

107TH CONGRESS  
1ST SESSION

# S. 602

To reform Federal election law.

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## IN THE SENATE OF THE UNITED STATES

MARCH 22, 2001

Mr. DOMENICI 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 Federal election law.

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       “Common Sense Federal Election Reform Act of 2001”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Modification of individual contribution limits in response to expenditures  
from personal funds.

Sec. 3. Increase in contribution limits.

Sec. 4. Limit on soft money donations to political parties.

Sec. 5. Increased disclosure for certain communications.

Sec. 6. Use of union dues for purposes unrelated to collective bargaining.

Sec. 7. Prohibition of fundraising on Federal property and other criminal prohibi-  
tions.

Sec. 8. Contributions to defray legal expenses of certain officials.

See. 9. Increased criminal penalties for violations of foreign national provisions and contributions in the name of another.

See. 10. Term limits for Federal Election Commission.

1 **SEC. 2. MODIFICATION OF INDIVIDUAL CONTRIBUTION**  
2 **LIMITS IN RESPONSE TO EXPENDITURES**  
3 **FROM PERSONAL FUNDS.**

4 (a) INCREASED LIMITS FOR INDIVIDUALS.—  
5 (1) IN GENERAL.—Section 315 of the Federal  
6 Election Campaign Act of 1971 (2 U.S.C. 441a) is  
7 amended—

8 (A) in subsection (a)(1), by striking “No  
9 person” and inserting “Except as provided in  
10 subsection (i), no person”; and

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

12 “(i) INCREASED LIMIT TO ALLOW RESPONSE TO EX-  
13 PENDITURES FROM PERSONAL FUNDS.—

14 “(1) INCREASE.—

15 (A) IN GENERAL.—Subject to paragraph  
16 (2), if the opposition personal funds amount  
17 with respect to a candidate for election to the  
18 office of Senator exceeds the threshold amount,  
19 the limits under paragraphs (1)(A) and (2)(A)  
20 of subsection (a) (in this subsection referred to  
21 as the ‘applicable limits’) with respect to that  
22 candidate shall be the increased limit.

23 “(B) THRESHOLD AMOUNT.—

1                             “(i) STATE-BY-STATE COMPETITIVE  
2                             AND FAIR CAMPAIGN FORMULA.—In this  
3                             subsection, the threshold amount with re-  
4                             spect to an election cycle of a candidate de-  
5                             scribed in subparagraph (A) is an amount  
6                             equal to the sum of—

7                             “(I) \$150,000; and  
8                             “(II) \$0.04 multiplied by the vot-  
9                             ing age population.

10                            “(ii) VOTING AGE POPULATION.—In  
11                             this subparagraph, the term ‘voting age  
12                             population’ means the voting age popu-  
13                             lation of the State of the candidate (as cer-  
14                             tified under section 315(e)).

15                            “(C) INCREASED LIMIT.—Except as pro-  
16                             vided in clause (ii), for purposes of subpara-  
17                             graph (A), if the opposition personal funds  
18                             amount is over—

19                             “(i) 2 times the threshold amount, but  
20                             not over 4 times that amount—

21                             “(I) the increased limit shall be 3  
22                             times each of the applicable limits;  
23                             and

24                             “(II) the limit under subsection  
25                             (a)(3) shall not apply with respect to

any contribution made with respect to  
a candidate if such contribution is  
made under the increased limit of  
subparagraph (A) during a period in  
which the candidate may accept such  
a contribution;

any contribution made with respect to  
a candidate if such contribution is  
made under the increased limit of  
subparagraph (A) during a period in  
which the candidate may accept such  
a contribution; and

13                   “(D)    OPPOSITION    PERSONAL    FUNDS  
14                   AMOUNT.—The    opposition    personal    funds  
15                   amount is an amount equal to the excess (if  
16                   any) of—

1               “(2) TIME TO ACCEPT CONTRIBUTIONS UNDER  
2               INCREASED LIMIT.—

3               “(A) IN GENERAL.—Subject to subparagraph (B), a candidate and the candidate’s authorized committee shall not accept any contribution under the increased limit under subparagraph (1)—

8               “(i) until the candidate has received  
9               notification of the opposition personal  
10               funds amount under section 304(a)(6)(B);  
11               and

12               “(ii) to the extent that such contribution,  
13               when added to the aggregate amount  
14               of contributions previously accepted under  
15               the increased limits under this subsection  
16               for the election cycle, exceeds 110 percent  
17               of the opposition personal funds amount.

