

Union Calendar No. 74

107TH CONGRESS
1ST SESSION

H. R. 2360

[Report No. 107-132]

To amend the Federal Election Campaign Act of 1971 to restrict the use of non-Federal funds by national political parties, to revise the limitations on the amount of certain contributions which may be made under such Act, to promote the availability of information on communications made with respect to campaigns for Federal elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. NEY (for himself, Mr. WYNN, Mr. SWEENEY, Mr. MICA, Mr. REYNOLDS, Mr. LATOURETTE, Mr. PETERSON of Pennsylvania, Mr. HOBSON, Ms. DUNN of Washington, Mr. CUNNINGHAM, Mr. TAYLOR of North Carolina, Mr. TRAFICANT, Ms. PRYCE of Ohio, Mr. BLUNT, Mr. EHLERS, Mr. BALLENGER, and Mr. NORWOOD) introduced the following bill; which was referred to the Committee on House Administration

JULY 10, 2001

Additional sponsors: Mr. PORTMAN and Mr. FORBES

JULY 10, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on June 28, 2001]

A BILL

To amend the Federal Election Campaign Act of 1971 to restrict the use of non-Federal funds by national political

parties, to revise the limitations on the amount of certain contributions which may be made under such Act, to promote the availability of information on communications made with respect to campaigns for Federal elections, and for other purposes.

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

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Campaign Reform and Citizen Participation Act of*
 6 *2001”.*

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

Sec. 1. Short title; table of contents.

TITLE I—SOFT MONEY OF NATIONAL PARTIES

Sec. 101. Restrictions on soft money of national political parties.

TITLE II—MODIFICATION OF CONTRIBUTION LIMITS

Sec. 201. Increase in limits on certain contributions.

Sec. 202. Increase in limits on contributions to State parties.

*Sec. 203. Treatment of contributions to national party under aggregate annual
 limit on individual contributions.*

*Sec. 204. Exemption of costs of volunteer campaign materials produced and dis-
 tributed by parties from treatment as contributions and expendi-
 tures.*

Sec. 205. Indexing.

TITLE III—DISCLOSURE OF ELECTION-RELATED COMMUNICATIONS

*Sec. 301. Disclosure of information on communications broadcast prior to elec-
 tion.*

Sec. 302. Disclosure of information on targeted mass communications.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

***TITLE I—SOFT MONEY OF
NATIONAL PARTIES***

***SEC. 101. RESTRICTIONS ON SOFT MONEY OF NATIONAL
POLITICAL PARTIES.***

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

“SOFT MONEY OF NATIONAL POLITICAL PARTIES

*“SEC. 323. (a) PROHIBITING USE OF SOFT MONEY
FOR FEDERAL ELECTION ACTIVITY.—A national committee
of a political party (including a national congressional
campaign committee of a political party) may not solicit,
receive, or direct to another person a contribution, dona-
tion, or transfer of funds or any other thing of value for
Federal election activity, or spend any funds for Federal
election activity, that are not subject to the limitations, pro-
hibitions, and reporting requirements of this Act.*

*“(b) LIMIT ON AMOUNT OF NONFEDERAL FUNDS PRO-
VIDED TO PARTY BY ANY PERSON FOR ANY PURPOSE.—
No person shall make contributions, donations, or transfers
of funds which are not subject to the limitations and prohi-
bitons of this Act to a political committee established and
maintained by a national political party in any calendar
year in an aggregate amount equal to or greater than
\$75,000.*

1 “(c) *APPLICABILITY.*— *This subsection shall apply to*
 2 *any political committee established and maintained by a*
 3 *national political party, any officer or agent of such a com-*
 4 *mittee acting on behalf of the committee, and any entity*
 5 *that is directly or indirectly established, maintained, or*
 6 *controlled by such a national committee.*

7 “(d) *DEFINITIONS.*—

8 “(1) *FEDERAL ELECTION ACTIVITY.*—

9 “(A) *IN GENERAL.*—*The term ‘Federal elec-*
 10 *tion activity’ means—*

11 “(i) *voter registration activity during*
 12 *the period that begins on the date that is*
 13 *120 days before the date a regularly sched-*
 14 *uled Federal election is held and ends on the*
 15 *date of the election, unless the activity con-*
 16 *stitutes generic campaign activity;*

