

105TH CONGRESS
1ST SESSION

H. R. 2529

To amend the Federal Election Campaign Act of 1971 to require certain disclosure and reports relating to polling by telephone or electronic device, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1997

Mr. PETRI introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committee on Ways and Means, 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 amend the Federal Election Campaign Act of 1971 to require certain disclosure and reports relating to polling by telephone or electronic device, 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. DISCLOSURE AND REPORTS RELATING TO**
4 **POLLING BY TELEPHONE OR ELECTRONIC**
5 **DEVICE.**

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

1 “DISCLOSURE AND REPORTS RELATING TO POLLING BY
2 TELEPHONE OR ELECTRONIC DEVICE

3 “SEC. 323. (a) Any person who conducts a Federal
4 election poll by telephone or electronic device shall disclose
5 to each respondent the identity of the person paying the
6 expenses of the poll. The disclosure shall be made at the
7 end of the interview involved.

8 “(b) In the case of any Federal election poll by tele-
9 phone or electronic device—

10 “(1) if the results are not to be made public,
11 the person who conducts the poll shall report to the
12 Commission the total cost of the poll and all sources
13 of funds for the poll; and

14 “(2) the person who conducts the poll shall re-
15 port to the Commission the total number of house-
16 holds contacted and include with such report a copy
17 of the poll questions.

18 “(c) As used in this section, the term ‘Federal elec-
19 tion poll’ means a survey—

20 “(1) in which the respondent is asked to state
21 a preference in a future election for Federal office;
22 and

23 “(2) in which more than 1,200 households are
24 surveyed.”.

1 **SEC. 2. TAX CREDIT FOR CERTAIN POLITICAL CONTRIBU-**
2 **TIONS.**

3 (a) IN GENERAL.—Subpart A of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to nonrefundable personal credits) is
6 amended by inserting after section 22 the following new
7 section:

8 **“SEC. 23. CREDIT FOR POLITICAL CONTRIBUTIONS.**

9 “(a) IN GENERAL.—In the case of an individual,
10 there shall be allowed as a credit against the tax imposed
11 by this chapter for the taxable year an amount equal to
12 one-half of all political contributions, and all newsletter
13 fund contributions, paid by the taxpayer during the tax-
14 able year.

15 “(b) LIMITATIONS.—

16 “(1) MAXIMUM CREDIT.—The credit allowed by
17 subsection (a) shall not exceed \$100 (\$200 in the
18 case of a joint return).

19 “(2) VERIFICATION.—The credit allowed by
20 subsection (a) shall be allowed, with respect to any
21 political contribution or newsletter fund contribution,
22 only if such contribution is verified in such manner
23 as the Secretary shall prescribe by regulation.

24 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) CANDIDATE.—The term ‘candidate’
2 means, with respect to any Federal, State, or local
3 elective public office, an individual who—

4 “(A) publicly announces before the close of
5 the calendar year following the calendar year in
6 which the political contribution is made that the
7 individual is a candidate for nomination or elec-
8 tion to such office; and

9 “(B) meets the qualifications prescribed by
10 law to hold such office.

11 “(2) NATIONAL POLITICAL PARTY.—The term
12 ‘national political party’ means—

13 “(A) in the case of political contributions
14 made during a taxable year of the taxpayer in
15 which the electors of President and Vice Presi-
16 dent are chosen, a political party presenting
17 candidates or electors for such offices on the of-
18 ficial election ballot of ten or more States; or

19 “(B) in the case of political contributions
20 made during any other taxable year of the tax-
21 payer, a political party which met the qualifica-
22 tions described in subparagraph (A) in the last
23 preceding election of a President and Vice
24 President.

1 “(3) NEWSLETTER FUND.—The term ‘news-
2 letter fund’ means a fund described in section
3 527(g)(1).

4 “(4) POLITICAL CONTRIBUTION.—The term
5 ‘political contribution’ means a contribution or gift
6 of money, or the fair market value of a contribution
7 or gift of property, to—

8 “(A) an individual who is a candidate for
9 nomination or election to any Federal, State, or
10 local elective public office in any primary, gen-
11 eral, or special election, for use by such individ-
12 ual to further the candidacy of the individual
13 for nomination or election to such office;

14 “(B) any committee, association, or organi-
15 zation (whether or not incorporated) organized
16 and operated exclusively for the purposes of in-
17 fluencing, or attempting to influence, the nomi-
18 nation or election of one or more individuals
19 who are candidates for nomination or election
20 to any Federal, State, or local elective public of-
21 fice, for use by such committee, association, or
22 organization to further the candidacy of such
23 individual or individuals for nomination or elec-
24 tion to such office;

1 “(C) the national committee of a national
2 political party;

3 “(D) the State committee of a national po-
4 litical party as designated by the national com-
5 mittee of such party; or

6 “(E) a local committee of a national politi-
7 cal party as designated by the State committee
8 of such party designated under subparagraph
9 (D).