18               “(B) EFFECT OF WITHDRAWAL OF AN OP-  
19               POSING CANDIDATE.—A candidate shall not ac-  
20               cept any contribution under the increased limit  
21               after the date on which an opposing candidate  
22               ceases to be a candidate to the extent that the  
23               amount of such increased limit is attributable  
24               to such an opposing candidate.

25               “(3) DISPOSAL OF EXCESS CONTRIBUTIONS.—

1                     “(A) IN GENERAL.—The aggregate  
2                     amount of contributions accepted by a can-  
3                     didate or a candidate’s authorized committee  
4                     under the increased limit under paragraph (1)  
5                     and not otherwise expended in connection with  
6                     the election with respect to which such con-  
7                     tributions relate shall, not later than 50 days  
8                     after the date of such election, be used in the  
9                     manner described in subparagraph (B).

10                   “(B) RETURN TO CONTRIBUTORS.—A can-  
11                     didate or a candidate’s authorized committee  
12                     shall return the excess contribution to the per-  
13                     son who made the contribution.

14                   “(C) LIMITATION ON REPAYMENT OF PER-  
15                     SONAL LOANS.—With respect to any loan in-  
16                     curred after the date of enactment of the Com-  
17                     mon Sense Federal Election Reform Act of  
18                     2001, any candidate who incurs personal loans  
19                     in connection with the candidate’s campaign for  
20                     election shall not repay (directly or indirectly),  
21                     to the extent such loans exceed \$250,000, such  
22                     loans from any contributions made to such can-  
23                     didate or any authorized committee of such  
24                     candidate after the date of such election.”.

4 (b) NOTIFICATION OF EXPENDITURES FROM PER-  
5 SONAL FUNDS.—Section 304(a)(6) of the Federal Elec-  
6 tion Campaign Act of 1971 (2 U.S.C. 434(a)(6)) is  
7 amended—

10 (2) by inserting after subparagraph (A) the fol-  
11 lowing:

12       “(B) NOTIFICATION OF EXPENDITURE FROM PER-  
13 SONAL FUNDS.—

17                   “(I) an expenditure made by a candidate  
18                   using personal funds; and

19                   “(II) a contribution or loan made by a can-  
20                   didate using personal funds (or a loan secured  
21                   using such funds) to the candidate’s authorized  
22                   committee.

23                   “(ii) DECLARATION OF INTENT.—Not later  
24                   than the date that is 15 days after the date on  
25                   which an individual becomes a candidate for the of-

1 fice of Senator, the candidate shall file a declaration  
2 stating the total amount of expenditures from per-  
3 sonal funds that the candidate intends to make, or  
4 to obligate to make, with respect to the election will  
5 exceed the State-by-State competitive and fair cam-  
6 paign formula with—

7 “(I) the Commission; and

8 “(II) each candidate in the same election.

9 “(iii) INITIAL NOTIFICATION.—Not later than  
10 24 hours after a candidate described in clause (ii)  
11 makes or obligates to make an aggregate amount of  
12 expenditures from personal funds in excess of 2  
13 times the threshold amount in connection with any  
14 election, the candidate shall file a notification with—

15 “(I) the Commission; and

16 “(II) each candidate in the same election.

17 “(iv) ADDITIONAL NOTIFICATION.—After a can-  
18 didate files an initial notification under clause (iii)  
19 the candidate shall file an additional notification  
20 each time expenditures from personal funds are  
21 made or obligated to be made in an aggregate  
22 amount that exceed \$10,000 amount with—

23 “(I) the Commission; and

24 “(II) each candidate in the same election.

