

105TH CONGRESS
1ST SESSION

S. 1191

To reform the financing of Federal elections, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1997

Mr. SPECTER introduced the following bill; which was read twice and referred
to the Committee on Rules and Administration

A BILL

To reform the financing of Federal elections, 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 “Senate Campaign Finance Reform 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.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

Sec. 101. Senate election spending limits and benefits.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Provisions Relating to Soft Money of Political Party Committees

- Sec. 201. Soft money of political party committees.
 Sec. 202. State party grassroots funds.
 Sec. 203. Reporting requirements.

Subtitle B—Soft Money of Persons Other Than Political Parties

- Sec. 211. Soft money of persons other than political parties.

Subtitle C—Contributions

- Sec. 221. Prohibition of contributions to Federal candidates and of donations of anything of value to political parties by foreign nationals.
 Sec. 222. Closing of soft money loophole.
 Sec. 223. Contribution to defray legal expenses of certain officials.

Subtitle D—Independent Expenditures

- Sec. 231. Clarification of definitions relating to independent expenditures.
 Sec. 232. Reporting requirements for independent expenditures.

TITLE III—APPROPRIATIONS

- Sec. 301. Authorization of appropriations.

TITLE IV—SEVERABILITY; JUDICIAL REVIEW; EFFECTIVE DATE;
 REGULATIONS

- Sec. 401. Severability.
 Sec. 402. Expedited review of constitutional issues.
 Sec. 403. Effective date.
 Sec. 404. Regulations.

1 **TITLE I—SENATE ELECTION**
 2 **SPENDING LIMITS AND BENE-**
 3 **FITS**

4 **SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENE-**
 5 **FITS.**

6 (a) IN GENERAL.—The Federal Election Campaign
 7 Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding
 8 at the end the following:

1 **“TITLE V—SPENDING LIMITS**
 2 **AND BENEFITS FOR SENATE**
 3 **ELECTION CAMPAIGNS**

4 **“SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.**

5 “(a) IN GENERAL.—For purposes of this title, a can-
 6 didate is an eligible Senate candidate if the candidate—

7 “(1) meets the primary and general election fil-
 8 ing requirements of subsections (c) and (d);

9 “(2) meets the primary and runoff election ex-
 10 penditure limits of subsection (b); and

11 “(3) meets the threshold contribution require-
 12 ments of subsection (e).

13 “(b) PRIMARY AND RUNOFF EXPENDITURE LIM-
 14 ITS.—The requirements of this subsection are met if—

15 “(1) the candidate and the candidate’s author-
 16 ized committees did not make expenditures for the
 17 primary election in excess of 67 percent of the gen-
 18 eral election expenditure limit under section 502(a);
 19 and

20 “(2) the candidate and the candidate’s author-
 21 ized committees did not make expenditures for any
 22 runoff election in excess of 20 percent of the general
 23 election expenditure limit under section 502(a).

24 “(c) PRIMARY FILING REQUIREMENTS.—

1 “(1) IN GENERAL.—The requirements of this
 2 subsection are met if the candidate files with the
 3 Commission a certification that—

4 “(A) the candidate and the candidate’s au-
 5 thorized committees—

6 “(i) will meet the primary and runoff
 7 election expenditure limits of subsection
 8 (b); and

9 “(ii) will accept only an amount of
 10 contributions for the primary and runoff
 11 elections that does exceed those limits; and

12 “(B) the candidate and the candidate’s au-
 13 thorized committees will meet the general elec-
 14 tion expenditure limit under section 502(a).

15 “(2) DEADLINE FOR FILING CERTIFICATION.—
 16 The certification under paragraph (1) shall be filed
 17 not later than the date the candidate files as a can-
 18 didate for the primary election.

19 “(d) GENERAL ELECTION FILING REQUIREMENTS.—

20 “(1) IN GENERAL.—The requirements of this
 21 subsection are met if the candidate files a certifi-
 22 cation with the Commission under penalty of perjury
 23 that—

24 “(A) the candidate and the candidate’s au-
 25 thorized committees—

1 “(i) met the primary and runoff elec-
2 tion expenditure limits under subsection
3 (b); and

4 “(ii) did not accept contributions for
5 the primary or runoff election in excess of
6 the primary or runoff expenditure limit
7 under subsection (b), whichever is applica-
8 ble, reduced by any amounts transferred to
9 the current election cycle from a preceding
10 election cycle;

11 “(B) at least one other candidate has
12 qualified for the same general election ballot
13 under the law of the candidate’s State; and

14 “(C) the candidate and the authorized
15 committees of the candidate—

16 “(i) except as otherwise provided by
17 this title, will not make expenditures that
18 exceed the general election expenditure
19 limit under section 502(a);

20 “(ii) will not accept any contributions
21 in violation of section 315; and

22 “(iii) except as otherwise provided by
23 this title, will not accept any contribution
24 for the general election involved to the ex-
25 tent that the contribution would cause the

1 aggregate amount of contributions to ex-
 2 ceed the sum of the amount of the general
 3 election expenditure limit under section
 4 502(a), reduced by any amounts trans-
 5 ferred to the current election cycle from a
 6 previous election cycle and not taken into
 7 account under subparagraph (A)(ii).

