H. R. 269

To reform the financing of House elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2013

Mr. YARMUTH (for himself, Ms. Pingree of Maine, Mr. Nolan, Mr. Larson of Connecticut, Mr. Blumenauer, Mr. Capuano, Ms. Chu, Mr. Cicilline, Mr. Cohen, Mr. Cooper, Mrs. Davis of California, Mr. Deutch, Mr. Ellison, Ms. Eshoo, Mr. Gene Green of Texas, Mr. Grijalva, Mr. Himes, Mr. Holt, Ms. Eddie Bernice Johnson of Texas, Mr. Langevin, Mr. Jones, Ms. Lee of California, Mr. Maffei, Ms. McCollum, Mr. McGovern, Mr. Michaud, Mr. George Miller of California, Mr. Moran, Ms. Norton, Mr. Peters of Michigan, Mr. Polis, Mr. Price of North Carolina, Mr. Rangel, Mr. Sarbanes, Ms. Schakowsky, Mr. Sires, Mr. Smith of Washington, Mr. Tonko, Ms. Tsongas, Mr. Van Hollen, Mr. Welch, Ms. Slaughter, Mr. Sherman, Ms. DeLauro, Mrs. Napolitano, Mr. Owens, Mr. McDermott, Ms. Matsui, Ms. Hahn, Mr. Waxman, Mr. O’Rourke, Ms. Wilson of Florida, and Mr. Kind) introduced the following bill; which was referred to the Committee on House Administration

A BILL

To reform the financing of House elections, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Fair Elections Now Act”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings and declarations.

TITLE I—FAIR ELECTIONS FINANCING OF HOUSE ELECTION CAMPAIGNS

Sec. 101. Benefits and eligibility requirements for House candidates.

“TITLE V—FAIR ELECTIONS FINANCING OF HOUSE ELECTION CAMPAIGNS

“Subtitle A—Benefits

“Sec. 502. Allocations from the Fund.
“Sec. 503. Matching payments for certain small dollar contributions.

“Subtitle B—Eligibility and Certification

“Sec. 511. Eligibility.
“Sec. 512. Qualifying requirements.
“Sec. 513. Certification.

“Subtitle C—Requirements for Candidates Certified as Participating Candidates

“Sec. 521. Contribution, expenditure, and fundraising requirements.
“Sec. 522. Debate requirement.
“Sec. 523. Remitting unspent funds after election.

“Subtitle D—Administrative Provisions

“Sec. 531. Fair Elections Fund.
“Sec. 532. Fair Elections Oversight Board.
“Sec. 533. Administration by Commission.
“Sec. 534. Violations and penalties.
“Sec. 535. Election cycle defined.

Sec. 102. Transfer of portion of civil money penalties into Fair Elections Fund.
Sec. 103. Prohibiting use of contributions by participating candidates for purposes other than campaign for election.
Sec. 104. Prohibition on joint fundraising committees.
Sec. 105. Treatment of coordinated expenditures by political party committees on behalf of participating candidates.

TITLE II—RESPONSIBILITIES OF THE FEDERAL ELECTION COMMISSION

Sec. 201. Petition for certiorari.
(a) Undermining of Democracy by Campaign Contributions From Private Sources.—The House of Representatives finds and declares that the current system of privately financed campaigns for election to the House of Representatives has the capacity, and is often perceived by the public, to undermine democracy in the United States by—

(1) creating a culture that fosters actual or perceived conflicts of interest, by encouraging Members of the House to accept large campaign contributions from private interests that are directly affected by Federal legislation;

(2) diminishing or appearing to diminish Members’ accountability to constituents by compelling legislators to be accountable to the major contributors who finance their election campaigns;

(3) undermining the meaning of the right to vote by allowing monied interests to have a disproportionate and unfair influence within the political process;
(4) imposing large, unwarranted costs on taxpayers through legislative and regulatory distortions caused by unequal access to lawmakers for campaign contributors;

(5) making it difficult for some qualified candidates to mount competitive House election campaigns;

(6) disadvantaging challengers and discouraging competitive elections, because large campaign contributors tend to donate their money to incumbent Members, thus causing House elections to be less competitive; and

(7) burdening incumbents with a preoccupation with fundraising and thus decreasing the time available to carry out their public responsibilities.

