

105TH CONGRESS  
1ST SESSION

# S. 1197

To reform the financing of Federal elections.

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IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1997

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

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## A BILL

To reform the financing of Federal elections.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Campaign Reform Act of 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—BAN ON SOFT MONEY OF POLITICAL PARTY COMMITTEES

Sec. 101. Soft money of political party committees.

Sec. 102. State party grassroots funds.

Sec. 103. Reporting requirements.

### TITLE II—INDEPENDENT EXPENDITURES; SOFT MONEY

- Sec. 201. Express advocacy.
- Sec. 202. Reporting requirements for certain independent expenditures.
- Sec. 203. Soft money of persons other than political parties.

### TITLE III—ENFORCEMENT

- Sec. 301. Filing of reports using computers and facsimile machines.
- Sec. 302. Audits.
- Sec. 303. Authority to seek injunction.
- Sec. 304. Reporting requirements for contributions of \$50 or more.
- Sec. 305. Increase in penalty for knowing and willful violations.
- Sec. 306. Prohibition of contributions by individuals not qualified to register to vote.
- Sec. 307. Use of candidates' names.
- Sec. 308. Prohibition of false representation to solicit contributions.
- Sec. 309. Expedited procedures.
- Sec. 310. Reference of suspected violation to the attorney general.

### TITLE IV—MISCELLANEOUS

- Sec. 401. Contribution limits; indexing.
- Sec. 402. Use of contributed amounts for certain purposes.
- Sec. 403. Campaign advertising.
- Sec. 404. Limit on congressional use of the franking privilege.

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

- Sec. 501. Severability.
- Sec. 502. Review of constitutional issues.
- Sec. 503. Effective date.
- Sec. 504. Regulations.

# 1 **TITLE I—BAN ON SOFT MONEY** 2 **OF POLITICAL PARTY COM-** 3 **MITTEES**

## 4 **SEC. 101. SOFT MONEY OF POLITICAL PARTY COMMITTEES.**

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

### 8 **“SEC. 324. SOFT MONEY OF PARTY COMMITTEES.**

9 **“(a) NATIONAL COMMITTEES.—**

10 **“(1) ALL CONTRIBUTIONS, DONATIONS, TRANS-**  
11 **FERS, AND SPENDING TO BE SUBJECT TO THIS**

1       ACT.—A national committee of a political party (in-  
2       cluding a national congressional campaign committee  
3       of a political party), an entity that is directly or in-  
4       directly established, financed, maintained, or con-  
5       trolled by a national committee or its agent, an en-  
6       tity acting on behalf of a national committee, and an  
7       officer or agent acting on behalf of any such com-  
8       mittee or entity (but not including an entity regu-  
9       lated under subsection (b)) shall not solicit or re-  
10      ceive any contributions, donations, or transfers of  
11      funds, or spend any funds, that are not subject to  
12      the limitations, prohibitions, and reporting require-  
13      ments of this Act.

14           “(2) DONATION LIMIT.—In addition to the  
15      amount of contributions that a person may make to  
16      a national committee of a political party under sec-  
17      tion 315, a person may make donations of anything  
18      of value to a national committee of a political party  
19      (including a national congressional campaign com-  
20      mittee of a political party), an entity that is directly  
21      or indirectly established, financed, maintained, or  
22      controlled by a national committee or its agent, an  
23      entity acting on behalf of a national committee, and  
24      an officer or agent acting on behalf of any such  
25      committee or entity (but not including an entity reg-

ulated under subsection (b)) in an aggregate amount not exceeding \$25,000 during the 24 months preceding the date of a general election for Federal office.

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

“(1) IN GENERAL.—Any amount that is expended or disbursed by a State, district, or local committee of a political party (including an entity that is directly or indirectly established, financed, maintained, or controlled by a State, district, or local committee of a political party and an officer or agent acting on behalf of any such committee or entity) during a calendar year in which a Federal election is held, for any activity that might affect the outcome of a Federal election, including any voter registration or get-out-the-vote activity, any generic campaign activity, and any communication that refers to a candidate (regardless of whether a candidate for State or local office is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this Act.

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

“(A) IN GENERAL.—Paragraph (1) shall 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. 102. 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 the  
2 end;

3 (2) by redesignating subparagraph (C) as sub-  
4 paragraph (D); and

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

7 “(C) 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 \$20,000;  
21 or”.