8 “(2) DEADLINE FOR FILING CERTIFICATION.—

9 The certification under paragraph (1) shall be filed
 10 not later than 7 days after the earlier of—

11 “(A) the date on which the candidate
 12 qualifies for the general election ballot under
 13 State law; or

14 “(B) if under State law, a primary or run-
 15 off election to qualify for the general election
 16 ballot occurs after September 1, the date on
 17 which the candidate wins the primary or runoff
 18 election.

19 “(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

20 “(1) IN GENERAL.—The requirements of this
 21 subsection are met if the candidate and the can-
 22 didate’s authorized committees have received allow-
 23 able contributions during the applicable period in an
 24 amount at least equal to the lesser of—

1 “(A) 10 percent of the general election ex-
 2 penditure limit under section 502(a); or

3 “(B) \$250,000.

4 “(2) DEFINITIONS.—In this subsection:

5 “(A) ALLOWABLE CONTRIBUTION.—The
 6 term ‘allowable contribution’ means a contribu-
 7 tion that is made as a gift of money by an indi-
 8 vidual pursuant to a written instrument identi-
 9 fying the individual as the contributor.

10 “(B) APPLICABLE PERIOD.—The term ‘ap-
 11 plicable period’ means—

12 “(i) the period beginning on January
 13 1 of the calendar year preceding the cal-
 14 endar year of the general election involved
 15 and ending on the date on which the cer-
 16 tification under subsection (c)(2) is filed by
 17 the candidate; or

18 “(ii) in the case of a special election
 19 for the office of Senator, the period begin-
 20 ning on the date on which the vacancy in
 21 the office occurs and ending on the date of
 22 the general election.

23 **“SEC. 502. LIMITATION ON EXPENDITURES.**

24 “(a) GENERAL ELECTION EXPENDITURE LIMIT.—

1 “(1) IN GENERAL.—The aggregate amount of
 2 expenditures for a general election by an eligible
 3 Senate candidate and the candidate’s authorized
 4 committees shall not exceed the greater of—

5 “(A) \$950,000; or

6 “(B) \$400,000; plus

7 “(i) 30 cents multiplied by the voting
 8 age population not in excess of 4,000,000;
 9 and

10 “(ii) 25 cents multiplied by the voting
 11 age population in excess of 4,000,000.

12 “(2) INDEXING.—The amounts determined
 13 under paragraph (1) shall be increased as of the be-
 14 ginning of each calendar year based on the increase
 15 in the price index determined under section 315(c),
 16 except that the base period shall be calendar year
 17 1997.

18 “(b) PAYMENT OF TAXES.—The limitation under
 19 subsection (a) shall not apply to any expenditure for Fed-
 20 eral, State, or local taxes with respect to earnings on con-
 21 tributions raised.

1 **“SEC. 503. MATCHING FUNDS FOR ELIGIBLE SENATE CAN-**
 2 **DIDATES IN RESPONSE TO EXPENDITURES BY**
 3 **NON-ELIGIBLE OPPONENTS.**

4 “(a) IN GENERAL.—Not later than 5 days after the
 5 Commission determines that a Senate candidate has made
 6 or obligated to make expenditures or accepted contribu-
 7 tions during an election in an aggregate amount in excess
 8 of the applicable election expenditure limit under section
 9 502(a) or 501(b), the Commission shall make available to
 10 an eligible Senate candidate in the same election an aggre-
 11 gate amount of funds equal to the amount in excess of
 12 the applicable limit.

13 “(b) ELIGIBLE SENATE CANDIDATE OPPOSED BY
 14 MORE THAN 1 NON-ELIGIBLE SENATE CANDIDATE.—
 15 For purposes of subsection (a), if an eligible Senate can-
 16 didate is opposed by more than 1 non-eligible Senate can-
 17 didate in the same election, the Commission shall take into
 18 account only the amount of expenditures of the non-eli-
 19 ble Senate candidate that expends, in the aggregate, the
 20 greatest amount of funds.

21 “(c) TIME TO MAKE DETERMINATIONS.—The Com-
 22 mission may, on the request of a candidate or on its own
 23 initiative, make a determination whether a candidate has
 24 made or obligated to make an aggregate amount of ex-
 25 penditures in excess of the applicable limit under sub-
 26 section (a).

