

105TH CONGRESS  
1ST SESSION

# S. 1057

To amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, and for other purposes.

---

## IN THE SENATE OF THE UNITED STATES

JULY 23, 1997

Mr. REED (for himself, Mr. BRYAN, Mr. HOLLINGS, and Mr. JOHNSON) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

---

## A BILL

To amend the Federal Election Campaign Act of 1971 to require mandatory spending limits for Senate candidates and limits on independent expenditures, to ban soft money, 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 Spending Control Act of 1997”.

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

Sec. 1. Short title; table of contents.

- Sec. 2. Statement of purpose.  
 Sec. 3. Findings of fact.

#### TITLE I—SENATE ELECTION SPENDING LIMITS

- Sec. 101. Senate election spending limits.

#### TITLE II—COORDINATED AND INDEPENDENT EXPENDITURES

- Sec. 201. Adding definition of coordination to definition of contribution.  
 Sec. 202. Treatment of certain coordinated contributions and expenditures.  
 Sec. 203. Political party committees.  
 Sec. 204. Limit on independent expenditures.  
 Sec. 205. Clarification of definitions relating to independent expenditures.  
 Sec. 206. Elimination of leadership PACs.

#### TITLE III—SOFT MONEY

- Sec. 301. Soft money of political party committee.  
 Sec. 302. State party grassroots funds.  
 Sec. 303. Reporting requirements.  
 Sec. 304. Soft money of persons other than political parties.

#### TITLE IV—ENFORCEMENT

- Sec. 401. Filing of reports using computers and facsimile machines.  
 Sec. 402. Audits.  
 Sec. 403. Authority to seek injunction.  
 Sec. 404. Increase in penalty for knowing and willful violations.  
 Sec. 405. Prohibition of contributions by individuals not qualified to vote.  
 Sec. 406. Use of candidates' names.  
 Sec. 407. Expedited procedures.

#### TITLE V—SEVERABILITY; REGULATIONS; EFFECTIVE DATE

- Sec. 501. Severability.  
 Sec. 502. Regulations.  
 Sec. 503. Effective date.

### 1 **SEC. 2. STATEMENT OF PURPOSE.**

2       The purposes of this Act are to—

3               (1) restore the public confidence in and the in-  
 4       tegrity of our democratic system;

5               (2) strengthen and promote full and free dis-  
 6       cussion and debate during election campaigns;

7               (3) relieve Federal officeholders from limita-  
 8       tions on their attention to the affairs of the Federal

1 government that can arise from excessive attention  
2 to fundraising;

3 (4) relieve elective office-seekers and office-  
4 holders from the limitations on purposeful political  
5 conduct and discourse that can arise from excessive  
6 attention to fundraising;

7 (5) reduce corruption and undue influence, or  
8 the appearance thereof, in the financing of Federal  
9 election campaigns; and

10 (6) provide non-preferential terms of access to  
11 elected Federal officeholders by all interested mem-  
12 bers of the public in order to uphold the constitu-  
13 tionally guaranteed right to petition the Government  
14 for redress of grievances.

15 **SEC. 3. FINDINGS OF FACT.**

16 Congress finds the following:

17 (1) The current Federal campaign finance sys-  
18 tem, with its perceived preferential access to law-  
19 makers for interest groups capable of contributing  
20 sizable sums of money to lawmakers' campaigns, has  
21 caused a widespread loss of public confidence in the  
22 fairness and responsiveness of elective government  
23 and undermined the belief, necessary to a function-  
24 ing democracy, that the Government exists to serve  
25 the needs of all people.

1           (2) The United States Supreme Court, in Buck-  
2       ley v. Valeo, 424 U.S. 1 (1976), disapproved the use  
3       of mandatory spending limits as a remedy for such  
4       effects, while approving the use of campaign con-  
5       tribution limits.

6           (3) Since that time, campaign expenditures  
7       have risen steeply in Federal elections with spending  
8       by successful candidates for the United States Sen-  
9       ate between 1976 and 1996 rising from \$609,100 to  
10      \$3,775,000, an increase that is twice the rate of in-  
11      flation.

12          (4) As campaign spending has escalated, voter  
13      turnout has steadily declined and in 1996 voter  
14      turnout fell to its lowest point since 1924, and  
15      stands now at the lowest level of any democracy in  
16      the world.

17          (5) Coupled with out-of-control campaign  
18      spending has come the constant necessity of fund-  
19      raising, arising, to a large extent, from candidates  
20      adopting a defensive “arms race” posture of con-  
21      stant readiness against the risk of massively fi-  
22      nanced attacks against whatever the candidate may  
23      say or do.

24          (6) The current campaign finance system has  
25      had a deleterious effect on those who hold public of-

1        fice as endless fundraising pressures intrude upon  
2        the performance of constitutionally required duties.  
3        Capable and dedicated officials have left office in  
4        dismay over these distractions and the negative pub-  
5        lic perceptions that the fundraising process engen-  
6        ders and numerous qualified citizens have declined  
7        to seek office because of the prospect of having to  
8        raise the extraordinary amounts of money needed in  
9        today's elections.

10            (7) The requirement for candidates to  
11        fundraise, the average 1996 expenditure level re-  
12        quired a successful Senate candidate to raise more  
13        than \$12,099 a week for 6 years, significantly im-  
14        pedes on the ability of Senators and other office-  
15        holders to tend to their official duties, and limits the  
16        ability of candidates to interact with the electorate  
17        while also tending to professional responsibilities.

18            (8) As talented incumbent and potential public  
19        servants are deterred from seeking office in Con-  
20        gress because of such fundraising pressures, the  
21        quality of representation suffers and those who do  
22        serve are impeded in their effort to devote full atten-  
23        tion to matters of the Government by the campaign  
24        financing system.

1           (9) Contribution limits are inadequate to con-  
2       trol all of these trends and as long as campaign  
3       spending is effectively unrestrained, supporters can  
4       find ways to protect their favored candidates from  
5       being outspent. Since 1976 major techniques have  
6       been found and exploited to get around and evade  
7       contribution limits.

8           (10) Techniques to evade contribution limits in-  
9       clude personal spending by wealthy candidates, inde-  
10      pendent expenditures that assist or attack an identi-  
11      fied candidate, media campaigns by corporations,  
12      labor unions, and nonprofit organizations to advo-  
13      cate the election or defeat of candidates, and the use  
14      of national, State, or local political parties as a con-  
15      duit for money that assists or attacks such can-  
16      didates.

17          (11) Wealthy candidates may, under the  
18      present Federal campaign financing system, spend  
19      any amount they want out of their own resources  
20      and while such spending may not be self-corrupting,  
21      it introduces the very defects the Supreme Court  
22      wants to avoid. The effectively limitless character of  
23      such resources obliges a wealthy candidate's oppo-  
24      nent to reach for larger amounts of outside support,  
25      causing the deleterious effects previously described.

1           (12) Experience shows that there is an identity  
2           of interest between candidates and political parties  
3           because the parties exist to support candidates, not  
4           the other way around. Party expenditures in support  
5           of, or in opposition to, an identifiable candidate are,  
6           therefore, effectively spending on behalf of a can-  
7           didate.

8           (13) Political experience shows that so-called  
9           “independent” support, whether by individuals, com-  
10          mittees, or other entities, can be and often is coordi-  
11          nated with a candidate’s campaign by means of tacit  
12          understandings without losing its nominally inde-  
13          pendent character and, similarly, contributions to a  
14          political party, ostensibly for “party-building” pur-  
15          poses, can be and often are routed, by undeclared  
16          design, to the support of identified candidates.