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) is amended  
 3 by adding at the end the following:

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

9 “(21) STATE PARTY GRASSROOTS FUND.—The  
 10 term ‘State Party Grassroots Fund’ means a sepa-  
 11 rate segregated fund established and maintained by  
 12 a State committee of a political party solely for pur-  
 13 poses of making expenditures and other disburse-  
 14 ments described in section 325(d).”.

15 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of  
 16 the Federal Election Campaign Act of 1971 (2 U.S.C. 431  
 17 et seq.) (as amended by section 101) is amended by adding  
 18 at the end the following:

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

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

24 “(b) TRANSFERS.—Notwithstanding section  
 25 315(a)(4), no funds may be transferred by a State com-

1 mittee of a political party from its State Party Grassroots  
 2 Fund to any other State Party Grassroots Fund or to any  
 3 other political committee, except a transfer may be made  
 4 to a district or local committee of the same political party  
 5 in the same State if the district or local committee—

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

8 “(2) uses the transferred funds solely for those  
 9 purposes.

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

12 “(1) IN GENERAL.—Any amount received by a  
 13 State Party Grassroots Fund from a State or local  
 14 candidate committee for expenditures described in  
 15 subsection (d) that are for the benefit of that can-  
 16 didate shall be treated as meeting the requirements  
 17 of 324(b)(1) and section 304(e) if—

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

23 “(B) the State or local candidate commit-  
 24 tee—

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

6 “(ii) certifies that the requirements  
7 were met.

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

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

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

20 “(3) REPORTING.—Notwithstanding paragraph  
21 (1), any State Party Grassroots Fund that receives  
22 a transfer described in paragraph (1) from a State  
23 or local candidate committee shall be required to  
24 meet the reporting requirements of this Act, and  
25 shall submit to the Commission all certifications re-

1       ceived, with respect to receipt of the transfer from  
2       the candidate committee.

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

7               “(1) any generic campaign activity;

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

11              “(3) subject to the limitations of section  
12      315(d), payments described in clause (xii) of para-  
13      graph (8)(B), and clause (ix) of paragraph (9)(B),  
14      of section 301 on behalf of candidates other than for  
15      President and Vice President;

16              “(4) voter registration; and

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

19   **SEC. 103. REPORTING REQUIREMENTS.**

20       (a) REPORTING REQUIREMENTS.—Section 304 of the  
21      Federal Election Campaign Act of 1971 (2 U.S.C. 434)  
22      (as amended by section 202) is amended by adding at the  
23      end the following:

24       “(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 324 APPLIES.—A political committee (not  
10          described in paragraph (1)) to which section  
11          324(b)(1) applies shall report all receipts and dis-  
12          bursements made for activities described in section  
13          324(b) (1) and (2)(iii).

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 to be  
 2       filed under this subsection shall be filed for the same time  
 3       periods required for political committees under  
 4       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 **TITLE II—INDEPENDENT** 17 **EXPENDITURES; SOFT MONEY**

### 18 **SEC. 201. EXPRESS ADVOCACY.**

19 (a) DEFINITION OF EXPENDITURE.—Section  
 20 301(9)(A) of the Federal Election Campaign Act of 1971  
 21 (2 U.S.C. 431(9)(A)) is amended—

22 (1) by striking “and” at the end of clause (i);

23 (2) by striking the period at the end of clause

24 (ii) and inserting a semicolon; and

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

“(iii) any payment during an election year (or in a nonelection year, during the period beginning on the date on which a vacancy for Federal office occurs and ending on the date of the special election for that office) for a communication that is made through any broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising by a national, State, district, or local committee of a political party, including a congressional campaign committee of a party, that refers to a clearly identified candidate; and

“(iv) any payment for a communication that contains express advocacy.”.

(b) DEFINITION OF INDEPENDENT EXPENDITURE.—

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

“(17) INDEPENDENT EXPENDITURE.—

“(A) IN GENERAL.—The term ‘independent expenditure’ means an expenditure that—

“(i) contains express advocacy; and

“(ii) 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.”.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) (as amended by section 102(c)) is amended by adding at the end the following:

“(22) EXPRESS ADVOCACY.—

“(A) IN GENERAL.—The term ‘express advocacy’ includes—

“(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote against,’ ‘defeat,’ ‘reject,’ ‘(name of candidate) for Congress,’ ‘vote pro-life,’ or ‘vote pro-choice,’ accompanied by a listing or picture of a clearly identified candidate described as ‘pro-life’ or ‘pro-choice,’ ‘re-

ject the incumbent’, or a similar expression;

