

**NLWJC - Kagan**

**Counsel - Box 034 - Folder 007**

**Campaign Finance Materials [4]**



# CENTER FOR A NEW DEMOCRACY

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December 19, 1995

Bill Curry  
Office of the Chief Counsel  
The White House  
Old Executive Office Building, Rm 164  
Washington, D.C.

## **By Facsimile**

Dear Bill:

Following are my thoughts on why the President should not endorse the campaign finance reform proposals currently in the Congress and instead "take the high road" to articulate principles of reform by which those proposals and others should be measured or offer his own bill. In any proposal, the following questions should be addressed affirmatively: Will the proposed reforms restore confidence in government, elections, and elected officials? Will the reforms level the playing field between incumbents and challengers? Will the proposed reforms end corruption and the perception of corruption in elections and policy making? Will the reforms shift the balance from special, monied interests to ordinary people?

## **Outside of the Washington Beltway**

Campaign finance reform measures will appear on the ballots of six states in November 1996. Three states (Oregon, Missouri, and Montana) passed measures in 1994 by margins of more than two votes to one (litigation is, of course, ongoing). Additionally, we are tracking active work on campaign finance reform in at least 30 states. This activity has increased significantly since the 1992 election when voter dissatisfaction was reported at an all time high.

**Alaska** -- AkPIRG has qualified an initiative for the ballot that would limit spending and set low contributions for legislative and statewide races. Four former governors of Alaska (Democrats and Republicans have endorsed the initiative).

**Arkansas** -- In the President's home state, the initiative will limit contributions to \$100 for local races and \$300 for state wide races for each the primary and general elections. A system of voluntary spending limits will be enforced through a \$25/\$50 tax credit for candidates agreeing to the spending limits. The measure will strengthen enforcement and disclosure laws in Arkansas.

**California** -- The California Public Interest Research Group is qualifying an initiative on the ballot that would limit contributions to \$100 for local/legislative races and \$250 for governor per election, require 75 percent of contributions to come from within the candidate's district, prohibit corporate contributions to candidates, bar lobbyists' contributions, set low mandatory spending limits (with a voluntary fall back provision if this is held unconstitutional), and strengthen enforcement and disclosure. The CalPIRG initiative has been endorsed by numerous local and community leaders, the state SEIU, and the California Teachers' Association. Additionally, California Common Cause and United We Stand America are running another initiative that is not as strong but has similar provisions.

**Colorado** -- Common Cause, CoPIRG, UWSA-Colorado, and the League of Women Voters have filed an initiative that would limit spending, set contribution limits at \$100 for legislative races and \$500 for governor, prohibit corporate contributions, and strengthen enforcement and disclosure laws.

**Maine** -- A coalition of labor, progressive and conservative groups have qualified an initiative for the November ballot which would limit contributions, set spending limits and establish public funding for elections.

### **Inside the Beltway**

Two bills in the Congress (McCain/Feingold and Smith/Meehan) seem to have legs at this point. Neither bill has attracted more than a couple dozen co-sponsors to date, but they have received a fair amount of press and the support of traditional reform groups. Given the major flaws in the proposals and the lack of internal congressional support, I think this is an opportunity for the President to offer the outlines of his own proposal (drawing from McCain and/or Smith) and/or to point "outside of the beltway" for guidance.

Although the bills contain numerous problem areas, I will highlight only the significant ones. The major flaw of both congressional bills is the provision that calls for larger contributions from individuals to candidates who agree to spending limits, which are also lifted or increased when complying candidates face noncomplying opponents. While the Speaker has proclaimed that there's not enough money in politics, this provision and that assertion are completely afield of where the public is -- lower contributions and drastically reduced spending. The bills increase contribution limits and spending limits whether or not the noncomplying opponent ever goes over the spending limits. In the McCain bill contribution limits for individuals are double what they are at present per election.

Secondly, while we favor limiting contributions to people who can vote for a candidate, the "in-district/state" provisions actually discourage participation since the provision only applies to candidates who agree to the spending limits. In the Smith bill, a candidate may still qualify for benefits by raising up to 70 percent of her qualifying contributions from outside of the district. She merely needs to meet the qualifying threshold (raise 10 percent of the spending limit) by keeping her qualifying contributions to 40 percent or less from outside of

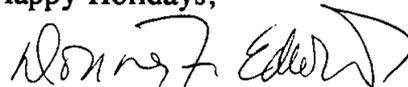
the state and thirty percent of her qualifying contributions from within her district. This is a super-majority *out-of-district* restriction -- this is no change from current practice. As well, the threshold to qualify for benefits is so high that it invariably favors incumbents. Under the Senate proposal this threshold can be met by raising all contributions from large donors. In particular, the Senate measure would do little to assist challengers (in primary elections where incumbents are most likely to face a real challenge) since the benefits only kick in for the general elections -- a virtual free-for-all for incumbents. Both bills treat all political committees the same, irrespective of whether the committee raises its money from a lot of small donors or a handful of wealthy people. The Smith bill at least curbs special interest PACs by placing an aggregate limit on contributions to candidates.

In any legislative proposal, I would recommend lower contribution limits (to perhaps \$250 per election), applying in-district restrictions to all candidates (75% in and 25% out), setting aggregate limits on PAC receipts for candidates to one-third of the spending limit, allowing membership PACs to contribute more than large donor PACs, prohibiting bundling (by all groups/individuals) and soft money contributions, barring corporate subsidy of PACs, and providing benefits that include free television/radio, postage benefits, and a tax credit or voucher to match contributions of \$100 or less (to candidates, parties or political committees) only for donors contributing in the aggregate \$100 or less.

On another front, we will be working with activists and groups in a couple of dozen states in 1996 to bring attention to this issue. This organizing and the work that will be going on in the six initiative states in 1996 will draw national media attention to the problems and the solutions. We will kick off the organizing effort in a nationally televised town meeting in New Hampshire in January. We will be promoting throughout the country five ways to change the system: reduce campaign contributions and spending; make candidates raise money from people they represent; open the airwaves for public debate; expand access to the ballot for candidates and parties; and allow citizens to vote on critical national issues.

I hope this memo is helpful. I would be pleased to work with you on a proposal from the President which really would return government back to people.

Happy Holidays,



Donna F. Edwards  
Executive Director

(5 pages w/attachments)

TABLE 3. Use of the Tax Credit and Deduction for Political Contributions on Federal Tax Returns: 1972-1985

Year	Number of tax returns	Number of returns taking credit (deduction) <sup>11</sup>	Total value of credits (deductions) <sup>11</sup>	Participation rate in tax incentive system <sup>12</sup>
1972	77,573,000	1,749,000 (964,000)	\$ 26,549,000 (\$52,280,000)	3.5 %
1973	80,693,000	1,126,017 (646,000)	\$ 17,794,000 (\$39,101,000)	2.2 %
1974	83,340,000	1,374,702 (NA)	\$ 21,975,000 (NA)	1.6 % <sup>13</sup>
1975	82,229,332	1,571,275 (687,571)	\$ 37,600,000 (\$61,378,000)	2.7 %
1976	84,670,389	2,341,515 (NA)	\$ 60,845,000 (NA)	2.8 % <sup>12</sup>
1977	86,634,640	2,602,391 (715,582)	\$ 73,666,000 (69,958,000)	3.8 %
1978	89,771,551	3,560,384 (NA)	\$103,873,000 (NA)	4.0 % <sup>12</sup>
1979	92,694,302	4,069,156	\$193,524,000	4.4 %
1980	93,902,469	5,419,155	\$269,384,000	5.8 %

<sup>11</sup> The deduction was eliminated after 1978.

<sup>12</sup> Percentage of all returns claiming the credit (and the deduction).

<sup>13</sup> Because the IRS did not provide data regarding use of the deduction in these years, these percentages reflect only participation in the tax credit system. They would be higher if the tax deduction participation were included, particularly in view of likely increases thereof during election years.

TABLE 3. Use of the Tax Credit and Deduction for Political Contributions on Federal Tax Returns: 1972-1985--Continued

Year	Number of tax returns	Number of returns taking credit (deduction) <sup>11</sup>	Total value of credits (deductions) <sup>11</sup>	Participation rate in tax incentive system <sup>12</sup>
1981	95,396,123	5,207,442	\$261,965,000	5.5 %
1982	95,337,432	5,243,629	\$269,783,000	5.5 %
1983	96,321,310	4,966,794	\$256,955,000	5.2 %
1984	99,438,708	3,764,117	\$196,644,000	3.8 %
1985	101,660,287	4,290,354	\$214,189,000	4.2 %

NA = not available.

Source: U.S. Internal Revenue Service. Statistics of Income: Individual Tax Returns. (annual series)

DEMOCRATIC \* NATIONAL \* COMMITTEE

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**FAX COVER SHEET**

DATE: 12/13/95 TIME: \_\_\_\_\_

TO: Bill Curry

FAX: 456-6598 # OF PAGES (including cover): 7

FROM: Shawn Maker w/ Sen. Dodd

SUBJECT: Dodd statements on campaign finance reform.

IF YOU HAVE ANY TROUBLE WITH THIS TRANSMISSION,  
PLEASE CALL \_\_\_\_\_ AT (202) 863-8075

COMMENTS: Per your request. The talking points were delivered practically verbatim at a press conference w/ Sen. Kerry to endorse the McCain-Reingold bill.

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TALKING POINTS FOR PRESS CONFERENCE REGARDING  
CAMPAIGN FINANCE REFORM  
NOVEMBER 1, 1995

\* I'M HERE AS A SENATOR AND AS A PARTY CHAIRMAN TO SAY THAT THE TIME IS LONG OVERDUE TO REFORM OUR NATION'S CAMPAIGN FINANCE LAWS. AND I SAY THAT AS SOMEONE WHO HAS SUCCEEDED WITHIN THE FRAMEWORK OF THOSE LAWS.

\* IT'S NOT THAT THE EXISTING SYSTEM IS HURTING ME OR MY PARTY. IT'S DOING HARM TO OUR NATION. THE GREATEST DEMOCRACY ON EARTH IS BEING STRANGLING BY THOSE WHO VIEW GOVERNMENT AS A TOOL OF PRIVATE GAIN, NOT AN INSTRUMENT OF PUBLIC GOOD.

\* AFTER WATCHING WHAT TOOK PLACE LAST WEEK IN THE HOUSE AND SENATE, IT'S OBVIOUS THAT REPUBLICAN BUDGET PROPOSALS PAY HOMAGE TO THE SPECIAL INTERESTS, AND PAY LIP SERVICE TO THE PUBLIC INTEREST.

\* YESTERDAY, I READ A NEWS REPORT THAT SPEAKER GINGRICH MET TWO WEEKS AGO WITH 150 LOBBYISTS IN A WINDOWLESS OFFICE LOCATED IN THE BASEMENT OF THE CAPITOL.

\*\* JUDGING BY THE OUTCOME OF LAST WEEK'S VOTE ON THE HOUSE FLOOR, I DOUBT THAT THE GROUP INCLUDED PEOPLE REPRESENTING CHILDREN ON MEDICAID, OR TEENAGERS HOPING TO ATTEND COLLEGE ON STUDENT LOANS, OR SENIOR CITIZENS IN NEED OF AFFORDABLE HEALTH CARE, OR EVEN THE 17 MILLION FAMILIES EARNING UNDER \$30,000 WHOSE TAXES WILL RISE UNDER THE REPUBLICAN BUDGET PROPOSALS.

\*\* AND I DOUBT THAT THE SPEAKER TOLD THE POWERFUL CORPORATE INTERESTS IN THAT ROOM THAT THEY'D HAVE TO SACRIFICE A FEW OF THEIR LOOPHOLES AND SUBSIDIES IN ORDER TO MAKE THE PAIN A LITTLE LESS SEVERE FOR THE MOST VULNERABLE IN OUR POPULATION.

\* IT USED TO BE THAT THE LOBBYISTS WAITED IN THE LOBBY TO INFLUENCE THE SHAPE OF LEGISLATION. NOW THEY'RE WHISKED INTO THE BACK ROOMS OF THE CAPITOL TO WRITE IT.

\* THOSE WHO WRITE THE CHECKS NOW EXPECT TO WRITE THE LAWS. IT'S WRONG, AND IT MUST STOP. THIS IS NOT THE KIND OF "CHANGE" AMERICANS VOTED FOR LAST YEAR.

\* YEARS AGO, IDEAS AND CHARACTER WERE WHAT COUNTED IN A CANDIDATE. TODAY, IT'S THE SIZE OF HIS OR HER WALLET. IT'S THE SIZE OF SOME CONSULTANT'S ROLODEX. LAST YEAR, ONE CANDIDATE SPENT OVER \$28 MILLION OF HIS OWN MONEY TO RUN FOR SENATE.

\* ONCE ELECTED, PUBLIC OFFICIALS MUST SPEND TOO MUCH TIME RAISING PRIVATE DOLLARS, AND TOO LITTLE TIME TENDING TO THE PUBLIC'S BUSINESS. IN FACT, THE AVERAGE SENATOR MUST RAISE \$12,000 PER WEEK EVERY WEEK FOR 6 YEARS TO RUN A CREDIBLE RACE FOR RE-ELECTION.

\* THE MCCAIN-FEINGOLD BILL IS NOT PERFECT. BUT IT'S THE RIGHT PLACE TO START OUR EFFORTS. AND I PLEDGE TO DO EVERYTHING I CAN IN

THE DAYS AND WEEKS TO COME TO BRING THIS ISSUE BEFORE THE SENATE.  
NOTHING WE DO IS MORE IMPORTANT THAN PUTTING AN END TO THE  
INFLUENCE OF BIG MONEY IN OUR POLITICAL SYSTEM.

Now, in a new twist, we have embarked on international rescues. What would compel anyone in this Government to think it is the role of the United States to rescue overseas banks?

This year we loaned \$12.5 billion to Mexico. The money came from the Exchange Stabilization Fund, a fund used to help maintain the value of U.S. currency. A good part of that fund has been used in Mexico.

