1018

Y 4 H81/3 E12/2

V

96th Congress
2d Session

COMMITTEE PRINT

DOCUMENTS

FEB 21 1980

FARRELL LIBRARY
KANSAS STATE UNIVERSITY

GOVERNMENT
Storage

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS AND REPORT OF 1979

H.R. 5010 (P.L. 96–187)

TO AMEND THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 TO MAKE CERTAIN CHANGES IN THE REPORTING AND DISCLOSURE REQUIREMENTS OF SUCH ACT, AND FOR OTHER PURPOSES

PREPARED FOR THE

COMMITTEE ON HOUSE ADMINISTRATION

OF THE

U.S. HOUSE OF REPRESENTATIVES

JANUARY 1980

U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1980

56-912 O

KSU LIBRARIES
A11900 802010

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

COMMITTEE ON HOUSE ADMINISTRATION

FRANK THOMPSON, JR., New Jersey, *Chairman*

LUCIEN N. NEDZI, Michigan
JOHN BRADEMAS, Indiana
AUGUSTUS F. HAWKINS, California
FRANK ANNUNZIO, Illinois
JOSEPH M. GAYDOS, Pennsylvania
ED JONES, Tennessee
ROBERT H. MOLLOHAN, West Virginia
LIONEL VAN DEERLIN, California
JOSEPH G. MINISH, New Jersey
MENDEL J. DAVIS, South Carolina
CHARLES ROSE, North Carolina
JOHN L. BURTON, California
LEON E. PANETTA, California (on leave)
PETER A. PEYSER, New York
WILLIAM R. RATCHFORD, Connecticut
VIC FAZIO, California

WILLIAM L. DICKINSON, Alabama
JAMES C. CLEVELAND, New Hampshire
BILL FRENZEL, Minnesota
DAVE STOCKMAN, Michigan
ROBERT E. BADHAM, California
NEWT GINGRICH, Georgia
JERRY LEWIS, California
CARROLL A. CAMPBELL, JR., South Carolina
TOM LOEFFLER, Texas

WILLIAM G. PHILLIPS, *Staff Director*
ROBERT E. MOSS, *General Counsel*

INTRODUCTION

The bill H.R. 5010, reported by the Committee on House Administration on August 1, 1979, subsequently passed the House on September 10, 1979. After adding certain amendments to H.R. 5010, the Senate passed the bill on December 18, 1979; the House accepted the Senate amendments of December 20, 1979, and the President signed H.R. 5010 into law on January 8, 1980 (Public Law 96–187 the text of which begins on page 27).

Due to widespread interest in H.R. 5010 the supply of the House Administration Committee Report, No. 96–422, has been exhausted. In order to meet the continuing public demand the Committee on House Administration is reprinting the explanatory portions of Report No. 96–422 (pages 2 through 27). Readers are cautioned, however, that this material reflects the views of the Committee on House Administration with respect to the House passed bill; certain changes were made by the Senate amendments, which are not reflected herein. Nevertheless, it is hoped that the following material will prove useful to both practitioners and students of our Federal campaign laws.

FRANK THOMPSON, JR., *Chairman,*
House Administration Committee.

Brief Summary of Bill H.R. 5010

The bill would amend the Federal Election Campaign Act of 1971 by simplifying the recordkeeping and reporting provisions, by increasing the role of state and local political parties, by reducing the procedural requirements of the enforcement process and by providing increased opportunity for the respondent to present his or her defense.

A substantial number of changes are made in the recordkeeping and reporting provisions of the Act. The number of candidates who will be required to file reports under the act will be reduced by a change in the definition of the term candidate. Currently, an individual becomes a candidate when he or she receives any contribution or makes any expenditure; the bill establishes a $5,000 threshold. A candidate who receives less than $5,000 or spends less than $5,000 will not incur a reporting obligation.

Under the bill, all of the financial activities of a campaign will be controlled and reported by the candidate's authorized committees; however, the candidate will be able to receive contributions and make expenditures as an agent of his or her authorized campaign committee or committees. Additionally, the name of the candidate must appear in the name of the authorized committee. Likewise, political action committees will have to include the name of the organization which establishes the committee in their name.

The bill provides that a political committee will no longer be required to have a chairman. Currently, there must be a chairman and a treasurer, although the chairman has no official responsibilities. Further changes are made in the time allowed (10 days) in turning over a contribution to the treasurer and in expanding the types of banking institutions in which a political committee may keep its funds to savings and loan associations and credit unions.

The bill attempts to simplify and standardize the types and amounts of information required to be listed by a committee, both when registering and when reporting. For instance, the information required to be listed on a registration statement is reduced from the present eleven categories to six; deleted are such categories as statement of the disposition of left over funds if the committee disbands, a listing of all State reports required to be filed, a statement as to whether the committee is a continuing one.

The bill substantially reduces the number of reports a House candidate must file—from a current maximum of 24 to a maximum of 9 in a two year period.

The bill makes changes in the recordkeeping requirements of the Act. Currently, a treasurer must keep a receipted bill if, during a calendar year, the treasurer made expenditures exceeding $100 to the same vendor. The bill requires a treasurer to keep a receipt, invoice, or canceled check for each expenditure in excess of $100.

The new provisions pertaining to political parties allow a State or local committee of a political party to purchase, without limit, campaign materials used in connection with volunteer activities on behalf of a candidate (such as buttons, bumper stickers, and yard signs). This exemption will not apply to costs incurred for media advertising or mass mailings—activities of this type would be subject to the contribution and expenditure limitations of the Act. In addition, a similar exemption would be created to allow State and local party committees to engage in certain voter registration and get-out-the-vote activities on behalf of the nominees of such party for President and Vice President.

Additionally, the bill attempts to reduce reporting obligations for local party committees. Under existing law such committees must register and report if they make contributions or receive expenditures in excess of $1,000. The bill raises that threshold to $5,000 for certain party-building "exempted expenditures".

The bill requires the Commission to respond to a request for an advisory opinion within 60 days instead of a "reasonable time". During the 60 days immediately preceding an election, a request by a candidate must be answered within 20 days.

The procedural steps of the Commission enforcement process are reduced in the bill. Before taking any action on a complaint filed with it, the Commission must provide the person complained against (respondent) with a copy of the complaint and allow such person five days to demonstrate to the Commission that no action should be taken on the complaint. If the Commission does proceed with an investigation of the matter, the respondent will receive a copy of the general counsel's brief recommending to the Commission that they find probable cause that the respondent violated the law. The respondent will have 15 days to prepare and file a brief outlining his or her arguments; this brief will be filed with the Commissioners for consideration along with the brief of the general counsel.

The current requirement for disclosure and solicitation statements is modified. The bill provides for one simple statement of authorization on all political solicitations and advertisements, replacing the two statements which are now used in separate situations.

The bill amends sections 602, 603, and 607 of title 18 to comport with existing Justice Department enforcement of these sections. Congressional employees may make a voluntary political contribution to a Member of Congress other than their immediate employer; inadvertent solicitations of congressional employees will not violate the ban on solicitation. Additionally, a contribution received by mail in any Federal building will not be a violation if it is forwarded within 7 days to the appropriate political committee.

Finally, the bill amends the Title 26 provisions pertaining to payments for Presidential nominating conventions. The amount of the entitlement for major parties is increased from $2,000,000 to $3,000,000.

Purpose of the Bill

The purpose of H.R. 5010 is to amend the Federal Election Campaign Act of 1971 to simplify reporting and administrative procedures.

Committee Action

H.R. 5010 was introduced on July 30, 1979, by Mr. Thompson and sponsored by all Members of the Committee. The bill was referred to the Committee on House Administration on July 31, 1979.

The bill was amended by the full committee during mark-up meetings on July 31 and August 1, 1979. H.R. 5010 as amended, was ordered reported on August 1, 1979 by unanimous vote with a quorum present.

Inflationary Impact Statement

The enactment of H.R. 5010 is not expected to have an inflationary impact on prices and costs in the operation of the national economy.

Cost of the Legislation

The bill does not authorize the appropriations of any funds and is expected to have a negligible impact on the cost of operation of the Federal Election Commission. The increase in funding for the Presidential nominating conventions will be paid from the Presidential Election Campaign Fund established under 26 U.S.C. § 9006.

Requirements of Rule XI

There are no oversight findings or recommendations under clause 2(b)(1) of rule X.

No statement was deemed necessary under section 308(a) of the Congressional Budget Act of 1974.

The Committee on Government Operations did not submit a summary of oversight findings and recommendations under clause 4(c)(2) of rule X.

Congressional Budget Office Estimate

U.S. Congress,
Congressional Budget Office,
Washington, D.C., September 7, 1979.

Hon. Frank Thompson, Jr.,
Chairman, Committee on House Administration,
House of Representatives, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 5010, the Federal Election Campaign Act Amendments of 1979 as ordered reported by the Committee on House Administration, August 1, 1979.

The bill would simplify and reduce the reporting requirements of candidates and Federal Election Commission administrative procedures required by current law. If this bill is enacted, the number of reports filed is expected to be reduced by approximately 50 percent, resulting in a cost savings of approximately $50,000 per year. The bill also authorizes an increase of $1 million in the payment to each national committee of a major political party for a presidential nominating convention. Assuming two major political parties, this would

result in increased outlays from the Presidential Election Campaign Fund of $2 million every four years beginning in 1980.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

Pursuant to clause 7 of Rule XIII, the Committee concurs in the cost estimate submitted by the Congressional Budget Office.

SECTION-BY-SECTION EXPLANATIONS OF THE BILL

DEFINITIONS

Section 101 of the bill amends section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431). The section is amended as follows:

(1) *Election.* There has been no change in the definition of election. A convention or caucus of a political party which has the authority to nominate a candidate is considered a separate election and, thereby, has separate reporting obligations and contribution limitations. The test is whether the convention or caucus has the authority to nominate, not whether the convention actually nominates. For example, in the state of Connecticut, State law requires the district convention to choose a candidate for nomination as the party-endorsed candidate; if, however, another candidate at the convention receives at lease 20 percent of the vote, a primary election is required. Since the district convention has the authority to nominate, it would be considered an election. If a primary is held after the convention, the primary would be considered another, totally separate, election. On the other hand, an endorsing convention like the one held in Minnesota would not be considered an election since its function is to endorse a candidate who will actually be nominated in a subsequent primary.

(2) *Candidate.* The purpose of the change in this definition is to reduce the number of candidates who are required to register and report under the Act. An individual does not become a candidate until he or she has received $5,000 or spent $5,000 or a person authorized by the individual receives $5,000 or spends $5,000 on behalf of the individual.

When the individual meets the $5,000 threshold, all funds received prior to that time will be considered contributions and all payments made prior to that time will be considered expenditures and must be listed in the first report by the principal campaign committee designated by the individual in accordance with section 302(e)(1). The limitations on contributions under the Act would become applicable; funds received prior to becoming a candidate which did not meet these would have to be returned.

It is clear intent of the Committee to relieve individuals who do not meet the definition of candidate of any registration and reporting requirements under the Act even if such individuals appear on the ballot. The Commission may wish to notify individuals on the ballot who are not registered or filing reports of the requirements of the Act, but appearance on the ballot no longer creates a presumption that the individual has a registration or reporting obligation.

On the other hand, individuals who do not meet the legal definition of candidate may file reports voluntarily. The Clerk, Secretary, or Commission, as appropriate, must make any report voluntarily filed with it public. However, an individual who is voluntarily filing a report is not subject to the nonfiling provisions of this Act until he or she becomes a candidate. In addition, voluntary filing does not make an individual a "candidate filing under the Act" for other purposes such as the Ethics in Government Act of 1978, as amended (2 U.S.C. § 701 et seq.).

The change in the definition of candidate is not intended to abrogate the Commission's "testing the waters" regulation. See section 100.4(b)(1) and section 100.7(b)(2) of the FEC regulations. The Committee is of the opinion that this regulation recognizes the practical problems which may arise in determining whether an individual will run for Federal office.

(3) *Federal office.* There is no substantive change in this definition.

(4) *Political committee.* Under the revised definition of political committee, all separate segregated funds established by an organization subject to section 316 are considered political committees, irrespective of the amount of contributions received or expenditures made by such committees.

Local committees of political parties also have a separate test for determining when they become political committees under the Act. In keeping with the Committee intent to encourage the participation of local party committees in Federal elections, the definition of political committee establishes a higher threshold for local party committees which engage only in volunteer activities. Accordingly, if local party committees engage only in these "exempted activities", such as slate cards [301(8)(B)(v)], "buttons and bumper stickers" [301(8)(B)(x)], and registration and get-out-the-vote activities on behalf of Presidential nominees [301(8)(B)(xii)] the threshold for registration and reporting is $5,000. If, on the other hand, the local party committee makes contributions to candidates or makes expenditures which are not exempted, the registration and reporting threshold is $1,000.

All other organizations will be required to register and report when they receive contributions of $1,000 or make expenditures of $1,000.

An organization which is not a political committee is *not* subject to the recordkeeping provisions of the Act or the requirement for the establishment of a campaign depository. Organizations are prohibited from using funds obtained from national banks, corporations, labor organizations and foreign nationals in connection with a Federal election. However, the bill does not require an organization which is not a political committee to establish a separate account for Federal purposes. Such organizations will, of course, be required to show by reasonable accounting methods that the funds used for Federal election purposes are, in fact, not funds from prohibited sources. It is the opinion of the Committee that the Commission has the authority to require separate accounts only for organizations which are political committees within the meaning of the Act.

(5) *Principal campaign committee.* Although the the term is defined for the first time, there is no substantive change in the concept of a principal campaign committee.

(6) *Authorized committee.* The term "authorized committee" is limited to committees which have been authorized by a candidate in accordance with the provisions of section 302(e)(1).

(7) *Connected organization.* The term "connected organization" has been defined to mean the entity, such as a corporation, labor organization, membership organization, cooperative, or corporation without capital stock, which establishes, administers, or financially supports a separate segregated fund under the provisions of section 316. A connected organization may not be another political committee. A political committee must list the name of its connected organization on its statement of organization and in the name of the committee.

The words "directly or indirectly" as used in this definition do not refer to organizations which might be members of the entity which establishes the political committee. For example, if MNO trade association establishes a political committee, the corporate members of MNO trade association who pay membership dues to the trade association would *not* be viewed as directly or indirectly establishing, administering, or financially supporting such political committee. Further, the words "financially supports" do *not* refer to organizations which make contributions to the political committee. Rather, the phrase "financially supports" refers to the entity which, under the provisions of section 316, may pay the establishment, administrative, and solicitation costs of such committee.

