

Union Calendar No. 175

106TH CONGRESS  
1ST Session

H. R. 2668

[Report No. 106-295]

A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, and for other purposes.

AUGUST 5, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1999

Mr. THOMAS (for himself, Mr. NEY, Mr. BOEHNER, Mr. EHLERS, Mr. MICA, and Mr. EWING) introduced the following bill; which was referred to the Committee on House Administration

AUGUST 5, 1999

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on August 2, 1999]

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## A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for election for Federal office, 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,*

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

2 (a) *SHORT TITLE.*—*This Act may be cited as the*  
 3 *“Campaign Reform and Election Integrity Act of 1999”.*

4 (b) *TABLE OF CONTENTS.*—*The table of contents of this*  
 5 *Act is as follows:*

*Sec. 1. Short title; table of contents.*

*Sec. 2. References in act.*

**TITLE I—BAN ON FOREIGN CONTRIBUTIONS**

*Sec. 101. Extension of ban on foreign contributions to all campaign-related disbursements; protecting equal participation of eligible voters.*

**TITLE II—IMPROVING REPORTING OF INFORMATION**

*Sec. 201. Mandatory electronic filing for certain reports; expediting reporting of information.*

*Sec. 202. Reporting of secondary payments; expansion of other types of information reported.*

*Sec. 203. Disclosure requirements for certain soft money expenditures of political parties.*

**TITLE III—STRENGTHENING ENFORCEMENT AND ADMINISTRATION OF FEDERAL ELECTION COMMISSION**

*Sec. 301. Standards for initiation of actions and written responses by Federal Election Commission.*

*Sec. 302. Banning acceptance of cash contributions greater than \$100.*

*Sec. 303. Deposit of certain contributions and donations to be returned to donors in Treasury account.*

*Sec. 304. Alternative procedures for imposition of penalties for reporting violations.*

*Sec. 305. Abolition of ex officio membership of Clerk of House of Representatives and Secretary of Senate on Commission.*

*Sec. 306. Broader prohibition against force and reprisals.*

*Sec. 307. Signature authority of members of Commission for subpoenas and notification of intent to seek additional information.*

**TITLE IV—SIMPLIFYING AND CLARIFYING FEDERAL ELECTION LAW**

*Sec. 401. Application of aggregate contributions limit on calendar year basis during non-election years.*

*Sec. 402. Treatment of lines of credit obtained by candidates as commercially reasonable loans.*

*Sec. 403. Repeal Secretary of Commerce reports on district-specific population.*

*Sec. 404. Technical correction regarding treatment of honoraria.*

**TITLE V—EFFECTIVE DATE**

*Sec. 501. Effective date.*

1 **SEC. 2. REFERENCES IN ACT.**

2 *Except as otherwise specifically provided, whenever in*  
 3 *this Act an amendment is expressed in terms of an amend-*  
 4 *ment to or repeal of a section or other provision, the ref-*  
 5 *erence shall be considered to be made to that section or other*  
 6 *provision of the Federal Election Campaign Act of 1971.*

7 **TITLE I—BAN ON FOREIGN**  
 8 **CONTRIBUTIONS**

9 **SEC. 101. EXTENSION OF BAN ON FOREIGN CONTRIBU-**  
 10 **TIONS TO ALL CAMPAIGN-RELATED DIS-**  
 11 **BURSEMENTS; PROTECTING EQUAL PARTICI-**  
 12 **PATION OF ELIGIBLE VOTERS.**

13 (A) *PROHIBITION ON DISBURSEMENTS BY FOREIGN*  
 14 *NATIONALS.—Section 319 (2 U.S.C. 441e) is amended—*

15 *(1) in the heading, by striking “CONTRIBUTIONS”*  
 16 *and inserting “DONATIONS AND OTHER DISBURSE-*  
 17 *MENTS”;*

18 *(2) in subsection (a), by striking “contribution”*  
 19 *each place it appears and inserting “donation or*  
 20 *other disbursement”; and*

21 *(3) in subsection (a), by striking the semicolon*  
 22 *and inserting the following: “, including any dona-*  
 23 *tion or other disbursement to a political committee of*  
 24 *a political party and any donation or other disburse-*  
 25 *ment for an independent expenditure;”.*

1       (b) *CODIFICATION OF REGULATIONS PROHIBITING*  
2 *USE OF FOREIGN FUNDS BY MULTICANDIDATE POLITICAL*  
3 *COMMITTEES; PROTECTING EQUAL PARTICIPATION OF ELI-*  
4 *GIBLE VOTERS IN CAMPAIGNS AND ELECTIONS.*—Section  
5 319 (2 U.S.C. 441e) is amended—

6           (1) *by redesignating subsection (b) as subsection*  
7 *(d); and*

8           (2) *by inserting after subsection (a) the following*  
9 *new subsections:*

