

105TH CONGRESS
1ST SESSION

H. R. 1039

To reform campaign practices for elections to the House of Representatives by limiting contributions from political action committees, establishing tax credits for individual campaign contributions, providing matching funds for individual small contributions, limiting the use of personal funds in a campaign, offsetting independent expenditures, encouraging the use of longer campaign commercials, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 1997

Mr. KANJORSKI introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committees on Ways and Means and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reform campaign practices for elections to the House of Representatives by limiting contributions from political action committees, establishing tax credits for individual campaign contributions, providing matching funds for individual small contributions, limiting the use of personal funds in a campaign, offsetting independent expenditures, encouraging the use of longer campaign commercials, and for other purposes.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “House of Representa-
3 tives Election Campaign Reform Act of 1997”.

4 **SEC. 2. LIMITATION ON CONTRIBUTIONS TO HOUSE OF**
5 **REPRESENTATIVES CANDIDATES BY POLITI-**
6 **CAL ACTION COMMITTEES.**

7 Section 315(a)(2)(A) of the Federal Election Cam-
8 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended
9 by striking out “\$5,000” and inserting in lieu thereof
10 “\$2,000”.

11 **SEC. 3. CREDIT FOR CONTRIBUTIONS TO CONGRESSIONAL**
12 **CAMPAIGNS.**

13 (a) GENERAL RULE.—Part IV of subchapter A of
14 chapter 1 of the Internal Revenue Code of 1986 is amend-
15 ed by inserting a new section 24 as follows:

16 **“SEC. 24. CONTRIBUTIONS TO CONGRESSIONAL CAM-**
17 **PAIGNS.**

18 “(a) GENERAL RULE.—In the case of an individual,
19 there shall be allowed, subject to the limitations of sub-
20 section (b), as a credit against the tax imposed by this
21 chapter, an amount equal to 100 percent of any congres-
22 sional contribution which is made by such individual with-
23 in the taxable year, as defined in subsection (c)(1).

24 “(b) LIMITATIONS.—

25 “(1) The credit allowed by subsection (a) for a
26 taxable year shall not exceed an aggregate of \$200

1 (\$400 in the case of a joint return) for all congres-
2 sional contributions by an individual in said year.

3 “(2) The credit under subsection (a) shall not
4 be allowed with respect to a congressional contribu-
5 tion, if the contribution is transmitted to the can-
6 didate or a campaign committee of the candidate
7 through an intermediary group, organization, or
8 committee.

9 “(c) DEFINITIONS.—For purposes of this subsection:

10 “(1) The term ‘congressional contribution’
11 means a contribution or gift of money, payment of
12 which is made during the taxable year, to an individ-
13 ual who is a candidate for nomination or election to
14 the office of Representative in, or Delegate or Resi-
15 dent Commissioner to, the Congress of the United
16 States in any primary, general, or special election,
17 and which—

18 “(A) is from a taxpayer (or either spouse
19 in the case of a joint return) who is a resident
20 of the State in which the election is held; and

21 “(B) is solely for the use by the recipient
22 to further his candidacy for nomination or elec-
23 tion to such office.

24 “(2) The term ‘candidate’ means an individual
25 who—

1 “(A) publicly announces before the close of
 2 the calendar year in which the contribution or
 3 gift is made that he is a candidate for nomina-
 4 tion or election to one of the offices specified in
 5 paragraph (1); and

6 “(B) meets the qualifications prescribed by
 7 law to hold such office.”.

8 (b) CLERICAL AMENDMENT.—The table of sections
 9 for part IV of subchapter A of chapter 1 of such code
 10 is amended by inserting after the item relating to section
 11 23 the following new item:

“Sec. 24. Contributions to Congressional Campaigns.”.

12 (c) EFFECTIVE DATE.—The amendments made by
 13 this section shall apply to contributions made after De-
 14 cember 31, 1997, in taxable years ending after that date.

15 (d) The Federal Election Commission shall issue reg-
 16 ulations providing for the biennial indexing of the tax
 17 credit established under this section.

18 **SEC. 4. DESIGNATION OF INCOME TAX PAYMENTS TO THE**
 19 **HOUSE OF REPRESENTATIVES CAMPAIGN**
 20 **TRUST FUND.**

21 (a) IN GENERAL.—Subchapter A of chapter 61 of the
 22 Internal Revenue Code of 1986 (relating to returns and
 23 records) is amended by adding at the end the following
 24 new part:

1 **“PART IX—DESIGNATION OF INCOME TAX PAY-**
2 **MENTS TO BE USED FOR THE HOUSE OF**
3 **REPRESENTATIVES CAMPAIGN TRUST FUND**

“Sec. 6097. Designation by individuals.