(8) *Contribution.* (A) *General Definition.*—The phrase 'by any person' was added to the definition of contribution to incorporate the Commission opinion that the use of appropriated funds of the Federal Government is not a contribution. (The Federal government is also excluded from the definition of person.) Misuse of appropriated funds is a violation of Federal law and subject to enforcement by other agencies.

The provision in the current Act making a written contract, promise, or pledge a contribution is deleted. Requiring the reporting of pledges led to double reporting and often resulted in inflated contribution figures. By deleting this phrase, pledges will be reported only when the money or goods or services actually have been received by the committee.

The definition of contribution in the current Act includes "funds received by a political committee which are transferred to such committee from another political committee or other source". The Commission currently terms funds going from any type of political committee to another a "transfer", rather than a contribution. The use of the term "transfer" for all activity between political committees has been the source of much confusion. In the interest of clarification, the Committee eliminated this provision in the bill. The change is not substantive. The Committee intends the term "transfer" to be limited to funds flowing between or among affiliated committees, committees authorized by the same candidate, or political party committees regardless of whether such committees are affiliated.

The provision in the current Act relating to legal and accounting services [301(e)(4)/2 U.S.C. Section 431(e)(4)] is moved to section 301(8)(B)(ix).

(B) *Exclusions.*—The term "contribution" does not include the following:

56-912 O - 80 - 2

(*i*) *Voluntary services.* The current provision excluding the value of voluntary sevices to a candidate or political committee is maintained. The changes are merely stylistic.

(*ii*) *Residential premises.* The basic exclusion of the value of residential premises and the costs of invitations, food, and beverages voluntarily provided by an individual to a candidate is maintained. A recreation room in an apparentment complex where the individual resides would be considered residential premises for the purpose of this exemption. An individual may of course have more than one residence. Also included in this exemption are church and community rooms so long as these facilities are used on a regular basis for social or community purposes.

The amount of the exemption for invitations, food, and beverages is increased from $5000 per election per candidate to $1,000 per election per candidate. This $1,000 limitation applies only to the costs of invitations, food, and beverages and does not include any rental value for real or personal property used in connection with the candidate activity.

The bill also extends this exemption to political party committees. Invitations, food and beverages provided by an individual for political party-related activities held on his or her residential premises or in a church or community room are not considered a contribution if the amount does not exceed $2,000 per calendar year. Costs incurred above this amount are considered contributions to the party committee. The limitation applicable to political party committees is cumulative—an individual may provide $2,000 per calendar year to *all* political committees of the same party.

(*iii*) *Vendor exemption.* The current exemption for food and beverages is raised. The vendor's selling price must equal the cost of such items to the vendor, and the cumulative value of the discount for use in a candidate's campaign may not exceed $1,000 with respect to any one election. Additionally, the exemption is extended to discounts to or on behalf of political party committees not to exceed $2,000 on behalf of all political committees of the same political party during a calendar year.

(*iv*) *Travel expenses.* The current exemption was increased to $1,000 per candidate per election and extended to party committees to the extent the cumulative value of the party-related travel expenses does not exceed $2,000 per calendar year for all political committees of the same single political party.

The current Act limits the exemption to an individual who "volunteers his personal services". This phrase is deleted in the bill to ensure that individuals who are being paid by a candidate or party committee may take advantage of the exemption.

(*v*) *Slate card.* There has been no substantive change in this provision. If a State or local party organization prepares a slate card which includes both Federal and State candidates, the party organization may allocate or apportion the costs attributable to all the Federal candidates and the costs attributable to all the State candidates. The portion of the costs attributable to Federal candidates must be paid with funds subject to the prohibitions and limitations of the Act. If, however, the party organization is not a political committee within the definition of this Act, the party organization is not required to

establish a separate account for Federal candidates; rather, the party organization must demonstrate by reasonable accounting methods that the money actually used for Federal candidates meets the requirements of Federal law. Money used to pay the costs attributable to State candidates is subject to the prohibitions and limitations of State law. Accordingly, if State law allows the use of treasury funds of a corporation, that money could be used for the State portion, but not for any portion allocable to Federal candidates.

(*vi*) *316 exemption.* There is no substantive change in this section which exempts activities by corporations and labor organizations which are not expenditures under section 316 (2 U.S.C. section 441b).

(*vii*) *Loans.* The current exemption which excludes loans made by national or State banks in the ordinary course of business has been extended to other financial institutions. An overdraft is to be considered a contribution subject to the prohibitions and limitations of the Act. Automatic overdraft protection which is subject to definite interest and repayment is for the purposes of this section, a loan exempted from the definition of contributions.

The bill also establishes guidelines for determining when a loan is made in the ordinary course of business. To be exempted, a loan must be evidenced by a written instrument, subject to a due date or amortization schedule, and bear the usual and customary interest rate of the lending institution. If a loan does not meet all of these criteria, it will be considered a contribution by the lending institution.

(*viii*) *Building funds.* There is no substantive change in this section. The language in the current Act specifically stating that the party committee is required to report the receipt of these funds is deleted. Such a requirement is not necessary since a political committee is required to report all receipts.

(*ix*) *Legal and accounting services.* The current exemption for legal and accounting services provided by an individual who is receiving compensation from his or her regular employer is specifically extended to any political committee of a political party. Language is also added in the bill which makes clear that it is the committee receiving the services, not the regular employer or the individual providing the services, which incurs a reporting obligation.

(*x*) "*Buttons and bumper stickers*" *etc.* The purpose of this section is to encourage volunteers to work for and with local and State political party organizations. The cost of campaign materials purchased by a State or local party organization which support Federal candidates who have been nominated by a political party are not contributions to the Federal candidates if the campaign materials are used by the State or local party organization in connection with volunteer activities. To be eligible for the exemption, the campaign materials must be purchased by the State or local party committee. Campaign materials purchased by the national committee of a political party and delivered to a State or local party committee would not come within the exemption.

The test for determining volunteer activities is twofold—how the campaign materials are used and by whom. The bill excludes all general public communications or political advertising. Although the bill does give examples of campaign materials which are customarily used in connection with volunteer activities, the purchase of an item on that

list does not automatically mean that the cost is exempted. For example, the cost of printing a party tabloid featuring Federal candidates would be exempted if the tabloid were distributed by volunteers at a shopping center or door-to-door. However, if the same tabloid were distributed by a commercial vendor, the cost of the tabloid would not be exempted. Since the purpose is to encourage volunteer participation, distribution by commercial or for-profit operations is not exempted. Payments by the party organization for travel and subsistence or customary token payments by the party organization to individuals does not, however, remove the individual from the volunteer category.

A State or local party organization must use contributions which are subject to the prohibitions and limitations of the Act to pay for these campaign materials. However, if the campaign materials contain reference to both State and Federal candidates, the party organization may allocate the costs between the State and Federal candidates. The money used to pay the cost attributable to State candidates would be subject to State, not Federal law.

Finally, a party organization may not use contributions designated to be spent on behalf of a particular candidate or candidates to purchase campaign materials supporting such designated candidate or candidates. The basic test for determining whether a contribution has been designated is whether the contributor retains control over the funds. Since the purpose of this exemption is to promote party activity, the party, not the contributor, must make the final decision as to which candidate or candidates will receive the benefits.

(*xi*) *Coattail provision.* Currently, if any candidate for any public office mentions a Federal candidate in any of his or her campaign literature or advertising, that candidate technically has made a contribution to the Federal candidate, the amount of which is determined by apportioning the cost of the campaign literature or advertising. The new provision corrects this problem. A payment by such candidate for campaign material which includes reference to a Federal candidate will not be considered a contribution to the Federal candidate so long as—

(1) the payment is made from the candidate's own campaign account;

(2) the payment is made from funds subject to the limitations and prohibitions of the Act; and

(3) the payment is used for campaign materials used in connection with volunteer activities and not for general public communication or political advertising.

The Committee considered and rejected a test that the funds be made for the purpose of influencing the election of the candidate making the expenditure. This test was rejected because it was thought to be both too difficult to administer and because it ignored the practical reality of the situation. If a candidate makes an expenditure from his or her campaign account, the possibility that it is not for the purpose of furthering his or her election is remote at best.

The term "dircet mail" as used in this provision refers to mailings by commercial vendors or to mailings made from lists which were not developed by the candidate. For example, a mailing by a candidate from a list of contributors to his or her campaign, a list of individuals

who had volunteered to work for his or her campaign, or other type of list developed by the candidate would not be considered direct mail.

(*xii*) *Registration and get-out-the-vote.* This new provision exempts certain voter registration and get-out-the-vote activity conducted by a State or local party organization on behalf of the Presidential and Vice-Presidential nominees. The purpose of this provision is to provide State and local party organizaitons with means to support Presidential and Vice Presidential nominees since they are prohibited from making contributions if the nominees accept general election public financing. Such prohibitions and limitations do not apply to House and Senate candidates. Accordingly, if a State or local party organization includes House or Senate candidates as well as the Presidential and Vice Presidential nominees, the costs of the activities will have to be apportioned. The costs attributable to the House and Senate candidates would be considered contributions to or expenditures on behalf of such candidates. If the mention of the House or Senate candidate is merely incidental to the overall activity, such incidental mention would not be considered a contribution to or expenditure on behalf of the House or Senate.

The committee recognizes that phone banks are an integral part of legitimate registration and get-out-the-vote efforts. The costs of such phone banks, when paid for out of State or local party funds, when conducted by the State or local party, and when utilizing volunteer workers, are intended to be part of the exemption from "contribution". However, the use of commercial phone organizations or operations is not within the purview of this exemption.

(*xiii*) *Party fees.* Payments made by a candidate or an authorized committee of a candidate to a political party as a condition of ballot access is not considered a contribution by the candidate or committee to the political party. Party committees whose only Federal involvement is the receipt of these fees from Fderal candidates will not be required to register and report under the Act.

(*xiv*) *Honorarian.* The current exemption for honoraria is maintained.

(9)(A) *Expenditure: General definition.* The provision in the current Act relating to "funds received by a political committee which are transferred to such committee from another political committee or other source" is deleted for the reasons discussed in the contribution section. The provision relating to legal and accounting services is moved to section (9)(B)(vii).

The phrase 'by any person' was added to the definition of expenditure to incorporate the Commission opinion that the use of appropriate funds of the Federal Government is not an expenditure. Misuse of appropriated funds is a violation of Federal law and subject to enforcement by other agencies.

(B) *Expenditure exemptions.* The corresponding exemptions for volunteer services, residential premises, vendor discounts, and travel expenses were deleted from the bill. Since all of these provisions are specific exemptions to the definition of a contribution, exemptions from the expenditure definition are not necessary.

(*i*) *New story.* There is no change in this provision.

(*ii*) *Nonpartisan registration and get-out-the-vote.* There is no change in this provision. The current prohibition on the use of corporate or union treasury funds continues unless such drives are jointly sponsored by a corporation, union, or other organization subject to section 316 and an organization which does not endorse candidates or political parties. Drives using corporate or union treasury funds must be conducted by the organization which does not endorse candidates or parties. See *H. Conf. Report 1057*, 94th Congress, 2d Sess. pp. 63–64.

(*iii*) *Reporting of communication costs.* The bill adds reporting dates. Organizations which incur a reporting obligation under this section will be required to file quarterly reports in an election year and pre-general election reports.

(*iv*) *Slate card.* There is no change in this corresponding exemption.

(*v*) *Corporate/labor exemption.* There is no change in this provision.

(*vi*) *Fundraising cost.* There is no change in this provision.

(*vii*) Legal and accounting services, (*viii*) Buttons and bumper stickers, and (*ix*) Presidential registration and get-out-the-vote. These are exemptions which correspond to exemptions from the definition of contribution.

(*x*) *Party fees.* The transfer of party fees received from a candidate or authorized committee as a condition of ballot access to another party committee or to the appropriate State official is not considered an expenditure by the party committee making the transfer.

(10) *Commission.* There is no change in this provision.

(11) *Person.* The only change was the specific exclusion of the Federal Government from the definition.

(12) *State.* There is no change in this provision.

(13) *Identification.* The Committee has simplified the definition of identication. Identification means an individual's name, mailing address, occupation and name of employer or, in the case of any other person, the full name and address of such person. An individual's mailing address was substituted for "full address of his principal place of residence" and name of employer was substituted for the "principal place of business".

(14) *National committee*, (*15*) *State committee*, (*16*) *Political party*, (*17*) *Independent expenditure*, *and* (*18*) *Clearly identified.* There is no substantive changes in these provisions.

(19) *Act.* The Federal Election Campaign Act Amendments of 1979 were included within the definition of Act.

Organization of Political Committee: Statements

Sec. 103. Section 302 of the Act is amended as follows:

(*a*) *Requirement for treasurer.* The current provision requiring every political committee to have a chairman is deleted.

(*b*) *Receipt of contributions.* The current requirement that anyone who receives a contribution must forward the contribution to the

treasurer together with the required identification information is maintained, but the time period is extended from 5 days to 10 days. The prohibition on the commingling of funds is clarified. No funds of a political committee may be commingled with the personal funds of any individual.

(*c*) *Recordkeeping.* The bill deletes the current requirement that treasurers keep a "detailed and exact" account of receipts and disbursements. While the Committee stresses the importance of adequate recordkeeping, the Act does not mandate a particular form. Rather, a campaign may use any reasonable accounting procedure.

The requirement for a committee to obtain a receipted bill is dropped. A committee is only required to obtain a receipt, invoice, or canceled check for each disbursement in excess of $100. There is no aggregation provision for this requirement.

(*d*) *Preservation of records.* The current Act allows the Commission to determine, by regulation, the length of time records and reports must be kept. The bill establishes a specific time period of 3 years.

(*e*) *Principal campaign committee.* The requirement for candidates to designate a principal campaign commitee is maintained. An individual who has been nominated for the Office of Vice President by a political party does not have to designate a principal campaign committee. However, an individual who is a candidate for the office of Vice President and who is seeking nomination independent of any Presidential candidate will be required to designate a principal campaign committee.

A candidate must designate his or her principal campaign committee, by letter or the appropriate form, no later than 15 days after becoming a candidate. The Commission should, by return mail, send the candidate a registration form for the designated principal campaign committee. The listing of the campaign depository and other formal requirements of section 303 will be done by the principal campaign committee on this registration form.