10       “(b) *It shall be unlawful for any person organized*  
11 *under or created by the laws of the United States or of any*  
12 *State or other place subject to the jurisdiction of the United*  
13 *States to make any donation or other disbursement to any*  
14 *candidate for political office in connection with an election*  
15 *for any political office, or to make any donation or other*  
16 *disbursement to any political committee or to any organiza-*  
17 *tion or account created or controlled by any United States*  
18 *political party, unless such donation or disbursement is de-*  
19 *rived solely from funds generated from such person’s own*  
20 *business activities in the United States.*

21       “(c) *Nothing in this Act may be construed to prohibit*  
22 *any individual eligible to vote in an election for Federal*  
23 *office from making contributions or expenditures in support*  
24 *of a candidate for such an election (including voluntary*  
25 *contributions or expenditures made through a separate seg-*

1 regated fund established by the individual’s employer or  
 2 labor organization) or otherwise participating in any cam-  
 3 paign for such an election in the same manner and to the  
 4 same extent as any other individual eligible to vote in an  
 5 election for such office.”.

6 (b) *EFFECTIVE DATE.*—The amendments made by this  
 7 section shall apply with respect to contributions, donations,  
 8 and other disbursements made on or after the date of the  
 9 enactment of this Act.

## 10 **TITLE II—IMPROVING** 11 **REPORTING OF INFORMATION**

### 12 **SEC. 201. MANDATORY ELECTRONIC FILING FOR CERTAIN** 13 **REPORTS; EXPEDITING REPORTING OF IN-** 14 **FORMATION.**

15 (a) *REQUIRING ELECTRONIC FILING WITHIN 24*  
 16 *HOURS OF CERTAIN CONTRIBUTIONS AND INDEPENDENT*  
 17 *EXPENDITURES MADE WITHIN 90 Days of Election.*—

18 (1) *IN GENERAL.*—Section 304(a) (2 U.S.C. 434  
 19 (a)) is amended by adding at the end the following  
 20 new paragraph:

21 “(12)(A) Notwithstanding any other provision of this  
 22 Act, each political committee described in subparagraph  
 23 (B)(i) that receives a contribution in an amount equal to  
 24 or greater than \$200, and any person described in subpara-  
 25 graph (B)(ii) who makes an independent expenditure, dur-

1 *ing the period which begins on the 90th day before an elec-*  
2 *tion and ends at the time the polls close for such election*  
3 *shall, with respect to any information required to be filed*  
4 *with the Commission under this section with respect to such*  
5 *contribution or independent expenditure, file and preserve*  
6 *the information using electronic mail, the Internet, or such*  
7 *other method of instantaneous transmission as the Commis-*  
8 *sion may permit, and shall file the information within 24*  
9 *hours after the receipt of the contribution or the making*  
10 *of the independent expenditure.*

11 *“(B) For purposes of subparagraph (A)—*

12 *“(i) a political committee described in this*  
13 *clause is a political committee that has received an*  
14 *aggregate amount of contributions equal to or greater*  
15 *than \$50,000 with respect to the election cycle in-*  
16 *volved; and*

17 *“(ii) a person described in this clause is a person*  
18 *who makes an aggregate amount of independent ex-*  
19 *penditures during the election cycle involved or dur-*  
20 *ing any of the 2 previous 2-year general election cy-*  
21 *cles in an amount equal to or greater than \$10,000.*

22 *“(C) The Commission shall make the information filed*  
23 *under this paragraph available on the Internet immediately*  
24 *upon receipt.”.*

1           (2) *INTERNET DEFINED.*—Section 301(19) (2  
2       *U.S.C. 431(19)) is amended to read as follows:*

3       “(19) *The term ‘Internet’ means the international*  
4 *computer network of both Federal and non-Federal inter-*  
5 *operable packet-switched data networks.”.*

6       (b) *REQUIRING REPORTS OF CERTAIN FILERS TO BE*  
7 *TRANSMITTED ELECTRONICALLY; CERTIFICATION OF PRI-*  
8 *VATE SECTOR SOFTWARE.*—Section 304(a)(11)(A) (2  
9 *U.S.C. 434(a)(11)(A)) is amended by striking the period*  
10 *at the end and inserting the following: “, except that in*  
11 *the case of a report submitted by a person who reports an*  
12 *aggregate amount of contributions or expenditures (as the*  
13 *case may be) in all reports filed with respect to the election*  
14 *cycle involved (taking into account the period covered by*  
15 *the report) in an amount equal to or greater than \$50,000,*  
16 *the Commission shall require the report to be filed and pre-*  
17 *served by electronic mail, the Internet, or such other method*  
18 *of instantaneous transmission as the Commission may per-*  
19 *mit. The Commission shall certify (on an ongoing basis)*  
20 *private sector computer software which may be used for fil-*  
21 *ing reports by such methods.”.*

22       (c) *REQUIRING REPORTS FOR ALL CONTRIBUTIONS*  
23 *MADE WITHIN 20 DAYS OF ELECTION; REQUIRING RE-*  
24 *PORTS TO BE MADE WITHIN 24 HOURS.*—Section  
25 *304(a)(6)(A) (2 U.S.C. 434(a)(6)(A)) is amended—*



1           (1) by striking “after the 20th day, but more  
2           than 48 hours before any election” and inserting  
3           “during the period which begins on the 20th day be-  
4           fore an election and ends at the time the polls close  
5           for such election”; and

6           (2) by striking “48 hours” the second place it  
7           appears and inserting the following: “24 hours (or, if  
8           earlier, by midnight of the day on which the contribu-  
9           tion is deposited)”.

