# 112TH CONGRESS 1ST SESSION H.R. 1404

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

# IN THE HOUSE OF REPRESENTATIVES

### April 6, 2011

Mr. LARSON of Connecticut (for himself, Ms. PINGREE of Maine, Mr. JONES, Ms. BALDWIN, Mr. BRALEY of Iowa, Mr. BUTTERFIELD, Mr. CAPUANO, Mr. COHEN, Mr. CONYERS, Mr. COOPER, Mr. COURTNEY, Mrs. DAVIS of California, Ms. DELAURO, Mr. DOYLE, Ms. EDWARDS, Mr. ELLISON, Ms. ESHOO, Mr. FILNER, Mr. GRIJALVA, Mr. HEINRICH, Mr. HINCHEY, Ms. HIRONO, Mr. HOLT, Mr. HONDA, Mr. ISRAEL, Mr. JACKSON of Illinois, Mr. KUCINICH, Ms. LEE of California, Mr. LEWIS of Georgia, Mr. LOEBSACK, Mr. LUJÁN, Ms. MATSUI, Mr. MCDERMOTT, Mr. GEORGE MILLER of California, Mr. MURPHY of Connecticut, Mr. NADLER, Mr. OLVER, Mr. POLIS, Mr. ROTHMAN of New Jersey, Mr. SARBANES, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. STARK, Mr. TONKO, Ms. TSONGAS, Ms. WOOLSEY, and Mr. YARMUTH) introduced the following bill; which was referred to the Committee on House Administration

# A BILL

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

1 Be it enacted by the Senate and House of Representa-

2 tives of the United States of America in Congress assembled,

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

4 (a) SHORT TITLE.—This Act may be cited as the

5 "Fair Elections Now Act".

## 1 (b) TABLE OF CONTENTS.—The table of contents of

# 2 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and declarations.

# TITLE I—FAIR ELECTIONS FINANCING OF HOUSE ELECTION CAMPAIGNS

Sec. 101. Benefits and eligibility requirements for House candidates.

# "TITLE V—FAIR ELECTIONS FINANCING OF HOUSE ELECTION CAMPAIGNS

#### "Subtitle A—Benefits

- "Sec. 501. Benefits for participating candidates.
- "Sec. 502. Allocations from the Fund.
- "Sec. 503. Matching payments for certain small dollar contributions.

#### "Subtitle B—Eligibility and Certification

- "Sec. 511. Eligibility.
- "Sec. 512. Qualifying requirements.
- "Sec. 513. Certification.

## "Subtitle C—Requirements for Candidates Certified as Participating Candidates

- "Sec. 521. Contribution, expenditure, and fundraising requirements.
- "Sec. 522. Debate requirement.
- "Sec. 523. Remitting unspent funds after election.

### "Subtitle D—Administrative Provisions

- "Sec. 531. Fair Elections Fund.
- "Sec. 532. Fair Elections Oversight Board.
- "Sec. 533. Administration by Commission.
- "Sec. 534. Violations and penalties.
- "Sec. 535. Election cycle defined.
- Sec. 102. Transfer of portion of civil money penalties into Fair Elections Fund.
- Sec. 103. Prohibiting use of contributions by participating candidates for purposes other than campaign for election.
- Sec. 104. Prohibition on joint fundraising committees.
- Sec. 105. Treatment of coordinated expenditures by political party committees on behalf of participating candidates.

## TITLE II—RESPONSIBILITIES OF THE FEDERAL ELECTION COMMISSION

- Sec. 201. Petition for certiorari.
- Sec. 202. Filing by all candidates with Commission.
- Sec. 203. Electronic filing of FEC reports.

#### TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Severability. Sec. 302. Effective date.

## 1 SEC. 2. FINDINGS AND DECLARATIONS.

(a) UNDERMINING OF DEMOCRACY BY CAMPAIGN
CONTRIBUTIONS FROM PRIVATE SOURCES.—The House
of Representatives finds and declares that the current system of privately financed campaigns for election to the
House of Representatives has the capacity, and is often
perceived by the public, to undermine democracy in the
United States by—

9 (1) creating a culture that fosters actual or per-10 ceived conflicts of interest, by encouraging Members 11 of the House to accept large campaign contributions 12 from private interests that are directly affected by 13 Federal legislation;

(2) diminishing or appearing to diminish Members' accountability to constituents by compelling
legislators to be accountable to the major contributors who finance their election campaigns;

(3) undermining the meaning of the right to
vote by allowing monied interests to have a disproportionate and unfair influence within the political process;

(4) imposing large, unwarranted costs on tax-payers through legislative and regulatory distortions

caused by unequal access to lawmakers for campaign
 contributors;

3 (5) making it difficult for some qualified can4 didates to mount competitive House election cam5 paigns;

6 (6) disadvantaging challengers and discouraging 7 competitive elections, because large campaign con-8 tributors tend to donate their money to incumbent 9 Members, thus causing House elections to be less 10 competitive; and

(7) burdening incumbents with a preoccupation
with fundraising and thus decreasing the time available to carry out their public responsibilities.

14 (b) ENHANCEMENT OF DEMOCRACY BY PROVIDING 15 ALLOCATIONS FROM THE FAIR ELECTIONS FUND.—The House of Representatives finds and declares that pro-16 viding the option of the replacement of large private cam-17 paign contributions with allocations from the Fair Elec-18 tions Fund for all primary, runoff, and general elections 19 to the House of Representatives would enhance American 20 21 democracy by-

(1) reducing the actual or perceived conflicts of
interest created by fully private financing of the election campaigns of public officials and restoring public confidence in the integrity and fairness of the

electoral and legislative processes through a program
 which allows participating candidates to adhere to
 substantially lower contribution limits for contribu tors with an assurance that there will be sufficient
 funds for such candidates to run viable electoral
 campaigns;

7 (2) increasing the public's confidence in the ac8 countability of Members to the constituents who
9 elect them, which derives from the program's quali10 fying criteria to participate in the voluntary program
11 and the conclusions that constituents may draw re12 garding candidates who qualify and participate in
13 the program;