(b) ENHANCEMENT OF DEMOCRACY BY PROVIDING ALLOCATIONS FROM THE FAIR ELECTIONS FUND.—The House of Representatives finds and declares that providing the option of the replacement of large private campaign contributions with allocations from the Fair Elections Fund for all primary, runoff, and general elections to the House of Representatives would enhance American democracy by—

(1) reducing the actual or perceived conflicts of interest created by fully private financing of the elec-
tion campaigns of public officials and restoring pub-
lic confidence in the integrity and fairness of the
electoral and legislative processes through a program
which allows participating candidates to adhere to
substantially lower contribution limits for contribu-
tors with an assurance that there will be sufficient
funds for such candidates to run viable electoral
campaigns;

(2) increasing the public’s confidence in the ac-
countability of Members to the constituents who
elect them, which derives from the program’s quali-
fying criteria to participate in the voluntary program
and the conclusions that constituents may draw re-
garding candidates who qualify and participate in
the program;

(3) helping to reduce the ability to make large
campaign contributions as a determinant of a citi-
zen’s influence within the political process by facili-
tating the expression of support by voters at every
level of wealth, encouraging political participation,
incentivizing participation on the part of Members
through the matching of small dollar contributions;

(4) potentially saving taxpayers billions of dol-
lars that may be (or that are perceived to be) cur-
rently allocated based upon legislative and regu-
latory agendas skewed by the influence of campaign contributions;

(5) creating genuine opportunities for all Americans to run for the House of Representatives and encouraging more competitive elections;

(6) encouraging participation in the electoral process by citizens of every level of wealth; and

(7) freeing Members from the incessant preoccupation with raising money, and allowing them more time to carry out their public responsibilities.

**TITLE I—FAIR ELECTIONS FINANCING OF HOUSE ELECTION CAMPAIGNS**

**SEC. 101. BENEFITS AND ELIGIBILITY REQUIREMENTS FOR HOUSE CANDIDATES.**

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

“**TITLE V—FAIR ELECTIONS FINANCING OF HOUSE ELECTION CAMPAIGNS**

“Subtitle A—Benefits

“SEC. 501. BENEFITS FOR PARTICIPATING CANDIDATES.

“(a) In General.—If a candidate for election to the office of Representative in, or Delegate or Resident Com-
missioner to, the Congress is a participating candidate under this title with respect to an election for such office, the candidate shall be entitled to payments under this title, to be used only for authorized expenditures in connection with the election.

“(b) TYPES OF PAYMENTS.—The payments to which a participating candidate is entitled under this section consist of—

“(1) allocations from the Fair Elections Fund, as provided in section 502; and

“(2) payments from the Fair Elections Fund to match certain small dollar contributions, as provided in section 503.

“SEC. 502. ALLOCATIONS FROM THE FUND.

“(a) AMOUNT OF ALLOCATIONS.—

“(1) PRIMARY ELECTION ALLOCATION; INITIAL ALLOCATION.—Except as provided in paragraph (6), the Commission shall make an allocation from the Fair Elections Fund established under section 531 to a candidate who is certified as a participating candidate with respect to a primary election in an amount equal to 40 percent of the base amount.

“(2) PRIMARY RUNOFF ELECTION ALLOCATION.—The Commission shall make an allocation from the Fund to a candidate who is certified as a
participating candidate with respect to a primary runoff election in an amount equal to 25 percent of the amount the participating candidate was eligible to receive under this section for the primary election.

“(3) General election allocation.—Except as provided in paragraph (6), the Commission shall make an allocation from the Fund to a candidate who is certified as a participating candidate with respect to a general election in an amount equal to 60 percent of the base amount.

“(4) General runoff election allocation.—The Commission shall make an allocation from the Fund to a candidate who is certified as a participating candidate with respect to a general runoff election in an amount equal to 25 percent of the base amount.

“(5) Recount allocation.—If the appropriate State or local election official conducts a recount of an election, the Commission shall make an allocation from the Fund to a participating candidate for expenses relating to the recount in an amount equal to 25 percent of the amount the participating candidate was eligible to receive under this section for the election involved.

“(6) Uncontested elections.—
“(A) IN GENERAL.—In the case of a primary or general election that is an uncontested election, the Commission shall make an allocation from the Fund to a participating candidate for such election in an amount equal to 25 percent of the allocation for that election with respect to such candidate.

“(B) UNCONTESTED ELECTION DEFINED.—For purposes of this subparagraph, an election is uncontested if not more than 1 candidate has campaign funds (including payments from the Fund) in an amount equal to or greater than 10 percent of the allocation a candidate would be entitled to receive under this section for that election (determined without regard to this paragraph).

“(b) BASE AMOUNT.—The base amount is an amount equal to 80 percent of the national average disbursements of the cycle by winning candidates for the office of Representative in, or Delegate or Resident Commissioner to, the Congress in the last 2 election cycles.

