

106TH CONGRESS  
2D SESSION

# H. R. 4224

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

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2000

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

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## A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing and conduct of campaigns for elections 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,*  
3       **SECTION 1. DISCLOSURE AND REPORTS RELATING TO**  
4                       **POLLING BY TELEPHONE OR ELECTRONIC**  
5                       **DEVICE.**

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

1 “DISCLOSURE AND REPORTS RELATING TO POLLING BY  
2 TELEPHONE OR ELECTRONIC DEVICE

3 “SEC. 323. (a) DISCLOSURE TO RESPONDENTS.—  
4 Any person who conducts a Federal election poll by tele-  
5 phone or electronic device shall disclose to each respondent  
6 the identity of the person paying the expenses of the poll.  
7 The disclosure shall be made at the end of the interview  
8 involved.

9 “(b) REPORTS TO COMMISSION.—In the case of any  
10 Federal election poll by telephone or electronic device—

11 “(1) if the results are not to be made public,  
12 the person who conducts the poll shall report to the  
13 Commission the total cost of the poll and all sources  
14 of funds for the poll; and

15 “(2) the person who conducts the poll shall re-  
16 port to the Commission the total number of house-  
17 holds contacted and include with such report a copy  
18 of the poll questions.

19 “(c) FEDERAL ELECTION POLL DEFINED.—As used  
20 in this section, the term ‘Federal election poll’ means a  
21 survey—

22 “(1) in which the respondent is asked to state  
23 opinions or views regarding a future election for  
24 Federal office; and

1           “(2) in which more than 1,200 households are  
2       surveyed.”.

3       **SEC. 2. TAX CREDIT FOR CERTAIN POLITICAL CONTRIBU-**  
4                               **TIONS.**

5       (a) IN GENERAL.—Subpart A of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 (relating to nonrefundable personal credits) is  
8 amended by inserting after section 25A the following new  
9 section:

10   **“SEC. 25B. CREDIT FOR POLITICAL CONTRIBUTIONS.**

11       “(a) IN GENERAL.—In the case of an individual,  
12 there shall be allowed as a credit against the tax imposed  
13 by this chapter for the taxable year an amount equal to  
14 one-half of all political contributions, and all newsletter  
15 fund contributions, paid by the taxpayer during the tax-  
16 able year.

17       “(b) LIMITATIONS.—

18           “(1) MAXIMUM CREDIT.—The credit allowed by  
19 subsection (a) shall not exceed \$100 (\$200 in the  
20 case of a joint return).

21           “(2) VERIFICATION.—The credit allowed by  
22 subsection (a) shall be allowed, with respect to any  
23 political contribution or newsletter fund contribution,  
24 only if such contribution is verified in such manner  
25 as the Secretary shall prescribe by regulation.

1 “(c) DEFINITIONS.—For purposes of this section—

2 “(1) POLITICAL CONTRIBUTION.—The term  
3 ‘political contribution’ means a contribution or gift  
4 of money, or the fair market value of a contribution  
5 or gift of property, to—

6 “(A) an individual who is a candidate for  
7 nomination or election to any Federal, State, or  
8 local elective public office in any primary, gen-  
9 eral, or special election, for use by such indi-  
10 vidual to further the candidacy of the individual  
11 for nomination or election to such office,

12 “(B) any committee, association, or organi-  
13 zation (whether or not incorporated) organized  
14 and operated exclusively for the purposes of in-  
15 fluencing, or attempting to influence, the nomi-  
16 nation or election of one or more individuals  
17 who are candidates for nomination or election  
18 to any Federal, State, or local elective public of-  
19 fice, for use by such committee, association, or  
20 organization to further the candidacy of such  
21 individual or individuals for nomination or elec-  
22 tion to such office,

23 “(C) the national committee of a national  
24 political party,

1           “(D) the State committee of a national po-  
2           litical party as designated by the national com-  
3           mittee of such party, or

4           “(E) a local committee of a national polit-  
5           ical party as designated by the State committee  
6           of such party designated under subparagraph  
7           (D).

8           “(2) NEWSLETTER FUND.—The term ‘news-  
9           letter fund’ means a fund described in section  
10          527(g)(1).