(3) helping to reduce the ability to make large
campaign contributions as a determinant of a citizen's influence within the political process by facilitating the expression of support by voters at every
level of wealth, encouraging political participation,
incentivizing participation on the part of Members
through the matching of small dollar contributions;

(4) potentially saving taxpayers billions of dollars that may be (or that are perceived to be) currently allocated based upon legislative and regulatory agendas skewed by the influence of campaign
contributions;

1 (5) creating genuine opportunities for all Amer-2 icans to run for the House of Representatives and 3 encouraging more competitive elections; 4 (6) encouraging participation in the electoral process by citizens of every level of wealth; and 5 6 (7) freeing Members from the incessant pre-7 occupation with raising money, and allowing them 8 more time to carry out their public responsibilities. I—FAIR ELECTIONS TITLE FI-9 NANCING OF HOUSE ELEC-10 TION CAMPAIGNS 11 12 SEC. 101. BENEFITS AND ELIGIBILITY REQUIREMENTS FOR 13 HOUSE CANDIDATES. 14 The Federal Election Campaign Act of 1971 (2) 15 U.S.C. 431 et seq.) is amended by adding at the end the 16 following: **"TITLE V—FAIR ELECTIONS** FI-17 HOUSE **ELEC-**NANCING OF 18 TION CAMPAIGNS 19 "Subtitle A—Benefits 20 21 "SEC. 501. BENEFITS FOR PARTICIPATING CANDIDATES. 22 "(a) IN GENERAL.—If a candidate for election to the 23 office of Representative in, or Delegate or Resident Com-24 missioner to, the Congress is a participating candidate

25 under this title with respect to an election for such office,

the candidate shall be entitled to payments under this
 title, to be used only for authorized expenditures in con nection with the election.
 "(b) TYPES OF PAYMENTS.—The payments to which
 a participating candidate is entitled under this section

6 consist of—

7 "(1) allocations from the Fair Elections Fund,
8 as provided in section 502; and

9 "(2) payments from the Fair Elections Fund to
10 match certain small dollar contributions, as provided
11 in section 503.

# 12 "SEC. 502. ALLOCATIONS FROM THE FUND.

13 "(a) Amount of Allocations.—

"(1) PRIMARY ELECTION ALLOCATION; INITIAL
ALLOCATION.—Except as provided in paragraph (6),
the Commission shall make an allocation from the
Fair Elections Fund established under section 531
to a candidate who is certified as a participating
candidate with respect to a primary election in an
amount equal to 40 percent of the base amount.

21 "(2) PRIMARY RUNOFF ELECTION ALLOCA22 TION.—The Commission shall make an allocation
23 from the Fund to a candidate who is certified as a
24 participating candidate with respect to a primary
25 runoff election in an amount equal to 25 percent of

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1	the amount the participating candidate was eligible
2	to receive under this section for the primary election.
3	"(3) GENERAL ELECTION ALLOCATION.—Ex-
4	cept as provided in paragraph (6), the Commission
5	shall make an allocation from the Fund to a can-
6	didate who is certified as a participating candidate
7	with respect to a general election in an amount
8	equal to 60 percent of the base amount.
9	"(4) GENERAL RUNOFF ELECTION ALLOCA-
10	TION.—The Commission shall make an allocation
11	from the Fund to a candidate who is certified as a
12	participating candidate with respect to a general
13	runoff election in an amount equal to 25 percent of
14	the base amount.
15	"(5) RECOUNT ALLOCATION.—If the appro-
16	priate State or local election official conducts a re-
17	count of an election, the Commission shall make an
18	allocation from the Fund to a participating can-
19	didate for expenses relating to the recount in an
20	amount equal to 25 percent of the amount the par-
21	ticipating candidate was eligible to receive under this
22	section for the election involved.
23	"(6) Uncontested elections.—
24	"(A) IN GENERAL.—In the case of a pri-

mary or general election that is an uncontested

1	election, the Commission shall make an alloca-
2	tion from the Fund to a participating candidate
3	for such election in an amount equal to 25 per-
4	cent of the allocation for that election with re-
5	spect to such candidate.
6	"(B) Uncontested election de-
7	FINED.—For purposes of this subparagraph, an
8	election is uncontested if not more than 1 can-
9	didate has campaign funds (including payments
10	from the Fund) in an amount equal to or great-
11	er than 10 percent of the allocation a candidate
12	would be entitled to receive under this section
13	for that election (determined without regard to
14	this paragraph).
15	"(b) BASE AMOUNT.—The base amount is an amount
16	equal to 80 percent of the national average disbursements
17	of the cycle by winning candidates for the office of Rep-
18	resentative in, or Delegate or Resident Commissioner to,
19	the Congress in the last 2 election cycles.
20	"(c) TIMING; METHOD OF PAYMENT.—
21	"(1) TIMING.—The Commission shall make the
22	allocations required under subsection (a) to a par-
23	ticipating candidate—
24	"(A) in the case of amounts provided
25	under subsection $(a)(1)$ , not later than 48 hours

1	after the date on which such candidate is cer-
2	tified as a participating candidate under section
3	513;
4	"(B) in the case of a general election, not
5	later than 48 hours after—
6	"(i) the date of the certification of the
7	results of the primary election or the pri-
8	mary runoff election; or
9	"(ii) in any case in which there is no
10	primary election, the date the candidate
11	qualifies to be placed on the ballot;
12	"(C) in the case of a primary runoff elec-
13	tion or a general runoff election, not later than
14	48 hours after the certification of the results of
15	the primary election or the general election, as
16	the case may be; and
17	"(D) in the case of a recount allocation,
18	not later than 48 hours after the appropriate
19	State or local election official orders the holding
20	of the recount.
21	"(2) Method of payment.—The Commission
22	shall distribute funds available to participating can-
23	didates under this section through the use of an
24	electronic funds exchange or a debit card.