10 “(5) STATE AND LOCAL.—The term ‘State’
11 means the various States and the District of Colum-
12 bia; and the term ‘local’ means a political subdivi-
13 sion or part thereof, or two or more political subdivi-
14 sions or parts thereof, of a State.

15 “(d) CROSS REFERENCES.—

**“For transfer of appreciated property to a politi-
cal organization, see section 84.**

**“For certain indirect contributions to political
parties, see section 276.”.**

16 (b) CONFORMING AMENDMENT.—The table of sec-
17 tions for subpart A of part IV of subchapter A of chapter
18 1 of such Code (relating to nonrefundable personal cred-
19 its) is amended by inserting after the item relating to sec-
20 tion 22 the following new item:

 “Sec. 23. Credit for political contributions.”

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after

1 December 31 of the calendar year in which this Act is
2 enacted.

3 **SEC. 3. PRESIDENTIAL CAMPAIGN FUND.**

4 (a) REPEAL OF PROVISIONS CONCERNING PRESI-
5 DENTIAL CAMPAIGN FUND.—The following provisions of
6 such Code are hereby repealed:

7 (1) Part VIII of subchapter A of chapter 61 of
8 subtitle F of such Code (relating to designation of
9 income tax payments to Presidential Election Cam-
10 paign Fund).

11 (2) Subtitle H (relating to financing of Presi-
12 dential election campaigns).

13 (b) CONFORMING AMENDMENTS.—

14 (1) TABLE OF PARTS.—The table of parts of
15 subchapter A of chapter 61 of subtitle F of such
16 Code is amended by striking the item relating to
17 part VIII.

18 (2) TABLE OF SUBTITLES.—The table of sub-
19 titles of such Code is amended by striking the item
20 relating to subtitle H.

21 (c) EFFECTIVE DATES.—

22 (1) DESIGNATION OF INCOME TAX PAYMENTS
23 TO FUND.—The amendment made by subsection
24 (a)(1) applies to taxable years beginning after De-
25 cember 31, 1998.

1 (2) FINANCING OF PRESIDENTIAL ELECTION
2 CAMPAIGNS.—The amendment made by subsection
3 (a)(2) shall take effect on the date that is 2 years
4 after the date of the enactment of this Act, except
5 that no payment may be made from the Presidential
6 Election Campaign Fund or the Presidential Pri-
7 mary Matching Payment Account with respect to
8 any Presidential election occurring more than 2
9 years after the date of the enactment of this Act.

10 (d) AMOUNTS REMAINING IN FUNDS.—The Sec-
11 retary of the Treasury shall deposit into the Treasury of
12 the United States as miscellaneous receipts any amounts
13 that remain, on the date that is 2 years after the date
14 of the enactment of this Act, in the Presidential Election
15 Campaign Fund or the Presidential Primary Matching
16 Payment Account.

17 **SEC. 4. REQUIRING MAJORITY OF SENATE AND HOUSE OF**
18 **REPRESENTATIVES CANDIDATE FUNDS TO**
19 **COME FROM INDIVIDUALS RESIDING IN THE**
20 **STATE IN WHICH THE ELECTION IS HELD.**

21 (a) IN GENERAL.—Section 315 of the Federal Elec-
22 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended
23 by adding at the end the following new subsection:

24 “(i)(1) A candidate for the office of Senator or Rep-
25 resentative in, or Delegate or Resident Commissioner to,

1 the Congress may not accept contributions with respect
2 to an election cycle from persons other than local individ-
3 ual residents totaling in excess of the total of contributions
4 accepted from local individual residents (as determined on
5 the basis of the most recent information included in re-
6 ports pursuant to section 304(d).

7 “(2) In determining the amount of contributions ac-
8 cepted by a candidate for purposes of this subsection, con-
9 tributions of the candidate’s personal funds shall be sub-
10 ject to the following rules:

11 “(A) To the extent that the amount of the con-
12 tribution does not exceed the limitation on contribu-
13 tions made by an individual under subsection
14 (a)(1)(A), such contribution shall be treated as any
15 other contribution.

16 “(B) The portion (if any) of the contribution
17 which exceeds the limitation on contributions which
18 may be made by an individual under subsection
19 (a)(1)(A) shall be allocated in accordance with para-
20 graph (8).