“(c) TIMING; METHOD OF PAYMENT.—

“(1) TIMING.—The Commission shall make the allocations required under subsection (a) to a participating candidate—
“(A) in the case of amounts provided under subsection (a)(1), not later than 48 hours after the date on which such candidate is certified as a participating candidate under section 513;

“(B) in the case of a general election, not later than 48 hours after—

“(i) the date of the certification of the results of the primary election or the primary runoff election; or

“(ii) in any case in which there is no primary election, the date the candidate qualifies to be placed on the ballot;

“(C) in the case of a primary runoff election or a general runoff election, not later than 48 hours after the certification of the results of the primary election or the general election, as the case may be; and

“(D) in the case of a recount allocation, not later than 48 hours after the appropriate State or local election official orders the holding of the recount.

“(2) METHOD OF PAYMENT.—The Commission shall distribute funds available to participating can-
didates under this section through the use of an
electronic funds exchage or a debit card.

“SEC. 503. MATCHING PAYMENTS FOR CERTAIN SMALL
DOLLAR CONTRIBUTIONS.

“(a) IN GENERAL.—The Commission shall pay to
each participating candidate an amount equal to 500 per-
cent of the amount of qualified small dollar contributions
received by the candidate from individuals who are resi-
dents of the State in which such participating candidate
is seeking election.

“(b) LIMITATION.—The maximum payment under
this section shall be the greater of—

“(1) 300 percent of the allocation under para-
graphs (1) through (4) of section 502(a) for that
election with respect to such candidate; or

“(2) the percentage of the allocation determined
by the Commission under section 532(c)(2).

“(c) TIME OF PAYMENT.—The Commission shall
make payments under this section not later than 2 busi-
ness days after the receipt of a report made under sub-
section (d).

“(d) REPORTS.—

“(1) IN GENERAL.—Each participating can-
didate shall file reports of receipts of qualified small
dollar contributions at such times and in such manner as the Commission may by regulations prescribe.

“(2) CONTENTS OF REPORTS.—Each report under this subsection shall disclose—

“(A) the amount of each qualified small dollar contribution received by the candidate;

“(B) the amount of each qualified small dollar contribution received by the candidate from a resident of the State in which the candidate is seeking election; and

“(C) the name, address, and occupation of each individual who made a qualified small dollar contribution to the candidate.

“(3) FREQUENCY OF REPORTS.—Reports under this subsection shall be made no more frequently than—

“(A) once every month until the date that is 90 days before the date of the election;

“(B) once every week after the period described in subparagraph (A) and until the date that is 21 days before the election; and

“(C) once every day after the period described in subparagraph (B).

“(4) LIMITATION ON REGULATIONS.—The Commission may not prescribe any regulations with
respect to reporting under this subsection with respect to any election after the date that is 180 days before the date of such election.

“(e) Appeals.—The Commission shall provide a written explanation with respect to any denial of any payment under this section and shall provide for the opportunity for review and reconsideration within 5 business days of such denial.

“(f) Qualified Small Dollar Contribution Defined.—The term ‘qualified small dollar contribution’ means, with respect to a participating candidate, any contribution (or a series of contributions)—

“(1) which is not a qualifying contribution (or does not include a qualifying contribution);

“(2) which is made by an individual who is not prohibited from making a contribution under this Act; and

“(3) the aggregate amount of which does not exceed the greater of—

“(A) $100 per election; or

“(B) the amount determined by the Fair Elections Oversight Board under section 532(c)(2).
``Subtitle B—Eligibility and Certification``

``SEC. 511. ELIGIBILITY.

(a) In general.—A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress is eligible to be certified as a participating candidate under this title with respect to an election if the candidate meets the following requirements:

``(1) During the election cycle for the office involved, the candidate files with the Commission a statement of intent to seek certification as a participating candidate.

``(2) The candidate meets the qualifying requirements of section 512.

``(3) Not later than the last day of the Fair Elections qualifying period, the candidate files with the Commission an affidavit signed by the candidate and the treasurer of the candidate’s principal campaign committee declaring that the candidate—

``(A) has complied and, if certified, will comply with the contribution and expenditure requirements of section 521;

``(B) if certified, will comply with the debate requirements of section 522;```
“(C) if certified, will run only as a participating candidate for all elections for the office that such candidate is seeking during the election cycle; and

“(D) has either qualified or will take steps to qualify under State law to be on the ballot.

“(b) GENERAL ELECTION.—Notwithstanding subsection (a), a candidate shall not be eligible to receive an allocation from the Fund for a general election or a general runoff election unless the candidate’s party nominated the candidate to be placed on the ballot for the general election or the candidate is otherwise qualified to be on the ballot under State law.

“(c) FAIR ELECTIONS QUALIFYING PERIOD DEFINED.—The term ‘Fair Elections qualifying period’ means, with respect to any candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, the 120-day period (during the election cycle for such office) which begins on the date on which the candidate files a statement of intent under section 511(a)(1), except that such period may not continue after the date that is 60 days before—

“(1) the date of the primary election; or

“(2) in the case of a State that does not hold a primary election, the date prescribed by State law
as the last day to qualify for a position on the general election ballot.