# 1 "SEC. 503. MATCHING PAYMENTS FOR CERTAIN SMALL2DOLLAR CONTRIBUTIONS.

3 "(a) IN GENERAL.—The Commission shall pay to 4 each participating candidate an amount equal to 500 per-5 cent of the amount of qualified small dollar contributions 6 received by the candidate from individuals who are resi-7 dents of the State in which such participating candidate 8 is seeking election.

9 "(b) LIMITATION.—The maximum payment under10 this section shall be the greater of—

"(1) 300 percent of the allocation under paragraphs (1) through (4) of section 502(a) for that
election with respect to such candidate; or

14 "(2) the percentage of the allocation determined
15 by the Commission under section 532(c)(2).

16 "(c) TIME OF PAYMENT.—The Commission shall
17 make payments under this section not later than 2 busi18 ness days after the receipt of a report made under sub19 section (d).

20 "(d) Reports.—

21 "(1) IN GENERAL.—Each participating can22 didate shall file reports of receipts of qualified small
23 dollar contributions at such times and in such man24 ner as the Commission may by regulations prescribe.
25 "(2) CONTENTS OF REPORTS.—Each report

26 under this subsection shall disclose—

1	"(A) the amount of each qualified small
2	dollar contribution received by the candidate;
3	"(B) the amount of each qualified small
4	dollar contribution received by the candidate
5	from a resident of the State in which the can-
6	didate is seeking election; and
7	"(C) the name, address, and occupation of
8	each individual who made a qualified small dol-
9	lar contribution to the candidate.
10	"(3) FREQUENCY OF REPORTS.—Reports under
11	this subsection shall be made no more frequently
12	than—
13	"(A) once every month until the date that
14	is 90 days before the date of the election;
15	"(B) once every week after the period de-
16	scribed in subparagraph (A) and until the date
17	that is 21 days before the election; and
18	"(C) once every day after the period de-
19	scribed in subparagraph (B).
20	"(4) LIMITATION ON REGULATIONS.—The
21	Commission may not prescribe any regulations with
22	respect to reporting under this subsection with re-
23	spect to any election after the date that is 180 days
24	before the date of such election.

1 "(e) APPEALS.—The Commission shall provide a 2 written explanation with respect to any denial of any pay-3 ment under this section and shall provide for the oppor-4 tunity for review and reconsideration within 5 business 5 days of such denial.

6 "(f) QUALIFIED SMALL DOLLAR CONTRIBUTION DE7 FINED.—The term 'qualified small dollar contribution'
8 means, with respect to a participating candidate, any con9 tribution (or a series of contributions)—

10 "(1) which is not a qualifying contribution (or11 does not include a qualifying contribution);

12 "(2) which is made by an individual who is not
13 prohibited from making a contribution under this
14 Act; and

15 "(3) the aggregate amount of which does not
16 exceed the greater of—

17 "(A) \$100 per election; or

18 "(B) the amount determined by the Fair
19 Elections Oversight Board under section
20 532(c)(2).

# 21 "Subtitle B—Eligibility and 22 Certification

# 23 **"SEC. 511. ELIGIBILITY.**

24 "(a) IN GENERAL.—A candidate for the office of25 Representative in, or Delegate or Resident Commissioner

candidate under this title with respect to an election if 3 the candidate meets the following requirements: "(1) During the election cycle for the office in-4 5 volved, the candidate files with the Commission a statement of intent to seek certification as a partici-6 7 pating candidate. 8 "(2) The candidate meets the qualifying re-9 quirements of section 512. 10 "(3) Not later than the last day of the Fair 11 Elections qualifying period, the candidate files with the Commission an affidavit signed by the candidate 12 13 and the treasurer of the candidate's principal cam-14 paign committee declaring that the candidate— "(A) has complied and, if certified, will 15 16 comply with the contribution and expenditure 17 requirements of section 521; 18 "(B) if certified, will comply with the de-19 bate requirements of section 522; "(C) if certified, will run only as a partici-20 21 pating candidate for all elections for the office 22 that such candidate is seeking during the elec-23 tion cycle; and "(D) has either qualified or will take steps 24 25 to qualify under State law to be on the ballot.

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to, the Congress is eligible to be certified as a participating

1 "(b) GENERAL ELECTION.—Notwithstanding sub-2 section (a), a candidate shall not be eligible to receive an 3 allocation from the Fund for a general election or a gen-4 eral runoff election unless the candidate's party nominated 5 the candidate to be placed on the ballot for the general 6 election or the candidate is otherwise qualified to be on 7 the ballot under State law.

"(c) FAIR ELECTIONS QUALIFYING PERIOD DE-8 9 FINED.—The term 'Fair Elections qualifying period' means, with respect to any candidate for the office of Rep-10 resentative in, or Delegate or Resident Commissioner to, 11 12 the Congress, the 120-day period (during the election cycle 13 for such office) which begins on the date on which the 14 candidate files a statement of intent under section 15 511(a)(1), except that such period may not continue after the date that is 60 days before— 16

17 "(1) the date of the primary election; or

"(2) in the case of a State that does not hold
a primary election, the date prescribed by State law
as the last day to qualify for a position on the general election ballot.

# 22 "SEC. 512. QUALIFYING REQUIREMENTS.

23 "(a) RECEIPT OF QUALIFYING CONTRIBUTIONS.—A
24 candidate for the office of Representative in, or Delegate
25 or Resident Commissioner to, the Congress meets the re-

quirement of this section if, during the Fair Elections 1 2 qualifying period described in section 511(c), the can-3 didate obtains— "(1) a single qualifying contribution from a 4 5 number of individuals equal to or greater than the 6 lesser of— 7 "(A) .25% of the voting age population of 8 the State involved (as reported in the most re-9 cent decennial census); or "(B) 1,500; and 10 "(2) a total dollar amount of qualifying con-11 12 tributions equal to or greater than \$50,000. "(b) REQUIREMENTS RELATING TO RECEIPT OF 13 QUALIFYING CONTRIBUTION.—Each qualifying contribu-14 15 tion-"(1) may be made by means of a personal 16 17 check, money order, debit card, credit card, or elec-18 tronic payment account; 19 "(2) shall be accompanied by a signed state-20 ment containing— "(A) the contributor's name and the con-21 22 tributor's address in the State in which the pri-23 mary residence of the contributor is located; 24 "(B) an oath declaring that the contrib-25 utor—