1 “(d) USE OF FUNDS.—Funds made available to a
2 candidate under subsection (a) shall be used in the same
3 manner as contributions are used.

4 “(e) TREATMENT OF FUNDS.—An expenditure made
5 with funds made available to a candidate under this sec-
6 tion shall not be treated as an expenditure for purposes
7 of the expenditure limits under sections 501(b) and
8 502(a).

9 **“SEC. 504. CERTIFICATION BY COMMISSION.**

10 “(a) IN GENERAL.—Not later than 48 hours after
11 an eligible candidate qualifies for a general election ballot,
12 the Commission shall certify the candidate’s eligibility for
13 matching funds under section 503.

14 “(b) DETERMINATIONS BY COMMISSION.—A deter-
15 mination (including a certification under subsection (a))
16 made by the Commission under this title shall be final,
17 except to the extent that the determination is subject to
18 examination and audit by the Commission under section
19 505.

20 **“SEC. 505. REVOCATION; MISUSE OF BENEFITS.**

21 “(a) REVOCATION OF STATUS.—If the Commission
22 determines that any eligible Senate candidate has received
23 contributions or made or obligated to make expenditures
24 in excess of—

1 “(1) the applicable primary election expenditure
2 limit under this title; or

3 “(2) the applicable general election expenditure
4 limit under this title,

5 the Commission shall revoke the certification of the can-
6 didate as an eligible Senate candidate and notify the can-
7 didate of the revocation.

8 “(b) MISUSE OF BENEFITS.—If the Commission de-
9 termines that any benefit made available to an eligible
10 Senate candidate under this title was not used as provided
11 for in this title or that a candidate has violated any of
12 the spending limits contained in this Act, the Commission
13 shall notify the candidate, and the candidate shall pay the
14 Commission an amount equal to the value of the benefit.”.

15 (b) TRANSITION PERIOD.—Expenditures made be-
16 fore January 1, 1998, shall not be counted as expenditures
17 for purposes of the limitations contained in the amend-
18 ment made by subsection (a).

1 **TITLE II—REDUCTION OF**
 2 **SPECIAL INTEREST INFLUENCE**
 3 **Subtitle A—Provisions Relating to**
 4 **Soft Money of Political Party**
 5 **Committees**

6 **SEC. 201. SOFT MONEY OF POLITICAL PARTY COMMITTEES.**

7 Title III of the Federal Election Campaign Act of
 8 1971 (2 U.S.C. 301 et seq.) is amended by adding at the
 9 end the following:

10 **“SEC. 324. SOFT MONEY OF POLITICAL PARTY COMMIT-**
 11 **TEES.**

12 “(a) NATIONAL COMMITTEES.—A national commit-
 13 tee of a political party (including a national congressional
 14 campaign committee of a political party, an entity that
 15 is established, financed, maintained, or controlled by the
 16 national committee, a national congressional campaign
 17 committee of a political party, and an officer or agent of
 18 any such party or entity but not including an entity regu-
 19 lated under subsection (b)) shall not solicit or receive any
 20 contributions, donations, or transfers of funds, or spend
 21 any funds, not subject to the limitations, prohibitions, and
 22 reporting requirements of this Act.

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

24 “(1) LIMITATION.—Any amount that is ex-
 25 pended or disbursed by a State, district, or local

1 committee of a political party (including an entity
 2 that is established, financed, maintained, or con-
 3 trolled by a State, district, or local committee of a
 4 political party and an agent or officer of any such
 5 committee or entity) during a calendar year in which
 6 a Federal election is held, for any activity that might
 7 affect the outcome of a Federal election, including
 8 any voter registration or get-out-the-vote activity,
 9 any generic campaign activity, and any communica-
 10 tion that identifies a candidate (regardless of wheth-
 11 er a candidate for State or local office is also men-
 12 tioned or identified) shall be made from funds sub-
 13 ject to the limitations, prohibitions, and reporting
 14 requirements of this Act.

15 “(2) ACTIVITY NOT INCLUDED IN PARAGRAPH
 16 (1).—

17 “(A) IN GENERAL.—Paragraph (1) shall
 18 not apply to an expenditure or disbursement
 19 made by a State, district, or local committee of
 20 a political party for—

21 “(i) a contribution to a candidate for
 22 State or local office if the contribution is
 23 not designated or otherwise earmarked to
 24 pay for an activity described in paragraph
 25 (1);

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

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

22 “(iv) the costs of grassroots campaign
23 materials, including buttons, bumper stick-
24 ers, and yard signs that name or depict

1 only a candidate for State or local office;
2 and

3 “(v) the cost of any campaign activity
4 conducted solely on behalf of a clearly
5 identified candidate for State or local of-
6 fice, if the candidate activity is not an ac-
7 tivity described in paragraph (1).