17          (14) The actual, case-by-case detection of co-  
18          ordination between candidate, party, and independ-  
19          ent contributor is, as a practical matter, impossible  
20          in a fast-moving campaign environment.

21          (15) So-called “issue advocacy” communica-  
22          tions, by or through political parties or independent  
23          contributors, need not, as a practical matter, advo-  
24          cate expressly for the election or defeat of a named  
25          candidate in order to cross the line into election

1 campaign advocacy; any clear, objective indication of  
2 purpose, such that voters may readily observe where  
3 their electoral support is invited, can suffice as evi-  
4 dence of intent to impact a Federal election cam-  
5 paign.

6 (16) When State political parties or other enti-  
7 ties operating under State law receive funds, often  
8 called “soft money”, for use in Federal elections,  
9 they become de facto agents of the national political  
10 party and the inclusion of these funds under applica-  
11 ble Federal limitations is necessary and proper for  
12 the effective regulation of Federal election cam-  
13 paigns.

14 (17) The exorbitant level of money in the politi-  
15 cal system has served to distort our democracy by  
16 giving some contributors, who constitute less than 3  
17 percent of the citizenry, the appearance of favored  
18 access to elected officials, thus undermining the abil-  
19 ity of ordinary citizens to petition their Government.  
20 Concerns over the potential for corruption and  
21 undue influence, and the appearances thereof, has  
22 left citizens cynical, the reputation of elected offi-  
23 cials tarnished, and the moral authority of Govern-  
24 ment weakened.



1           (18) The 2 decades of experience since the Su-  
2       preme Court’s Buckley v. Valeo ruling in 1976 have  
3       made it evident that reasonable limits on election  
4       campaign expenditures are now necessary and these  
5       limits must comprehensively address all types of ex-  
6       penditures to prevent circumvention of such limits.

7           (19) The Supreme Court based its Buckley v.  
8       Valeo decision on a concern that spending limits  
9       could narrow political speech “by restricting the  
10      number of issues discussed, the depth of their explo-  
11      ration, and the size of the audience reached”. The  
12      experience of the past 20 years has been otherwise  
13      as experience shows that unlimited expenditures can  
14      drown out or distort political discourse in a flood of  
15      distractive repetition. Reasonable spending limits  
16      will increase the opportunity for previously muted  
17      voices to be heard and thereby increase the number,  
18      depth, and diversity of ideas presented to the public.

19          (20) Issue advocacy communications that do  
20      not promote or oppose an identified candidate should  
21      remain unregulated, as should the traditional free-  
22      dom of the press to report and editorialize about  
23      candidates and campaigns.

24          (21) In establishing reasonable limits on cam-  
25      paign spending, it is necessary that the limits reflect

1 the realities of modern campaigning in a large, di-  
2 verse population with sophisticated and expensive  
3 modes of communication. The limits must allow citi-  
4 zens to benefit from a full and free debate of issues  
5 and permit candidates to garner the resources nec-  
6 essary to engage in that debate.

7 (22) The expenditure limits established in this  
8 Act for election to the United States Senate were de-  
9 termined after careful review of historical spending  
10 patterns in Senate campaigns as well as the particu-  
11 lar spending level of the 3 most recent elections as  
12 evidenced by the following:

13 (A) The limit formula allows candidates a  
14 level of spending which guarantees an ability to  
15 disseminate their message by accounting for the  
16 size of the population in each State as well as  
17 historical spending trends including the dem-  
18 onstrated trend of lower campaign spending per  
19 voter in larger States as compared to voter  
20 spending in smaller States.

21 (B) The candidate expenditure limits in-  
22 cluded in this legislation would have restricted  
23 80 percent of the incumbent candidates in the  
24 last 3 elections, while only impeding 18 percent  
25 of the challengers.

1 (C) It is clear from recent experience that  
 2 expenditure limits as set by the formula in this  
 3 Act will be high enough to allow an effective  
 4 level of competition, encourage candidate dia-  
 5 logue with constituents, and circumscribe the  
 6 most egregiously high spending levels, so as to  
 7 be a bulwark against future campaign finance  
 8 excesses and the resulting voter disenfranchise-  
 9 ment.

## 10 **TITLE I—SENATE ELECTION** 11 **SPENDING LIMITS**

### 12 **SEC. 101. SENATE ELECTION SPENDING LIMITS.**

13 (a) IN GENERAL.—Title III of the Federal Election  
 14 Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended  
 15 by adding at the end the following:

#### 16 **“SEC. 324. SPENDING LIMITS FOR SENATE ELECTION** 17 **CAMPAIGNS**

18 “(a) IN GENERAL.—The amount of funds expended  
 19 by a candidate for election to the Senate and the can-  
 20 didate’s authorized committees with respect to an election  
 21 may not exceed the election expenditure limits of sub-  
 22 sections (b), (c), and (d).

23 “(b) PRIMARY ELECTION EXPENDITURE LIMIT.—  
 24 The aggregate amount of expenditures for a primary elec-  
 25 tion by a Senate candidate and the candidate’s authorized

1 committees shall not exceed 67 percent of the general elec-  
 2 tion expenditure limit under subsection (d).

3 “(c) RUNOFF ELECTION EXPENDITURE LIMIT.—The  
 4 aggregate amount of expenditures for a runoff election by  
 5 a Senate candidate and the candidate’s authorized com-  
 6 mittees shall not exceed 20 percent of the general election  
 7 expenditure limit under subsection (d).

8 “(d) GENERAL ELECTION EXPENDITURE LIMIT.—

9 “(1) IN GENERAL.—The aggregate amount of  
 10 expenditures for a general election by a Senate can-  
 11 didate and the candidate’s authorized committees  
 12 shall not exceed the greater of—

13 “(A) \$1,182,500; or

14 “(B) \$500,000; plus

15 “(i) 37.5 cents multiplied by the vot-  
 16 ing age population not in excess of  
 17 4,000,000; and

18 “(ii) 31.25 cents multiplied by the  
 19 voting age population in excess of  
 20 4,000,000.

21 “(2) EXCEPTION.—In the case of a Senate can-  
 22 didate in a State that has not more than 1 transmit-  
 23 ter for a commercial Very High Frequency (VHF)  
 24 television station licensed to operate in that State,  
 25 paragraph (1)(B) shall be applied by substituting—

1                   “(A) ‘\$1.00’ for ‘37.5 cents’ in clause (i);

2                   and

3                   “(B) ‘87.5 cents’ for ‘31.25 cents’ in

4                   clause (ii).

5                   “(3) INDEXING.—The monetary amounts in

6                   paragraphs (1) and (2) shall be increased as of the

7                   beginning of each calendar year based on the in-

8                   crease in the price index determined under section

9                   315(c), except that the base period shall be calendar

10                  year 1997.