1       Such notification shall be filed not later than 24  
2       hours after the expenditure is made.

3           “(v) CONTENTS.—A notification under clause  
4       (iii) or (iv) shall include—

5               “(I) the name of the candidate and the of-  
6       fice sought by the candidate;

7               “(II) the date and amount of each expendi-  
8       ture; and

9               “(III) the total amount of expenditures  
10       from personal funds that the candidate has  
11       made, or obligated to make, with respect to an  
12       election as of the date of the expenditure that  
13       is the subject of the notification.

14           “(C) NOTIFICATION OF DISPOSAL OF EXCESS CON-  
15       TRIBUTIONS.—As part of the next regularly scheduled re-  
16       port submitted after the date of the election for which a  
17       candidate seeks nomination for election to, or election to,  
18       Federal office, the candidate or the candidate’s authorized  
19       committee shall submit to the Commission and each can-  
20       didate in the same election a report indicating the source  
21       and amount of any excess contributions (as determined  
22       under paragraph (1) of section 315(i)) and the manner  
23       in which the candidate or the candidate’s authorized com-  
24       mittee used such funds.

1       “(D) ENFORCEMENT.—For provisions providing for  
2 the enforcement of the reporting requirements under this  
3 paragraph, see section 309.”.

4       (c) DEFINITIONS.—Section 301 of the Federal Elec-  
5 tion Campaign Act of 1971 (2 U.S.C. 431) is amended  
6 by adding at the end the following:

7       “(20) ELECTION CYCLE.—The term ‘election cycle’  
8 means the period beginning on the day after the date of  
9 the most recent election for the specific office or seat that  
10 a candidate is seeking and ending on the date of the next  
11 election for that office or seat. For purposes of the pre-  
12 ceding sentence, a primary election and a general election  
13 shall be considered to be separate elections.

14       “(21) PERSONAL FUNDS.—The term ‘personal funds’  
15 means an amount that is derived from—

16           “(A) any asset that, under applicable State law,  
17 at the time the individual became a candidate, the  
18 candidate had legal right of access to or control  
19 over, and with respect to which the candidate had—

20           “(i) legal and rightful title; or

21           “(ii) an equitable interest;

22           “(B) income received during the current elec-  
23 tion cycle of the candidate, including—

24           “(i) a salary and other earned income from  
25 bona fide employment;

1               “(ii) dividends and proceeds from the sale  
2               of the candidate’s stocks or other investments;  
3               “(iii) bequests to the candidate;  
4               “(iv) income from trusts established before  
5               the beginning of the election cycle;  
6               “(v) income from trusts established by be-  
7               quest after the beginning of the election cycle of  
8               which the candidate is the beneficiary;  
9               “(vi) gifts of a personal nature that had  
10               been customarily received by the candidate  
11               prior to the beginning of the election cycle; and  
12               “(vii) proceeds from lotteries and similar  
13               legal games of chance; and  
14               “(C) a portion of assets that are jointly owned  
15               by the candidate and the candidate’s spouse equal to  
16               the candidate’s share of the asset under the instru-  
17               ment of conveyance or ownership, but if no specific  
18               share is indicated by an instrument of conveyance or  
19               ownership, the value of  $\frac{1}{2}$  of the property.”.

20 **SEC. 3. INCREASE IN CONTRIBUTION LIMITS.**

21               (a) INCREASE IN LIMITS.—Section 315(a) of the  
22               Federal Election Campaign Act of 1971 (2 U.S.C.  
23               441a(a)) is amended—  
24               (1) in paragraph (1)—

9 (b) INCREASE IN MULTICANDIDATE LIMITS.—Section 315(a)(2) of the Federal Election Campaign Act of  
10 1971 (2 U.S.C. 441a(a)(2)) is amended—  
11

18 (c) INCREASE IN CONGRESSIONAL CAMPAIGN COM-  
19 MITTEE LIMITS.—Section 315(h) of the Federal Election  
20 Campaign Act of 1971 (2 U.S.C. 441a(g)) is amended by  
21 striking “\$17,500” and inserting “\$60,000”.