“(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of \$10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of the candidate, and that is made within 60 days before the date of a primary election (and is targeted to the State in which the primary is occurring), or 60 days before a general election; or

“(iii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of \$10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of a can-

1 didate, that is made before the date that is  
 2 30 days before the date of a primary elec-  
 3 tion, or 60 days before the date of a gen-  
 4 eral election, and that is made for the pur-  
 5 pose of advocating the election or defeat of  
 6 the candidate, as shown by 1 or more fac-  
 7 tors such as a statement or action by the  
 8 person making the communication, the  
 9 targeting or placement of the communica-  
 10 tion, or the use by the person making the  
 11 communication of polling, demographic, or  
 12 other similar data relating to the can-  
 13 didate’s campaign or election.

14 “(B) EXCLUSION.—The term ‘express ad-  
 15 vocacy’ does not include the publication or dis-  
 16 tribution of a communication that is limited  
 17 solely to providing information about the voting  
 18 record of elected officials on legislative matters  
 19 and that a reasonable person would not under-  
 20 stand as advocating the election or defeat of a  
 21 particular candidate.”.

22 **SEC. 202. REPORTING REQUIREMENTS FOR CERTAIN INDE-**  
 23 **PENDENT EXPENDITURES.**

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

1           (1) in paragraph (2), by striking the undesig-  
 2           nated matter after subparagraph (C);

3           (2) by redesignating paragraph (3) as para-  
 4           graph (7); and

5           (3) by inserting after paragraph (2), as amend-  
 6           ed by paragraph (1), the following:

7           “(d) TIME FOR REPORTING CERTAIN EXPENDI-  
 8           TURES.—

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

10           “(A) INITIAL REPORT.—A person (includ-  
 11           ing a political committee) that makes or obli-  
 12           gates to make independent expenditures aggreg-  
 13           ating \$1,000 or more after the 20th day, but  
 14           more than 24 hours, before an election shall file  
 15           a report describing the expenditures within 24  
 16           hours after that amount of independent expend-  
 17           itures has been made.

18           “(B) ADDITIONAL REPORTS.—After a per-  
 19           son files a report under subparagraph (A), the  
 20           person shall file an additional report each time  
 21           that independent expenditures aggregating an  
 22           additional \$1,000 are made or obligated to be  
 23           made with respect to the same election as that  
 24           to which the initial report relates.

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

“(A) INITIAL REPORT.—A person (including a political committee) that makes or obligates to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made or obligated to be made.

“(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report each time that independent expenditures aggregating an additional \$10,000 are made or obligated to be made with respect to the same election as that to which the initial report relates.

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

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

“(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.”.

1 **SEC. 203. SOFT MONEY OF PERSONS OTHER THAN POLITI-**  
 2 **CAL PARTIES.**

3 Section 304 of the Federal Election Campaign Act  
 4 of 1971 (2 U.S.C. 434) (as amended by section 103(c))  
 5 is amended by adding at the end the following:

6 “(g) ELECTION ACTIVITY OF PERSONS OTHER THAN  
 7 POLITICAL PARTIES.—

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

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

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

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

20 “(A) any activity described in section  
 21 316(b)(2)(A) that refers to any candidate for  
 22 Federal office, any political party, or any Fed-  
 23 eral election; and

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



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

5           “(4) APPLICABILITY.—This subsection does not  
6           apply to—

7                   “(A) a candidate or a candidate’s author-  
8                   ized committees; or

9                   “(B) an independent expenditure.

10           “(5) CONTENTS.—A statement under this sec-  
11           tion shall contain such information about the dis-  
12           bursements as the Commission shall prescribe, in-  
13           cluding—

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

16                   “(B) the amount and purpose of the dis-  
17                   bursement; and

18                   “(C) if applicable, whether the disburse-  
19                   ment was in support of, or in opposition to, a  
20                   candidate or a political party, and the name of  
21                   the candidate or the political party.”.

# **TITLE III—ENFORCEMENT**

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

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting at the end the following:

“(11) FILING REPORTS.—

“(A) COMPUTER ACCESSIBILITY.—The Commission may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

“(i) are required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

“(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

“(B) FACSIMILE MACHINE.—The Commission shall prescribe regulations which allow per-

sons to file designations, statements, and reports required by this Act through the use of facsimile machines.

