

105TH CONGRESS
1ST SESSION

H. R. 2147

To amend the Federal Election Campaign Act of 1971 to prohibit the use of soft money by political parties and to require annual written authorization for the use of amounts withheld from an individual's wages or salary for political activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 1997

Mrs. LINDA SMITH of Washington (for herself, Mr. SANFORD, and Mr. WAMP) introduced the following bill; which was referred to the Committee on House Oversight

A BILL

To amend the Federal Election Campaign Act of 1971 to prohibit the use of soft money by political parties and to require annual written authorization for the use of amounts withheld from an individual's wages or salary for political activities, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Anti-Money Launder-
5 ing and Paycheck Accountability Act”.

1 **SEC. 2. BAN ON NON-FEDERAL FUNDS OF POLITICAL PAR-**
2 **TIES.**

3 Title III of the Federal Election Campaign Act of
4 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
5 end the following new section:

6 “BAN ON USE NON-FEDERAL FUNDS OF POLITICAL
7 PARTIES

8 “SEC. 323. (a) BAN DESCRIBED.—

9 “(1) IN GENERAL.—Except as otherwise pro-
10 vided in this section, no funds may be solicited, con-
11 tributed, or expended by any political party commit-
12 tee for purposes of any activity influencing an elec-
13 tion for Federal office (without regard to whether
14 the activity involved also influences any other elec-
15 tion) unless the funds are subject to the limitations,
16 prohibitions, and reporting requirements of this Act.

17 “(2) EXAMPLES OF ACTIVITIES COVERED.—For
18 purposes of paragraph (1), the following activities
19 shall be considered to be examples of activities influ-
20 encing an election for Federal office:

21 “(A) Voter registration.

22 “(B) Absentee ballot programs.

23 “(C) Get-out-the-vote programs.

24 “(D) Generic campaign activity.

25 “(E) The making or disseminating of any
26 communication which identifies (by name, like-

1 ness, or representation) any candidate for elec-
2 tion for Federal office.

3 “(b) FUNDS AVAILABLE FOR PARTY COMMUNICA-
4 TIONS WITH MEMBERS.—

5 “(1) IN GENERAL.—Subsection (a) shall not
6 apply with respect to funds solicited, contributed, or
7 expended by a political party committee for commu-
8 nications to the extent the communications are made
9 to members of the party, except that funds used for
10 any communications which are both for the purpose
11 of expressly advocating the election or defeat of a
12 specific candidate for election to Federal office and
13 for any other purpose shall be allocated among the
14 candidates involved on the basis of the time and
15 space allocated to the candidates.

16 “(2) PARTY MEMBERS DESCRIBED.—For pur-
17 poses of paragraph (1), an individual shall be con-
18 sidered to be a ‘member’ of a political party if any
19 of the following apply:

20 “(A) The individual is registered to vote as
21 a member of the party.

22 “(B) There is a public record that the indi-
23 vidual voted in the primary of the party during
24 the most recent primary election.

1 “(C) The individual has made a contribu-
2 tion to the party and the contribution has been
3 reported to the Commission (in accordance with
4 this Act) or to a State reporting agency.

5 “(D) The individual has indicated in writ-
6 ing that the individual is a member of the
7 party.

8 “(c) FUNDS AVAILABLE FOR STATE AND LOCAL
9 PARTY VOLUNTEER AND GRASSROOTS ACTIVITIES.—

10 “(1) IN GENERAL.—Subsection (a) shall not
11 apply with respect to funds solicited, contributed, or
12 expended by a political party committee for activities
13 described in paragraph (2), except that any pay-
14 ments which are both for the purpose of expressly
15 advocating the election or defeat of a specific can-
16 didate for election to Federal office and for any
17 other purpose shall be allocated among the can-
18 didates involved on the basis of the time and space
19 allocated to the candidates for such activities.

20 “(2) ACTIVITIES DESCRIBED.—The activities
21 described in this paragraph are as follows:

22 “(A) The listing of the slate of the party’s
23 candidates, including the communication of the
24 slate to the public.

1 “(B) The mailing of materials for or on
2 behalf of specific candidates by volunteers (in-
3 cluding labeling envelopes or affixing postage or
4 other indicia to particular pieces of mail), other
5 than the mailing of materials to a commercial
6 list.