8 “(B) FUNDRAISING.—Any amount that is
9 expended or disbursed by a national, State, dis-
10 trict, or local committee, by an entity that is es-
11 tablished, financed, maintained, or controlled by
12 a State, district, or local committee of a politi-
13 cal party, or by an agent or officer of any such
14 committee or entity to raise funds that are
15 used, in whole or in part, to pay the costs of
16 an activity described in subparagraph (A) shall
17 be made from funds subject to the limitations,
18 prohibitions, and reporting requirements of this
19 Act.

20 “(c) TAX-EXEMPT ORGANIZATIONS.—No national,
21 State, district, or local committee of a political party shall
22 solicit any funds for or make any donations to an organi-
23 zation that is exempt from Federal taxation under section
24 501(c) of the Internal Revenue Code of 1986.

25 “(d) CANDIDATES.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), no candidate, individual holding Federal
3 office, or agent of a candidate or individual holding
4 Federal office may—

5 “(A) solicit or receive funds in connection
6 with an election for Federal office unless the
7 funds are subject to the limitations, prohibi-
8 tions, and reporting requirements of this Act;
9 or

10 “(B) solicit or receive funds that are to be
11 expended in connection with any election for
12 other than a Federal election unless the
13 funds—

14 “(i) are not in excess of the amounts
15 permitted with respect to contributions to
16 candidates and political committees under
17 paragraphs (1) and (2) of section 315(a);
18 and

19 “(ii) are not from sources prohibited
20 by this Act from making contributions with
21 respect to an election for Federal office.

22 “(2) EXCEPTION.—Paragraph (1) does not
23 apply to the solicitation or receipt of funds by
24 an individual who is a candidate for a State or
25 local office if the solicitation or receipt of funds

1 is permitted under State law for the individual's
 2 State or local campaign committee.”.

3 **SEC. 202. STATE PARTY GRASSROOTS FUNDS.**

4 (a) INDIVIDUAL CONTRIBUTIONS.—Section
 5 315(a)(1) of the Federal Election Campaign Act of 1971
 6 (2 U.S.C. 441a(a)(1)) (as amended by section 105) is
 7 amended—

8 (1) in subparagraph (C) by striking “or” at the
 9 end;

10 (2) by redesignating subparagraph (D) as sub-
 11 paragraph (E); and

12 (3) by inserting after subparagraph (C) the fol-
 13 lowing:

14 “(D) to—

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

19 “(ii) any other political committee estab-
 20 lished and maintained by a State committee of
 21 a political party in any calendar year which, in
 22 the aggregate, exceed \$5,000;

23 except that the aggregate contributions described in
 24 this subparagraph that may be made by a person to
 25 the State Party Grassroots Fund and all committees

1 of a State Committee of a political party in any
 2 State in any calendar year shall not exceed \$20,000;
 3 or”.

4 (b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS
 5 TO STATE PARTY.—Section 315(a)(2) of the Federal
 6 Election Campaign Act of 1971 (2 U.S.C. 441a(a)(2)) is
 7 amended—

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

10 (2) by redesignating subparagraph (C) as sub-
 11 paragraph (D); and

12 (3) by inserting after subparagraph (B) the fol-
 13 lowing:

14 “(C) to—

15 “(i) a State Party Grassroots Fund estab-
 16 lished and maintained by a State committee of
 17 a political party in any calendar year which in
 18 the aggregate, exceed \$15,000;

19 “(ii) to any other political committee estab-
 20 lished and maintained by a State committee of
 21 a political party which, in the aggregate, exceed
 22 \$5,000;

23 except that the aggregate contributions described in
 24 this subparagraph that may be made by a multican-
 25 didate political committee to the State Party Grass-

1 roots Fund and all committees of a State Committee
 2 of a political party in any State in any calendar year
 3 shall not exceed \$15,000; or”.

4 (c) OVERALL LIMIT.—

5 (1) IN GENERAL.—Section 315(a) of the Fed-
 6 eral Election Campaign Act of 1971 (2 U.S.C.
 7 441a(a)) is amended by striking paragraph (3) and
 8 inserting the following:

9 “(3) OVERALL LIMIT.—

10 “(A) ELECTION CYCLE.—No individual
 11 shall make contributions during any election
 12 cycle that, in the aggregate, exceed \$60,000.

