECTIVE DATE.**

12 Except as otherwise provided in this Act, this Act and
13 the amendments made by this Act take effect on January
14 1, 1999.

15 **SEC. 504. REGULATIONS.**

16 The Federal Election Commission shall prescribe any
17 regulations required to carry out this Act and the amend-
18 ments made by this Act not later than 270 days after the
19 effective date of this Act.