“SEC. 512. QUALIFYING REQUIREMENTS.

“(a) Receipt of Qualifying Contributions.—A candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress meets the requirement of this section if, during the Fair Elections qualifying period described in section 511(c), the candidate obtains—

“(1) a single qualifying contribution from a number of individuals equal to or greater than the lesser of—

“(A) .25% of the voting age population of the State involved (as reported in the most recent decennial census), or

“(B) 1,500; and

“(2) a total dollar amount of qualifying contributions equal to or greater than $50,000.

“(b) Requirements Relating to Receipt of Qualifying Contribution.—Each qualifying contribution—

“(1) may be made by means of a personal check, money order, debit card, credit card, or electronic payment account;
“(2) shall be accompanied by a signed statement containing—

“(A) the contributor’s name and the contributor’s address in the State in which the primary residence of the contributor is located; and

“(B) an oath declaring that the contributor—

“(i) understands that the purpose of the qualifying contribution is to show support for the candidate so that the candidate may qualify for Fair Elections financing;

“(ii) is making the contribution in his or her own name and from his or her own funds;

“(iii) has made the contribution willingly; and

“(iv) has not received any thing of value in return for the contribution; and

“(3) shall be acknowledged by a receipt that is sent to the contributor with a copy kept by the candidate for the Commission and a copy kept by the candidate for the election authorities in the State
with respect to which the candidate is seeking election.

“(c) Verification of Qualifying Contributions.—The Commission shall establish procedures for the auditing and verification of qualifying contributions to ensure that such contributions meet the requirements of this section.

“(d) Prohibiting Payment on Commission Basis of Individuals Collecting Qualifying Contributions.—No person may be paid a commission on a per qualifying contribution basis for collecting qualifying contributions.

“(e) Qualifying Contribution Defined.—In this section, the term ‘qualifying contribution’ means, with respect to a candidate, a contribution that—

“(1) is in an amount that is—

“(A) not less than the greater of $5 or the amount determined by the Commission under section 532(c)(2), and

“(B) not more than the greater of $100 or the amount determined by the Commission under section 532(c)(2);

“(2) is made by an individual—
“(A) who has a primary residence in the State in which such Candidate is seeking election, and

“(B) who is not otherwise prohibited from making a contribution under this Act;

“(3) is made during the Fair Elections qualifying period described in section 511(c); and

“(4) meets the requirements of subsection (b).

“SEC. 513. CERTIFICATION.

“(a) DEADLINE AND NOTIFICATION.—

“(1) IN GENERAL.—Not later than 5 days after a candidate files an affidavit under section 511(a)(3), the Commission shall—

“(A) determine whether or not the candidate meets the requirements for certification as a participating candidate;

“(B) if the Commission determines that the candidate meets such requirements, certify the candidate as a participating candidate; and

“(C) notify the candidate of the Commission’s determination.

“(2) DEEMED CERTIFICATION FOR ALL ELECTIONS IN ELECTION CYCLE.—If the Commission certifies a candidate as a participating candidate with respect to the first election of the election cycle in-
involved, the Commissioner shall be deemed to have
certified the candidate as a participating candidate
with respect to all subsequent elections of the elec-
tion cycle.

“(b) REVOCATION OF CERTIFICATION.—

“(1) IN GENERAL.—The Commission may re-
voke a certification under subsection (a) if—

“(A) a candidate fails to qualify to appear
on the ballot at any time after the date of cer-
tification (other than a candidate certified as a
participating candidate with respect to a pri-
mary election who fails to qualify to appear on
the ballot for a subsequent election in that elec-
tion cycle); or

“(B) a candidate otherwise fails to comply
with the requirements of this title, including
any regulatory requirements prescribed by the
Commission.

“(2) REPAYMENT OF BENEFITS.—If certifi-
cation is revoked under paragraph (1), the candidate
shall repay to the Fair Elections Fund established
under section 531 an amount equal to the value of
benefits received under this title with respect to the
election cycle involved plus interest (at a rate deter-
(c) Participating Candidate Defined.—In this title, a ‘participating candidate’ means a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress who is certified under this section as eligible to receive benefits under this title.