1	"(i) understands that the purpose of
2	the qualifying contribution is to show sup-
3	port for the candidate so that the can-
4	didate may qualify for Fair Elections fi-
5	nancing;
6	"(ii) is making the contribution in his
7	or her own name and from his or her own
8	funds;
9	"(iii) has made the contribution will-
10	ingly; and
11	"(iv) has not received any thing of
12	value in return for the contribution; and
13	"(3) shall be acknowledged by a receipt that is
14	sent to the contributor with a copy kept by the can-
15	didate for the Commission and a copy kept by the
16	candidate for the election authorities in the State
17	with respect to which the candidate is seeking elec-
18	tion.
19	"(c) VERIFICATION OF QUALIFYING CONTRIBU-
20	TIONS.—The Commission shall establish procedures for
21	the auditing and verification of qualifying contributions to
22	ensure that such contributions meet the requirements of
23	this section.
24	"(d) Prohibiting Payment on Commission Basis
25	OF INDIVIDUALS COLLECTING QUALIFYING CONTRIBU-

1	TIONS.—No person may be paid a commission on a per
2	qualifying contribution basis for collecting qualifying con-
3	tributions.
4	"(e) Qualifying Contribution Defined.—In this
5	section, the term 'qualifying contribution' means, with re-
6	spect to a candidate, a contribution that—
7	"(1) is in an amount that is—
8	"(A) not less than the greater of \$5 or the
9	amount determined by the Commission under
10	section $532(c)(2)$ ; and
11	"(B) not more than the greater of \$100 or
12	the amount determined by the Commission
13	under section $532(c)(2)$ ;
14	"(2) is made by an individual—
15	"(A) who has a primary residence in the
16	State in which such Candidate is seeking elec-
17	tion; and
18	"(B) who is not otherwise prohibited from
19	making a contribution under this Act;
20	"(3) is made during the Fair Elections quali-
21	fying period described in section 511(c); and
22	"(4) meets the requirements of subsection (b).
23	<b>"SEC. 513. CERTIFICATION.</b>
24	"(a) Deadline and Notification.—

1	"(1) IN GENERAL.—Not later than 5 days after
2	a candidate files an affidavit under section
3	511(a)(3), the Commission shall—
4	"(A) determine whether or not the can-
5	didate meets the requirements for certification
6	as a participating candidate;
7	"(B) if the Commission determines that
8	the candidate meets such requirements, certify
9	the candidate as a participating candidate; and
10	"(C) notify the candidate of the Commis-
11	sion's determination.
12	"(2) Deemed certification for all elec-
13	TIONS IN ELECTION CYCLE.—If the Commission cer-
14	tifies a candidate as a participating candidate with
15	respect to the first election of the election cycle in-
16	volved, the Commissioner shall be deemed to have
17	certified the candidate as a participating candidate
18	with respect to all subsequent elections of the elec-
19	tion cycle.
20	"(b) Revocation of Certification.—
21	"(1) IN GENERAL.—The Commission may re-
22	voke a certification under subsection (a) if—
23	"(A) a candidate fails to qualify to appear
24	on the ballot at any time after the date of cer-
25	tification (other than a candidate certified as a

participating candidate with respect to a primary election who fails to qualify to appear on the ballot for a subsequent election in that election cycle); or

"(B) a candidate otherwise fails to comply 6 with the requirements of this title, including any regulatory requirements prescribed by the 8 Commission.

"(2) Repayment of benefits.—If certifi-9 10 cation is revoked under paragraph (1), the candidate 11 shall repay to the Fair Elections Fund established 12 under section 531 an amount equal to the value of 13 benefits received under this title with respect to the 14 election cycle involved plus interest (at a rate deter-15 mined by the Commission) on any such amount re-16 ceived.

17 "(c) PARTICIPATING CANDIDATE DEFINED.—In this title, a 'participating candidate' means a candidate for the 18 19 office of Representative in, or Delegate or Resident Com-20 missioner to, the Congress who is certified under this sec-21 tion as eligible to receive benefits under this title.

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# Subtitle C—Requirements for Can didates Certified as Partici pating Candidates

4 "SEC. 521. CONTRIBUTION, EXPENDITURE, AND FUND-5 RAISING REQUIREMENTS.

6 "(a) CONTRIBUTIONS.—

7 ((1))Permitted SOURCES  $\mathbf{OF}$ CONTRIBU-8 TIONS.—Except as provided in subsection (c), a can-9 didate who is certified as a participating candidate 10 with respect to an election shall, with respect to all 11 elections occurring during the election cycle for the 12 office involved, accept no contributions from any 13 source (including an unexpended contribution re-14 ceived by the candidate with respect to a previous 15 election or a contribution made by any political com-16 mittee or multicandidate committee) other than-

17 "(A) qualifying contributions described in
18 section 512;

19 "(B) qualified small dollar contributions20 described in section 503;

21 "(C) allocations under section 502; and
22 "(D) payments under section 503.

23 "(2) CONTRIBUTIONS FOR LEADERSHIP AND
24 RELATED PACS.—A political committee of a partici25 pating candidate which is not an authorized com-

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1	mittee of such candidate may accept contributions
2	other than contributions described in paragraph $(1)$
3	from any person if—
4	"(A) the aggregate amount of the con-
5	tributions from such person for any election
6	during the election cycle does not exceed \$100;
7	and
8	"(B) no portion of such contributions is
9	disbursed in connection with the campaign of
10	the participating candidate.
11	"(b) EXPENDITURES.—
12	"(1) Permitted sources for expendi-
13	TURES.—Except as provided in subsection (c), a
14	candidate who is certified as a participating can-
15	didate with respect to an election shall, with respect
16	to all elections occurring during the election cycle for
17	the office involved—
18	"(A) make no expenditures from any
19	amounts other than—
20	"(i) qualifying contributions described
21	in section 512;
22	"(ii) qualified small dollar contribu-
23	tions described in section 503;
24	"(iii) allocations under section 502;
25	and

