

105TH CONGRESS
1ST SESSION

H. R. 794

To amend the Internal Revenue Code of 1986 and the Federal Election Campaign Act of 1971 to provide for public financing of House of Representatives general election campaigns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 1997

Mr. SABO introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 and the Federal Election Campaign Act of 1971 to provide for public financing of House of Representatives general election campaigns, 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 “Citizens’ Choice Act”.

1 **SEC. 2. DESIGNATION OF INCOME TAX PAYMENTS TO THE**
 2 **HOUSE OF REPRESENTATIVES GENERAL**
 3 **ELECTION TRUST FUND.**

4 (a) IN GENERAL.—Subchapter A of chapter 61 of the
 5 Internal Revenue Code of 1986 (relating to returns and
 6 records) is amended by adding at the end the following
 7 new part:

8 **“PART IX—DESIGNATION OF INCOME TAX**
 9 **PAYMENTS TO BE USED FOR THE**
 10 **HOUSE OF REPRESENTATIVES GEN-**
 11 **ERAL ELECTION TRUST FUND.**

“Sec. 6097. Designation by individuals.

12 **“SEC. 6097. DESIGNATION BY INDIVIDUALS.**

13 “(a) IN GENERAL.—Every individual whose adjusted
 14 income tax liability for the taxable year is \$5 or more may
 15 designate that \$5 shall be paid over to the House of Rep-
 16 resentatives General Election Trust Fund. The first page
 17 of the return of the taxpayer, or the page bearing the tax-
 18 payer’s signature, shall include a place for designating the
 19 Democratic Party, the Republican Party, or, as written
 20 in by the taxpayer, any other political party as recipient
 21 of the amount designated.

22 “(b) ADJUSTED INCOME TAX LIABILITY.—For pur-
 23 poses of this section, the adjusted income tax liability of

1 an individual is the tax liability of such individual (as de-
 2 termined under subsection (b) of section 6096) for the tax-
 3 able year reduced by the amount designated under section
 4 6096 (relating to designation of income tax payments to
 5 the Presidential Election Campaign Fund) for such tax-
 6 able year.

7 “(c) JOINT RETURNS.—In the case of a joint return
 8 showing an adjusted income tax liability of \$10 or more,
 9 each spouse may designate that \$5 shall be paid over to
 10 the House of Representatives General Election Trust
 11 Fund.

12 “(d) MANNER AND TIME OF DESIGNATION.—Sub-
 13 section (c) of section 6096 shall apply to the manner and
 14 time of the designation under this section.”.

15 (b) CLERICAL AMENDMENT.—The table of parts for
 16 such subchapter A is amended by adding at the end the
 17 following new item:

“Part IX. Designation of income tax payments to be used for the
 House of Representatives General Election Trust
 Fund.”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to taxable years beginning after
 20 December 31, 1996.

21 **SEC. 3. ESTABLISHMENT OF THE HOUSE OF REPRESENTA-**
 22 **TIVES GENERAL ELECTION TRUST FUND.**

23 (a) IN GENERAL.—Subchapter A of chapter 98 of the
 24 Internal Revenue Code of 1986 (relating to Trust Fund

1 Code) is amended by adding at the end the following new
2 section:

3 **“SEC. 9512. HOUSE OF REPRESENTATIVES GENERAL ELEC-**
4 **TION TRUST FUND.**

5 “(a) CREATION OF TRUST FUND.—There is estab-
6 lished in the Treasury of the United States a trust fund
7 to be known as the ‘House of Representatives General
8 Election Trust Fund’, consisting of such amounts as may
9 be appropriated or credited to such trust fund as provided
10 in this section or section 9602(b).

11 “(b) ACCOUNTS.—The trust fund shall consist of one
12 account for each political party in each congressional dis-
13 trict. The amounts designated under section 6097 (relat-
14 ing to designation by individuals) shall be deposited in the
15 appropriate accounts and shall be paid to certified House
16 candidates (as defined in subsection (d)) at such time and
17 in such manner as the Secretary may prescribe (in con-
18 sultation with the Federal Election Commission) for the
19 political parties and congressional districts of residence of
20 the individuals making the designation.

21 “(c) TRANSFER TO FUND OF AMOUNTS DESIGNATED
22 BY INDIVIDUALS.—There is hereby appropriated to the
23 House of Representatives General Election Trust Fund
24 amounts equivalent to the amounts designated under sec-
25 tion 6097.

1 “(d) CERTIFIED HOUSE CANDIDATES DEFINED.—In
 2 this section, a ‘certified House candidate’ means a can-
 3 didate in a general election for the office of Representative
 4 in, or Delegate or Resident Commissioner to, the Congress
 5 who is certified by the Federal Election Commission under
 6 section 323 of the Federal Election Campaign Act of 1971
 7 as eligible to accept payments under this section.