4 **“SEC. 6097. DESIGNATION BY INDIVIDUALS.**

5 “(a) IN GENERAL.—Every individual whose adjusted
6 income tax liability for the taxable year is \$2 or more may
7 designate that \$2 shall be paid over to the House of Rep-
8 resentatives Campaign Trust Fund.

9 “(b) ADJUSTED INCOME TAX LIABILITY.—For pur-
10 poses of this section, the adjusted income tax liability of
11 an individual is the tax liability of such individual (as de-
12 termined under subsection (b) of section 6096) for the tax-
13 able year reduced by the amount designated under section
14 6096 (relating to designation of income tax payments to
15 Presidential Election Campaign Fund) for such taxable
16 year.

17 “(c) JOINT RETURNS.—In the case of a joint return
18 showing adjusted income tax liability of \$2 or more, each
19 spouse may designate that \$2 shall be paid over to the
20 House of Representatives Campaign Trust Fund.

21 “(d) MANNER AND TIME OF DESIGNATION.—Sub-
22 section (c) of section 6096 shall apply to the manner and
23 time of the designation under this section.”.

1 (b) CLERICAL AMENDMENT.—The table of parts for
 2 such subchapter A is amended by adding at the end the
 3 following new item:

“Part IX. Designation of income tax payments to be used for the
 House of Representatives Campaign Trust Fund.”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to taxable years beginning
 6 after December 31, 1997.

7 **SEC. 5. ESTABLISHMENT OF THE HOUSE OF REPRESENTA-**
 8 **TIVES CAMPAIGN TRUST FUND.**

9 (a) IN GENERAL.—Subchapter A of chapter 98 of the
 10 Internal Revenue Code of 1986 (relating to Trust Fund
 11 Code) is amended by adding at the end the following new
 12 section:

13 **“SEC. 9511. HOUSE OF REPRESENTATIVES CAMPAIGN**
 14 **TRUST FUND.**

15 “(a) CREATION OF TRUST FUND.—There is estab-
 16 lished in the Treasury of the United States a trust fund
 17 to be known as the ‘House of Representatives Campaign
 18 Trust Fund’, consisting of such amounts as may be appro-
 19 priated or credited to such trust fund as provided in this
 20 section or section 9602(b).

21 “(b) TRANSFER TO FUND OF AMOUNTS DESIGNATED
 22 BY INDIVIDUALS.—There is hereby appropriated to the
 23 House of Representatives Campaign Trust Fund amounts
 24 equivalent to the amounts designated under section 6097.

1 “(c) EXPENDITURE FROM FUND.—Amounts in the
2 House of Representatives Campaign Trust Fund shall be
3 available to provide matching payments in accordance with
4 section 325 of the Federal Election Campaign Act of
5 1971. Expenditures from the Fund shall be made, in such
6 manner as the Federal Election Commission may pre-
7 scribe by regulation, to each candidate who certifies to the
8 Commission that the candidate and the authorized com-
9 mittees of the candidate have received contributions total-
10 ing not less than \$25,000, in contributions of \$200 or less
11 from individual contributors who are residents of the State
12 from which the candidate is running for nomination or
13 election to the office of Representative in, or Delegate or
14 Resident Commissioner to, the Congress of the United
15 States.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for such subchapter A is amended by adding at the end
18 the following new item:

“Sec. 9511. House of Representatives Campaign Trust Fund.”.

1 **SEC. 6. AMENDMENT TO THE FEDERAL ELECTION CAM-**
2 **PAIGN ACT OF 1971 RELATING TO REPORTING**
3 **OF INDIVIDUAL RESIDENT CONTRIBUTIONS**
4 **IN ELECTIONS FOR THE OFFICE OF**
5 **REPRESENTATIVE.**

6 (a) IN GENERAL.—Title III of the Federal Election
7 Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended
8 by adding at the end the following new section:

9 “REPORTING OF INDIVIDUAL RESIDENT CONTRIBUTIONS
10 IN ELECTIONS FOR THE OFFICE OF REPRESENTATIVE
11 “SEC. 324. (a) Each primary election or general elec-
12 tion candidate for the office of Representative in, or Dele-
13 gate or Resident Commissioner to, the Congress of the
14 United States who desires to receive matching payments
15 under section 325 shall report to the Commission all con-
16 tributions received by the candidate and the authorized
17 committees of the candidate totaling not less than
18 \$25,000, in contributions of \$200 or less from individual
19 contributors who are residents of the State from which
20 the candidate is running for nomination or election to the
21 office of Representative in, or Delegate or Resident Com-
22 missioner to, the Congress of the United States.