7 “(C) Conducting a telephone bank for or
8 on behalf of specific candidates staffed by vol-
9 unteers.

10 “(D) The distribution of collateral mate-
11 rials (such as pins, bumper stickers, handbills,
12 brochures, posters, party tabloids, and yard
13 signs) for or on behalf of specific candidates
14 (whether by volunteers or otherwise).

15 “(d) LIMIT ON AMOUNT CONTRIBUTED FOR EX-
16 EMPTED PARTY-BUILDING ACTIVITIES.—No person may
17 make contributions to a political party committee for ac-
18 tivities described in subsection (b) or subsection (c) with
19 respect to an election in an aggregate amount in excess
20 of \$25,000. Any amounts contributed by an individual for
21 such activities shall be included in determining whether
22 the individual has made contributions in excess of the ag-
23 gregate annual limit on contributions provided in section
24 315(a)(3).

1 “(e) POLITICAL PARTY COMMITTEE DEFINED.—For
 2 purposes of this section, the term ‘political party commit-
 3 tee’ means a political committee which is a national, State,
 4 district, or local political party committee (including any
 5 subordinate committee thereof).”.

6 **SEC. 3. REQUIRING ANNUAL WRITTEN AUTHORIZATION**
 7 **FOR USE OF PAYROLL DEDUCTIONS FOR PO-**
 8 **LITICAL ACTIVITIES.**

9 Title III of the Federal Election Campaign Act of
 10 1971 (2 U.S.C. 431 et seq.), as amended by section 2,
 11 is further amended by adding at the end the following new
 12 section:

13 “REQUIRING ANNUAL WRITTEN AUTHORIZATION FOR USE
 14 OF PAYROLL DEDUCTIONS FOR POLITICAL ACTIVITIES

15 “SEC. 324. (a) REQUIREMENTS FOR AUTHORIZATION
 16 OF DEDUCTION.—

17 “(1) IN GENERAL.—No amounts withheld from
 18 an individual’s wages or salary during a year may be
 19 used by any person receiving the withheld amounts
 20 for any political activity unless there is in effect an
 21 authorization in writing by the individual permitting
 22 the withholding of such amounts for such activities.

23 “(2) PERIOD OF AUTHORIZATION.—An author-
 24 ization described in this subsection may be in effect
 25 with respect to an individual for such period as the
 26 individual may specify (subject to cancellation under

1 paragraph (3)), except that the period may not be
2 longer than 12 months.

3 “(3) RIGHT OF CANCELLATION.—An individual
4 with an authorization in effect under this subsection
5 may cancel or revise the authorization at any time,
6 and any such cancellation or revision shall apply to
7 amounts used after the date of the cancellation or
8 revision.

9 “(4) POLITICAL ACTIVITY DEFINED.—In this
10 section, the term ‘political activity’ means—

11 “(A) attempting to influence legislation;

12 “(B) participating or intervening in (in-
13 cluding the publishing or distributing of state-
14 ments) any political campaign on behalf of (or
15 in opposition to) any candidate for public office;
16 or

17 “(C) influencing or attempting to influence
18 the selection, nomination, election, or appoint-
19 ment of any individual to any Federal, State, or
20 local public office or to any office in a political
21 party, committee, association or fund.

22 “(b) INFORMATION PROVIDED BY WITHHOLDING
23 ENTITY.—

24 “(1) IN GENERAL.—Each entity withholding
25 wages or salary from an individual with an author-

1 ization in effect under subsection (a) shall provide
 2 the individual with a statement that the individual
 3 may at any time cancel or revise the authorization
 4 in accordance with subsection (a)(3).

5 “(2) TIMING OF NOTICE.—The entity shall pro-
 6 vide the information described in paragraph (1) to
 7 an individual at the beginning of each calendar year
 8 occurring during the period in which the individual’s
 9 authorization is in effect.”.

