

105TH CONGRESS  
2D SESSION

# H. R. 3399

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1998

Mr. SHAW (for himself and Mr. PAXON) introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committee on Education and the Workforce, 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

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## A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, 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 “Campaign Finance Im-  
5       provement Act of 1998”.

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1 **SEC. 2. MANDATORY ELECTRONIC PRESERVATION AND FIL-**  
2 **ING OF FEDERAL ELECTION COMMISSION RE-**  
3 **PORTS; ACCESS THROUGH INTERNET SITE.**

4 (a) ELECTRONIC FILING THROUGH THE INTER-  
5 NET.—Section 304(a)(11) of the Federal Election Cam-  
6 paign Act of 1971 (2 U.S.C. 434(a)(11)) is amended to  
7 read as follows:

8 “(11)(A) Through a competitive bidding process, the  
9 Commission shall establish a public Internet site not later  
10 than January 1, 1999, with the following features:

11 “(i) Any person filing a report required by this  
12 Act may post the report directly on the site.

13 “(ii) Any member of the public may obtain the  
14 reports posted on the site (together with any other  
15 information the Commission may make available  
16 through the site) at any time.

17 “(iii) Any information in a report posted on the  
18 site shall be subject to the same prohibition on sale  
19 and use as information from a report or statement  
20 under paragraph (4).

21 “(iv) All information posted on the site shall be  
22 integrated in a manner which permits users to  
23 search the information across categories and  
24 sources.

25 “(B) Each person required to file a report under this  
26 Act shall file the report by posting it directly on the Inter-

1 net site established under subparagraph (A), or by filing  
2 it by such electronic method as the Commission may des-  
3 ignate to enable the Commission to post the report on such  
4 site immediately upon receipt.

5 “(C) The Commission shall provide for one or more  
6 methods (other than requiring a signature on the report  
7 being filed) for verification of reports filed in accordance  
8 with the methods described in subparagraph (B). Any ver-  
9 ification under the preceding sentence shall be treated for  
10 all purposes (including penalties for perjury) in the same  
11 manner as a verification by signature.

12 “(D) As used in this paragraph, the term “report”  
13 means, with respect to the Commission, a report, designa-  
14 tion, or statement required by this Act to be filed with  
15 the Commission.”.

16 (b) REQUIRING COMMISSION TO MAKE SOFTWARE  
17 AVAILABLE.—Section 311(a) of such Act (2 U.S.C.  
18 438(a)) is amended—

19 (1) by striking “and” at the end of paragraph  
20 (9);

21 (2) by striking the period at the end of para-  
22 graph (10) and inserting “; and”; and

23 (3) by adding at the end the following new  
24 paragraph:

1           “(11) through competitive bidding, obtain and  
 2           provide for computer software required to carry out  
 3           section 304(a)(11).”.

4           (c) INTERNET DEFINED.—Section 301 of such Act  
 5           (2 U.S.C. 431) is amended by striking paragraph (19) and  
 6           inserting the following new paragraph:

7           “(19) The term ‘Internet’ means the international  
 8           computer network of both Federal and non-Federal inter-  
 9           operable packet-switched data networks.”.

10   **SEC. 3. EXPANDING REPORTING REQUIREMENTS FOR CER-**  
 11           **TAIN CONTRIBUTIONS.**

12           (a) REQUIRING REPORTING OF ALL CONTRIBUTIONS  
 13           OF \$200 OR MORE WITHIN 10 DAYS OF RECEIPT.—Sec-  
 14           tion 304 of the Federal Election Campaign Act of 1971  
 15           (2 U.S.C. 434) is amended by adding at the end the fol-  
 16           lowing new subsection:

17           “(d)(1) Each political committee which receives a  
 18           contribution of \$200 or more shall notify the Commission  
 19           of the contribution not later than 10 days after receipt,  
 20           and shall include the identification of the contributor, the  
 21           date of receipt and amount of the contribution, and (in  
 22           the case of an authorized committee of a candidate) the  
 23           name of the candidate and the office sought by the can-  
 24           didate.

1 “(2) The report required under this subsection shall  
2 be in addition to all other reports required under this  
3 Act.”.

4 (b) EXPANDING TYPES OF CONTRIBUTIONS TO PRIN-  
5 CIPAL CAMPAIGN COMMITTEES SUBJECT TO EXPEDITED  
6 REPORTING.—Section 304(a)(6)(A) of such Act (2 U.S.C.  
7 434(a)(6)(A)) is amended—

8 (1) by striking “\$1,000” and inserting “\$200”;  
9 and

10 (2) by striking “20th day” and inserting “90th  
11 day”.