11          “(3) CANDIDATE.—The term ‘candidate’  
12          means, with respect to any Federal, State, or local  
13          elective public office, an individual who—

14               “(A) publicly announces before the close of  
15               the calendar year following the calendar year in  
16               which the political contribution is made that the  
17               individual is a candidate for nomination or elec-  
18               tion to such office; and

19               “(B) meets the qualifications prescribed by  
20               law to hold such office.

21          “(4) NATIONAL POLITICAL PARTY.—The term  
22          ‘national political party’ means—

23               “(A) in the case of political contributions  
24               made during a taxable year of the taxpayer in  
25               which the electors of President and Vice Presi-

1           dent are chosen, a political party presenting  
 2           candidates or electors for such offices on the of-  
 3           ficial election ballot of ten or more States; or

4           “(B) in the case of political contributions  
 5           made during any other taxable year of the tax-  
 6           payer, a political party which met the qualifica-  
 7           tions described in subparagraph (A) in the last  
 8           preceding election of a President and Vice  
 9           President.

10          “(5) STATE AND LOCAL.—The term ‘State’  
 11          means the various States and the District of Colum-  
 12          bia; and the term ‘local’ means a political subdivi-  
 13          sion or part thereof, or two or more political subdivi-  
 14          sions or parts thereof, of a State.”.

15          “(d) CROSS REFERENCES.—

**“For transfer of appreciated property to a polit-  
 ical organization, see section 84.**

**“For certain indirect contributions to political  
 parties, see section 276.”.**

16          (b) CONFORMING AMENDMENT.—The table of sec-  
 17          tions for subpart A of part IV of subchapter A of chapter  
 18          1 of such Code (relating to nonrefundable personal cred-  
 19          its) is amended by inserting after the item relating to sec-  
 20          tion 25A the following new item:

            “Sec. 25B. Credit for political contributions.”

21          (c) EFFECTIVE DATE.—The amendments made by  
 22          this section shall apply to taxable years beginning after

1 December 31 of the calendar year in which this Act is  
2 enacted.

3 **SEC. 3. PRESIDENTIAL CAMPAIGN FUND.**

4 (a) REPEAL OF PROVISIONS CONCERNING PRESI-  
5 DENTIAL CAMPAIGN FUND.—The following provisions of  
6 the Internal Revenue Code of 1986 are hereby repealed:

7 (1) Part VIII of subchapter A of chapter 61 of  
8 subtitle F of such Code (relating to designation of  
9 income tax payments to Presidential Election Cam-  
10 paign Fund).

11 (2) Subtitle H (relating to financing of Presi-  
12 dential election campaigns).

13 (b) CONFORMING AMENDMENTS.—

14 (1) TABLE OF PARTS.—The table of parts of  
15 subchapter A of chapter 61 of subtitle F of such  
16 Code is amended by striking the item relating to  
17 part VIII.

18 (2) TABLE OF SUBTITLES.—The table of sub-  
19 titles of such Code is amended by striking the item  
20 relating to subtitle H.

21 (c) EFFECTIVE DATES.—

22 (1) DESIGNATION OF INCOME TAX PAYMENTS  
23 TO FUND.—The amendment made by subsection  
24 (a)(1) applies to taxable years beginning after De-  
25 cember 31, 1999.

1           (2) FINANCING OF PRESIDENTIAL ELECTION  
2       CAMPAIGNS.—The amendment made by subsection  
3       (a)(2) shall take effect on the date that is 2 years  
4       after the date of the enactment of this Act, except  
5       that no payment may be made from the Presidential  
6       Election Campaign Fund or the Presidential Pri-  
7       mary Matching Payment Account with respect to  
8       any Presidential election occurring more than 2  
9       years after the date of the enactment of this Act.

10       (d) AMOUNTS REMAINING IN FUNDS.—The Sec-  
11       retary of the Treasury shall deposit into the Treasury of  
12       the United States as miscellaneous receipts any amounts  
13       that remain, on the date that is 2 years after the date  
14       of the enactment of this Act, in the Presidential Election  
15       Campaign Fund or the Presidential Primary Matching  
16       Payment Account.