A candidate may authorize an unlimited number of additional committees to receive contributions or make expenditures on his or her behalf. The designation of these authorized committees must be in writing and filed with the principal campaign committee of the candidate.

A candidate may not designate as an authorized committee any political committee which has in the past supported any other candidate or candidates or any committee which currently supports another candidate or candidates. Contributions received by a candidate or his or her authorized committee in a prior election may be transferred to a committee authorized by such candidate for a different election. National party committees and committees established solely for joint fundraising purposes are an exception and may be designated as authorized committees.

Contributions by an authorized committee of a candidate to an authorized committee of another candidate may be made so long as the contribution or contributions to a single candidate do not exceed $1,000. Contributions of this type are not considered "support" within the meaning of this section.

Each authorized committee must include the name of its authorizing candidate in the committee name. While the purpose is to require the committee name to identify, clearly and by unambiguous reference, the authorizing candidate, common sense must prevail. In most cases, the use of the last name alone would be sufficient. In rare situations, such as a race with two candidates with the same last name, first names or initials would be necessary. On the other hand, committees which are not authorized may not include the name of a candidate in the name of the committee.

Finally, a separate segregated fund established under the provisions of section 316 must include the name of its connected organization in the name of the committee. For example, if the Widget Corporation has a separate segregated fund known as the "Good Government Club", the corporation must include Widget Corporation in the name of the fund.

Again, although it is the purpose to provide disclosure of the sponsor in the name of the separate segregated fund, reason must prevail. For example, a separate segregated fund established by a corporation which has a number of subsidiaries will not have to include the name of each subsidiary in its name. The name of the principal corporation or commonly known organization will be sufficient. Further, this provision does not prohibit the use of abbreviations or acronyms as long as the official name of the committee is used in all disclosure statements required by section 318.

(*f*) *Filing for authorized committees.* This provision clarifies the filing requirements for authorized committees. All authorized committees file with the principal campaign committee of the authorizing candidate. The principal campaign committee must consolidate the reports of authorized committees and file with the appropriate authorities.

(*g*) *Filing place for reports.* The Committee retained the requirement for House candidates to file with the Clerk of the House and for Senate candidates to file with the Secretary of the Senate.

(*h*) *Best efforts.* The best efforts test is specifically made applicable to recordkeeping and reporting requirements in both Title 2 and Title 26. The test of whether a committee has complied with the statutory requirements is whether its treasurer has exercised his or her best efforts to obtain, maintain, and submit the information required by the Act. If the treasurer has exercised his or her best efforts, the committee is in compliance. Accordingly, the application of the best efforts test is central to the enforcement of the recordkeeping and

reporting provisions of the Act. It is the opinion of the Committee that the Commission has not adequately incorporated the best efforts test into its administration procedures, such as the systematic review of reports.

One illustration of the application of this test is the current requirement for a committee to report the occupation and principal place of business of individual contributors who give in excess of $100. If the committee does not report the occupation and principal place of business for each itemized individual contribution, the Commission's review and enforcement procedures must be geared to determining whether the committee exercised its best efforts to obtain the information. The best efforts test is crucial since contributor information is voluntarily supplied by persons who are not under the control of the committee.

In a situation such as this, the first question is what efforts did the committee take to obtain the information. Did the solicitation contain a clear request for the occupation and principal place of business? If the committee made an effort to obtain the information in the initial solicitation and the contributor ignored the request, the Commission should not require the committee to make the same request two, three, or four times. On the other hand, if the best efforts test is not met, the committee must be required to take corrective action, such as contacting the contributor and requesting the information.

Registration of Political Committees: Statements

Section 103 of the bill amends section 303 of the Act (2 U.S.C. section 433) as follows:

(a) *Time for filing statements of organization.* Authorized committees are required to file a statement of organization no later than 10 days after they have been designated by a candidate. All other committees file within ten days of becoming a political committee within the definition of this Act.

The filing date shall be considered the date of the postmark if sent by registered or certified mail.

(b) *Contents of statements of organizations.* The information required on the registration statement is reduced from the present eleven categories to six. The requirement to list the type of committee means whether the committee is authorized, a political party committee, or a separate segregated fund.

(c) *Changes in information.* There has been no substantive change in this provision.

(d) *Termination.* There has been no substantive change in this provision.

(e) *Insolvency determination.* This provision was added to provide the Commission with the authority to determine that a committee will not be able to pay its outstanding debts and obligations and, thereby, terminate the committee's reporting obligation.

56-912 O - 80 - 3

Reports

Section 104 of the bill amends section 304 of the Act (2 U.S.C. 434) as follows:

(*a*) *Reporting obligation.* (1) Each treasurer of a political committee is required to file reports of receipts and disbursements. Under the current Act, only treasurers of a political committee supporting a candidate or candidates were required to file. The change was made to insure that organizations set up to "draft" individuals who are not actually candidates will be required to report.

(2) *Reporting dates.* The number of reports required of a campaign has been reduced. Candidates are no longer required to file separate reports. All contributions received by a candidate and expenditures made by a candidate must be reported by his or her authorized committee. The candidate acts as an agent of his or her authorized committee. The following schedule for filing reports has been established:

(A) In an election year, committees authorized by House and Senate candidates file quarterly reports, a pre-primary report, a pre-general election report, and a post-general election report. In a nonelection year, such committees file semi-annual reports, due July 31 and January 31.

(B) The Committee determined that it would be a burden to require monthly filing for all Presidential candidates. Accordingly, monthly filing is required in an election year for all authorized committees of a Presidential candidate if the committees have received or anticipate receiving $100,000 or spent or anticipate spending $100,000. All other Presidential committees in election years are required to report quarterly. In nonelection years, authorized committees of Presidential candidates may elect to report either quarterly or monthly.

(C) All other political committees may either file monthly in all years *or* in election years, file quarterly pre-primary and pre-general election reports and a post-general report, and in nonelection years, semiannual reports. In addition reports for special elections are for all committees not filing monthly.

(3) *Filing dates.* The current provision establishing the postmark as the date of filing if the designation, report or statement is sent by registered or certified mail is maintained. This provision does not apply to pre-election reports which, if sent by registered or certified mail must be postmarked 15 days before the election.

(4) *Forty-eight hour notifications.* This provision requires notification of contributions of $1,000 or more received by an authorized committee after the 20th day, but more than 48 hours before, any election. The current Act requires notification for contributions received after the 15th day, but more than 48 hours before, an election. The Committee intends this to be a notification, rather than a report, and, therefore, the signature of the treasurer is not required. This clarification was made to allow a telegram or mailgram to satisfy the re-

quirement. No follow-up letter containing the signature of the treasurer is required. Rather, the contribution must be listed on the next regularly scheduled report.

(5) *Cumulative reporting.* There is no substantive change in this provision.

(6) *Limited waiver of quarterly reporting.* The requirement for a quarterly report is waived if the due date for a pre-election report required to be filed by the committee falls within the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

(7) *Reporting dates for special elections.* Because of the differing State laws, the Commission is given the authority to establish reporting dates for special elections. The Commission must establish the reporting dates within 5 days of the setting of the election by the appropriate State official. Publication of the dates shall include listing in the *Federal Register.* Notification must be given to the principal campaign committee of all candidates in the election and all non-candidate political committees registered with the Commission and filing quarterly reports.

(8) *Reporting by Vice Presidential candidates.* If an individual is seeking nomination for the Office of Vice President independently of a candidate for nomination to the office of President, such candidate shall register and report as a separate committee.

(*b*) *Contents of Reports.* The Committee made several modifications in the reporting requirements. The separate schedules for the reporting of the proceeds of dinners, rallies, and other fund raising events, sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials have been eliminated. Receipts from this type of activity will be reported as contributions to the appropriate categories.

Under the current Act, contributions from party committees and non-party committees are reported as "transfers". The Committee intends for these contributions to be reported on separate lines as contributions. All requirements for separate reports by candidates have been eliminated. Candidate loans or contributions will be reported through the authorized committee on a separate line. If a candidate obtains a loan which he or she, in turn, lends to the authorized committee, the original source of the loan shall be reported by the committee.

In addition, the Committee recognized the current Commission practice of requiring a committee to report all receipts and all disbursements of the committee, rather than limiting reporting to contributions and expenditures as defined in the Act. While the Committee agrees that this "balance sheet" approach is necessary, it believes that the forms should clearly indicate the total amount of contributions received and actual expenditures made during the campaign. The summary sheet on the form should also contain a figure for contributions reduced by any offset such as contribution refunds and dishonored checks. Likewise, any refunds or rebates should be subtracted from the expenditures.

An example of a summary page for a committee authorized by a Congressional candidate follows:

REPORTING FORM FOR AUTHORIZED COMMITTEES

	Reporting period	Calendar year
RECEIPTS		
14. Contributions:		
(a) Itemized contributions from individuals/persons other then political committees		
(b) Unitemized contributions from individuals/persons other than political committees		
(c) Total contributions from individuals/persons other than political committees		
(d) Contributions from political party committees		
(e) Contributions from other political committees		
(f) Contributions from the candidate		
(g) Total contributions		
15. Transfers from affiliated committees		
16. Loans:		
(a) Loans made by or guaranteed by the candidate		
(b) All other loans		
(c) Total loans		
17. Offsets to operating expenditures (refunds, rebates, etc.):		
(a) Itemized		
(b) Unitemized		
(c) Total offsets to operating expenditures		
18. Other receipts (dividends, interest, etc.):		
(a) Itemized		
(b) Unitemized		
(c) Total other receipts		
19. Total receipts		
DISBURSEMENTS		
20. Operating expenditures:		
(a) Itemized operating expenditures		
(b) Unitemized operating expenditures		
(c) Total operating expenditures		
21. Transfers to affiliated committees		
22. Loan repayments:		
(a) Repayment of loans made by or guaranteed by the candidate		
(b) Repayment of all other loans		
(c) Total loan repayments		
23. Offsets to contributions (contributions refunds, etc.):		
(a) Itemized		
(b) Unitemized		
(c) Total offsets to contributions		
24. Other disbursements:		
(a) Itemized		
(b) Unitemized		
(c) Total other disbursements		
25. Total disbursements		
NET CONTRIBUTIONS AND OPERATING EXPENDITURES		
26. Total contributions from line 14(g)		
27. Offsets to contributions from line 23(c)		
28. Net contributions (subtract line 27 from line 26)		
29. Total operating expenditures from line 20(c)		
30. Offsets to operating expenditures from line 17(c)		
31. Net operating expenditures (subtract line 30 from line 29)		

The Committee recommends different forms for Presidential committees, Congressional committees and non-candidate committees.

The threshold for itemizing disbursements has been raised from disbursements aggregating in excess of $100 to disbursements aggregat-

ing in excess of $200. The threshold for itemizing individual contributions remains at an aggregate amount or value in excess of $100. All loans, guarantees and contributions from political committees will be itemized regardless of amount.

A committee is only required to report the purpose of disbursement in excess of $200. It is the opinion of the Committee that the purpose requirement will be satisfied by a short statement or description, no more than one or two words in most cases, of why the money was spent. The particulars, i.e., the details, of the disbursement are not required by the statute. Supplying the purpose will provide the public with an overall picture of what the committee's money is spent on without placing an undue burden on the committee treasurer.

The following are examples of reporting of the purpose which the Committee believes meet the standards:

Expenditure	*Purpose*
Maybell's Diner	Dinner expenses.
KMOC–TV	Media.
Tim Green	Salary.
PQR Corporation	Polling.
Ajax Airlines	Travel.
Beta Political Party	Party fees.
AM Social Club	Phone banks.
Tim Green	Travel expenses.
Delightful Delectables	Catering costs.

Since many types of transactions are common to a number of committees, the Commission may wish to publish examples in the FEC record.

Federal Election Commission

Section 105 amends various provisions of the act relating to the Federal Election Commission and makes statutory redesignations as follows:

(1) Section 305 of the act relating to campaign advertising is repealed. The provisions of section 305(a) have been incorporated into section 318, Publication and Distribution of Political Statements, as redesignated by section 105(a)(5) of the bill.

(2) Section 306 of the act regarding Formal Requirements Respecting Reports and Statements is repealed. The provisions of section 306(a) regarding the preservation of reports have been relocated in section 302(d) of the act (section 102 of the bill). The provisions of section 306(d) regarding the date of postmark on reports have been relocated in section 304(a)(5) (section 104 of the bill).

(3) Section 308 of the act regarding campaign depositories is repealed. The provisions of section 308 have been relocated in section 302(h) of the act (section 102 of the bill).

(4) Section 311 of the act regarding annual reports by the Federal Election Commission is repealed. The provisions of section 311 have been relocated in the new section 311(a)(9), Administrative Provisions, as redesignated by section 105(a)(4) of the bill.

(5) Section 318 of the act regarding the prohibition of franked solicitations is repealed.

(6) Section 329 of the act regarding penalty for violations is repealed. The provisions of section 329 have been incorporated into section 309(d), Enforcement, as redesignated by section 105(a)(4) of the bill.

(7) Section 105(a)(2) redesignated section 307 of the act regarding Reports on Convention Financing as section 305.

(8) Section 105(a)(3) redesignates section 309 of the act regarding the Federal Election Commission as section 306.

(9) Section 310 of the act regarding the Powers of the Federal Election Commission is redesignated as section 307.

(10) Section 312 of the act regarding Advisory Opinions is redesignated as section 308 by section 105(a)(4) of the bill.

(11) Section 313 of the act regarding Enforcement is redesignated as section 309.

(12) Section 314 of the act regarding Judicial Review is redesignated as section 310.

(13) Section 315 of the act regarding Administrative and Judicial provisions is redesignated as section 311.

(14) Section 316 of the act regarding Statements Filed with State Officers is redesignated as section 312.

(15) Section 317 of the act regarding Use of Contributed Amounts for Certain Purposes is redesignated as section 313.

(16) Section 319 of the act regarding Authorization of Appropriations is redesignated as section 314 by section 105(a)(5) of the bill.

(17) Section 320 of the act regarding Limitations on Contributions and Expenditures is redesignated as section 315.

(18) Section 321 of the act regarding Contributions or Expenditures by National Banks, Corporations, or Labor Organizations is redesignated as section 315.

(19) Section 322 of the act regarding Contributions by Government Contractors is redesignated as section 317.

(20) Section 323 of the act regarding Publication or Distribution of Political Statements is redesignated as section 318.

(21) Section 324 of the act regarding Contributions by Foreign Nationals is redesignated as section 319.