The United States taxpayers may have to and probably will have to replenish this fund if Mexico does not pay its loan back. We have had the first indication that they will not pay or will be slow paying because they have had to roll over one loan four times already.

The President did all this on his own. The President did all this without congressional approval. Now comes this new plan without any congressional approval in any way to rescue Japanese banks.

Mr. President, this whole policy needs to be examined by the Congress. We have to make clear that we are not the world's banker. We have to make it clear to the world that we are not the lender of last resort. We cannot be the lender of last resort.

I strongly urge the Federal Reserve to cancel any plan it has to engage in this bailout.

Financial bailouts with tax dollars have to stop, and it is the responsibility of the Congress to stop it. Moreover, I cannot think of a less worthy use of tax dollars than bailing out foreign banks, particularly Japanese banks, when Japan has a positive trade balance of over \$100 billion.

Mr. President, since 1980 we have spent \$4 trillion we did not have. We have borrowed and borrowed. Soon, we will raise the limit to \$5 trillion. We cannot afford to continue spending this way. This is the first place I think we should stop it—in bailing out foreign banks.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### CAMPAIGN FINANCE REFORM

Mr. KERREY. Mr. President, yesterday's long-awaited testimony by Speaker NEWT GINGRICH on the subject of campaign finance reform was, to say the least, disappointing for me. I hope it does not represent a roadblock in the path of needed legislation to reform our campaign finance system in a fashion that does give citizens the sense that they have more power or control over the political process than they currently do.

It seems to me, the top of the list of items I would put on an agenda of

things needed to be done in order to restore people's confidence in democracy would be to change our laws that govern campaigns for election either to the U.S. Senate or to the U.S. House of Representatives.

We had legislation, I actually did not support the legislation last year because I thought it created a new, publicly funded entitlement, and I did not like that. We had legislation last year that came close. The now-majority leader has indicated he believes it is a top priority. A lot of us talk about campaign finance reform. We always get right to the end and we say, "Yes, I am for campaign finance reform, but there is something about this proposal I do not like," and there is always a good excuse not to do it.

The decision I made earlier this week was, in part, a response to that. I am the chairman of the Democratic Senatorial Campaign Committee, a legal organization—there is a Republican counterpart as well—that is designed to go out and find candidates and support candidates for office. It is a later subject, as to whether or not those committees themselves ought to be part of campaign finance reform. I certainly would like to see them as part of it. There is something unsavory about going out and campaigning against people you are working with all the time. But, as I said, I will leave that for a later discussion.

I, this week, endorsed and became a cosponsor of a piece of legislation that has been developed by Senator MCCAIN of Arizona and Senator FERGUSON of Wisconsin, as well as Senator THOMPSON of Tennessee, Senator SIMPSON of Wyoming, and a number of others. It has a bipartisan group of people in the House of Representatives who are supporting it as well. Not just to say I support this legislation. There are changes I want to make in the legislation, particularly as it relates to smaller States such as mine, that I think might not be positively affected by this. What it represents is an effort to say to Republicans: Look, on this issue we have to, at some level, set down our political party concerns and embrace legislative change that will, perhaps, increase the risk to us as incumbents. It seems to me at the end of the day that becomes one of the most important risks that personally one factors in, when thinking about whether or not to support a particular piece of legislation.

I feel strongly we cannot continue to give the American people an excuse as to why we cannot do it. It seems to me that is what we always do. We say, "I am for campaign finance reform, but \* \* \*." That is what I did last year. I do not want to do it this year. I want to be able to stand here as a Democrat with Senator MCCAIN, a Republican, Senator THOMPSON, a Republican, Senator SIMPSON, a Republican, and vote for final passage of legislation that has an opportunity of being conferenced with the House bill, if not in this calendar year certainly in this session of

this Congress. I find, in the Speaker's recommendation, some things I simply cannot support. He is recommending a 16-member commission on power and political reform in the information age.

It goes on. There is an article here I am holding that says, in typical expansive, characteristically expansive fashion, he urges all of us, if we really want to understand campaign finance reform and get to the heart of the matter, he urges all of us "to study ancient Greece and Rome, pre-Civil War United States and the words of Thomas Jefferson, James Madison, Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson, and Henry Cabot Lodge."

Mr. President, I have read most of those. I have been educated far more on these matters listening to the distinguished Senator from West Virginia. I must point out, than almost any other speaker on this floor. We have, it seems to me, not a shortage of historical information. What we have is a shortage of will to vote for something that might put our own political careers at risk.

I would object personally to being told that what I have to do is what the Speaker is recommending—that we are going to have a 16-member commission. They are going to decide. If two-thirds of them vote for a specific proposal, then we have to vote for it up or down. That is a recipe, it seems to me, that on the one hand we are saying we are not going to get involved—Senator MCCAIN, Senator FERGUSON, Senator THOMPSON, Senator SIMPSON, myself, and Senator DONN, and many others of us are saying it is time for us to enact legislation that we can reach agreement on. I reject that premise on the one hand. On the other hand, what it calls for is another delay. This commission is supposed to make its report on the 1st of May of next year. That will, in my judgment, likely cause us to not be able to enact legislation.

Second, I must say with respect to the Speaker's proposal that he has broadened this thing to a point where it is almost a self-defeating mission. By broadening it, I mean he wants to include not just campaign finance reform but the power of private sector individuals in the information age. Specifically, he references in here and compares in here, a multi-millionaire broadcaster on ABC News being given tremendous access to the American people. That individual does not represent political power; whereas, the thousand-dollar contribution being written by the broadcaster's spouse does. Then he says—and I must say, in his typically characteristic way, only the Speaker seems to be able to come up with these sorts of phrases—"This is simply a nonsensical, socialist analysis based on hatred of the free enterprise system."

Anybody that does not see it the way the Speaker sees it hates the free enterprise system and is a socialist. Interesting argument. I will leave it to somebody else to figure that one out.

Mr. President, the Speaker knows quite well that there are many free enterprise organizations that give you—for example, Rupert Murdoch put \$10 million into a magazine called American Standard. He has a political orientation there. We do not restrict that activity. I hope the Speaker is not suggesting that we get into that kind of activity because it is a self-defeating mission, if that is what we are going to do. He may not like the views of somebody on television, or somebody writing an editorial page, or something like that. But, for gosh sakes, that is not the issue.

The issue is people who decide to run for office. Once we get to office, we have power that a challenger does not have. Specifically, in my own case in the last Senate reelection campaign, I started off the campaign with nearly 100 percent name recognition. Anybody who wants to challenge me will have to spend \$1 million, let us say, on the TV just to get their name up as a credible candidate. That really is a hurdle that an individual has to be able to get over if they are going to be competitive against an incumbent.

So the legislation that Senator McCAIN and Senator FRINGOLD have put together—the reason, it seems to me, that it has merit—deals with this problem of financing head on. The Speaker, on the other hand, says—it is a remarkable headline. I cannot remember exactly. I cannot see the print. I did not bring my glasses. But he said something to the effect that there is a great myth going on in the country today that we spend too much on campaigns. That is a myth? I think he is maybe the only person in America who has discovered that is a myth, that we spend too much. That we do not spend too much is the Speaker's view. He says it is not that we spend too much; but that we do not spend enough. What we need, instead of \$4 million Senate races in Nebraska, are \$8 million Senate races.

Mr. DODD. Mr. President, if my colleague will yield, I have my glasses on. I was very excited to hear my colleague from Nebraska over here, so I decided to join him.

The quote here is, rather than limit campaign spending, GINGRICH said, "One of the greatest myths in modern politics is that campaigns are too expensive. The political process, in fact, is not overfunded but underfunded."

So that quote in that particular instance is one of the great myths I have ever heard about. I do not know about the Speaker, but I can tell you as someone who has been through seven elections, that for the average Senate race, either Republican or Democrat, candidates must raise \$12,000 a week every week for 6 years to meet the cost of the average Senate campaign in the

United States. If the Speaker thinks that is underfunded, then he lives on a different planet than I do.

One of the problems is too many Members spending too much time—~~was too much time—~~ out there talking the money, sitting down with the people who can raise and give them the kind of resources necessary. I promise you, if we continue on the path we are going, it is going to destroy this process in this country. It has to stop.

Mr. KERREY. Mr. President, I appreciate that comment. I would like to ask the Senator from Connecticut, he is the chairman of the Democratic National Committee, and when we earlier this week endorsed what is genuinely a bipartisan bill where at the moment there are at least more Republicans on it than Democrats—what we are trying to do is get Chairman Barbour and Chairman D'AMATO, not necessarily because they like every detail. I do not like every detail in the bill, nor does the distinguished Senator from Connecticut like it. But to say we know—I think Chairman Barbour knows and Chairman D'AMATO knows. They are out there a lot with the people making contact with citizens, and citizens are saying loud and clear to us, "Change this electoral system. Change it so that we feel like we have more power, more control, and more opportunity to participate."

One of the things that I hope comes out of this is, rather than this just being a couple of Democrats coming down to the floor of the Senate, I am not trying to seek partisan advantage as a consequence of what Speaker GINGRICH says. I am not going after Chairman Barbour or any Republicans down here at all. Indeed, quite the opposite. I am praising Republican leadership in recognizing, as Senator McCAIN has, and Senator THOMPSON and Senator SIMPSON have, that this process has to change. I am hopeful that leadership of our parties can say to the American people, "OK, we are going to put our swords down. We are going to stop cranking the fax machine for a while, and we are going to let the legislative process work."

The Members of the Senate and the House go home over the weekends. They know what is going on. You ask at the townhall meeting for a show of hands for how many favor limiting campaign spending and for reform of the process. If it is an audience of 100, you will get 100 hands. If you ask the audience how many think we do not spend enough in political campaigns, not a single hand will go up, unless somebody owns a television station and wants to spend more money or something like that.

I really believe that we know. I doubt that there is a single Member of this body who would say that the campaign laws ought to stay the same as they are. My guess is 100 out of 100 know this thing ought to change.

I hopeful, at least on this issue, that we can stop being partisan for a mo-

ment and be Americans instead and pass legislation that the American people are saying is a top priority for them.

Mr. DODD. If my colleague will yield, I want to underscore, Mr. President, what the Senator from Nebraska has said today with his leadership on this issue. The author of the legislation that the Senator from Nebraska and I are speaking about is our colleague from Arizona, Senator McCAIN. And in the House of Representatives, similar legislation is sponsored Representative LINDA SMITH, who I gather is a freshman Member of the House—I do not know her personally, and I do not know if we have ever met. CHRISTOPHER SHAYS, a House Republican Member and a colleague of mine from the State of Connecticut whom I know, is another sponsor of the House legislation. To suggest that what we are doing is somehow partisan, is to belie the facts. I have been a strong supporter, as my colleague has, for years on campaign finance reform.

What we see with this legislation being offered by our colleagues from Arizona—and Washington and Connecticut in the House—is an opportunity to get beyond the partisanship and, that is, to join together here, Republicans and Democrats who believe that despite whatever differences we may have on other issues and on this issue of trying to slow down and limit the proliferation of money in these campaigns, it is a worthy cause.

Whatever other differences we may have on this issue, we ought to be able to come together. By supporting a bipartisan piece of legislation, we can achieve it. How anyone can believe what the Speaker says—I read what the Speaker says here, and I quote him:

I would guess that over half of the money I raise is spent offsetting the weight of the Atlanta Journal-Constitution.

Half the money is spent running against a newspaper in Georgia. The last time I heard, my opponent was not the newspaper. I normally end up with someone on the other side I debate with and face.

So now let me see if I understand this. We raise this much money because we have to take on our local newspapers and radio stations? That is ludicrous, Mr. President, absolutely ludicrous to make that case, for the Speaker of the House to make the case, that we need to spend more money so we can take on the media.

That is what this is about. I have never heard that argument before. I have heard other arguments about why we do not want to limit campaign expense, but never the suggestion that somehow we have to do it in order to beat back our local newspaper and columnists.

Mr. KERREY. If the Senator will yield on that one point, I find it rather ironic; Speaker NEWT GINGRICH at the start of the session made Rush

Limbaugh an honorary Member of Congress, so apparently if the views line up with your views—

Mr. DODD. It is OK.

Mr. KERREY. You make them an honorary Member. I would say it is more than just ironic that the Speaker, on the one hand, is willing to make Rush Limbaugh an honorary Member of Congress because he believes that he and talk radio have been enormously helpful, but the Atlanta-Constitution is an enemy.

The Senator from Connecticut is lucky; he has Bob Shrepf in that State so he does not have that problem. There have been many views expressed by media highly critical of the Senator from Nebraska. I think they have been wrong, almost never justified. Always some outrage boils up inside of me, and I have said, "This is not fair."

Well, that is free speech. It is fair. That is the press. I walked into the arena, and I should not look for somebody to blame for the problems I have. It seems to me the American people have said overwhelmingly—I do not know about Connecticut but in Nebraska over and over they say to me, "We're sick of all that money." I had trouble in 1994 getting people excited about my campaign because very often they would say to me, "We give too darned much money. We are sick of it. We are tired of seeing these 30-second ads over and over. We get sick of your face. We would like to have a race that is a bit more on the issues, a bit more opportunity for people to become competitive."

I can think of 100 reasons why not to vote for campaign finance reform. I have a lot of reasons why I would not want to vote for it, and they are all good. I do not like public finance. I do not like this. I do not like limits. There are all kinds of reasons why I would not want to support it. But it seems to me one of the dominant things that occurs is, gee, is this going to hurt the Democratic Party or is this going to hurt the Republican Party or is this going to hurt me as an incumbent? I think we are hurting democracy the longer we wait to change this political system so the American people feel they do have more power, more control, and more opportunity to participate.