17       **SEC. 4. REQUIRING MAJORITY OF SENATE AND HOUSE OF**  
18                               **REPRESENTATIVES CANDIDATE FUNDS TO**  
19                               **COME FROM INDIVIDUALS RESIDING IN THE**  
20                               **STATE IN WHICH THE ELECTION IS HELD.**

21       (a) IN GENERAL.—Section 315 of the Federal Elec-  
22       tion Campaign Act of 1971 (2 U.S.C. 441a) is amended  
23       by adding at the end the following new subsection:

24       “(i)(1) A candidate for the office of Senator or Rep-  
25       resentative in, or Delegate or Resident Commissioner to,



1 the Congress may not accept contributions with respect  
2 to an election cycle from persons other than local indi-  
3 vidual residents totaling in excess of the total of contribu-  
4 tions accepted from local individual residents (as deter-  
5 mined on the basis of the most recent information included  
6 in reports pursuant to section 304(d).

7 “(2) In determining the amount of contributions ac-  
8 cepted by a candidate for purposes of this subsection, con-  
9 tributions of the candidate’s personal funds shall be sub-  
10 ject to the following rules:

11 “(A) To the extent that the amount of the con-  
12 tribution does not exceed the limitation on contribu-  
13 tions made by an individual under subsection  
14 (a)(1)(A), such contribution shall be treated as any  
15 other contribution.

16 “(B) The portion (if any) of the contribution  
17 which exceeds the limitation on contributions which  
18 may be made by an individual under subsection  
19 (a)(1)(A) shall be allocated in accordance with para-  
20 graph (8).

21 “(3) In determining the amount of contributions ac-  
22 cepted by a candidate for purposes of this subsection, con-  
23 tributions from a political party or a political party com-  
24 mittee shall be allocated in accordance with paragraph (8).

1       “(4) In determining the amount of contributions ac-  
2       cepted by a candidate for purposes of this subsection, any  
3       funds remaining in the candidate’s campaign account  
4       after the filing of the post-general election report under  
5       section 304(a)(2)(A)(ii) for the most recent general elec-  
6       tion shall be allocated in accordance with paragraph (8).

7       “(5) In determining the amount of contributions ac-  
8       cepted by a candidate for purposes of this subsection, any  
9       contributions accepted pursuant to subsection (j) which  
10      are from persons other than local individual residents shall  
11      be allocated in accordance with paragraph (8).

12      “(6)(A) Any candidate who accepts contributions that  
13      exceed the limitation under this subsection, as determined  
14      on the basis of information included in reports pursuant  
15      to section 304(d), shall pay to the Commission at the time  
16      of the filing of the report which contains the information,  
17      for deposit in the Treasury, an amount equal to 3 times  
18      the amount of the excess contributions (or, in the case  
19      of a candidate described in subparagraph (C), an amount  
20      equal to 5 times the amount of the excess contributions  
21      plus a civil penalty in an amount determined by the Com-  
22      mission).

23      “(B) Any amounts paid by a candidate under this  
24      paragraph shall be paid from contributions subject to the

1 limitations and prohibitions of this title, including the lim-  
2 itation under this subsection.

3 “(C) A candidate described in this subparagraph is  
4 a candidate who accepts contributions that exceed the lim-  
5 itation under this subsection as of the last day of the pe-  
6 riod ending on the 20th day before an election or any pe-  
7 riod ending after such 20th day and before or on the 20th  
8 day after such election.

9 “(7) As used in this subsection, the term ‘local indi-  
10 vidual resident’ means an individual who resides in the  
11 State in which the election involved is held.

12 “(8) For purposes of this subsection, any amounts  
13 allocated in accordance with this paragraph shall be allo-  
14 cated as follows:

15 “(A) 50 percent of such amounts shall be  
16 deemed to be contributions from local individual  
17 residents.

18 “(B) 50 percent of such amounts shall be  
19 deemed to be contributions from persons other than  
20 local individual residents.”.