8 “(e) TREATMENT OF AMOUNTS REMAINING AFTER
 9 ELECTION.—Any amount remaining in an account after
 10 all expenditures are made with respect to an election (in-
 11 cluding any runoff election subsequent to a general elec-
 12 tion) shall be deposited in the general fund of the Treas-
 13 ury.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
 15 for such subchapter A is amended by adding at the end
 16 the following new item:

“Sec. 9512. House of Representatives General Election Trust
 Fund.”.

17 **SEC. 4. REQUIREMENTS FOR HOUSE OF REPRESENTATIVES**
 18 **CANDIDATES WHO ACCEPT AMOUNTS FROM**
 19 **HOUSE OF REPRESENTATIVES GENERAL**
 20 **ELECTION TRUST FUND.**

21 (a) IN GENERAL.—Title III of the Federal Election
 22 Campaign Act of 1971 (2 U.S.C. 301 et seq.) is amended
 23 by adding at the end the following new section:

1 “REQUIREMENTS FOR HOUSE GENERAL ELECTION CAN-
2 DIDATES WHO ACCEPT AMOUNTS FROM HOUSE OF
3 REPRESENTATIVES GENERAL ELECTION CAMPAIGN
4 TRUST FUND

5 “SEC. 323. (a) IN GENERAL.—

6 “(1) CERTIFICATION.—The Commission shall
7 certify that a candidate for the office of Representa-
8 tive in, or Delegate or Resident Commissioner to,
9 the Congress in a general election is eligible to ac-
10 cept payments from the appropriate account of the
11 House of Representatives General Election Trust
12 Fund under section 9512 of the Internal Revenue
13 Code of 1986 if the candidate certifies the following
14 (at such time and in such form and manner as the
15 Commission may require):

16 “(A) The candidate has received contribu-
17 tions totaling not less than \$60,000 (of which
18 not more than \$1,000 may be from the personal
19 funds of the candidate) with respect to the elec-
20 tion.

21 “(B) The candidate will not furnish (by
22 contribution, loan, or otherwise) more than
23 \$20,000 with respect to the election from the
24 personal funds of the candidate.

1 “(C) Subject to paragraph (2), the can-
2 didate will not make expenditures (including
3 funds from the House of Representatives Gen-
4 eral Election Trust Fund) with respect to the
5 election totaling more than \$600,000.

6 “(2) WAIVER OF EXPENDITURE LIMITS FOR
7 CERTAIN CANDIDATES.—The Commission shall
8 waive the application of paragraph (1)(C) to a can-
9 didate if the candidate’s opponent in the general
10 election—

11 “(A) is not certified with respect to the
12 election under this section; and

13 “(B) has accepted contributions with re-
14 spect to the election totaling not less than
15 \$100,000 or has made expenditures with re-
16 spect to the election totaling not less than
17 \$100,000.

18 “(b) ENFORCEMENT.—

19 “(1) AUDIT OF REPORTS.—The Commission
20 may audit campaign reports submitted under this
21 Act to assure compliance with the requirements of
22 this section.

23 “(2) PENALTY FOR EXCESS EXPENDITURES.—
24 In the case of a violation of the expenditure limit
25 provided under subsection (a)(1)(C), the Commission

1 shall impose a civil penalty in an amount equal to
 2 not less than the amount of the excess expenditure
 3 and not more than four times the amount of the ex-
 4 cess expenditure, except that, in the case of an inad-
 5 vertent violation, the Commission shall impose a civil
 6 penalty in an amount equal to the amount of the ex-
 7 cess expenditure.

8 “(c) COORDINATION WITH SECRETARY OF THE
 9 TREASURY.—The Commission shall transmit to the Sec-
 10 retary of the Treasury the names of candidates certified
 11 under this section, together with such other information
 12 as may be required to enable the Secretary to carry out
 13 section 9512 of the Internal Revenue Code of 1986.”.

14 (b) EFFECTIVE DATE.—The amendment made by
 15 this section shall apply to elections occurring after Decem-
 16 ber 31, 1996.

17 **SEC. 5. LIMITATION ON CERTAIN LOANS BY HOUSE OF REP-**
 18 **RESENTATIVES GENERAL ELECTION CAN-**
 19 **DIDATES.**

20 (a) IN GENERAL.—Title III of the Federal Election
 21 Campaign Act of 1971 (2 U.S.C. 301 et seq.), as amended
 22 by section 4, is further amended by adding at the end the
 23 following new section:

1 “LIMITATION ON CERTAIN LOANS BY HOUSE OF

2 REPRESENTATIVES GENERAL ELECTION CANDIDATES

3 “SEC. 324. A general election candidate for the office
4 of Representative in, or Delegate or Resident Commis-
5 sioner to, the Congress may not make loans totaling more
6 than \$50,000 to any campaign committee of the candidate
7 with respect to the election.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to elections occurring after Decem-
10 ber 31, 1996.

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