“(C) VERIFICATION OF SIGNATURE.—In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.”.

**SEC. 302. AUDITS.**

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

(1) by inserting “(1)” before “The Commission”; and

(2) by adding at the end the following:

“(2) RANDOM AUDITS.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

1           “(B) LIMITATION.—The Commission shall  
 2           not conduct an audit or investigation of a can-  
 3           didate’s authorized committee under subpara-  
 4           graph (A) until the candidate is no longer a  
 5           candidate for the office sought by the candidate  
 6           in an election cycle.

7           “(C) APPLICABILITY.—This paragraph  
 8           does not apply to an authorized committee of a  
 9           candidate for President or Vice President sub-  
 10          ject to audit under section 9007 or 9038 of the  
 11          Internal Revenue Code of 1986.”.

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

17       **SEC. 303. AUTHORITY TO SEEK INJUNCTION.**

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

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

21               “(13) AUTHORITY TO SEEK INJUNCTION.—

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

1           “(i) there is a substantial likelihood that a  
2           violation of this Act is occurring or is about to  
3           occur;

4           “(ii) the failure to act expeditiously will re-  
5           sult in irreparable harm to a party affected by  
6           the potential violation;

7           “(iii) expeditious action will not cause  
8           undue harm or prejudice to the interests of oth-  
9           ers; and

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

12          the Commission may initiate a civil action for a tem-  
13          porary restraining order or a preliminary injunction  
14          pending the outcome of the proceedings described in  
15          paragraphs (1), (2), (3), and (4).

16          “(B) VENUE.—An action under subparagraph  
17          (A) shall be brought in the United States district  
18          court for the district in which the defendant resides,  
19          transacts business, or may be found, or in which the  
20          violation is occurring, has occurred, or is about to  
21          occur.”;

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

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

1 **SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBU-**  
 2 **TIONS OF \$50 OR MORE.**

3 Section 304(b)(3)(A) of the Federal Election Cam-  
 4 paign Act at 1971 (2 U.S.C. 434(b)(3)(A)) is amended—

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

7 (2) by striking the semicolon and inserting “,  
 8 except that in the case of a person who makes con-  
 9 tributions aggregating at least \$50 but not more  
 10 than \$200 during the calendar year, the identifica-  
 11 tion need include only the name and address of the  
 12 person”.

13 **SEC. 305. INCREASE IN PENALTY FOR KNOWING AND WILL-**  
 14 **FUL VIOLATIONS.**

15 Section 309(a)(5)(B) of the Federal Election Cam-  
 16 paign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended  
 17 by striking “the greater of \$10,000 or an amount equal  
 18 to 200 percent” and inserting “the greater of \$15,000 or  
 19 an amount equal to 300 percent”.

20 **SEC. 306. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**  
 21 **UALS NOT QUALIFIED TO REGISTER TO VOTE.**

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

24 (1) in the heading by adding “AND INDIVID-  
 25 UALS NOT QUALIFIED TO REGISTER TO  
 26 VOTE” at the end; and

1 (2) in subsection (a)—

2 (A) by striking “(a) It shall” and inserting  
3 the following:

4 “(a) PROHIBITIONS.—

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

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

7 “(2) INDIVIDUALS NOT QUALIFIED TO REG-  
8 ISTER TO VOTE.—It shall be unlawful for an individ-  
9 ual who is not qualified to register to vote in a Fed-  
10 eral election to make a contribution, or to promise  
11 expressly or impliedly to make a contribution, in  
12 connection with a Federal election; or for any person  
13 to solicit, accept, or receive a contribution in connec-  
14 tion with a Federal election from an individual who  
15 is not qualified to register to vote in a Federal elec-  
16 tion.”.

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

20 (1) in subparagraph (A)—

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

23 (B) by inserting “, and an affirmation that  
24 the individual is an individual who is not pro-

1           hibited by section 319 from making a contribu-  
 2           tion” after “employer”; and

3           (2) in subparagraph (B) by inserting “and an  
 4           affirmation that the person is a person that is not  
 5           prohibited by section 319 from making a contribu-  
 6           tion” after “such person”.

7   **SEC. 307. USE OF CANDIDATES’ NAMES.**

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

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

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

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

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



1 **SEC. 308. PROHIBITION OF FALSE REPRESENTATION TO**  
 2 **SOLICIT CONTRIBUTIONS.**

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

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

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

8 “(b) No person shall solicit contributions by falsely  
 9 representing himself as a candidate or as a representative  
 10 of a candidate, a political committee, or a political party.”.