10          (d) *REQUIRING ACTUAL RECEIPT OF CERTAIN INDE-*  
11 *PENDENT EXPENDITURE REPORTS WITHIN 24 HOURS.—*

12           (1) *IN GENERAL.—*Section 304(c)(2) (2 U.S.C.  
13           434(c)(2)) is amended in the matter following sub-  
14           paragraph (C)—

15                   (A) by striking “shall be reported” and in-  
16                   serting “shall be filed”; and

17                   (B) by adding at the end the following new  
18                   sentence: “Notwithstanding subsection (a)(5), the  
19                   time at which the statement under this sub-  
20                   section is received by the Secretary, the Commis-  
21                   sion, or any other recipient to whom the notifi-  
22                   cation is required to be sent shall be considered  
23                   the time of filing of the statement with the re-  
24                   cipient.”.

1           (2)       CONFORMING       AMENDMENT.—Section  
 2       304(a)(5) (2 U.S.C. 434(a)(5)) is amended by strik-  
 3       ing “or (4)(A)(ii)” and inserting “or (4)(A)(ii), or  
 4       the second sentence of subsection (c)(2)”.

5       (e) CHANGE IN CERTAIN REPORTING FROM A CAL-  
 6       NDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.—

7           (1) IN GENERAL.—Section 304(b) (2 U.S.C.  
 8       434(b)) is amended—

9                   (A) by inserting “(or election cycle, in the  
 10       case of an authorized committee of a candidate  
 11       for Federal office)” after “calendar year” each  
 12       place it appears in paragraphs (2), (3), (4), and  
 13       (7); and

14                   (B) in paragraph (6)(A), by striking “cal-  
 15       endar year” and inserting “election cycle”.

16       (2) ELECTION CYCLE DEFINED.—Section 301 (2  
 17       U.S.C. 431) is amended by adding at the end the fol-  
 18       lowing:

19       “(20) ELECTION CYCLE.—Except as the Commission  
 20       may otherwise provide, the term ‘election cycle’ means, with  
 21       respect to an election, the period beginning on the day after  
 22       the date of the most recent general election for the office  
 23       involved and ending on the date of the election.”.

24       (f) CLARIFICATION OF PERMISSIBLE USE OF FAC-  
 25       SIMILE MACHINES AND ELECTRONIC MAIL TO FILE RE-

1 *PORTS.—Section 304(a)(11)(A) (2 U.S.C. 434(a)(11)(A)) is*  
 2 *amended by striking “method,” and inserting the following:*  
 3 *“method (including by facsimile device or electronic mail*  
 4 *in the case of any report required to be filed within 24 hours*  
 5 *after the transaction reported has occurred),”.*

6 **SEC. 202. REPORTING OF SECONDARY PAYMENTS; EXPAN-**  
 7 **SION OF OTHER TYPES OF INFORMATION RE-**  
 8 **PORTED.**

9 *(a) REQUIRING RECORD KEEPING AND REPORT OF*  
 10 *SECONDARY PAYMENTS BY CAMPAIGN COMMITTEES.—*

11 *(1) REPORTING.—Section 304(b)(5)(A) (2 U.S.C.*  
 12 *434(b)(5)(A)) is amended by striking the semicolon at*  
 13 *the end and inserting the following: “, and, if such*  
 14 *person in turn makes expenditures which aggregate*  
 15 *\$5,000 or more in an election cycle to other persons*  
 16 *(not including employees) who provide goods or serv-*  
 17 *ices to the candidate or the candidate’s authorized*  
 18 *committees, the name and address of such other per-*  
 19 *sons, together with the date, amount, and purpose of*  
 20 *such expenditures;”.*

21 *(2) RECORD KEEPING.—Section 302 (2 U.S.C.*  
 22 *432) is amended by adding at the end the following*  
 23 *new subsection:*

24 *“(j) A person described in section 304(b)(5)(A) who*  
 25 *makes expenditures which aggregate \$5,000 or more in an*

1 *election cycle to other persons (not including employees)*  
 2 *who provide goods or services to a candidate or a can-*  
 3 *didate's authorized committees shall provide to a political*  
 4 *committee the information necessary to enable the com-*  
 5 *mittee to report the information described in such section.”.*

6 (3) *NO EFFECT ON OTHER REPORTS.—Nothing*  
 7 *in the amendments made by this subsection may be*  
 8 *construed to affect the terms of any other record-*  
 9 *keeping or reporting requirements applicable to can-*  
 10 *didates or political committees under title III of the*  
 11 *Federal Election Campaign Act of 1971.*

12 (b) *INCLUDING REPORT ON CUMULATIVE CONTRIBU-*  
 13 *TIONS AND EXPENDITURES IN POST ELECTION REPORTS.—*  
 14 *Section 304(a)(7) (2 U.S.C. 434(a)(7)) is amended—*