13 “(B) CALENDAR YEAR.—No individual
 14 shall make contributions during any calendar
 15 year—

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

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

23 “(C) NONELECTION YEARS.—For purposes
 24 of subparagraph (B)(i), any contribution made
 25 to a candidate or the candidate’s authorized po-

1 litical committees in a year other than the cal-
 2 endar year in which the election is held with
 3 respect to which the contribution is made shall
 4 be treated as being made during the calendar
 5 year in which the election is held.”.

6 (2) DEFINITION.—Section 301 of the Federal
 7 Election Campaign Act of 1971 (2 U.S.C. 431) is
 8 amended by adding at the end the following:

9 “(20) ELECTION CYCLE.—The term ‘election
 10 cycle’ means—

11 “(A) in the case of a candidate or the au-
 12 thorized committees of a candidate, the period
 13 beginning on the day after the date of the most
 14 recent general election for the specific office or
 15 seat that the candidate seeks and ending on the
 16 date of the next general election for that office
 17 or sea; and

18 “(B) in the case of all other persons, the
 19 period beginning on the first day following the
 20 date of the last general election and ending on
 21 the date of the next general election.”.

22 (d) STATE PARTY GRASSROOTS FUNDS.—

23 (1) IN GENERAL.—Title III of the Federal
 24 Election Campaign Act of 1971 (2 U.S.C. 301 et

1 seq.) (as amended by section 201) is amended by
 2 adding at the end the following:

3 **“SEC. 325. STATE PARTY GRASSROOTS FUNDS.**

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

8 “(b) TRANSFERS.—Notwithstanding section
 9 315(a)(4), no funds may be transferred by a State com-
 10 mittee of a political party from its State Party Grassroots
 11 Fund to any other State Party Grassroots Fund or to any
 12 other political committee, except a transfer may be made
 13 to a district or local committee of the same political party
 14 in the same State if the district or local committee—

15 “(1) has established a separate segregated fund
 16 for the purposes described in section 324(b)(1); and

17 “(2) uses the transferred funds solely for those
 18 purposes.

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

21 “(1) IN GENERAL.—Any amount received by a
 22 State Party Grassroots Fund from a State or local
 23 candidate committee for expenditures described in
 24 section 324(b)(1) that are for the benefit of that

1 candidate shall be treated as meeting the require-
 2 ments of 324(b)(1) and section 304(f) if—

3 “(A) the amount is derived from funds
 4 which meet the requirements of this Act with
 5 respect to any limitation or prohibition as to
 6 source or dollar amount specified in paragraphs
 7 (1)(A) and (2)(A) of section 315(a); and

8 “(B) the State or local candidate commit-
 9 tee—

10 “(i) maintains, in the account from
 11 which payment is made, records of the
 12 sources and amounts of funds for purposes
 13 of determining whether those requirements
 14 are met; and

15 “(ii) certifies that the requirements
 16 were met.

17 “(2) DETERMINATION OF COMPLIANCE.—For
 18 purposes of paragraph (1)(A), in determining wheth-
 19 er the funds transferred meet the requirements of
 20 this Act described in paragraph (1)(A)—

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

1 “(B) the committee must be able to dem-
 2 onstrate that its cash on hand contains funds
 3 meeting those requirements sufficient to cover
 4 the transferred funds.

5 “(3) REPORTING.—Notwithstanding paragraph
 6 (1), any State Party Grassroots Fund that receives
 7 a transfer described in paragraph (1) from a State
 8 or local candidate committee shall be required to
 9 meet the reporting requirements of this Act, and
 10 shall submit to the Commission all certifications re-
 11 ceived, with respect to receipt of the transfer from
 12 the candidate committee.”.

13 (2) DEFINITION.—Section 301 of the Federal
 14 Election Campaign Act of 1971 (2 U.S.C. 431) (as
 15 amended by subsection (c)(2)) is amended by adding
 16 at the end the following:

17 “(21) STATE PARTY GRASSROOTS FUND.—The
 18 term ‘State Party Grassroots Fund’ means a sepa-
 19 rate segregated fund established and maintained by
 20 a State committee of a political party solely for the
 21 purpose of making expenditures and other disburse-
 22 ments described in section 325(a).”.

23 **SEC. 203. REPORTING REQUIREMENTS.**

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

1 (as amended by section 232) is amended by adding at the
 2 end the following:

3 “(f) POLITICAL COMMITTEES.—

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

11 “(2) OTHER POLITICAL COMMITTEES TO WHICH
 12 SECTION 325 APPLIES.—A political committee (not
 13 described in paragraph (1)) to which section
 14 325(b)(1) applies shall report all receipts and dis-
 15 bursements.