23 “(b) For purposes of making matching payments
24 from the House of Representatives Campaign Trust Fund,
25 the Commission shall certify to the Secretary of the Treas-
26 ury the amounts reported under subsection (a).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to elections taking place after
3 December 31, 1996.

4 **SEC. 7. AMENDMENT TO THE FEDERAL ELECTION CAM-**
5 **PAIGN ACT OF 1971 RELATING TO MATCHING**
6 **PAYMENTS FROM THE HOUSE OF REP-**
7 **RESENTATIVES CAMPAIGN TRUST FUND.**

8 (a) IN GENERAL.—Title III of the Federal Election
9 Campaign Act of 1971 (2 U.S.C. 301 et seq.), as amended
10 by section 6, is further amended by adding at the end the
11 following new section:

12 “MATCHING PAYMENTS FROM THE HOUSE OF
13 REPRESENTATIVES CAMPAIGN TRUST FUND

14 “SEC. 325. (a) ELIGIBILITY FOR MATCHING
15 FUNDS.—A primary election or general election candidate
16 for the office of Representative who, under section 324,
17 reports to the Commission that the candidate and the au-
18 thorized committees of the candidate have received con-
19 tributions totaling at least \$25,000, in contributions of
20 \$200 or less from individual contributors who are resi-
21 dents of the State from which the candidate is running,
22 shall be entitled to matching payments from the House
23 of Representatives Campaign Trust Fund under section
24 9511 of the Internal Revenue Code of 1986 in an amount

1 equal to the aggregate total of the first \$200 in contribu-
2 tions from individuals who are residents of the State from
3 which the candidate is running.

4 “(b) MAXIMUM MATCHING BENEFIT.—The aggre-
5 gate total of matching payments a primary election or gen-
6 eral election candidate may receive as provided under sub-
7 section (a) shall not exceed \$300,000 in any election.

8 “(c) RESTRICTION ON ELIGIBILITY FOR MATCHING
9 FUNDS.—

10 “(1) A primary election or general election can-
11 didate for the office of Representative who, under
12 subsection (a) would qualify for matching funds
13 must certify to the Commission, under penalty of
14 perjury, that neither the candidate nor any members
15 of the candidate’s family, will furnish (by contribu-
16 tion, loan, or otherwise) from the personal funds of
17 the candidate or the candidate’s family an aggregate
18 amount exceeding \$100,000 with respect to the elec-
19 tion.

20 “(2) Any person who violates the provisions of
21 paragraph (1) shall be fined not more than \$25,000,
22 or imprisoned not more than five years, or both. Any
23 officer, employee, or agent of any political committee
24 who knowingly consents to any expenditure in viola-
25 tion of the provisions of paragraph (1) shall be fined

1 not more than \$25,000, or imprisoned not more
2 than five years, or both.

3 “(3) For the purposes of paragraph (1), the
4 term ‘candidate’s family’ means an individual who is
5 related to the candidate as father, mother, son,
6 daughter, brother, sister, grandfather, grandmother,
7 grandson, granddaughter, uncle, aunt, first cousin,
8 nephew, niece, husband, wife, father-in-law, mother-
9 in-law, son-in-law, daughter-in-law, brother-in-law,
10 sister-in-law, grandfather-in-law, grandmother-in-
11 law, stepfather, stepmother, stepson, stepdaughter,
12 stepbrother, stepsister, half brother, or half sister.

13 “(d) ADDITIONAL MATCHING FUNDS.—If a can-
14 didate refuses to make the certification required under
15 subsection (c), all other candidates eligible under sub-
16 section (a), with respect to that primary or general elec-
17 tion, shall be entitled to matching payments from the
18 House of Representatives Campaign Trust Fund under
19 section 9511 of the Internal Revenue Code of 1986 in an
20 amount equal to the total of all contributions they receive
21 from individuals regardless of State of residence of the
22 contributors and for amounts up to \$1,000.