Mr. DODD. Mr. President, I just want to echo the comments made by my colleague from Nebraska. As I mentioned a moment ago, we are all too familiar with the cost of these campaigns, the ever-increasing costs. To give you an idea, 20 years ago, the most expensive race statewide ever in the history of Connecticut was when Ella Grasso ran for Governor; she spent about \$400,000 in a statewide race. I am told that in 1998, should I seek reelection, the cost of a competitive race in my State, given the price of New York media, Boston media, my own State media, would hover somewhere between \$4.5 and \$6 million. That is in 20 years.

That is the average cost, by the way, nationwide, taking California on the one hand, the extreme case, because of the size of that State and on the other hand a State I suppose like Rhode Island. Or maybe that is not a good example—maybe a smaller State in population, Montana, Idaho, whatever it may be—the average cost is roughly \$4.5 to \$5 million.

That means the average Senator would have to be raising \$12,000 a week every week for 6 years—from the day they arrive and are sworn in in the Chamber of this Senate, from that day forward, \$12,000 a week every week.

When you consider as an incumbent the advantage of that, considering someone who might 2 years out decide to take a shot at being a U.S. Senator, what are their chances? What is the population pool from which we are likely to draw candidates for the Senate?

If you decide 24 months out that you would like to run for the Senate, you have to raise not \$12,000 a week; you have to raise something like \$50,000 or \$60,000 or \$70,000 a week, or you have to have the wealth yourself.

Last year we saw in California one individual spend \$28 million of his own money, and I do not think people want to see an institution proliferated by either people who have only the personal wealth that allows them to run or that have only the access to that kind of wealth—knowing the kinds of commitments that get made in this business, have them come here already in a sense committed on a whole host of issues where the public interest would be jeopardized.

So again, I emphasize I think Congresswoman LINDA SMITH had it right, with her opinion on this idea of a commission. We have had many commissions and many studies on this. No one is fooled by that one. Forming a commission to go out and study this issue again is laughable. There has been much analysis and much study on this. The question is whether or not we have the intestinal fortitude to come to terms with an issue that demands resolution.

So I hope that these commission ideas would be shelved, and that we would get about the business here of putting a bill in the Chamber. Let Senator MCCAIN and Senator FEINGOLD bring up their bill. Let amendments be brought up to moderate and change it. As the Senator from Nebraska said, he and I may have some modifications to offer to that legislation, but we are never going to have that chance if it does not get called up.

So, while I may disagree with Congresswoman SMITH on many, many issues, on this one she is right. Senator MCCAIN is right. We better get about the business of allowing this bill to go forward.

I am saddened when I see the continued call for more and more money being spent. And to suggest somehow that you need to spend more, as this

headline says, "Gingrich Calls For More Not Less Campaign Cash," because he has to take on the Atlanta Constitution, is going to be met I think with the kind of derision that it ought to be. No one buys that argument. Not a single person in this country will buy that argument.

And so I hope that our colleagues will support what Senator KERREY and I have done over the last several days. Get behind the McCain-Feingold bill. Senator SIMPSON has done so. Our colleagues as well, several, have offered this. Senator NUNN and Senator SIMON on our side over here have been supportive of it. I believe it is on the right track.

Again, it is not going to be perfect in every detail, but certainly it is the only way that I can see in the short run we are going to get anything done on this.

Believe me when I tell you that Senator KERREY and I have certainly been challenged in our own party for cosponsoring this bill. This was not met with wild applause by everybody who wears the label of Democrat.

And so do not misunderstand us here today. This is not something that is greeted with great applause in every quarter. But we happen to believe as the leaders of our respective groups, as chairman of the Democratic Senatorial Campaign Committee and chairman of the Democratic National Party, this is truly in the national interest. It is truly in the national interest to put a stop to what I would, I think, appropriately call the obscene amount of money being spent in American politics. It is turning people off by the day in this country. They are sick of it. They want it to stop. They want choices that they can make when they go to the polls, and they see the amount of money being spent is a real detriment in that effort. So we urge the leadership to allow the bill to come to the floor for a vote.

Mr. KERREY. Mr. President, one last comment and I will yield the floor. I see the Senator from Pennsylvania is here. He and I just had a couple of minutes of conversation on this subject.

Polls are very popular methods of trying to determine the attitudes and views of the American people or some segment of the American people, and sometimes those polls are encouraging and sometimes those polls are discouraging. One of the most, if not the most, discouraging polls that I have ever read was a poll that asked the American people who has the most power in Washington, DC, the President of the United States, the Congress, the special interests?

I understand that the special interests can mean one thing to one person and another to another. I can be a good special interest and a bad special interest. But by a margin of 3 to 1 the American people believe that the special interests have more power than a Member of Congress does or than even the President of the United States.

That is a very disturbing fact. We all know that perception becomes reality. If that is the belief of the American people, that means they would say we do not have any opportunity. If we want to change a law, if there is something that we would like to influence in Washington, DC, we would like to bring in an idea and have it become incorporated into a piece of legislation, we just do not think we have a fighting chance.

We have to change that perception. I believe, among other things, campaign finance reform can be a means to that end. There may be other things that people have on the list, but I would put that very high—indeed, I would put that at the top of my list in the ways to change the law so we can begin to change that perception, so the American citizens out there can say, as, for example, Sarah Brady did, we can change the law. It may not be a popular change, maybe it will produce a lot of heartache where people will have to take a position on legislation we want to change, but we want to fight to change the law.

We have to change the perception that people have that there is no opportunity for them to come to Washington, DC, and change the law of the land. If we are able to do that, not only will we get increased participation at the day of the election, we will get increased participation all year long from citizens who feel this really is a government of, by, and for the people.

Mr. President, I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. SPECTER. I thank the Chair.

Mr. President, I believe that campaign finance reform is long overdue. I have just had a conversation with the distinguished Senator from Connecticut—if I could have the attention of the Senator from Connecticut—and one of the real problems in the electoral process involves the soft money, where, on both sides of the political spectrum, Republicans and Democrats have sought enormous sums of money with the \$100,000 contribution being made which is totally outside the system.

I have just talked to Senator DODD about that. And I am glad to know his acquiescence on the issue of eliminating the soft money, because you can have all the limitations you like in many other respects, but if that soft money is available, it is all for naught. So I thank my colleague from Connecticut.

Mr. DODD. If my colleague would yield.

The bill does do that. And I think there is value in that. I neglected to say to my colleague in our private conversation that I think you might be able to make a case, for instance, in the area of local—not national—but local, statewide elections, and so forth, where you want to promote a certain activity, that you might find a way to have some exceptions and caveats.

In the underlying point, I think the Senator from Pennsylvania is correct, but I can also see where some modifications in that might meet the concerns of the Senator from Pennsylvania and my concerns, what he properly describes as the proliferation of this kind of resource that comes into our national coffers, in a way to promote, I think, sound, intelligent, and worthwhile political activity at the grassroots level.

Mr. SPECTER. If I may pursue that discussion for one more moment with the Senator from Connecticut.

I get concerned when you say caveat. What kind does the Senator have in mind?

Mr. DODD. I do not have one in mind. I think, like the Senator from Nebraska said, this 60-percent requirement, that the funds be 60 percent from your State, that might be fine in California, Pennsylvania, even Connecticut, but in some other States you may want to have some flexibility in that, small States that do not have that kind of population. You may want to modify that.

That is what I mean by some of the provisions here. I support this bill. I am a cosponsor of it. I think that speaks volumes about where we stand. I am willing to consider ways in which we can accommodate some legitimate questions being raised.

But my view is it is better to get behind a bill you fundamentally support so we have some possibility of reform, than to not support the bill at all. If I had as my standard here that I disagreed with a couple of points here and believed that there needed to be some modifications before I could support it, we would never get anything done in this area. In all the years I have supported campaign finance reform, that is what has happened here. The Democrats offer a bill, the Republicans offer a bill, and nothing ever gets done. We both go out and issue our press releases saying how much we are for campaign finance reform.

What the Senator from Nebraska and I have decided to do here backs our colleague—here is a colleague from the other side of the aisle who cares deeply about the issue, with two Members of the House, both of the Republican Party, Congressman SMITH and Congressman SEAYS, along with some Democrats, who offer a proposal. Because there are a number of Republicans and Democrats who endorse the McCain bill, we thought maybe, just maybe, we might be able to get beyond what has been the traditional response. Mr. President, to the historic way we have dealt with this issue, and that is a couple of bills and the press releases go out.

I am not going to endorse every aspect of this bill. I would not expect everyone else to. In the soft money area, my general view is we ought to get out of it. You may make some exceptions on the local level or State level. That may have some value. But I still be-

lieve honestly we ought to get behind this bill and get something on the floor that would change the way we run our campaigns in this country.

#### INTERNATIONAL TRIBUNAL ON WAR CRIMES

Mr. SPECTER. Mr. President, I have sought recognition today to lend my support to a request made by the prosecutor on the International War Crimes tribunal on the Bosnian situation, where the International tribunal on War Crimes in Bosnia has formally asked the United States to make the surrender of the indicted suspects a condition for any peace accord.

As we know, right now in Dayton there are negotiations underway to try to resolve the Bosnian conflict. But indictments have already been issued for Gen. Ratko Mladic, the Bosnian Serb military commander, and Radovan Karadzic, the Bosnian Serb leader, on indictments which specify their leadership role in the ethnic cleansing and reported massacres and organized rapes that marked the first months of the Bosnian war.

The tribunal prosecutor, the distinguished lawyer Richard J. Goldstone, has been pursuing these matters with real diligence, and it poses a real test for the international community. Part of the test arises because the President of Serbia, President Slobodan Milosevic, is involved in these negotiations. He was identified some time ago by the then-Secretary of State, Lawrence Eagleburger, as having been involved possibly in international war crimes in connection with the Bosnian Serbs' ethnic cleansing in the early months of that campaign.

I am pleased to note that ranking Clinton administration officials have committed that there will be no amnesty granted, but I think it is very important as a matter of international law that these prosecutions go forward and the United States cooperate with these prosecutions.

For more than a decade, Mr. President, I have urged the formation of an international criminal court to deal with crimes such as hostage taking, terrorism, and drug dealing where we find that there are people in custody who they will not extradite to the United States; for example, in Colombia where there are drug leaders and drug criminals who ought to be brought to trial, but because of domestic politics in Colombia, they are not willing to extradite them to the United States. If there were an international criminal court, then I do believe there would be a tribunal set up where the political disadvantage of extraditing, say, to the United States would not be present.

And I note today, Mr. President, that there are ceremonies marking the tragedy of Pan Am 103, where indictments have been issued for two Libyans implicated in the tragedy of Pan Am 103, and the intransigence of the Libyan



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**Campaign Finance Reform:  
Comparison of Current Law with  
S. 10 (Daschle) and S. 1219 (McCain/Feingold)  
in the 104th Congress**

Prepared at the Request of Senator Tom Daschle

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November 21, 1995

**PRELIMINARY DRAFT Subject to revision  
NOT FOR QUOTATION OR ATTRIBUTION**

**CAMPAIGN FINANCE REFORM:  
COMPARISON OF CURRENT LAW WITH  
S. 10 (DASCHLE) AND S. 1219 (MCCAIN/FEINGOLD)  
IN THE 104TH CONGRESS**

**SUMMARY**

This report summarizes and compares provisions of current campaign finance law with S. 10 and S. 1219, reform bills currently before the 104th Congress. S. 10, an omnibus congressional reform bill introduced by Minority Leader Tom Daschle on January 4, 1995, is the Senate Democratic leadership's bill. Division C of S. 10 is based on and closely resembles S. 3, which passed the Senate in the 103d Congress. S. 1219, introduced by Senators John McCain and Russell Feingold on September 7, 1995, is a bipartisan bill.

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**CAMPAIGN FINANCE REFORM:  
COMPARISON OF CURRENT LAW WITH  
S. 10 (DASCHLE) AND S. 1219 (MCCAIN/FEINGOLD)  
IN THE 104TH CONGRESS**

## INTRODUCTION

This report summarizes and compares provisions of current campaign finance law with S. 10 and S. 1219, reform bills currently before the 104th Congress. S. 10, an omnibus congressional reform bill introduced by Minority Leader Tom Daschle on January 4, 1995, is the Senate Democratic leadership's bill. Division C of S. 10 is based on and closely resembles S. 3, which passed the Senate in the 103d Congress. S. 1219, introduced by Senators John McCain and Russell Feingold on September 7, 1995, is a bipartisan bill.

The Congressional Campaign Spending Limit and Election Reform Act of 1995 (Division C of S. 10) features a voluntary system of spending limits for Senate candidates (on overall campaign and candidates' personal spending), in exchange for a broadcast rate of 50 percent of the lowest unit rate in general elections. Public funding is offered as a backup mechanism to compensate a candidate opposed by independent expenditures or by an opponent who exceeds the limit. Participating candidates may spend additional amounts in either case.

The rest of S. 10 contains mandatory provisions for Federal candidates in general or, in some cases, just Senate candidates. It bans PAC contributions and expenditures in Senate elections, with a fallback provision in case the ban is held to be unconstitutional: a reduced limit on PAC contributions to candidates (\$1,000 versus \$5,000) and an aggregate limit on Senate receipts from PACs (the lesser of 20 percent of the election cycle limit, or \$825,000). S. 10 also addresses soft money, bundling, and independent expenditures, among other issues.

The McCain/Feingold bill, the Senate Campaign Finance Reform Act of 1995, has a similar structure to S. 10, with a voluntary system of limits and benefits for Senate candidates and mandatory changes in the law affecting all Federal candidates. S. 1219 features a voluntary system of spending limits for Senate candidates, using the same overall spending limits as S. 10 but with a higher limit on candidates' personal spending. In addition to the spending limits, candidates must agree to raise at least 60 percent of their individual donations from State residents. In primary elections, participating candidates may receive the benefit of buying broadcast time at 50 percent of the lowest unit rate. In the general election, benefits to participants include: 30 minutes of free broadcast time; additional broadcast time at 50 percent of the lowest unit rate; and the lowest third class bulk rate for two mailings per eligible voter. No direct public funding is offered as a backup mechanism in this bill. To compensate a candidate opposed by a non-complying opponent who exceeds the limit, the spending limit on participants is raised, and the limit on individual contributions they may receive is doubled. No compensation is provided for targets of independent expenditures.