22 (d) INDEXING.—Section 315(c) of the Federal Elec-  
23 tion Campaign Act of 1971 (2 U.S.C. 441a(c)) is  
24 amended—

25 (1) in paragraph (1)—

1 (A) by striking the second and third sen-  
2 tences;

3 (B) by inserting before “At the beginning”  
4 the following: “(A)”; and

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

6       “(B) Each limitation established by subsection (a),  
7 (b), (d), or (h) shall be increased by the percent difference  
8 determined under subparagraph (A).

9       “(C) Each amount increased under subparagraph (B)  
10 shall remain in effect for the calendar year in which the  
11 amount is increased.”; and

12 (2) in paragraph (2)(B), by striking "means the  
13 calendar year 1974." and inserting "means—

18 SEC. 4. LIMIT ON SOFT MONEY DONATIONS TO POLITICAL  
19 PARTIES.

20 (a) SOFT MONEY OF NATIONAL POLITICAL PARTY  
21 COMMITTEES.—Title III of the Federal Election Cam-  
22 paign Act of 1971 (2 U.S.C. 431 et seq.) is amended by  
23 adding at the end the following:

1   **“SEC. 323. SOFT MONEY OF POLITICAL PARTY COMMIT-**  
2                   **TEES.**

3        “A national committee of a political party, any subor-  
4        dinate committee of a national committee, a Senatorial or  
5        Congressional campaign committee of a national political  
6        party, or an entity that is directly or indirectly established,  
7        financed, maintained, or controlled by a national com-  
8        mittee or a Senatorial or Congressional campaign com-  
9        mittee of a national political party or that is an entity  
10      acting on behalf of a national committee or a Senatorial  
11      or Congressional campaign committee of a national polit-  
12      ical party shall not accept donations from any person dur-  
13      ing a calendar year in an aggregate amount in excess of  
14      \$50,000.”.

15   **SEC. 5. INCREASED DISCLOSURE FOR CERTAIN COMMU-**  
16                   **NICATIONS.**

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

20       “(e) DISCLOSURE OF CERTAIN COMMUNICATIONS.—  
21               “(1) IN GENERAL.—A person shall file a report  
22      under paragraph (2) if the person expends an aggre-  
23      gate amount of funds during a calendar year for  
24      communications described in paragraph (3) in excess  
25      of—

1                     “(A) \$25,000 with respect to a candidate;

2                     or

3                     “(B) \$100,000 with respect to all can-  
4                     didates.

5                     “(2) REPORT.—

6                     “(A) TIME TO FILE.—A report under this  
7                     paragraph shall be filed in accordance with sub-  
8                     section (a)(4).

9                     “(B) CONTENTS OF REPORT.—A report  
10                    filed under this paragraph shall contain—

11                    “(i) the same information required for  
12                    an independent expenditure under sub-  
13                    section (c) with respect to disbursements  
14                    made by the person making the report; and

15                    “(ii) the date and amount of any do-  
16                    nation in an aggregate amount in excess of  
17                    \$200 made to such person.

18                    “(3) COMMUNICATION DESCRIBED.—A commu-  
19                    nication described in this paragraph is any commu-  
20                    nication that—

21                    “(A) is broadcast to the general public  
22                    through radio or television;

23                    “(B) mentions or refers to by name, rep-  
24                    resentation, or likeness any candidate for elec-  
25                    tion to Federal office;

1               “(C) the payment for which is not a dis-  
2               bursement described in clause (i) or (iii) of sec-  
3               tion 301(9)(B); and

4               “(D) the payment for which is not an inde-  
5               pendent expenditure.

