

115TH CONGRESS
2D SESSION

H. R. 6239

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, Super PACs and other entities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2018

Mr. CICILLINE (for himself, Mr. BEYER, Mr. BRENDAN F. BOYLE of Pennsylvania, Mr. BLUMENAUER, Ms. BROWNLEY of California, Mr. CAPUANO, Mr. CARBAJAL, Mr. CARSON of Indiana, Ms. CASTOR of Florida, Mr. COHEN, Mr. CONNOLLY, Mr. CRIST, Mr. CUMMINGS, Mrs. DAVIS of California, Mr. DEFazio, Ms. DEGETTE, Ms. DELBENE, Mr. DESAULNIER, Mr. DEUTCH, Mr. ESPAILLAT, Ms. ESTY of Connecticut, Mr. EVANS, Ms. FRANKEL of Florida, Mr. GENE GREEN of Texas, Mr. GUTIÉRREZ, Mr. HASTINGS, Mr. HIMES, Mr. HUFFMAN, Ms. KAPTUR, Mr. KHANNA, Mr. KIHUEN, Mr. TED LIEU of California, Mr. LYNCH, Mrs. LOWEY, Mr. BEN RAY LUJÁN of New Mexico, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Ms. JACKSON LEE, Mr. LANGEVIN, Mr. LARSON of Connecticut, Mrs. LAWRENCE, Ms. JAYAPAL, Mr. JEFFRIES, Ms. MATSUI, Mr. SEAN PATRICK MALONEY of New York, Mr. MCGOVERN, Ms. MENG, Mr. MEEKS, Mr. NADLER, Ms. NORTON, Mr. NORCROSS, Mr. O'HALLERAN, Mr. PALLONE, Mr. PANETTA, Mr. PERLMUTTER, Ms. PINGREE, Mr. POCAN, Mr. PRICE of North Carolina, Mr. RASKIN, Miss RICE of New York, Mr. RICHMOND, Mr. RYAN of Ohio, Mr. SARBANES, Ms. SCHAKOWSKY, Ms. SHEA-PORTER, Mr. SIRES, Mr. SOTO, Ms. SPEIER, Mr. SWALWELL of California, Mr. TAKANO, Mr. THOMPSON of California, Mr. TONKO, Ms. VELÁZQUEZ, Ms. WASSERMAN SCHULTZ, Mrs. WATSON COLEMAN, Mr. WELCH, Ms. WILSON of Florida, Mr. YARMUTH, Ms. BONAMICI, Mr. NEAL, Ms. MAXINE WATERS of California, Ms. SEWELL of Alabama, Mr. MCNERNEY, Mr. SCHIFF, Mr. HECK, Mrs. NAPOLITANO, Ms. BARRAGÁN, Ms. MCCOLLUM, Ms. CLARK of Massachusetts, Mrs. BUSTOS, Mr. CLYBURN, Ms. DELAURO, Ms. ESHOO, Mr. GRIJALVA, Mr. HIGGINS of New York, Mr. KILMER, Mrs. CAROLYN B. MALONEY of New York, Mr. QUIGLEY, Mr. POLIS, Mr. VARGAS, Mrs. DEMINGS, Mr. BERA, Mr. GOMEZ, Mr. KENNEDY, Mr. WALZ, Mr. LOWENTHAL, Mr. SCHNEIDER, Ms. HANABUSA, Ms. ROSEN, Ms. ADAMS, Mr. BROWN of Maryland, Ms. BASS, Mr. CLEAVER, Mr. COOPER, Mr. GOTTHEIMER, Mr. HOYER, Mr. KIND, Mr. LAMB, Mr. LEWIS of Georgia, Mr. MOULTON, Mrs. MURPHY of Florida, Mr. PETERSON, Ms. SÁNCHEZ, Mr. SUOZZI,

Mr. VEASEY, Mr. AGUILAR, Mr. CÁRDENAS, Mr. ENGEL, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. KEATING, Ms. KUSTER of New Hampshire, Mr. LARSEN of Washington, Ms. LEE, Mr. LEVIN, Mr. PETERS, Mr. SERRANO, Mrs. TORRES, Ms. PELOSI, Mr. AL GREEN of Texas, Mr. GARAMENDI, Mr. ELLISON, Ms. BLUNT ROCHESTER, Ms. CLARKE of New York, Ms. MOORE, Mr. RUIZ, Mr. NOLAN, Mrs. DINGELL, Mr. LOEBSACK, Ms. JUDY CHU of California, Mr. KILDEE, Mr. O’ROURKE, Mr. MCEACHIN, Mr. DELANEY, Ms. GABBARD, Mr. CASTRO of Texas, Ms. KELLY of Illinois, Mr. KRISHNAMOORTHY, Mr. LAWSON of Florida, Ms. LOFGREN, Mr. SHERMAN, and Mr. CORREA) introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committees on Ways and Means, Financial Services, and Oversight and Government Reform, 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

A BILL

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, Super PACs and other entities, 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 “Democracy Is Strengthened by Casting Light On Spend-
 6 ing in Elections Act of 2018” or the “DISCLOSE Act
 7 of 2018”.