17 “(ii) *voter identification or get-out-the-*
 18 *vote activity conducted in connection with*
 19 *an election in which a candidate for Fed-*
 20 *eral office appears on the ballot (regardless*
 21 *of whether a candidate for State or local of-*
 22 *fice also appears on the ballot), unless the*
 23 *activity constitutes generic campaign activ-*
 24 *ity;*

1 “(iii) any public communication that
2 refers to or depicts a clearly identified can-
3 didate for Federal office (regardless of
4 whether a candidate for State or local office
5 is also mentioned or identified) and that
6 promotes or supports a candidate for that
7 office, or attacks or opposes a candidate for
8 that office (regardless of whether the com-
9 munication expressly advocates a vote for or
10 against a candidate); or

11 “(iv) any public communication made
12 by means of any broadcast, cable, or sat-
13 ellite communication.

14 “(B) *EXCEPTION FOR CERTAIN ADMINISTRA-*
15 *TIVE ACTIVITIES.*—The term ‘Federal election ac-
16 tivity’ does not include any activity relating to
17 establishment, administration, or solicitation
18 costs of a political committee established and
19 maintained by a national political party, so
20 long as the funds used to carry out the activity
21 are derived from funds or payments made to the
22 committee which are segregated and used exclu-
23 sively to defray the costs of such activities.

24 “(2) *GENERIC CAMPAIGN ACTIVITY.*—The term
25 ‘generic campaign activity’ means any activity that

1 *does not mention, depict, or otherwise promote a*
 2 *clearly identified Federal candidate.*

3 “(3) *PUBLIC COMMUNICATION.*—*The term ‘public*
 4 *communication’ means a communication by means of*
 5 *any broadcast, cable, or satellite communication,*
 6 *newspaper, magazine, outdoor advertising facility, or*
 7 *direct mail.*

8 “(4) *DIRECT MAIL.*—*The term ‘direct mail’*
 9 *means a mailing by a commercial vendor or any*
 10 *mailing made from a commercial list.’”.*

11 ***TITLE II—MODIFICATION OF*** 12 ***CONTRIBUTION LIMITS***

13 ***SEC. 201. INCREASE IN LIMITS ON CERTAIN CONTRIBU-*** 14 ***TIONS.***

15 (a) *CONTRIBUTIONS BY INDIVIDUALS TO NATIONAL*
 16 *PARTIES.*—*Section 315(a)(1)(B) of the Federal Election*
 17 *Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(B)) is amend-*
 18 *ed by striking “\$20,000” and inserting “\$30,000”.*

19 (b) *CONTRIBUTIONS BY COMMITTEES TO NATIONAL*
 20 *PARTIES.*—*Section 315(a)(2)(B) of such Act (2 U.S.C.*
 21 *441a(a)(2)(B)) is amended by striking “\$15,000” and in-*
 22 *serting “\$30,000”.*

23 (c) *AGGREGATE ANNUAL LIMIT ON CONTRIBUTIONS BY*
 24 *INDIVIDUALS.*—*Section 315(a)(3) of such Act (2 U.S.C.*

1 441a(a)(3)) is amended by striking “\$25,000” and insert-
 2 ing “\$37,500”.

3 **SEC. 202. INCREASE IN LIMITS ON CONTRIBUTIONS TO**
 4 **STATE PARTIES.**

5 (a) CONTRIBUTIONS BY INDIVIDUALS.—Section
 6 315(a)(1) of the Federal Election Campaign Act of 1971
 7 (2 U.S.C. 441a(a)(1)) is amended—

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

10 (2) in subparagraph (C)—

11 (A) by inserting “(other than a committee
 12 described in subparagraph (D))” after “com-
 13 mittee”; and

14 (B) by striking the period at the end and
 15 inserting “; or”; and

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

17 “(D) to a political committee established and
 18 maintained by a State committee of a political party
 19 in any calendar year which, in the aggregate, exceed
 20 \$10,000.”.

21 (b) CONTRIBUTIONS BY COMMITTEES.—Section
 22 315(a)(2) of the Federal Election Campaign Act of 1971
 23 (2 U.S.C. 441a(a)(2)) is amended—

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

1 (2) in subparagraph (C)—

2 (A) by inserting “(other than a committee
3 described in subparagraph (D))” after “com-
4 mittee”; and

5 (B) by striking the period at the end and
6 inserting “; or”; and

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

8 “(D) to a political committee established and
9 maintained by a State committee of a political party
10 in any calendar year which, in the aggregate, exceed
11 \$10,000.”.