21 “(3) In determining the amount of contributions ac-
22 cepted by a candidate for purposes of this subsection, con-
23 tributions from a political party or a political party com-
24 mittee shall be allocated in accordance with paragraph (8).

1 “(4) In determining the amount of contributions ac-
2 cepted by a candidate for purposes of this subsection, any
3 funds remaining in the candidate’s campaign account
4 after the filing of the post-general election report under
5 section 304(a)(2)(A)(ii) for the most recent general elec-
6 tion shall be allocated in accordance with paragraph (8).

7 “(5) In determining the amount of contributions ac-
8 cepted by a candidate for purposes of this subsection, any
9 contributions accepted pursuant to subsection (j) which
10 are from persons other than local individual residents shall
11 be allocated in accordance with paragraph (8).

12 “(6)(A) Any candidate who accepts contributions that
13 exceed the limitation under this subsection, as determined
14 on the basis of information included in reports pursuant
15 to section 304(d), shall pay to the Commission at the time
16 of the filing of the report which contains the information,
17 for deposit in the Treasury, an amount equal to 3 times
18 the amount of the excess contributions (or, in the case
19 of a candidate described in subparagraph (C), an amount
20 equal to 5 times the amount of the excess contributions
21 plus a civil penalty in an amount determined by the Com-
22 mission).

23 “(B) Any amounts paid by a candidate under this
24 paragraph shall be paid from contributions subject to the

1 limitations and prohibitions of this title, including the lim-
2 itation under this subsection.

3 “(C) A candidate described in this subparagraph is
4 a candidate who accepts contributions that exceed the lim-
5 itation under this subsection as of the last day of the pe-
6 riod ending on the 20th day before an election or any pe-
7 riod ending after such 20th day and before or on the 20th
8 day after such election.

9 “(7) As used in this subsection, the term ‘local indi-
10 vidual resident’ means an individual who resides in the
11 State in which the election involved is held.

12 “(8) For purposes of this subsection, any amounts
13 allocated in accordance with this paragraph shall be allo-
14 cated as follows:

15 “(A) 50 percent of such amounts shall be
16 deemed to be contributions from local individual
17 residents.

18 “(B) 50 percent of such amounts shall be
19 deemed to be contributions from persons other than
20 local individual residents.”.

21 (b) REPORTING REQUIREMENTS.—Section 304 of
22 such Act (2 U.S.C. 434) is amended by adding at the end
23 the following new subsection:

24 “(d) Each principal campaign committee of a can-
25 didate for the Senate or the House of Representatives

1 shall include the following information in reports filed
2 under subsection (a)(2) and subsection (a)(6)(A):

3 “(1) With respect to each report filed under
4 such subsection—

5 “(A) the total contributions received by the
6 committee with respect to the election cycle in-
7 volved from local individual residents (as de-
8 fined in section 315(i)(7)), as of the last day of
9 the period covered by the report;

10 “(B) the total contributions received by the
11 committee with respect to the election cycle in-
12 volved which are not from local individual resi-
13 dents, as of the last day of the period covered
14 by the report; and

15 “(C) a certification as to whether the con-
16 tributions reported comply with the limitation
17 under section 315(i), as of the last day of the
18 period covered by the report.

19 “(2) In the case of the first report filed under
20 such subsection which covers the period which begins
21 19 days before an election and ends 20 days after
22 the election—

23 “(A) the total contributions received by the
24 committee with respect to the election cycle in-
25 volved from local individual residents (as de-

1 fined in section 315(i)(7)), as of the last day of
2 such period;

3 “(B) the total contributions received by the
4 committee with respect to the election cycle in-
5 volved which are not from local individual resi-
6 dents, as of the last day of such period; and

7 “(C) a certification as to whether the con-
8 tributions reported comply with the limitation
9 under section 315(i), as of the last day of such
10 period.”.

11 **SEC. 5. PROHIBITING BUNDLING OF CONTRIBUTIONS TO**
12 **CANDIDATES BY POLITICAL ACTION COMMIT-**
13 **TEES AND LOBBYISTS.**

14 Section 316 of the Federal Election Campaign Act
15 of 1971 (2 U.S.C. 441b) is amended by adding at the end
16 the following new subsection:

17 “(c)(1) No political action committee or person re-
18 quired to register under the Lobbying Disclosure Act of
19 1995 (2 U.S.C. 1601 et seq.) may act as an intermediary
20 or conduit with respect to a contribution to a candidate
21 for Federal office.

