

105TH CONGRESS
2D SESSION

H. R. 3721

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1998

Mr. BASS introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committees on the Judiciary, and Government Reform and Oversight, 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 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Campaign Reform Act of 1998”.

6 (b) **TABLE OF CONTENTS.**—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REDUCTION OF SPECIAL INTEREST INFLUENCE

- Sec. 101. Soft money of political parties.
- Sec. 102. Increased contribution limits for State committees of political parties
and aggregate contribution limit for individuals.
- Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT AND COORDINATED EXPENDITURES

- Sec. 201. Definitions.
- Sec. 202. Civil penalty.
- Sec. 203. Reporting requirements for certain independent expenditures.
- Sec. 204. Independent versus coordinated expenditures by party.
- Sec. 205. Coordination with candidates.

TITLE III—DISCLOSURE

- Sec. 301. Filing of reports using computers and facsimile machines.
- Sec. 302. Prohibition of deposit of contributions with incomplete contributor in-
formation.
- Sec. 303. Audits.
- Sec. 304. Reporting requirements for contributions of \$50 or more.
- Sec. 305. Use of candidates' names.
- Sec. 306. Prohibition of false representation to solicit contributions.
- Sec. 307. Soft money of persons other than political parties.
- Sec. 308. Campaign advertising.

TITLE IV—PERSONAL WEALTH OPTION

- Sec. 401. Voluntary personal funds expenditure limit.
- Sec. 402. Political party committee coordinated expenditures.

TITLE V—MISCELLANEOUS

- Sec. 501. Prohibiting involuntary use of funds of employees of corporations and
other employers and members of unions and organizations for
political activities.
- Sec. 502. Use of contributed amounts for certain purposes.
- Sec. 503. Limit on congressional use of the franking privilege.
- Sec. 504. Prohibition of fundraising on Federal property.
- Sec. 505. Penalties for knowing and willful violations.
- Sec. 506. Strengthening foreign money ban.
- Sec. 507. Prohibition of contributions by minors.
- Sec. 508. Expedited procedures.
- Sec. 509. Initiation of enforcement proceeding.

TITLE VI—SEVERABILITY; CONSTITUTIONALITY; EFFECTIVE
DATE; REGULATIONS

- Sec. 601. Severability.
- Sec. 602. Review of constitutional issues.
- Sec. 603. Effective date.
- Sec. 604. Regulations.

1 **TITLE I—REDUCTION OF**
2 **SPECIAL INTEREST INFLUENCE**

3 **SEC. 101. SOFT MONEY OF POLITICAL PARTIES.**

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

7 **“SEC. 323. SOFT MONEY OF POLITICAL PARTIES.**

8 “(a) NATIONAL COMMITTEES.—

9 “(1) IN GENERAL.—A national committee of a
10 political party (including a national congressional
11 campaign committee of a political party) and any of-
12 ficers or agents of such party committees, shall not
13 solicit, receive, or direct to another person a con-
14 tribution, donation, or transfer of funds, or spend
15 any funds, that are not subject to the limitations,
16 prohibitions, and reporting requirements of this Act.

17 “(2) APPLICABILITY.—This subsection shall
18 apply to an entity that is directly or indirectly estab-
19 lished, financed, maintained, or controlled by a na-
20 tional committee of a political party (including a na-
21 tional congressional campaign committee of a politi-
22 cal party), or an entity acting on behalf of a national
23 committee, and an officer or agent acting on behalf
24 of any such committee or entity.

25 “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

1 “(1) IN GENERAL.—An amount that is ex-
2 pended or disbursed by a State, district, or local
3 committee of a political party (including an entity
4 that is directly or indirectly established, financed,
5 maintained, or controlled by a State, district, or
6 local committee of a political party and an officer or
7 agent acting on behalf of such committee or entity)
8 for Federal election activity shall be made from
9 funds subject to the limitations, prohibitions, and re-
10 porting requirements of this Act.

11 “(2) FEDERAL ELECTION ACTIVITY.—

12 “(A) IN GENERAL.—The term ‘Federal
13 election activity’ means—

14 “(i) voter registration activity during
15 the period that begins on the date that is
16 120 days before the date a regularly sched-
17 uled Federal election is held and ends on
18 the date of the election;

19 “(ii) voter identification, get-out-the-
20 vote activity, or generic campaign activity
21 conducted in connection with an election in
22 which a candidate for Federal office ap-
23 pears on the ballot (regardless of whether
24 a candidate for State or local office also
25 appears on the ballot); and

1 “(iii) a communication that refers to a
2 clearly identified candidate for Federal of-
3 fice (regardless of whether a candidate for
4 State or local office is also mentioned or
5 identified) and is made for the purpose of
6 influencing a Federal election (regardless
7 of whether the communication is express
8 advocacy).

9 “(B) EXCLUDED ACTIVITY.—The term
10 ‘Federal election activity’ does not include an
11 amount expended or disbursed by a State, dis-
12 trict, or local committee of a political party
13 for—

14 “(i) campaign activity conducted sole-
15 ly on behalf of a clearly identified can-
16 didate for State or local office, provided
17 the campaign activity is not a Federal elec-
18 tion activity described in subparagraph
19 (A);

20 “(ii) a contribution to a candidate for
21 State or local office, provided the contribu-
22 tion is not designated or used to pay for a
23 Federal election activity described in sub-
24 paragraph (A);

1 “(iii) the costs of a State, district, or
2 local political convention;

3 “(iv) the costs of grassroots campaign
4 materials, including buttons, bumper stick-
5 ers, and yard signs, that name or depict
6 only a candidate for State or local office;

7 “(v) the non-Federal share of a State,
8 district, or local party committee’s admin-
9 istrative and overhead expenses (but not
10 including the compensation in any month
11 of an individual who spends more than 20
12 percent of the individual’s time on Federal
13 election activity) as determined by a regu-
14 lation promulgated by the Commission to
15 determine the non-Federal share of a
16 State, district, or local party committee’s
17 administrative and overhead expenses; and

18 “(vi) the cost of constructing or pur-
19 chasing an office facility or equipment for
20 a State, district or local committee.

21 “(c) FUNDRAISING COSTS.—An amount spent by a
22 national, State, district, or local committee of a political
23 party, by an entity that is established, financed, main-
24 tained, or controlled by a national, State, district, or local
25 committee of a political party, or by an agent or officer

1 of any such committee or entity, to raise funds that are
2 used, in whole or in part, to pay the costs of a Federal
3 election activity shall be made from funds subject to the
4 limitations, prohibitions, and reporting requirements of
5 this Act.

6 “(d) TAX-EXEMPT ORGANIZATIONS.—A national,
7 State, district, or local committee of a political party (in-
8 cluding a national congressional campaign committee of
9 a political party, an entity that is directly or indirectly
10 established, financed, maintained, or controlled by any
11 such national, State, district, or local committee or its
12 agent, an agent acting on behalf of any such party com-
13 mittee, and an officer or agent acting on behalf of any
14 such party committee or entity), shall not solicit any funds
15 for, or make or direct any donations to, an organization
16 that is described in section 501(c) of the Internal Revenue
17 Code of 1986 and exempt from taxation under section
18 501(a) of such Code (or has submitted an application to
19 the Secretary of the Internal Revenue Service for deter-
20 mination of tax-exemption under such section).