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

20 “(4) TRANSFERS TO STATE COMMITTEES.—
 21 Any political committee shall include in its report
 22 under paragraph (1) or (2) the amount of any con-
 23 tribution received by a national committee which is
 24 to be transferred to a State committee for use di-
 25 rectly (or primarily to support) activities described

1 in section 325(b)(2) and shall itemize such amounts
 2 to the extent required by subsection (b)(3)(A).

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

10 “(6) REPORTING PERIODS.—Reports required
 11 to be filed under this subsection shall be filed for the
 12 same time periods required for political committees
 13 under subsection (a).”.

14 (b) REPORT OF EXEMPT CONTRIBUTIONS.—Section
 15 301(8) of the Federal Election Campaign Act of 1971 (2
 16 U.S.C. 431(8)) is amended by adding at the end the fol-
 17 lowing:

18 “(C) The exclusion provided in subpara-
 19 graph (B)(viii) shall not apply for purposes of
 20 any requirement to report contributions under
 21 this Act, and all such contributions aggregating
 22 in excess of \$200 shall be reported.”.

23 (c) REPORTS BY STATE COMMITTEES.—Section 304
 24 of the Federal Election Campaign Act of 1971 (2 U.S.C.

1 434) (as amended by subsection (a)) is amended by adding
 2 at the end the following:

3 “(g) FILING OF STATE REPORTS.—In lieu of any re-
 4 port required to be filed by this Act, the Commission may
 5 allow a State committee of a political party to file with
 6 the Commission a report required to be filed under State
 7 law if the Commission determines such reports contain
 8 substantially the same information.”.

9 (d) OTHER REPORTING REQUIREMENTS.—

10 (1) AUTHORIZED COMMITTEES.—Section
 11 304(b)(4) of the Federal Election Campaign Act of
 12 1971 (2 U.S.C. 434(b)(4)) is amended—

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

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

17 (C) by adding at the end the following new
 18 subparagraph:

19 “(J) in the case of an authorized commit-
 20 tee, disbursements for the primary election, the
 21 general election, and any other election in which
 22 the candidate participates;”.

23 (2) NAMES AND ADDRESSES.—Section
 24 304(b)(5)(A) of the Federal Election Campaign Act
 25 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended—

1 (A) by striking “within the calendar year”;
 2 and
 3 (B) by inserting “, and the election to
 4 which the operating expenditure relates” after
 5 “operating expenditure”.

6 **Subtitle B—Soft Money of Persons**
 7 **Other Than Political Parties**

8 **SEC. 211. SOFT MONEY OF PERSONS OTHER THAN POLITI-**
 9 **CAL PARTIES.**

10 Section 304 of the Federal Election Campaign Act
 11 of 1971 (2 U.S.C. 434) (as amended by section 203) is
 12 amended by adding at the end the following:

13 “(h) ELECTION ACTIVITY OF PERSONS OTHER THAN
 14 POLITICAL PARTIES.—

15 “(1) IN GENERAL.—A person other than a com-
 16 mittee of a political party that makes aggregate dis-
 17 bursements totaling in excess of \$10,000 for activi-
 18 ties described in paragraph (2) shall file a statement
 19 with the Commission—

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

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

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

3 “(A) any activity described in section
4 315(b)(2)(A) that refers to any candidate for
5 Federal office, any political party, or any Fed-
6 eral election; and

7 “(B) any activity described in subpara-
8 graph (B) or (C) of section 315(b)(2).

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

13 “(4) APPLICABILITY.—This subsection does not
14 apply to—

15 “(A) a candidate or a candidate’s author-
16 ized committees; or

17 “(B) an independent expenditure.

18 “(5) CONTENTS.—A statement under this sec-
19 tion shall contain such information about the dis-
20 bursements as the Commission shall prescribe, in-
21 cluding—

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

24 “(B) the amount and purpose of the dis-
25 bursement; and

“(C) if applicable, whether the disbursement was in support of, or in opposition to, a candidate or a political party, and the name of the candidate or the political party.”.

Subtitle C—Contributions

SEC. 221. PROHIBITION OF CONTRIBUTIONS TO FEDERAL CANDIDATES AND OF DONATIONS OF ANYTHING OF VALUE TO POLITICAL PARTIES BY FOREIGN NATIONALS.

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

(1) by striking the heading and inserting “PROHIBITION OF CONTRIBUTIONS TO CANDIDATES AND DONATIONS OF ANYTHING OF VALUE TO POLITICAL PARTIES BY FOREIGN NATIONALS”; and

(2) in subsection (a)—

(A) by inserting “or to make a donation of money or any other thing of value to a political committee of a political party” after “office”; and

(B) by inserting “or donation” after “contribution” the second place it appears.

SEC. 222. CLOSING OF SOFT MONEY LOOPHOLE.