15 (1) *by striking “(7)” and inserting “(7)(A)”;*  
 16 *and*

17 (2) *by adding at the end the following new sub-*  
 18 *paragraph:*

19 *“(B) In the case of any report required to be filed by*  
 20 *this subsection which is the first report required to be filed*  
 21 *after the date of an election, the report shall include a state-*  
 22 *ment of the total contributions received and expenditures*  
 23 *made as of the date of the election.”.*

1       (c) *INCLUDING INFORMATION ON AGGREGATE CON-*  
 2 *TRIBUTIONS IN REPORT ON ITEMIZED CONTRIBUTIONS.—*  
 3 *Section 304(b)(3) (2 U.S.C. 434(b)(3)) is amended—*

4           (1) *in subparagraph (A), by inserting after*  
 5 *“such contribution” the following: “and the total*  
 6 *amount of all such contributions made by such person*  
 7 *with respect to the election involved”; and*

8           (2) *in subparagraph (B), by inserting after*  
 9 *“such contribution” the following: “and the total*  
 10 *amount of all such contributions made by such com-*  
 11 *mittee with respect to the election involved”.*

12 **SEC.203. DISCLOSURE REQUIREMENTS FOR CERTAIN SOFT**  
 13 **MONEY EXPENDITURES OF POLITICAL**  
 14 **PARTIES.**

15       (a) *TRANSFERS OF FUNDS BY NATIONAL POLITICAL*  
 16 *PARTIES.—Section 304(b)(4) (2 U.S.C. 434(b)(4)) is*  
 17 *amended—*

18           (1) *by striking “and” at the end of subpara-*  
 19 *graph (H);*

20           (2) *by adding “and” at the end of subparagraph*  
 21 *(I); and*

22           (3) *by adding at the end the following new sub-*  
 23 *paragraph:*

24                   *“(J) in the case of a political committee of*  
 25 *a national political party, all funds transferred*

1           to any political committee of a State or local po-  
 2           litical party, without regard to whether or not  
 3           the funds are otherwise treated as contributions  
 4           or expenditures under this title;”.

5           (b) *DISCLOSURE BY STATE AND LOCAL POLITICAL*  
 6 *PARTIES OF INFORMATION REPORTED UNDER STATE*  
 7 *LAW.*—Section 304 (2 U.S.C. 434) is amended by adding  
 8 at the end the following new subsection:

9           “(d) If a political committee of a State or local polit-  
 10 ical party is required under a State or local law, rule, or  
 11 regulation to submit a report on its disbursements to an  
 12 entity of the State or local government, the committee shall  
 13 file a copy of the report with the Commission at the time  
 14 it submits the report to such an entity.”.

15 ***TITLE III—STRENGTHENING EN-***  
 16 ***FORCEMENT AND ADMINIS-***  
 17 ***TRATION OF FEDERAL ELEC-***  
 18 ***TION COMMISSION***

19 ***SEC. 301. STANDARDS FOR INITIATION OF ACTIONS AND***  
 20 ***WRITTEN RESPONSES BY FEDERAL ELECTION***  
 21 ***COMMISSION.***

22           (a) *STANDARD FOR INITIATION OF ACTIONS BY*  
 23 *FEC.*—Section 309(a)(2) (2 U.S.C. 437g(a)(2)) is amended  
 24 by striking “it has reason to believe” and all that follows  
 25 through “of 1954,” and inserting the following: “it has a

1 *reason to seek additional information regarding a possible*  
 2 *violation of this Act or of chapter 95 or chapter 96 of the*  
 3 *Internal Revenue Code of 1986 that has occurred or is about*  
 4 *to occur (based on the same criteria applicable under this*  
 5 *paragraph prior to the enactment of the Campaign Reform*  
 6 *and Election Integrity Act of 1999),”.*

7       **(b) REQUIRING FEC TO PROVIDE WRITTEN RE-**  
 8 **SPONSES TO QUESTIONS.—**

9               **(1) IN GENERAL.—***Title III (2 U.S.C. 431 et*  
 10 *seq.) is amended by inserting after section 308 the fol-*  
 11 *lowing new section:*

12               **“OTHER WRITTEN RESPONSES TO QUESTIONS**

13               **“SEC. 308A. (a) PERMITTING RESPONSES.—***In addi-*  
 14 *tion to issuing advisory opinions under section 308, the*  
 15 *Commission shall issue written responses pursuant to this*  
 16 *section with respect to a written request concerning the ap-*  
 17 *plication of this Act, chapter 95 or chapter 96 of the Inter-*  
 18 *nal Revenue Code of 1986, a rule or regulation prescribed*  
 19 *by the Commission, or an advisory opinion issued by the*  
 20 *Commission under section 308, with respect to a specific*  
 21 *transaction or activity by the person if the Commission*  
 22 *finds the application of the Act, chapter, rule, regulation,*  
 23 *or advisory opinion to the transaction or activity to be clear*  
 24 *and unambiguous.*