21 “(e) CANDIDATES.—

22 “(1) IN GENERAL.—A candidate, individual
23 holding Federal office, or agent of a candidate or in-
24 dividual holding Federal office shall not solicit, re-
25 ceive, direct, transfer, or spend funds for a Federal

election activity on behalf of such candidate, individual, agent or any other person, unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

“(2) STATE LAW.—Paragraph (1) does not apply to the solicitation or receipt of funds by an individual who is a candidate for a State or local office if the solicitation or receipt of funds is permitted under State law for any activity other than a Federal election activity.

“(3) FUNDRAISING EVENTS.—Paragraph (1) does not apply in the case of a candidate who attends, speaks, or is a featured guest at a fundraising event sponsored by a State, district, or local committee of a political party.”.

SEC. 102. INCREASED CONTRIBUTION LIMITS FOR STATE COMMITTEES OF POLITICAL PARTIES AND AGGREGATE CONTRIBUTION LIMIT FOR INDIVIDUALS.

(a) CONTRIBUTION LIMIT FOR STATE COMMITTEES OF POLITICAL PARTIES.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(1) in subparagraph (B), by striking “or” at the end;

1 (2) in subparagraph (C)—

2 (A) by inserting “(other than a committee
3 described in subparagraph (D))” after “com-
4 mittee”; and

5 (B) by striking the period at the end and
6 inserting “; or”; and

7 (3) by adding at the end the following:

8 “(D) to a political committee established and
9 maintained by a State committee of a political party
10 in any calendar year that, in the aggregate, exceed
11 \$10,000”.

12 (b) AGGREGATE CONTRIBUTION LIMIT FOR INDIVID-
13 UAL.—Section 315(a)(3) of the Federal Election Cam-
14 paign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by
15 striking “\$25,000” and inserting “\$30,000”.

16 **SEC. 103. REPORTING REQUIREMENTS.**

17 (a) REPORTING REQUIREMENTS.—Section 304 of the
18 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
19 (as amended by section 203) is amended by inserting after
20 subsection (d) the following:

21 “(e) POLITICAL COMMITTEES.—

22 “(1) NATIONAL AND CONGRESSIONAL POLITI-
23 CAL COMMITTEES.—The national committee of a po-
24 litical party, any national congressional campaign
25 committee of a political party, and any subordinate

1 committee of either, shall report all receipts and dis-
2 bursements during the reporting period.

3 “(2) OTHER POLITICAL COMMITTEES TO WHICH
4 SECTION 323 APPLIES.—A political committee (not
5 described in paragraph (1)) to which section
6 323(b)(1) applies shall report all receipts and dis-
7 bursements made for activities described in subpara-
8 graphs (A) and (B)(v) of section 323(b)(2).

9 “(3) ITEMIZATION.—If a political committee
10 has receipts or disbursements to which this sub-
11 section applies from any person aggregating in ex-
12 cess of \$200 for any calendar year, the political
13 committee shall separately itemize its reporting for
14 such person in the same manner as required in para-
15 graphs (3)(A), (5), and (6) of subsection (b).

16 “(4) REPORTING PERIODS.—Reports required
17 to be filed under this subsection shall be filed for the
18 same time periods required for political committees
19 under subsection (a).”.

20 (b) BUILDING FUND EXCEPTION TO THE DEFINI-
21 TION OF CONTRIBUTION.—Section 301(8)(B) of the Fed-
22 eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(B))
23 is amended—

24 (1) by striking clause (viii); and

1 (2) by redesignating clauses (ix) through (xiv)
 2 as clauses (viii) through (xiii), respectively.

3 **TITLE II—INDEPENDENT AND** 4 **COORDINATED EXPENDITURES**

5 **SEC. 201. DEFINITIONS.**

6 (a) DEFINITION OF INDEPENDENT EXPENDITURE.—
 7 Section 301 of the Federal Election Campaign Act (2
 8 U.S.C. 431) is amended by striking paragraph (17) and
 9 inserting the following:

10 “(17) INDEPENDENT EXPENDITURE.—
 11 “(A) IN GENERAL.—The term ‘independ-
 12 ent expenditure’ means an expenditure by a
 13 person—
 14 “(i) for a communication that is ex-
 15 press advocacy; and
 16 “(ii) that is not provided in coordina-
 17 tion with a candidate or a candidate’s
 18 agent or a person who is coordinating with
 19 a candidate or a candidate’s agent.”.

20 (b) DEFINITION OF EXPRESS ADVOCACY.—Section
 21 301 of the Federal Election Campaign Act of 1971 (2
 22 U.S.C. 431) is amended by adding at the end the follow-
 23 ing:

24 “(20) EXPRESS ADVOCACY.—

1 “(A) IN GENERAL.—The term ‘express ad-
2 vocacy’ means a communication that advocates
3 the election or defeat of a candidate by—

4 “(i) containing a phrase such as ‘vote
5 for’, ‘re-elect’, ‘support’, ‘cast your ballot
6 for’, ‘(name of candidate) for Congress’,
7 ‘(name of candidate) in 1997’, ‘vote
8 against’, ‘defeat’, ‘reject’, or a campaign
9 slogan or words that in context can have
10 no reasonable meaning other than to advo-
11 cate the election or defeat of 1 or more
12 clearly identified candidates;

13 “(ii) referring to 1 or more clearly
14 identified candidates in a paid advertise-
15 ment that is broadcast by a radio broad-
16 cast station or a television broadcast sta-
17 tion within 60 calendar days preceding the
18 date of an election of the candidate and
19 that appears in the State in which the elec-
20 tion is occurring, except that with respect
21 to a candidate for the office of Vice Presi-
22 dent or President, the time period is within
23 60 calendar days preceding the date of a
24 general election; or

1 “(iii) expressing unmistakable and un-
2 ambiguous support for or opposition to 1
3 or more clearly identified candidates when
4 taken as a whole and with limited ref-
5 erence to external events, such as proxim-
6 ity to an election.

7 “(B) VOTING RECORD AND VOTING GUIDE
8 EXCEPTION.—The term ‘express advocacy’ does
9 not include a printed communication that—

10 “(i) presents information in an edu-
11 cational manner solely about the voting
12 record or position on a campaign issue of
13 2 or more candidates;

14 “(ii) that is not made in coordination
15 with a candidate, political party, or agent
16 of the candidate or party; or a candidate’s
17 agent or a person who is coordinating with
18 a candidate or a candidate’s agent; and

19 “(iii) does not contain a phrase such
20 as ‘vote for’, ‘re-elect’, ‘support’, ‘cast your
21 ballot for’, ‘(name of candidate) for Con-
22 gress’, ‘(name of candidate) in 1997’, ‘vote
23 against’, ‘defeat’, or ‘reject’, or a campaign
24 slogan or words that in context can have
25 no reasonable meaning other than to urge

1 the election or defeat of 1 or more clearly
2 identified candidates.”.