22 “(2) In this subsection, the term ‘political action com-
23 mittee’ means any political committee which is not—

24 “(A) the principal campaign committee of a
25 candidate; or

1 “(B) a political party committee.”.

2 **SEC. 6. PROHIBITION OF LEADERSHIP COMMITTEES.**

3 (a) LEADERSHIP COMMITTEE PROHIBITION.—Sec-
4 tion 302 of the Federal Election Campaign Act of 1971
5 (2 U.S.C. 432) is amended by adding at the end the fol-
6 lowing new subsection:

7 “(j) A candidate for Federal office or an individual
8 holding Federal office may not establish, maintain, fi-
9 nance, or control a political committee, other than a prin-
10 cipal campaign committee of the candidate or the individ-
11 ual.”.

12 (b) CONFORMING AMENDMENT RELATING TO JOINT
13 FUNDRAISING.—Section 302(e)(3)(A) of such Act (2
14 U.S.C. 432(e)(3)) is amended by striking “except
15 that—” and all that follows and inserting the following:
16 “except that the candidate for the office of President nom-
17 inated by a political party may designate the national com-
18 mittee of such political party as a principal campaign com-
19 mittee, but only if that national committee maintains sep-
20 arate books of account with respect to its function as a
21 principal campaign committee.”.

22 (c) EFFECTIVE DATE; TRANSITION RULE.—

23 (1) IN GENERAL.—The amendments made by
24 this section shall apply with respect to elections oc-
25 ccurring in years beginning with 1997.

1 (2) TRANSITION RULE.—

2 (A) IN GENERAL.—Notwithstanding sec-
3 tion 302(j) of the Federal Election Campaign
4 Act of 1971 (as added by subsection (a)), if a
5 political committee established, maintained, fi-
6 nanced, or controlled by a candidate for Federal
7 office or an individual holding Federal office
8 (other than a principal campaign committee of
9 the candidate or individual) with respect to an
10 election occurring during 1996 has funds re-
11 maining unexpended after the 1996 general
12 election, the committee may make contributions
13 or expenditures of such funds with respect to
14 elections occurring during 1997 or 1998.

15 (B) DISBANDING COMMITTEES; TREAT-
16 MENT OF REMAINING FUNDS.—Any political
17 committee described in subparagraph (A) shall
18 be disbanded after filing any post-election re-
19 ports required under section 304 of the Federal
20 Election Campaign Act of 1971 with respect to
21 the 1998 general election. Any funds of such a
22 committee which remain unexpended after the
23 1998 general election and before the date on
24 which the committee disbands shall be returned
25 to contributors or available for any lawful pur-

1 pose other than use by the candidate or individ-
 2 ual involved with respect to an election for Fed-
 3 eral office.

4 **SEC. 7. MODIFICATION OF LIMITATIONS ON CONTRIBU-**
 5 **TIONS WHEN CANDIDATES SPEND OR CON-**
 6 **TRIBUTE LARGE AMOUNTS OF PERSONAL**
 7 **FUNDS.**

8 (a) IN GENERAL.—Section 315 of the Federal Elec-
 9 tion Campaign Act of 1971 (2 U.S.C. 441a), as amended
 10 by section 4(a), is further amended by adding at the end
 11 the following new subsection:

12 “(j)(1) Notwithstanding subsection (a), if in a gen-
 13 eral election a House candidate makes expenditures of per-
 14 sonal funds (including contributions by the candidate to
 15 the candidate’s authorized campaign committee) in an
 16 amount in excess of the amount of the limitation estab-
 17 lished under subsection (a)(1)(A) and less than or equal
 18 to \$150,000 (as reported under section 304(a)(2)(A)), a
 19 political party committee may make contributions to an
 20 opponent of the House candidate without regard to any
 21 limitation otherwise applicable to such contributions under
 22 subsection (a), except that the opponent may not accept
 23 aggregate contributions under this paragraph in an
 24 amount greater than the greatest amount of personal
 25 funds expended (including contributions to the candidate’s

1 authorized campaign committee) by any House candidate
2 (other than such opponent) with respect to the election
3 (as reported in a notification submitted under section
4 304(a)(6)(B)).