“Subtitle C—Requirements for Candidates Certified as Participating Candidates


“(a) Contributions.—

“(1) Permitted sources of contributions.—Except as provided in subsection (c), a candidate who is certified as a participating candidate with respect to an election shall, with respect to all elections occurring during the election cycle for the office involved, accept no contributions from any source (including an unexpended contribution received by the candidate with respect to a previous election or a contribution made by any political committee or multicandidate committee) other than—

“(A) qualifying contributions described in section 512;
“(B) qualified small dollar contributions described in section 503;
“(C) allocations under section 502; and
“(D) payments under section 503.
“(2) Contributions for leadership and related PACs.—A political committee of a participating candidate which is not an authorized committee of such candidate may accept contributions other than contributions described in paragraph (1) from any person if—
“(A) the aggregate amount of the contributions from such person for any election during the election cycle does not exceed $100; and
“(B) no portion of such contributions is disbursed in connection with the campaign of the participating candidate.
“(b) Expenditures.—
“(1) Permitted sources for expenditures.—Except as provided in subsection (c), a candidate who is certified as a participating candidate with respect to an election shall, with respect to all elections occurring during the election cycle for the office involved—
“(A) make no expenditures from any amounts other than—

“(i) qualifying contributions described in section 512;

“(ii) qualified small dollar contributions described in section 503;

“(iii) allocations under section 502; and

“(iv) payments under section 503; and

“(B) make no expenditures from personal funds or the funds of any immediate family member of the candidate (other than funds received through qualified small dollar contributions and qualifying contributions).

“(2) IMMEDIATE FAMILY MEMBER DEFINED.—In paragraph (1)(B), the term ‘immediate family’ means, with respect to a candidate—

“(A) the candidate’s spouse;

“(B) a child, stepchild, parent, grandparent, brother, half-brother, sister, or half-sister of the candidate or the candidate’s spouse; and

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

“(c) EXCEPTIONS.—
“(1) Exception for contributions received prior to filing of statement of intent.—A candidate who has accepted contributions that are not qualified small dollar contributions, qualifying contributions, or contributions described in paragraph (a)(2) prior to the date the candidate files a statement of intent under section 511(a)(1) is not in violation of subsection (a), but only if all such contributions are—

“(A) returned to the contributor;

“(B) submitted to the Commission for deposit in the Fair Elections Fund established under section 531; or

“(C) spent in accordance with paragraph (2).

“(2) Exception for expenditures made prior to filing of statement of intent.—If a candidate has made expenditures prior to the date the candidate files a statement of intent under section 511(a)(1) that the candidate is prohibited from making under subsection (b), the candidate is not in violation of such subsection if the aggregate amount of the prohibited expenditures is less than 20 percent of the amount of an initial allocation to a candidate under section 502(a)(1).
“(3) Exception for campaign surpluses from a previous election.—Notwithstanding paragraph (1), unexpended contributions received by the candidate or an authorized committee of the candidate with respect to a previous election may be retained, but only if the candidate places the funds in escrow and refrains from raising additional funds for or spending funds from that account during the election cycle in which a candidate is a participating candidate.

“(4) Exception for contributions received before the effective date of this title.—Contributions received and expenditures made by the candidate or an authorized committee of the candidate prior to the effective date of this title shall not constitute a violation of subsection (a) or (b). Unexpended contributions shall be treated the same as campaign surpluses under paragraph (3), and expenditures made shall count against the limit in paragraph (2).

“(d) Special Rule for Coordinated Party Expenditures.—For purposes of this section, a payment made by a political party in coordination with a participating candidate shall not be treated as a contribution to or as an expenditure made by the participating candidate.
“SEC. 522. DEBATE REQUIREMENT.

“A candidate who is certified as a participating candidate with respect to an election shall, during the election cycle for the office involved, participate in at least—

“(1) 1 public debate before the primary election with other participating candidates and other willing candidates from the same party and seeking the same nomination as such candidate; and

“(2) 2 public debates before the general election with other participating candidates and other willing candidates seeking the same office as such candidate.

“SEC. 523. REMITTING UNSPENT FUNDS AFTER ELECTION.

“(a) IN GENERAL.—Not later than the date that is 60 days after the last election for which a candidate certified as a participating candidate qualifies to be on the ballot during the election cycle involved, such participating candidate shall remit to the Commission for deposit in the Fair Elections Fund established under section 531 an amount equal to the lesser of—

“(1) the amount of money in the candidate’s campaign account; or

“(2) the sum of the allocations received by the candidate under section 502 and the payments received by the candidate under section 503.
“(b) Exception for Expenditures Incurred but Not Paid as of Date of Remittance.—

“(1) In general.—Subject to subsection (a), a candidate may withhold from the amount required to be remitted under paragraph (1) of such subsection the amount of any authorized expenditures which were incurred in connection with the candidate’s campaign but which remain unpaid as of the deadline applicable to the candidate under such subsection, except that any amount withheld pursuant to this paragraph shall be remitted to the Commission not later than 120 days after the date of the election to which such subsection applies.

“(2) Documentation required.—A candidate may withhold an amount of an expenditure pursuant to paragraph (1) only if the candidate submits documentation of the expenditure and the amount to the Commission not later than the deadline applicable to the candidate under subsection (a).