Section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking

1 “contributions” and inserting “contributions (as defined
 2 in section 301) to a candidate or donations (including a
 3 contribution as defined in section 301) to political commit-
 4 tees”.

5 **SEC. 223. CONTRIBUTIONS TO DEFRAY LEGAL EXPENSES**
 6 **OF CERTAIN OFFICIALS.**

7 (a) CONTRIBUTIONS TO DEFRAY LEGAL EX-
 8 PENSES.—

9 (1) PROHIBITION ON MAKING OF CONTRIBU-
 10 TIONS.—It shall be unlawful for any person to make
 11 a contribution to a candidate for nomination to, or
 12 election to, a Federal office (as defined in section
 13 301(3) of the Federal Election Campaign Act of
 14 1971 (2 U.S.C. 431(3))), an individual who is a
 15 holder of a Federal office, or any head of an Execu-
 16 tive department, or any entity established on behalf
 17 of such individual, to defray legal expenses of such
 18 individual—

19 (1) to the extent it would result in the aggre-
 20 gate amount of such contributions from such person
 21 to or on behalf of such individual to exceed \$10,000
 22 for any calendar year; or

23 (2) if the person is—

1 (A) a foreign national (as defined in sec-
2 tion 319(b) of the Federal Election Campaign
3 Act of 1971 (2 U.S.C. 441e(b)); or

4 (B) a person prohibited from contributing
5 to the campaign of a candidate under section
6 316 of the Federal Election Campaign Act of
7 1971 (2 U.S.C. 441b).

8 (2) PROHIBITION ON ACCEPTANCE OF CON-
9 TRIBUTIONS.—No person shall accept a contribution
10 if the contribution would violate paragraph (1).

11 (3) PENALTY.—A person that knowingly and
12 willfully commits a violation of paragraph (1) or (2)
13 shall be fined an amount not to exceed the greater
14 of \$25,000 or 300 percent of the contribution in-
15 volved in such violation, imprisoned for not more
16 than 1 year, or both.

17 (4) CONSTRUCTION OF PROHIBITION.—Nothing
18 in this section shall be construed to permit the mak-
19 ing of a contribution that is otherwise prohibited by
20 law.

21 (b) REPORTING REQUIREMENTS.—A candidate for
22 nomination to, or election to, a Federal office, an individ-
23 ual who is a holder of a Federal office, or any head of
24 an Executive department, or any entity established on be-
25 half of such individual, that accepts contributions to de-

1 fray legal expenses of such individual shall file a quarterly
 2 report with the Federal Election Commission including the
 3 following information:

4 (1) The name and address of each contributor
 5 who makes a contribution in excess of \$25.

6 (2) The amount of each contribution.

7 (3) The name and address of each individual or
 8 entity receiving disbursements from the fund.

9 (4) A brief description of the nature and
 10 amount of each disbursement.

11 (5) The name and address of any provider of
 12 pro bono services to the fund.

13 (6) The fair market value of any pro bono serv-
 14 ices provided to the fund.

15 **Subtitle D—Independent** 16 **Expenditures**

17 **SEC. 231. CLARIFICATION OF DEFINITIONS RELATING TO** 18 **INDEPENDENT EXPENDITURES.**

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

22 “(17) INDEPENDENT EXPENDITURE.—The
 23 term ‘independent expenditure’ means an expendi-
 24 ture that—

25 “(A) contains express advocacy; and

“(B) is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.

“(18) EXPRESS ADVOCACY.—

“(A) IN GENERAL.—The term ‘express advocacy’ means a communication that, taken as a whole and with limited reference to external events, makes positive statements about or negative statements about or makes an expression of support for or opposition to a specific candidate, a specific group of candidates, or candidates of a particular political party.

“(B) EXPRESSION OF SUPPORT FOR OR OPPOSITION TO.—In subparagraph (A), the term ‘expression of support for or opposition to’ includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.

“(C) VOTING RECORDS.—The term ‘express advocacy’ does not include the publication and distribution of a communication that is limited to providing information about votes by elected officials on legislative matters and that does not expressly advocate the election or defeat of a clearly identified candidate.”.

SEC. 232. REPORTING REQUIREMENTS FOR INDEPENDENT EXPENDITURES.

(a) TIME FOR REPORTING CERTAIN EXPENDITURES.—Section 304(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(c)) is amended—

(1) in paragraph (2), by striking the undesignated matter after subparagraph (C);

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2), as amended by paragraph (1), the following:

“(d) TIME FOR REPORTING CERTAIN EXPENDITURES.—

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

“(A) INITIAL REPORT.—A person that makes or obligates to make independent expenditures aggregating \$1,000 or more after the 20th day, but more than 24 hours, before

1 an election shall file a report describing the ex-
2 penditures within 24 hours after that amount
3 of independent expenditures has been made or
4 obligated to be made.