(22) Section 325 of the act regarding Prohibitions on Contributions in Name of Another is redesignated as section 320.

(23) Section 326 of the act regarding Limitation on Contributions of Currency is redesignated as section 321.

(24) Section 327 of the act regarding Fraudulent Misrepresentation of Campaign Authority is redesignated as section 322.

(25) Section 328 of the act regarding Acceptance of Excessive Honorariums is redesignated as section 323.

Powers of the Commission

Section 106 amends section 307 of the Act relating to the powers of the Federal Election Commission as follows:

(1) Section 307(a)(9) of the Act as redesignated by section 105(3) of the bill is stricken from the Act. This section, which allowed the Commission to formulate general policy with respect to the administration of the Act and Title 26, was deleted to insure that the formulation of general policy is done through the regulatory process which is open to public comment.

(2) Numerous technical and stylistic amendments have been made to section 307 as redesignated. No further substantive change to the existing law is made.

Advisory Opinions

Section 107 of the bill amends section 308 of the Act, as redesignated by section 105(4) as follows:

(1) Standing to request an advisory opinion is no longer limited to Federal officeholders, Federal candidates, political committees and the national committees of political parties. Under the bill, any person may request an opinion so long as the request relates to a specific transaction or activity which the person requesting the opinion intends to undertake. Advisory opinions may not be issued in response to a request posing a hypothetical situation or to a request regarding the activities of third parties.

(2) The Commission must respond within 60 days of the receipt of a complete written request. If a request is made by a candidate or an authorized committee of a candidate within the 60-day period preceding any election in which such candidate is seeking nomination or election, the Commission must respond to the request within 20 days of the receipt of a complete written request. A 3–3 vote by the Commission on a proposed opinion is considered a response for purposes of the time requirement. A requesting party must, of course, be notified promptly of the 3–3 vote.

The Committee reaffirms its opinion that the advisory opinion process is central to the Commission's responsibility to clarify the Act. The time limit on response has been added to insure that adequate emphasis and resources will be allocated to the opinion process.

(3) In addition to the above-mentioned substantive changes, numerous technical and stylistic changes have been made to this section.

Enforcement

Section 108 of the bill amends section 209 of the Act, as so redesignated in section 105(4), as follows:

(1) *Complaints.* The Commission is required to notify all persons named in a complaint (which meets all statutory rquirements) who have allegedly violated the Act or Title 26. This notification shall be made within 5 days of receipt of the complaint by the Commission and shall, at a minimum, include a copy of the complaint and an outline of Commission compliance procedures. The purpose of this notice is to inform the respondent that a complaint has been filed and of the basic charges against him or her.

The respondent has an opportunity, at this time, to demonstrate to the Commission that no action should be taken against him or her; the respondent is under no obligation to make such a showing. However, the Commission shall not take any action against a respondent, except a vote to dismiss the complaint, until 15 days after the notification. If, for example, the staff recommenadtion to the Commission is dismissal, the Commission may act upon such a recommendation at any time after the complaint is received. All persons who have been notified should be informed forthwith of any dismissal. If, however, the Commission rejects the staff recommendation of dismissal, the Commission may not proceed to a reason to believe vote until the requisite 15 days have expired. The Federal Rules of Civil Procedure for time and service shall be applicable.

The provision in the current Act which prohibits the Commission from conducting any investigation or taking any other action solely on the basis of an anonymous complaint is maintained.

(2) *Reason to believe finding.* Section 309(a)(2) incorporates the provision of the current Act which establishes a reason to believe finding that a person has violated the Act or Title 26 as the first step in the compliance process and specifically includes the requirement that the reason to believe finding be made by an affirmative vote of 4 Commission members. The Commission is required to make an investigation, which may include a field investigation or an audit.

(2) *Notification.* The Commission must notify the respondent of a reason to believe finding. The Chairman or Vice Chairman must sign this notification. This is viewed as a ministerial act by the Chairman or Vice Chairman. The preparation of the notification, as well as any investigation or audit ordered by the Commission shall be conducted by appropriate Commission staff.

The Committee has added the requirement that this notification shall include the factual basis for such alleged violation of the Act, i.e., the facts and legal basis upon which the Commission reached its findings. In cases developed on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, a copy of the staff report which shall include the alleged facts and the legal basis for the finding of the Commission, shall be sent to the respondent.

(3) *Exchange of briefs.* The provision in the current Act providing the respondent with an opportunity to demonstrate that no action should be taken against him or her has been formalized. The general counsel must notify the respondent of his or her intent to recommend a probable cause finding to the Commission. This notification shall include a brief setting forth the law and facts which support the position of the general counsel. The respondent has 15 days to file a response with the Secretary of the Commission who shall provide copies of all briefs to the Commissioners prior to any further consideration of the matter.

(4) *Conciliation agreements.* The finding of reasonable cause to believe by the Commission with respect to conciliation agreements has been deleted. Section (4)(A)(i) substitutes a probable cause to believe finding by the Commission. The required conciliation period of at least 30 days follows the probable cause to believe finding. The bill establishes a 90-day conciliation period. If the probable cause finding is made within 45 days of any election in which the respondent is involved, the minimum period for conciliation is reduced from 30 days to 15 days.

Section (4)(B) has been revised to make clear that any actions taken by the Commission or persons involved in the conciliation process or any information derived as a result of any conciliation attempt may not be made public by the Commission without the written consent of the respondent and a vote of 4 members of the Commission. The Commission may not make public the outcome of a conciliation attempt which was unsuccessful or any proposed conciliation agreements which were not signed by the respondent or the Commission.

(5) *Civil penalties.* Section (5)(A) retains the current provision of the Act which permits the Commission to include a civil penalty in

a conciliation agreement in an amount which may not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation.

Section (5)(B) is also a provision in the current Act. It allows the Commission to impose a civil penalty in a conciliation agreement if the Commission believes that there is a knowing and willful violation of this Act or Title 26 The civil penalty may not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved. The Committee deleted the requirement in the current Act that the Commission make a finding of "clear and convincing proof". The Committee intent is not to reduce the standard for a knowing and willful violation. Rather, it did not think the "clear and convincing proof" element was meaningful.

Section (5)(C) of the bill incorporates the language in section 303(5)(D) of the current Act regarding referral of knowing and willful violations to the Attorney General.

(6) *Civil actions.*

A. Section (5)(D) of the bill incorporates portions of section 303(a)(7) of the current Act. The other provisions of section 313(a)(7) are contained in section (6)(C) of the bill.

B. Section (6)(A) of the bill incorporates section 313(a)(5)(B) of the current Act.

C. Section (6)(B) of the bill incorporates section 313(a)(5)(C) of the current Act.

D. Section (6)(C) of the bill incorporates portions of section 313(a)(7) of the current Act. The reference to "clear and convincing proof" was deleted as unnecessary.

(7) *Subpoenas.* Section (7) of the bill incorporates section 313(a)(8) of the current Act.

(8) *Private actions for relief.* Sections (8) (A) and (B) incorporates provisions of section 313(a)(9) of the current Act. This section permits any party to file a petition with the U.S. District Court for the District of Columbia if the party is aggrieved by an order of the Commission either (1) dismissing a complaint filed by the party or (2) by a failure of the Commission to act on such complaint during the 120-day period beginning on the date the complaint is filed. The 120-day period is an extension of the current 90-day period. Any petition filed in the case of a dismissal must be filed within 60 days after the date of the dismissal. The provision of the Act which required a petition in the case of a failure to act to be filed within 60 days from the alleged failure act has been deleted. Section (8)(C) incorporates the provisions of section 313(a)(9)(C).

(9) *Civil and criminal contempt.* Section (10) of the bill incorporates the provisions of section 313(a)(12).

(10) *Disclosure of information.* Sections 11 (A) and (B) incorporate the provisions of section 313(a)(3) (B) and (C) which prohibit the Commission or any other person from making any notification or investigation public without the written consent of the person receiving the notification or the person under investigation. The bill extends the confidentiality provision to a complaint filed under this section. This prohibition attaches only upon the actual filing of the complaint with the Commission.

56-912 O - 80 - 4

(11) *Procedures for nonfilers.* Section 309(b) modifies the provisions of the current Act pertaining to the publication of the names of political committees which fail to file required pre-election reports. Any person who has failed to file a quarterly report as required in section 304(a)(2)(A)(iii) in any calendar quarter immediately preceeding an election or any pre-election report filed in accordance with section 304(a)(2)(A)(i) is subject to the procedures in this section. The Commission is required to notify the person of the failure to file the required reports. If no satisfactory response is received within 4 business days after the notification, the Commission is required to publish the name of the person and list the report which was not filed. The publication by the Commission must be made before the election.

(12) *Reports by Attorney General.* Section 309(c) remains the same with respect to the requirement of the Attorney General to report to the Commission regarding apparent violations referred to the Attorney General by the Commission. The authority of the Commission to prepare and publish reports relating to the status of such referrals is removed.

(13) *Penalty for violations.* Section 309(d) incorporates the penalty provisions of Section 328 of the Act. The threshold for knowing and willful violations was raised to $2,000.

Administrative Provisions

Section 109 amends the administrative responsibilities of the Federal Election Commission as follows:

(1) Section 311(a)(4) of the Act as redesignated by Section 105(a)(4) of the bill is amended to permit persons to copy the name and address of any political committee for the purpose of soliciting contributions from such committee. This exception would apply to a commercial vendor who compiles the name and address of political committees for the purpose of selling the names of the committees.

The prohibition on the copying and use of the names and address of individual contributors is maintained. Adequate procedures must be established by any agency or organization, including State agencies, which maintain these reports and statements to insure proper public notice of this prohibition. The Committee agrees with an advisory opinion of the Commission which allows a political committee to give a list of the names and addresses of its contributors to another political committee for the purposes of solicitation. Advisory Opinion 1979–3.

The bill also adds a provision which allows a committee to "salt" the reports it files under the Act as a means of determining whether the names and addresses of its contributors are being used illegally. A committee which wishes to exercise this option must submit a separate list of the pseudonyms (no more than 10 per report) along with the report.

This list shall not be made part of the public record and shall be maintained *only* by the Commission. Any other entry point, such as the Clerk of the House or the Secretary of the Senate, shall not make these lists part of their public or private records and shall transmit such lists directly to the Commission. A committee is not required to file a list of pseudonyms with the Secretary of State.

(2) Section 311(a)(6) requires the Commission to maintain and revise monthly a list of all multicandidate committees. The purpose of this listing is to inform candidates which political committees may make contributions under the limits of section 315(a)(2) as redesignated.

(3) Section 311(a)(7) requires the Commission to public periodic lists of authorized committees which fail to file reports. The current provision which requires the Commission to publish a list of candidates who have filed properly was deleted as unnecessary.

(4) The provision requiring the transmission of yearly reports from the Commission to the President and the Congress has been moved to section 311(a)(9) and the due date changed to June 1.

(5) Section 311(a)(10) redefines the responsibilities of the Commission to serve as a clearinghouse. The scope is changed from the broad category of the administration of elections to the administration of the Act and the compilation and administration of State campaign finance and election disclosure laws. Studies made under this provision shall be made available to the public at cost sufficient to cover the costs of production and printing. Federal officers and Federal agencies shall not be considered part of the general public.

(6) The Commission may audit any multicandidate committee or any Presidential candidate committee at random. The Commission shall give priority to audits of Presidential committees receiving payments under Title 26. All other audits must be conducted under the provisions of the enforcement section.

(7) Section 311(c) exempts the Commission from the provisions of section 3512 of Title 44, United States Code which requires independent Federal regulatory agencies to submit all forms and information gathering practices to the Comptroller General for review in order to prevent duplication of efforts and minimize burdens. Since all Commission forms must be submitted to the Congress, the Commission is exempted from this requirement.

(8) Forms, which must be submitted to the Congress for review, are subject to a 15 legislative day period. For purposes of computing the tolling of legislative days, a continuous session is broken only by an adjournment sine die or by an adjournment for a period of more than three days. If only one House is in session, that day will be counted unless the other House has adjourned for more than three days. If the Commission submits any amendment to a proposed regulation pending before either House, the legislative days for the proposed regulations as amended will begin on the date of the submission of the amendment.

(9) The Committee added a new provision which specifically allows persons to rely upon a regulation prescribed by the Commission in accordance with the requirements of this section. A person who relies upon such regulations in good faith will not be subject to subsequent enforcement action.

(10) The provisions of existing law pertaining to the point of entry for reports and statements have been transferred to section 302(g).

(11) In addition to the above mentioned substantive changes, numerous technical and stylistic amendments have been made to section 311, as redesignated. The changes reflect no substantive changes to existing law or practice.

Statement Filed With State Officers

Section 110 of the bill amends section 312 of the Act as redesignated by section 105(a)(4), as follows:

(1) The requirement for committees of Presidential candidates to file reports pertaining to the general election with any Secretary of State has been eliminated. Multicandidate committees and other non-candidate committees are only required to file with a Secretary of State that portion of their report which relates to a candidate seeking election in that State. Secretaries may dispose of any additional portion of a report which is filed. Further, Secretaries are only required to keep candidate committee reports for two years and to keep all other reports through April 30th of the calendar year following the calendar year in which the report was filed. All of these provisions were added to alleviate the burden on Secretaries of State.

(2) In addition to the above mentioned substantive changes, technical and stylistic amendments have been made.

Publication and Distribution of Statements and Solicitations

Section 115 of the bill amends section 318 of the Act, as so redesignated in section 105(a)(5):

The disclaimer requirements under the Act have been modified. Section 305(b) of the Act has been deleted. As a result, political committees are no longer required to state, "a copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission" on its solicitations. Under the bill, solicitations and political advertisements must include who paid for the solicitation or advertisement and whether or not it was authorized by a candidate.

The provision in section 305(a) of the current Act prohibiting newspapers and magazines from charging authorized committees more than the rate for comparable use is moved to this section.

Miscellaneous Amendments to Title 18, United States Code

Section 202(a)(1) of Chapter 29 has been amended by striking section 591. This is the definitional section relating to, "Elections and Political Activities". It is the intent of the Committee that the definitions of the Federal Election Campaign Act, as amended, be controlling whenever the provisions of Title 18 impact on federal elections and political activity.

Section 602 has been amended to only prohibit the solicitation of political contributions by federal employees from other federal employees. The provision prohibiting receipt of contributions by federal employees has been eliminated.