12 **SEC. 203. TREATMENT OF CONTRIBUTIONS TO NATIONAL**
13 **PARTY UNDER AGGREGATE ANNUAL LIMIT ON**
14 **INDIVIDUAL CONTRIBUTIONS.**

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

17 (1) by striking “(3)” and inserting “(3)(A)”;
18 and

19 (2) by adding at the end the following new sub-
20 paragraph:

21 “(B) Subparagraph (A) shall not apply with respect
22 to any contribution made to any political committee estab-
23 lished and maintained by a national political party which
24 is not the authorized political committee of any candidate.”.

1 **SEC. 204. EXEMPTION OF COSTS OF VOLUNTEER CAMPAIGN**
 2 **MATERIALS PRODUCED AND DISTRIBUTED BY**
 3 **PARTIES FROM TREATMENT AS CONTRIBU-**
 4 **TIONS AND EXPENDITURES.**

5 (a) *TREATMENT AS CONTRIBUTIONS.*—Section
 6 301(8)(B)(x) of the Federal Election Campaign Act of 1971
 7 (2 U.S.C. 431(8)(B)(x)) is amended by striking “a State
 8 or local committee of a political party of the costs of” and
 9 inserting “a national, State, or local committee of a polit-
 10 ical party of the costs of producing and distributing”.

11 (b) *TREATMENT AS EXPENDITURES.*—Section
 12 301(9)(B)(viii) of the Federal Election Campaign Act of
 13 1971 (2 U.S.C. 431(9)(B)(viii)) is amended by striking “a
 14 State or local committee of a political party of the costs
 15 of” and inserting “a national, State, or local committee
 16 of a political party of the costs of producing and distrib-
 17 uting”.

18 **SEC. 205. INDEXING.**

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

21 (1) in paragraph (1)—

22 (A) by striking the second and third sen-
 23 tences;

24 (B) by inserting “(A)” before “At the begin-
 25 ning”; and

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

1 “(B) *Except as provided in subparagraph (C), in any*
 2 *calendar year after 2002—*

3 “(i) *a limitation established by subsections (a),*
 4 *(b), (d), or (h) shall be increased by the percent dif-*
 5 *ference determined under subparagraph (A);*

6 “(ii) *each amount so increased shall remain in*
 7 *effect for the calendar year; and*

8 “(iii) *if any amount after adjustment under*
 9 *clause (i) is not a multiple of \$100, such amount*
 10 *shall be rounded to the nearest multiple of \$100.*

11 “(C) *In the case of limitations under subsections (a)*
 12 *and (h), increases shall only be made in odd-numbered*
 13 *years and such increases shall remain in effect for the 2-*
 14 *year period beginning on the first day following the date*
 15 *of the last general election in the year preceding the year*
 16 *in which the amount is increased and ending on the date*
 17 *of the next general election.”; and*

18 (2) *in paragraph (2)(B), by striking “means the*
 19 *calendar year 1974” and inserting “means—*

20 “(i) *for purposes of subsections (b) and (d),*
 21 *calendar year 1974; and*

22 “(ii) *for purposes of subsections (a) and (h),*
 23 *calendar year 2001”.*

1 **TITLE III—DISCLOSURE OF**
 2 **ELECTION-RELATED COMMU-**
 3 **NICATIONS**

4 **SEC. 301. DISCLOSURE OF INFORMATION ON COMMUNICA-**
 5 **TIONS BROADCAST PRIOR TO ELECTION.**

6 *Section 304 of the Federal Election Campaign Act of*
 7 *1971 (2 U.S.C. 434), as amended by section 502(a) of the*
 8 *Department of Transportation and Related Agencies Act,*
 9 *2001 (as enacted into law by reference under section 101(a)*
 10 *of Public Law 106–346), is amended by adding at the end*
 11 *the following new subsection:*

12 *“(e) DISCLOSURE OF INFORMATION ON CERTAIN COM-*
 13 *MUNICATIONS BROADCAST PRIOR TO ELECTIONS.—*

14 *“(1) IN GENERAL.—Any person who makes a*
 15 *disbursement for a communication described in para-*
 16 *graph (3) shall, not later than 24 hours after making*
 17 *the disbursement, file with the Commission a state-*
 18 *ment containing the information required under*
 19 *paragraph (2).*