11                  “(e) EXEMPTED EXPENDITURES.—In determining

12                  the amount of funds expended for purposes of this section,

13                  there shall be excluded any amounts expended for—

14                   “(1) Federal, State, or local taxes with respect

15                   to earnings on contributions raised;

16                   “(2) legal and accounting services provided

17                   solely in connection with complying with the require-

18                   ments of this Act;

19                   “(3) legal services related to a recount of the

20                   results of a Federal election or an election contest

21                   concerning a Federal election; or

22                   “(4) payments made to or on behalf of an em-

23                   ployee of a candidate’s authorized committees for

24                   employee benefits—

25                   “(A) including—

1 “(i) health care insurance;  
 2 “(ii) retirement plans; and  
 3 “(iii) unemployment insurance; but  
 4 “(B) not including salary, any form of  
 5 compensation, or amounts intended to reim-  
 6 burse the employee.”.

## 7 **TITLE II—COORDINATED AND** 8 **INDEPENDENT EXPENDITURES**

### 9 **SEC. 201. ADDING DEFINITION OF COORDINATION TO** 10 **DEFINITION OF CONTRIBUTION.**

11 (a) DEFINITION OF CONTRIBUTION.—Section 301(8)  
 12 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
 13 431(8)) is amended—

14 (1) in subparagraph (A)—

15 (A) in clause (i), by striking “or” at the  
 16 end;

17 (B) in clause (ii) by striking the period  
 18 and inserting “; or”; and

19 (C) by adding at the end the following:

20 “(iii) a payment made for a communication or  
 21 anything of value that is for the purpose of influenc-  
 22 ing an election for Federal office and that is a pay-  
 23 ment made in coordination with a candidate.”; and

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

1 “(C) PAYMENT MADE IN COORDINATION WITH.—The  
2 term ‘payment made in coordination with’ means—

3 “(i) a payment made by any person in coopera-  
4 tion, consultation, or concert with, at the request or  
5 suggestion of, or pursuant to any general or particu-  
6 lar understanding with, a candidate, a candidate’s  
7 authorized committees, an agent acting on behalf of  
8 a candidate or a candidate’s authorized committee,  
9 or (for purposes of paragraphs (9) and (10) of sec-  
10 tion 315(a)) another person;

11 “(ii) the financing by any person of the dissemi-  
12 nation, distribution, or republication, in whole or in  
13 part, of any broadcast or any written, graphic, or  
14 other form of campaign materials prepared by the  
15 candidate or the candidate’s authorized committees  
16 (not including a communication described in para-  
17 graph (9)(B)(i) or a communication that expressly  
18 advocates the candidate’s defeat); or

19 “(iii) payments made based on information  
20 about the candidate’s plans, projects, or needs pro-  
21 vided to the person making the payment by the can-  
22 didate, the candidate’s authorized committees, or an  
23 agent of a candidate or a candidate’s authorized  
24 committees.”.

25 (b) CONFORMING AMENDMENTS.—

1           (1) SECTION 315.—Section 315(a)(7)(B) of the  
 2       Federal Election Campaign Act of 1971 (2 U.S.C.  
 3       441a(a)(7)(B)) is amended to read as follows:

4           “(B) expenditures made in coordination with a  
 5       candidate, within the meaning of section 301(8)(C),  
 6       shall be considered to be contributions to the can-  
 7       didate and, in the case of limitations on expendi-  
 8       tures, shall be treated as an expenditure for pur-  
 9       poses of this section; and”.

10          (2) SECTION 316.—Section 316(b)(2) of the  
 11       Federal Election Campaign Act of 1971 (2 U.S.C.  
 12       441b(b)(2)) is amended by striking “shall include”  
 13       and inserting “shall have the meaning given those  
 14       terms in paragraphs (8) and (9) of section 301 and  
 15       shall also include”.

16       **SEC. 202. TREATMENT OF CERTAIN COORDINATED CON-**  
 17               **TRIBUTIONS AND EXPENDITURES.**

18       Section 315(a) of the Federal Election Campaign Act  
 19       of 1971 (2 U.S.C. 441a(a)) is amended by adding at the  
 20       end the following:

21       “(9) For purposes of this section, contributions made  
 22       by more than 1 person in coordination with each other  
 23       (within the meaning of section 301(8)(C)) shall be consid-  
 24       ered to have been made by a single person.



1       “(10) For purposes of this section, an independent  
 2 expenditure made by a person in coordination with (within  
 3 the meaning of section 301(8)(C)) another person shall  
 4 be considered to have been made by a single person.”.

5 **SEC. 203. POLITICAL PARTY COMMITTEES.**

6       (a) LIMIT ON COORDINATED AND INDEPENDENT EX-  
 7 PENDITURES BY POLITICAL PARTY COMMITTEES.—Sec-  
 8 tion 315(d) of the Federal Election Campaign Act of 1971  
 9 (2 U.S.C. 441a(d)) is amended—

10           (1) in paragraph (1), by inserting “and inde-  
 11 pendent expenditures” after “Federal office”; and

12           (2) in paragraph (3)—

13               (A) by inserting “, including expenditures  
 14 made” after “make any expenditure”; and

15               (B) by inserting “and independent expend-  
 16 itures advocating the election or defeat of a  
 17 candidate,” after “such party”.

18       (b) RULES APPLICABLE WHEN LIMITS NOT IN EF-  
 19 FECT.—For purposes of the Federal Election Campaign  
 20 Act of 1971 (2 U.S.C. 431 et seq.), during any period  
 21 beginning after the effective date of this Act in which the  
 22 limitation under section 315(d)(3) (as amended by sub-  
 23 section (a)) is not in effect the following amendments shall  
 24 be effective:

1           (1) INDEPENDENT VERSUS COORDINATED EX-  
 2           PENDITURES BY A POLITICAL PARTY COMMITTEE.—  
 3           Section 315(d) of the Federal Election Campaign  
 4           Act of 1971 (2 U.S.C. 441a(d)) is amended—

5                   (A) in paragraph (1)—

6                           (i) by striking “(2) and (3) of this  
 7                           subsection” and inserting “(2), (3), and  
 8                           (4) of this subsection”; and

9                           (ii) by inserting “coordinated” after  
 10                          “make”;

11                   (B) in paragraph (3), by inserting “coordi-  
 12                   nated” after “make”; and

13                   (C) by adding at the end the following:

14           “(4) PROHIBITION AGAINST MAKING BOTH COORDI-  
 15           NATED EXPENDITURES AND INDEPENDENT EXPENDI-  
 16           TURES.—

17                   “(A) IN GENERAL.—A committee of a political  
 18                   party shall not make both a coordinated expenditure  
 19                   in excess of \$5,000 and an independent expenditure  
 20                   with respect to the same candidate during an elec-  
 21                   tion cycle.

22                   “(B) CERTIFICATION.—Before making a coordi-  
 23                   nated expenditure in excess of \$5,000 in connection  
 24                   with a general election campaign for Federal office,  
 25                   a committee of a political party that is subject to

1 this subsection shall file with the Commission a cer-  
 2 tification, signed by the treasurer, stating that the  
 3 committee will not make independent expenditures  
 4 with respect to such candidate.

5 “(C) TRANSFERS.—A party committee that cer-  
 6 tifies under this paragraph that the committee will  
 7 make coordinated expenditures with respect to any  
 8 candidate shall not, in the same election cycle, make  
 9 a transfer of funds to, or receive a transfer of funds  
 10 from, any other party committee unless that com-  
 11 mittee has certified under this paragraph that it will  
 12 only make coordinated expenditures with respect to  
 13 candidates.

14 “(D) DEFINITION OF COORDINATED EXPENDI-  
 15 TURE.—In this paragraph, the term ‘coordinated ex-  
 16 penditure’ shall have the meaning given the term  
 17 ‘payments made in coordination with’ in section  
 18 301(8)(C).”.