25               **“(b) PROCEDURE FOR RESPONSE.—**

1           “(1) *ANALYSIS BY STAFF.*—*The staff of the Com-*  
2           *mission shall analyze each request submitted under*  
3           *this section. If the staff believes that the standard de-*  
4           *scribed in subsection (a) is met with respect to the re-*  
5           *quest, the staff shall circulate a statement to that ef-*  
6           *fect together with a draft response to the request to the*  
7           *members of the Commission.*

8           “(2) *ISSUANCE OF RESPONSE.*—*Upon the expira-*  
9           *tion of the 3-day period beginning on the date the*  
10          *statement and draft response is circulated (excluding*  
11          *weekends or holidays), the Commission shall issue the*  
12          *response, unless during such period any member of*  
13          *the Commission objects to issuing the response.*

14          “(c) *EFFECT OF RESPONSE.*—

15          “(1) *SAFE HARBOR.*—*Notwithstanding any other*  
16          *provisions of law, any person who relies upon any*  
17          *provision or finding of a written response issued*  
18          *under this section and who acts in good faith in ac-*  
19          *cordance with the provisions and findings of such re-*  
20          *sponse shall not, as a result of any such act, be subject*  
21          *to any sanction provided by this Act or by chapter*  
22          *95 or chapter 96 of the Internal Revenue Code of*  
23          *1986.*

24          “(2) *NO RELIANCE BY OTHER PARTIES.*—*Any*  
25          *written response issued by the Commission under this*



1        *section may only be relied upon by the person in-*  
2        *volved in the specific transaction or activity with re-*  
3        *spect to which such response is issued, and may not*  
4        *be applied by the Commission with respect to any*  
5        *other person or used by the Commission for enforce-*  
6        *ment or regulatory purposes.*

7        *“(d) PUBLICATION OF REQUESTS AND RESPONSES.—*  
8        *The Commission shall make public any request for a writ-*  
9        *ten response made, and the responses issued, under this sec-*  
10       *tion. In carrying out this subsection, the Commission may*  
11       *not make public the identity of any person submitting a*  
12       *request for a written response unless the person specifically*  
13       *authorizes the Commission to do so.*

14       *“(e) COMPILATION OF INDEX.—The Commission shall*  
15       *compile, publish, and regularly update a complete and de-*  
16       *tailed index of the responses issued under this section*  
17       *through which responses may be found on the basis of the*  
18       *subjects included in the responses.”.*

19                (2)        *CONFORMING        AMENDMENT.—Section*  
20        *307(a)(7) (2 U.S.C. 437d(a)(7)) is amended by strik-*  
21        *ing “of this Act” and inserting “and other written re-*  
22        *sponses under section 308A”.*

23        (c) *STANDARD FORM FOR COMPLAINTS; STRONGER*  
24        *DISCLAIMER LANGUAGE.—*

1           (1) *STANDARD FORM.*—Section 309(a)(1) (2  
 2       *U.S.C. 437g(a)(1))* is amended by inserting after  
 3       “shall be notarized,” the following: “shall be in a  
 4       standard form prescribed by the Commission, shall  
 5       not include (but may refer to) extraneous materials,”.

6           (2) *DISCLAIMER LANGUAGE.*—Section 309(a)(1)  
 7       (2 *U.S.C. 437g(a)(1))* is amended—

8                 (A) by striking “(a)(1)” and inserting  
 9                 “(a)(1)(A)”; and

10                (B) by adding at the end the following new  
 11                subparagraph:

12       “(B) The written notice of a complaint provided by  
 13       the Commission under subparagraph (A) to a person alleged  
 14       to have committed a violation referred to in the complaint  
 15       shall include a cover letter (in a form prescribed by the  
 16       Commission) and the following statement: ‘The enclosed  
 17       complaint has been filed against you with the Federal Elec-  
 18       tion Commission. The Commission has not verified or given  
 19       official sanction to the complaint. The Commission will  
 20       make no decision to pursue the complaint for a period of  
 21       at least 15 days from your receipt of this complaint. You  
 22       may, if you wish, submit a written statement to the Com-  
 23       mission explaining why the Commission should take no ac-  
 24       tion against you based on this complaint. If the Commis-

1 sion should decide to seek additional information, you will  
 2 be notified and be given further opportunity to respond.’”.

3 **SEC. 302. BANNING ACCEPTANCE OF CASH CONTRIBUTIONS**

4 **GREATER THAN \$100.**

5 Section 315 (2 U.S.C. 441a) is amended by adding  
 6 at the end the following new subsection:

7 “(i) No candidate or political committee may accept  
 8 any contributions of currency of the United States or cur-  
 9 rency of any foreign country from any person which, in  
 10 the aggregate, exceed \$100.”.