“Subtitle D—Administrative Provisions

“SEC. 531. FAIR ELECTIONS FUND.

“(a) Establishment.—There is established in the Treasury a fund to be known as the ‘Fair Elections Fund’. 
“(b) AMOUNTS HELD BY FUND.—The Fund shall consist of the following amounts:

“(1) APPROPRIATED AMOUNTS.—Amounts appropriated to the Fund, including trust fund amounts appropriated pursuant to applicable provisions of the Internal Revenue Code of 1986.

“(2) VOLUNTARY CONTRIBUTIONS.—Voluntary contributions to the Fund.

“(3) TRANSFERS RESULTING FROM PAYMENT OF CIVIL PENALTIES.—Amounts transferred into the Fund pursuant to section 309(a)(13).

“(4) OTHER DEPOSITS.—Amounts deposited into the Fund under—

“(A) section 521(a)(3) (relating to exceptions to contribution requirements);

“(B) section 523 (relating to remittance of allocations from the Fund);

“(C) section 534 (relating to violations); and

“(D) any other section of this Act.

“(5) INVESTMENT RETURNS.—Interest on, and the proceeds from, the sale or redemption of, any obligations held by the Fund under subsection (c).

“(c) INVESTMENT.—The Commission shall invest portions of the Fund in obligations of the United States
in the same manner as provided under section 9602(b) of the Internal Revenue Code of 1986.

“(d) USE OF FUND.—

“(1) IN GENERAL.—The sums in the Fund shall be used to provide benefits to participating candidates as provided in subtitle A.

“(2) INSUFFICIENT AMOUNTS.—Under regulations established by the Commission, rules similar to the rules of section 9006(e) of the Internal Revenue Code of 1986 shall apply.

“SEC. 532. FAIR ELECTIONS OVERSIGHT BOARD.

“(a) ESTABLISHMENT.—There is established within the Federal Election Commission an entity to be known as the ‘Fair Elections Oversight Board’.

“(b) STRUCTURE AND MEMBERSHIP.—

“(1) IN GENERAL.—The Board shall be composed of 5 members appointed by the President, of whom—

“(A) 2 shall be appointed after consultation with the Majority Leader of the House of Representatives;

“(B) 2 shall be appointed after consultation with the Minority Leader of the House of Representatives; and
“(C) 1 shall be appointed upon the recommendation of the members appointed under subparagraphs (A) and (B).

“(2) QUALIFICATIONS.—

“(A) IN GENERAL.—The members shall be individuals who are nonpartisan and, by reason of their education, experience, and attainments, exceptionally qualified to perform the duties of members of the Board.

“(B) PROHIBITION.—No member of the Board may be—

“(i) an employee of the Federal Government;

“(ii) a registered lobbyist or an individual who was a registered lobbyist at any time during the 2-year period preceding appointment to the Board; or

“(iii) an officer or employee of a political party or political campaign.

“(3) DATE.—Members of the Board shall be appointed not later than 60 days after the date of the enactment of this Act.

“(4) TERMS.—A member of the Board shall be appointed for a term of 5 years.
“(5) VACANCIES.—A vacancy on the Board shall be filled not later than 30 calendar days after the date on which the Board is given notice of the vacancy, in the same manner as the original appointment. The individual appointed to fill the vacancy shall serve only for the unexpired portion of the term for which the individual’s predecessor was appointed.

“(6) CHAIRPERSON.—The Board shall designate a Chairperson from among the members of the Board.

“(c) DUTIES AND POWERS.—

“(1) ADMINISTRATION.—The Board shall have such duties and powers as the Commission may prescribe, including the power to administer the provisions of this title.

“(2) REVIEW OF FAIR ELECTIONS FINANCING.—

“(A) IN GENERAL.—After each regularly scheduled general election for Federal office, the Board shall conduct a comprehensive review of the Fair Elections financing program under this title, including—
“(i) the maximum dollar amount of qualified small dollar contributions under section 503(f);

“(ii) the maximum and minimum dollar amounts for qualifying contributions under section 512(d);

“(iii) the number and value of qualifying contributions a candidate is required to obtain under section 512(a) to be eligible for certification as a participating candidate;

“(iv) the amount of allocations that candidates may receive under section 502;

“(v) the maximum amount of payments a candidate may receive under section 503;

“(vi) the overall satisfaction of participating candidates and the American public with the program; and

“(vii) such other matters relating to financing of House of Representatives campaigns as the Board determines are appropriate.
“(B) Criteria for review.—In conducting the review under subparagraph (A), the Board shall consider the following:

“(i) Qualifying contributions and qualified small dollar contributions.—The Board shall consider whether the number and dollar amount of qualifying contributions required and maximum dollar amount for such qualifying contributions and qualified small dollar contributions strikes a balance regarding the importance of voter involvement, the need to assure adequate incentives for participating, and fiscal responsibility, taking into consideration the number of primary and general election participating candidates, the electoral performance of those candidates, program cost, and any other information the Board determines is appropriate.