11 **SEC. 309. EXPEDITED PROCEDURES.**

12 Section 309(a) of the Federal Election Campaign Act  
 13 of 1971 (2 U.S.C. 437g(a)) (as amended by section 303)  
 14 is amended by adding at the end the following:

15 “(14)(A) If the complaint in a proceeding was  
 16 filed within 60 days immediately preceding a general  
 17 election, the Commission may take action described  
 18 in this subparagraph.

19 “(B) If the Commission determines, on the  
 20 basis of facts alleged in the complaint and other  
 21 facts available to the Commission, that there is clear  
 22 and convincing evidence that a violation of this Act  
 23 has occurred, is occurring, or is about to occur and  
 24 it appears that the requirements for relief stated in  
 25 paragraph (13)(A) (ii), (iii), and (iv) are met, the  
 26 Commission may—

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

7           “(ii) if the Commission determines that  
8           there is insufficient time to conduct proceedings  
9           before the election, immediately seek relief  
10          under paragraph (13)(A).

11          “(C) If the Commission determines, on the  
12          basis of facts alleged in the complaint and other  
13          facts available to the Commission, that the com-  
14          plaint is clearly without merit, the Commission  
15          may—

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

22               “(ii) if the Commission determines that  
23               there is insufficient time to conduct proceedings  
24               before the election, summarily dismiss the com-  
25               plaint.”.

1 **SEC. 310. REFERENCE OF SUSPECTED VIOLATION TO THE**  
 2 **ATTORNEY GENERAL.**

3 Section 309(a)(5) of Federal Election Campaign Act  
 4 of 1971 (2 U.S.C. 437g(a)) is amended by striking sub-  
 5 paragraph (C) and inserting the following:

6 “(C) REFERRAL TO THE ATTORNEY GEN-  
 7 ERAL.—The Commission may at any time, by  
 8 an affirmative vote of 4 of its members, refer  
 9 a possible violation of this Act or chapter 95 or  
 10 96 of the Internal Revenue Code of 1986 to the  
 11 Attorney General of the United States, without  
 12 regard to any limitations set forth in this sec-  
 13 tion.”.

14 **TITLE IV—MISCELLANEOUS**

15 **SEC. 401. CONTRIBUTION LIMITS; INDEXING.**

16 (a) INCREASE IN CANDIDATE CONTRIBUTION  
 17 LIMIT.—Section 315(a)(1)(A) of the Federal Election  
 18 Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is  
 19 amended by striking “\$1,000” and inserting “\$2,000”.

20 (b) INDEXING OF CANDIDATE CONTRIBUTION  
 21 LIMIT.—Section 315(c) of the Federal Election Campaign  
 22 Act of 1971 (2 U.S.C. 441a(c)) is amended—

23 (1) in the second sentence of paragraph (1), by  
 24 striking “subsection (b) and subsection (d)” and in-  
 25 serting “subsections (a)(1)(A), (b), and (d)”; and

1           (2) in paragraph (2)(B), by striking “means the  
 2       calendar year 1974.” and inserting “means—  
 3           “(i) for purposes of subsections (b) and  
 4       (d), calendar year 1974; and  
 5           “(ii) for purposes of subsection (a)(1)(A),  
 6       calendar year 1997.”.

7   **SEC. 402. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**  
 8           **PURPOSES.**

9       Title III of the Federal Election Campaign Act of  
 10   1971 (2 U.S.C. 431 et seq.) is amended by striking section  
 11   313 and inserting the following:

12   **“SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**  
 13           **PURPOSES.**

14       “(a) PERMITTED USES.—A contribution accepted by  
 15   a candidate, and any other amount received by an individ-  
 16   ual as support for activities of the individual as a holder  
 17   of Federal office, may be used by the candidate or individ-  
 18   ual—

19           “(1) for expenditures in connection with the  
 20       campaign for Federal office of the candidate or indi-  
 21       vidual;

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

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

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

6 “(b) PROHIBITED USE.—

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

10 “(2) CONVERSION TO PERSONAL USE.—For the  
 11 purposes of paragraph (1), a contribution or amount  
 12 shall be considered to be converted to personal use  
 13 if the contribution or amount is used to fulfill any  
 14 commitment, obligation, or expense of a person that  
 15 would exist irrespective of the candidate’s election  
 16 campaign or individual’s duties as a holder of Fed-  
 17 eral officeholder, including—

18 “(A) a home mortgage, rent, or utility pay-  
 19 ment;

20 “(B) a clothing purchase;

21 “(C) a noncampaign-related automobile ex-  
 22 pense;

23 “(D) a country club membership;

24 “(E) a vacation or other noncampaign-re-  
 25 lated trip;

1 “(F) a household food item;

2 “(G) a tuition payment;

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

6 “(G) dues, fees, and other payments to a  
 7 health club or recreational facility.”.