1 “(e) COMPENSATION TO OPPONENTS OF CAN-
2 DIDATES WHO VIOLATE THE PERSONAL FUNDS LIMITA-
3 TION CERTIFICATION.—If a candidate is found under sub-
4 section (c)(2) to have violated the provisions of subsection
5 (c)(1), all other candidates eligible under subsection (a),
6 with respect to that primary or general election, shall be
7 entitled to payments from the House of Representatives
8 Campaign Trust Fund under section 9511 of the Internal
9 Revenue Code of 1986 in an amount equal to the amount
10 in excess of \$100,000 as provided under subsection (c)(1).

11 “(f) INDEPENDENT EXPENDITURES OFFSET.—

12 “(1) If a candidate certified under subsection
13 (c) is notified by the Commission, as provided under
14 section 304 (d) or (e) of the Federal Election Cam-
15 paign Act (2 U.S.C. 434) that independent expendi-
16 tures are made during an election cycle by one or
17 more person or entity aggregating an amount in ex-
18 cess of \$10,000 in opposition to such certified can-
19 didate or for an opponent of such candidate, the no-
20 tified candidate shall be entitled to payments from
21 the House of Representatives Campaign Trust Fund
22 under section 9511 of the Internal Revenue Code of
23 1986 in an amount equal to 300 percent of the
24 amount of such independent expenditures.

1 “(2) Any person or entity found by the Com-
2 mission to have willfully or intentionally sought to
3 subvert the intent of this subsection shall be fined
4 not more than \$25,000, or imprisoned not more
5 than five years, or both.

6 “(g) REPAYMENT OF TRUST FUND FROM EXCESS
7 FUNDS.—

8 “(1) If at the conclusion of a primary election
9 or general election in which a candidate who has re-
10 ceived payments from the House of Representatives
11 Campaign Trust Fund under section 9511 of the In-
12 ternal Revenue Code of 1986 has excess campaign
13 funds attributable to that election, such candidate
14 shall within thirty days refund to the trust fund the
15 amount of the excess campaign funds which equals
16 the pro rata share that payments provided to such
17 candidate from the trust fund accounted for of such
18 candidate’s total aggregated receipts from all
19 sources with respect to such election.

20 “(2) In no case shall the amount of refund re-
21 quired under paragraph (1) exceed the total aggre-
22 gated payments provided to such candidate from the
23 trust fund with respect to that election.

1 “(h) INDEXING REGULATION.—The Federal Election
 2 Commission shall issue regulations providing for the bien-
 3 nial indexing of the provisions of subsections (a) and (b).”.

4 (b) EFFECTIVE DATE.—The amendment made by
 5 this section shall apply to elections taking place after
 6 December 31, 1996.

7 **SEC. 8. AMENDMENTS TO SECTION 304 OF THE FEDERAL**
 8 **ELECTION CAMPAIGN ACT OF 1971 WITH RE-**
 9 **SPECT TO INDEPENDENT EXPENDITURES.**

10 Section 304 of the Federal Election Campaign Act
 11 of 1971 (2 U.S.C. 434) is amended by adding at the end
 12 the following:

13 “(d)(1) Any independent expenditures made, or obli-
 14 gated to be made, by any person or entity in an election
 15 for the office of Representative in, or Delegate or Resident
 16 Commissioner to, the Congress which in the aggregate
 17 total more than \$10,000 shall be reported by such person
 18 or entity to the Commission within twenty-four hours after
 19 such independent expenditures are made. Thereafter, any
 20 independent expenditures by such person or entity in the
 21 same election cycle shall be reported by such person or
 22 entity to the Commission within twenty-four hours after
 23 such expenditures are made or obligated.

24 “(2) Such statements shall be filed with the Commis-
 25 sion and the Secretary of State for the State involved and

1 shall contain a statement under penalty of perjury by the
2 person or entity making the independent expenditures, or
3 by the person or entity incurring the obligation to make
4 such expenditures, as the case may be, indicating whom
5 the independent expenditures are actually intended to help
6 elect or defeat. The Commission shall notify each can-
7 didate in the election of each such report within twenty-
8 four hours after the report is made.

9 “(3) Notwithstanding the reporting requirements es-
10 tablished in this paragraph, the Commission may make
11 its own determination that a person or entity has made,
12 or has incurred obligations to make, independent expendi-
13 tures with respect to any election for the office of Rep-
14 resentative in, or Delegate or Resident Commissioner to,
15 the Congress which in the aggregate totals more than
16 \$10,000.

17 “(4) The Commission shall notify each candidate in
18 the election about each such determination within twenty-
19 four hours after each such determination is made.