The mandatory provisions of S. 1219 include the same PAC ban as in S. 10, but it covers all Federal candidates and extends the fallback provision to cover contributions by intermediaries (i.e., bundling) as well as PACs. S. 1219 also addresses soft money, bundling, and independent expenditures, and other issues.

This report summarizes major provisions of the law and both bills; some standard sections, such as repayments, audits, and reports to Congress are omitted. It is organized conceptually and not in the order of either bill or current law.

scope - Senate only

Joe - describe please

constitutional suspect

30 mins  
4:22

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Current Law

S. 10  
(Daschle)

S. 1219  
(McCain/Feingold)

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**VOLUNTARY SYSTEM:**

**SENATE CAMPAIGN SPENDING LIMITS (Linked with Benefits)**

**Limits on Campaign Expenditures**

No corresponding existing law

Voluntary limits for full 6-year cycle, based on State population:

Voluntary limits for full 6-year cycle, based on State population:

*General election*

\$400,000, plus 30 cents x VAP (voting age population) up to 4 million, plus 25 cents x VAP over 4 million; minimum — \$1.2 million; maximum — \$5.5 million

*General election*

\$400,000, plus 30 cents x VAP (voting age population) up to 4 million, plus 25 cents x VAP over 4 million; minimum — \$1.2 million; maximum — \$5.5 million

*Primary election*

67% of general election limit; maximum — \$2.75 million

*Primary election*

67% of general election limit; maximum — \$2.75 million

*Runoff*

20% of general election limit [Sec. 10001-"501-502"]

*Runoff*

20% of general election limit [Sec. 101-"501-502"]

**Candidates' Personal Spending Limit**

— \$25,000 [Sec. 10001-"502"]

✓ Lesser of: 10% of general election limit, or \$250,000 [Sec. 101-"502"]

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BB - pulled out of air  
BR -

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>SPENDING LIMITS—Continued</b>		
<b>Carryover of Campaign Funds</b>		
	Up to 20% of primary and general election limit may be transferred for use in next election cycle [Sec. 10005]	No corresponding provision
<b>Exemptions/Contingencies</b>		
	<i>Inflation</i> Limits indexed annually (1996 base year) [Sec. 10001-"501/502"]	<i>Inflation</i> Limits indexed annually (1995 base year) [Sec. 101-"501/502"]
	<i>Non-complying opponent</i> Additional spending allowed by participating candidate if opponent raises or spends more than 200% of general election limit, with spending not to exceed 200% of limit [Sec. 10001-"503"] (See Contingent Benefits) P-8	<i>Non-complying opponent</i> Additional 20% in spending allowed by participating candidate if opponent: (1) exceeds spending limits, or (2) does not intend to abide by limits, having raised at least 10% of general election limit or spent at least 10% of personal limit [Sec. 101-"502"]
	<i>Independent Expenditures</i> Expenditure limits lifted to extent of <u>independent expenditures made against participating candidate or</u>	No corresponding provision

allows earlier action by Incumbent

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>SPENDING LIMITS—Continued</b>		
	for opponents in general or primary election, once \$10,000 in such aggregated expenditures are made by single source [Sec. 10001-"503"]	
	<i>Legal and accounting compliance costs exemption</i> Lesser of: 15% of general election limit, or \$300,000 (permanently segregated) [Sec. 10001-"502"]	No corresponding provision
	<i>Taxes</i> Federal, State and local income taxes exempt from limits [Sec. 10001-"502"]	<i>Taxes</i> Federal, State and local income taxes exempt from limits [Sec. 101-"502"]
	<i>States with no more than 1 VHF TV station</i> General election limit of \$400,000, plus 80 cents x VAP up to 4 million, plus 70 cents x VAP over 4 million [Sec. 10001-"502"]	<i>States with no more than 1 VHF TV station</i> General election limit of \$400,000, plus 80 cents x VAP up to 4 million, plus 70 cents x VAP over 4 million [Sec. 101-"502"]

New Jersey

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SPENDING LIMITS—Continued**

**Penalties for Violation of Spending Limits**

*drop*

Civil penalties for exceeding spending limit (up to 200% of amount involved):

No corresponding provision

excess 2.5% or less: amount of excess;  
 excess bet. 2.5-5%: 3 x excess amount; and  
 excess 5% or more: 3 x excess amount, plus additional amount determined by FEC, plus amount equal to benefits if willful violation [Sec. 10001-"505"]

**SENATE CAMPAIGN BENEFITS (Linked with Spending Limits)**

**Disincentives to Non-Compliance with Spending Limits**

*Disclaimer*  
Required on non-participant ads, stating that he or she does not abide by limits [Sec. 10004]

No corresponding provision

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Current Law

S. 10  
(Daschle)

S. 1219  
(McCain/Feingold)

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**SENATE CAMPAIGN BENEFITS—Continued**

*Reports Required*

Candidates who exceed limits must file periodic reports with Sec. of Senate, triggered by specified thresholds; FEC to notify opponents [Sec. 10003]

No corresponding provision

**Eligibility for Benefits**

*Fundraising threshold*

5% of general election limit, counting only first \$250 from in-State individuals raised during last two years of election cycle

*Fundraising threshold*

Lesser of: 10% of general election limit, or \$250,000, in individual contributions, at least 60% from in-state individuals, all raised in last 2 years of election cycle

*Intention to Abide by Limits*

In Primary: File declaration with Secretary of Senate by filing date for primary that candidate will abide by limits

*Intention to Abide by Limits*

In Primary: File declaration with Secretary of Senate by filing date for primary that candidate will abide by limits

In General: File statement within 7 days of qualifying for general election ballot of winning primary

In General: File statement within 7 days of qualifying for general election ballot or winning primary

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*Change*



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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SENATE CAMPAIGN BENEFITS—Continued**

(if after Sept. 1) declaring irrevocably that candidate will abide by general election limits and did abide by primary limits

(if after Sept. 1) declaring irrevocably that candidate will abide by general election limits and did abide by primary limits [Sec. 101-"501"]

No corresponding provisions

*Accurate?*

*In-state funding requirement:*  
Participating candidate must raise at least 60% of all individual contributions from State residents [Sec. 241]

*At least one opponent on general election ballot [Sec. 10001-"501"]*

*At least one opponent on general election ballot [Sec. 101-"501"]*

*Closed captioning*

No payments to candidates who do not use closed captioning in TV ads [Sec. 10001-"501/509"]

No corresponding provision

*Pro-  
+  
Con*

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SENATE CAMPAIGN BENEFITS—Continued**

**Benefits for Eligible Candidates in Primary Election**

Broadcasters must sell time to candidates in last 45 days before a primary election at lowest unit rate for same class and amount of time for same period [47 U.S.C. §315(b)(1)]

No corresponding provision

*Broadcast rate discount*  
Requires broadcasters to sell time to candidates at 50% of lowest unit rate in last 30 days of primary election period [Sec. 101-503"/103]

**Benefits for Eligible Candidates in General Election**

Broadcasters must sell time to candidates in last 60 days before general election at lowest unit rate for same class and amount of time for same period [47 U.S.C. §315(b)(1)]

No corresponding provision

*Broadcast rate discount*  
Requires broadcasters to sell time candidates at 50% of lowest unit rate in last 60 days of general election period [Sec. 10001-503"/10011]

*Free broadcast time*  
Participating candidate may get 30 in. of free broadcast time on stations of choice, in prime time, in 30 sec.-5 min. segments, with no more than 15 min. on any one station [Sec. 101-503"/102]

*Broadcast rate discount*  
Requires broadcasters to sell time to candidates at 50% of lowest unit rate in last 60 days of general election period [Sec. 101-503"/103]

*series must be sufficient for SL to pass const. must*

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SENATE CAMPAIGN BENEFITS—Continued**

*Current lowest rates for bulk mail:*  
 Regular 3d class rate (available to candidates): 11.7¢  
 Special 3d class rate (available to national parties): 5.6¢  
 [US Postal Service. Postal Bulletin. Jan. 1, 1995]

No corresponding provision

*Lower postal rates*  
 Candidates can mail up to 2 pieces per eligible voter in State at lowest third-class non-profit rate (i.e., "special" rate) [Sec. 101-503"/104]

**Contingent Benefits for Eligible Candidates**

Individual may contribute up to \$1,000 per candidate, per election [2 U.S.C. §441a(a)(1)(A)]

*from?*

*Non-participating opponent exceeds limit*  
 Major party eligible candidate may receive subsidy equal to 1/3 general election limit once opponent exceeds limit, an additional subsidy equal to 1/3 general election limit once opponent exceeds limit by 1/3, and a final subsidy equal to 1/3 general election limit once opponent exceeds limit by 2/3.

Non-major party eligible candidate may receive least of: amount raised by eligible

*Non-participating opponent exceeds limit*  
 Doubles limit on individual contributions to participating candidates if opponent: (1) exceeds spending limits, or (2) does not intend to abide by limits, having raised at least 10% of general election limit or spent at least 10% of personal limit [Sec. 105]

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SENATE CAMPAIGN BENEFITS—Continued**

candidate in excess of threshold requirement, 50% of general election limit, or amount of opponent's excess spending [Sec. 10001-"503"]

*Independent expenditures*  
Eligible candidate may receive payment in general election equal to amount of independent expenditures made for an opponent or against him or her, once aggregating in excess of \$10,000 by a single source [Sec. 10001-"503"]

No corresponding provision

**Funding Mechanism for Benefits**

*deficit neutrality*

None of the provisions of bill to be effective until estimated costs are offset by subsequent legislation effectuating this Act

Effectuating legislation will not increase taxes or budget deficit or

No corresponding provision

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SENATE CAMPAIGN BENEFITS—Continued**

Excess campaign funds may be used for ordinary and necessary expenses related to office, contributed to certain non-profit organizations, or used for other lawful purposes, including transfers to national, State, or local political party committees (2 U.S.C. §439a)	reduce spending for government programs [Sec. 10062]  Excess campaign funds to be transferred to Treasury's general fund, if not used for lawful purposes within one year of the general election in that cycle [Sec. 10005]	No corresponding provision
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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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SOURCES OF FUNDS—Continued

*To Political Parties*

Limit on multicandidate political committee (PAC) contributions to State and local party committees: \$5,000 per calendar year [2 U.S.C. § 441a(a)(2)(C)]

*To State parties*  
\$15,000 to a State Party Grassroots Fund; \$5,000 to any other State party committee; \$15,000 total to Grassroots Fund and other committees [Sec. 10034]

No corresponding provision

Grass roots fund?

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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SOURCES OF FUNDS—Continued

*To Other PACs*

Limit on multicandidate political committee (PAC) contributions to other PACs: \$5,000 per calendar year [2 U.S.C. § 441a(a)(2)(C)]

\$1,000 [Sec. 10002]

No corresponding provision

*Leadership PACs*

No corresponding existing law

Federal candidates or officeholders may not establish, maintain, or control a political committee after 12 months following effective date of Act, other than principal campaign committee, party committee, or joint fundraising committee [Sec. 10051]

No corresponding provision

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SOURCES OF FUNDS—Continued**

Limit on candidate contributions by candidate's authorized committee: \$1,000 [2 U.S.C.§441a(a)(1)(A)]; Limit on candidate contributions by multicandidate committee: \$5,000 [2 U.S.C.§441a(a)(2)(A)]

For purposes of limits, any political committee established, maintained, or controlled by a Federal candidate or officeholder is to be treated like a candidate's authorized committee [Sec. 10002]

For purposes of limits, any political committee established, maintained, or controlled by a Federal candidate or officeholder is to be treated like a candidate's authorized committee [Sec. 201]

*\* clarification needed - no lead. PAC ban - effect of*

**Individuals**

**To Candidates**

\$1,000 per candidate, per election [2 U.S.C.§441a(a)(1)(A)]

No corresponding provision

No corresponding provision

**To PACs**

\$5,000 per year [2 U.S.C.§441a(a)(1)(C)]

\$1,000 per year [Sec. 10002]

No corresponding provision

**To Political Parties**

Limit on individual contributions to State and local party

To State parties  
\$20,000 to a State Party  
Grassroots Fund; \$5,000 to any

No corresponding provision

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SOURCES OF FUNDS—Continued**

committees: \$5,000 per year [2 U.S.C. § 441a(a)(1)]

other State party committee; \$20,000 total to Grassroots Fund and other State party committees [Sec. 10034]

***Executive Personnel of Common Employer***

No corresponding existing law

Limits contributions by executive or administrative personnel of a common employer to an aggregate of \$5,000 to any candidate and \$20,000 to any party committee; prohibits any such contributions if made at the direction of the employer [Sec. 10002]

No corresponding provision

*\$25,000/yr*  
Individuals may give \$25,000 per year to all Federal candidates and committees [2 U.S.C. § 441a(a)(3)] No more than \$20,000 of the annual limit may be given to National party committees [2 U.S.C. § 441a(a)(1)]

*individual*  
***Aggregate Contribution Limit***

Changes aggregate limit to election cycle basis and raises it to \$60,000; no more than \$25,000 to candidates per year; no more than \$20,000 to State party committees per year [Sec. 10034]

No corresponding provision

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SOURCES OF FUNDS—Continued**

**Political Parties**

*To Candidates*

Party (multicandidate) committees may contribute \$5,000 per candidate, per election [2 U.S.C. §441a(a)(2)(A)]; Senate and National party committees may contribute \$17,500 to Senate candidate per campaign period [2 U.S.C. 441a(g)]

Counts all State and local party contributions to a Federal candidate against that party's limit [Sec. 10043]

No corresponding provision

**Lobbyists**

No corresponding existing law

Prohibits lobbyists or political committees under their control from contributing to a candidate for 1 yr. after lobbying contact with that Federal officeholder or staff or, if a Presidential candidate, executive branch official; Prohibits contributors from lobbying Federal officeholder (or staff or executive branch official) to whom they contributed

No corresponding provision

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SOURCES OF FUNDS—Continued**

for 1 yr. after contribution [Sec. 10041]

**Candidates**

No corresponding existing law

*Post-election contributions*  
Prohibits post-election contributions from being used to repay loans from candidate or family [Sec. 10031]

No corresponding provision

Sec. 10001 imposes contribution limits only on candidates who participate in voluntary system

Sec. 101 imposes contribution limits only on candidates who participate in voluntary system.