1	"(iv) payments under section 503; and
2	"(B) make no expenditures from personal
3	funds or the funds of any immediate family
4	member of the candidate (other than funds re-
5	ceived through qualified small dollar contribu-
6	tions and qualifying contributions).
7	"(2) Immediate family member defined.—
8	In paragraph $(1)(B)$ , the term 'immediate family'
9	means, with respect to a candidate—
10	"(A) the candidate's spouse;
11	"(B) a child, stepchild, parent, grand-
12	parent, brother, half-brother, sister, or half-sis-
13	ter of the candidate or the candidate's spouse;
14	and
15	"(C) the spouse of any person described in
16	subparagraph (B).
17	"(c) EXCEPTIONS.—
18	"(1) EXCEPTION FOR CONTRIBUTIONS RE-
19	CEIVED PRIOR TO FILING OF STATEMENT OF IN-
20	TENT.—A candidate who has accepted contributions
21	that are not qualified small dollar contributions,
22	qualifying contributions, or contributions described
23	in paragraph $(a)(2)$ prior to the date the candidate
24	files a statement of intent under section $511(a)(1)$

1	is not in violation of subsection (a), but only if all
2	such contributions are—
3	"(A) returned to the contributor;
4	"(B) submitted to the Commission for de-
5	posit in the Fair Elections Fund established
6	under section 531; or
7	"(C) spent in accordance with paragraph
8	(2).
9	"(2) EXCEPTION FOR EXPENDITURES MADE
10	PRIOR TO FILING OF STATEMENT OF INTENT.—If a
11	candidate has made expenditures prior to the date
12	the candidate files a statement of intent under sec-
13	tion $511(a)(1)$ that the candidate is prohibited from
14	making under subsection (b), the candidate is not in
15	violation of such subsection if the aggregate amount
16	of the prohibited expenditures is less than 20 per-
17	cent of the amount of an initial allocation to a can-
18	didate under section $502(a)(1)$ .
19	"(3) EXCEPTION FOR CAMPAIGN SURPLUSES
20	FROM A PREVIOUS ELECTION.—Notwithstanding
21	paragraph (1), unexpended contributions received by
22	the candidate or an authorized committee of the
23	candidate with respect to a previous election may be
24	retained, but only if the candidate places the funds
25	in escrow and refrains from raising additional funds

for or spending funds from that account during the
 election cycle in which a candidate is a participating
 candidate.

**(**(4) 4 EXCEPTION FOR CONTRIBUTIONS RE-5 CEIVED BEFORE THE EFFECTIVE DATE OF THIS 6 TITLE.—Contributions received and expenditures 7 made by the candidate or an authorized committee 8 of the candidate prior to the effective date of this 9 title shall not constitute a violation of subsection (a) 10 or (b). Unexpended contributions shall be treated 11 the same as campaign surpluses under paragraph 12 (3), and expenditures made shall count against the 13 limit in paragraph (2).

"(d) SPECIAL RULE FOR COORDINATED PARTY EXPENDITURES.—For purposes of this section, a payment
made by a political party in coordination with a participating candidate shall not be treated as a contribution to
or as an expenditure made by the participating candidate.

# 19 "SEC. 522. DEBATE REQUIREMENT.

20 "A candidate who is certified as a participating can21 didate with respect to an election shall, during the election
22 cycle for the office involved, participate in at least—

23 "(1) 1 public debate before the primary election
24 with other participating candidates and other willing

1	candidates from the same party and seeking the
2	same nomination as such candidate; and
3	((2) 2 public debates before the general election
4	with other participating candidates and other willing
5	candidates seeking the same office as such can-
6	didate.
7	"SEC. 523. REMITTING UNSPENT FUNDS AFTER ELECTION.
8	"(a) IN GENERAL.—Not later than the date that is
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9 60 days after the last election for which a candidate cer-10 tified as a participating candidate qualifies to be on the 11 ballot during the election cycle involved, such participating 12 candidate shall remit to the Commission for deposit in the Fair Elections Fund established under section 531 an 13 14 amount equal to the lesser of—

"(1) the amount of money in the candidate's 15 16 campaign account; or

17 ((2)) the sum of the allocations received by the 18 candidate under section 502 and the payments re-19 ceived by the candidate under section 503.

20 "(b) EXCEPTION FOR EXPENDITURES INCURRED 21 BUT NOT PAID AS OF DATE OF REMITTANCE.—

22 "(1) IN GENERAL.—Subject to subsection (a), a 23 candidate may withhold from the amount required to 24 be remitted under paragraph (1) of such subsection 25 the amount of any authorized expenditures which were incurred in connection with the candidate's campaign but which remain unpaid as of the deadline applicable to the candidate under such subsection, except that any amount withheld pursuant to this paragraph shall be remitted to the Commission not later than 120 days after the date of the election to which such subsection applies.

8 "(2) DOCUMENTATION REQUIRED.—A can-9 didate may withhold an amount of an expenditure 10 pursuant to paragraph (1) only if the candidate sub-11 mits documentation of the expenditure and the 12 amount to the Commission not later than the dead-13 line applicable to the candidate under subsection (a).

# 14 "Subtitle D—Administrative 15 Provisions

16 "SEC. 531. FAIR ELECTIONS FUND.

17 "(a) ESTABLISHMENT.—There is established in the
18 Treasury a fund to be known as the 'Fair Elections Fund'.
19 "(b) AMOUNTS HELD BY FUND.—The Fund shall
20 consist of the following amounts:

21 "(1) APPROPRIATED AMOUNTS.—Amounts appropriated to the Fund, including trust fund
23 amounts appropriated pursuant to applicable provisions of the Internal Revenue Code of 1986.