“(ii) Review of program benefits.—The Board shall consider whether the totality of the amount of funds allowed to be raised by participating candidates (including through qualifying contributions
and small dollar contributions), allocations under section 502, and payments under section 503 are sufficient for voters in each State to learn about the candidates to cast an informed vote, taking into account the historic amount of spending by winning candidates, media costs, primary election dates, and any other information the Board determines is appropriate.

“(C) ADJUSTMENT OF AMOUNTS.—

“(i) IN GENERAL.—Based on the review conducted under subparagraph (A), the Board shall provide for the adjustments of the following amounts:

“(I) the maximum dollar amount of qualified small dollar contributions under section 503(f);

“(II) the maximum and minimum dollar amounts for qualifying contributions under section 512(d);

“(III) the number and value of qualifying contributions a candidate is required to obtain under section 512(a) to be eligible for certification as a participating candidate;
“(IV) the base amount for candidates under section 502(b); and

“(V) the maximum amount of matching contributions a candidate may receive under section 503(b).

“(ii) Regulations.—The Commission shall promulgate regulations providing for the adjustments made by the Board under clause (i).

“(D) Report.—Not later than March 30 following any general election for Federal office, the Board shall submit a report to Congress on the review conducted under paragraph (1). Such report shall contain a detailed statement of the findings, conclusions, and recommendations of the Board based on such review.

“(d) Meetings and Hearings.—

“(1) Meetings.—The Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Board considers advisable to carry out the purposes of this Act.

“(2) Quorum.—Three members of the Board shall constitute a quorum for purposes of voting, but
a quorum is not required for members to meet and hold hearings.

“(e) REPORTS.—Not later than March 30, 2014, and every 2 years thereafter, the Board shall submit to the Committee on House Administration of the House of Representatives a report documenting, evaluating, and making recommendations relating to the administrative implementation and enforcement of the provisions of this title.

“(f) ADMINISTRATION.—

“(1) COMPENSATION OF MEMBERS.—

“(A) IN GENERAL.—Each member, other than the Chairperson, shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

“(B) CHAIRPERSON.—The Chairperson shall be paid at a rate equal to the daily equivalent of the minimum annual rate of basic pay prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code.

“(2) PERSONNEL.—

“(A) DIRECTOR.—The Board shall have a staff headed by an Executive Director. The Ex-
Executive Director shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code.

“(B) STAFF APPOINTMENT.—With the approval of the Chairperson, the Executive Director may appoint such personnel as the Executive Director and the Board determines to be appropriate.

“(C) EXPERTS AND CONSULTANTS.—With the approval of the Chairperson, the Executive Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

“(D) DETAIL OF GOVERNMENT EMPLOYEES.—Upon the request of the Chairperson, the head of any Federal agency may detail, without reimbursement, any of the personnel of such agency to the Board to assist in carrying out the duties of the Board. Any such detail shall not interrupt or otherwise affect the civil service status or privileges of the Federal employee.

“(E) OTHER RESOURCES.—The Board shall have reasonable access to materials, resources, statistical data, and other information
from the Library of Congress and other agencies of the executive and legislative branches of the Federal Government. The Chairperson of the Board shall make requests for such access in writing when necessary.

“(g) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out the purposes of this subtitle.

“SEC. 533. ADMINISTRATION BY COMMISSION.

“The Commission shall prescribe regulations to carry out the purposes of this title, including regulations—

“(1) to establish procedures for—

“(A) verifying the amount of valid qualifying contributions with respect to a candidate;

“(B) effectively and efficiently monitoring and enforcing the limits on the raising of qualified small dollar contributions;

“(C) effectively and efficiently monitoring and enforcing the limits on the use of personal funds by participating candidates; and

“(D) monitoring the use of allocations from the Fair Elections Fund established under section 531 and matching contributions under this title through audits of not fewer than \( \frac{1}{3} \) of
all participating candidates or other mechanisms; and

“(2) regarding the conduct of debates in a manner consistent with the best practices of States that provide public financing for elections.

“SEC. 534. VIOLATIONS AND PENALTIES.

“(a) Civil Penalty for Violation of Contribution and Expenditure Requirements.—If a candidate who has been certified as a participating candidate accepts a contribution or makes an expenditure that is prohibited under section 521, the Commission shall assess a civil penalty against the candidate in an amount that is not more than 3 times the amount of the contribution or expenditure. Any amounts collected under this subsection shall be deposited into the Fair Elections Fund established under section 531.