12 **SEC. 4. REQUIRING MAJORITY OF AMOUNT OF CONTRIBU-**  
13 **TIONS ACCEPTED BY HOUSE CANDIDATES TO**  
14 **COME FROM IN-STATE RESIDENTS.**

15 Section 315 of the Federal Election Campaign Act  
16 of 1971 (2 U.S.C. 441a) is amended by adding at the end  
17 the following new subsection:

18 “(i)(1) A candidate for the office of Representative  
19 in, or Delegate or Resident Commissioner to, the Congress  
20 may not accept contributions with respect to an election  
21 from persons other than individuals residing in the State  
22 involved totaling in excess of the aggregate amount of con-  
23 tributions accepted with respect to the election from indi-  
24 viduals residing in the State involved.

1 “(2) Paragraph (1) shall not apply with respect to  
 2 contributions from a political committee of a national,  
 3 State, or local political party (including any subordinate  
 4 committee thereof).”.

5 **SEC. 5. WAIVER OF “BEST EFFORTS” EXCEPTION FOR IN-**  
 6 **FORMATION ON IDENTIFICATION OF CON-**  
 7 **TRIBUTORS.**

8 Section 302(i) of the Federal Election Campaign Act  
 9 of 1971 (2 U.S.C. 432(i)) is amended—

10 (1) by striking “(i) When the treasurer” and  
 11 inserting “(i)(1) Except as provided in paragraph  
 12 (2), when the treasurer”; and

13 (2) by adding at the end the following new  
 14 paragraph:

15 “(2) Paragraph (1) shall not apply with respect to  
 16 information regarding the identification of any person who  
 17 makes a contribution or contributions aggregating more  
 18 than \$200 during a calendar year (as required to be pro-  
 19 vided under subsection (c)(3)).”.

20 **SEC. 6. LOWERING THRESHOLD FOR CASH CONTRIBU-**  
 21 **TIONS.**

22 Section 321 of the Federal Election Campaign Act  
 23 of 1971 (2 U.S.C. 441g) is amended by striking “exceed  
 24 \$100” and inserting “exceed \$20”.

1 **SEC. 7. CONTRIBUTIONS BY DEPENDENTS NOT OF VOTING**  
2 **AGE.**

3 Section 315(a) of the Federal Election Campaign Act  
4 of 1971 (2 U.S.C. 441a) is amended by adding at the end  
5 the following new paragraph:

6 “(9)(A) For purposes of the limitations imposed by  
7 this section, any contribution made by a dependent minor  
8 shall be treated as follows:

9 “(i) If the dependent minor is the dependent of  
10 one other individual, the contribution shall be treat-  
11 ed as a contribution made by such other individual.

12 “(ii) If the dependent minor is the dependent of  
13 another individual and such other individual’s  
14 spouse, the contribution shall be allocated among  
15 such individuals in such manner as such other indi-  
16 viduals may determine.

17 “(B) In this paragraph, the term ‘dependent minor’  
18 means an individual who—

19 “(i) is a dependent of another individual; and

20 “(ii) has not, as of the time of making the con-  
21 tribution involved, attained the legal age for voting  
22 in elections for Federal office in the State in which  
23 such individual resides.”.

1 **SEC. 8. PROHIBITING NON-CITIZEN INDIVIDUALS FROM**  
2 **MAKING CONTRIBUTIONS IN CONNECTION**  
3 **WITH FEDERAL ELECTIONS.**

4 Section 319(b)(2) of the Federal Election Campaign  
5 Act of 1971 (2 U.S.C. 441e(b)(2)) is amended by striking  
6 “and who is not lawfully admitted” and all that follows  
7 and inserting a period.

8 **SEC. 9. MANDATORY SUBMISSION OF MONTHLY REPORTS**  
9 **BY NATIONAL POLITICAL PARTY COMMIT-**  
10 **TEES.**

11 Section 304(a)(4)(B) of the Federal Election Cam-  
12 paign Act of 1971 (2 U.S.C. 434(a)(4)(B)) is amended—

13 (1) by striking “monthly reports” and inserting  
14 “in the case of a national committee of a political  
15 party and any other political committee (other than  
16 an authorized committee of a candidate) not filing  
17 quarterly reports under subparagraph (A), monthly  
18 reports”; and

19 (2) by striking the period at the end and insert-  
20 ing the following: “except that in the case of a na-  
21 tional committee of a political party, the committee  
22 shall file the reports due in November and December  
23 of such year together with such a pre-general elec-  
24 tion report, post-general election report, and year  
25 end report.”.



1 **SEC. 10. DISCLOSURE REQUIREMENTS FOR CERTAIN SOFT**  
2 **MONEY EXPENDITURES OF POLITICAL PAR-**  
3 **TIES.**

4 (a) TRANSFERS OF FUNDS BY NATIONAL POLITICAL  
5 PARTIES.—Section 304(b)(4) of the Federal Election  
6 Campaign Act of 1971 (2 U.S.C. 434(b)(4)) is amended—

7 (1) by striking “and” at the end of subpara-  
8 graph (H);

9 (2) by adding “and” at the end of subpara-  
10 graph (I); and

11 (3) by adding at the end the following new sub-  
12 paragraph:

13 “(J) in the case of a political committee of  
14 a national political party, all funds transferred  
15 to any political committee of a State or local  
16 political party, without regard to whether or not  
17 the funds are otherwise treated as contributions  
18 or expenditures under this title;”.