8 **SEC. 403. CAMPAIGN ADVERTISING.**

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

11 (1) in subsection (a)—

12 (A) in the matter preceding paragraph

13 (1)—

14 (i) by striking “Whenever” and insert-  
 15 ing “Whenever a political committee makes  
 16 a disbursement for the purpose of financ-  
 17 ing any communication through any broad-  
 18 casting station, newspaper, magazine, out-  
 19 door advertising facility, mailing, or any  
 20 other type of general public political adver-  
 21 tising, or whenever”;

22 (ii) by striking “an expenditure” and  
 23 inserting “a disbursement”; and

24 (iii) by striking “direct”; and

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

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

4 “(c) Any printed communication described in sub-  
5 section (a) shall be—

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

8 “(2) contained in a printed box set apart from  
9 the other contents of the communication; and

10 “(3) consist of a reasonable degree of color con-  
11 trast between the background and the printed state-  
12 ment.

13 “(d)(1) Any broadcast or cablecast communication  
14 described in subsection (a)(1) or subsection (a)(2) shall  
15 include, in addition to the requirements of those sub-  
16 sections, an audio statement by the candidate that identi-  
17 fies the candidate and states that the candidate has ap-  
18 proved the communication.

19 “(2) If a broadcast or cablecast communication de-  
20 scribed in paragraph (1) is broadcast or cablecast by  
21 means of television, the communication shall include, in  
22 addition to the audio statement under paragraph (1), a  
23 written statement which—

24 “(A) appears at the end of the communication  
25 in a clearly readable manner with a reasonable de-

1       gree of color contrast between the background and  
 2       the printed statement, for a period of at least 4 sec-  
 3       onds; and

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

6       “(e) Any broadcast or cablecast communication de-  
 7       scribed in subsection (a)(3) shall include, in addition to  
 8       the requirements of those subsections, in a clearly spoken  
 9       manner, the following statement: ‘\_\_\_\_\_ is  
 10      responsible for the content of this advertisement.’ (with  
 11      the blank to be filled in with the name of the political  
 12      committee or other person paying for the communication  
 13      and the name of any connected organization of the payor).  
 14      If broadcast or cablecast by means of television, the state-  
 15      ment shall also appear in a clearly readable manner with  
 16      a reasonable degree of color contrast between the back-  
 17      ground and the printed statement, for a period of at least  
 18      4 seconds.”.

19   **SEC. 404. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**  
 20                   **ING PRIVILEGE.**

21       Section 3210(a)(6)(A) of title 39, United States  
 22      Code, is amended to read as follows:

23               “(A) A Member of Congress shall not mail  
 24               any mass mailing as franked mail during a year  
 25               in which there will be an election for the seat



1 held by the Member during the period between  
2 January 1 of that year and the date of the gen-  
3 eral election for that Office, unless the Member  
4 has made a public announcement that the  
5 Member will not be a candidate for reelection to  
6 that year or for election to any other Federal  
7 office.”.

## 8 **TITLE V—CONSTITUTIONALITY;** 9 **EFFECTIVE DATE; REGULATIONS**

### 10 **SEC. 501. SEVERABILITY.**

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

### 18 **SEC. 502. REVIEW OF CONSTITUTIONAL ISSUES.**

19 An appeal may be taken directly to the Supreme  
20 Court of the United States from any final judgment, de-  
21 cree, or order issued by any court ruling on the constitu-  
22 tionality of any provision of this Act or amendment made  
23 by this Act.

1 **SEC. 503. EFFECTIVE DATE.**

2       Except as otherwise provided in this Act, this Act and  
3 the amendments made by this Act take effect on the date  
4 that is 60 days after the date of enactment of this Act.

5 **SEC. 504. REGULATIONS.**

6       The Federal Election Commission shall prescribe any  
7 regulations required to carry out this Act and the amend-  
8 ments made by this Act not later than 270 days after the  
9 effective date of this Act.

○