“(b) Repayment for Improper Use of Fair Elections Fund.—

“(1) In general.—If the Commission determines that any benefit made available to a participating candidate was not used as provided for in this title or that a participating candidate has violated any of the dates for remission of funds contained in this title, the Commission shall so notify
the candidate and the candidate shall pay to the
Fund an amount equal to—

“(A) the amount of benefits so used or not
remitted, as appropriate; and

“(B) interest on any such amounts (at a
rate determined by the Commission).

“(2) OTHER ACTION NOT PRECLUDED.—Any
action by the Commission in accordance with this
subsection shall not preclude enforcement pro-
ceedings by the Commission in accordance with sec-
tion 309(a), including a referral by the Commission
to the Attorney General in the case of an apparent
knowing and willful violation of this title.

“SEC. 535. ELECTION CYCLE DEFINED.

“In this title, the term ‘election cycle’ means, with
respect to an election for the office of Representative in,
or Delegate or Resident Commissioner to, the Congress,
the period beginning on the day after the date of the most
recent general election for that office (or, if the general
election resulted in a runoff election, the date of the runoff
election) and ending on the date of the next general elec-
tion for that office (or, if the general election resulted in
a runoff election, the date of the runoff election).”
SEC. 102. TRANSFER OF PORTION OF CIVIL MONEY PENALTIES INTO FAIR ELECTIONS FUND.

Section 309(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437g(a)) is amended by adding at the end the following new paragraph:

“(13) Upon receipt in the General Fund of the Treasury of any payment attributable to a civil money penalty imposed under this subsection, there shall be transferred to the Fair Elections Fund established under section 531 an amount equal to 50 percent of the amount of such payment.”.

SEC. 103. PROHIBITING USE OF CONTRIBUTIONS BY PARTICIPATING CANDIDATES FOR PURPOSES OTHER THAN CAMPAIGN FOR ELECTION.

Section 313 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439a) is amended by adding at the end the following new subsection:

“(d) Restrictions on permitted uses of funds by candidates receiving Fair Elections Financing.—Notwithstanding paragraphs (2), (3), or (4) of subsection (a), if a candidate for election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress is certified as a participating candidate under title V with respect to the election, any contribution which the candidate is permitted to accept under such title
may be used only for authorized expenditures in connection with the candidate’s campaign for such office.”.

SEC. 104. PROHIBITION ON JOINT FUNDRAISING COMMITTEES.

Section 302(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(e)) is amended by adding at the end the following new paragraph:

“(6) No authorized committee of a candidate may establish a joint fundraising committee with a political committee other than an authorized committee of a candidate.”.

SEC. 105. TREATMENT OF COORDINATED EXPENDITURES BY POLITICAL PARTY COMMITTEES ON BEHALF OF PARTICIPATING CANDIDATES.

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

(1) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(2) by inserting before subparagraph (B), as redesignated by paragraph (1), the following new subparagraph:

“(A) in the case of a candidate for election to the office of Representative in, or Delegate or Resident Commissioner to, the Congress who
is certified as a participating candidate under title V, the lesser of—

“(i) 10 percent of the allocation that the participating candidate is eligible to receive for the general election under section 502(a); or

“(ii) the amount which would (but for this subparagraph) apply with respect to such candidate under subparagraph (B);”.

(b) CONFORMING AMENDMENT.—Section 315(d)(3) of such Act (2 U.S.C. 441a(d)(3)) is amended—

(1) in subparagraph (B) (as redesignated by subsection (a)), by inserting “who is not certified as a participating candidate under title V” after “only one Representative”; and

(2) in subparagraph (C) (as redesignated by subsection (a)), by inserting “who is not certified as a participating candidate under title V” after “any other State”.

TITLE II—RESPONSIBILITIES OF THE FEDERAL ELECTION COMMISSION

SEC. 201. PETITION FOR CERTIORARI.

Section 307(a)(6) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437d(a)(6)) is amended by insert-
ing “(including a proceeding before the Supreme Court on certiorari)” after “appeal”.

SEC. 202. FILING BY ALL CANDIDATES WITH COMMISSION.

Section 302(g) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(g)) is amended to read as follows:

“(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be filed under this Act shall be filed with the Commission.”.

SEC. 203. ELECTRONIC FILING OF FEC REPORTS.

Section 304(a)(11) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(11)) is amended—

(1) in subparagraph (A), by striking “under this Act—” and all that follows and inserting “under this Act shall be required to maintain and file such designation, statement, or report in electronic form accessible by computers.”;

(2) in subparagraph (B), by striking “48 hours” and all that follows through “filed electronically)” and inserting “24 hours”; and

(3) by striking subparagraph (D).
TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

SEC. 302. EFFECTIVE DATE.

Except as otherwise provided for in this Act, this Act and the amendments made by this Act shall take effect on January 1, 2014.