In order for a solicitation to be a violation of this section, it must be actually known that the person who is being solicited is a federal employee. Merely mailing to a list will no doubt contain names of federal employees is not a violation of this section.

Section 603 has been amended to allow voluntary contributions from federal employees to other federal employees. If, however, the individual is employed by a Senator, Representative, or Delegate or Resident Commissioner to Congress that employee cannot contribute

to his or her employer although voluntary contributions to other Members of Congress would be allowed. An individual employed by a congressional committee cannot contribute to the chairman of that particular committee. If the individual is employed by the minority that individual cannot contribute to the ranking minority member of the committee or the chairman of the committee.

Section 607 is amended to exempt contributions received by mail in any federal building or facility from the prohibitions of this section. Provided, the solicitation of the contribution was not made from a federal facility and the contribution is delivered to the appropriate political committee within seven days of receipt.

Miscellaneous Amendments to Title 26

Section 306 of the bill increases the amount available to the national committees of major parties for their Presidential nominating conventions from $2,000,000 to $3,000,000.

Effective Dates

The effective date for these amendments is upon enactment.

In the case of Presidential committees section 304(b) is effective for elections occurring after January 1, 1981.

The Committee recognizes that many Presidential committees have their computer systems in place and to require a change would be both unnecessary and burdensome. However, those Presidential committees may utilize the new reporting section at their discretion.

(PUBLIC LAW 96–187)

(Approved January 8, 1980)

An Act, to amend the Federal Election Campaign Act of 1971 to make certain changes in the reporting and disclosure requirements of such Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1979".

TITLE I—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

DEFINITIONS

Sec. 101. Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431), hereinafter in this Act referred to as the "Act", is amended to read as follows:

"DEFINITIONS

"Sec. 301. When used in this Act:

"(1) The term 'election' means—

"(A) a general, special, primary, or runoff election;

"(B) a convention or caucus of a political party which has authority to nominate a candidate;

"(C) a primary election held for the selection of delegates to a national nominating convention of a polititcal party; and

"(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.

"(2) The term 'candidate' means an individual who seeks nomination for election, or election, to Federal office, and for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election—

"(A) if such individual has received contributions aggregating in excess of $5,000 or has made expenditures aggregating in excess of $5,000; or

"(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of $5,000 or has made such expenditures aggregating in excess of $5,000.

"(3) The term 'Federal office' means the office of President or Vice President, or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress.

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

"(A) any committee, club, association, or other group of persons which receives contributions aggregating in excess of $1,000 during a calendar year or which makes expenditures aggregating in excess of $1,000 during a calendar year; or

"(B) any separate segregated fund established under the provisions of section 316(b); or

"(C) any local committee of a political party which receives contributions aggregating in excess of $5,000 during a calendar year, or makes payments exempted from the definition of contribution or expenditure as defined in section 301 (8) and (9) aggregating in excess of $5,000 during a calendar year, or makes contributions aggregating in excess of $1,000 during a calendar year or makes expenditures aggregating in excess of $1,000 during a calendar year.

"(5) The term 'principal campaign committee' means a political committee designated and authorized by a candidate under section 302(e)(1).

"(6) The term 'authorized committee' means the principal campaign committee or any other political committee authorized by a candidate under section 302(e)(1) to receive contributions or make expenditures on behalf of such candidate.

"(7) The term 'connected organization' means any organization which is not a political committee but which directly or indirectly establishes, administers, or financially supports a political committee.

"(8)(A) The term 'contribution' includes—

"(i) any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office; or

"(ii) the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.

"(B) The term 'contribution' does not include—

"(i) the value of services provided without compensation by any individual who volunteers on behalf of a candidate or political committee;

"(ii) the use of real or personal property, including a church or community room used on a regular basis by members of a community for noncommercial purposes, and the cost of invitations, food, and beverages, voluntarily provided by an individual to any candidate or any political committee of a political party in rendering voluntary personal services on the individuals's residential premises or in the church or community room for candidate-related or political party-related activities, to the extent that the cumulative value of such invitations, food, and beverages provided by such individual on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(iii) the sale of any food or beverage by a vendor for use in any candidate's campaign or for use by or on behalf of any political committee of a political party at a charge less than the normal comparable charge, if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that the cumulative value of such activity by such vendor on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(iv) any unreimbursed payment for travel expenses made by any individual on behalf of any candidate or any political committee of a political party, to the extent that the cumulative value of such activity by such individual on behalf of any single candidate does not exceed $1,000 with respect to any single election, and on behalf of all political committees of a political party does not exceed $2,000 in any calendar year;

"(v) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to any cost incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(vi) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vii) any loan of money by a State bank, a federally chartered depository institution, or a depository institution the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, other than any overdraft made with respect to a checking or savings account, made in accordance with applicable law and in the ordinary course of business, but such loan—

"(I) shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors;

"(II) shall be made on a basis which assures repayment, evidenced by a written instrument, and subject to a due date or amortization schedule; and

"(III) shall bear the usual and customary interest rate of the lending institution;

"(vii) any gift, subscription, loan, advance, or deposit of money or anything of value to a national or a State committee of a political party specifically designated to defray any cost for construction or purchase of any office facility not acquired for the purpose of influencing the election of any candidate in any particular election for Federal office;

"(ix) any legal or accounting services rendered to or on behalf of—

"(I) any political committee of a political party if the person paying for such services is the regular employer of the person rendering such services and if such services are not not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) an authorized committee of a candidate or any other political committee, if the person paying for such services is the regular employer of the individual rendering such services and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(x) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazines, billboard, direct mail, or smaller type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(xi) the payment by a candidate, for nomination or election to any public office (including State or local office), or authorized committee of a candidate, of the costs of campaign materials which include information on or reference to any other candidate and which are used in connection with volunteer activities (including pins, bumper stickers, handbills, brochures, posters, and yard signs, but not including the use of broadcasting, newspapers, magazines, billboards, direct mail, or similar types of gen-

eral public communication or political advertising): *Provided*, That such payments are made from contributions subject to the limitations and prohibitions of this Act;

"(xii) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates;

"(xiii) payments made by a candidate or the authorized committee of a candidate as a condition of ballot access and payments received by any political party committee as a condition of ballot access; and

"(xiv) any honorarium (within the meaning of section 323 of this Act).

"(9)(A) The term 'expenditure' includes—

"(i) any purchase, payments, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office; and

"(ii) a written contract, promise, or agreement to make an expenditure.

"(B) The term 'expenditure' does not include—

"(i) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(ii) nonpartisan activity designed to encourage individuals to vote or to register to vote;

"(iii) any communication by any membership organization or corporation to its members, stockholders, or executive or administrative personnel, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any individual to Federal office, except that the costs incurred by a membership organization (including a labor organization) or by a corporation directly attributable to a communication expressly advocating the election or defeat of a clearly identified candidate (other than a communication primarily devoted to subjects other than the express advocacy of the election or defeat of a clearly identified candidate), shall, if such costs exceed $2,000 for any election, be reported to the Commission in accordance with section 304(a)(4)(A)(i), and in accordance with section 304(a)(4)(A)(ii) with respect to any general election;

"(iv) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply to costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines, or similar types of general public political advertising;

"(v) any payment made or obligation incurred by a corporation or a labor organization which, under section 316(b), would not constitute an expenditure by such corporation or labor organization;

"(vi) any costs incurred by an authorized committee or candidate in connection with the solicitation of contributions on behalf of such candiated, except that this clause shall not apply with respect to costs incurred by an authorized committee of a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 315(b), but all such costs shall be reported in accordance with section 304(b);

"(vii) the payment of compensation for legal or accounting services—

"(I) rendered to or on behalf of any political committee of a political party if the person paying for such services is the regular employer of the individual rendering such services, and if such services are not attributable to activities which directly further the election of any designated candidate to Federal office; or

"(II) rendered to or on behalf of a candidate or political committee if the person paying for such services is the regular employer of the individual rendering such services, and if such services are solely for the purpose of ensuring compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954,

but amounts paid or incurred by the regular employer for such legal or accounting services shall be reported in accordance with section 304(b) by the committee receiving such services;

"(viii) the payment by a State or local committee of a political party of the costs of campaign materials (such as pins, bumper stickers, handbills, brochures, posters, party tabloids, and yard signs) used by such committee in connection with volunteer activities on behalf of nominees of such party: *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or particular candidates;

"(ix) the payment by a State or local committee of a political party of the costs of voter registration and get-out-the-vote activities conducted by such committee on behalf of nominees of such party for President and Vice President: *Provided*, That—

"(1) such payments are not for the costs of campaign materials or activities used in connection with any broadcasting, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising;

"(2) such payments are made from contributions subject to the limitations and prohibitions of this Act; and

"(3) such payments are not made from contributions designated to be spent on behalf of a particular candidate or candidates; and

"(x) payments received by a political party committee as a condition of ballot access which are transferred to another political party committee or the appropriate State official.

"(10) The term 'Commission' means the Federal Election Commission.

"(11) The term 'person' includes an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons, but such term does not include the Federal Government or any authority of the Federal Government.

"(12) The term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.

"(13) The term 'identification' means—

"(A) in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his or her employer; and

"(B) in the case of any other person, the full name and address of such person.

"(14) The term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission.

"(15) The term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission.

"(16) The term 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization.

"(17) The term 'independent expenditure' means an expenditure by a person expressly advocating the election or defeat of a clearly identified candidate which is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

"(18) The term 'clearly identified' means that—

"(A) the name of the candidate involved appears;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate is apparent by unambiguous reference.

"(19) The term 'Act' means the Federal Election Campaign Act of 1971 as amended.".

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 102. Section 302 of the Act (2 U.S.C. 432) is amended to read as follows:

"ORGANIZATION OF POLITICAL COMMITTEES

(Treasurer)

"SEC. 302. (a) Every political committee shall have a treasurer. No contribution or expenditure shall be accepted or made by or on behalf of a political committee during any period in which the office of treasurer is vacant. No expenditure shall be made for or on behalf of a political committee without the authorization of the treasurer or his or her designated agent.

"(b) (1) Every person who receives a contribution for an authorized political committee shall, no later than 10 days after receiving such contribution, forward to the treasurer such contribution, and if the amount of the contribution is in excess of $50 the name and address of the person making the contribution and the date of receipt.

"(2) Every person who receives a contribution for a political committee which is not an authorized committee shall—

"(A) if the amount of the contribution is $50 or less, forward to the treasurer such contribution no later than 30 days after receiving the contribution; and

"(B) if the amount of the contribution is in excess of $50, forward to the treasurer such contribution, the name and address of the person making the contribution, and the date of receipt of the contribution, no later than 10 days after receiving the contribution.

(Personal Funds)

"(3) All funds of a political committee shall be segregated from, and may not be commingled with, the personal funds of any individual.

(Accounting Records)

"(c) The treasurer of a political committee shall keep an account of—

"(1) all contributions received by or on behalf of such political committee;

"(2) the name and address of any person who makes any contribution in excess of $50, together with the date and amount of such contribution by any person;

"(3) the identification of any person who makes a contribution or contributions aggregating more than $200 during a calendar year, together with the date and amount of any such contribution;

"(4) the identification of any political committee which makes a contribution, together with the date and amount of any such contribution; and

"(5) the name and address of every person to whom any disbursement is made, the date, amount, and purpose of the disbursement, and the name of the candidate and the office sought by the candidate, if any, for whom the disbursement was made, including a receipt, invoice, or canceled check for each disbursement in excess of $200.

(Record Retention)

"(d) The treasurer shall preserve all records required to be kept by this section and copies of all reports required to be filed by this title for 3 years after the report is filed.

(Campaign Committee Designation)

"(e) (1) Each candidate for Federal office (other than the nominee for the office of Vice President) shall designate in writing a political committee in accordance with paragraph (3) to serve as the principal campaign committee of such candidate. Such designation shall be made no later than 15 days after becoming a candidate. A candidate may designate additional political committees in accordance with paragraph (3) to serve as authorized committees of such candidate. Such designation shall be in writing and filed with the principal campaign committee of such candidate in accordance with subsection (f) (1).

"(2) Any candidate described in paragraph (1) who receives a contribution, or any loan for use in connection with the campaign of such candidate for election, or makes a disbursement in connection with such campaign, shall be considered, for purposes of this Act, as having received the contribution or loan, or as having made the disbursement, as the case may be, as an agent of the authorized committee or committees of such candidate.

"(3) (A) No political committee which supports or has supported more than one candidate may be designated as an authorized committee, except that—

"(i) the candidate for the office of President nominated by a political party may designate the national committee of such political party as a principal campaign committee, but only if that national committee maintains separate books of account with respect to its function as a principal campaign committee; and

"(ii) candidates may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee.

(Support)

"(B) As used in this section, the term 'support' does not include a contribution by any authorized committee in amounts of $1,000 or less to an authorized committee of any other candidate.

"(4) The name of each authorized committee shall include the name of the candidate who authorized such committee under paragraph (1). In the case of any political committee which is not an authorized committee, such political committee shall not include the name of any candidate in its name.

"(5) The name of any separate segregated fund established pursuant to section 316(b) shall include the name of its connected organization.

(Filing Requirements)

"(f)(1) Notwithstanding any other provision of this Act, each designation, statement, or report of receipts or disbursements made by an authorized committee of a candidate shall be filed with the candidate's principal campaign committee.

"(2) Each principal campaign committee shall receive all designations, statements, and reports required to be filed with it under paragraph (1) and shall compile and file such designations, statements, and reports in accordance with this Act.

"(g)(1) Designations, statements, and reports required to be filed under this Act by a candidate or by an authorized committee of a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, and by the principal campaign committee of such a candidate, shall be filed with the Clerk of the House of Representatives, who shall receive such designations, statements, and reports as custodian for the Commission.

"(2) Designations, statements, and reports required to be filed under this Act by a candidate for the office of Senator, and by the principal campaign committee of such candidate, shall be filed with the Secretary of the Senate, who shall receive such designations, statements, and reports, as custodian for the Commission.

"(3) The Clerk of the House of Representatives and the Secretary of the Senate shall forward a copy of any designation, statement, or report filed with them under this subsection to the Commission as soon as possible (but no later than 2 working days) after receiving such designation, statement, or report.

"(4) All designations, statements, and reports required to be filed under this Act, except designations, statements, and reports filed in accordance with paragraphs (1) and (2), shall be filed with the Commission.