**INDEPENDENT EXPENDITURES**

**Definition**

An expenditure by a person expressly advocating the election or defeat of a clearly identified candidate, which is made without cooperation or consultation with

Defines independent expenditure to mean a communication containing "express advocacy," (i.e., taken as a whole, it suggests support for or opposition to

Defines independent expenditure to mean a communication containing "express advocacy," (i.e., taken as a whole, it suggests support for or opposition to

## Current Law

S. 10  
(Daschle)S. 1219  
(McCain/Feingold)

## INDEPENDENT EXPENDITURES—Continued

any candidate or any candidate's authorized committee or agent and is not made in concert with or at the request or suggestion of any candidate or any candidates' authorized committee or agent; "clearly identified" means that, (1) the involved candidate's name appears; (2) a photograph or drawing of the candidate appears; or (3) the identity of the candidate is apparent by unambiguous reference [2 U.S.C. § 431(17),(18)]

candidates or suggests taking action to support or oppose candidates). It may not be coordinated with a candidate or candidate's agent

Prohibits independent expenditures:

- (1) by political party committees;
- (2) where there has been any communication about election between candidate and spender or agents during election cycle;
- (3) where there has been any coordination with candidate or agent;
- (4) where, during election cycle, spender has been authorized to raise funds or has worked in a significant capacity for a candidate;
- (5) where, during election cycle, spender has advised candidate or agents on election;

candidates or suggests taking action to support or oppose candidates). It may not be coordinated with a candidate or candidate's agent

Prohibits independent expenditures:

- (1) by candidate or political party committees;
- (2) where there has been any coordination with candidate or agent;
- (3) where, during election cycle, spender has been authorized to raise funds or has worked in a significant capacity for a candidate;
- (4) where, during election cycle, spender has advised candidate or agents on election; or

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**INDEPENDENT EXPENDITURES—Continued**

(6) where spender has used same consultant as candidate during election cycle; or

(5) where spender has used same consultant as candidate (other than for legal and accounting compliance with law) during election cycle. [Sec. 251]

(7) where spender has consulted (other than for compliance with law) with an official of or consultant to a political party involved in campaign. [Sec. 10021]

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**INDEPENDENT EXPENDITURES—Continued**

**Reporting Requirements**

Any independent expenditure aggregating \$1,000 or more made after the 20th day, but more than 24 hours before any election, must be reported within 24 hours to the Clerk, the Secretary, or the Commission and the Secretary of State indicating whether it was made in support of or in opposition to the candidate involved [2 U.S.C. § 434(c)(2)]

Additional reports to be made to Secretary of Senate, with copy to be sent to FEC, and Secretary of State:

No corresponding provision

Notification within 48 hours of independent expenditures each time they aggregate at least \$10,000, until 20th day before election;

Notification by 20th day before election of intent to make independent expenditures of at least \$5,000 in last 20 days;

No corresponding existing law

FEC to notify all candidates in that election within 48 hours [Sec. 10012]

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**INDEPENDENT EXPENDITURES—Continued**

**Disclaimer**

Must clearly state the name of person paying for ad and that it was not authorized by a candidate [2 U.S.C. § 441d(a)]

✓ Requires enhanced disclaimer on independent ads, to include spoken statement of who is responsible and, if on TV, a clearly printed message as well (with reasonable contrast, for at least 4 sec.) [Sec. 10013]

✓ Requires enhanced disclaimer on independent ads, to include spoken statement of who is responsible and, if on TV, a clearly printed message as well (with reasonable contrast, for at least 4 sec.) [Sec. 302]

**Response Time**

No corresponding existing law

Independent spender must notify broadcaster and provide copy of required disclosure, listing affected candidates; broadcaster must notify all candidates and allow them to buy time immediately after independent ad [Sec. 10022]

No corresponding provision

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**INDEPENDENT EXPENDITURES—Continued**

**Non-Profit Corporations**

Prohibits contributions and expenditures by national banks, corporations and labor unions in connection with any Federal election [2 U.S.C. §441b(a)]

Permits qualified nonprofit corporations (as defined) to make independent expenditures [Sec. 10053]

No corresponding provision

**(Matching Funds to/Lifting Limits on Targets of Independent Ads)**

Under Sec. 10001, participating candidates may spend in excess of spending limits (in primary or general) and may receive subsidy in general, to compensate for independent ads against them or for opponent, once in excess of \$10,000 by a single spender

No corresponding provision

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<p>All contributions made by a person on behalf of a particular candidate, including contributions which are earmarked or directed through an intermediary, must be treated as contributions from such person to such candidate. [2 U.S.C. § 441a(8)]</p>	<p style="text-align: center;"><i>charged to intermediary → payable to intel.</i> <b>BUNDLING<sup>1</sup></b> <i>(1-6)</i></p> <p>Contributions through intermediary or conduit to be counted against intermediary's contribution limit, if made payable to intermediary OR if intermediary is a:</p> <p>(1) separate segregated fund or a non-connected PAC involved in lobbying; e.g. —</p> <p>(2) party committee;</p> <p>(3) union, corporation, trade association, or national bank;</p> <p>(4) partnership;</p> <p>(5) someone required to register as a lobbyist or foreign agent; or</p> <p>(6) agents or employees of above groups acting on behalf of groups.</p> <p>Defines "contributions arranged to be made" — where money is delivered to a candidate by an intermediary or where contributions identify the intermediary to the candidate</p>	<p>Contributions through intermediary or conduit to be counted against intermediary's contribution limit, if made payable to intermediary OR if intermediary is a:</p> <p>(1) PAC;</p> <p><i>separate segregated fund/nonconnected PAC involved in lobbying</i></p> <p>(2) party committee;</p> <p>(3) union, corporation, trade association, or national bank;</p> <p>(4) partnership;</p> <p>(5) someone required to register as a lobbyist or foreign agent; or</p> <p>(6) agents or employees of above groups acting on behalf of groups.</p> <p>Defines "contributions arranged to be made" — where money is delivered to a candidate by an intermediary or where intermediary sponsors fundraiser where contributions are made</p>

*Why is current law insufficient? Because contribution → person, not intermediary*

<sup>1</sup> Bundling refers to the practice of an intermediary or conduit collecting and transmitting contributions to a candidate, generally in amounts beyond which the intermediary could permissibly contribute directly to that candidate.

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**BUNDLING—Continued**

Above restriction does not apply to bona fide joint fundraising activities by 2 or more candidates, to fundraising by another candidate, or to solicitations by individuals with their own resources and where solicitor is not identified

Exempts bundling by non-connected PACs that do not lobby

Requires intermediary or conduit to also report total amount of contributions it arranged for each candidate, with dates received and forwarded [Sec. 10041]

Above restriction does not apply to fundraising events by another candidate, or to solicitations by individuals with their own resources and where solicitor is not identified [Sec. 231]

No corresponding provision

No corresponding provision

The intermediary must report the original source and the intended recipient of such contribution to the Commission and to the intended recipient [2 U.S.C. § 441a(8)]

NON CONNECTED PACS THAT  
DO NOT LOBBY -

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SOFT MONEY<sup>2</sup>**

**Definitions**

- Get out the vote drives in Pres election yr  
- Get out vote not exclusively State target

*Activities subject to FECA*

Get-out-the-vote drives in Presidential election year; other get-out-the-vote drives not solely for State candidates and which don't identify and are targeted at supporters of Federal candidates; generic activities; any activities which in part promote or identify Federal candidates; voter registration drives; development and maintenance of voter files in even-numbered year; any activity which significantly affects Federal elections

No corresponding provision

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<sup>2</sup> As used here, "soft money" means money raised and spent under the various State laws, while "hard money" means money raised and spent under Federal law. Soft money generally refers to money which is raised and spent outside the purview of the Federal Election Campaign Act (FECA), which might be illegal if contributed or spent to influence a Federal election, but which may have at least an indirect impact on a Federal election.

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>SOFT MONEY—Continued</b>		
	<i>Activities not subject to FECA</i> Costs of party buildings or to operate radio or TV facility; contributions to non-Federal candidates; money for State or local conventions; activities exclusively on behalf or which only identify non-Federal candidates; state or local party administrative expenses; research for solely state or local candidates and issues; development and maintenance of voter files except for 1 yr. before Federal election; any activities solely aimed at influencing and which only affect non-Federal elections [Sec. 10035]	No corresponding provision
	<i>Generic campaign activity</i> To promote a political party rather than any particular candidate [Sec. 10033]	No corresponding provision

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>SOFT MONEY—Continued</b>		
	<p><i>State Party Grassroots Fund</i> New separate segregated fund established and maintained by state political party committee for making expenditures in connection with Federal elections (for: generic campaign activity, preparing and mailing sample ballots, campaign materials for volunteers, voter registration and get-out-the-vote for President and Vice President, voter registration, and maintaining voter files) [Sec. 10033]</p>	No corresponding provision
<b>Limitations/Allocations/Prohibitions</b>		
<p>According to FEC regulations, expenses that jointly benefit both Federal and non-Federal candidates and elections (such as get-out-the-vote and voter registration) must be allocated. Allocation methods include:</p>	<p><i>Prohibits</i> use of soft money for any party activity that is subject to FECA and significantly affects a Federal election [Sec. 10035]</p>	No corresponding provision
<p><i>Fixed or Minimum Percentage:</i> a fixed or minimum percentage of a</p>		

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**Current Law****S. 10  
(Daschle)****S. 1219  
(McCain/Feingold)**

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**SOFT MONEY—Continued**

disbursement must be allocated as a Federal expenditure (used by national party committees) [11 C.F.R. § 106.5(b)(2),(c)(2)];

*Funds Expended Ratio:* costs allocated according to the ratio of funds spent on behalf of Federal candidates to the total disbursements made by the committee for all Federal and non-Federal accounts (used by House and Senate campaign committees) [11 C.F.R. § 106.5(c)(1) and § 106.6(c)(1)];

*Funds Received Ratio:* costs allocated according to ratio of funds received for Federal elections compared to total Federal and non-Federal receipts [11 C.F.R. § 106.5(f) and 106.6(d)];

*Ballot Composition Ratio:* costs allocated according to ratio of Federal offices to total Federal

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**Current Law**
**S. 10  
(Daschle)**
**S. 1219  
(McCain/Feingold)**


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**SOFT MONEY—Continued**

and non-Federal offices expected on the ballot in the next general election (used by State and local party committees [11 C.F.R. § 106.5(d)(1)];

*Time or Space of Communication Ratio:* costs allocated according to the proportion of a communication's time or space devoted to Federal candidates compared to time or space of entire communication [11 C.F.R. § 106.1(a) and 106.5(e)]

The terms "contribution" and "expenditure" do not include payment by a State or local political committee for grassroots volunteer campaign materials on behalf of nominees of such party [2 U.S.C. § 431(8)(B)(x), (9)(B)(viii)] nor do they include the payment by such committee for voter registration and get-out-the-vote activities on behalf of nominees of such party for

Retains current law's exemption for contributions and expenditures by state or local party committees for voter registration and get-out-the-vote drives on behalf of Presidential ticket, but only if they are connected with volunteer activities and volunteers perform the work [Sec. 10033]

No corresponding provision

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>SOFT MONEY—Continued</b>		
President and Vice President [2 U.S.C. § 431(8)(B)(xii),(9)(B)(ix)]		
No corresponding existing law	<i>Prohibits</i> national party committees from soliciting or accepting soft money, except for certain defined uses in State or local elections [Sec. 10035]	<i>Prohibits</i> national party committees from soliciting, accepting, or spending soft money, except for certain defined uses in State and local elections [Sec. 211]
No corresponding existing law	<i>Prohibits</i> State and local party committees from using soft money for State or local candidate get-out-the-vote activity or for a ballot measure, UNLESS during a non-Presidential election year AND the money is used only for State or local candidates or ballot measures AND the money is not used to identify Federal candidate voters [Sec. 10035]	<i>Prohibits</i> State and local party committees from using soft money for any activity during a Federal election year which might affect a Federal election, including such activities as get-out-the-vote and registration drives, generic activities, and any communication that identifies a Federal candidate [Sec. 212]
No corresponding existing law	<i>Prohibits</i> Federal candidates or officeholders from raising soft money on behalf of any candidate, in connection with a Federal election [Sec. 10036]	<i>Prohibits</i> Federal candidates or officeholders from raising soft money in connection with a Federal election, but does not affect money raised for a non-

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**SOFT MONEY—Continued**

Federal candidate if permitted under State law [Sec. 214]

**Disclosure**

National party committees must disclose all donations, and certain information regarding the donor, aggregating more than \$200 per calendar year, made to its non-Federal account [11 C.F.R. § 104.8(e)(f)]

National party committees must disclose certain information about each person to whom a disbursement is made aggregating more than \$200 per calendar year from the committee's building fund account and must report any transfer from their non-Federal account to the non-Federal account of a State or local party committee [11 C.F.R. § 104.9(d)(e)]

National and congressional party committees must disclose all financial activity, regardless of whether in connection with Federal election; other political committees must disclose all financial activity including separate schedules regarding State Grassroots Funds [Sec. 10037]

National and congressional party committees must disclose all financial activity, regardless of whether in connection with Federal election; other political committees must disclose all financial activity. [Sec. 215]