21 (b) REPORTING REQUIREMENTS.—Section 304 of  
22 such Act (2 U.S.C. 434) is amended by adding at the end  
23 the following new subsection:

24 “(d) Each principal campaign committee of a can-  
25 didate for the Senate or the House of Representatives

1 shall include the following information in reports filed  
2 under subsection (a)(2) and subsection (a)(6)(A):

3 “(1) With respect to each report filed under  
4 such subsection—

5 “(A) the total contributions received by the  
6 committee with respect to the election cycle in-  
7 volved from local individual residents (as de-  
8 fined in section 315(i)(7)), as of the last day of  
9 the period covered by the report;

10 “(B) the total contributions received by the  
11 committee with respect to the election cycle in-  
12 volved which are not from local individual resi-  
13 dents, as of the last day of the period covered  
14 by the report; and

15 “(C) a certification as to whether the con-  
16 tributions reported comply with the limitation  
17 under section 315(i), as of the last day of the  
18 period covered by the report.

19 “(2) In the case of the first report filed under  
20 such subsection which covers the period which begins  
21 19 days before an election and ends 20 days after  
22 the election—

23 “(A) the total contributions received by the  
24 committee with respect to the election cycle in-  
25 volved from local individual residents (as de-

1           fined in section 315(i)(7)), as of the last day of  
2           such period;

3           “(B) the total contributions received by the  
4           committee with respect to the election cycle in-  
5           volved which are not from local individual resi-  
6           dents, as of the last day of such period; and

7           “(C) a certification as to whether the con-  
8           tributions reported comply with the limitation  
9           under section 315(i), as of the last day of such  
10          period.”.

11 **SEC. 5. PROHIBITING BUNDLING OF CONTRIBUTIONS TO**  
12 **CANDIDATES BY POLITICAL ACTION COMMIT-**  
13 **TEES AND LOBBYISTS.**

14          Section 316 of the Federal Election Campaign Act  
15 of 1971 (2 U.S.C. 441b) is amended by adding at the end  
16 the following new subsection:

17          “(c)(1) No political action committee or person re-  
18 quired to register under the Lobbying Disclosure Act of  
19 1995 (2 U.S.C. 1601 et seq.) may act as an intermediary  
20 or conduit with respect to a contribution to a candidate  
21 for Federal office.

22          “(2) In this subsection, the term ‘political action com-  
23 mittee’ means any political committee which is not—

24               “(A) the principal campaign committee of a  
25               candidate; or

1 “(B) a political party committee.”.

2 **SEC. 6. MODIFICATION OF LIMITATIONS ON CONTRIBU-**  
3 **TIONS WHEN CANDIDATES SPEND OR CON-**  
4 **TRIBUTE LARGE AMOUNTS OF PERSONAL**  
5 **FUNDS.**

6 (a) IN GENERAL.—Section 315 of the Federal Elec-  
7 tion Campaign Act of 1971 (2 U.S.C. 441a), as amended  
8 by section 4(a), is further amended by adding at the end  
9 the following new subsection:

10 “(j)(1) Notwithstanding subsection (a), if in a gen-  
11 eral election a House candidate makes expenditures of per-  
12 sonal funds (including contributions by the candidate to  
13 the candidate’s authorized campaign committee) in an  
14 amount in excess of the amount of the limitation estab-  
15 lished under subsection (a)(1)(A) and less than or equal  
16 to \$150,000 (as reported under section 304(a)(2)(A)), a  
17 political party committee may make contributions to an  
18 opponent of the House candidate without regard to any  
19 limitation otherwise applicable to such contributions under  
20 subsection (a), except that the opponent may not accept  
21 aggregate contributions under this paragraph in an  
22 amount greater than the greatest amount of personal  
23 funds expended (including contributions to the candidate’s  
24 authorized campaign committee) by any House candidate  
25 (other than such opponent) with respect to the election

1 (as reported in a notification submitted under section  
2 304(a)(6)(B)).

3 “(2) If a House candidate makes expenditures of per-  
4 sonal funds (including contributions by the candidate to  
5 the candidate’s authorized campaign committee) with re-  
6 spect to an election in an amount greater than \$150,000  
7 (as reported under section 304(a)(2)(A)), the following  
8 rules shall apply:

9 “(A) In the case of a general election, the limi-  
10 tations under subsections (a)(1) and (a)(2) (insofar  
11 as such limitations apply to political party commit-  
12 tees and to individuals) shall not apply to contribu-  
13 tions to the candidate or to any opponent of the can-  
14 didate, except that neither the candidate nor any op-  
15 ponent may accept aggregate contributions under  
16 this subparagraph and paragraph (1) in an amount  
17 greater than the greatest amount of personal funds  
18 (including contributions to the candidate’s author-  
19 ized campaign committee) expended by any House  
20 candidate with respect to the election (as reported  
21 in a notification submitted under section  
22 304(a)(6)(B)).