5 “(B) ADDITIONAL REPORTS.—After a per-
6 son files a report under subparagraph (A), the
7 person filing the report shall file an additional
8 report each time that independent expenditures
9 are made or obligated to be made aggregating
10 an additional \$1,000 with respect to the same
11 election as that to which the initial report re-
12 lates.

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

14 “(A) INITIAL REPORT.—A person that
15 makes or obligates to make independent ex-
16 penditures aggregating \$10,000 or more after
17 the 90th day and up to and including the 20th
18 day before an election shall file a report de-
19 scribing the expenditures within 24 hours after
20 that amount of independent expenditures has
21 been made or obligated to be made.

22 “(B) ADDITIONAL REPORTS.—After a per-
23 son files a report under subparagraph (A), the
24 person filing the report shall file an additional
25 report each time that independent expenditures

1 are made or obligated to be made aggregating
 2 an additional \$10,000 with respect to the same
 3 election as that to which the initial report re-
 4 lates.

5 “(3) CONTENTS OF REPORT.—A report under
 6 this subsection—

7 “(A) shall be filed with the Commission;

8 “(B) shall contain the information required
 9 by subsection (c).”.

10 (b) AFFIDAVIT REQUIREMENT.—Section 304 of the
 11 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
 12 (as amended by subsection (a)) is amended—

13 (1) in subsection (c)(2)(B), by inserting “(in
 14 the case of a committee, by both the chief executive
 15 officer and the treasurer of the committee)” after
 16 “certification”; and

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

18 “(e) CERTIFICATION REQUIREMENTS.—

19 “(1) COMMISSION.—Not later than 48 hours
 20 after receipt of a certification under subsection
 21 (c)(2)(B), the Commission shall notify the candidate
 22 to which the independent expenditure refers and the
 23 candidate’s campaign manager and campaign treas-
 24 urer that an expenditure has been made and a cer-
 25 tification has been received.

1 “(2) CANDIDATE.—Not later than 48 hours
 2 after receipt of notification under paragraph (1), the
 3 candidate and the candidate’s campaign manager
 4 and campaign treasurer shall each file with the
 5 Commission a certification, under penalty of perjury,
 6 stating whether or not the independent expenditure
 7 was made in cooperation, consultation, or concert,
 8 with, or at the request or suggestion of, the can-
 9 didate or authorized committee or agent of such can-
 10 didate.”.

11 **TITLE III—APPROPRIATIONS**

12 **SEC. 301. AUTHORIZATION OF APPROPRIATIONS.**

13 The Federal Election Campaign Act of 1971 is
 14 amended—

15 (1) by striking section 314 (2 U.S.C. 439c) and
 16 inserting the following:

17 **“SEC. 314. [REPEALED].”;**

18 and

19 (2) by inserting after section 407 the following:

20 **“SEC. 408. AUTHORIZATION OF APPROPRIATIONS.**

21 “There are authorized to be appropriated to carry out
 22 this Act and chapters 95 and 96 of the Internal Revenue
 23 Code of 1986 such sums as are necessary.”.

1 **TITLE IV—SEVERABILITY; JUDI-**
 2 **CIAL REVIEW; EFFECTIVE**
 3 **DATE; REGULATIONS**

4 **SEC. 401. SEVERABILITY.**

5 If any provision of this Act, an amendment made by
 6 this Act, or the application of such provision or amend-
 7 ment to any person or circumstance is held to be unconsti-
 8 tutional, the remainder of this Act, the amendments made
 9 by this Act, and the application of the provisions of such
 10 to any person or circumstance shall not be affected there-
 11 by.

12 **SEC. 402. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.**

13 (a) **DIRECT APPEAL TO SUPREME COURT.**—An ap-
 14 peal may be taken directly to the Supreme Court of the
 15 United States from any interlocutory order or final judg-
 16 ment, decree, or order issued by any court ruling on the
 17 constitutionality of any provision of this Act or amend-
 18 ment made by this Act.

19 (b) **ACCEPTANCE AND EXPEDITION.**—The Supreme
 20 Court shall, if it has not previously ruled on the question
 21 addressed in the ruling below, accept jurisdiction over, ad-
 22 vance on the docket, and expedite the appeal to the great-
 23 est extent possible.

1 **SEC. 403. EFFECTIVE DATE.**

2 Except as otherwise provided in this Act, the amend-
3 ments made by, and the provisions of, this Act shall take
4 effect on January 1, 1998.

5 **SEC. 404. REGULATIONS.**

6 The Federal Election Commission shall prescribe any
7 regulations required to carry out this Act not later than
8 9 months after the effective date of this Act.

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