3 (c) DEFINITION OF EXPENDITURE.—Section
4 301(9)(A) of the Federal Election Campaign Act of 1971
5 (2 U.S.C. 431(9)(A)) is amended—

6 (1) in clause (i), by striking “and” at the end;

7 (2) in clause (ii), by striking the period at the
8 end and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(iii) a payment for a communication that is
11 express advocacy; and

12 “(iv) a payment made by a person for a com-
13 munication that—

14 “(I) refers to a clearly identified candidate;

15 “(II) is provided in coordination with the
16 candidate, the candidate’s agent, or the political
17 party of the candidate; and

18 “(III) is for the purpose of influencing a
19 Federal election (regardless of whether the com-
20 munication is express advocacy).”.

21 **SEC. 202. CIVIL PENALTY.**

22 Section 309 of the Federal Election Campaign Act
23 of 1971 (2 U.S.C. 437g) is amended—

24 (1) in subsection (a)—

25 (A) in paragraph (4)(A)—

1 (i) in clause (i), by striking “clause
2 (ii)” and inserting “clauses (ii) and (iii)”;
3 and

4 (ii) by adding at the end the follow-
5 ing:

6 “(iii) If the Commission determines by an affirmative
7 vote of 4 of its members that there is probable cause to
8 believe that a person has made a knowing and willful viola-
9 tion of section 304(c), the Commission shall not enter into
10 a conciliation agreement under this paragraph and may
11 institute a civil action for relief under paragraph (6)(A).”;
12 and

13 (B) in paragraph (6)(B), by inserting “(ex-
14 cept an action instituted in connection with a
15 knowing and willful violation of section
16 304(c))” after “subparagraph (A)”; and
17 (2) in subsection (d)(1)—

18 (A) in subparagraph (A), by striking “Any
19 person” and inserting “Except as provided in
20 subparagraph (D), any person”; and

21 (B) by adding at the end the following:

22 “(D) In the case of a knowing and willful violation
23 of section 304(c) that involves the reporting of an inde-
24 pendent expenditure, the violation shall not be subject to
25 this subsection.”.

1 **SEC. 203. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
2 **PENDENT EXPENDITURES.**

3 Section 304 of the Federal Election Campaign Act
4 of 1971 (2 U.S.C. 434) is amended—

5 (1) in subsection (c)(2), by striking the undes-
6 ignated matter after subparagraph (C);

7 (2) by redesignating paragraph (3) of sub-
8 section (c) as subsection (f); and

9 (3) by inserting after subsection (c)(2) (as
10 amended by paragraph (1)) the following:

11 “(d) TIME FOR REPORTING CERTAIN EXPENDI-
12 TURES.—

13 “(1) EXPENDITURES AGGREGATING \$1,000.—

14 “(A) INITIAL REPORT.—A person (includ-
15 ing a political committee) that makes or con-
16 tracts to make independent expenditures aggre-
17 gating \$1,000 or more after the 20th day, but
18 more than 24 hours, before the date of an elec-
19 tion shall file a report describing the expendi-
20 tures within 24 hours after that amount of
21 independent expenditures has been made.

22 “(B) ADDITIONAL REPORTS.—After a per-
23 son files a report under subparagraph (A), the
24 person shall file an additional report within 24
25 hours after each time the person makes or con-
26 tracts to make independent expenditures aggre-

1 gating an additional \$1,000 with respect to the
2 same election as that to which the initial report
3 relates.

4 “(2) EXPENDITURES AGGREGATING \$10,000.—

5 “(A) INITIAL REPORT.—A person (includ-
6 ing a political committee) that makes or con-
7 tracts to make independent expenditures aggreg-
8 gating \$10,000 or more at any time up to and
9 including the 20th day before the date of an
10 election shall file a report describing the ex-
11 penditures within 48 hours after that amount
12 of independent expenditures has been made.

13 “(B) ADDITIONAL REPORTS.—After a per-
14 son files a report under subparagraph (A), the
15 person shall file an additional report within 48
16 hours after each time the person makes or con-
17 tracts to make independent expenditures aggreg-
18 gating an additional \$10,000 with respect to
19 the same election as that to which the initial re-
20 port relates.

21 “(3) PLACE OF FILING; CONTENTS.—A report
22 under this subsection—

23 “(A) shall be filed with the Commission;
24 and

1 “(B) shall contain the information required
 2 by subsection (b)(6)(B)(iii), including the name
 3 of each candidate whom an expenditure is in-
 4 tended to support or oppose.”.

5 **SEC. 204. INDEPENDENT VERSUS COORDINATED EXPENDI-**
 6 **TURES BY PARTY.**

7 Section 315(d) of the Federal Election Campaign Act
 8 (2 U.S.C. 441a(d)) is amended—

9 (1) in paragraph (1), by striking “and (3)” and
 10 inserting “, (3), and (4)”; and

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

12 “(4) INDEPENDENT VERSUS COORDINATED EX-
 13 PENDITURES BY PARTY.—

14 “(A) IN GENERAL.—On or after the date
 15 on which a political party nominates a can-
 16 didate, a committee of the political party shall
 17 not make both expenditures under this sub-
 18 section and independent expenditures (as de-
 19 fined in section 301(17)) with respect to the
 20 candidate during the election cycle.

21 “(B) CERTIFICATION.—Before making a
 22 coordinated expenditure under this subsection
 23 with respect to a candidate, a committee of a
 24 political party shall file with the Commission a
 25 certification, signed by the treasurer of the

1 committee, that the committee has not and
2 shall not make any independent expenditure
3 with respect to the candidate during the same
4 election cycle.

5 “(C) APPLICATION.—For the purposes of
6 this paragraph, all political committees estab-
7 lished and maintained by a national political
8 party (including all congressional campaign
9 committees) and all political committees estab-
10 lished and maintained by a State political party
11 (including any subordinate committee of a State
12 committee) shall be considered to be a single
13 political committee.

14 “(D) TRANSFERS.—A committee of a po-
15 litical party that submits a certification under
16 subparagraph (B) with respect to a candidate
17 shall not, during an election cycle, transfer any
18 funds to, assign authority to make coordinated
19 expenditures under this subsection to, or receive
20 a transfer of funds from, a committee of the po-
21 litical party that has made or intends to make
22 an independent expenditure with respect to the
23 candidate.”.