10 **SEC. 4. PROHIBITION OF LEADERSHIP COMMITTEES.**

11 (a) LEADERSHIP COMMITTEE PROHIBITION.—Sec-
 12 tion 302 of the Federal Election Campaign Act of 1971
 13 (2 U.S.C. 432) is amended by adding at the end the fol-
 14 lowing new subsection:

15 “(j) A candidate for Federal office or an individual
 16 holding Federal office may not establish, maintain, fi-
 17 nance, or control a political committee, other than a prin-
 18 cipal campaign committee of the candidate or the individ-
 19 ual.”.

20 (b) CONFORMING AMENDMENT RELATING TO JOINT
 21 FUNDRAISING.—Section 302(e)(3)(A) of such Act (2
 22 U.S.C. 432(e)(3)) is amended by striking “except that—
 23 ” and all that follows and inserting the following: “except
 24 that the candidate for the office of President nominated
 25 by a political party may designate the national committee

1 of such political party as a principal campaign committee,
2 but only if that national committee maintains separate
3 books of account with respect to its function as a principal
4 campaign committee.”.

5 (c) EFFECTIVE DATE; TRANSITION RULE.—

6 (1) IN GENERAL.—The amendments made by
7 this section shall apply with respect to elections oc-
8 ccurring in years beginning with 1999.

9 (2) TRANSITION RULE.—

10 (A) IN GENERAL.—Notwithstanding sec-
11 tion 302(j) of the Federal Election Campaign
12 Act of 1971 (as added by subsection (a)), if a
13 political committee established, maintained, fi-
14 nanced, or controlled by a candidate for Federal
15 office or an individual holding Federal office
16 (other than a principal campaign committee of
17 the candidate or individual) with respect to an
18 election occurring during 1998 has funds re-
19 maining unexpended after the 1998 general
20 election, the committee may make contributions
21 or expenditures of such funds with respect to
22 elections occurring during 1999 or 2000.

23 (B) DISBANDING COMMITTEES; TREAT-
24 MENT OF REMAINING FUNDS.—Any political
25 committee described in subparagraph (A) shall

1 be disbanded after filing any post-election re-
2 ports required under section 304 of the Federal
3 Election Campaign Act of 1971 with respect to
4 the 2000 general election. Any funds of such a
5 committee which remain unexpended after the
6 2000 general election and before the date on
7 which the committee disbands shall be returned
8 to contributors or available for any lawful pur-
9 pose other than use by the candidate or individ-
10 ual involved with respect to an election for Fed-
11 eral office.

12 **SEC. 5. REQUIRING REPORTING WITHIN 24 HOURS OF ALL**
13 **CONTRIBUTIONS RECEIVED WITHIN 20 DAYS**
14 **OF ELECTION.**

15 (a) IN GENERAL.—Section 304(a)(6)(A) of the Fed-
16 eral Election Campaign Act of 1971 (2 U.S.C.
17 434(a)(6)(A)) is amended to read as follows:

18 “(6)(A) Each political committee shall notify the Sec-
19 retary or the Commission, and the Secretary of State, as
20 appropriate, in writing, of any contribution received by the
21 committee during the period which begins on the 20th day
22 before an election and ends at the time the polls close for
23 such election. This notification shall be made within 24
24 hours (or, if earlier, by midnight of the day on which the
25 contribution is deposited) after the receipt of such con-

1 tribution and shall include the name of the candidate and
2 the office sought by the candidate, the identification of
3 the contributor, and the date of receipt and amount of
4 the contribution.”.

5 (b) AVAILABILITY OF INFORMATION ON
6 INTERNET.—Section 304(a)(6) of such Act (2 U.S.C.
7 434(a)(6)) is amended by adding at the end the following
8 new subparagraph:

9 “(C)(i) The Commission shall make the information
10 contained in the reports submitted under this paragraph
11 available on the Internet and publicly available at the of-
12 fices of the Commission as soon as practicable (but in no
13 case later than 24 hours) after the information is received
14 by the Commission.

15 “(ii) In this subparagraph, the term ‘Internet’ means
16 the international computer network of both Federal and
17 non-Federal interoperable packet-switched data net-
18 works.”.

19 **SEC. 6. EFFECTIVE DATE.**

20 Except where otherwise provided, the amendments
21 made by this Act shall apply with respect to elections oc-
22 ccurring after December 1998.

○