(Public Inspection and Copying)

"(5) The Clerk of the House of Representatives and the Secretary of the Senate shall make the designations, statements, and reports received under this subsection available for public inspection and copying in the same manner as the Commission under section 311(a)(4), and shall preserve such designations, statements, and reports in the same manner as the Commission under section 311(a)(5).

(Campaign Depositories Designation)

"(h)(1) Each political committee shall designate one or more State banks, federally chartered depository institutions, or depository institutions the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Administration, as its campaign depository or depositories. Each political committee shall maintain at least one checking account and such other accounts as the committee determines at a depository designated by such committee. All receipts received by such committee shall be deposited in such accounts. No disbursements may be made (other than petty cash disbursements under paragraph (2)) by such committee except by check drawn on such accounts in accordance with this section.

(Petty Cash Fund)

"(2) A political committee may maintain a petty cash fund for disbursements not in excess of $100 to any person in connection with a single purchase or transaction. A record of all petty cash disbursements shall be maintained in accordance with subsection (c)(5).

"(i) When the treasurer of a political committee shows that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.".

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

"SEC. 103. Section 303 of the Act (2 U.S.C. 433) is amended to read as follows:

"REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

(Organizational Statements)

"SEC. 303. (a) Each authorized campaign committee shall file a statement of organization no later than 10 days after designation pursuant to section 302(e)(1). Each separate segregated fund established under the provisions of section 316(b) shall file a statement of organization no later than 10 days after establishment. All other committees shall file a statement of organization within 10 days after becoming a political committee within the meaning of section 301(4).

"(b) The statement of organization of a political committee shall include—

"(1) the name, address, and type of committee;

"(2) the name, address, relationship, and type of any connected organization or affiliated committee;

"(3) the name, address, and position of the custodian of books and accounts of the committee;

"(4) the name and address of the treasurer of the committee;

"(5) if the committee is authorized by a candidate, the name, address, office sought, and party affiliation of the candidate; and

"(6) a listing of all banks, safety deposit boxes, or other depositories used by the committee.

"(c) Any change in information previously submitted in a statement of organization shall be reported in accordance with section 302(g) no later than 10 days after the date of the change.

(Committee Termination)

"(d)(1) A political committee may terminate only when such a committee files a written statement, in accordance with section 302(g), that it will no longer receive any contributions or make any disbursements and that such committee has no outstanding debts or obligations.

"(2) Nothing contained in this subsection may be construed to eliminate or limit the authority of the Commission to establish procedures for—

"(A) the determination of insolvency with respect to any political committee;

"(B) the orderly liquidation of an insolvent political committee, and the orderly application of its assets for the reduction of outstanding debts; and

"(C) the termination of an insolvent political committee after such liquidation and application of assets.".

REPORTS

SEC. 104. Section 304 of the Act (2 U.S.C. 434) is amended to read as follows:

"REPORTS

"SEC. 304. (a) (1) Each treasurer of a political committee shall file reports of receipts and disbursements in accordance with the provisions of this subsection. The treasurer shall sign each such report.

(Congressional Campaigns)

"(2) If the political committee is the principal campaign committee of a candidate for the House of Representatives or for the Senate—

"(A) in any calendar year during which there is regularly scheduled election for which such candidate is seeking election, or nomination for election, the treasurer shall file the following reports:

"(i) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which such candidate is seeking election, or nomination for election, and which shall be complete as of the 20th day before such election;

"(ii) a post-general election report, which shall be filed no later than the 30th day after any general election in which such candidate has sought election, and which shall be complete as of the 20th day after such general election; and

"(iii) additional quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter, and which shall be complete as of the last day of each calendar quarter: except that the report for the quarter ending December 31 shall be filed no later than January 31 of the following calendar year; and

"(B) in any other calendar year the following reports shall be filed:

"(i) a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31; and

"(ii) a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.

(Presidential campaigns, contributions and expenditures)

"(3) If the committee is the principal campaign committee of a candidate for the office of President—

"(A) in any calendar year during which a general election is held to fill such office—

"(i) the treasurer shall file monthly reports if such committee has on January 1 of such year, received contributions aggregating $100,000 or made expenditures aggregating $100,000 or anticipates receiving contributions aggregating $100,000 or more or making expenditures aggregating $100,000 or more during such year: such monthly reports shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month, except that, in lieu of filing the report otherwise due in November and December, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) the treasurer of the other principal campaign committees of a candidate for the office of President shall file a pre-election report or reports in accordance with paragraph (2)(A)(i), a post-general election report in accordance with paragraph (2)(A)(ii), and quarterly reports in accordance with paragraph (2)(A)(iii); and

"(iii) if at any time during the election year a committee filing under paragraph (3)(A)(ii) receives contributions in excess of $100,000 or makes expenditures in excess of $100,000, the treasurer shall begin filing monthly reports under paragraph (3)(A)(i) at the next reporting period; and

"(B) in any other calendar year, the treasurer shall file either—

"(i) monthly reports, which shall be filed no later than the 20th day after the last day of each month and shall be complete as of the last day of the month; or

"(ii) quarterly reports, which shall be filed no later than the 15th day after the last day of each calendar quarter and which shall be complete as of the last day of each calendar quarter.

"(4) All political committees other than authorized committees of a candidate shall file either—

"(A)(i) quarterly reports, in a calendar year in which a regularly scheduled general election is held, which shall be filed no later than the 15th day after the last day of each calendar quarter: except that the report for the quarter ending on December 31 of such calendar year shall be filed no later than January 31 of the following calendar year;

"(ii) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election;

"(iii) a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election; and

"(iv) in any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year; or

"(B) monthly reports in all calendar years which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with paragraph (2)(A)(i), a post-general election report shall be filed in accordance with paragraph (2)(A)(ii), and a year end report shall be filed no later than January 31 of the following calendar year.

(Mailing, Date of Filing)

"(5) If a designation, report, or statement filed pursuant to this Act (other than under paragraph (2)(A)(i) or (4)(A)(ii)) is sent by registered or certified mail, the United States postmark shall be considered the date of filing of the designation, report, or statement.

(Notification for Contributions of $1,000 or More)

"(6)(A) The principal campaign committee of a candidate shall notify the Clerk, the Secretary, or the Commission, and the Secretary of State, as appropriate, in writing, of any contribution of $1,000 or more received by any authorized committee of such candidate after the 20th day, but more than 48 hours before, any election. This notification shall be made within 48 hours after the receipt of such contribution and shall include the name of the candidate and the office sought by the candidate, the identification of the contributor, and the date of receipt and amount of the contribution.

"(B) The notification required under this paragraph shall be in addition to all other reporting requirements under this Act.

"(7) The reports required to be filed by this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

"(8) The requirement for a political committee to file a quarterly report under paragraph (2)(A)(iii) or paragraph (4)(A)(i) shall be waived if such committee is required to file a pre-election report under paragraph (2)(A)(i), or paragraph (4)(A)(ii) during the period beginning on the 5th day after the close of the calendar quarter and ending on the 15th day after the close of the calendar quarter.

(Filing Dates)

"(9) The Commission shall set filing dates for reports to be filed by principal campaign committees of candidates seeking election, or nomination for election, in special elections and political committees filing under paragraph (4)(A) which make contributions to or expenditures on behalf of a candidate or candidates in special elections.

The Commission shall require no more than one pre-election report for each election and one post-election report for the election which fills the vacancy.

(Waiver)

"The Commission may waive any reporting obligation of committees required to file for special elections if any report required by paragraph (2) or (4) is required to be filed within 10 days of a report required under this subsection. The Commission shall establish the reporting dates within 5 days of the setting of such election and shall publish such dates and notify the principal campaign committees of all candidates in such election of the reporting dates.

(Vice Presidential Campaigns)

"(10) The treasurer of a committee supporting a candidate for the office of Vice President (other than the nominee of a political party) shall file reports in accordance with paragraph (3).

"(b) Each report under this section shall disclose—

"(1) the amount of cash on hand at the beginning of the reporting period;

(Receipts)

"(2) for the reporting period and the calendar year, the total amount of all receipts, and the total amount of all receipts in the following categories:

"(A) contributions from persons other than political committees;

"(B) for an authorized committee, contributions from the candidate;

"(C) contributions from political party committees;

"(D) contributions from other political committees;

"(E) for an authorized committee, transfers from other authorized committees of the same candidate;

"(F) transfers from affiliated committees and, where the reporting committee is a political party committee, transfers from other political party committees, regardless of whether such committees are affiliated;

"(G) for an authorized committee, loans made by or guaranteed by the candidate;

"(H) all other loans;

"(I) rebates, refunds, and other offsets to operating expenditures;

"(J) dividends, interest, and other forms of receipts; and

"(K) for an authorized committee of a candidate for the office of President, Federal funds received under chapter 95 and chapter 96 of the Internal Revenue Code of 1954;

"(3) the identification of each—

"(A) person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of $200 within the calendar year, or in any lesser amount if the reporting committee should so elect, together with the date and amount of any such contribution;

"(B) political committee which makes a contribution to the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(C) authorized committee which makes a transfer to the reporting committee;

"(D) affiliated committee which makes a transfer to the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds to the reporting committee from another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfer;

"(E) person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount or value of such loan;

"(F) person who provides a rebate, refund, or other offset to operating expenditures to the reporting committee in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of such receipt; and

"(G) person who provides any dividend, interest, or other receipt to the reporting committee in an aggregate value or amount in excess of $200 within the calendar year, together with the date and amount of any such receipt;

(Disbursements)

"(4) for the reporting period and the calendar year, the total amount of all disbursements, and all disbursements in the following categories:

"(A) expenditures made to meet candidate or committee operating expenses;

"(B) for authorized committee, transfers to other committees authorized by the same candidate;

"(C) transfers to affiliated committees and, where the reporting committee is a political party committee, transfers to other political party committees, regardless of whether they are affiliated;

"(D) for an authorized committee, repayment of loans made by or guaranteed by the candidate;

"(E) repayment of all other loans;

"(F) contribution refunds and other offsets to contributions;

"(G) for an authorized committee, any other disbursements;

"(H) for any political committee other than an authorized committee—

"(i) contributions made to other political committees;

"(ii) loans made by the reporting committees;

"(iii) independent expenditures;

"(iv) expenditures made under section 315(d) of this Act; and

"(v) any other disbursements; and

"(I) for an authorized committee of a candidate for the office of President, disbursements not subject to the limitation of section 315(b);

"(5) the name and address of each—

"(A) person to whom an expenditure in an aggregate amount or value in excess of $200 within the calendar year is made by the reporting committee to meet a candidate or committee operating expense, together with the date, amount, and purpose of such operating expenditure;

"(B) authorized committee to which a transfer is made by the reporting committee;

"(C) affiliated committee to which a transfer is made by the reporting committee during the reporting period and, where the reporting committee is a political party committee, each transfer of funds by the reporting committee to another political party committee, regardless of whether such committees are affiliated, together with the date and amount of such transfers;

"(D) person who receives a loan repayment from the reporting period, together with the date and amount of such loan repayment; and

"(E) person who receives a contribution refund or other offset to contributions from the reporting committee where such contribution was reported under paragraph (3)(A) of this subsection, together with the date and amount of such disbursement;

"(6)(A) for an authorized committee, the name and address of each person who has received any disbursement not disclosed under paragraph (5) in an aggregate amount or value in excess of $200 within the calendar year, together with the date and amount of any such disbursement;

"(B) for any other political committee, the name and address of each—

"(i) political committee which has received a contribution from the reporting committee during the reporting period, together with the date and amount of any such contribution;

"(ii) person who has received a loan from the reporting committee during the reporting period, together with the date and amount of such loan;

"(iii) person who receives any disbursement during the reporting period in an aggregate amount or value in excess of $200 within the calendar year in connection with an independent expenditure by the reporting committee, together with the date, amount, and purpose of any such independent expenditure and a statement which indicates whether such independent expenditure is in support of, or in opposition to, a candidate, as well as the name and office sought by such candidate, and a certification, under penalty of perjury, whether such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such committee;

"(iv) person who receives any expenditure from the reporting committee during the reporting period in connection with an expenditure under section 315(d) in the Act, together with the date, amount, and purpose of any such expenditure as well as the name of, and office sought by, the candidate on whose behalf the expenditure is made; and

"(v) person who has received any disbursement not otherwise disclosed in this paragraph or paragraph (5) in an aggregate

amount or value in excess of $200 within the calendar year from the reporting committee within the reporting period, together with the date, amount, and purpose of any such disbursement;

"(7) the total sum of all contributions to such political committee, together with the total contributions less offsets to contributions and the total sum of all operating expenditures made by such political committee, together with total operating expenditures less offsets to operating expenditures, for both the reporting period and the calendar year; and

"(8) the amount and nature of outstanding debts and obligations owed by or to such political committee; and where such debts and obligations are settled for less than their reported amount or value, a statement as to the circumstances and conditions under which such debts or obligations were extinguished and the consideration therefor.

(Independent Expenditures In Excess of $250)

"(c)(1) Every person (other than a political committee) who makes independent expenditures in an aggregate amount or value in excess of $250 during a calendar year shall file a statement containing the information required under subsection (b)(3)(A) for all contributions received by such person.

(Statement Filing)

"(2) Statements required to be filed by this subsection shall be filed in accordance with subsection (a)(2), and shall include—

"(A) the information required by subsection (b)(6)(B)(iii), indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved;

"(B) under penalty of perjury, a certification whether or not such independent expenditure is made in cooperation, consultation, or concert, with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate; and

"(C) the identification of each person who made a contribution in excess of $200 to the person filing such statement which was made for the purpose of furthering an independent expenditure.

Any independent expenditure (including those described in subsection (b)(6)(B)(iii)) aggregating $1,000 or more made after the 20th day, but more than 24 hours, before any election shall be reported within 24 hours after such independent expenditure is made. Such statement shall be filed with the Clerk, the Secretary, or the Commission and the Secretary of State and shall contain the information required by subsection (b)(6)(B)(iii) indicating whether the independent expenditure is in support of, or in opposition to, the candidate involved.

(Indexing Requirement)

"(3) The Commission shall be responsible for expeditiously preparing indices which set forth, on a candidate-by-candidate basis, all independent expenditures separately, including those reported under subsection (b)(6)(B)(iii), made by or for each candidate, as reported under this subsection, and for periodically publishing such indices on a timely pre-election basis.".