11 **SEC. 303. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DO-**

12 **NATIONS TO BE RETURNED TO DONORS IN**

13 **TREASURY ACCOUNT.**

14 (a) *IN GENERAL.*—Title III (2 U.S.C. 431 et seq.) is  
 15 amended by adding at the end the following new section:

16 “*TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS*  
 17 *TO BE RETURNED TO DONORS*

18 “SEC. 323. (a) *TRANSFER TO COMMISSION.*—

19 “(1) *IN GENERAL.*—Notwithstanding any other  
 20 provision of this Act, if a political committee intends  
 21 to return any contribution or donation given to the  
 22 political committee, the committee shall transfer the  
 23 contribution or donation to the Commission if—

24 “(A) the contribution or donation is in an  
 25 amount equal to or greater than \$500 (other

1           *than a contribution or donation returned within*  
2           *90 days of receipt by the committee); or*

3           *“(B) the contribution or donation was made*  
4           *in violation of section 315, 316, 317, 319, or 320*  
5           *(other than a contribution or donation returned*  
6           *within 90 days of receipt by the committee).*

7           *“(2) INFORMATION INCLUDED WITH TRANS-*  
8           *FERRED CONTRIBUTION OR DONATION.—A political*  
9           *committee shall include with any contribution or do-*  
10          *nation transferred under paragraph (1)—*

11          *“(A) a request that the Commission return*  
12          *the contribution or donation to the person mak-*  
13          *ing the contribution or donation; and*

14          *“(B) information regarding the cir-*  
15          *cumstances surrounding the making of the con-*  
16          *tribution or donation and any opinion of the po-*  
17          *litical committee concerning whether the con-*  
18          *tribution or donation may have been made in*  
19          *violation of this Act.*

20          *“(3) ESTABLISHMENT OF ESCROW ACCOUNT.—*

21          *“(A) IN GENERAL.—The Commission shall*  
22          *establish a single interest-bearing escrow account*  
23          *for deposit of amounts transferred under para-*  
24          *graph (1).*

1                   “(B) *DISPOSITION OF AMOUNTS RE-*  
 2                   *CEIVED.—On receiving an amount from a polit-*  
 3                   *ical committee under paragraph (1), the Com-*  
 4                   *mission shall—*

5                   “(i) *deposit the amount in the escrow*  
 6                   *account established under subparagraph*  
 7                   *(A); and*

8                   “(ii) *notify the Attorney General and*  
 9                   *the Commissioner of the Internal Revenue*  
 10                   *Service of the receipt of the amount from*  
 11                   *the political committee.*

12                   “(C) *USE OF INTEREST.—Interest earned*  
 13                   *on amounts in the escrow account established*  
 14                   *under subparagraph (A) shall be applied or used*  
 15                   *for the same purposes as the donation or con-*  
 16                   *tribution on which it is earned.*

17                   “(4) *TREATMENT OF RETURNED CONTRIBUTION*  
 18                   *OR DONATION AS A COMPLAINT.—The transfer of any*  
 19                   *contribution or donation to the Commission under*  
 20                   *this section shall be treated as the filing of a com-*  
 21                   *plaint under section 309(a).*

22                   “(b) *USE OF AMOUNTS PLACED IN ESCROW TO COVER*  
 23                   *FINES AND PENALTIES.—The Commission or the Attorney*  
 24                   *General may require any amount deposited in the escrow*  
 25                   *account under subsection (a)(3) to be applied toward the*

1 *payment of any fine or penalty imposed under this Act or*  
 2 *title 18, United States Code, against the person making the*  
 3 *contribution or donation.*

4 “(c) *RETURN OF CONTRIBUTION OR DONATION AFTER*  
 5 *DEPOSIT IN ESCROW.—*

6 “(1) *IN GENERAL.—The Commission shall return*  
 7 *a contribution or donation deposited in the escrow ac-*  
 8 *count under subsection (a)(3) to the person making*  
 9 *the contribution or donation if—*

10 “(A) *within 180 days after the date the con-*  
 11 *tribution or donation is transferred, the Commis-*  
 12 *sion has not made a determination under section*  
 13 *309(a)(2) to seek additional information regard-*  
 14 *ing whether or not the contribution or donation*  
 15 *was made in violation of this Act; or*

16 “(B)(i) *the contribution or donation will*  
 17 *not be used to cover fines, penalties, or costs pur-*  
 18 *suant to subsection (b); or*

19 “(ii) *if the contribution or donation will be*  
 20 *used for those purposes, that the amounts re-*  
 21 *quired for those purposes have been withdrawn*  
 22 *from the escrow account and subtracted from the*  
 23 *returnable contribution or donation.*

24 “(2) *NO EFFECT ON STATUS OF INVESTIGA-*  
 25 *TION.—The return of a contribution or donation by*

1        *the Commission under this subsection shall not be*  
 2        *construed as having an effect on the status of an in-*  
 3        *vestigation by the Commission or the Attorney Gen-*  
 4        *eral of the contribution or donation or the cir-*  
 5        *cumstances surrounding the contribution or donation,*  
 6        *or on the ability of the Commission or the Attorney*  
 7        *General to take future actions with respect to the con-*  
 8        *tribution or donation.”.*