19 (2) LIMIT ON CONTRIBUTIONS TO POLITICAL  
 20 PARTY COMMITTEES.—Section 315(a) of Federal  
 21 Election Campaign Act of 1971 (2 U.S.C. 441a(a))  
 22 is amended—

23 (A) in paragraph (1)(B), by striking  
 24 “which, in the aggregate, exceed \$20,000” and  
 25 inserting “that—

1           “(i) in the case of a political committee  
 2           that certifies under subsection (d)(4) that it will  
 3           not make independent expenditures in connec-  
 4           tion with the general election campaign of any  
 5           candidate, in the aggregate, exceed \$20,000; or

6           “(ii) in the case of a political committee  
 7           that does not certify under subsection (d)(4)  
 8           that it will not make independent expenditures  
 9           in connection with the general election cam-  
 10          paign of any candidate, in the aggregate, exceed  
 11          \$5,000”; and

12          (B) in paragraph (2)(B), by striking  
 13          “which, in the aggregate, exceed \$15,000” and  
 14          inserting “that—

15          “(i) in the case of a political committee  
 16          that certifies under subsection (d)(4) that it will  
 17          not make independent expenditures in connec-  
 18          tion with the general election campaign of any  
 19          candidate, in the aggregate, exceed \$15,000; or

20          “(ii) in the case of a political committee  
 21          that does not certify under subsection (d)(4)  
 22          that it will not make independent expenditures  
 23          in connection with the general election cam-  
 24          paign of any candidate, in the aggregate, exceed  
 25          \$5,000”.

1 (c) DEFINITION OF ELECTION CYCLE.—Section 301  
 2 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
 3 431) is amended by adding at the end the following:

4 “(20) ELECTION CYCLE.—The term ‘election cycle’  
 5 means—

6 “(A) in the case of a candidate or the au-  
 7 thorized committees of a candidate, the period  
 8 beginning on the day after the date of the most  
 9 recent general election for the specific office or  
 10 seat that the candidate is seeking and ending  
 11 on the date of the next general election for that  
 12 office or seat; and

13 “(B) in the case of all other persons, the  
 14 period beginning on the first day following the  
 15 date of the last general election and ending on  
 16 the date of the next general election.”.

17 **SEC. 204. LIMIT ON INDEPENDENT EXPENDITURES.**

18 (a) IN GENERAL.—Section 315 of the Federal Elec-  
 19 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended  
 20 by adding at the end the following:

21 “(i) LIMIT ON INDEPENDENT EXPENDITURES.—No  
 22 person shall make an amount of independent expenditures  
 23 advocating the election or defeat of a candidate during an  
 24 election cycle in an aggregate amount greater than the

1 limit applicable to the candidate under section  
2 315(d)(3).”.

3 (b) RULES APPLICABLE WHEN RULES IN SUB-  
4 SECTION (a) NOT IN EFFECT.—For purposes of the Fed-  
5 eral Election Campaign Act of 1971, during any period  
6 beginning after the effective date of this Act in which the  
7 limit on independent expenditures under section 315(i) of  
8 the Federal Election Campaign Act of 1971, as added by  
9 subsection (a), is not in effect section 324 of such Act,  
10 as added by section 101(a), is amended by adding at the  
11 end the following:

12 “(f) INCREASE IN EXPENDITURE LIMIT IN RE-  
13 SPONSE TO INDEPENDENT EXPENDITURES.—

14 “(1) IN GENERAL.—The applicable election ex-  
15 penditure limit for a candidate shall be increased by  
16 the aggregate amount of independent expenditures  
17 made in excess of the limit applicable to the can-  
18 didate under section 315(d)(3)—

19 “(A) on behalf of an opponent of the can-  
20 didate; or

21 “(B) in opposition to the candidate.

22 “(2) NOTIFICATION.—

23 “(A) IN GENERAL.—A candidate shall no-  
24 tify the Commission of an intent to increase an  
25 expenditure limit under paragraph (1).

1                   “(B) COMMISSION RESPONSE.—Within 3  
2                   business days of receiving a notice under sub-  
3                   paragraph (A), the Commission must approve  
4                   or deny the increase in expenditure limit.

5                   “(C) ADDITIONAL NOTIFICATION.—A can-  
6                   didate who has increased an expenditure limit  
7                   under paragraph (1) shall notify the Commis-  
8                   sion of each additional increase in increments of  
9                   \$50,000.”.

10 **SEC. 205. CLARIFICATION OF DEFINITIONS RELATING TO**  
11 **INDEPENDENT EXPENDITURES.**

12           (a) DEFINITION OF INDEPENDENT EXPENDITURE.—  
13 Section 301 of the Federal Election Campaign Act of  
14 1971 (2 U.S.C. 431) is amended by striking paragraph  
15 (17) and inserting the following:

16           “(17) INDEPENDENT EXPENDITURE.—The term  
17 ‘independent expenditure’ means an expenditure that—

18                   (A) contains express advocacy; and

19                   (B) is made without the participation or co-  
20                   operation of, or without consultation with, or with-  
21                   out coordination with a candidate or a candidate’s  
22                   authorized committee or agent (within the meaning  
23                   of section 301(8)(C)).”.

24           (b) DEFINITION OF EXPRESS ADVOCACY.—Section  
25 301 of Federal Election Campaign Act of 1971 (2 U.S.C.

1 431), as amended by section 202(c), is amended by adding  
 2 at the end the following:

3 “(21) EXPRESS ADVOCACY.—The term ‘express advo-  
 4 cacy’ includes—

5 “(i) a communication that conveys a message  
 6 that advocates the election or defeat of a clearly  
 7 identified candidate for Federal office by using an  
 8 expression such as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote  
 9 against,’ ‘defeat,’ ‘reject,’ ‘(name of candidate) for  
 10 Congress,’ ‘vote pro-life,’ or ‘vote pro-choice,’ accom-  
 11 panied by a listing or picture of a clearly identified  
 12 candidate described as ‘pro-life’ or ‘pro-choice,’ ‘re-  
 13 ject the incumbent,’ or an expression susceptible to  
 14 no other reasonable interpretation but an unmistak-  
 15 able and unambiguous exhortation to vote for or  
 16 against a specific candidate; or

17 “(ii) a communication that is made through a  
 18 broadcast medium, newspaper, magazine, billboard,  
 19 direct mail, or similar type of general public commu-  
 20 nication or political advertising—

21 “(A) that is made on or after a date that  
 22 is 90 days before the date of a general election  
 23 of the candidate;

24 “(B) that refers to the character, qualifica-  
 25 tions, or accomplishments of a clearly identified



1 candidate, group of candidates, or candidate of  
 2 a clearly identified political party; and

3 “(C) that does not have as its sole purpose  
 4 an attempt to urge action on legislation that  
 5 has been introduced in or is being considered by  
 6 a legislature that is in session.”.