FEDERAL ELECTION COMMISSION

SEC. 105. Title III of the Act (2 U.S.C. 431 et seq.) is amended—

(1) by striking out sections 305, 306, 308, 311, 318, and 329;

(2) by redesignating section 307 as section 305;

(3) by redesignating sections 309 and 310 as sections 306 and 307, respectively;

(4) by redesignating sections 312 through 317 as sections 308 through 313, respectively;

(5) by redesignating sections 319 through 328 as sections 314 through 323, respectively; and

(6) by amending section 306, as so redesignated by section 105(a)(3), to read as follows:

"FEDERAL ELECTION COMMISSION

(Members)

"SEC. 306. (a)(1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives or their designees, ex officio and without the right to vote, and 6 members appointed by the President, by and with the advice and consent of the Senate. No more than 3 members of the Commission appointed under this paragraph may be affiliated with the same political party.

(Terms)

"(2)(A) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

"(i) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1977;

"(ii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1979; and

"(iii) two of the members, not affiliated with the same political party, shall be appointed for terms ending on April 30, 1981.

"(B) A member of the Commission may serve on the Commission after the expiration of his or her term until his or her successor has taken office as a member of the Commission.

"(C) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he or she succeeds.

"(D) Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

(Qualifications)

"(3) Members shall be chosen on the basis of their experience, integrity, impartiality, and good judgment and members (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Federal Government. Such members of the Commission shall not engage in any other busi-

ness, vocation, or employment. Any individual who is engaging in any other business, vocation, or employment at the time of his or her appointment to the Commission shall terminate or liquidate such activity no later than 90 days after such appointment.

(Compensation)

"(4) Members of the Committee (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315).

(Chairman and Vice Chairman)

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. A member may serve as chairman only once during any term of office to which such member is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman or in the event of a vacancy in such office.

"(b)(1) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to, this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954. The Commission shall have exclusive jurisdiction with respect to the civil enforcement of such provisions.

"(2) Nothing in this Act shall be construed to limit, restrict, or diminish any investigatory, informational, oversight, supervisory, or disciplinary authority or function of the Congress or any committee of the Congress with respect to elections for Federal office.

(Decisionmaking)

"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this Act shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his or her vote or any decisionmaking authority or duty vested in the Commission by the provisions of this Act, except that the affirmative vote of 4 members of the Commission shall be required in order for the Commission to take any action in accordance with paragraph (6), (7), (8), or (9) of section 307(a) of this Act or with chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

(Meetings)

"(d) The Commission shall meet at least once each month and also at the call of any member.

(Rules, Seal, Principal Office)

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially

noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

(Staff Director; General Counsel)

"(f)(1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he or she considers desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service.

(Temporary and Intermittent Service)

"(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–15 of the General Schedule (5 U.S.C. 5332).

(Assistance From Other Agencies)

"(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities of other agencies and departments of the United States. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

(Legal Actions)

"(4) Notwithstanding the provisions of paragraph (2), the Commission is authorized to appear in and defend against any action instituted under this Act, either (A) by attorneys employed in its office, or (B) by counsel whom it may appoint, on a temporary basis as may be necessary for such purpose, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title. The compensation of counsel so appointed on a temporary basis shall be paid out of any funds otherwise available to pay the compensation of employees of the Commission.".

POWERS OF THE COMMISSION

SEC. 106. Section 307, as so redesignated in section 105(a)(3), is amended to read as follows:

"POWERS OF THE COMMISSION

"SEC. 307. (a) The Commission has the power—

"(1) to require by special or general orders, any person to submit, under oath, such written reports and answers to questions as the Commission may prescribe;

"(2) to administer oaths or affirmations;

"(3) to require by subpena, signed by the chairman or the vice chairman, the attendance and testimony of witness and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3);

(Witness, Fees and Mileage Payment)

"(5) to pay witness the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil actions for injunctive, declaratory, or other appropriate relief), defend (in the case of any civil action brought under section 309(a)(8) of this Act) or appeal any civil action in the name of the Commission to enforce the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954, through its general counsel;

"(7) to render advisory opinions under section 308 of this Act;

"(8) to develop such prescribed forms and to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act and chapter 95 and chapter 96 of the Internal Revenue Code of 1954; and

"(9) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Upon petition by the Commission, any United States district court within the jurisdiction of which any inquiry is being carried on may, in case of refusal to obey a subpena or order of the Commission issued under subsection (a), issue an order requiring compliance. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

(Budget, Transmittal to Congress)

"(d)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendation, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(e) Except as provided in section 309(a)(8) of this Act, the power of the Commission to initiate civil actions under subsection (a)(6) of this section shall be the exclusive civil remedy for the enforcement of the provisions of this Act.".

ADVISORY OPINIONS

SEC. 107. (a) Section 308 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADVISORY OPINIONS

"SEC. 308. (a)(1) Not later than 60 days after the Commission receives from a person a complete written request concerning the application of this Act, chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or a rule or regulation prescribed by the Commission, with respect to a specific transaction or activity by the person, the Commission shall render a written advisory opinion relating to such transaction or activity to the person.

"(2) If an advisory opinion is requested by a candidate, or any authorized committee of such candidate, during the 60-day period before any election for Federal office involving the requesting party, the Commission shall render a written advisory opinion relating to such request no later than 20 days after the Commission receives a complete written request.

"(b) Any rule of law which is not stated in this Act or in chapter 95 or chapter 96 of the Internal Revenue Code of 1954 may be initially proposed by the Commission only as a rule or regulation pursuant to procedures established in section 311(d). No opinion of an advisory nature may be issued by the Commission or any of its employees except in accordance with the provisions of this section.

"(c)(1) Any advisory opinion rendered by the Commission under subsection (a) may be relied upon by—

"(A) any person involved in the specific transaction or activity with respect to which such advisory opinion is rendered; and

"(B) any person involved in any specific transaction or activity which is indistinguishable in all its material aspects from the transaction or activity with respect to which such advisory opinion is rendered.

"(2) Notwithstanding any other provisions of law, any person who relies upon any provision or finding of an advisory opinion in

accordance with the provisions of paragraph (1) and who acts in good faith in accordance with the provisions and findings of such advisory opinion shall not, as a result of any such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

(Public Comments)

"(d) The Commission shall make public any request made under subsection (a) for an advisory opinion. Before rendering an advisory opinion, the Commission shall accept written comments submitted by any interested party within the 10-day period following the date the request is made public.".

ENFORCEMENT

(Complaints, Filing)

SEC. 108. Section 309 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ENFORCEMENT

"SEC. 309. (a)(1) Any person who believes a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has occurred, may file a complaint with the Commission. Such complaint shall be in writing, signed and sworn to by the person filing such complaint, shall be notarized, and shall be made under penalty of perjury and subject to the provisions of section 1001 of title 18, United States Code. Within 5 days after receipt of a complaint, the Commission shall notify, in writing, any person alleged in the complaint to have committed such a violation. Before the Commission conducts any vote on the complaint, other than a vote to dismiss, any person so notified shall have the opportunity to demonstrate, in writing, to the Commission within 15 days after notification that no action should be taken against such person on the basis of the complaint. The Commission may not conduct any investigation or take any other action under this section solely on the basis of a complaint of a person whose identity is not disclosed to the Commission.

"(2) If the Commisssion, upon receiving a complaint under paragraph (1) or on the basis of information ascertained in the normal course of carrying out its supervisory responsibilities, determines, by an affirmative vote of 4 of its members, that it has reason to believe that a person has committed, or is about to commit, a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall, through its chairman or vice chairman, notify the person of the alleged violation. Such notification shall set forth the factual basis for such alleged violation. The Commission shall make an investigation of such alleged violation, which may include a field investigation or audit, in accordance with the provisions of this section.

(Notification of Respondent)

"(3) The general counsel of the Commission shall notify the respondent of any recommendation to the Commission by the general counsel to proceed to a vote on probable cause pursuant to paragraph

(4)(A)(i). With such notification, the general counsel shall include a brief stating the position of the general counsel on the legal and factual issues of the case. Within 15 days of receipt of such brief, respondent may submit a brief stating the position of such respondent on the legal and factual issues of the case, and replying to the brief of general counsel. Such briefs shall be filed with the Secretary of the Commission and shall be considered by the Commission before proceeding under paragraph (4).

"(4)(A)(i) Except as provided in clause (ii), if the Commission determines, by an affirmative vote of 4 of its members, that there is probable cause to believe that any person has committed, or is about to commit, a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall attempt, for a period of at least 30 days, to correct or prevent such violation by informal methods of conference, conciliation, and persuasion, and to enter into a conciliation agreement with any person involved. Such attempt by the Commission to correct or prevent such violation may continue for a period of not more than 90 days. The Commission may not enter into a conciliation agreement under this clause except pursuant to an affirmative vote of 4 of its members. A conciliation agreement, unless violated, is a complete bar to any further action by the Commission, including the bringing of a civil proceeding under paragraph (6)(A).

"(ii) If any determination of the Commission under clause (i) occurs during the 45-day period immediately preceding any election, then the Commission shall attempt, for a period of at least 15 days, to correct or prevent the violation involved by the methods specified in clause (i).

"(B)(i) No action by the Commission or any person, and no information derived, in connection with any conciliation attempt by the Commission under subparagraph (A) may be made public by the Commission without the written consent of the respondent and the Commission.

(Conciliation Agreements)

"(ii) If a conciliation agreement is agreed upon by the Commission and the respondent, the Commission shall make public any conciliation agreement signed by both the Commission and the respondent. If the Commission makes a determination that a person has not violated this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the Commission shall make public such determination.

"(5)(A) If the Commission believes that a violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may include a requirement that the person involved in such conciliation agreement shall pay a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation.

"(B) If the Commission believes that a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954 has been committed, a conciliation agreement entered into by the Commission under paragraph (4)(A) may require that the person involved in such conciliation agreement shall pay a

civil penalty which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(C) If the Commission by an affirmative vote of 4 of its members, determines that there is probable cause to believe that a knowing and willful violation of this Act which is subject to subsection (d), or a knowing and willful violation of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, has occurred or is about to occur, it may refer such apparent violation to the Attorney General of the United States without regard to any limitations set forth in paragraph (4)(A).

"(D) In any case in which a person has entered into a conciliation agreement with the Commission under paragraph (4)(A) the Commission may institute a civil action for relief under paragraph (6)(A) if it believes that the person has violated any provision of such conciliation agreement. For the Commission to obtain relief in any civil action, the Commission need only establish that the person has violated, in whole or in part, any requirement of such conciliation agreement.

"(6)(A) If the Commission is unable to correct or prevent any violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, by the methods specified in paragraph (4)(A), the Commission may, upon an affirmative vote of 4 of its members, institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order (including an order for a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation) in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business.

"(B) In any civil action instituted by the Commission under subparagraph (A), the court may grant a permanent or temporary injunction, restraining order, or other order, including a civil penalty which does not exceed the greater of $5,000 or an amount equal to any contribution or expenditure involved in such violation, upon a proper showing that the person involved has committed, or is about to commit (if the relief sought is a prmanent or temporary injunction or a restraining order), a violation of this Act or chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

"(C) In any civil action for relief instituted by the Commission under subparagraph (A), if the court determines that the Commission has established that the person involved in such civil action has committed a knowing and willful violation of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court may impose a civil penalty which does not exceed the greater of $10,000 or an amount equal to 200 percent of any contribution or expenditure involved in such violation.

"(7) In any action brought under paragraph (5) or (6) subpenas for witnesses who are required to attend a United States district court may run into any other district.

"(8)(A) Any party aggrieved by an order of the Commission dismissing a complaint filed by such party under paragraph (1), or by a failure of the Commission to act on such complaint during the 120-

day period beginning on the date the complaint is filed, may file a petition with the United States District Court for the District of Columbia.

"(B) Any petition under subparagraph (A) shall be filed, in the case of a dismissal of a complaint by the Commission, within 60 days after the date of the dismissal.

"(C) In any proceeding under this paragraph the court may declare that the dismissal of the complaint or the failure to act is contrary to law, and may direct the Commission to conform with such declaration within 30 days, failing which the complainant may bring, in the name of such complainant, a civil action to remedy the violation involved in the original complaint.

"(9) Any judgment of a district court under this subsection may be appealed to the court of appeals, and the judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(10) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 310 of this Act).

"(11) If the Commission determines after an investigation that any person has violated an order of the court entered in a proceeding brought under paragraph (6), it may petition the court for an order to hold such person in civil contempt, but if it believes the violation to be knowing and willful it may petition the court for an order to hold such person in criminal contempt.

"(12) (A) Any notification or investigation made under this section shall not be made public by the Commission or by any person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(B) Any member or employee of the Commission, or any other person, who violates the provisions of subparagraph (A) shall be fined not more than $2,000. Any such member, employee, or other person who knowingly and willfully violates the provisions of subparagraph (A) shall be fined not more than $5,000.

"(b) Before taking any action under subsection (a) against any person who has failed to file a report required under section 304(a)(2)(A)(iii) for the calendar quarter immediately preceding the election involved, or in accordance with section 304(a)(2)(A)(i), the Commission shall notify the person of such failure to file the required reports. If a satisfactory response is not received within 4 business days after the date of notification, the Commission shall, pursuant to section 311(a)(7), publish before the election the name of the person and the report or reports such person has failed to file.

(Attorney General, Report to Commission)

"(c) Whenever the Commission refers an apparent violation to the Attorney General, the Attorney General shall report to the Commission any action taken by the Attorney General regarding the apparent violation. Each report shall be transmitted within 60 days after

the date the Commission refers an apparent violation, and every 30 days thereafter until the final disposition of the apparent violation.

"(d)(1)(A) Any person who knowingly and willfully commits a violation of any provision of this Act which involves the making, receiving, or reporting of any contribution or expenditure aggregating $2,000 or more during a calendar year shall be fined, or imprisoned for not more than one year, or both. The amount of this fine shall not exceed the greater of $25,000 or 300 percent of any contribution or expenditure involved in such violation.

"(B) In the case of a knowing and willful violation of section 316(b)(3), the penalties set forth in this subsection shall apply to a violation involving an amount aggregating $250 or more during a calendar year. Such violation of section 316(b)(3) may incorporate a violation of section 317(b), 320, or 321.

"(C) In the case of a knowing and willful violation of section 322, the penalties set forth in this subsection shall apply without regard to whether the making, receiving, or reporting of a contribution or expenditure of $1,000 or more is involved.

"(2) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, any defendant may evidence their lack of knowledge or intent to commit the alleged violation by introducing as evidence a conciliation agreement entered into between the defendant and the Commission under subsection (a)(4)(A) which specifically deals with the act or failure to act constituting such violation and which is still in effect.