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>SOFT MONEY—Continued</b>		
<b>Tax-exempt Fundraising</b>		
No corresponding existing law	Prohibits Federal candidates or officeholders from raising any money for a tax-exempt group which devotes significant activities to voter registration and get-out-the-vote drives [Sec. 10036]	Prohibits party committees from raising money for or contributing to a tax-exempt group [Sec. 213]
<b>Non-Party Soft Money</b>		
No corresponding existing law	No corresponding provision	Requires independent and member organizations (including unions) to notify the FEC of political expenditures in excess of \$2,000, within 48 hours before disbursement; in the last 14 days of an election, 7 days' notice would be required [Sec. 221]

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>CAMPAIGN ADVERTISING</b>		
<b>Broadcast Rates/Rules</b>		
No corresponding existing law	Prohibits broadcasters from preempting ads sold to political candidates at lowest unit rate, unless beyond broadcaster's control	Prohibits broadcasters from preempting ads sold to political candidates at lowest unit rate, unless beyond broadcaster's control
During the 45 days before a primary and 60 days before a general election, broadcasting stations must make time available, for the lowest unit charge, to any legally qualified candidate [47 U.S.C. § 315(b)]	Requires lowest unit rate to be available to candidates in last 30 days before primary [Sec. 10011]	Requires lowest unit rate to be available to candidates in last 30 days before primary [Sec. 103]
Lowest unit charge of a station is for the same class and amount of time for the same period [47 U.S.C. §315(b)(1)]	Lowest unit charge of a station is for the same amount of time for the same period on the same date [Sec. 10011]	Lowest unit charge of a station is for the same amount of time for the same period on the same date [Sec. 103]

Current Law

S. 10  
(Daschle)

S. 1219  
(McCain/Feingold)

CAMPAIGN ADVERTISING—Continued

Disclaimers

Whenever any person makes an expenditure expressly advocating election or defeat of a clearly identified candidate or solicits any contribution through advertising, such communication: (1) if paid for by a candidate, must clearly state so, or (2) if paid for by other persons, but authorized by a candidate, must clearly state so, or (3) if not authorized by a candidate, must clearly state the name of the person who paid for the communication and that it was not authorized by any candidate [2 U.S.C. § 441d(a)]

No corresponding existing law

Requires clear statement of responsibility in ads, with: clearly readable type and color contrasts (print); clearly readable type, color contrasts, candidate image, and specified, written candidate statement, for at least 4 sec. (TV); and candidate's spoken message (radio and TV) [Sec. 10013]

Sec. 10013 also requires additional disclaimers for independent ads {See I N D E P E N D E N T EXPENDITURES above}

Sec. 10004 requires non-participating Senate candidates to

Requires clear statement of responsibility in ads, with: clearly readable type and color contrasts (print); clearly readable type, color contrasts, candidate image, unspecified, written candidate statement, and for at least 4 sec. (TV); and candidate's spoken message (radio and TV) [Sec. 302]

Sec. 302 also requires additional disclaimers for independent ads {See I N D E P E N D E N T EXPENDITURES above}

No corresponding provision

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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**CAMPAIGN ADVERTISING—Continued**

state on ads that they do not abide by spending limits {see BENEFITS-Disincentives to Non-Compliance}

**References to Opponents in Mailings**

No corresponding existing law

Candidates and groups that support clearly identified candidates and refer to opponents in mailings must file copies of mailings with FEC and Secretary of State by noon of day the communication is first mailed [Sec. 10055]

No corresponding provision

**Equal Broadcast Time**

If broadcasters provide usage to a candidate, all other candidates for that office must be afforded equal opportunities [47 U.S.C. 3315(a)]

Does not relieve broadcasters from obligation under Communications Act of 1934 to operate in public interest and afford reasonable opportunity for discussion of conflicting views on public issues [Sec. 10022]

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**Current Law**
**S. 10  
(Daschle)**
**S. 1219  
(McCain/Feingold)**


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**CAMPAIGN ADVERTISING—Continued**
**Closed-Captioning**

No corresponding existing law

Sec. 10001-"509" requires participating Senate candidates to provide closed captioning for TV ads {See BENEFITS-Eligibility}

No corresponding provision

**DISCLOSURE REQUIREMENTS**

Treasurer of political committees must keep itemized records of all contributions and disbursements of more than \$200 (including name and address of contributor or payee, and amounts) [2 U.S.C.§432(c)(3) &amp; (5)]

No corresponding provision

 Treasurer must keep itemized records of all contributions and disbursements of more than \$50 [Sec. 309]
 

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**Current Law**
**S. 10  
(Daschle)**
**S. 1219  
(McCain/Feingold)**


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**DISCLOSURE REQUIREMENTS—Continued**

Political committees must file required reports using appropriate forms, with any variations approved in advance by FEC [11 C.F.R. §104.2]

No corresponding provision

Requires FEC to prescribe regulations allowing the filing of reports by FAX; FEC may prescribe regulations requiring committees to maintain and file reports in electronic form [Sec. 303]

**FEC ENFORCEMENT**

The FEC may, upon an affirmative vote of 4, conduct an audit and field investigation of any committee not meeting threshold requirements for compliance with the FECA [2 U.S.C. § 438(b)]

No corresponding provision

Allows post-election random audits and investigations to ensure voluntary compliance; subjects shall be chosen based on criteria approved by at least 4 members of FEC [Sec. 304]

No corresponding existing law

No corresponding provision

*Injunction*  
Provides FEC with the authority to seek an injunction, if there is substantial likelihood that a violation of the Act has occurred or is about to occur [Sec. 306]

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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>MISCELLANEOUS</b>		
No corresponding existing law	<i>Contributions by Dependents Not of Voting Age</i> Counts contributions toward limit of parent (allocated between both parents, if relevant) [Sec. 10042]	No corresponding provision
No corresponding existing law	<i>Extension of Credit</i> Considers as a contribution an extension of credit (for more than 60 days) to House and Senate candidates of more than \$1,000 for advertising and mass mail [Sec. 10032]	No corresponding provision
<b>House:</b> Member (or Member-elect) may send franked mail to current district and prospective district [39 U.S.C. § 3210(d)]	<i>Franked mass mailings</i> Prohibited by House and Senate Members in any year in which an election is held for that seat, from Jan. 1 to date of election, unless Member has announced intent not to seek election to that or any Federal office [Secs. 10015/10056]	<i>Franked mass mailings</i> Prohibited by House and Senate Members in any year in which an election is held for that seat, from Jan. 1 to date of election, unless Member has announced intent not to seek election to that or any Federal office [Sec. 305]
<b>Senate:</b> Prohibits franked mailings within 60 days of primary or general election [39 U.S.C. 3210(a)(6)(C)]		

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>MISCELLANEOUS—Continued</b>		
No corresponding existing law	<i>Telephone Voting by Persons with Disabilities</i> Requires FEC to develop feasibility study [Sec. 10052]	No corresponding provision
Excess campaign funds cannot be converted to personal use, i.e., for purposes that would exist irrespective of the candidate's campaign or responsibilities as a Federal officeholder (e.g., rent, food, etc.). [11 C.F.R. § 113.1(g)(1)] FEC to determine, case by case, whether other expenses constitute personal use, e.g. expenses for legal costs, meals, travel, and vehicles. [11 C.F.R. § 113.1(g)(2)]	No corresponding provision	<i>Personal Use of Campaign Funds</i> Prohibits candidates' inherently personal use (as defined) of campaign funds [Sec. 301]
Excess campaign funds may defray ordinary and necessary expenses in connection with Federal office duties. [11 C.F.R. § 113.2(a)]		

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>MISCELLANEOUS—Continued</b>		
Prohibits separate, segregated funds from making contributions or expenditures by using money secured by using physical force, job discrimination, financial reprisals, or the threat thereof [2 U.S.C. §441b(b)(3)]	<i>Funds secured by force or intimidation</i> Prohibits anyone from making or causing another person to make a contribution or expenditure secured by using physical force, job discrimination, financial reprisal, or threats thereof [Sec. 10044]	No corresponding provision
No person shall make contributions in cash to a Federal candidate which exceeds \$100 in the aggregate [2 U.S.C. §441g]	<i>Cash contributions</i> Prohibits candidates from accepting (as well as individuals from making) cash contributions which aggregate more than \$100 [Sec. 10045]	No corresponding provision
No corresponding existing law	<i>Aiding and abetting violations of FECA</i> To be treated as a principal in violation [Sec. 10054]	No corresponding provision
No corresponding existing law	<i>Expedited Review</i> Provides for expedited appeal to Supreme Court of any court ruling on constitutionality of any provision of Act [Sec. 10064]	<i>Expedited Review</i> Provides for expedited appeal to Supreme Court of any court ruling on constitutionality of any provision of Act [Sec. 308]

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>MISCELLANEOUS—Continued</b>		
No corresponding existing law	<p><i>FEC Regulations</i> Requires FEC to promulgate regulations to carry out provisions of this Act within 9 mo. of effective date [Sec. 10065]</p>	<p><i>FEC Regulations</i> Requires FEC to promulgate regulations to carry out provisions of this Act within 9 mo. of effective date [Sec. 311]</p>
<b>EFFECTIVE DATE</b>		
	<p><i>In general</i> Upon enactment [Sec. 10061]</p>	<p><i>In general</i> Jan. 1, 1997 [Sec. 310]</p>
	<p><i>Spending limits/benefits provisions</i> To apply to elections after Dec. 31, 1994; no expenditure before Jan. 1, 1996 counts toward spending limit (unless for services delivered after that date); receipts on hand on Jan. 1, 1996 count toward contribution limits (except amounts paid in following 60 days for expenditures incurred prior to that date) [Sec. 10001b]</p>	<p><i>Spending Limits provisions</i> Excludes spending before Jan. 1, 1997 from limits [Sec. 101]</p> <p><i>Free broadcast time</i> After Dec. 31, 1996 [Sec. 102]</p> <p><i>Broadcast rate changes</i> After Dec. 31, 1995 [Sec. 103]</p> <p><i>Reduced postal rates</i> After Dec. 31, 1996 [Sec. 104]</p>

Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
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No person shall make contributions in cash to a Federal candidate which exceeds \$100 in the aggregate [2 U.S.C. §441g]	<i>Cash contributions</i> Prohibits candidates from accepting (as well as individuals from making) cash contributions which aggregate more than \$100 [Sec. 10045]	No corresponding provision
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Current Law	S. 10 (Daschle)	S. 1219 (McCain/Feingold)
<b>EFFECTIVE DATE—Continued</b>		
	<p><i>PAC provisions</i> After Dec. 31, 1994 (except: contributions received before enactment, and those received after enactment to extent that donations received by opponent prior to enactment exceed those received by candidate [Sec. 10002])</p>	No corresponding provision
<b>SEVERABILITY</b>		
	<p><i>In general</i> If any parts of Act other than those specified in Sec. 10001 are held invalid, other provisions of Act are unaffected [Sec. 10063]</p>	<p><i>In general</i> If any parts of Act are held invalid, other provisions of Act are unaffected [Sec. 307]</p>
	<p><i>Spending limits/benefits provisions</i> If key parts of Sec. 10001 related to voluntary spending limits and benefits in Senate elections are held invalid, all provisions of this Act are invalid [Sec. 10001]</p>	



# CENTER FOR A NEW DEMOCRACY

410 Seventh Street SE ★ Washington DC 20003 ★ 202-543-0773 ★ FAX 202-543-2591

November 17, 1994

**TO: Reform Leaders and Friends.**  
**FM: Donna Edwards and Craig McDonald.**  
**RE: Update on Campaign Finance Reform Initiatives.**

## **Voters Overwhelmingly Approve \$100 Limit Initiatives in 3 of 4 States!**

- \* Missouri voters support Proposition A by a margin of 3 to 1.
- \* Oregon's Measure 9 attracts 72% of vote.
- \* Montana's I-118 wins by 2 to 1.
- \* Colorado \$100 Limit Drive Succumbs to Corporate Spending Barrage.

While busy throwing out the political party in control of Congress, an electorate tired of "business as usual" also spent time on November 8 supporting three progressive campaign finance reform initiatives -- by overwhelming margins. Each of the initiatives contained a form of the \$100 contribution limits which voters in the District of Columbia enacted by a 2 to 1 margin in 1992. Only in Colorado, where the citizen coalition sponsoring Amendment 15 was outspent by nearly \$750,000, did the \$100 limit reform fail -- and then by only a margin of 46% to 54%. Since the first voter test in D.C., citizens have endorsed the \$100 limits in 4 of 5 elections.

### **State-By-State Wrap-Up:**

**Missouri:** The coalition for Proposition A was led by ACORN and MOPIRG with support from the League of Women Voters, the Working Group on Electoral Democracy, AARP, SEIU, United We Stand and other citizen organizations. Although several incumbent politicians and Democratic ward clubs worked against the measure, there was no paid media campaign opposing it. The coalition engaged in a low-cost, high visibility campaign which attracted 77% of Missouri voters.

Proposition A will limit all contributions to state house candidates to \$100, senate candidates to \$200 and statewide candidates to \$300. The law also calls for the creation of a Commission on Fair Elections which is to submit further recommendations on campaign finance reforms to the Governor and legislature by September, 1995. Among other things, the commission is directed to look into ways to mitigate advantages of personal wealth, how to reduce electoral advantages of incumbency, and how to eliminate the influence of private money in elections.

**Montana:** While simultaneously rejecting several anti-tax measures, voters in Montana enacted I-118 by a margin of 63% to 37%. A measure similar to Missouri's Proposition A, I-118 was run by a coalition comprised of the state's League of Women Voters, Common Cause and MontPIRG. I-118 limits all contributions to legislative races to \$100 and limits contributions to gubernatorial races to \$400. The measure bans leadership PACs and also prohibits "carry over" of campaign funds.

**Oregon:** Oregon's Measure 9, carried primarily by OSPIRG, received an endorsement from every major newspaper in the state. The \$100 Limit initiative attracted 72% of Oregon's voters. Measure 9, strongly supported by the League of Women Voters, Common Cause and the state's Perot organization, calls for \$100 limits on legislative races and contributions to PACs, and \$500 limits to statewide races. The measure also uses tax credits to enforce voluntary spending limits. Individuals contributing to candidates who comply with the voluntary spending limits will be eligible for a \$50 tax credit. Contributors to non-complying candidates will not get the tax credit. A comprehensive reform package, Measure 9 also prohibits bundling and bans leadership PACs.