1	"(2) Voluntary contributions.—Voluntary
2	contributions to the Fund.
3	"(3) TRANSFERS RESULTING FROM PAYMENT
4	OF CIVIL PENALTIES.—Amounts transferred into the
5	Fund pursuant to section 309(a)(13).
6	"(4) OTHER DEPOSITS.—Amounts deposited
7	into the Fund under—
8	"(A) section $521(a)(3)$ (relating to excep-
9	tions to contribution requirements);
10	"(B) section 523 (relating to remittance of
11	allocations from the Fund);
12	"(C) section 534 (relating to violations);
13	and
14	"(D) any other section of this Act.
15	"(5) INVESTMENT RETURNS.—Interest on, and
16	the proceeds from, the sale or redemption of, any
17	obligations held by the Fund under subsection (c).
18	"(c) Investment.—The Commission shall invest
19	portions of the Fund in obligations of the United States
20	in the same manner as provided under section 9602(b)
21	of the Internal Revenue Code of 1986.
22	"(d) Use of Fund.—
23	"(1) IN GENERAL.—The sums in the Fund
23 24	"(1) IN GENERAL.—The sums in the Fund shall be used to provide benefits to participating

1	"(2) INSUFFICIENT AMOUNTS.—Under regula-
2	tions established by the Commission, rules similar to
3	the rules of section 9006(c) of the Internal Revenue
4	Code of 1986 shall apply.
5	"SEC. 532. FAIR ELECTIONS OVERSIGHT BOARD.
6	"(a) Establishment.—There is established within
7	the Federal Election Commission an entity to be known
8	as the 'Fair Elections Oversight Board'.
9	"(b) Structure and Membership.—
10	"(1) IN GENERAL.—The Board shall be com-
11	posed of 5 members appointed by the President, of
12	whom—
13	"(A) 2 shall be appointed after consulta-
14	tion with the majority leader of the House of
15	Representatives;
16	"(B) 2 shall be appointed after consulta-
17	tion with the minority leader of the House of
18	Representatives; and
19	"(C) 1 shall be appointed upon the rec-
20	ommendation of the members appointed under
21	subparagraphs (A) and (B).
22	"(2) QUALIFICATIONS.—
23	"(A) IN GENERAL.—The members shall be
24	individuals who are nonpartisan and, by reason

25 of their education, experience, and attainments,

1	exceptionally qualified to perform the duties of
2	members of the Board.
3	"(B) PROHIBITION.—No member of the
4	Board may be—
5	"(i) an employee of the Federal Gov-
6	ernment;
7	"(ii) a registered lobbyist or an indi-
8	vidual who was a registered lobbyist at any
9	time during the 2-year period preceding
10	appointment to the Board; or
11	"(iii) an officer or employee of a polit-
12	ical party or political campaign.
13	"(3) DATE.—Members of the Board shall be
14	appointed not later than 60 days after the date of
15	the enactment of this Act.
16	"(4) TERMS.—A member of the Board shall be
17	appointed for a term of 5 years.
18	"(5) VACANCIES.—A vacancy on the Board
19	shall be filled not later than 30 calendar days after
20	the date on which the Board is given notice of the
21	vacancy, in the same manner as the original ap-
22	pointment. The individual appointed to fill the va-
23	cancy shall serve only for the unexpired portion of
24	the term for which the individual's predecessor was
25	appointed.

1	"(6) CHAIRPERSON.—The Board shall des-
2	ignate a Chairperson from among the members of
3	the Board.
4	"(c) DUTIES AND POWERS.—
5	"(1) Administration.—The Board shall have
6	such duties and powers as the Commission may pre-
7	scribe, including the power to administer the provi-
8	sions of this title.
9	"(2) REVIEW OF FAIR ELECTIONS FINANC-
10	ING.—
11	"(A) IN GENERAL.—After each regularly
12	scheduled general election for Federal office,
13	the Board shall conduct a comprehensive review
14	of the Fair Elections financing program under
15	this title, including—
16	"(i) the maximum dollar amount of
17	qualified small dollar contributions under
18	section $503(f)$ ;
19	"(ii) the maximum and minimum dol-
20	lar amounts for qualifying contributions
21	under section 512(d);
22	"(iii) the number and value of quali-
23	fying contributions a candidate is required
24	to obtain under section 512(a) to be eligi-

1	ble for certification as a participating can-
2	didate;
3	"(iv) the amount of allocations that
4	candidates may receive under section 502;
5	"(v) the maximum amount of pay-
6	ments a candidate may receive under sec-
7	tion 503;
8	"(vi) the overall satisfaction of partici-
9	pating candidates and the American public
10	with the program; and
11	"(vii) such other matters relating to
12	financing of House of Representatives
13	campaigns as the Board determines are
14	appropriate.
15	"(B) CRITERIA FOR REVIEW.—In con-
16	ducting the review under subparagraph (A), the
17	Board shall consider the following:
18	"(i) QUALIFYING CONTRIBUTIONS
19	AND QUALIFIED SMALL DOLLAR CON-
20	TRIBUTIONS.—The Board shall consider
21	whether the number and dollar amount of
22	qualifying contributions required and max-
23	imum dollar amount for such qualifying
24	contributions and qualified small dollar
25	contributions strikes a balance regarding

1	the importance of voter involvement, the
2	need to assure adequate incentives for par-
3	ticipating, and fiscal responsibility, taking
4	into consideration the number of primary
5	and general election participating can-
6	didates, the electoral performance of those
7	candidates, program cost, and any other
8	information the Board determines is ap-
9	propriate.
10	"(ii) Review of program bene-
11	FITS.—The Board shall consider whether
12	the totality of the amount of funds allowed
13	to be raised by participating candidates
14	(including through qualifying contributions
15	and small dollar contributions), allocations
16	under section 502, and payments under
17	section 503 are sufficient for voters in each
18	State to learn about the candidates to cast
19	an informed vote, taking into account the
20	historic amount of spending by winning
21	candidates, media costs, primary election
22	dates, and any other information the
23	Board determines is appropriate.
24	"(C) Adjustment of amounts.—

1	"(i) IN GENERAL.—Based on the re-
2	view conducted under subparagraph (A),
3	the Board shall provide for the adjust-
4	ments of the following amounts:
5	"(I) the maximum dollar amount
6	of qualified small dollar contributions
7	under section 503(f);
8	"(II) the maximum and min-
9	imum dollar amounts for qualifying
10	contributions under section 512(d);
11	"(III) the number and value of
12	qualifying contributions a candidate is
13	required to obtain under section
14	512(a) to be eligible for certification
15	as a participating candidate;
16	"(IV) the base amount for can-
17	didates under section 502(b); and
18	"(V) the maximum amount of
19	matching contributions a candidate
20	may receive under section 503(b).
21	"(ii) Regulations.—The Commis-
22	sion shall promulgate regulations providing
23	for the adjustments made by the Board
24	under clause (i).