"(3) In any criminal action brought for a violation of any provision of this Act or of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, the court before which such action is brought shall take into account, in weighing the seriousness of the violation and in considering the appropriateness of the penalty to be imposed if the defendant is found guilty, whether—

"(A) the specific act or failure to act which constitutes the violation for which the action was brought is the subject of a conciliation agreement entered into between the defendant and the Commission under subparagraph (a)(4)(A);

"(B) the conciliation agreement is in effect; and

"(C) the defendant is, with respect to the violation involved, in compliance with the conciliation agreement.".

ADMINISTRATIVE PROVISIONS

SEC. 109. Section 311 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"ADMINISTATIVE PROVISIONS

SEC. 311. (a) The Commission shall—

"(1) prescribe forms necessary to implement this Act;

"(2) prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting;

"(3) develop a filing, coding, and cross-indexing system consistent with the purposes of this Act;

(Public Inspection and Copying of Commission Reports and Statements)

"(4) within 48 hours after the time of the receipt by the Commission of reports and statements filed with it, make them available for public inspection, and copying, at the expense of the person requestiong such copying, except that any information copied from such reports or statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee. A political committee may submit 10 pseudonyms on each report filed in order to protect against the illegal use of names and addresses of contributors, provided such committee attaches a list of such pseudonyms to the appropriate report. The Clerk, Secretary, or the Commission shall exclude these lists from the public record;

(Record Retention)

"(5) keep such designations, reports, and statements for a period of 10 years from the date of receipt, except that designations, reports, and statements that relate solely to candidates for the House of Representatives shall be kept for 5 years from the date of their receipt;

(Indexing Requirements)

"(6)(A) compile and maintain a cumulative index of designations, reports, and statements filed under this Act, which index shall be published at regular intervals and made available for purchase directly or by mail;

"(B) compile, maintain, and revise a separate cumulative index of reports and statements filed by multi-candidate committees, including in such index a list of multi-candidate committees; and

"(C) compile and maintain a list of multi-candidate committees, which shall be revised and made available monthly;

"(7) prepare and publish periodically lists of authorized committees which fail to file reports as required by this Act;

(Rules and Regulations)

"(8) prescribe rules, regulations, and forms to carry out the provisions of this Act, in accordance with the provisions of subsection (d);

(Report to President and Congress)

"(9) transmit to the President and to each House of the Congress no later than June 1 of each year, a report which states in detail the activities of the Commission in carrying out its duties under this Act, and any recommendations for any legislative or other action the Commission considers appropriate; and

(National Clearinghouse)

"(10) serve as a national clearinghouse for the compilation of information and review of procedures with respect to the administration of Federal elections. The Commission may enter into contracts

for the purpose of conducting studies under this paragraph. Reports or studies made under this paragraph shall be available to the public upon the payment of the cost thereof, except that copies shall be made available without cost, upon request, to agencies and branches of the Federal Government.

(Audits and Field Investigations)

"(b) The Commission may conduct audits and field investigations of any political committee required to file a report under section 304 of this Act. All audits and field investigations concerning the verification for, and receipt and use of, any payments received by a candidate or committee under chapter 95 or chapter 96 of the Internal Revenue Code of 1954 shall be given priority. Prior to conducting any audit under this subsection, the Commission shall perform an internal review of reports filed by selected committees to determine if the reports filed by a particular committee meet the threshold requirements for substantial compliance with the Act. Such thresholds for compliance shall be established by the Commission. The Commission may, upon an affirmative vote of 4 of its members, conduct an audit and field investigation of any committee which does meet the threshold requirements established by the Commission. Such audit shall be commenced within 30 days of such vote, except that any audit of an authorized committee of a candidate, under the provisions of this subsection, shall be commenced within 6 months of the election for which such committee is authorized.

"(c) Any forms prescribed by the Commission under subsection (a)(1), and any information-gathering activities of the Commission under this Act, shall not be subject to the provisions of section 3512 of title 44, United States Code.

(Proposals, Transmittals to Congress)

"(d)(1) Before prescribing any rule, regulation, or form under this section or any other provision of this Act, the Commission shall transmit a statement with respect to such rule, regulation, or form to the Senate and the House of Representatives, in accordance with this subsection. Such statement shall set forth the proposed rule, regulation, or form, and shall contain a detailed explanation and justification of it.

"(2) If either House of the Congress does not disapprove by resolution any proposed rule or regulation submitted by the Commission under this section within 30 legislative days after the date of the receipt of such proposed rule or regulation or within 10 legislative days after the date of receipt of such proposed form, the Commission may prescribe such rule, regulation, or form.

("Legislative Day")

"(3) For purposes of this subsection, the term 'legislative day' means, with respect to statements transmitted to the Senate, any calendar day on which the Senate is in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is in session.

("Rule" and "Regulation")

"(4) For purposes of this subsection, the terms 'rule' and 'regulation' mean a provision or series of interrelated provisions stating a single, separable rule of law.

"(5) (A) A motion to discharge a committee of the Senate from the consideration of a resolution relating to any such rule, regulation, or form or a motion to proceed to the consideration of such a resolution, is highly privileged and shall be decided without debate.

"(B) Whenever a committee of the House of Representatives reports any resolution relating to any such form, rule or regulation, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and is not in order to move to reconsider the vote by which the motion is agreed to or disagreed with.

(Rules and Regulations, Compliance)

"(e) Notwithstanding any other provision of law, any person who relies upon any rule or regulation prescribed by the Commission in accordance with the provisions of this section and who acts in good faith in accordance with such rule or regulation shall not, as a result of such act, be subject to any sanction provided by this Act or by chapter 95 or chapter 96 of the Internal Revenue Code of 1954.

(Annual Report to Congress)

"(f) In prescribing such rules, regulations, and forms under this section, the Commission and the Internal Revenue Service shall consult and work together to promulgate rules, regulations, and forms which are mutually consistent. The Commission shall report to the Congress annually on the steps it has taken to comply with this subsection.".

STATEMENTS FILED WITH STATE OFFICERS

SEC. 110. Section 312 of the Act, as so redesignated in section 105(a)(4), is amended to read as follows:

"STATEMENTS FILED WITH STATE OFFICERS

"SEC. 312. (a)(1) A copy of each report and statement required to be filed by any person under this Act shall be filed by such person with the Secretary of State (or equivalent State officer) of the appropriate State, or, if different, the officer of such State who is charged by State law with maintaining State election campaign reports. The chief executive officer of such State shall designate any such officer and notify the Commission of any such designation.

"(2) For purposes of this subsection, the term 'appropriate State' means—.

"(A) for statements and reports in connection with the campaign for nomination for election of a candidate to the office of President or Vice President, each State in which an expenditure is made on behalf of the candidate; and

"(B) for statements and reports in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, the State in which the candidate seeks election; except that political committees other than authorized committees are only required to file, and Secretaries of State required to keep, that portion of the report applicable to candidates seeking election in that State.

"(b) The Secretary of State (or equivalent State officer), or the officer designated under subsection (a)(1), shall—

"(1) receive and maintain in an orderly manner all reports and statements required by this Act to be filed therewith;

(Record Retention)

"(2) keep such reports and statements (either in original filed form or in facsimile copy by microfilm or otherwise) for 2 years after their date of receipt;

(Public Inspection and Copying)

"(3) make each report and statement filed therewith available as soon as practicable (but within 48 hours of receipt) for public inspection and copying during regular business hours, and permit copying of any such report or statement by hand or by duplicating machine at the request of any person, except that such copying shall be at the expense of the person making the request; and

"(4) compile and maintain a current list of all reports and statements pertaining to each candidate.".

PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

SEC. 111. Section 318 of the Act, as so redesignated in section 105(a)(5), is amended to read is follows:

"PUBLICATION AND DISTRIBUTION OF STATEMENTS AND SOLICITATIONS

(Authorizing and Funding Courses, Identification)

"SEC. 318. (a) Whenever any person makes an expenditure for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate, or solicits any contribution through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public political advertising, such communication—

"(1) if paid for and authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication has been paid for by such authorized political committee, or

"(2) if paid for by other persons but authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state that the communication is paid for by such

other persons and authorized by such authorized political committee;

"(3) if not authorized by a candidate, an authorized political committee of a candidate, or its agents, shall clearly state the name of the person who paid for the communication and state that the communication is not authorized by any candidate or candidate's committee.

(Newspaper or Magazine Fees)

"(b) No person who sells space in a newspaper or magazine to a candidate or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.".

TECHNICAL AMENDMENTS

SEC. 112. (a) Section 305 of the Act, as so redesignated in section 105(a)(2), is amended—

(1) by striking out "sixty" an inserting in lieu thereof "60";

(2) by striking out "twenty" and inserting in lieu thereof "20"; and

(3) by striking out "Federal Election".

(b) Section 306(c) of the Act, as so redesignated in section 105(a)(3), is amended by striking out "section 310(a)" and inserting in lieu thereof "section 307(a)".

(c) Section 310(a) of the Act, as so redesignated in section 105(a)(4) is amended by striking out "of the United States" the first place it appears therein.

(d) The first sentence of section 316(b)(4)(B) of the Act, as so redesignated in section 105(a)(5), is amended by striking out "it" and inserting in lieu therefore "It".

(e)(1) Section 403(a) of the Domestic Volunteer Service Act of 1973 is amended—

(A) by striking out "section 301(a)" and inserting in lieu thereof "section 301(1)"; and

(B) by striking out "section 301(c)" and inserting in lieu thereof "section 301(3)".

(2) Section 6 of the Department of State Appropriations Authorization Act of 1973 is amended by striking out "section 301(e)" and inserting in lieu thereof "section 301(8)".

USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

SEC. 113. Section 313 of the Act (as redesignated by section 105(4)) is amended to read as follows:

"USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

"SEC. 313. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his or her activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray

any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office, may be contributed to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose, including transfers without limitation to any national, State, or local committee of any political party; except that, with respect to any individual who is not a Senator or Representative in, or Delegate or Resident Commissioner to the Congress on the date of the enactment of the Federal Election Campaign Act Amendments of 1979, no such amounts may be converted by any person to any personal use, other than to defray any ordinary and necessary expenses incurred in connection with his or her duties as a holder of Federal office.".

TITLE II—AMENDMENTS TO OTHER LAWS

MISCELLANEOUS AMENDMENTS TO TITLE 18, UNITED STATES CODE

(Repeal)

SEC. 201. (a)(1) Chapter 29 of title 18, United States Code, is amended by striking out section 591.

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 591.

(3) Section 602 of such title is amended to read as follows:

"SOLICITATION OF POLITICAL CONTRIBUTIONS

"SEC. 602. It shall be unlawful for—

"(1) a candidate for the Congress;

"(2) an individual elected to or serving in the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

"(3) an officer or employee of the United State or any department or agency thereof; or

"(4) a person receiving any salary or compensation for services from money derived from the Treasury of the United States to knowingly solicit, any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.".

(4) Section 603 of such title is amended to read as follows:

"MAKING POLITICAL CONTRIBUTIONS

"SEC. 603. (a) It shall be unlawful for an officer or employee of the United States or any department or agency thereof, or a person receiving any salary or compensation for services from money derived from the Treasury of the United States, to make any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 to any other such officer, employee or person or to any Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, if the person reeciving such contribution is the employer or employing authority of the person making the contribu-

tion. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.

"(b) For purposes of this section, a contribution to an authorized committee as defined in section 302(e)(1) of the Federal Election Campaign Act of 1971 shall be considered a contribution to the individual who has authorized such committee.".

(5) Section 607 of such title is amended to read as follows:

"PLACE OF SOLICITATION

"SEC. 607. (a) It shall be unlawful for any person to solicit or receive any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 in any room or building occupied in the discharge of official duties by any person mentioned in section 603, or in any navy yard, fort, or arsenal. Any person who violates this section shall be fined not more than $5,000 or imprisoned not more than three years, or both.

"(b) The prohibition in subsection (a) shall not apply to the receipt of contributions by persons on the staff of a Senator or Representative in, or Delegate or Resident Commissioner to, the Congress, provided, that such contributions have not been solicited in any manner which directs the contributor to mail or deliver a contribution to any room, building, or other facility referred to in subsection (a), and provided that such contributions are transferred within seven days of receipt to a political committee within the meaning of section 302(e) of the Federal Election Campaign Act of 1971.".

MISCELLANEOUS AMENDMENT TO THE INTERNAL REVENUE CODE OF 1954

SEC. 202. Section 9008(b) of the Internal Revenue Code of 1954 is amended by striking at the end thereof the figure "$2,000,000" and inserting in lieu thereof "$3,000,000".

MISCELLANEOUS AMENDMENT TO TITLE 5, UNITED STATES CODE

SEC. 203. Section 3132(a)(1) of title 5, United States Code, is amended—

(1) by adding "or" after the semicolon at the end of subparagraph (B); and

(2) by adding the following new subparagraph at the end thereof:

"(C) the Federal Election Commission;".

TITLE III—GENERAL PROVISIONS

EFFECTIVE DATES

SEC. 301. (a) Except as provided in subsection (b), the amendments made by this Act are effective upon enactment.

(b) For authorized committees of candidates for President and Vice President, section 304(b) of the Federal Election Campaign Act of 1971 shall be effective for elections occurring after January 1, 1981.

VOTING SYSTEM STUDY

(Report to Congress)

SEC. 302. The Federal Election Commission, with the cooperation and assistance of the National Bureau of Standards, shall conduct a preliminary study with respect to the future development of voluntary engineering and procedural performance standards for voting systems used in the United States. The Commission shall report to the Congress the results of the study, and such report shall include recommendations, if any, for the implementation of a program of such standards (including estimates of the costs and time requirements of implementing such a program). The cost of the study shall be paid out of any funds otherwise available to defray the expenses of the Commission.

TRANSITION PROVISIONS

(Proposed Rules and Regulations, Transmittal to Congress)

SEC. 303. (a) The Federal Election Commission shall transmit to the Congress proposed rules and regulations necessary for the purpose of implementing the provisions of this Act, and the amendments made by this Act, prior to February 29, 1980.

(b) The provisions of section 311(d) of the Federal Election Campaign Act of 1971 allowing disapproval of rules and regulations by either House of Congress within 30 legislative days after receipt shall, with respect to rules and regulations required to be proposed under subsection (a) of this section, be deemed to allow such disapproval within 15 legislative days after receipt.

○