**Colorado:** The Colorado coalition sponsoring Amendment 15 made a strong showing in the face of what is estimated to be a \$750,000 TV and radio effort against the initiative (exact spending against the initiative is not yet available). A political committee named Coloradans for Responsible Reform, the Chamber of Commerce and other corporate interest groups spearheaded a deceptive advertising campaign that successfully overcame a strong grassroots effort by the reform community, defeating Amendment 15 by a vote of 54% No to 46% Yes. Amendment 15 was endorsed by the Denver Post though not by the Rocky Mountain News. However, after the count was in, the Rocky Mountain News editorialized that due to the strong showing of Amendment 15 in the light of such one-sided spending, the legislature should respond by enacting some real reform measures in the next session.

**Massachusetts:** There were mixed successes in Massachusetts on campaign reform. Earlier in the year, Common Cause and other organizations decided not to take their qualified \$100 limit package to the voters after the legislature compromised and produced a comprehensive reform bill. A second initiative, Question 1, proceeded to the ballot and into a frontal attack of \$2 million in corporate money. The MassPIRG sponsored Question 1, which called for the abolition of direct corporate contributions to ballot campaigns, was defeated by a margin of 59% to 41% -- quite amazing given that the Yes on 1 forces were outspent by 15:1. The initiative campaign on Question 1 itself best serves as an illustration of the problem of corporate spending on ballot measures. The primary donors to the "Committee for Free Speech and Equity", which opposed Question 1, is a who's who of corporate wrongdoers and polluters -- those who are accustomed to spending millions to defeat health and safety initiatives around the country. Of the 50 largest contributors against the initiative, 27 were chemical or tobacco companies and nine were insurance or financial companies. (For a list of the donors against Question 1, contact CND.)

**Place CND on your mailing list!!**

## Ralph Nader supports campaign reform Amendment 15

Once again, Congress has proven to the nation it is incapable of reforming itself. The demise of both the lobby reform bill and the campaign finance bill highlight the fact that politicians, left to their own devices, can't be relied upon to end the corrupting role that special-interest money plays against our democracy today. Putting an end to auction block elections is not a job for the politicians -- it is a job for citizens.

The citizen organizations in Colorado sponsoring Amendment 15 (the League of Women Voters, Common Cause, etc.) are taking the only step left to those interested in getting big money out of politics. Going straight to the ballot is the best way to bypass incumbent politicians who, in bi-partisan cooperation, time and again circle the wagons to derail reform and protect business as usual. Using the initiative process to recapture the institutions of government that have been seized by well-heeled, large corporate-interest lobbies is a high form of citizen action. For the sake of representative democracy, let's hope Coloradans spark a movement for change that engulfs the country.

Not since the congressional salary grab of 1989 has a group of rulers been so visibly out of touch with the ruled. Incumbent politicians, whether in Congress or state legislatures, continue to deny the

pernicious role that large campaign contributions play in American elections. The citizenry knows better.

In our present politics, big money shapes who runs for office, who wins office and which issues get attention from those who occupy office. The homily rings ever so true here, the one who pays the piper calls the tune. And the big money is not provided by citizens. It is heavily tied into both political parties and numerous campaign committees by the business interest elite -- the banks, the insurance industry, the health-care industry, the chemical companies, the real estate industry and on and on. Representation is afforded to the highest bidder. We have a government of the Exxons, by the General Motors and for the DuPonts. The free-speech rights of the majority of citizens are being stifled by the disproportionate wealth of the special interests.

Enacting Amendment 15 will help restore the political clout and voting-booth equality of all the state's citizens. Colorado is now one of only seven states with no limitation on campaign contributions. The contribution limits in Amendment 15 -- capped at \$100 for state legislative races from people, corporations, PACs, labor unions, etc. -- coupled with requirements that most campaign money not come from businesses and interest groups

will require politicians to reach out directly to more people. Severely limiting the sources and amounts of campaign money can do as much as, or more than, term limits to make government more responsive to citizens.

Don't look for incumbent politicians to embrace the \$100 contribution limits which are a central element of Amendment 15. Incumbents like business as usual because special-interest money flows almost exclusively to incumbents. Keeping intact a system that funds incumbents at the expense of challengers is a high priority for many officeholders. Democratizing campaigns by lowering contribution limits to amounts that are affordable is a destabilizing concept not only for incumbents but also for the powerful lobbies and their television ads that dominate politics. Look for both these groups to lead the attack on this reform effort.

Restoring democracy requires direct democratic action. Amendment 15 deserves support from all the citizens of Colorado who want big money out of politics and a government that represents the interests of consumers, taxpayers and workers, not a government that represents only the highest bidder.

RALPH NADER  
Center for a New Democracy  
Washington, D.C.

# Rocky Mountain News

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"Give light and the people will find their own way"

## EDITORIALS

# Time to stand and deliver

**THE ISSUE:**  
The election in perspective

**OUR VIEW:**  
GOP win will be shortlived unless the party acts decisively

Whatever face Bill Clinton puts on Tuesday's election results, the facts speak for themselves. It wasn't incumbents who were targeted across the country, but Democrats — in the Senate, the House, the governors' mansions, and even on down.

To be sure, the president can try to console himself with the fact that voters were expressing rage at a party in power, not the ideology of that party. And while there no doubt is some truth in this perspective for a number of individual contests, the explanation fails to account for the fact that a candidate's vulnerability generally rose in proportion to the statist tilt of his politics. The landslide victories of a string of GOP governors, in particular, show that strong, fiscally responsible performance in office is rewarded.

The magnitude of liberals' defeat is equalled only by the historic challenge to the GOP victors: to seize the opportunity they have won and prove that they can fulfill at least some of the voters' expectations.

Still, the rejuvenated Republicans have hardly been granted carte blanche. Clinton will no doubt learn to wield his veto power, as did the last executive to preside over divided government, George Bush. A Democratic Senate minority will soon be indulging in the very filibusters it blasted when the other party used them to frustrate the majority.

Even in the glow of triumph, the Republicans should remember how shallow voter loyalties can be — witness Harris Wofford's short-lived career representing Pennsylvania in the U.S. Senate and the popular Ann Richards' fall from the governorship of Texas, not to mention the last Republican president's humiliation just two years after his successful prosecution of a war. The public's demand for effective government shows little patience.

To prove their seriousness of purpose, Republicans must keep the pledges made in their Contract With America. On the first days of the 104th Congress, they must pass long-overdue internal reforms: requiring Congress to live under the same laws it applies to the rest of the country, commissioning an audit of Congress for waste and fraud, slashing the number of committees and their staffs, opening committee meetings to the public, requiring a three-fifths majority vote to pass a tax increase, and guaranteeing a budget-writing system intelligible to citizens.

Combined with Tuesday's shift in the political landscape, this assault on the institutional status quo would truly inaugurate a new day in Washington.

If one thing is clear from Tuesday's totals, it is that a majority of voters decidedly

do not want an activist government eager to solve all of life's problems for them. Quite the contrary. Many voters simply want to be left alone to make their own decisions about how to conduct their lives and pursue happiness.

Although voter restiveness in Colorado did not equal that elsewhere in the country, there was nonetheless a subtext of the same mood here as well. Consider that the only two U.S. House incumbents to roll up margins of less than 70% were the two Democrats. Or the fact that Republicans swept the University of Colorado regents and state board of education races, and picked up seats in the state House. Or that metro voters failed to "de-Bruce" the Regional Transportation District, which will now have to refund revenue (other de-Brucing efforts did succeed, however). Or that the cultural facilities tax won by a relatively restrained margin of victory compared with its romp of six years ago. Or that Cherry Creek schools lost a proposed property tax increase for the first time in the district's history.

Voter omeriness even extended to the ballot measures, where only one citizen initiative — term limits — passed. A very particular message was sent to Douglas Bruce: Keep it simple. Not only was his Amendment 12 crushed, but Referendum A, the single-subject rule, passed by a lopsided margin. Bruce has no one to blame but himself for both results. His Amendment 12 was ridiculously complex, and thus reinforced the arguments of those who would put a crimp on all citizen initiatives. Ironically, the state's greatest citizen activist, because of his own overriding hubris, may have driven a stake into the heart of the initiative process.

For our part, we hope voters in future years continue to reject every single amendment — no matter how worthy in other respects — that seeks to create an independent commission outside the normal channels of accountability, as both Amendments 1 and 15 sought to do. But we also believe that the narrow margin of defeat of 15 should send a clear message to state lawmakers: Campaign reform is coming, one way or another. Either enact it yourselves or watch voters do it for you.

Finally, yet another word or two on the governor's race. Bruce Benson has apparently decided to blame the press for his debacle — although Republicans elsewhere in the country seemed to have had little trouble overcoming whatever media spin might have existed in their communities. Contrary to Benson's whining, one thing is indeed now clear, namely how potentially vulnerable Roy Romer might have been had he faced a skilled, serious candidate of political heft. Romer faced no such candidate. And so the governor now becomes the last in Colorado history to serve three terms.

# The Denver Business Journal



NOVEMBER 11-17, 1994

THE METRO AREA'S MOST COMPREHENSIVE BUSINESS COVERAGE

72 PAGES IN THREE SECTIONS

SBA Lenders, Venture Capital  
Firms... Page 10C, 12C  
The Lists... Page 10C, 12C

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## Business should push reforms of campaign finance

**I**t's not too early for corporate Colorado, which got its way this past Election Day, to start thinking about upcoming polls.

Just as good businesses attempt to define where a market is headed or what the next hot product is, they should try to discern what the next popular issue will be for the Colorado electorate.

We think it's campaign-finance reform.

And we think the business community should start wielding influence now to have the issue dealt with in the next session of the Colorado General Assembly. That, or be prepared to face one or more ballot initiatives in coming years that don't provide the kind of remedy captains of industry can live with.

It's true that both campaign-finance reform measures brought before the voters last week were rejected. But we believe Amendment 12 repulsed voters more for its broad petition powers than for the small part of it that involved campaign contributions. And we believe, given another chance, an Amendment 15-type initiative might win. After all, it was a cliffhanger this time around (54 percent "no" to 46 percent "yes").

Admittedly, campaign-finance reform isn't one of business's favorite issues. Whatever form reform takes, it's likely to impede the amount of dollars business can throw behind a campaign. But, lacking input from business, any upcoming reform might aim to cut industry out of the action altogether, much as 12 tried to.

What's called for here is a proactive strike.

To head off whatever measures others might impose on it, business must find a way to ramrod an acceptable form of campaign-finance reform through the Legislature in 1995. Whether through chambers of commerce, special task forces or plain ol' boardroom lobbying, pressure on the state representatives and senators must be exerted — and followed through on — to take care of this matter once and for all.

The time is ripe.

Voters will remember the massive amounts of money poured into this year's contests, from the gubernatorial race to the tobacco-tax chase, and they'll undoubtedly have more of a mind to put a stop to such foolishness at the drop of the next initiative.

Surely legislators see the writing on the wall as clearly as business does. If they fail this time to enact legislation changing the rules on contributions to campaigns, they face the sobering thought that it will be changed constitutionally by the voters — without their input.

And Romer, who vetoed campaign-finance reform in the one, rare instance it made it as far as his desk, is a lame duck. He has no good reason not to sign any reasonable measure that comes before him.

The General Assembly and the governor could hatch a law that covers their concerns and still makes all parties as happy as can be expected when compromising on such a thorny issue.

Otherwise, look to Massachusetts to see what might be coming down the pike next Election Day.

In that state, a ballot measure last week proposed that only individuals and PACs, not businesses, be able to contribute to initiative campaigns. It didn't pass, but it's given reformers across the country a great idea.

If that kind of campaign-finance reform comes to Colorado and passes, don't expect the kind of wild victories business experienced this Nov. 8.

# Voters OK Curbs On Officials

## New Rules To Guide Campaign Donations, Setting Of Salaries

By Virgil Tipton  
Of the Post-Dispatch Staff

Missouri voters tightened the leash Tuesday on their public servants, clamping down on how much campaign money they can collect and stopping them from setting their own salaries.

By a ratio of 3-1, voters approved Proposition A, which limits campaign contributions in any municipal or state election to less than \$300. And voters approved Constitutional Amendment 5, which sets up a 22-member commission to decide on salaries for statewide officials, General Assembly members and state judges.

Passage of Proposition A "shows the depth of the public's disgust with special interest money in our political system," said Andy Igrejas, a spokesman for a coalition that supported Proposition A.

Supporters say Proposition A will make elections more democratic and will make politicians more accountable to voters. The law goes into effect immediately.

As candidates try to make do on less, voters probably will see considerably fewer television ads and more door-to-door campaigning, Igrejas said.

More changes might follow because the law requires the governor to set up a campaign finance commission — and because this vote will give the Legislature a push, Igrejas said.

Opponents say the new law is hopelessly simplistic and will give the rich and well connected an even bigger advantage in running for office. Rich candidates will be able to spend as much on themselves as they wish, forcing poorer candidates to spend most of their time trying to collect money.

The law means that candidates running in districts with less than 100,000 people can accept contribu-

SEE PROPOSITION B

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## Proposition

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From page one

tions of no more than \$100 from an individual, business, committee or union. Candidates in districts with more than 100,000 residents can accept \$200. And candidates for statewide office such as governor or attorney general can accept \$300.

Each contributor must be listed by name, address and occupation or employer. Candidates won't be able to sit on their war chests: Unused campaign money must be reduced within 90 days to an amount equal to 10 times the individual limit.

Campaign finance laws previously carried no limits. But a bill signed by Gov. Mel Carnahan scheduled to go into effect in January would have imposed limits of \$250 for each state house election, \$500 for the state Senate and \$1,000 for statewide offices. Proposition A will supersede that bill.