7 **SEC. 206. ELIMINATION OF LEADERSHIP PACS.**

8 (a) DESIGNATION AND ESTABLISHMENT OF AU-  
 9 THORIZED COMMITTEE.—Section 302(e) of the Federal  
 10 Election Campaign Act of 1971 (2 U.S.C. 432(e)) is  
 11 amended by—

12 (1) striking paragraph (3) and inserting the fol-  
 13 lowing:

14 “(3) No political committee that supports, or has  
 15 supported, more than one candidate may be designated as  
 16 an authorized committee, except that—

17 “(A) a candidate for the office of President  
 18 nominated by a political party may designate the na-  
 19 tional committee of such political party as the can-  
 20 didate’s principal campaign committee, if that na-  
 21 tional committee maintains separate books of ac-  
 22 count with respect to its functions as a principal  
 23 campaign committee; and

24 “(B) a candidate may designate a political com-  
 25 mittee established solely for the purpose of joint

1 fundraising by such candidates as an authorized  
2 committee.”; and

3 (2) adding at the end the following:

4 “(6)(A) A candidate for Federal office or any individ-  
5 ual holding Federal office may not directly or indirectly  
6 establish, finance, maintain, or control any political com-  
7 mittee other than a principal campaign committee of the  
8 candidate, designated in accordance with paragraph (3).  
9 A candidate for more than one Federal office may des-  
10 ignate a separate principal campaign committee for each  
11 Federal office. This paragraph shall not preclude a Fed-  
12 eral officeholder who is a candidate for State or local office  
13 from establishing, financing, maintaining, or controlling a  
14 political committee for election of the individual to such  
15 State or local office.

16 “(B) A political committee prohibited by subpara-  
17 graph (A), that is established before the date of enactment  
18 of this Act, may continue to make contributions for a pe-  
19 riod that ends on the date that is 1 year after the date  
20 of enactment of this paragraph. At the end of such period  
21 the political committee shall disburse all funds by 1 or  
22 more of the following means:

23 “(1) Making contributions to an entity de-  
24 scribed in section 501(c)(3) of the Internal Revenue  
25 Code of 1986 and exempt from taxation under sec-

1       tion 501(a) of such Act that is not established,  
 2       maintained, financed, or controlled directly or indi-  
 3       rectly by any candidate for Federal office or any in-  
 4       dividual holding Federal office.

5               “(2) Making a contribution to the Treasury.

6               “(3) Making contributions to the national,  
 7       State, or local committees of a political party.

8               “(4) Making contributions not to exceed \$1,000  
 9       to candidates for elective office.”.

## 10               **TITLE III—SOFT MONEY**

### 11       **SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.**

12       Title III of the Federal Election Campaign Act of  
 13       1971 (2 U.S.C. 431 et seq.) is amended by adding at the  
 14       end the following:

### 15       **“SEC. 325. SOFT MONEY OF PARTY COMMITTEES.**

16       “(a) NATIONAL COMMITTEES.—A national commit-  
 17       tee of a political party (including a national congressional  
 18       campaign committee of a political party), an entity that  
 19       is directly or indirectly established, financed, maintained,  
 20       or controlled by a national committee or its agent, an en-  
 21       tity acting on behalf of a national committee, and an offi-  
 22       cer or agent acting on behalf of any such committee or  
 23       entity (but not including an entity regulated under sub-  
 24       section (b)) shall not solicit or receive any contributions,  
 25       donations, or transfers of funds, or spend any funds, that

1 are not subject to the limitations, prohibitions, and report-  
2 ing requirements of this Act.

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

4 “(1) IN GENERAL.—Any amount that is ex-  
5 pended or disbursed by a State, district, or local  
6 committee of a political party (including an entity  
7 that is directly or indirectly established, financed,  
8 maintained, or controlled by a State, district, or  
9 local committee of a political party and an officer or  
10 agent acting on behalf of any such committee or en-  
11 tity) during a calendar year in which a Federal elec-  
12 tion is held, for any activity that might affect the  
13 outcome of a Federal election, including any voter  
14 registration or get-out-the-vote activity, any generic  
15 campaign activity, and any communication that re-  
16 fers to a candidate (regardless of whether a can-  
17 didate for State or local office is also mentioned or  
18 identified) shall be made from funds subject to the  
19 limitations, prohibitions, and reporting requirements  
20 of this Act.

21 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH  
22 (1).—

23 “(A) IN GENERAL.—Paragraph (1) shall  
24 not apply to an expenditure or disbursement

1           made by a State, district, or local committee of  
2           a political party for—

3                   “(i) a contribution to a candidate for  
4                   State or local office if the contribution is  
5                   not designated or otherwise earmarked to  
6                   pay for an activity described in paragraph  
7                   (1);

8                   “(ii) the costs of a State, district, or  
9                   local political convention;

10                   “(iii) the non-Federal share of a  
11                   State, district, or local party committee’s  
12                   administrative and overhead expenses (but  
13                   not including the compensation in any  
14                   month of any individual who spends more  
15                   than 20 percent of the individual’s time on  
16                   activity during the month that may affect  
17                   the outcome of a Federal election) except  
18                   that for purposes of this paragraph, the  
19                   non-Federal share of a party committee’s  
20                   administrative and overhead expenses shall  
21                   be determined by applying the ratio of the  
22                   non-Federal disbursements to the total  
23                   Federal expenditures and non-Federal dis-  
24                   bursements made by the committee during  
25                   the previous presidential election year to

1 the committee's administrative and over-  
2 head expenses in the election year in ques-  
3 tion;

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

9 “(v) the cost of any campaign activity  
10 conducted solely on behalf of a clearly  
11 identified candidate for State or local of-  
12 fice, if the candidate activity is not an ac-  
13 tivity described in paragraph (1).

14 “(B) FUNDRAISING COSTS.—Any amount  
15 spent by a national, State, district, or local  
16 committee, by an entity that is established, fi-  
17 nanced, maintained, or controlled by a State,  
18 district, or local committee of a political party,  
19 or by an agent or officer of any such committee  
20 or entity to raise funds that are used, in whole  
21 or in part, to pay the costs of an activity de-  
22 scribed in paragraph (1) shall be made from  
23 funds subject to the limitations, prohibitions,  
24 and reporting requirements of this Act.

1       “(c) TAX-EXEMPT ORGANIZATIONS.—A national,  
 2 State, district, or local committee of a political party (in-  
 3 cluding a national congressional campaign committee of  
 4 a political party, an entity that is directly or indirectly  
 5 established, financed, maintained, or controlled by any  
 6 such national, State, district, or local committee or its  
 7 agent, an agent acting on behalf of any such party com-  
 8 mittee, and an officer or agent acting on behalf of any  
 9 such party committee or entity), shall not solicit any funds  
 10 for or make any donations to an organization that is ex-  
 11 empt from Federal taxation under section 501(c) of the  
 12 Internal Revenue Code of 1986.

13       “(d) CANDIDATES.—

14               “(1) IN GENERAL.—A candidate, individual  
 15 holding Federal office, or agent of a candidate or in-  
 16 dividual holding Federal office shall not—

17                       “(A) solicit, receive, transfer, or spend  
 18 funds in connection with an election for Federal  
 19 office unless the funds are subject to the limita-  
 20 tions, prohibitions, and reporting requirements  
 21 of this Act;

22                       “(B) solicit, receive, or transfer funds that  
 23 are to be expended in connection with any elec-  
 24 tion other than a Federal election unless the  
 25 funds—

1 “(i) are not in excess of the amounts  
 2 permitted with respect to contributions to  
 3 candidates and political committees under  
 4 section 315(a) (1) and (2); and

5 “(ii) are not from sources prohibited  
 6 by this Act from making contributions with  
 7 respect to an election for Federal office; or

8 “(C) solicit, receive, or transfer any funds  
 9 on behalf of any person that are not subject to  
 10 the limitations, prohibitions, and reporting re-  
 11 quirements of the Act if the funds are for use  
 12 in financing any campaign-related activity or  
 13 any communication that refers to a clearly iden-  
 14 tified candidate for Federal office.