5 “(2) If a House candidate makes expenditures of per-
6 sonal funds (including contributions by the candidate to
7 the candidate’s authorized campaign committee) with re-
8 spect to an election in an amount greater than \$150,000
9 (as reported under section 304(a)(2)(A)), the following
10 rules shall apply:

11 “(A) In the case of a general election, the limi-
12 tations under subsections (a)(1) and (a)(2) (insofar
13 as such limitations apply to political party commit-
14 tees and to individuals) shall not apply to contribu-
15 tions to the candidate or to any opponent of the can-
16 didate, except that neither the candidate or any op-
17 ponent may accept aggregate contributions under
18 this subparagraph and paragraph (1) in an amount
19 greater than the greatest amount of personal funds
20 (including contributions to the candidate’s author-
21 ized campaign committee) expended by any House
22 candidate with respect to the election (as reported in
23 a notification submitted under section
24 304(a)(6)(B)).

1 “(B) In the case of an election other than a
2 general election, the limitations under subsection
3 (a)(1) (insofar as such limitations apply to individ-
4 uals) shall not apply to contributions to the can-
5 didate or to any opponent of the candidate, except
6 that neither the candidate or any opponent may ac-
7 cept aggregate contributions under this subpara-
8 graph in an amount greater than the greatest
9 amount of personal funds (including contributions to
10 the candidate’s authorized campaign committee) ex-
11 pended by any House candidate with respect to the
12 election (as reported in a notification submitted
13 under section 304(a)(6)(B)).

14 “(3) In this subsection, the term ‘House candidate’
15 means a candidate in an election for the office of Rep-
16 resentative in, or Delegate or Resident Commissioner to,
17 the Congress.”.

18 (b) NOTIFICATION OF EXPENDITURES OF PERSONAL
19 FUNDS.—Section 304(a)(6) of such Act (2 U.S.C.
20 434(a)(6)) is amended—

21 (1) by redesignating subparagraph (B) as sub-
22 paragraph (C); and

23 (2) by inserting after subparagraph (A) the fol-
24 lowing new subparagraph:

1 “(B)(i) The principal campaign committee of a
2 House candidate (as defined in section 315(j)(3)) shall
3 submit the following notifications relating to expenditures
4 of personal funds by such candidate (including contribu-
5 tions by the candidate to such committee):

6 “(I) A notification of the first such expenditure
7 (or contribution) by which the aggregate amount of
8 personal funds expended (or contributed) with re-
9 spect to an election exceeds the amount of the limi-
10 tation established under section 315(a)(1)(A) for
11 elections in the year involved.

12 “(II) A notification of each such expenditure
13 (or contribution) which, taken together with all such
14 expenditures (and contributions) in any amount not
15 included in the most recent report under this sub-
16 paragraph, totals \$5,000 or more.

17 “(III) A notification of the first such expendi-
18 ture (or contribution) by which the aggregate
19 amount of personal funds expended with respect to
20 the election exceeds the level applicable under sec-
21 tion 315(j)(2) for elections in the year involved.

22 “(ii) Each of the notifications submitted under clause
23 (i)—

1 “(I) shall be submitted not later than 24 hours
 2 after the expenditure or contribution which is the
 3 subject of the notification is made;

4 “(II) shall include the name of the candidate,
 5 the office sought by the candidate, and the date of
 6 the expenditure or contribution and amount of the
 7 expenditure or contribution involved; and

8 “(III) shall include the total amount of all such
 9 expenditures and contributions made with respect to
 10 the same election as of the date of expenditure or
 11 contribution which is the subject of the notifica-
 12 tion.”.

13 **SEC. 8. CHANGE IN CERTAIN REPORTING FROM A CAL-**
 14 **ENDAR YEAR BASIS TO AN ELECTION CYCLE**
 15 **BASIS.**

16 Section 304(b) of such Act (2 U.S.C. 434(b)) is
 17 amended by inserting “(or election cycle, in the case of
 18 an authorized committee of a candidate for Federal of-
 19 fice)” after “calendar year” each place it appears in para-
 20 graphs (2), (3), (4), (6), and (7).

21 **SEC. 9. DEFINITION AMENDMENT.**

22 Paragraph (19) of section 301 of the Federal Elec-
 23 tion Campaign Act of 1971 (2 U.S.C. 431(19)) is amend-
 24 ed to read as follows:

25 “(19) The term ‘expressly advocating’ means that—

1 “(A) the qualifications, views, or fitness for of-
2 fice of the candidate are discussed; or

3 “(B) a voter is urged to vote for or against the
4 specified candidate.”.

5 **SEC. 10. REDUCTION IN LIMITATION AMOUNT APPLICABLE**
6 **TO CONTRIBUTIONS BY MULTICANDIDATE**
7 **POLITICAL COMMITTEES TO CANDIDATES.**

8 Section 315(a)(2)(A) of the Federal Election Cam-
9 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended
10 by striking out “\$5,000” and inserting in lieu thereof
11 “\$2,000”.

○