9        *(b) AMOUNTS USED TO DETERMINE AMOUNT OF PEN-*  
 10       *ALTY FOR VIOLATION.—Section 309(a) (2 U.S.C. 437g(a))*  
 11       *is amended by inserting after paragraph (9) the following*  
 12       *new paragraph:*

13        *“(10) For purposes of determining the amount of a*  
 14       *civil penalty imposed under this subsection for violations*  
 15       *of section 323, the amount of the donation involved shall*  
 16       *be treated as the amount of the contribution involved.”.*

17        *(c) DONATION DEFINED.—Section 323, as added by*  
 18       *subsection (a), is amended by adding at the end the fol-*  
 19       *lowing:*

20        *“(d) DONATION DEFINED.—In this section, the term*  
 21       *‘donation’ means a gift, subscription, loan, advance, or de-*  
 22       *posit of money or anything else of value made by any per-*  
 23       *son to a national committee of a political party or a Sen-*  
 24       *atorial or Congressional Campaign Committee of a na-*

1 tional political party for any purpose, but does not include  
 2 a contribution (as defined in section 301(8)).”.

3 (d) *DISGORGEMENT AUTHORITY*.—Section 309 (2  
 4 U.S.C. 437g) is amended by adding at the end the following  
 5 new subsection:

6 “(e) Any conciliation agreement, civil action, or crimi-  
 7 nal action entered into or instituted under this section may  
 8 require a person to forfeit to the Treasury any contribution,  
 9 donation, or expenditure that is the subject of the agreement  
 10 or action for transfer to the Commission for deposit in ac-  
 11 cordance with section 323.”.

12 (e) *EFFECTIVE DATE*.—The amendments made by sub-  
 13 sections (a), (b), and (c) shall apply to contributions or do-  
 14 nations refunded on or after the date of the enactment of  
 15 this Act, without regard to whether the Federal Election  
 16 Commission or Attorney General has issued regulations to  
 17 carry out section 323 of the Federal Election Campaign Act  
 18 of 1971 (as added by subsection (a)) by such date.

19 **SEC. 304. ALTERNATIVE PROCEDURES FOR IMPOSITION OF**  
 20 **PENALTIES FOR REPORTING VIOLATIONS.**

21 (a) *IN GENERAL*.—Section 309(a)(4) (2 U.S.C.  
 22 437g(a)(4)) is amended—

23 “(1) in subparagraph (A)(i), by striking “clause  
 24 (ii)” and inserting “clauses (ii) and subparagraph  
 25 (C)”; and



1           (2) by adding at the end the following new sub-  
2       paragraph:

3           “(C)(i) Notwithstanding subparagraph (A), in the case  
4 of a violation of any requirement under this Act relating  
5 to the reporting of receipts or disbursements, the Commis-  
6 sion may—

7           “(I) find that a person committed such a viola-  
8 tion on the basis of information obtained pursuant to  
9 the procedures described in paragraphs (1) and (2);  
10 and

11           “(II) based on such finding, require the person  
12 to pay a civil money penalty in an amount deter-  
13 mined under a schedule of penalties which is estab-  
14 lished and published by the Commission and which  
15 takes into account the amount of the violation in-  
16 volved, the existence of previous violations by the per-  
17 son, and such other factors as the Commission con-  
18 siders appropriate (but which in no event exceeds  
19 \$20,000).

20           “(ii) The Commission may not make any determina-  
21 tion adverse to a person under clause (i) until the person  
22 has been given written notice and an opportunity to be  
23 heard before the Commission.

24           “(iii) Any person against whom an adverse determina-  
25 tion is made under this subparagraph may obtain a review

1 of such determination by filing in the United States Dis-  
 2 trict Court for the District of Columbia or for the district  
 3 in which the person resides or transacts business (prior to  
 4 the expiration of the 30-day period which begins on the date  
 5 the person receives notification of the determination) a  
 6 written petition requesting that the determination be modi-  
 7 fied or set aside.”.

8 (b) *CONFORMING AMENDMENT.*—Section 309(a)(6)(A)  
 9 (2 U.S.C. 437g(a)(6)(A)) is amended by striking “para-  
 10 graph (4)(A)” and inserting “paragraph (4)”.

11 (c) *EFFECTIVE DATE.*—The amendments made by this  
 12 section shall apply with respect to violations occurring on  
 13 or after January 1, 2001.

14 **SEC. 305. ABOLITION OF EX OFFICIO MEMBERSHIP OF**  
 15 **CLERK OF HOUSE OF REPRESENTATIVES AND**  
 16 **SECRETARY OF SENATE ON COMMISSION.**

17 Section 306(a) (2 U.S.C. 437c(a)) is amended—

18 (1) in paragraph (1), by striking “the Secretary  
 19 of the Senate and the Clerk” and all that follows  
 20 through “right to vote, and”; and

21 (2) in paragraphs (3), (4), and (5), by striking  
 22 “(other than the Secretary of the Senate and the Clerk  
 23 of the House of Representatives)” each place it ap-  
 24 pears.