1 **SEC. 205. COORDINATION WITH CANDIDATES.**

2 (a) DEFINITION OF COORDINATION WITH CAN-
3 DIDATES.—

4 (1) SECTION 301(8).—Section 301(8) of the
5 Federal Election Campaign Act of 1971 (2 U.S.C.
6 431(8)) is amended—

7 (A) in subparagraph (A)—

8 (i) by striking “or” at the end of
9 clause (i);

10 (ii) by striking the period at the end
11 of clause (ii) and inserting “; or”; and

12 (iii) by adding at the end the follow-
13 ing:

14 “(iii) anything of value provided by a
15 person in coordination with a candidate for
16 the purpose of influencing a Federal elec-
17 tion, regardless of whether the value being
18 provided is a communication that is ex-
19 press advocacy, in which such candidate
20 seeks nomination or election to Federal of-
21 fice.”; and

22 (B) by adding at the end the following:

23 “(C) The term ‘provided in coordination
24 with a candidate’ includes—

25 “(i) a payment made by a person in
26 cooperation, consultation, or concert with,

1 at the request or suggestion of, or pursu-
2 ant to any general or particular under-
3 standing with a candidate, the candidate's
4 authorized committee, or an agent acting
5 on behalf of a candidate or authorized
6 committee;

7 “(ii) a payment made by a person for
8 the production, dissemination, distribution,
9 or republication, in whole or in part, of any
10 broadcast or any written, graphic, or other
11 form of campaign material prepared by a
12 candidate, a candidate's authorized com-
13 mittee, or an agent of a candidate or au-
14 thorized committee (not including a com-
15 munication described in paragraph
16 (9)(B)(i) or a communication that ex-
17 pressly advocates the candidate's defeat);

18 “(iii) a payment made by a person
19 based on information about a candidate's
20 plans, projects, or needs provided to the
21 person making the payment by the can-
22 didate or the candidate's agent who pro-
23 vides the information with the intent that
24 the payment be made;

1 “(iv) a payment made by a person if,
2 in the same election cycle in which the pay-
3 ment is made, the person making the pay-
4 ment is serving or has served as a member,
5 employee, fundraiser, or agent of the can-
6 didate’s authorized committee in an execu-
7 tive or policymaking position;

8 “(v) a payment made by a person if
9 the person making the payment has served
10 in any formal policymaking or advisory po-
11 sition with the candidate’s campaign or
12 has participated in formal strategic or for-
13 mal policymaking discussions with the can-
14 didate’s campaign relating to the can-
15 didate’s pursuit of nomination for election,
16 or election, to Federal office, in the same
17 election cycle as the election cycle in which
18 the payment is made;

19 “(vi) a payment made by a person if,
20 in the same election cycle, the person mak-
21 ing the payment retains the professional
22 services of any person that has provided or
23 is providing campaign-related services in
24 the same election cycle to a candidate in
25 connection with the candidate’s pursuit of

1 nomination for election, or election, to
2 Federal office, including services relating
3 to the candidate's decision to seek Federal
4 office, and the person retained is retained
5 to work on activities relating to that can-
6 didate's campaign;

7 “(vii) a payment made by a person
8 who has engaged in a coordinated activity
9 with a candidate described in clauses (i)
10 through (vi) for a communication that
11 clearly refers to the candidate and is for
12 the purpose of influencing an election (re-
13 gardless of whether the communication is
14 express advocacy);

15 “(viii) direct participation by a person
16 in fundraising activities with the candidate
17 or in the solicitation or receipt of contribu-
18 tions on behalf of the candidate;

19 “(ix) communication by a person with
20 the candidate or an agent of the candidate,
21 occurring after the declaration of can-
22 didacy (including a pollster, media consult-
23 ant, vendor, advisor, or staff member), act-
24 ing on behalf of the candidate, about ad-
25 vertising message, allocation of resources,

1 fundraising, or other campaign matters re-
2 lated to the candidate's campaign, includ-
3 ing campaign operations, staffing, tactics,
4 or strategy; or

5 “(x) the provision of in-kind profes-
6 sional services or polling data to the can-
7 didate or candidate's agent.

8 “(D) For purposes of subparagraph (C),
9 the term ‘professional services’ includes services
10 in support of a candidate's pursuit of nomina-
11 tion for election, or election, to Federal office
12 such as polling, media advice, direct mail, fund-
13 raising, or campaign research.

14 “(E) For purposes of subparagraph (C),
15 all political committees established and main-
16 tained by a national political party (including
17 all congressional campaign committees) and all
18 political committees established and maintained
19 by a State political party (including any subor-
20 dinate committee of a State committee) shall be
21 considered to be a single political committee.”.

22 (2) SECTION 315(a)(7).—Section 315(a)(7) (2
23 U.S.C. 441a(a)(7)) is amended by striking subpara-
24 graph (B) and inserting the following:

1 “(B) a thing of value provided in coordina-
 2 tion with a candidate, as described in section
 3 301(8)(A)(iii), shall be considered to be a con-
 4 tribution to the candidate, and in the case of a
 5 limitation on expenditures, shall be treated as
 6 an expenditure by the candidate.

7 (b) MEANING OF CONTRIBUTION OR EXPENDITURE
 8 FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2)
 9 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 10 441b(b)) is amended by striking “shall include” and in-
 11 serting “includes a contribution or expenditure, as those
 12 terms are defined in section 301, and also includes”.

13 **TITLE III—DISCLOSURE**

14 **SEC. 301. FILING OF REPORTS USING COMPUTERS AND** 15 **FACSIMILE MACHINES.**

16 Section 302(a) of the Federal Election Campaign Act
 17 of 1971 (2 U.S.C. 434(a)) is amended by striking para-
 18 graph (11) and inserting the following:

19 “(11)(A) The Commission shall promulgate a
 20 regulation under which a person required to file a
 21 designation, statement, or report under this Act—

22 “(i) is required to maintain and file a des-
 23 ignation, statement, or report for any calendar
 24 year in electronic form accessible by computers
 25 if the person has, or has reason to expect to

1 have, aggregate contributions or expenditures in
2 excess of a threshold amount determined by the
3 Commission; and

4 “(ii) may maintain and file a designation,
5 statement, or report in electronic form or an al-
6 ternative form, including the use of a facsimile
7 machine, if not required to do so under the reg-
8 ulation promulgated under clause (i).

9 “(B) The Commission shall make a designation,
10 statement, report, or notification that is filed elec-
11 tronically with the Commission accessible to the pub-
12 lic on the Internet not later than 24 hours after the
13 designation, statement, report, or notification is re-
14 ceived by the Commission.

15 “(C) In promulgating a regulation under this
16 paragraph, the Commission shall provide methods
17 (other than requiring a signature on the document
18 being filed) for verifying designations, statements,
19 and reports covered by the regulation. Any document
20 verified under any of the methods shall be treated
21 for all purposes (including penalties for perjury) in
22 the same manner as a document verified by signa-
23 ture.”.

1 **SEC. 302. PROHIBITION OF DEPOSIT OF CONTRIBUTIONS**
2 **WITH INCOMPLETE CONTRIBUTOR INFORMA-**
3 **TION.**

4 Section 302 of Federal Election Campaign Act of
5 1971 (2 U.S.C. 432) is amended by adding at the end
6 the following:

7 “(j) DEPOSIT OF CONTRIBUTIONS.—The treasurer of
8 a candidate’s authorized committee shall not deposit, ex-
9 cept in an escrow account, or otherwise negotiate a con-
10 tribution from a person who makes an aggregate amount
11 of contributions in excess of \$200 during a calendar year
12 unless the treasurer verifies that the information required
13 by this section with respect to the contributor is com-
14 plete.”.

15 **SEC. 303. AUDITS.**

16 (a) RANDOM AUDITS.—Section 311(b) of the Federal
17 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is
18 amended—

19 (1) by inserting “(1) IN GENERAL.—” before
20 “The Commission”; and

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

22 “(2) RANDOM AUDITS.—

23 “(A) IN GENERAL.—Notwithstanding para-
24 graph (1), the Commission may conduct ran-
25 dom audits and investigations to ensure vol-
26 untary compliance with this Act. The selection

of any candidate for a random audit or investigation shall be based on criteria adopted by a vote of at least 4 members of the Commission.

“(B) LIMITATION.—The Commission shall not conduct an audit or investigation of a candidate’s authorized committee under subparagraph (A) until the candidate is no longer a candidate for the office sought by the candidate in an election cycle.

“(C) APPLICABILITY.—This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under section 9007 or 9038 of the Internal Revenue Code of 1986.”.

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended by striking “6 months” and inserting “12 months”.

SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBUTIONS OF \$50 OR MORE.

Section 304(b)(3)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(b)(3)(A)) is amended—

(1) by striking “\$200” and inserting “\$50”;

and

1 (2) by striking the semicolon and inserting “,
 2 except that in the case of a person who makes con-
 3 tributions aggregating at least \$50 but not more
 4 than \$200 during the calendar year, the identifica-
 5 tion need include only the name and address of the
 6 person;”.

7 **SEC. 305. USE OF CANDIDATES’ NAMES.**

8 Section 302(e) of the Federal Election Campaign Act
 9 of 1971 (2 U.S.C. 432(e)) is amended by striking para-
 10 graph (4) and inserting the following:

11 “(4)(A) The name of each authorized commit-
 12 tee shall include the name of the candidate who au-
 13 thorized the committee under paragraph (1).

14 “(B) A political committee that is not an au-
 15 thorized committee shall not—

16 “(i) include the name of any candidate in
 17 its name; or

18 “(ii) except in the case of a national,
 19 State, or local party committee, use the name
 20 of any candidate in any activity on behalf of the
 21 committee in such a context as to suggest that
 22 the committee is an authorized committee of
 23 the candidate or that the use of the candidate’s
 24 name has been authorized by the candidate.”.

1 **SEC. 306. PROHIBITION OF FALSE REPRESENTATION TO**
 2 **SOLICIT CONTRIBUTIONS.**

3 Section 322 of the Federal Election Campaign Act
 4 of 1971 (2 U.S.C. 441h) is amended—

5 (1) by inserting after “SEC. 322.” the follow-
 6 ing: “(a) IN GENERAL.—”; and

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

8 “(b) SOLICITATION OF CONTRIBUTIONS.—No person
 9 shall solicit contributions by falsely representing himself
 10 or herself as a candidate or as a representative of a can-
 11 didate, a political committee, or a political party.”.

12 **SEC. 307. SOFT MONEY OF PERSONS OTHER THAN POLITI-**
 13 **CAL PARTIES.**

14 (a) IN GENERAL.—Section 304 of the Federal Elec-
 15 tion Campaign Act of 1971 (2 U.S.C. 434) (as amended
 16 by section 103(c) and section 203) is amended by adding
 17 at the end the following:

18 “(g) DISBURSEMENTS OF PERSONS OTHER THAN
 19 POLITICAL PARTIES.—

20 “(1) IN GENERAL.—A person, other than a po-
 21 litical committee or a person described in section
 22 501(d) of the Internal Revenue Code of 1986, that
 23 makes an aggregate amount of disbursements in ex-
 24 cess of \$50,000 during a calendar year for activities
 25 described in paragraph (2) shall file a statement
 26 with the Commission—

1 “(A) on a monthly basis as described in
2 subsection (a)(4)(B); or

3 “(B) in the case of disbursements that are
4 made within 20 days of an election, within 24
5 hours after the disbursements are made.

6 “(2) ACTIVITY.—The activity described in this
7 paragraph is—

8 “(A) Federal election activity;

9 “(B) an activity described in section
10 316(b)(2)(A) that expresses support for or op-
11 position to a candidate for Federal office or a
12 political party; and

13 “(C) an activity described in subparagraph
14 (C) of section 316(b)(2).

15 “(3) APPLICABILITY.—This subsection does not
16 apply to—

17 “(A) a candidate or a candidate’s author-
18 ized committees; or

19 “(B) an independent expenditure.

20 “(4) CONTENTS.—A statement under this sec-
21 tion shall contain such information about the dis-
22 bursements made during the reporting period as the
23 Commission shall prescribe, including—

24 “(A) the aggregate amount of disburse-
25 ments made;

1 “(B) the name and address of the person
2 or entity to whom a disbursement is made in an
3 aggregate amount in excess of \$200;

4 “(C) the date made, amount, and purpose
5 of the disbursement; and

6 “(D) if applicable, whether the disburse-
7 ment was in support of, or in opposition to, a
8 candidate or a political party, and the name of
9 the candidate or the political party.”.

10 (b) DEFINITION OF GENERIC CAMPAIGN ACTIVITY.—
11 Section 301 of the Federal Election Campaign Act of
12 1971 (2 U.S.C. 431 et seq.) (as amended by section
13 201(b)) is further amended by adding at the end the fol-
14 lowing:

15 “(21) GENERIC CAMPAIGN ACTIVITY.—The term ‘ge-
16 neric campaign activity’ means an activity that promotes
17 a political party and does not promote a candidate or non-
18 Federal candidate.”.

19 **SEC. 308. CAMPAIGN ADVERTISING.**

20 Section 318 of the Federal Election Campaign Act
21 of 1971 (2 U.S.C. 441d) is amended—

22 (1) in subsection (a)—

23 (A) in the matter preceding paragraph

24 (1)—

1 (i) by striking “Whenever” and insert-
2 ing “Whenever a political committee makes
3 a disbursement for the purpose of financ-
4 ing any communication through any broad-
5 casting station, newspaper, magazine, out-
6 door advertising facility, mailing, or any
7 other type of general public political adver-
8 tising, or whenever”;

9 (ii) by striking “an expenditure” and
10 inserting “a disbursement”; and

11 (iii) by striking “direct”; and

12 (B) in paragraph (3), by inserting “and
13 permanent street address” after “name”; and

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

15 “(c) Any printed communication described in sub-
16 section (a) shall—

17 “(1) be of sufficient type size to be clearly read-
18 able by the recipient of the communication;

19 “(2) be contained in a printed box set apart
20 from the other contents of the communication; and

21 “(3) be printed with a reasonable degree of
22 color contrast between the background and the
23 printed statement.

24 “(d)(1) Any broadcast or cablecast communication
25 described in paragraphs (1) or (2) of subsection (a) shall

1 include, in addition to the requirements of that paragraph,
2 an audio statement by the candidate that identifies the
3 candidate and states that the candidate has approved the
4 communication.

5 “(2) If a broadcast or cablecast communication de-
6 scribed in paragraph (1) is broadcast or cablecast by
7 means of television, the communication shall include, in
8 addition to the audio statement under paragraph (1), a
9 written statement that—

10 “(A) appears at the end of the communication
11 in a clearly readable manner with a reasonable de-
12 gree of color contrast between the background and
13 the printed statement, for a period of at least 4 sec-
14 onds; and

15 “(B) is accompanied by a clearly identifiable
16 photographic or similar image of the candidate.

17 “(e) Any broadcast or cablecast communication de-
18 scribed in paragraph (3) of subsection (a) shall include,
19 in addition to the requirements of that paragraph, in a
20 clearly spoken manner, the following statement:
21 ‘_____ is responsible for the content of this
22 advertisement.’ (with the blank to be filled in with the
23 name of the political committee or other person paying
24 for the communication and the name of any connected or-
25 ganization of the payor). If broadcast or cablecast by

1 means of television, the statement shall also appear in a
 2 clearly readable manner with a reasonable degree of color
 3 contrast between the background and the printed state-
 4 ment, for a period of at least 4 seconds.”.

5 **TITLE IV—PERSONAL WEALTH** 6 **OPTION**

7 **SEC. 401. VOLUNTARY PERSONAL FUNDS EXPENDITURE** 8 **LIMIT.**

9 Title III of the Federal Election Campaign Act of
 10 1971 (2 U.S.C. 431 et seq.) (as amended by section 101)
 11 is amended by adding at the end the following:

12 **“SEC. 324. VOLUNTARY PERSONAL FUNDS EXPENDITURE** 13 **LIMIT.**

14 “(a) ELIGIBLE HOUSE CANDIDATE.—

15 “(1) PRIMARY ELECTION.—

16 “(A) DECLARATION.—A candidate is an el-
 17 igible primary election House candidate if the
 18 candidate files with the Commission a declara-
 19 tion that the candidate and the candidate’s au-
 20 thorized committees will not make expenditures
 21 in excess of the personal funds expenditure
 22 limit.

23 “(B) TIME TO FILE.—The declaration
 24 under subparagraph (A) shall be filed not later
 25 than the date on which the candidate files with

1 the appropriate State officer as a candidate for
2 the primary election.

3 “(2) GENERAL ELECTION.—

4 “(A) DECLARATION.—A candidate is an el-
5 igible general election House candidate if the
6 candidate files with the Commission—

7 “(i) a declaration under penalty of
8 perjury, with supporting documentation as
9 required by the Commission, that the can-
10 didate and the candidate’s authorized com-
11 mittees did not exceed the personal funds
12 expenditure limit in connection with the
13 primary election; and

14 “(ii) a declaration that the candidate
15 and the candidate’s authorized committees
16 will not make expenditures in excess of the
17 personal funds expenditure limit.

18 “(B) TIME TO FILE.—The declaration
19 under subparagraph (A) shall be filed not later
20 than 7 days after the earlier of—

21 “(i) the date on which the candidate
22 qualifies for the general election ballot
23 under State law; or

24 “(ii) if under State law, a primary or
25 run-off election to qualify for the general

1 election ballot occurs after September 1,
2 the date on which the candidate wins the
3 primary or runoff election.

4 “(b) PERSONAL FUNDS EXPENDITURE LIMIT.—

5 “(1) IN GENERAL.—The aggregate amount of
6 expenditures that may be made in connection with
7 an election by an eligible House candidate or the
8 candidate’s authorized committees from the sources
9 described in paragraph (2) shall not exceed \$50,000.

10 “(2) SOURCES.—A source is described in this
11 paragraph if the source is—

12 “(A) personal funds of the candidate and
13 members of the candidate’s immediate family;
14 or

15 “(B) proceeds of indebtedness incurred by
16 the candidate or a member of the candidate’s
17 immediate family.

18 “(c) CERTIFICATION BY THE COMMISSION.—

19 “(1) IN GENERAL.—The Commission shall de-
20 termine whether a candidate has met the require-
21 ments of this section and, based on the determina-
22 tion, issue a certification stating whether the can-
23 didate is an eligible House candidate.

24 “(2) TIME FOR CERTIFICATION.—Not later
25 than 7 business days after a candidate files a dec-

1 laration under paragraph (1) or (2) of subsection
2 (a), the Commission shall certify whether the can-
3 didate is an eligible House candidate.

4 “(3) REVOCATION.—The Commission shall re-
5 voke a certification under paragraph (1), based on
6 information submitted in such form and manner as
7 the Commission may require or on information that
8 comes to the Commission by other means, if the
9 Commission determines that a candidate violates the
10 personal funds expenditure limit.

11 “(4) DETERMINATIONS BY COMMISSION.—A de-
12 termination made by the Commission under this
13 subsection shall be final, except to the extent that
14 the determination is subject to examination and
15 audit by the Commission and to judicial review.

16 “(d) PENALTY.—If the Commission revokes the cer-
17 tification of an eligible House candidate—

18 “(1) the Commission shall notify the candidate
19 of the revocation; and

20 “(2) the candidate and a candidate’s authorized
21 committees shall pay to the Commission an amount
22 equal to the amount of expenditures made by a na-
23 tional committee of a political party or a State com-
24 mittee of a political party in connection with the

1 general election campaign of the candidate under
2 section 315(d).”.

3 **SEC. 402. POLITICAL PARTY COMMITTEE COORDINATED**
4 **EXPENDITURES.**

5 Section 315(d) of the Federal Election Campaign Act
6 of 1971 (2 U.S.C. 441a(d)) (as amended by section 204)
7 is amended by adding at the end the following:

8 “(5) This subsection does not apply to expenditures
9 made in connection with the general election campaign of
10 a candidate for the House of Representatives who is not
11 an eligible House candidate (as defined in section
12 324(a)).”.

13 **TITLE V—MISCELLANEOUS**

14 **SEC. 501. PROHIBITING INVOLUNTARY USE OF FUNDS OF**
15 **EMPLOYEES OF CORPORATIONS AND OTHER**
16 **EMPLOYERS AND MEMBERS OF UNIONS AND**
17 **ORGANIZATIONS FOR POLITICAL ACTIVITIES.**

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

21 “(c)(1)(A) Except with the separate, prior, written,
22 voluntary authorization of the individual involved, it shall
23 be unlawful—

24 “(i) for any national bank or corporation de-
25 scribed in this section to collect from or assess a

1 stockholder or employee any portion of any dues, ini-
2 tiation fee, or other payment made as a condition of
3 employment which will be used for political activity
4 in which the national bank or corporation is en-
5 gaged; and

6 “(ii) for any labor organization described in this
7 section to collect from or assess a member or non-
8 member any portion of any dues, initiation fee, or
9 other payment which will be used for political activ-
10 ity in which the labor organization is engaged.

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

18 “(2)(A) Prior to the beginning of any 12-month pe-
19 riod (as determined by the corporation), each corporation
20 described in this section shall provide each of its share-
21 holders with a notice containing the following:

22 “(i) The proposed aggregate amount for dis-
23 bursements for political activities by the corporation
24 for the period.

1 “(ii) The individual’s applicable percentage and
2 applicable pro rata amount for the period.

3 “(iii) A form that the individual may complete
4 and return to the corporation to indicate the individ-
5 ual’s objection to the disbursement of amounts for
6 political activities during the period.

7 “(B) It shall be unlawful for a corporation to which
8 subparagraph (A) applies to make disbursements for polit-
9 ical activities during the 12-month period described in
10 such subparagraph in an amount greater than—

11 “(i) the proposed aggregate amount for such
12 disbursements for the period, as specified in the no-
13 tice provided under subparagraph (A); reduced by

14 “(ii) the sum of the applicable pro rata
15 amounts for such period of all shareholders who re-
16 turn the form described in subparagraph (A)(iii) to
17 the corporation prior to the beginning of the period.

18 “(C) In this paragraph, the following definitions shall
19 apply:

20 “(i) The term ‘applicable percentage’ means,
21 with respect to a shareholder of a corporation, the
22 amount (expressed as a percentage) equal to the
23 number of shares of the corporation (within a par-
24 ticular class or type of stock) owned by the share-
25 holder at the time the notice described in subpara-

1 graph (A) is provided, divided by the aggregate
2 number of such shares owned by all shareholders of
3 the corporation at such time.

4 “(ii) The term ‘applicable pro rata amount’
5 means, with respect to a shareholder for a 12-month
6 period, the product of the shareholder’s applicable
7 percentage for the period and the proposed aggre-
8 gate amount for disbursements for political activities
9 by the corporation for the period, as specified in the
10 notice provided under subparagraph (A).

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

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

1 **SEC. 502. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**
2 **PURPOSES.**

3 Title III of the Federal Election Campaign Act of
4 1971 (2 U.S.C. 431 et seq.) is amended by striking section
5 313 and inserting the following:

6 **“SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**
7 **PURPOSES.**

8 “(a) PERMITTED USES.—A contribution accepted by
9 a candidate, and any other amount received by an individ-
10 ual as support for activities of the individual as a holder
11 of Federal office, may be used by the candidate or individ-
12 ual—

13 “(1) for expenditures in connection with the
14 campaign for Federal office of the candidate or indi-
15 vidual;

16 “(2) for ordinary and necessary expenses in-
17 curred in connection with duties of the individual as
18 a holder of Federal office;

19 “(3) for contributions to an organization de-
20 scribed in section 170(c) of the Internal Revenue
21 Code of 1986; or

22 “(4) for transfers to a national, State, or local
23 committee of a political party.

24 “(b) PROHIBITED USE.—

1 “(1) IN GENERAL.—A contribution or amount
2 described in subsection (a) shall not be converted by
3 any person to personal use.

4 “(2) CONVERSION.—For the purposes of para-
5 graph (1), a contribution or amount shall be consid-
6 ered to be converted to personal use if the contribu-
7 tion or amount is used to fulfill any commitment,
8 obligation, or expense of a person that would exist
9 irrespective of the candidate’s election campaign or
10 individual’s duties as a holder of Federal office-
11 holder, including—

12 “(A) a home mortgage, rent, or utility pay-
13 ment;

14 “(B) a clothing purchase;

15 “(C) a noncampaign-related automobile ex-
16 pense;

17 “(D) a country club membership;

18 “(E) a vacation or other noncampaign-re-
19 lated trip;

20 “(F) a household food item;

21 “(G) a tuition payment;

22 “(H) admission to a sporting event, con-
23 cert, theater, or other form of entertainment
24 not associated with an election campaign; and

1 “(I) dues, fees, and other payments to a
2 health club or recreational facility.”.

3 **SEC. 503. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**
4 **ING PRIVILEGE.**

5 Section 3210(a)(6) of title 39, United States Code,
6 is amended by striking subparagraph (A) and inserting
7 the following:

8 “(A) A Member of Congress shall not mail
9 any mass mailing as franked mail during a year
10 in which there will be an election for the seat
11 held by the Member during the period between
12 January 1 of that year and the date of the gen-
13 eral election for that Office, unless the Member
14 has made a public announcement that the
15 Member will not be a candidate for reelection to
16 that year or for election to any other Federal
17 office.”.

18 **SEC. 504. PROHIBITION OF FUNDRAISING ON FEDERAL**
19 **PROPERTY.**

20 Section 607 of title 18, United States Code, is
21 amended—

22 (1) by striking subsection (a) and inserting the
23 following:

24 “(a) PROHIBITION.—

1 “(1) IN GENERAL.—It shall be unlawful for any
2 person to solicit or receive a donation of money or
3 other thing of value for a political committee or a
4 candidate for Federal, State or local office from a
5 person who is located in a room or building occupied
6 in the discharge of official duties by an officer or
7 employee of the United States. An individual who is
8 an officer or employee of the Federal Government,
9 including the President, Vice President, and Mem-
10 bers of Congress, shall not solicit a donation of
11 money or other thing of value for a political commit-
12 tee or candidate for Federal, State or local office,
13 while in any room or building occupied in the dis-
14 charge of official duties by an officer or employee of
15 the United States, from any person.

16 “(2) PENALTY.—A person who violates this sec-
17 tion shall be fined not more than \$5,000, imprisoned
18 more than 3 years, or both.”; and

19 (2) by inserting in subsection (b) after “Con-
20 gress” “or Executive Office of the President”.

21 **SEC. 505. PENALTIES FOR KNOWING AND WILLFUL VIOLA-**
22 **TIONS.**

23 (a) INCREASED PENALTIES.—Section 309(a) of the
24 Federal Election Campaign Act of 1971 (2 U.S.C.
25 437g(a)) is amended—

1 (1) in paragraphs (5)(A), (6)(A), and (6)(B),
 2 by striking “\$5,000” and inserting “\$10,000”; and
 3 (2) in paragraphs (5)(B) and (6)(C), by strik-
 4 ing “\$10,000 or an amount equal to 200 percent”
 5 and inserting “\$20,000 or an amount equal to 300
 6 percent”.

7 (b) **EQUITABLE REMEDIES.**—Section 309(a)(5)(A) of
 8 the Federal Election Campaign Act of 1971 (2 U.S.C.
 9 437g(a)(5)) is amended by striking the period at the end
 10 and inserting “, and may include equitable remedies or
 11 penalties, including disgorgement of funds to the Treasury
 12 or community service requirements (including require-
 13 ments to participate in public education programs).”.

14 (c) **AUTOMATIC PENALTY FOR LATE FILING.**—Sec-
 15 tion 309(a) of the Federal Election Campaign Act of 1971
 16 (2 U.S.C. 437g(a)) is amended—

17 (1) by adding at the end the following:

18 “(13) **LTY FOR LATE FILING.**—

19 “(A) **IN GENERAL.**—

20 “(i) **MONETARY PENALTIES.**—The
 21 Commission shall establish a schedule of
 22 mandatory monetary penalties that shall
 23 be imposed by the Commission for failure
 24 to meet a time requirement for filing under
 25 section 304.

1 “(ii) REQUIRED FILING.—In addition
2 to imposing a penalty, the Commission
3 may require a report that has not been
4 filed within the time requirements of sec-
5 tion 304 to be filed by a specific date.

6 “(iii) PROCEDURE.—A penalty or fil-
7 ing requirement imposed under this para-
8 graph shall not be subject to paragraph
9 (1), (2), (3), (4), (5), or (12).

10 “(B) FILING AN EXCEPTION.—

11 “(i) TIME TO FILE.—A political com-
12 mittee shall have 30 days after the imposi-
13 tion of a penalty or filing requirement by
14 the Commission under this paragraph in
15 which to file an exception with the Com-
16 mission.

17 “(ii) TIME FOR COMMISSION TO
18 RULE.—Within 30 days after receiving an
19 exception, the Commission shall make a
20 determination that is a final agency action
21 subject to exclusive review by the United
22 States Court of Appeals for the District of
23 Columbia Circuit under section 706 of title
24 5, United States Code, upon petition filed
25 in that court by the political committee or

1 treasurer that is the subject of the agency
 2 action, if the petition is filed within 30
 3 days after the date of the Commission ac-
 4 tion for which review is sought.”;

5 (2) in paragraph (5)(D)—

6 (A) by inserting after the first sentence the
 7 following: “In any case in which a penalty or
 8 filing requirement imposed on a political com-
 9 mittee or treasurer under paragraph (13) has
 10 not been satisfied, the Commission may insti-
 11 tute a civil action for enforcement under para-
 12 graph (6)(A).”; and

13 (B) by inserting before the period at the
 14 end of the last sentence the following: “or has
 15 failed to pay a penalty or meet a filing require-
 16 ment imposed under paragraph (13)”; and

17 (3) in paragraph (6)(A), by striking “paragraph
 18 (4)(A)” and inserting “paragraph (4)(A) or (13)”.

19 **SEC. 506. STRENGTHENING FOREIGN MONEY BAN.**

20 Section 319 of the Federal Election Campaign Act
 21 of 1971 (2 U.S.C. 441e) is amended—

22 (1) by striking the heading and inserting the
 23 following: “CONTRIBUTIONS AND DONATIONS BY
 24 FOREIGN NATIONALS”; and

1 (2) by striking subsection (a) and inserting the
2 following:

3 “(a) PROHIBITION.—It shall be unlawful for—

4 “(1) a foreign national, directly or indirectly, to
5 make—

6 “(A) a donation of money or other thing of
7 value, or to promise expressly or impliedly to
8 make a donation, in connection with a Federal,
9 State, or local election to a political committee
10 or a candidate for Federal office; or

11 “(ii) a contribution or donation to a
12 committee of a political party; or

13 “(B) for a person to solicit, accept, or re-
14 ceive such contribution or donation from a for-
15 eign national.”.

16 **SEC. 507. PROHIBITION OF CONTRIBUTIONS BY MINORS.**

17 Title III of the Federal Election Campaign Act of
18 1971 (2 U.S.C. 431 et seq.) (as amended by sections 101
19 and 401) is amended by adding at the end the following:

20 **“SEC. 325. PROHIBITION OF CONTRIBUTIONS BY MINORS.**

21 An individual who is 17 years old or younger shall
22 not make a contribution to a candidate or a contribution
23 or donation to a committee of a political party.”.

1 **SEC. 508. EXPEDITED PROCEDURES.**

2 (a) IN GENERAL.—Section 309(a) of the Federal
3 Election Campaign Act of 1971 (2 U.S.C. 437g(a)) (as
4 amended by section 505(c)) is amended by adding at the
5 end the following:

6 “(14)(A) If the complaint in a proceeding was
7 filed within 60 days preceding the date of a general
8 election, the Commission may take action described
9 in this subparagraph.

10 “(B) If the Commission determines, on the
11 basis of facts alleged in the complaint and other
12 facts available to the Commission, that there is clear
13 and convincing evidence that a violation of this Act
14 has occurred, is occurring, or is about to occur, the
15 Commission may order expedited proceedings, short-
16 ening the time periods for proceedings under para-
17 graphs (1), (2), (3), and (4) as necessary to allow
18 the matter to be resolved in sufficient time before
19 the election to avoid harm or prejudice to the inter-
20 ests of the parties.

21 “(C) If the Commission determines, on the
22 basis of facts alleged in the complaint and other
23 facts available to the Commission, that the com-
24 plaint is clearly without merit, the Commission
25 may—

1 “(i) order expedited proceedings, shorten-
 2 ing the time periods for proceedings under
 3 paragraphs (1), (2), (3), and (4) as necessary
 4 to allow the matter to be resolved in sufficient
 5 time before the election to avoid harm or preju-
 6 dice to the interests of the parties; or

7 “(ii) if the Commission determines that
 8 there is insufficient time to conduct proceedings
 9 before the election, summarily dismiss the com-
 10 plaint.”.

11 (b) REFERRAL TO ATTORNEY GENERAL.—Section
 12 309(a)(5) of the Federal Election Campaign Act of 1971
 13 (2 U.S.C. 437g(a)(5)) is amended by striking subpara-
 14 graph (C) and inserting the following:

15 “(C) The Commission may at any time, by an affirm-
 16 ative vote of at least 4 of its members, refer a possible
 17 violation of this Act or chapter 95 or 96 of the Internal
 18 Revenue Code of 1986, to the Attorney General of the
 19 United States, without regard to any limitation set forth
 20 in this section.”.

21 **SEC. 509. INITIATION OF ENFORCEMENT PROCEEDING.**

22 Section 309(a)(2) of the Federal Election Campaign
 23 Act of 1971 (2 U.S.C. 437g(a)(2)) is amended by striking
 24 “reason to believe that” and inserting “reason to inves-
 25 tigate whether”.

1 **TITLE VI—SEVERABILITY; CON-**
2 **STITUTIONALITY; EFFECTIVE**
3 **DATE; REGULATIONS**

4 **SEC. 601. SEVERABILITY.**

5 If any provision of this Act or amendment made by
6 this Act, or the application of a provision or amendment
7 to any person or circumstance, is held to be unconstitu-
8 tional, the remainder of this Act and amendments made
9 by this Act, and the application of the provisions and
10 amendment to any person or circumstance, shall not be
11 affected by the holding.

12 **SEC. 602. REVIEW OF CONSTITUTIONAL ISSUES.**

13 An appeal may be taken directly to the Supreme
14 Court of the United States from any final judgment, de-
15 cree, or order issued by any court ruling on the constitu-
16 tionality of any provision of this Act or amendment made
17 by this Act.

18 **SEC. 603. EFFECTIVE DATE.**

19 Except as otherwise provided in this Act, this Act and
20 the amendments made by this Act take effect January 1,
21 1999.

22 **SEC. 604. REGULATIONS.**

23 The Federal Election Commission shall prescribe any
24 regulations required to carry out this Act and the amend-

- 1 ments made by this Act not later than 270 days after the
- 2 effective date of this Act.