19 (b) DISCLOSURE BY STATE POLITICAL PARTIES OF  
20 INFORMATION REPORTED UNDER STATE LAW.—Section  
21 304 of such Act (2 U.S.C. 434), as amended by section  
22 3(a), is further amended by adding at the end the follow-  
23 ing new subsection:

24 “(e) If a political committee of a State political party  
25 is required under a State or local law, rule, or regulation  
26 to submit a report on its disbursements to an entity of

1 the State or local government, the committee shall file a  
2 copy of the report with the Commission at the time it sub-  
3 mits the report to such an entity.”.

4 **SEC. 11. UNION DISCLOSURE.**

5 (a) IN GENERAL.—Section 201(b) of the Labor Man-  
6 agement Reporting and Disclosure Act of 1959 (29 U.S.C.  
7 431(b)) is amended—

8 (1) by striking “and” at the end of paragraph  
9 (5); and

10 (2) by adding at the end the following:

11 “(7) an itemization of amounts spent by the  
12 labor organization for—

13 “(A) contract negotiation and administra-  
14 tion;

15 “(B) organizing activities;

16 “(C) strike activities;

17 “(D) political activities;

18 “(E) lobbying and promotional activities;

19 and

20 “(F) market recovery and job targeting  
21 programs; and

22 “(8) all transactions involving a single source or  
23 payee for each of the activities described in subpara-  
24 graphs (A) through (F) of paragraph (7) in which  
25 the aggregate cost exceeds \$10,000.”.

1 (b) COMPUTER NETWORK ACCESS.—Section 201(c)  
 2 of the Labor Management Reporting and Disclosure Act  
 3 of 1959 (29 U.S.C. 431(c)) is amended by inserting “in-  
 4 cluding availability of such reports via a public Internet  
 5 site or another publicly accessible computer network,”  
 6 after “its members,”.

7 (c) REPORTING BY SECRETARY.—Section 205(a) of  
 8 the Labor Management Reporting and Disclosure Act of  
 9 1959 (29 U.S.C. 435(a)) is amended by inserting after  
 10 “and the Secretary” the following: “shall make the reports  
 11 and documents filed pursuant to section 201(b) available  
 12 via a public Internet site or another publicly accessible  
 13 computer network. The Secretary”.

14 **SEC. 12. PROHIBITING INVOLUNTARY ASSESSMENT OF EM-**  
 15 **PLOYEE FUNDS FOR POLITICAL ACTIVITIES.**

16 (a) IN GENERAL.—Section 316 of the Federal Elec-  
 17 tion Campaign Act of 1971 (2 U.S.C. 441b) is amended  
 18 by adding at the end the following new subsection:

19 “(c)(1) Except with the separate, prior, written, vol-  
 20 untary authorization of each individual, it shall be unlaw-  
 21 ful—

22 “(A) for any national bank or corporation de-  
 23 scribed in this section to collect from or assess its  
 24 stockholders or employees any dues, initiation fee, or  
 25 other payment as a condition of employment if any

1 part of such dues, fee, or payment will be used for  
2 political activity in which the national bank or cor-  
3 poration is engaged; and

4 “(B) for any labor organization described in  
5 this section to collect from or assess its members or  
6 nonmembers any dues, initiation fee, or other pay-  
7 ment if any part of such dues, fee, or payment will  
8 be used for political activity in which the labor orga-  
9 nization is engaged.

10 “(2) An authorization described in paragraph (1)  
11 shall remain in effect until revoked and may be revoked  
12 at any time. Each entity collecting from or assessing  
13 amounts from an individual with an authorization in effect  
14 under such paragraph shall provide the individual with a  
15 statement that the individual may at any time revoke the  
16 authorization.

17 “(3) For purposes of this subsection, the term ‘politi-  
18 cal activity’ means any activity carried out for the purpose  
19 of influencing (in whole or in part) any election for Fed-  
20 eral office, influencing the consideration or outcome of any  
21 Federal legislation or the issuance or outcome of any Fed-  
22 eral regulations, or educating individuals about candidates  
23 for election for Federal office or any Federal legislation,  
24 law, or regulations.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall apply to amounts collected or assessed  
3 on or after the date of the enactment of this Act.

4 **SEC. 13. SOLICITATIONS BY TRADE ASSOCIATIONS OF**  
5 **SHAREHOLDERS AND PERSONNEL OF MEM-**  
6 **BER CORPORATIONS.**

7 Section 316(b)(4)(D) of the Federal Election Cam-  
8 paign Act of 1971 (2 U.S.C. 441b(b)(4)(D)) is amended  
9 by striking “to the extent that” and all that follows and  
10 inserting a period.

11 **SEC. 14. EFFECTIVE DATE.**

12 Except as otherwise provided, the amendments made  
13 by this Act shall apply with respect to elections and trans-  
14 actions occurring after December 31, 1998.

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