20 “(5) For purposes of this section, an expenditure will
21 be deemed to be made when it is incurred.

22 “(e) When two or more persons or entities, in co-
23 operation, consultation, or concert with each other, make,
24 or obligate to make, independent expenditures during any
25 general, primary, or runoff election period for the office

1 of Representative in, or Delegate or Resident Commis-
 2 sioner to, the Congress each such person or entity shall
 3 report to the Commission, under subsection (d), the
 4 amount of such expenditure or expenditures made by each
 5 such person or entity in coordination, consultation, or con-
 6 cert with such other person, persons, entity, or entities
 7 when the total amount of all expenditures made by such
 8 persons or entities in coordination, consultation, or concert
 9 with each other exceeds the applicable amount provided
 10 in such subsection.”.

11 **SEC. 9. AMENDMENTS RELATING TO BROADCAST MEDIA**
 12 **RATES AND DISCLOSURES.**

13 (a) Section 315(b) of the Communications Act of
 14 1934 (47 U.S.C. 315(b)) is amended by inserting at the
 15 end thereof the following: “*Provided, however,* That in the
 16 case of a candidate who has made the certification re-
 17 quired under section 325(c) of the Federal Election Cam-
 18 paign Act of 1971, paragraph (1)(A) shall be applied with-
 19 out regard to the phrase ‘class and’ if the unit is at least
 20 one but not more than five minutes in length”.

21 (b) Section 318(a) of the Federal Election Campaign
 22 Act of 1971 (2 U.S.C. 441d(a)), is amended by—

23 (1) striking out the period at the end of para-
 24 graph 3 and inserting in lieu thereof; “;”; and

25 (2) adding at the end thereof the following:

1 “(4) if paid for or authorized by a candidate in
2 an election for the office of Representative in, or
3 Delegate or Resident Commissioner to, the Congress
4 who is a candidate, or the authorized committee of
5 such candidate, who has not made the certification
6 required under section 325(c) of the Federal Elec-
7 tion Campaign Act of 1971, such communication
8 shall also contain—

9 “(A) in the case of a radio broadcast sta-
10 tion the following oral, or

11 “(B) in the case of a television broadcast
12 state the following oral and printed, or

13 “(C) in the case of a newspaper, magazine,
14 outdoor advertising facility, direct mailing, or
15 any other type of general public political adver-
16 tising the following printed

17 sentence: ‘This candidate has not agreed to abide by
18 the spending limits for this congressional election
19 campaign set forth in the Federal Campaign Act.’.”.

20 **SEC. 10. PENALTIES.**

21 (a) It is unlawful for any person knowingly and will-
22 fully—

1 (1) to furnish any false, fictitious, or fraudulent
2 evidence, books, or information (including any cer-
3 tification, verification, notice, or report) to the Com-
4 mission under this Act, or to include in any evi-
5 dence, books, or information so furnished any mis-
6 representation of a material fact, or to falsify or
7 conceal any evidence, books, or information relevant
8 to a certification by the Commission under this Act;
9 or,

10 (2) to fail to furnish to the Commission any
11 records, books, or information requested by it for
12 purposes of this Act.

13 (b) Any person who violates the provisions of para-
14 graph (a)(1) shall be fined not more than \$10,000, or im-
15 prisoned not more than five years, or both.

16 **SEC. 11. RESTRICTIONS ON CONTROL OF CERTAIN TYPES**
17 **OF POLITICAL COMMITTEES BY CANDIDATES.**

18 Section 303 of the Federal Election Campaign Act
19 of 1971 (2 U.S.C. 432) is amended by adding at the end
20 the following:

21 “(j) A candidate for the office of Representative in,
22 or Delegate or Resident Commissioner to, the Congress

1 of the United States may not establish, maintain, or con-
2 trol a political committee, other than an authorized com-
3 mittee of the candidate or a committee of a political
4 party.”.

5 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

6 There are authorized to be appropriated to the Com-
7 mission such sums as may be necessary for the purpose
8 of carrying out its functions under this Act.

9 **SEC. 13. EFFECTIVE DATE.**

10 Except as otherwise provided in this Act, this Act
11 shall take effect after December 31, 1996.

12 **SEC. 14. SEVERABILITY.**

13 If any provision of this Act or any amendment made
14 to this Act, or the application of any such provision to
15 any person or circumstances is held invalid, the validity
16 of any other such provision, and the application of such
17 provision to other persons and circumstances shall not be
18 affected thereby.

○