23 “(B) In the case of an election other than a  
24 general election, the limitations under subsection  
25 (a)(1) (insofar as such limitations apply to individ-

1 uals) shall not apply to contributions to the can-  
2 didate or to any opponent of the candidate, except  
3 that neither the candidate or any opponent may ac-  
4 cept aggregate contributions under this subpara-  
5 graph in an amount greater than the greatest  
6 amount of personal funds (including contributions to  
7 the candidate's authorized campaign committee) ex-  
8 pended by any House candidate with respect to the  
9 election (as reported in a notification submitted  
10 under section 304(a)(6)(B)).

11 “(3) In this subsection, the term ‘House candidate’  
12 means a candidate in an election for the office of Rep-  
13 resentative in, or Delegate or Resident Commissioner to,  
14 the Congress.”.

15 (b) NOTIFICATION OF EXPENDITURES OF PERSONAL  
16 FUNDS.—Section 304(a)(6) of such Act (2 U.S.C.  
17 434(a)(6)) is amended—

18 (1) by redesignating subparagraph (B) as sub-  
19 paragraph (C); and

20 (2) by inserting after subparagraph (A) the fol-  
21 lowing new subparagraph:

22 “(B)(i) The principal campaign committee of a  
23 House candidate (as defined in section 315(j)(3)) shall  
24 submit the following notifications relating to expenditures



1 of personal funds by such candidate (including contribu-  
2 tions by the candidate to such committee):

3 “(I) A notification of the first such expenditure  
4 (or contribution) by which the aggregate amount of  
5 personal funds expended (or contributed) with re-  
6 spect to an election exceeds the amount of the limi-  
7 tation established under section 315(a)(1)(A) for  
8 elections in the year involved.

9 “(II) A notification of each such expenditure  
10 (or contribution) which, taken together with all such  
11 expenditures (and contributions) in any amount not  
12 included in the most recent report under this sub-  
13 paragraph, totals \$5,000 or more.

14 “(III) A notification of the first such expendi-  
15 ture (or contribution) by which the aggregate  
16 amount of personal funds expended with respect to  
17 the election exceeds the level applicable under sec-  
18 tion 315(j)(2) for elections in the year involved.

19 “(ii) Each of the notifications submitted under clause  
20 (i)—

21 “(I) shall be submitted not later than 24 hours  
22 after the expenditure or contribution which is the  
23 subject of the notification is made;

24 “(II) shall include the name of the candidate,  
25 the office sought by the candidate, and the date of

1 the expenditure or contribution and amount of the  
 2 expenditure or contribution involved; and

3 “(III) shall include the total amount of all such  
 4 expenditures and contributions made with respect to  
 5 the same election as of the date of expenditure or  
 6 contribution which is the subject of the notifica-  
 7 tion.”.

8 **SEC. 7. DEFINITION AMENDMENT.**

9 Paragraph (19) of section 301 of the Federal Elec-  
 10 tion Campaign Act of 1971 (2 U.S.C. 431(19)) is amend-  
 11 ed to read as follows:

12 “(19) The term ‘expressly advocating’ means that—

13 “(A) the qualifications, views, or fitness for of-  
 14 fice of the candidate are discussed; or

15 “(B) a voter is urged to vote for or against the  
 16 specified candidate.”.

17 **SEC. 8. REDUCTION IN LIMITATION AMOUNT APPLICABLE**  
 18 **TO CONTRIBUTIONS BY MULTICANDIDATE**  
 19 **POLITICAL COMMITTEES TO CANDIDATES.**

20 Section 315(a)(2)(A) of the Federal Election Cam-  
 21 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended  
 22 by striking “\$5,000” and inserting “\$2,000”.

1   **SEC. 9. EFFECTIVE DATE.**

2           Except as otherwise provided, the amendments made  
3 by this Act shall apply with respect to elections occurring  
4 after December 31, 2000.