1 **SEC. 306. BROADER PROHIBITION AGAINST FORCE AND**  
 2 **REPRISALS.**

3 *Section 316(b)(3) (2 U.S.C. 441b(b)(3)) is amended—*

4 *(1) by redesignating subparagraphs (A) through*  
 5 *(C) as subparagraphs (B) through (D); and*

6 *(2) by inserting before subparagraph (B) (as so*  
 7 *redesignated) the following new subparagraph:*

8 *“(A) for such a fund to cause another person to*  
 9 *make a contribution or expenditure by physical force,*  
 10 *job discrimination, financial reprisals, or the threat*  
 11 *of force, job discrimination, or financial reprisal;”.*

12 **SEC. 307. SIGNATURE AUTHORITY OF MEMBERS OF COM-**  
 13 **MISSION FOR SUBPOENAS AND NOTIFICA-**  
 14 **TION OF INTENT TO SEEK ADDITIONAL**  
 15 **INFORMATION.**

16 *(a) ISSUANCE OF SUBPOENAS.—Section 307(a)(3) (2*  
 17 *U.S.C. 437d(a)(3)) is amended by striking “signed by the*  
 18 *chairman or the vice chairman” and inserting “signed by*  
 19 *any member of the Commission”.*

20 *(b) NOTIFICATIONS OF INTENT TO SEEK ADDITIONAL*  
 21 *INFORMATION.—Section 309(a)(2) (2 U.S.C. 437g(a)(2)) is*  
 22 *amended by striking “through its chairman or vice chair-*  
 23 *man” and inserting “through any of its members”.*

1 **TITLE IV—SIMPLIFYING AND**  
 2 **CLARIFYING FEDERAL ELEC-**  
 3 **TION LAW**

4 **SEC. 401. APPLICATION OF AGGREGATE CONTRIBUTION**  
 5 **LIMIT ON CALENDAR YEAR BASIS DURING**  
 6 **NON-ELECTION YEARS.**

7 *Section 315(a)(3) (2 U.S.C. 441a(a)(3)) is amended*  
 8 *by striking the second sentence.*

9 **SEC. 402. TREATMENT OF LINES OF CREDIT OBTAINED BY**  
 10 **CANDIDATES AS COMMERCIALY REASON-**  
 11 **ABLE LOANS.**

12 *Section 301(8)(B) (2 U.S.C. 431(8)(B)) is amended—*  
 13 *(1) by striking “and” at the end of clause (xiii);*  
 14 *(2) by striking the period at the end of clause*  
 15 *(xiv) and inserting “; and”; and*  
 16 *(3) by adding at the end the following new*  
 17 *clause:*

18 *“(xv) any loan of money derived from an ad-*  
 19 *vance on a candidate’s brokerage account, credit card,*  
 20 *home equity line of credit, or other line of credit*  
 21 *available to the candidate, if such loan is made in ac-*  
 22 *cordance with applicable law and under commercially*  
 23 *reasonable terms and if the person making such loan*  
 24 *makes loans in the normal course of the person’s busi-*  
 25 *ness.”.*

1 **SEC. 403. REPEAL SECRETARY OF COMMERCE REPORTS ON**  
 2 **DISTRICT-SPECIFIC POPULATION.**

3 (a) *REPEAL REPORT BY SECRETARY OF COMMERCE*  
 4 *ON DISTRICT-SPECIFIC VOTING AGE POPULATION.*—Sec-  
 5 *tion 315(e) (2 U.S.C. 441a(e)) is amended by striking*  
 6 *“States, of each State, and of each congressional district”*  
 7 *and inserting “States and of each State”.*

8 (b) *DEADLINE FOR REPORTING OF CERTAIN ANNUAL*  
 9 *ESTIMATES TO COMMISSION.*—

10 (1) *PRICE INDEX.*—Section 315(c)(1) (2 U.S.C.  
 11 441a(c)(1)) is amended—

12 (A) *by striking “At the beginning” and in-*  
 13 *serting “Not later than February 15”; and*

14 (B) *by striking “as there become available*  
 15 *necessary data from the Bureau of Labor Statis-*  
 16 *tics of the Department of Labor,”.*

17 (2) *VOTING AGE POPULATION.*—Section 315(e) (2  
 18 U.S.C. 441a(e)) is amended by striking *“During the*  
 19 *first week of January 1975, and every subsequent*  
 20 *year,” and inserting “Not later than February 15 of*  
 21 *1975 and each subsequent year,”.*

22 **SEC. 404. TECHNICAL CORRECTION REGARDING TREAT-**  
 23 **MENT OF HONORARIA.**

24 Section 301(8)(B) (2 U.S.C. 431(8)(B)), as amended  
 25 by section 402, is further amended—

26 (1) *by adding “and” at the end of clause (xiii);*

1           (2) *by striking clause (xiv); and*

2           (3) *by redesignating clause (xv) as clause (xiv).*

3           ***TITLE V—EFFECTIVE DATE***

4   ***SEC. 501. EFFECTIVE DATE.***

5           *Except as otherwise specifically provided, this Act and*  
6   *the amendments made by this Act shall apply with respect*  
7   *to elections occurring after January 2001.*