Amendment 5 creates the Missouri Citizen's Commission on Compensation of Elected Officials, which will set salaries and expense allowances now set by the Legislature.

The secretary of state will select nine of the 22 members at random — one registered voter from each of the state's congressional districts. One member will be a retired judge appointed by the Supreme Court and the remaining 12 will be appointed by the governor.

Voters also approved:

■ Constitutional Amendment 1, which makes it easier for first-class counties to adopt charter forms of government. A charter county can drop the standard three-member commission and replace it with a county executive and legislative body.

■ Constitutional Amendment 2, which allows the Department of Natural Resources to reimburse counties and school districts for taxes lost when the department acquires land for state parks.

## Voters say yes to limits on campaign spending

HELENA (AP) — Montana voters gave solid approval in Tuesday's election to two workaday constitutional amendments and a statutory initiative, none of which drew much debate.

Initiative 118 will revise campaign finance laws by lowering the limit on contributions by special-interest groups.

Constitutional Amendment 25 was designed to protect public employees' pension funds from raids by the Legislature, and CA-25 standardizes the time allowed for the governor to sign bills.

Final unofficial returns showed I-118 approved 199,627 or 60 percent to 130,682 or 40 percent.

CA-25 had 242,656 yes votes, 74 percent, and 85,609 no votes, 26 percent. CA-26 had 231,910 yes votes, 70 percent, and 97,393 noes, 30 percent.

Supporters of I-118 argued that new limits on campaign contributions were needed to prevent political incumbents from building large campaign treasuries for subsequent races, and to control monetary influence in politics. Opponents said Montana limits already on the books were among the na-

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Two workaday constitutional amendments and a statutory initiative, none of which drew much debate, were solidly approved.

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tion's lowest and discouraged campaign corruption and abuse.

CA-25 stemmed from public employees' fear that their pension funds would be tapped for "loans" to help finance government, as has happened in several other states. The loans were not repaid in some cases.

CA-26 offers the governor 10 days, rather than five, in which to sign bills during legislative sessions, and 10 rather than 25 for bill signings after the Legislature adjourns. Supporters said the governor and staff could better analyze bills if allowed 10 days during sessions.

Opponents of CA-25 and CA-26 said arguments in favor of the measures didn't justify changing the constitution.

## ELECTION '94

# Yes to contribution cap

By The Associated Press

Four ballot measures that saw little public debate during the campaign season were winning voter approval in early unofficial returns Tuesday.

Initiative 118, a proposal to lower the cap on campaign contributions by special-interest groups, was approved by voters. With 231 of 910 precincts counted, the vote was 64,450 or 63 percent in favor, and 38,204 or 37 percent against.

Constitutional Amendment 25, a measure to protect public employees' pension funds from raids, passed by a 3-to-1 margin. With 235 precincts counted, the vote was 77,334 or 76 percent in favor, and 24,981 or 24 percent opposed.

Constitutional Amendment 26, which proposed a standardized time for bill signings by the governor, also passed easily. With 235 precincts counted, the vote was 73,694 or 71 percent in favor, and 29,898 or 29 percent opposed.

Constitutional Amendment 27, calling for a 4 percent limit on a sales tax if Montana eventually adopts one, was favored by a more narrow margin. With 235 precincts reporting, the vote was 55,552 or 55 percent in favor, and 45,836 or 45 percent opposed.

Supporters of I-118 said new limits on campaign contributions were needed to prevent political in-

cumbents from building large campaign treasuries for subsequent races, and to control monetary influence in politics. Opponents said Montana limits already on the books were among the nation's lowest and discouraged campaign corruption and abuse.

CA-25 was fueled by public employees' fear that their pension funds would be tapped to help finance government.

CA-26 offered the governor 10 days, rather than five, in which to sign bills during legislative sessions, and 10 rather than 25 for bill signings after the Legislature adjourns. Supporters said the governor and staff could better analyze bills if allowed 10 days during sessions.

Opponents of CA-25 and CA-26 said arguments in favor of the measures didn't justify changing the constitution.

The 4 percent sales tax limit in CA-27 was offered as assurance against an escalating rate as Montanans prepared to vote, last year, on the adoption of a sales tax.

Voters refused to allow any sales tax, but supporters of CA-27 said it was still relevant, because Montana might adopt such a tax someday. Opponents said that CA-27 was moot, and that tinkering with the constitution to lay out tax policy was wrong.

# Who's In Oregon State Public Interest Research Group

Oregon's best-known grass-roots organization won a major victory—and didn't have to spend much to do it. In fact, the approximately \$90,000 spent by OSPIRG to pass its cam-

**In politics, the person with the most votes**

**'94** CAMPAIGN **doesn't always win and those with**

**the most at stake are often not on the ballot at all. With that in mind, *Willamette Week* offers this list of who's in and who's out after the 1994 election.**

campaign finance reform initiative, Measure 9, was the lowest amount spent on any successful effort to pass a statewide ballot measure. The well-deserved victory also gives the group a new issue upon which to hang its hat following the 1990 defeat of its statewide recycling initiative and the legislative gutting of the group's 1991 recycling law that is sure to follow with the GOP takeover in Salem.

# Voters curtail campaigns

By Brad Cain  
Associated Press Writer

PORTLAND (AP) — Oregon voters made it unmistakably clear that they want big money out of politics when they approved a measure limiting campaign contributions to candidates, a leading sponsor says.

On Tuesday, voters endorsed Measure 9, imposing statutory limits on campaign contributions and creating incentives for candidates to hold down spending in hopes of giving challengers a better chance against incumbents.

Two of the state's 18 ballot measures remained too close to call this morning. Measure 16, the assisted suicide measure, was leading, while Measure 8, which would require public employees to contribute to their retirement funding, appeared to be failing.

In general, voters adopted the limits on campaigning, got tough with criminals, and rejected most everything else — except limits on bear and cougar hunting. (See results on Page 5.)

"Oregonians saw this as an important first step toward restoring faith in state government," said Tim Raphael, campaign director for the Coalition for Campaign Finance Reform.

With 94 percent of precincts reporting, Measure 9 received 651,224 "yes" votes, or 72 percent, to 252,751 "no" votes, or 28 percent.

Too close to call was Measure 6, which was aimed at cutting down on the influence of outside interests by prohibiting candidates from accepting contributions from anyone who doesn't live inside their district.

The incomplete returns showed Measure 6 with 479,008 "yes" votes, or 53 percent, or 430,823 "no"

votes, or 47 percent.

Meanwhile, voters overwhelmingly approved Measure 3, giving elections officials more time to put on an election to fill a vacancy, and Measure 4, prohibiting convicted felons from holding office.

A coalition of watchdog groups backed Measure 9, to limit contributions from individuals, political action committees and groups to \$500 for statewide candidates, such as governor, and \$100 for candidates for the Legislature. People couldn't contribute more than \$100 a year to a PAC.

The measure, which drew no organized opposition, gives candidates an incentive to abide by spending limits, based on the current averages of \$40,000 for a House race, \$60,000 for a Senate race and \$1 million for a gubernatorial race. If a candidate exceeded the limit, that fact would be publicized in the voters' pamphlet and people who gave money to him would lose their income tax credit for political contributions.

Gordon Müller, a Salem eye doctor who unsuccessfully sought a seat in the Oregon House, personally financed the campaign for Measure 6 to cut off outside money from political campaigns.

Under the measure, if a candidate won while taking more than 10 percent of his money from sources outside his district, he would have to forfeit the office.

The two minor election measures were referred to the ballot by the Legislature.

Measure 4, the prohibition on felons serving in the Legislature, was inspired by the conviction of Peg Jolin, a state senator from Cottage Grove, for asking for supporters to give her money to pay off campaign debts when she actually had a surplus.



# CENTER FOR A NEW DEMOCRACY

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## A SIDE BY SIDE COMPARISON OF: CALPIRG's Anti-Corruption Act of 1996 and the California Political Reform Act of 1996

Provisions	CALPIRG	Current Law	CPRA
Limitations on Contributions from Outside a Candidate's District	Seventy-five percent of a candidate's contributions must come from within a candidate's own district. PACs, except for in-district Citizen Contribution Committees, are considered out-of-district.	No limits	No limits
Corporations, Labor Organizations, Banks, and Non-Profit Corporations	Banned from making contributions to candidates.	No limits	Allowed to give same as individuals.
Lobbyist Tax Deduction	Tax Deduction for lobbyists is repealed.	Lobbyists can deduct lobbying expenses from taxes.	Lobbyist can deduct lobbying expenses from taxes.
Limitations on Contributions to Candidates from individuals, PACs, and parties.	Individuals, PACs, and parties are limited to \$100 to all candidates, except statewide races where the limit is \$200.	No limits	\$100 to candidates for local office in districts fewer than 100,000 residents; \$250 more than 100,000; \$500 for statewide office. Contribution limits double if candidate agrees to spending limits.
Limitations on Contributions to PACs	\$200 per calendar year	No limits	\$500 per calendar year
Aggregate Contribution Limitations	Individuals limited to \$2,000 per calendar year to all entities involving not more than \$1,000 to committees other than political party committees; Entities other than individuals and small donor committees limited to \$10,000 per year.	No limits	No person can contribute more than \$25,000 to all candidates and political party committees over a two year period.
Limitations on Contributions to Parties	\$600 per calendar year. Contributions up to \$5,000 are allowed to the Voter Registration Fund of a party.	No limits	\$5,000 per calendar year
Citizen Contribution Committees	Citizen Contribution Committees are those committees which have more than 25 donors who have given \$25.00 or less cumulatively. Citizen Contribution Committees can give an amount equal to 100 individuals.	No limits	Small Donor Committees are those committees which have more than 100 individuals who have given \$50 or less cumulatively. They are allowed to give double the contribution limit.

Provisions	CALPIRG	Current Law	CPRA
Spending Limits	Establishes Mandatory Limits: \$75,000 for State Assembly for primary and \$150,000 for general election; Senate and Board of Equalization limited to \$115,000 for primary and \$235,000 for general; \$1,250,000 in primary for statewide office other than governor and \$1,750,000 for general election; Governor limited to \$2,000,000 in primary and \$5,000,000 in General. Local jurisdiction to establish limits not to exceed \$.40 per person of voting age population in the district.	No limits	Establishes Voluntary Limits of : \$100,000 for State Assembly for primary and \$200,000 for general election; Senate and Board of Equalization limited to \$200,000 for primary and \$400,000 for general; \$1,000,000 in primary for statewide office other than governor and \$2,000,000 for general election; Governor limited to \$4,000,000 in primary and \$8,000,000 in general. Spending limit amounts triple (double for statewide races) if any opponent who has not agreed to spending limits raises or spends 75 percent of limit. Local jurisdiction to establish limits not to exceed \$1 per resident per election.
Ballot Pamphlet Statement	Free for candidates agreeing to voluntary spending limits. Notation in ballot pamphlet and on ballot as to whether candidate agreed or not to spending limit.	No provision. Candidate statements are not currently included in ballot pamphlet.	Free for candidates agreeing to voluntary spending limits. Notation on ballot pamphlet and on ballot as to whether candidate agreed to spending limits.
Lobbyist Gifts and Contributions	Lobbyists are prohibited from making any gifts or contributions.	Lobbyists are prohibited from giving gifts over \$10.	Lobbyist contributions are prohibited.
Conflict of Interest Provisions	Officers of agencies are prohibited from accepting, soliciting, or directing contributions.	Officers of agencies are prohibited from accepting, soliciting, or directing contributions of more than \$250.	Officers of agencies are prohibited from accepting, soliciting, or directing contributions of more than \$250.
Limitations on solicitation of campaign contributions	Candidates can accept or solicit contributions 9 months prior to an election. No soliciting after the election, but can accept contributions up to 30 days after.	No limits	Candidates can accept contributions 6 months prior to an election in districts with fewer than 1 million residents; 12 months prior in districts with more than 1 million residents or for a statewide election. Candidates can accept contributions up to 90 days after election to pay outstanding bills or debts.

Provisions	CALPIRG	Current Law	CPRA
Transfers	No transfers to other candidates. Does not apply to personal funds or transfers from the candidate to another of his/her committees.	No limits	No transfers to other candidates. Does not apply to personal funds or transfers from the candidate to another of his/her committees.
Loans	Loans from candidate to his/her committee not more than: \$10,000 at any point in time for offices other than Governor; \$25,000 at any time for Governor. Extensions of credit for up to 30 days. Does not restrict contributions of personal funds of candidate.	No limit on the amount of loan, but reporting is required.	Loans from candidate to his/her committee not more than: \$20,000 at any point in time for offices other than Governor; \$50,000 for Governor. Extensions of credit for up to 30 days subject to contribution limits. Does not restrict contributions of personal funds of candidate.
Surplus campaign funds	After 30 days after election, funds must be returned to contributors on pro rata basis or returned to this act's enforcement fund.	No provision	90 days after election, withdrawal, or defeat, candidate must distribute balance of funds as follows: No more than \$10,000 to the candidates' officeholder account; to political party; returned to contributors on a pro rata basis; or turned over to the General Fund.
Independent Expenditures	Coordination, direction, or arrangement with candidate is not considered independent.	No provision	Coordination, direction, or arrangement with candidate is not considered independent.
Self-funded Candidates	Candidates who provide more than 10% of their spending limit in personal contributions must file a disclosure. They must also disclose each subsequent expenditure of 10%.	No disclosures currently required	No change
Severability	If any part of the Act is held as invalid, the rest of the Act shall remain in effect.		If any part of the Act is held as invalid, the rest of the Act shall remain in effect.
Advisory to Congress - Federal Candidate Compliance with Limitations	Federal candidates are advised that voters would like them to comply with the same limits, though they are not mandated by law.	No provision	No provision
Advisory to Congress - Broadcast	The Congress and the Federal Communications Commission are advised to provide time for voter information broadcasts, though it is not mandated by law.	No provision	No provision