15 “(2) EXCEPTION.—Paragraph (1) does not  
 16 apply to the solicitation or receipt of funds by an in-  
 17 dividual who is a candidate for a State or local office  
 18 if the solicitation or receipt of funds is permitted  
 19 under State law for the individual’s State or local  
 20 campaign committee.”.

21 **SEC. 302. STATE PARTY GRASSROOTS FUNDS.**

22 (a) INDIVIDUAL CONTRIBUTIONS.—Section  
 23 315(a)(1) of the Federal Election Campaign Act of 1971  
 24 (2 U.S.C. 441a(a)(1)) is amended—



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

3           (2) in subparagraph (C), by striking the period  
4     at the end and inserting “; or”; and

5           (3) by inserting after subparagraph (C) the fol-  
6     lowing:

7           “(D) to—

8                 “(i) a State Party Grassroots Fund estab-  
9                 lished and maintained by a State committee of  
10                a political party in any calendar year which, in  
11                the aggregate, exceed \$20,000;

12               “(ii) any other political committee estab-  
13                lished and maintained by a State committee of  
14                a political party in any calendar year which, in  
15                the aggregate, exceed \$5,000;

16     except that the aggregate contributions described in  
17     this subparagraph that may be made by a person to  
18     the State Party Grassroots Fund and all committees  
19     of a State Committee of a political party in any  
20     State in any calendar year shall not exceed  
21     \$20,000.”.

22     (b) LIMITS.—

23           (1) IN GENERAL.—Section 315(a) of the Fed-  
24     eral Election Campaign Act of 1971 (2 U.S.C.

1       441a(a)) is amended by striking paragraph (3) and  
 2       inserting the following:

3           “(3) OVERALL LIMITS.—

4               “(A) INDIVIDUAL LIMIT.—No individual  
 5       shall make contributions during any calendar  
 6       year that, in the aggregate, exceed \$30,000.

7               “(B) CALENDAR YEAR.—No individual  
 8       shall make contributions during any calendar  
 9       year—

10               “(i) to all candidates and their au-  
 11       thorized political committees that, in the  
 12       aggregate, exceed \$25,000; or

13               “(ii) to all political committees estab-  
 14       lished and maintained by State committees  
 15       of a political party that, in the aggregate,  
 16       exceed \$20,000.

17               “(C) NONELECTION YEARS.—For purposes  
 18       of subparagraph (B)(i), any contribution made  
 19       to a candidate or the candidate’s authorized po-  
 20       litical committees in a year other than the cal-  
 21       endar year in which the election is held with re-  
 22       spect to which the contribution is made shall be  
 23       treated as being made during the calendar year  
 24       in which the election is held.”.

1 (c) DEFINITIONS.—Section 301 of the Federal Elec-  
 2 tion Campaign Act of 1970 (2 U.S.C. 431), as amended  
 3 by section 205(b), is amended by adding at the end the  
 4 following:

5 “(22) GENERIC CAMPAIGN ACTIVITY.—The  
 6 term ‘generic campaign activity’ means a campaign  
 7 activity that promotes a political party and does not  
 8 refer to any particular Federal or non-Federal can-  
 9 didate.

10 “(23) STATE PARTY GRASSROOTS FUND.—The  
 11 term ‘State Party Grassroots Fund’ means a sepa-  
 12 rate segregated fund established and maintained by  
 13 a State committee of a political party solely for pur-  
 14 poses of making expenditures and other disburse-  
 15 ments described in section 326(d).”.

16 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of  
 17 the Federal Election Campaign Act of 1971 (2 U.S.C. 431  
 18 et seq.), as amended by section 301, is amended by adding  
 19 at the end the following:

20 **“SEC. 326. STATE PARTY GRASSROOTS FUNDS.**

21 “(a) DEFINITION.—In this section, the term ‘State  
 22 or local candidate committee’ means a committee estab-  
 23 lished, financed, maintained, or controlled by a candidate  
 24 for other than Federal office.

1       “(b)       TRANSFERS.—Notwithstanding       section  
 2 315(a)(4), no funds may be transferred by a State com-  
 3 mittee of a political party from its State Party Grassroots  
 4 Fund to any other State Party Grassroots Fund or to any  
 5 other political committee, except a transfer may be made  
 6 to a district or local committee of the same political party  
 7 in the same State if the district or local committee—

8               “(1) has established a separate segregated fund  
 9       for the purposes described in subsection (d); and

10              “(2) uses the transferred funds solely for those  
 11       purposes.

12       “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS  
 13 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

14              “(1) IN GENERAL.—Any amount received by a  
 15       State Party Grassroots Fund from a State or local  
 16       candidate committee for expenditures described in  
 17       subsection (d) that are for the benefit of that can-  
 18       didate shall be treated as meeting the requirements  
 19       of 325(b)(1) and section 304(e) if—

20              “(A) the amount is derived from funds  
 21       which meet the requirements of this Act with  
 22       respect to any limitation or prohibition as to  
 23       source or dollar amount specified in section  
 24       315(a) (1)(A) and (2)(A); and

1           “(B) the State or local candidate commit-  
2           tee—

3                   “(i) maintains, in the account from  
4                   which payment is made, records of the  
5                   sources and amounts of funds for purposes  
6                   of determining whether those requirements  
7                   are met; and

8                   “(ii) certifies that the requirements  
9                   were met.

10           “(2) DETERMINATION OF COMPLIANCE.—For  
11           purposes of paragraph (1)(A), in determining wheth-  
12           er the funds transferred meet the requirements of  
13           this Act described in paragraph (1)(A)—

14                   “(A) a State or local candidate commit-  
15                   tee’s cash on hand shall be treated as consisting  
16                   of the funds most recently received by the com-  
17                   mittee; and

18                   “(B) the committee must be able to dem-  
19                   onstrate that its cash on hand contains funds  
20                   meeting those requirements sufficient to cover  
21                   the transferred funds.

22           “(3) REPORTING.—Notwithstanding paragraph  
23           (1), any State Party Grassroots Fund that receives  
24           a transfer described in paragraph (1) from a State  
25           or local candidate committee shall be required to

1 meet the reporting requirements of this Act, and  
 2 shall submit to the Commission all certifications re-  
 3 ceived, with respect to receipt of the transfer from  
 4 the candidate committee.

5 “(d) DISBURSEMENTS AND EXPENDITURES.—A  
 6 State committee of a political party may make disburse-  
 7 ments and expenditures from its State Party Grassroots  
 8 Fund only for—

9 “(1) any generic campaign activity;

10 “(2) payments described in clauses (v), (ix),  
 11 and (xi) of paragraph (8)(B) and clauses (iv), (viii),  
 12 and (ix) of paragraph (9)(B) of section 301;

13 “(3) subject to the limitations of section  
 14 315(d), payments described in clause (xii) of para-  
 15 graph (8)(B), and clause (ix) of paragraph (9)(B),  
 16 of section 301 on behalf of candidates other than for  
 17 President and Vice President;

18 “(4) voter registration; and

19 “(5) development and maintenance of voter files  
 20 during an even-numbered calendar year.”.