20 *“(2) CONTENTS OF STATEMENT.—Each state-*
 21 *ment required to be filed under this subsection shall*
 22 *be made under penalty of perjury and shall contain*
 23 *the following information:*

24 *“(A) The identification of the person mak-*
 25 *ing the disbursement, of any individual or entity*

1 *sharing or exercising direction or control over*
2 *the activities of such person, and of the custodian*
3 *of the books and accounts of the person making*
4 *the disbursement.*

5 “(B) *The principal place of business and*
6 *phone number of the person making the disburse-*
7 *ment, if not an individual.*

8 “(C) *The amount of the disbursement.*

9 “(D) *The clearly identified candidate or*
10 *candidates to which the communication pertains*
11 *and the names (if known) of the candidates iden-*
12 *tified or to be identified in the communication.*

13 “(E) *The text of the communication in-*
14 *volved.*

15 “(3) *COMMUNICATIONS DESCRIBED.—*

16 “(A) *IN GENERAL.—A communication de-*
17 *scribed in this paragraph is any*
18 *communication—*

19 “(i) *which is disseminated to the pub-*
20 *lic by means of any broadcast, cable, or sat-*
21 *ellite communication during the 120-day*
22 *period ending on the date of a Federal elec-*
23 *tion; and*

1 “(ii) which mentions a clearly identi-
 2 fied candidate for such election (by name,
 3 image, or likeness).

4 “(B) *EXCEPTION.*—A communication is not
 5 described in this paragraph if—

6 “(i) the communication appears in a
 7 news story, commentary, or editorial dis-
 8 tributed through the facilities of any broad-
 9 casting station, unless such facilities are
 10 owned or controlled by any political party,
 11 political committee, or candidate; or

12 “(ii) the communication constitutes an
 13 expenditure under this Act.

14 “(4) *COORDINATION WITH OTHER REQUIRE-*
 15 *MENTS.*—Any requirement to file a statement under
 16 this subsection shall be in addition to any other re-
 17 porting requirement under this Act.

18 “(5) *CLARIFICATION OF TREATMENT OF VEN-*
 19 *DORS.*—A person shall not be considered to have made
 20 a disbursement for a communication under this sub-
 21 section if the person made the disbursement solely as
 22 a vendor acting pursuant to a contractual agreement
 23 with the person responsible for sponsoring the commu-
 24 nication.”.

1 **SEC. 302. DISCLOSURE OF INFORMATION ON TARGETED**
 2 **MASS COMMUNICATIONS.**

3 *Section 304 of the Federal Election Campaign Act of*
 4 *1971 (2 U.S.C. 434), as amended by section 301, is further*
 5 *amended by adding at the end the following new subsection:*

6 “(f) *DISCLOSURE OF INFORMATION ON TARGETED*
 7 *MASS COMMUNICATIONS.—*

8 “(1) *IN GENERAL.—Any person who makes a*
 9 *disbursement for targeted mass communications in an*
 10 *aggregate amount in excess of \$50,000 during any*
 11 *calendar year shall, within 24 hours of each disclo-*
 12 *sure date, file with the Commission a statement con-*
 13 *taining the information described in paragraph (2).*

14 “(2) *CONTENTS OF STATEMENT.—Each state-*
 15 *ment required to be filed under this subsection shall*
 16 *be made under penalty of perjury and shall contain*
 17 *the following information:*

18 “(A) *The identification of the person mak-*
 19 *ing the disbursement, of any individual or entity*
 20 *sharing or exercising direction or control over*
 21 *the activities of such person, and of the custodian*
 22 *of the books and accounts of the person making*
 23 *the disbursement.*

24 “(B) *The principal place of business and*
 25 *phone number of the person making the disburse-*
 26 *ment, if not an individual.*

1 “(C) *The amount of each such disbursement*
2 *of more than \$200 made by the person during*
3 *the period covered by the statement and the iden-*
4 *tification of the person to whom the disbursement*
5 *was made.*

6 “(D) *The clearly identified candidate or*
7 *candidates to which the communication pertains*
8 *and the names (if known) of the candidates iden-*
9 *tified or to be identified in the communication.*

10 “(E) *The text of the communication in-*
11 *volved.*

12 “(3) *TARGETED MASS COMMUNICATION DE-*
13 *FINED.—*

14 “(A) *IN GENERAL.—In this subsection, the*
15 *term ‘targeted mass communication’ means any*
16 *communication—*