"(D) REPORT.—Not later than March 30 1 2 following any general election for Federal office, 3 the Board shall submit a report to Congress on 4 the review conducted under paragraph (1). 5 Such report shall contain a detailed statement 6 of the findings, conclusions, and recommenda-7 tions of the Board based on such review. "(d) MEETINGS AND HEARINGS.— 8 9 "(1) MEETINGS.—The Board may hold such 10 hearings, sit and act at such times and places, take 11 such testimony, and receive such evidence as the 12 Board considers advisable to carry out the purposes 13 of this Act. 14 "(2) QUORUM.—Three members of the Board 15 shall constitute a quorum for purposes of voting, but 16 a quorum is not required for members to meet and 17 hold hearings. 18 "(e) REPORTS.—Not later than March 30, 2012, and 19 every 2 years thereafter, the Board shall submit to the 20 Committee on House Administration of the House of Rep-21 resentatives a report documenting, evaluating, and making 22 recommendations relating to the administrative implemen-23 tation and enforcement of the provisions of this title. 24 "(f) ADMINISTRATION.—

25 "(1) Compensation of members.—

"(A) IN GENERAL.—Each member, other 1 2 than the Chairperson, shall be paid at a rate 3 equal to the daily equivalent of the minimum 4 annual rate of basic pay prescribed for level IV 5 of the Executive Schedule under section 5315 6 of title 5, United States Code. 7 "(B) CHAIRPERSON.—The Chairperson 8 shall be paid at a rate equal to the daily equiva-9 lent of the minimum annual rate of basic pay 10 prescribed for level III of the Executive Sched-11 ule under section 5314 of title 5, United States 12 Code. 13 "(2) Personnel.— 14 "(A) DIRECTOR.—The Board shall have a 15 staff headed by an Executive Director. The Ex-16 ecutive Director shall be paid at a rate equiva-17 lent to a rate established for the Senior Execu-18 tive Service under section 5382 of title 5, 19 United States Code. 20 "(B) STAFF APPOINTMENT.—With the ap-21 proval of the Chairperson, the Executive Director may appoint such personnel as the Execu-22 23 tive Director and the Board determines to be

24 appropriate.

1	"(C) EXPERTS AND CONSULTANTS.—With
2	the approval of the Chairperson, the Executive
3	Director may procure temporary and intermit-
4	tent services under section 3109(b) of title 5,
5	United States Code.
6	"(D) DETAIL OF GOVERNMENT EMPLOY-
7	EES.—Upon the request of the Chairperson, the
8	head of any Federal agency may detail, without
9	reimbursement, any of the personnel of such
10	agency to the Board to assist in carrying out
11	the duties of the Board. Any such detail shall
12	not interrupt or otherwise affect the civil service
13	status or privileges of the Federal employee.
14	"(E) OTHER RESOURCES.—The Board
15	shall have reasonable access to materials, re-
16	sources, statistical data, and other information
17	from the Library of Congress and other agen-
18	cies of the executive and legislative branches of
19	the Federal Government. The Chairperson of
20	the Board shall make requests for such access
21	in writing when necessary.
22	"(g) Authorization of Appropriations.—There
23	are authorized to be appropriated such sums as are nec-

essary to carry out the purposes of this subtitle.

1	<b>"SEC. 533. ADMINISTRATION BY COMMISSION.</b>
2	"The Commission shall prescribe regulations to carry
3	out the purposes of this title, including regulations—
4	"(1) to establish procedures for—
5	"(A) verifying the amount of valid quali-
6	fying contributions with respect to a candidate;
7	"(B) effectively and efficiently monitoring
8	and enforcing the limits on the raising of quali-
9	fied small dollar contributions;
10	"(C) effectively and efficiently monitoring
11	and enforcing the limits on the use of personal
12	funds by participating candidates; and
13	"(D) monitoring the use of allocations
14	from the Fair Elections Fund established under
15	section 531 and matching contributions under
16	this title through audits of not fewer than $\frac{1}{3}$ of
17	all participating candidates or other mecha-
18	nisms; and
19	((2)) regarding the conduct of debates in a man-
20	ner consistent with the best practices of States that
21	provide public financing for elections.
22	<b>"SEC. 534. VIOLATIONS AND PENALTIES.</b>
23	"(a) Civil Penalty for Violation of Contribu-
24	TION AND EXPENDITURE REQUIREMENTS.—If a can-
25	didate who has been certified as a participating candidate
26	accepts a contribution or makes an expenditure that is
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prohibited under section 521, the Commission shall assess
 a civil penalty against the candidate in an amount that
 is not more than 3 times the amount of the contribution
 or expenditure. Any amounts collected under this sub section shall be deposited into the Fair Elections Fund
 established under section 531.

7 "(b) REPAYMENT FOR IMPROPER USE OF FAIR8 ELECTIONS FUND.—

9 "(1) IN GENERAL.—If the Commission deter-10 mines that any benefit made available to a partici-11 pating candidate was not used as provided for in 12 this title or that a participating candidate has vio-13 lated any of the dates for remission of funds con-14 tained in this title, the Commission shall so notify 15 the candidate and the candidate shall pay to the 16 Fund an amount equal to—

- 17 "(A) the amount of benefits so used or not18 remitted, as appropriate; and
- 19 "(B) interest on any such amounts (at a20 rate determined by the Commission).