6               “(4) REPORTS AVAILABLE ON INTERNET.—Not  
7               later than 3 business days after receiving a report  
8               under this subsection, the Commission shall make  
9               such report accessible to the public on the Inter-  
10               net.”.

11 **SEC. 6. USE OF UNION DUES FOR PURPOSES UNRELATED  
12               TO COLLECTIVE BARGAINING.**

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

16               “(c) USE OF FEES BY LABOR ORGANIZATIONS.—

17               “(1) AUTHORIZATION REQUIRED.—

18               “(A) IN GENERAL.—Except with the sepa-  
19               rate, prior, written, voluntary authorization of  
20               each individual, it shall be unlawful for any  
21               labor organization described in this section to  
22               collect from or assess its members or nonmem-  
23               bers any dues, initiation fee, or other payment,  
24               if any part of such dues, fee, or payment will  
25               be used for activities unrelated to collective bar-

1                   gaining, contract administration, and grievance  
2                   adjustment.

3                   “(B) PERIOD IN EFFECT.—An authoriza-  
4                   tion described in subparagraph (A) shall remain  
5                   in effect until revoked and may be revoked at  
6                   any time.

7                   “(2) REDUCTION OR REFUND OF FEES.—If an  
8                   individual who is not a member of a labor organiza-  
9                   tion is required to make a payment described in  
10                   paragraph (1) and does not authorize use of funds  
11                   under paragraph (1), a labor organization shall—

12                   “(A) reduce any dues, fees, or payment to  
13                   be collected from such individual by an amount  
14                   that reasonably reflects the ratio that the orga-  
15                   nization’s expenditures supporting activities un-  
16                   related to collective bargaining, contract admin-  
17                   istration, and grievance adjustment bears to  
18                   such organization’s total expenditures; or

19                   “(B) refund the portion of such dues, fees,  
20                   or payments collected by the organization in an  
21                   amount equal to the amount of the total reduc-  
22                   tion described in subparagraph (A).”.

1 **SEC. 7. PROHIBITION OF FUNDRAISING ON FEDERAL PRO-**2 **PERTY AND OTHER CRIMINAL PROHIBITIONS.**

3 (a) **DEFINITION OF DONATION.**—Section 301 of the  
4 Federal Election Campaign Act of 1971 (2 U.S.C. 431),  
5 as amended by section 2, is amended by adding at the  
6 end the following:

7 “(22) **DONATION.**—The term ‘donation’ means a gift,  
8 subscription, loan, advance, or deposit of money or any-  
9 thing else of value made by any person to a national com-  
10 mittee of a political party or a Senatorial or Congressional  
11 Campaign Committee of a national political party for any  
12 purpose, but does not include a contribution (as defined  
13 in paragraph (8)).”.

14 (b) **PROHIBITION OF FUNDRAISING ON FEDERAL  
15 PROPERTY.**—Section 607 of title 18, United States Code,  
16 is amended—

17 (1) in subsection (a), by inserting “or donation  
18 within the meaning of section 301(22)” after “sec-  
19 tion 301(8)”; and

20 (2) in subsection (b)—

21 (A) by inserting “or donations” after “con-  
22 tributions” each place it appears;

23 (B) by inserting “or donation” after “con-  
24 tribution”; and

25 (C) by inserting “donor” after “contrib-  
26 utor”.

1       (c) AMENDMENT OF TITLE 18 TO INCLUDE PROHI-  
2 BITION OF DONATIONS.—Chapter 29 of title 18, United  
3 States Code, is amended—

4               (1) in section 602(a)(4), by inserting “or dona-  
5 tion within the meaning of section 301(22)” after  
6 “section 301(8)”; and

7               (2) in section 603(a)—

8                       (A) by inserting “or donation within the  
9 meaning of section 301(22)” after “section  
10 301(8)”; and

11                       (B) by inserting “or donation” after “con-  
12 tribution” the second and third time it appears.

13       (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to violations occurring on or after  
15 the date of enactment of this Act.