21 **SEC. 303. REPORTING REQUIREMENTS.**

22 (a) REPORTING REQUIREMENTS.—Section 304 of the  
 23 Federal Election Campaign Act of 1971 (2 U.S.C. 434)  
 24 is amended by adding at the end the following:

25 “(e) POLITICAL COMMITTEES.—

1           “(1) NATIONAL AND CONGRESSIONAL POLITI-  
2           CAL COMMITTEES.—The national committee of a po-  
3           litical party, any congressional campaign committee  
4           of a political party, and any subordinate committee  
5           of either, shall report all receipts and disbursements  
6           during the reporting period, whether or not in con-  
7           nection with an election for Federal office.

8           “(2) OTHER POLITICAL COMMITTEES TO WHICH  
9           SECTION 325 APPLIES.—A political committee (not  
10          described in paragraph (1)) to which section  
11          325(b)(1) applies shall report all receipts and dis-  
12          bursements made for activities described in para-  
13          graphs (1) and (2)(iii) of section 325(b).

14          “(3) OTHER POLITICAL COMMITTEES.—Any po-  
15          litical committee to which paragraph (1) or (2) does  
16          not apply shall report any receipts or disbursements  
17          that are used in connection with a Federal election.

18          “(4) ITEMIZATION.—If a political committee  
19          has receipts or disbursements to which this sub-  
20          section applies from any person aggregating in ex-  
21          cess of \$200 for any calendar year, the political  
22          committee shall separately itemize its reporting for  
23          such person in the same manner as required in para-  
24          graphs (3)(A), (5), and (6) of subsection (b).

1           “(5) REPORTING PERIODS.—Reports required  
2           to be filed under this subsection shall be filed for the  
3           same time periods required for political committees  
4           under subsection (a).”.

5           (b) BUILDING FUND EXCEPTION TO THE DEFINI-  
6           TION OF CONTRIBUTION.—Section 301(8) of the Federal  
7           Election Campaign Act of 1971 (2 U.S.C. 431(8)) is  
8           amended—

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

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

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

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

22           (d) OTHER REPORTING REQUIREMENTS.—

23                   (1) AUTHORIZED COMMITTEES.—Section  
24           304(b)(4) of the Federal Election Campaign Act of  
25           1971 (2 U.S.C. 434(b)(4)) is amended—



1 (A) by striking “and” at the end of sub-  
 2 paragraph (H);

3 (B) by inserting “and” at the end of sub-  
 4 paragraph (I); and

5 (C) by adding at the end the following new  
 6 subparagraph:

7 “(J) in the case of an authorized commit-  
 8 tee, disbursements for the primary election, the  
 9 general election, and any other election in which  
 10 the candidate participates;”.

11 (2) NAMES AND ADDRESSES.—Section  
 12 304(b)(5)(A) of the Federal Election Campaign Act  
 13 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by in-  
 14 serting “, and the election to which the operating ex-  
 15 penditure relates” after “operating expenditure”.

16 **SEC. 304. SOFT MONEY OF PERSONS OTHER THAN**  
 17 **POLITICAL PARTIES.**

18 Section 304 of the Federal Election Campaign Act  
 19 of 1971 (2 U.S.C. 434), as amended by subsection 303,  
 20 is amended by adding at the end the following:

21 “(g) ELECTION ACTIVITY OF PERSONS OTHER THAN  
 22 POLITICAL PARTIES.—

23 “(1) IN GENERAL.—A person other than a com-  
 24 mittee of a political party that makes aggregate dis-  
 25 bursements totaling in excess of \$10,000 for activi-

1       ties described in paragraph (2) shall file a statement  
2       with the Commission—

3               “(A) within 48 hours after the disburse-  
4       ments are made; or

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

8               “(2) ACTIVITY.—The activity described in this  
9       paragraph is—

10              “(A) any activity described in section  
11       316(b)(2)(A) that refers to any candidate for  
12       Federal office, any political party, or any Fed-  
13       eral election; and

14              “(B) any activity described in subpara-  
15       graph (B) or (C) of section 316(b)(2).

16              “(3) ADDITIONAL STATEMENTS.—An additional  
17       statement shall be filed each time additional dis-  
18       bursements aggregating \$10,000 are made by a per-  
19       son described in paragraph (1).

20              “(4) APPLICABILITY.—This subsection does not  
21       apply to—

22              “(A) a candidate or a candidate’s author-  
23       ized committees; or

24              “(B) an independent expenditure.

1           “(5) CONTENTS.—A statement under this sec-  
 2           tion shall contain such information about the dis-  
 3           bursements as the Commission shall prescribe, in-  
 4           cluding—

5                   “(A) the name and address of the person  
 6                   or entity to whom the disbursement was made;

7                   “(B) the amount and purpose of the dis-  
 8                   bursement; and

9                   “(C) if applicable, whether the disburse-  
 10                  ment was in support of, or in opposition to, a  
 11                  candidate or a political party, and the name of  
 12                  the candidate or the political party.”.

## 13           **TITLE IV—ENFORCEMENT**

### 14   **SEC. 401. 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) FILING OF REPORTS USING COMPUTERS  
 20                   AND FACSIMILE MACHINES.—

21                   “(A) REQUIRED FILING.—The Commission  
 22                   may promulgate a regulation under which a  
 23                   person required to file a designation, statement,  
 24                   or report under this Act—

1 “(i) is required to maintain and file a  
 2 designation, statement, or report for any  
 3 calendar year in electronic form accessible  
 4 by computers if the person has, or has rea-  
 5 son to expect to have, aggregate contribu-  
 6 tions or expenditures in excess of a thresh-  
 7 old amount determined by the Commission;  
 8 and

9 “(ii) may maintain and file a designa-  
 10 tion, statement, or report in that manner  
 11 if not required to do so under regulations  
 12 prescribed under clause (i).

13 “(B) FACSIMILE MACHINE.—The Commis-  
 14 sion shall promulgate a regulation that allows a  
 15 person to file a designation, statement, or re-  
 16 port required by this Act through the use of  
 17 facsimile machines.

18 “(C) VERIFICATION OF SIGNATURE.—

19 “(i) IN GENERAL.—In promulgating a  
 20 regulation under this paragraph, the Com-  
 21 mission shall provide methods (other than  
 22 requiring a signature on the document  
 23 being filed) for verifying a designation,  
 24 statement, or report covered by the regula-  
 25 tions.

1                   “(ii) TREATMENT OF VERIFICA-  
 2                   TION.—A document verified under any of  
 3                   the methods shall be treated for all pur-  
 4                   poses (including penalties for perjury) in  
 5                   the same manner as a document verified  
 6                   by signature.”.

7 **SEC. 402. AUDITS.**

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

11           (1) by inserting “(1)” before “The Commis-  
 12           sion”; and

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

14           “(2) RANDOM AUDITS.—

15                   “(A) IN GENERAL.—Notwithstanding para-  
 16                   graph (1), the Commission may conduct ran-  
 17                   dom audits and investigations to ensure vol-  
 18                   untary compliance with this Act.

19                   “(B) LIMITATION.—The Commission shall  
 20                   not institute an audit or investigation of a can-  
 21                   didate’s authorized committee under subpara-  
 22                   graph (A) until the candidate is no longer a  
 23                   candidate for the office sought by the candidate  
 24                   in that election cycle.