21 "(2) OTHER ACTION NOT PRECLUDED.—Any
22 action by the Commission in accordance with this
23 subsection shall not preclude enforcement pro24 ceedings by the Commission in accordance with sec25 tion 309(a), including a referral by the Commission

to the Attorney General in the case of an apparent
 knowing and willful violation of this title.

# 3 "SEC. 535. ELECTION CYCLE DEFINED.

"In this title, the term 'election cycle' means, with 4 5 respect to an election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, 6 7 the period beginning on the day after the date of the most 8 recent general election for that office (or, if the general 9 election resulted in a runoff election, the date of the runoff 10 election) and ending on the date of the next general election for that office (or, if the general election resulted in 11 12 a runoff election, the date of the runoff election).".

# 13 SEC. 102. TRANSFER OF PORTION OF CIVIL MONEY PEN14 ALTIES INTO FAIR ELECTIONS FUND.

15 Section 309(a) of the Federal Election Campaign Act
16 of 1971 (2 U.S.C. 437g(a)) is amended by adding at the
17 end the following new paragraph:

18 "(13) Upon receipt in the General Fund of the Treas-19 ury of any payment attributable to a civil money penalty 20 imposed under this subsection, there shall be transferred 21 to the Fair Elections Fund established under section 531 22 an amount equal to 50 percent of the amount of such pay-23 ment.".

# 1SEC. 103. PROHIBITING USE OF CONTRIBUTIONS BY PAR-2TICIPATING CANDIDATES FOR PURPOSES3OTHER THAN CAMPAIGN FOR ELECTION.

4 Section 313 of the Federal Election Campaign Act
5 of 1971 (2 U.S.C. 439a) is amended by adding at the end
6 the following new subsection:

7 "(d) RESTRICTIONS ON PERMITTED USES OF FUNDS BY CANDIDATES RECEIVING FAIR ELECTIONS FINANC-8 9 ING.—Notwithstanding paragraphs (2), (3), or (4) of subsection (a), if a candidate for election for the office of Rep-10 11 resentative in, or Delegate or Resident Commissioner to, the Congress is certified as a participating candidate 12 13 under title V with respect to the election, any contribution 14 which the candidate is permitted to accept under such title may be used only for authorized expenditures in connec-15 16 tion with the candidate's campaign for such office.".

# 17 SEC. 104. PROHIBITION ON JOINT FUNDRAISING COMMIT18 TEES.

Section 302(e) of the Federal Election Campaign Act
of 1971 (2 U.S.C. 432(e)) is amended by adding at the
end the following new paragraph:

"(6) No authorized committee of a candidate
may establish a joint fundraising committee with a
political committee other than an authorized committee of a candidate.".

1	SEC. 105. TREATMENT OF COORDINATED EXPENDITURES
2	BY POLITICAL PARTY COMMITTEES ON BE-
3	HALF OF PARTICIPATING CANDIDATES.
4	(a) REVISION OF LIMITATIONS.—Section 315(d)(3)
5	of the Federal Election Campaign Act of 1971 (2 U.S.C.
6	441a(d)) is amended—
7	(1) by redesignating subparagraphs (A) and
8	(B) as subparagraphs (B) and (C), respectively; and
9	(2) by inserting before subparagraph (B), as re-
10	designated by paragraph (1), the following new sub-
11	paragraph:
12	"(A) in the case of a candidate for election
13	to the office of Representative in, or Delegate
14	or Resident Commissioner to, the Congress who
15	is certified as a participating candidate under
16	title V, the lesser of—
17	"(i) 10 percent of the allocation that
18	the participating candidate is eligible to re-
19	ceive for the general election under section
20	502(a); or
21	"(ii) the amount which would (but for
22	this subparagraph) apply with respect to
23	such candidate under subparagraph (B);".
24	(b) Conforming Amendment.—Section 315(d)(3)
25	of such Act (2 U.S.C. 441a(d)(3)) is amended—

(1) in subparagraph (B) (as redesignated by
 subsection (a)), by inserting "who is not certified as
 a participating candidate under title V" after "only
 one Representative"; and

5 (2) in subparagraph (C) (as redesignated by
6 subsection (a)), by inserting "who is not certified as
7 a participating candidate under title V" after "any
8 other State".

# 9 TITLE II—RESPONSIBILITIES OF 10 THE FEDERAL ELECTION 11 COMMISSION

# 12 SEC. 201. PETITION FOR CERTIORARI.

Section 307(a)(6) of the Federal Election Campaign
Act of 1971 (2 U.S.C. 437d(a)(6)) is amended by inserting "(including a proceeding before the Supreme Court on
certiorari)" after "appeal".

# 17 SEC. 202. FILING BY ALL CANDIDATES WITH COMMISSION.

Section 302(g) of the Federal Election Campaign Act
of 1971 (2 U.S.C. 432(g)) is amended to read as follows:
"(g) FILING WITH THE COMMISSION.—All designations, statements, and reports required to be
filed under this Act shall be filed with the Commission.".

## 1 SEC. 203. ELECTRONIC FILING OF FEC REPORTS.

2 Section 304(a)(11) of the Federal Election Campaign
3 Act of 1971 (2 U.S.C. 434(a)(11)) is amended—

4 (1) in subparagraph (A), by striking "under 5 this Act—" and all that follows and inserting 6 "under this Act shall be required to maintain and 7 file such designation, statement, or report in elec-8 tronic form accessible by computers.";

9 (2) in subparagraph (B), by striking "48
10 hours" and all that follows through "filed electroni11 cally)" and inserting "24 hours"; and

(3) by striking subparagraph (D).

# 13 TITLE III—MISCELLANEOUS 14 PROVISIONS

## 15 SEC. 301. SEVERABILITY.

12

16 If any provision of this Act or amendment made by 17 this Act, or the application of a provision or amendment 18 to any person or circumstance, is held to be unconstitu-19 tional, the remainder of this Act and amendments made 20 by this Act, and the application of the provisions and 21 amendment to any person or circumstance, shall not be 22 affected by the holding.

# 1 SEC. 302. EFFECTIVE DATE.

2 Except as otherwise provided for in this Act, this Act3 and the amendments made by this Act shall take effect4 on January 1, 2012.