16 **SEC. 8. CONTRIBUTIONS TO DEFRAY LEGAL EXPENSES OF**  
17 **CERTAIN OFFICIALS.**

18       (a) CONTRIBUTIONS TO DEFRAY LEGAL Ex-  
19 PENSES.—

20               (1) PROHIBITION ON MAKING OF CONTRIBU-  
21 TIONS.—It shall be unlawful for any person to make  
22 a contribution to a candidate for nomination for  
23 election to, or election to, a Federal office (as de-  
24 fined in section 301(3) of the Federal Election Cam-  
25 paign Act of 1971 (2 U.S.C. 431(3))), an individual

1 who is a holder of a Federal office, or the head of  
2 any Executive department, or any entity established  
3 on behalf of any such individual, to defray legal ex-  
4 penses of such individual—

5 (A) to the extent it would result in the ag-  
6 gregate amount of such contributions from such  
7 person to, or on behalf of, such individual to ex-  
8 ceed \$10,000 for any calendar year; or

9 (B) if the person is—

10 (i) a foreign national (as defined in  
11 section 319(b) of the Federal Election  
12 Campaign Act of 1971 (2 U.S.C.  
13 441e(b))); or

14 (ii) a person prohibited from contrib-  
15 uting to the campaign of a candidate  
16 under section 316 of the Federal Election  
17 Campaign Act of 1971 (2 U.S.C. 441b).

18 (2) PROHIBITION ON ACCEPTANCE OF CON-  
19 TRIBUTIONS.—No person shall accept a contribution  
20 if the making of the contribution would violate para-  
21 graph (1).

22 (3) PENALTY.—A person that knowingly and  
23 willfully commits a violation of paragraph (1) or (2)  
24 shall be fined an amount not to exceed the greater  
25 of \$25,000 or 300 percent of the contribution in-

1       volved in such violation, imprisoned for not more  
2       than 1 year, or both.

3           (4) CONSTRUCTION OF PROHIBITION.—Nothing  
4       in this subsection shall be construed to permit the  
5       making of a contribution that is otherwise prohibited  
6       by law.

7           (b) REPORTING REQUIREMENTS.—A candidate for  
8       nomination for election to, or election to, a Federal office,  
9       an individual who is a holder of a Federal office, or the  
10      head of any Executive department, or any entity estab-  
11      lished on behalf of any such individual, that accepts con-  
12      tributions to defray legal expenses of such individual shall  
13      file a quarterly report with the Federal Election Commis-  
14      sion including the following information:

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

17           (2) The amount of each contribution.

18           (3) The name and address of each individual or  
19       entity receiving disbursements from the fund com-  
20      posed of such contributions.

21           (4) A brief description of the nature and  
22       amount of each disbursement.

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

3 SEC. 9. INCREASED CRIMINAL PENALTIES FOR VIOLATIONS  
4 OF FOREIGN NATIONAL PROVISIONS AND  
5 CONTRIBUTIONS IN THE NAME OF ANOTHER.

6       Section 309(d)(1) of the Federal Election Campaign  
7 Act of 1971 (2 U.S.C. 437g(d)(1)) is amended by adding  
8 at the end the following:

9       “(D) In the case of a person who knowingly and will-  
10 fully violates section 319 or 320, the person shall be fined  
11 an amount not to exceed \$10,000, imprisoned for not more  
12 than 10 years, or both.”.

13 SEC. 10. TERM LIMITS FOR FEDERAL ELECTION COMMISSION.  
14

15 (a) IN GENERAL.—Section 306(a)(2)(A) of the Fed-  
16 eral Election Campaign Act of 1971 (2 U.S.C.  
17 437c(a)(2)(A)) is amended in the matter preceding clause  
18 (i) by striking “6 years” and inserting “8 years”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 subsection (a) shall apply to appointments made after the  
21 date of enactment of this Act and to Commissioners serv-  
22 ing a term on the date of enactment of this section except  
23 that such Commissioner shall continue to serve until the  
24 expiration of such term.