1           “(C) APPLICABILITY.—This paragraph  
 2           does not apply to an authorized committee of a  
 3           candidate for President or Vice President sub-  
 4           ject to audit under section 9007 or 9038 of the  
 5           Internal Revenue Code of 1986.”.

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

11   **SEC. 403. AUTHORITY TO SEEK INJUNCTION.**

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

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

15               “(13) AUTHORITY TO SEEK INJUNCTION.—

16                       “(A) IN GENERAL.—If, at any time in a pro-  
 17                       ceeding described in paragraph (1), (2), (3), or (4),  
 18                       the Commission believes that—

19                               “(i) there is a substantial likelihood that a  
 20                               violation of this Act is occurring or is about to  
 21                               occur;

22                               “(ii) the failure to act expeditiously will re-  
 23                               sult in irreparable harm to a party affected by  
 24                               the potential violation;

1           “(iii) expeditious action will not cause  
2           undue harm or prejudice to the interests of oth-  
3           ers; and

4           “(iv) the public interest would be best  
5           served by the issuance of an injunction;

6 the Commission may initiate a civil action for a temporary  
7 restraining order or a preliminary injunction pending the  
8 outcome of the proceedings described in paragraphs (1),  
9 (2), (3), and (4).

10           “(B) VENUE.—An action under subparagraph  
11 (A) shall be brought in the United States district  
12 court for the district in which the defendant resides,  
13 transacts business, or may be found, or in which the  
14 violation is occurring, has occurred, or is about to  
15 occur.”;

16           (2) in paragraph (7), by striking “(5) or (6)”  
17 and inserting “(5), (6), or (13)”;

18           (3) in paragraph (11), by striking “(6)” and in-  
19 serting “(6) or (13)”.

20 **SEC. 404. INCREASE IN PENALTY FOR KNOWING AND**  
21 **WILLFUL VIOLATIONS.**

22           Section 309(a)(5)(B) of the Federal Election Cam-  
23 paign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended  
24 by striking “the greater of \$10,000 or an amount equal

1 to 200 percent” and inserting “the greater of \$15,000 or  
 2 an amount equal to 300 percent”.

3 **SEC. 405. PROHIBITION OF CONTRIBUTIONS BY**  
 4 **INDIVIDUALS NOT QUALIFIED TO VOTE.**

5 (a) PROHIBITION.—Section 319 of the Federal Elec-  
 6 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

7 (1) in the heading by adding “AND INDIVID-  
 8 UALS NOT QUALIFIED TO REGISTER TO  
 9 VOTE” at the end; and

10 (2) in subsection (a)—

11 (A) by striking “(a) It shall” and inserting  
 12 the following:

13 “(a) PROHIBITIONS.—

14 “(1) FOREIGN NATIONALS.—It shall”; and

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

16 “(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—

17 It shall be unlawful for an individual who is not  
 18 qualified to register to vote in a Federal election to  
 19 make a contribution, or to promise expressly or  
 20 impliedly to make a contribution, in connection with  
 21 a Federal election; or for any person to knowingly  
 22 solicit, accept, or receive a contribution in connection  
 23 with a Federal election from an individual who is not  
 24 qualified to register to vote in a Federal election.”.



1 (b) INCLUSION IN DEFINITION OF IDENTIFICA-  
 2 TION.—Section 301(13) of the Federal Election Campaign  
 3 Act of 1971 (2 U.S.C. 431(13)) is amended—

4 (1) in subparagraph (A)—

5 (A) by striking “and” the first place it ap-  
 6 pears; and

7 (B) by inserting “, and an affirmation that  
 8 the individual is an individual who is not pro-  
 9 hibited by section 319 from making a contribu-  
 10 tion” after “employer”; and

11 (2) in subparagraph (B) by inserting “and an  
 12 affirmation that the person is a person that is not  
 13 prohibited by section 319 from making a contribu-  
 14 tion” after “such person”.

15 **SEC. 406. USE OF CANDIDATES’ NAMES.**

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

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

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

24 “(i) include the name of any can-  
 25 didate in its name, or

1                   “(ii) except in the case of a national,  
 2                   State, or local party committee, use the  
 3                   name of any candidate in any activity on  
 4                   behalf of such committee in such a context  
 5                   as to suggest that the committee is an au-  
 6                   thorized committee of the candidate or  
 7                   that the use of the candidate’s name has  
 8                   been authorized by the candidate.”.

9   **SEC. 407. EXPEDITED PROCEDURES.**

10       Section 309(a) of the Federal Election Campaign Act  
 11   of 1971 (2 U.S.C. 437g(a)), as amended by section 403,  
 12   is amended by adding at the end the following:

13                   “(14) EXPEDITED PROCEDURE.—

14                   “(A) 60 DAYS PRECEDING AN ELECTION.—

15                   If the complaint in a proceeding was filed with-  
 16                   in 60 days immediately preceding a general  
 17                   election, the Commission may take action de-  
 18                   scribed in this subparagraph.

19                   “(B) RESOLUTION BEFORE ELECTION.—If  
 20                   the Commission determines, on the basis of  
 21                   facts alleged in the complaint and other facts  
 22                   available to the Commission, that there is clear  
 23                   and convincing evidence that a violation of this  
 24                   Act has occurred, is occurring, or is about to  
 25                   occur and it appears that the requirements for

1 relief stated in paragraph (13)(A) (ii), (iii), and  
2 (iv) are met, the Commission may—

3 “(i) order expedited proceedings,  
4 shortening the time periods for proceedings  
5 under paragraphs (1), (2), (3), and (4) as  
6 necessary to allow the matter to be re-  
7 solved in sufficient time before the election  
8 to avoid harm or prejudice to the interests  
9 of the parties; or

10 “(ii) if the Commission determines  
11 that there is insufficient time to conduct  
12 proceedings before the election, imme-  
13 diately seek relief under paragraph  
14 (13)(A).

15 “(C) COMPLAINT WITHOUT MERIT.—If the  
16 Commission determines, on the basis of facts  
17 alleged in the complaint and other facts avail-  
18 able to the Commission, that the complaint is  
19 clearly without merit, the Commission may—

20 “(i) order expedited proceedings,  
21 shortening the time periods for proceedings  
22 under paragraphs (1), (2), (3), and (4) as  
23 necessary to allow the matter to be re-  
24 solved in sufficient time before the election

1 to avoid harm or prejudice to the interests  
 2 of the parties; or  
 3 “(ii) if the Commission determines  
 4 that there is insufficient time to conduct  
 5 proceedings before the election, summarily  
 6 dismiss the complaint.”.

7 **TITLE V—SEVERABILITY;**  
 8 **REGULATIONS; EFFECTIVE DATE**

9 **SEC. 501. SEVERABILITY.**

10 If any provision of this Act or amendment made by  
 11 this Act, or the application of a provision or amendment  
 12 to any person or circumstance, is held to be unconstitu-  
 13 tional, the remainder of this Act and amendments made  
 14 by this Act, and the application of the provisions and  
 15 amendment to any person or circumstance, shall not be  
 16 affected by the holding.

17 **SEC. 502. REGULATIONS.**

18 The Federal Election Commission shall promulgate  
 19 any regulations required to carry out this Act and the  
 20 amendments made by this Act.

21 **SEC. 503. EFFECTIVE DATE.**

22 Except as otherwise provided in this Act, this Act and  
 23 the amendments made by this Act take effect on the date  
 24 that is 30 days after the date of enactment of this Act.

○