17 “(i) *which is disseminated during the*
18 *120-day period ending on the date of a Fed-*
19 *eral election;*

20 “(ii) *which refers to or depicts a clear-*
21 *ly identified candidate for such election (by*
22 *name, image, or likeness); and*

23 “(iii) *which is targeted to the relevant*
24 *electorate.*

1 “(B) *TARGETING TO RELEVANT ELEC-*
2 *TORATE.*—

3 “(i) *BROADCAST COMMUNICATIONS.*—

4 *For purposes of this paragraph, a commu-*
5 *nication disseminated to the public by*
6 *means of any broadcast, cable, or satellite*
7 *communication which refers to or depicts a*
8 *clearly identified candidate for Federal of-*
9 *fice is ‘targeted to the relevant electorate’ if*
10 *the communication is disseminated by a*
11 *broadcaster whose audience includes—*

12 “(I) *a substantial number of resi-*
13 *dents of the district the candidate seeks*
14 *to represent (as determined in accord-*
15 *ance with regulations of the Commis-*
16 *sion), in the case of a candidate for*
17 *Representative in, or Delegate or Resi-*
18 *dent Commissioner to, the Congress; or*

19 “(II) *a substantial number of*
20 *residents of the State the candidate*
21 *seeks to represent (as determined in ac-*
22 *cordance with regulations of the Com-*
23 *mission), in the case of a candidate for*
24 *Senator.*

1 “(ii) *OTHER COMMUNICATIONS.*—*For*
2 *purposes of this paragraph, a communica-*
3 *tion which is not described in clause (i)*
4 *which refers to or depicts a clearly identi-*
5 *fied candidate for Federal office is ‘targeted*
6 *to the relevant electorate’ if—*

7 “(I) *more than 10 percent of the*
8 *total number of intended recipients of*
9 *the communication are members of the*
10 *electorate involved with respect to such*
11 *Federal office; or*

12 “(II) *more than 10 percent of the*
13 *total number of members of the elec-*
14 *torate involved with respect to such*
15 *Federal office receive the communica-*
16 *tion.*

17 “(C) *EXCEPTIONS.*—*The term ‘targeted*
18 *mass communication’ does not include—*

19 “(i) *a communication appearing in a*
20 *news story, commentary, or editorial dis-*
21 *tributed through the facilities of any broad-*
22 *casting station, newspaper, magazine, or*
23 *other periodical publication, unless such fa-*
24 *cilities are owned or controlled by any po-*

1 *litical party, political committee, or can-*
2 *didate;*

3 “(ii) *a communication made by any*
4 *membership organization (including a labor*
5 *organization) or corporation solely to its*
6 *members, stockholders, or executive or ad-*
7 *ministrative personnel, if such membership*
8 *organization or corporation is not orga-*
9 *nized primarily for the purpose of influ-*
10 *encing the nomination for election, or elec-*
11 *tion, of any individual to Federal office; or*

12 “(iii) *a communication which con-*
13 *stitutes an expenditure under this Act.*

14 “(4) *DISCLOSURE DATE.*—*For purposes of this*
15 *subsection, the term ‘disclosure date’ means—*

16 “(A) *the first date during any calendar*
17 *year by which a person has made disbursements*
18 *for targeted mass communications aggregating*
19 *in excess of \$50,000; and*

20 “(B) *any other date during such calendar*
21 *year by which a person has made disbursements*
22 *for targeted mass communications aggregating*
23 *in excess of \$50,000 since the most recent disclo-*
24 *sure date for such calendar year.*

1 “(5) *COORDINATION WITH OTHER REQUIRE-*
2 *MENTS.—Any requirement to report under this sub-*
3 *section shall be in addition to any other reporting re-*
4 *quirement under this Act.*

5 “(6) *CLARIFICATION OF TREATMENT OF VEN-*
6 *DORS.—A person shall not be considered to have made*
7 *a disbursement for a communication under this sub-*
8 *section if the person made the disbursement solely as*
9 *a vendor acting pursuant to a contractual agreement*
10 *with the person responsible for sponsoring the commu-*
11 *nication.”.*

12 ***TITLE IV—EFFECTIVE DATE***

13 ***SEC. 401. EFFECTIVE DATE.***

14 *The amendments made by this Act shall apply with*
15 *respect to elections occurring after December 2002.*

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A BILL

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JULY 10, 2001

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed