

105TH CONGRESS  
1ST SESSION

# H. R. 462

To amend the Federal Election Campaign Act of 1971 to control House of Representatives campaign spending, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 1997

Mr. COSTELLO introduced the following bill; which was referred to the Committee on House Oversight

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## A BILL

To amend the Federal Election Campaign Act of 1971 to control House of Representatives campaign spending, 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  
5       System Reform Act”.

1 **TITLE I—CONTROL OF HOUSE**  
2 **OF REPRESENTATIVES CAM-**  
3 **PAIGN SPENDING**

4 **SEC. 101. HOUSE OF REPRESENTATIVES CANDIDATES PRO-**  
5 **HIBITED FROM ACCEPTING CONTRIBUTIONS**  
6 **FROM POLITICAL ACTION COMMITTEES AND**  
7 **OTHER SOURCES EXCEPT INDIVIDUALS.**

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

11 “(i) Notwithstanding any other provision of this Act,  
12 a candidate for the office of Representative in, or Delegate  
13 or Resident Commissioner to, the Congress may not ac-  
14 cept any contribution from a multicandidate political com-  
15 mittee or any other person other than an individual.”.

16 **SEC. 102. CONTRIBUTIONS TO HOUSE OF REPRESENTA-**  
17 **TIVES CANDIDATES REQUIRED TO BE FROM**  
18 **INDIVIDUAL RESIDENTS OF THE CONGRES-**  
19 **SIONAL DISTRICT.**

20 Title III of the Federal Election Campaign Act of  
21 1971 (2 U.S.C. 431 et seq.) is amended by adding at the  
22 end the following new section:

1 “CONTRIBUTIONS TO HOUSE OF REPRESENTATIVES CAN-  
 2 DIDATES REQUIRED TO BE FROM INDIVIDUAL RESI-  
 3 DENTS OF THE CONGRESSIONAL DISTRICT

4 “SEC. 323. Notwithstanding any other provision of  
 5 this Act, a candidate for the office of Representative in,  
 6 or Delegate or Resident Commissioner to, the Congress  
 7 may not accept contributions from any person other than  
 8 an individual resident of the congressional district in-  
 9 volved.”.

10 **SEC. 103. PROVISIONS APPLICABLE TO ELIGIBLE HOUSE**  
 11 **OF REPRESENTATIVES CANDIDATES.**

12 The Federal Election Campaign Act of 1971 is  
 13 amended by adding at the end the following new title:

14 **“TITLE V—EXPENDITURE LIM-**  
 15 **TATIONS AND CONTRIBUTION**  
 16 **LIMITATIONS FOR ELIGIBLE**  
 17 **HOUSE OF REPRESENTA-**  
 18 **TIVES CANDIDATES**

19 **“SEC. 501. EXPENDITURE LIMITATIONS.**

20 “(a) IN GENERAL.—An eligible House of Representa-  
 21 tives candidate may not, in an election cycle, make expend-  
 22 itures aggregating more than \$600,000, of which not more  
 23 than \$500,000 may be expended in the general election  
 24 period.

1       “(b) RUNOFF ELECTION AND SPECIAL ELECTION  
2 AMOUNTS.—

3               “(1) RUNOFF ELECTION AMOUNT.—In addition  
4 to the expenditures under subsection (a), an eligible  
5 House of Representatives candidate who is a can-  
6 didate in a runoff election may make expenditures  
7 aggregating not more than 20 percent of the general  
8 election period limit under subsection (a).

9               “(2) SPECIAL ELECTION AMOUNT.—An eligible  
10 House of Representatives candidate who is a can-  
11 didate in a special election may make expenditures  
12 aggregating not more than \$500,000 with respect to  
13 the special election.

14       “(c) CLOSELY CONTESTED PRIMARY.—If, as deter-  
15 mined by the Commission, an eligible House of Represent-  
16 atives candidate in a contested primary election wins that  
17 primary election by a margin of 10 percentage points or  
18 less, subject to the general election period limitation in  
19 subsection (a), the candidate may make additional expend-  
20 itures of not more than \$150,000 in the general election  
21 period.

22       “(d) NONPARTICIPATING OPPONENT PROVISIONS.—

23               “(1) LIMITATION EXCEPTION.—The limitations  
24 imposed by subsections (a) and (b) do not apply in  
25 the case of an eligible House of Representatives can-

1 didate if any other candidate seeking nomination or  
2 election to that office—

3 “(A) is not an eligible House of Represent-  
4 atives candidate; and

5 “(B) makes expenditures in excess of 80  
6 percent of the general election period limitation  
7 specified in subsection (a).

8 “(2) REPORTING REQUIREMENT.—A candidate  
9 for the office of Representative in, or Delegate or  
10 Resident Commissioner to, the Congress—

11 “(A) who is not an eligible House of Rep-  
12 resentatives candidate; and

13 “(B) who—

14 “(i) receives contributions in excess of  
15 50 percent of the general election period  
16 limitation specified in subsection (a)(1); or

17 “(ii) makes expenditures in excess of  
18 80 percent of such limit;

19 shall report that the threshold has been reached to  
20 the Clerk of the House of Representatives not later  
21 than 48 hours after reaching the threshold. The  
22 Clerk shall transmit a report received under this  
23 paragraph to the Commission as soon as possible  
24 (but no later than 4 working hours of the Commis-  
25 sion) after such receipt, and the Commission shall

1 transmit a copy to each other candidate in the elec-  
2 tion within 48 hours of receipt.

3 “(e) EXEMPTION FOR CERTAIN COSTS AND  
4 TAXES.—Payments for legal and accounting compliance  
5 costs, and Federal, State, or local taxes with respect to  
6 a candidate’s authorized committees, shall not be consid-  
7 ered in the computation of amounts subject to limitation  
8 under this section.

9 “(f) EXEMPTION FOR FUNDRAISING COSTS.—

10 “(1) Any costs incurred by an eligible House of  
11 Representatives candidate or his or her authorized  
12 committee in connection with the solicitation of con-  
13 tributions on behalf of such candidate shall not be  
14 considered in the computation of amounts subject to  
15 limitation under this section to the extent that the  
16 aggregate of such costs does not exceed 5 percent of  
17 the limitation under subsection (a) or subsection (b).

18 “(2) An amount equal to 5 percent of salaries  
19 and overhead expenditures of an eligible House of  
20 Representatives candidate’s campaign headquarters  
21 and offices shall not be considered in the computa-  
22 tion of amounts subject to limitation under this sec-  
23 tion. Any amount excluded under this paragraph  
24 shall be applied against the fundraising expenditure  
25 exemption under paragraph (1).

1       “(g) INDEXING.—The dollar amounts specified in  
 2 subsections (a), (b), (c), and (e) shall be adjusted at the  
 3 beginning of each calendar year based on the increase in  
 4 the price index determined under section 315(c), except  
 5 that, for the purposes of such adjustment, the base period  
 6 shall be calendar year 1998.

7       **“SEC. 502. CONTRIBUTION LIMITATIONS.**

8       “(a) ELIGIBLE HOUSE OF REPRESENTATIVES CAN-  
 9 DIDATE LIMITATION.—An eligible House of Representa-  
 10 tives candidate may not, with respect to an election cycle,  
 11 accept contributions aggregating in excess of \$600,000.

12       “(b) NONPARTICIPATING OPPONENT PROVISIONS.—  
 13 The limitations imposed by subsection (a) do not apply  
 14 in the case of an eligible House of Representatives can-  
 15 didate if any other candidate seeking nomination or elec-  
 16 tion to that office—

17               “(1) is not an eligible House of Representatives  
 18 candidate; and

19               “(2) receives contributions in excess of 50 per-  
 20 cent of the general election period limitation speci-  
 21 fied in section 501(a).

22       “(c) TRANSFER PROVISION.—If an eligible House of  
 23 Representatives candidate transfers any amount from an  
 24 election cycle to a later election cycle, the limitation with  
 25 respect to the candidate under subsection (a) for the later

1 cycle shall be an amount equal to the difference between  
2 the amount specified in that subsection and the amount  
3 transferred.

4 “(d) RUNOFF AMOUNT.—In addition to the contribu-  
5 tions under subsection (a), an eligible House of Represent-  
6 atives candidate who is a candidate in a runoff election  
7 may accept contributions aggregating not more than 20  
8 percent of the general election expenditure limit under sec-  
9 tion 501(a) in the general election period.

10 “(e) PERSONAL CONTRIBUTIONS.—

11 “(1) IN GENERAL.—An eligible House of Rep-  
12 resentatives candidate may not, with respect to an  
13 election cycle, make contributions to his or her own  
14 campaign totaling more than \$50,000 from the per-  
15 sonal funds of the candidate.

16 “(2) LIMITATION EXCEPTION.—The limitation  
17 imposed by paragraph (1) does not apply in the case  
18 of an eligible House of Representatives candidate if  
19 any other candidate—

20 “(A) is not an eligible House of Represent-  
21 atives candidate; and

22 “(B) receives contributions in excess of 50  
23 percent of the general election period limitation  
24 specified in section 501(a).



1       “(f) EXEMPTION FOR CERTAIN COSTS.—(1) Any  
2 amount—

3               “(A) accepted by a candidate for the office of  
4 Representative in, or Delegate or Resident Commis-  
5 sioner to the Congress; and

6               “(B) used for legal and accounting compliance  
7 costs, or used to pay Federal, State, or local taxes  
8 with respect to a candidate’s authorized committees  
9 shall not be considered in the computation of  
10 amounts subject to limitation under subsection (a).

11       “(2) The balance of funds maintained for legal and  
12 accounting compliance costs by the authorized committees  
13 of an eligible House of Representatives candidate shall not  
14 exceed 20 percent of the limit under subsection (a) at any  
15 time.

16       “(g) INDEXING.—The dollar amounts specified in  
17 subsections (a) and (e) shall be adjusted at the beginning  
18 of the calendar year based on the increase in the price  
19 index determined under section 315(c), except that, for  
20 the purposes of such adjustment, the base period shall be  
21 calendar year 1998.”.

1 **TITLE II—PROVISIONS RELAT-**  
2 **ING TO SOFT MONEY OF PO-**  
3 **LITICAL PARTIES**

4 **SEC. 201. CONTRIBUTIONS TO POLITICAL PARTY COMMIT-**  
5 **TEES.**

6 (a) INDIVIDUAL CONTRIBUTIONS TO STATE  
7 PARTY.—Paragraph (1) of section 315(a) of the Federal  
8 Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is  
9 amended by striking “or” at the end of subparagraph (B),  
10 by redesignating subparagraph (C) as subparagraph (D),  
11 and by inserting after subparagraph (B) the following new  
12 subparagraph:

13 “(C) to political committees established and  
14 maintained by a State committee of a political party  
15 in any calendar year which, in the aggregate, exceed  
16 \$10,000; or”.

17 (b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS  
18 TO STATE PARTY.—Paragraph (2) of section 315(a) of  
19 the Federal Election Campaign Act of 1971 (2 U.S.C.  
20 441a(a)(2)) is amended by striking “or” at the end of sub-  
21 paragraph (B), by redesignating subparagraph (C) as sub-  
22 paragraph (D), and by inserting after subparagraph (B)  
23 the following new subparagraph:

24 “(C) to political committees established and  
25 maintained by a State committee of a political party

1 in any calendar year which, in the aggregate, exceed  
 2 \$10,000; or”.

3 (c) INCREASE IN OVERALL LIMIT.—Paragraph (3) of  
 4 section 315(a) of the Federal Election Campaign Act of  
 5 1971 (2 U.S.C. 441a(a)(3)) is amended by adding at the  
 6 end the following new sentence: “The limitation under this  
 7 paragraph shall be increased (but not by more than  
 8 \$5,000) by the amount of contributions made by an indi-  
 9 vidual during a calendar year to political committees  
 10 which are taken into account for purposes of paragraph  
 11 (1)(C).”.

12 **SEC. 202. PROVISIONS RELATING TO NATIONAL, STATE,**  
 13 **AND LOCAL PARTY COMMITTEES.**

14 (a) EXPENDITURES BY STATE COMMITTEES IN CON-  
 15 NECTION WITH PRESIDENTIAL CAMPAIGNS.—Section  
 16 315(d) of the Federal Election Campaign Act of 1971 (2  
 17 U.S.C. 441a(d)) is amended by inserting at the end the  
 18 following new paragraph:

19 “(4) A State committee of a political party, including  
 20 subordinate committees of that State committee, shall not  
 21 make expenditures in connection with the general election  
 22 campaign of a candidate for President of the United  
 23 States who is affiliated with such party which, in the ag-  
 24 gregate, exceed an amount equal to 4 cents multiplied by  
 25 the voting age population of the State, as certified under

1 subsection (e). This paragraph shall not authorize a com-  
 2 mittee to make expenditures for audio broadcasts (includ-  
 3 ing television broadcasts) in excess of the amount which  
 4 could have been made without regard to this paragraph.”.

5 (b) CONTRIBUTION AND EXPENDITURE EXCEP-  
 6 TIONS.—(1) Section 301(8)(B) of the Federal Election  
 7 Campaign Act of 1971 (2 U.S.C. 431(8)(B)) is amend-  
 8 ed—

9 (A) in clause (xi), by striking “direct mail” and  
 10 inserting “mail”; and

11 (B) by repealing clauses (x) and (xii).

12 (2) Section 301(9)(B) of the Federal Election Cam-  
 13 paign Act of 1971 (2 U.S.C. 431(9)(B)) is amended by  
 14 repealing clauses (viii) and (ix).

15 (c) SOFT MONEY OF COMMITTEES OF POLITICAL  
 16 PARTIES.—(1) Title III of the Federal Election Campaign  
 17 Act of 1971, as amended by section 102, is further amend-  
 18 ed by adding at the end the following new section:

19 “POLITICAL PARTY COMMITTEES  
 20 “SEC. 324. (a) Any amount solicited, received, or ex-  
 21 pended directly or indirectly by a national, State, district,  
 22 or local committee of a political party (including any sub-  
 23 ordinate committee) with respect to an activity which, in  
 24 whole or in part, is in connection with an election to Fed-  
 25 eral office shall be subject in its entirety to the limitations,  
 26 prohibitions, and reporting requirements of this Act.

1 “(b) For purposes of subsection (a)—

2 “(1) Any activity which is solely for the purpose  
3 of influencing an election for Federal office is in  
4 connection with an election for Federal office.

5 “(2) Except as provided in paragraph (3), any  
6 of the following activities during a Federal election  
7 period shall be treated as in connection with an elec-  
8 tion for Federal office:

9 “(A) Voter registration and get-out-the-  
10 vote activities.

11 “(B) Campaign activities, including broad-  
12 casting, newspaper, magazine, billboard, mass  
13 mail, and newsletter communications, and simi-  
14 lar kinds of communications or public advertis-  
15 ing that—

16 “(i) are generic campaign activities; or

17 “(ii) identify a Federal candidate re-  
18 gardless of whether a State or local can-  
19 didate is also identified.

20 “(C) The preparation and dissemination of  
21 campaign materials that are part of a generic  
22 campaign activity or that identify a Federal  
23 candidate, regardless of whether a State or  
24 local candidate is also identified.

1           “(D) Development and maintenance of  
2 voter files.

3           “(E) Any other activity affecting (in whole  
4 or in part) an election for Federal office.

5           “(3) The following shall not be treated as in  
6 connection with a Federal election:

7           “(A) Any amount described in section  
8 301(8)(B)(viii).

9           “(B) Any amount contributed to a can-  
10 didate for other than Federal office.

11           “(C) Any amount received or expended in  
12 connection with a State or local political con-  
13 vention.

14           “(D) Campaign activities, including broad-  
15 casting, newspaper, magazine, billboard, mass  
16 mail, and newsletter communications, and simi-  
17 lar kinds of communications or public advertis-  
18 ing that are exclusively on behalf of State or  
19 local candidates and are not activities described  
20 in paragraph (2)(A).

21           “(E) Administrative expenses of a State or  
22 local committee of a political party, including  
23 expenses for—

24           “(i) overhead;

1 “(ii) staff (other than individuals de-  
2 voting a substantial portion of their activi-  
3 ties to elections for Federal office);

4 “(iii) meetings; and

5 “(iv) conducting party elections or  
6 caucuses.

7 “(F) Research pertaining solely to State  
8 and local candidates and issues.

9 “(G) Development and maintenance of  
10 voter files other than during a Federal election  
11 period.

12 “(H) Activities described in paragraph  
13 (2)(A) which are conducted other than during  
14 a Federal election period.

15 “(I) Any other activity which is solely for  
16 the purpose of influencing, and which solely af-  
17 fects, an election for non-Federal office.

18 “(4) For purposes of this subsection, the term  
19 ‘Federal election period’ means the period—

20 “(A) beginning on June 1, of any even-  
21 numbered calendar year (April 1 if an election  
22 to the office of President occurs in such year),  
23 and

1                   “(B) ending on the date during such year  
2                   on which regularly scheduled general elections  
3                   for Federal office occur.

4           In the case of a special election, the Federal election  
5           period shall include at least the 60-day period end-  
6           ing on the date of the election.

7           “(c) SOLICITATION OF COMMITTEES.—(1) A national  
8           committee of a political party may not solicit or accept  
9           contributions not subject to the limitations, prohibitions,  
10          and reporting requirements of this Act.

11          “(2) Paragraph (1) shall not apply to contributions  
12          that—

13                  “(A) are to be transferred to a State committee  
14                  of a political party for use directly for activities de-  
15                  scribed in subsection (b)(3); or

16                  “(B) are to be used by the committee primarily  
17                  to support such activities.

18          “(d) AMOUNTS RECEIVED FROM STATE AND LOCAL  
19          CANDIDATE COMMITTEES.—(1) For purposes of sub-  
20          section (a), any amount received by a national, State, dis-  
21          trict, or local committee of a political party (including any  
22          subordinate committee) from a State or local candidate  
23          committee shall be treated as meeting the requirements  
24          of subsection (a) and section 304(d) if—



1           “(A) such amount is derived from funds which  
2           meet the requirements of this Act with respect to  
3           any limitation or prohibition as to source or dollar  
4           amount, and

5           “(B) the State or local candidate committee—

6                   “(i) maintains, in the account from which  
7                   payment is made, records of the sources and  
8                   amounts of funds for purposes of determining  
9                   whether such requirements are met, and

10                   “(ii) certifies to the other committee that  
11                   such requirements were met.

12           “(2) Notwithstanding paragraph (1), any committee  
13           receiving any contribution described in paragraph (1) from  
14           a State or local candidate committee shall be required to  
15           meet the reporting requirements of this Act with respect  
16           to receipt of the contribution from such candidate commit-  
17           tee.

18           “(3) For purposes of this subsection, a State or local  
19           candidate committee is a committee established, financed,  
20           maintained, or controlled by a candidate for other than  
21           Federal office.”.

22           (2) Section 315(d) of the Federal Election Campaign  
23           Act of 1971 (2 U.S.C. 441a(d)), as amended by subsection  
24           (a), is amended by adding at the end the following new  
25           paragraph:

1           “(5)(A) The national committee of a political  
2           party, the congressional campaign committees of a  
3           political party, and a State or local committee of a  
4           political party, including a subordinate committee of  
5           any of the preceding committees, shall not make ex-  
6           penditures during any calendar year for activities  
7           described in section 324(b)(2) with respect to such  
8           State which, in the aggregate, exceed an amount  
9           equal to 30 cents multiplied by the voting age popu-  
10          lation of the State (as certified under subsection  
11          (e)).

12          “(B) Expenditures authorized under this para-  
13          graph shall be in addition to other expenditures al-  
14          lowed under this subsection, except that this para-  
15          graph shall not authorize a committee to make ex-  
16          penditures to which paragraph (3) or (4) applies in  
17          excess of the limit applicable to such expenditures  
18          under paragraph (3) or (4).

19          “(C) No adjustment to the limitation under this  
20          paragraph shall be made under subsection (c) before  
21          1998 and the base period for purposes of any such  
22          adjustment shall be 1996.

23          “(D) For purposes of this paragraph—

1           “(i) a local committee of a political party  
2           shall only include a committee that is a political  
3           committee (as defined in section 301(4)); and

4           “(ii) a State committee shall not be re-  
5           quired to record or report under this Act the  
6           expenditures of any other committee which are  
7           made independently from the State commit-  
8           tee.”.

9           (3) Section 301(4) of the Federal Election Campaign  
10          Act of 1971 (2 U.S.C. 431(4)) is amended by adding at  
11          the end the following new sentence: “For purposes of sub-  
12          paragraph (C), any payments for get-out-the-vote activi-  
13          ties on behalf of candidates for office other than Federal  
14          office shall be treated as payments exempted from the def-  
15          inition of expenditure under paragraph (9).”.

16          (d) GENERIC ACTIVITIES.—Section 301 of the Fed-  
17          eral Election Campaign Act of 1971 (2 U.S.C. 431), as  
18          amended by section 402, is further amended by adding  
19          at the end the following new paragraph:

20                 “(25) The term ‘generic campaign activity’  
21                 means a campaign activity the preponderant purpose  
22                 or effect of which is to promote a political party  
23                 rather than any particular Federal or non-Federal  
24                 candidate.”.

1 **SEC. 203. RESTRICTIONS ON FUNDRAISING BY CANDIDATES**  
2 **AND OFFICEHOLDERS.**

3 (a) STATE FUNDRAISING ACTIVITIES.—Section 315  
4 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
5 441a), as amended by section 101, is further amended by  
6 adding at the end the following new subsection:

7 “(j) LIMITATIONS ON FUNDRAISING ACTIVITIES OF  
8 FEDERAL CANDIDATES AND OFFICEHOLDERS AND CER-  
9 TAIN POLITICAL COMMITTEES.—(1) For purposes of this  
10 Act, a candidate for Federal office (or an individual hold-  
11 ing Federal office) may not solicit funds to, or receive  
12 funds on behalf of, any Federal or non-Federal candidate  
13 or political committee—

14 “(A) which are to be expended in connection  
15 with any election for Federal office unless such  
16 funds are subject to the limitations, prohibitions,  
17 and requirements of this Act; or

18 “(B) which are to be expended in connection  
19 with any election for other than Federal office unless  
20 such funds are not in excess of amounts permitted  
21 with respect to Federal candidates and political com-  
22 mittees under this Act, and are not from sources  
23 prohibited by this Act with respect to elections to  
24 Federal office.

25 “(2)(A) The aggregate amount which a person de-  
26 scribed in subparagraph (B) may solicit from a multican-

1 didate political committee for State committees described  
2 in subsection (a)(1)(C) (including subordinate commit-  
3 tees) for any calendar year shall not exceed the dollar  
4 amount in effect under subsection (a)(2)(B) for the cal-  
5 endar year.

6 “(B) A person is described in this subparagraph if  
7 such person is a candidate for Federal office, an individual  
8 holding Federal office, or any national, State, district, or  
9 local committee of a political party (including subordinate  
10 committees).

11 “(3) The appearance or participation by a candidate  
12 or individual in any activity (including fundraising) con-  
13 ducted by a committee of a political party or a candidate  
14 for other than Federal office shall not be treated as a so-  
15 licitation for purposes of paragraph (1) if—

16 “(A) such appearance or participation is other-  
17 wise permitted by law; and

18 “(B) such candidate or individual does not so-  
19 licit or receive, or make expenditures from, any  
20 funds resulting from such activity.

21 “(4) Paragraph (1) shall not apply to the solicitation  
22 or receipt of funds, or disbursements, by an individual who  
23 is a candidate for other than Federal office if such activity  
24 is permitted under State law.

1 “(5) For purposes of this subsection, an individual  
2 shall be treated as holding Federal office if such individual  
3 is described in section 101(f) of the Ethics in Government  
4 Act of 1978.”.

5 (b) TAX-EXEMPT ORGANIZATIONS.—Section 315 of  
6 the Federal Election Campaign Act of 1971 (2 U.S.C.  
7 441a), as amended by section 101 and subsection (a) of  
8 this section, is further amended by adding at the end the  
9 following new subsection:

10 “(k) TAX-EXEMPT ORGANIZATIONS.—(1) If during  
11 any period an individual is a candidate for, or holds, Fed-  
12 eral office, such individual may not during such period so-  
13 licit contributions to, or on behalf of, any organization  
14 which is described in section 501(c) of the Internal Reve-  
15 nue Code of 1986 if a significant portion of the activities  
16 of such organization include voter registration or get-out-  
17 the-vote campaigns.

18 “(2) For purposes of this subsection, an individual  
19 shall be treated as holding Federal office if such individual  
20 is described in section 101(f) of the Ethics in Government  
21 Act of 1978.”.

22 **SEC. 204. REPORTING REQUIREMENTS.**

23 (a) REPORTING REQUIREMENTS.—Section 304 of the  
24 Federal Election Campaign Act of 1971 (2 U.S.C. 434)

1 is amended by adding at the end thereof the following new  
2 subsection:

3 “(d) POLITICAL COMMITTEES.—(1) The national  
4 committee of a political party and any congressional cam-  
5 paign committee, and any subordinate committee of ei-  
6 ther, shall report all receipts and disbursements during  
7 the reporting period, whether or not in connection with  
8 an election for Federal office.

9 “(2) A political committee (not described in para-  
10 graph (1)) to which section 324 applies shall report all  
11 receipts and disbursements in connection with a Federal  
12 election (as determined under section 324).

13 “(3) Any political committee to which section 324 ap-  
14 plies shall include in its report under paragraph (1) or  
15 (2) the amount of any transfer described in section 324(c)  
16 and the reason for the transfer.

17 “(4) Any political committee to which paragraph (1)  
18 or (2) does not apply shall report any receipts or disburse-  
19 ments which are used in connection with a Federal elec-  
20 tion.

21 “(5) If any receipt or disbursement to which this sub-  
22 section applies exceeds \$200, the political committee shall  
23 include identification of the person from whom, or to  
24 whom, such receipt or disbursement was made.

1 “(6) Reports required to be filed by this subsection  
2 shall be filed for the same time periods required for politi-  
3 cal committees under subsection (a).”.

4 (b) REPORT OF EXEMPT CONTRIBUTIONS.—Section  
5 301(8) of the Federal Election Campaign Act of 1971 (2  
6 U.S.C. 431(8)) is amended by inserting at the end the  
7 following:

8 “(C) The exclusions provided in clauses (v) and (viii)  
9 of subparagraph (B) shall not apply for purposes of any  
10 requirement to report contributions under this Act, and  
11 all such contributions in excess of \$200 shall be  
12 reported.”.

13 (c) REPORTING OF EXEMPT EXPENDITURES.—Sec-  
14 tion 301(9) of the Federal Election Campaign Act of 1971  
15 (2 U.S.C. 431(9)) is amended by inserting at the end the  
16 following:

17 “(C) The exclusions provided in clause (iv) of sub-  
18 paragraph (B) shall not apply for purposes of any require-  
19 ment to report expenditures under this Act, and all such  
20 expenditures in excess of \$200 shall be reported.”.

21 (d) CONTRIBUTIONS AND EXPENDITURES OF POLITI-  
22 CAL COMMITTEES.—Section 301(4) of the Federal Elec-  
23 tion Campaign Act of 1971 (2 U.S.C. 431(4)) is amended  
24 by adding at the end the following: “For purposes of this  
25 paragraph, the receipt of contributions or the making of,



1 or obligating to make, expenditures shall be determined  
2 by the Commission on the basis of facts and cir-  
3 cumstances, in whatever combination, demonstrating a  
4 purpose of influencing any election for Federal office, in-  
5 cluding, but not limited to, the representations made by  
6 any person soliciting funds about their intended uses; the  
7 identification by name of individuals who are candidates  
8 for Federal office or of any political party, in general pub-  
9 lic political advertising; and the proximity to any primary,  
10 runoff, or general election of general public political adver-  
11 tising designed or reasonably calculated to influence voter  
12 choice in that election.”.

13 (e) REPORTS BY STATE COMMITTEES.—Section 304  
14 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
15 434), as amended by subsection (a), is amended by adding  
16 at the end the following new subsection:

17 “(e) FILING OF STATE REPORTS.—In lieu of any re-  
18 port required to be filed by this Act, the Commission may  
19 allow a State committee of a political party to file with  
20 the Commission a report required to be filed under State  
21 law if the Commission determines such reports contain  
22 substantially the same information.”.

# **TITLE III—INDEPENDENT EXPENDITURES**

## **SEC. 301. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.**

### **(a) INDEPENDENT EXPENDITURE DEFINITION**

AMENDMENT.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

“(17)(A) The term ‘independent expenditure’ means an expenditure for an advertisement or other communication that—

“(i) contains express advocacy; and

“(ii) is made without the participation or cooperation of a candidate or a candidate’s representative.

“(B) The following shall not be considered an independent expenditure:

“(i) An expenditure made by a political committee of a political party.

“(ii) An expenditure made by a person who, during the election cycle, has communicated with or received information from a candidate or a representative of that candidate regarding activities that have the purpose of influencing that candidate’s election to Federal office, where the expenditure is

1 in support of that candidate or in opposition to an-  
2 other candidate for that office.

3 “(iii) An expenditure if there is any arrange-  
4 ment, coordination, or direction with respect to the  
5 expenditure between the candidate or the candidate’s  
6 agent and the person making the expenditure.

7 “(iv) An expenditure if, in the same election  
8 cycle, the person making the expenditure is or has  
9 been—

10 “(I) authorized to raise or expend funds on  
11 behalf of the candidate or the candidate’s au-  
12 thorized committees; or

13 “(II) serving as a member, employee, or  
14 agent of the candidate’s authorized committees  
15 in an executive or policymaking position.

16 “(v) An expenditure if the person making the  
17 expenditure has advised or counseled the candidate  
18 or the candidate’s agents at any time on the can-  
19 didate’s plans, projects, or needs relating to the can-  
20 didate’s pursuit of nomination for election, or elec-  
21 tion, to Federal office, in the same election cycle, in-  
22 cluding any advice relating to the candidate’s deci-  
23 sion to seek Federal office.

24 “(vi) An expenditure if the person making the  
25 expenditure retains the professional services of any

1 individual or other person also providing those serv-  
2 ices in the same election cycle to the candidate in  
3 connection with the candidate's pursuit of nomina-  
4 tion for election, or election, to Federal office, in-  
5 cluding any services relating to the candidate's deci-  
6 sion to seek Federal office.

7 “(vii) An expenditure if the person making the  
8 expenditure has consulted at any time during the  
9 same election cycle about the candidate's plans,  
10 projects, or needs relating to the candidate's pursuit  
11 of nomination for election, or election, to Federal of-  
12 fice, with—

13 “(I) any officer, director, employee or  
14 agent of a party committee that has made or  
15 intends to make expenditures or contributions,  
16 pursuant to subsections (a), (d), or (h) of sec-  
17 tion 315 in connection with the candidate's  
18 campaign; or

19 “(II) any person whose professional serv-  
20 ices have been retained by a political party com-  
21 mittee that has made or intends to make ex-  
22 penditures or contributions pursuant to sub-  
23 sections (a), (d), or (h) of section 315 in con-  
24 nection with the candidate's campaign.

1 For purposes of this subparagraph, the person making the  
 2 expenditure shall include any officer, director, employee,  
 3 or agent of such person.

4 “(18) The term ‘express advocacy’ means, when a  
 5 communication is taken as a whole, an expression of sup-  
 6 port for or opposition to a specific candidate, to a specific  
 7 group of candidates, or to candidates of a particular politi-  
 8 cal party, or a suggestion to take action with respect to  
 9 an election, such as to vote for or against, make contribu-  
 10 tions to, or participate in campaign activity.”.

11 (b) CONTRIBUTION DEFINITION AMENDMENT.—Sec-  
 12 tion 301(8)(A) of the Federal Election Campaign Act of  
 13 1971 (2 U.S.C. 431(8)(A)) is amended—

14 (1) in clause (i), by striking “or” after the  
 15 semicolon at the end;

16 (2) in clause (ii), by striking the period at the  
 17 end and inserting “; or”; and

18 (3) by adding at the end the following new  
 19 clause:

20 “(iii) any payment or other transaction referred  
 21 to in paragraph (17)(A)(i) that does not qualify as  
 22 an independent expenditure under paragraph  
 23 (17)(A)(ii).”.

1       **TITLE IV—MISCELLANEOUS**  
2                   **PROVISIONS**

3   **SEC. 401. SENSE OF CONGRESS.**

4       It is the sense of Congress that each candidate for  
5 the office of Representative in, or Delegate or Resident  
6 Commissioner to, the Congress should comply with the  
7 contribution limitations and the expenditure limitations  
8 under title V of the Federal Election Campaign Act of  
9 1971.

10   **SEC. 402. DEFINITIONS.**

11       Section 301 of the Federal Election Campaign Act  
12 of 1971 (2 U.S.C. 431) is amended by striking out para-  
13 graph (19) and inserting in lieu thereof the following new  
14 paragraphs:

15       “(19) The term ‘general election’ means any election  
16 which will directly result in the election of a person to a  
17 Federal office, but does not include an open primary elec-  
18 tion.

19       “(20) The term ‘general election period’ means, with  
20 respect to any candidate, the period beginning on the day  
21 after the date of the primary or runoff election for the  
22 specific office the candidate is seeking, whichever is later,  
23 and ending on the earlier of—

24               “(A) the date of such general election; or

1           “(B) the date on which the candidate withdraws  
2           from the campaign or otherwise ceases actively to  
3           seek election.

4           “(21) The term ‘primary election’ means an election  
5           which may result in the selection of a candidate for the  
6           ballot in a general election for a Federal office.

7           “(22) The term ‘runoff election’ means an election  
8           held after a primary election which is prescribed by appli-  
9           cable State law as the means for deciding which candidate  
10          will be on the ballot in the general election for a Federal  
11          office.

12          “(23) The term ‘eligible House of Representatives  
13          candidate’ means a candidate for election to the office of  
14          Representative in, or Delegate or Resident Commissioner  
15          to, the Congress, who, as determined by the Commission  
16          agrees to comply with the requirements of title V.

17          “(24) The term ‘election cycle’ means—

18               “(A) in the case of a candidate or the author-  
19               ized committees of a candidate, the term beginning  
20               on the day after the date of the most recent general  
21               election for the specific office or seat which such  
22               candidate seeks and ending on the date of the next  
23               general election for such office or seat; or

24               “(B) for all other persons, the term beginning  
25               on the first day following the date of the last general

1 election and ending on the date of the next general  
2 election.”.

3 **TITLE V—EFFECTIVE DATE**

4 **SEC. 501. EFFECTIVE DATE.**

5 Except as otherwise provided in this Act, the amend-  
6 ments made by, and the provisions of, this Act shall take  
7 effect on the date of the enactment of this Act but shall  
8 not apply with respect to activities in connection with any  
9 election occurring before January 1, 1999.

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