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

Sec. 1. Short title; table of contents.

TITLE I—REGULATION OF CERTAIN POLITICAL SPENDING

Sec. 101. Application of ban on contributions and expenditures by foreign nationals to domestic corporations that are foreign-controlled, foreign-influenced, and foreign-owned.

Sec. 102. Clarification of application of foreign money ban to certain disbursements and activities.

TITLE II—CAMPAIGN DISBURSEMENT REPORTING

Sec. 201. Campaign disbursement reporting.

Sec. 202. Effective date.

TITLE III—STAND BY YOUR AD

Sec. 301. Stand By Your Ad.

TITLE IV—USE OF FUNDS

Sec. 401. Repeal of restrictions on use of certain funds.

TITLE V—OTHER PROVISIONS

Sec. 501. Severability.

TITLE I—REGULATION OF CERTAIN POLITICAL SPENDING

SEC. 101. APPLICATION OF BAN ON CONTRIBUTIONS AND EXPENDITURES BY FOREIGN NATIONALS TO DOMESTIC CORPORATIONS THAT ARE FOR- EIGN-CONTROLLED, FOREIGN-INFLUENCED, AND FOREIGN-OWNED.

(a) APPLICATION OF BAN.—Section 319(b) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30121(b)) is amended—

(1) by striking “or” at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

1 “(3) any corporation which is not a foreign na-
2 tional described in paragraph (1) and—

3 “(A) in which a foreign national described
4 in paragraph (1) or (2) directly or indirectly
5 owns or controls—

6 “(i) 5 percent or more of the voting
7 shares, if the foreign national is a foreign
8 country, a foreign government official, or a
9 corporation principally owned or controlled
10 by a foreign country or foreign government
11 official; or

12 “(ii) 20 percent or more of the voting
13 shares, if the foreign national is not de-
14 scribed in clause (i);

15 “(B) in which two or more foreign nation-
16 als described in paragraph (1) or (2), each of
17 whom owns or controls at least 5 percent of the
18 voting shares, directly or indirectly own or con-
19 trol 50 percent or more of the voting shares;

20 “(C) over which one or more foreign na-
21 tionals described in paragraph (1) or (2) has
22 the power to direct, dictate, or control the deci-
23 sionmaking process of the corporation with re-
24 spect to its interests in the United States; or

1 “(D) over which one or more foreign na-
2 tionals described in paragraph (1) or (2) has
3 the power to direct, dictate, or control the deci-
4 sionmaking process of the corporation with re-
5 spect to activities in connection with a Federal,
6 State, or local election, including—

7 “(i) the making of a contribution, do-
8 nation, expenditure, independent expendi-
9 ture, or disbursement for an electioneering
10 communication (within the meaning of sec-
11 tion 304(f)(3)); or

12 “(ii) the administration of a political
13 committee established or maintained by the
14 corporation.”.

15 (b) CERTIFICATION OF COMPLIANCE.—Section 319
16 of such Act (52 U.S.C. 30121) is amended by adding at
17 the end the following new subsection:

18 “(c) CERTIFICATION OF COMPLIANCE REQUIRED
19 PRIOR TO CARRYING OUT ACTIVITY.—Prior to the mak-
20 ing in connection with an election for Federal office of any
21 contribution, donation, expenditure, independent expendi-
22 ture, or disbursement for an electioneering communication
23 by a corporation during a year, the chief executive officer
24 of the corporation (or, if the corporation does not have
25 a chief executive officer, the highest ranking official of the

1 corporation), shall file a certification with the Commission,
 2 under penalty of perjury, that the corporation is not pro-
 3 hibited from carrying out such activity under subsection
 4 (b)(3), unless the chief executive officer has previously
 5 filed such a certification during that calendar year.”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall take effect upon the expiration of the
 8 180-day period which begins on the date of the enactment
 9 of this Act, and shall take effect without regard to whether
 10 or not the Federal Election Commission has promulgated
 11 regulations to carry out such amendments.

12 **SEC. 102. CLARIFICATION OF APPLICATION OF FOREIGN**
 13 **MONEY BAN TO CERTAIN DISBURSEMENTS**
 14 **AND ACTIVITIES.**

15 (a) APPLICATION TO DISBURSEMENTS TO SUPER
 16 PACs.—Section 319(a)(1)(A) of the Federal Election
 17 Campaign Act of 1971 (52 U.S.C. 30121(a)(1)(A)) is
 18 amended by striking the semicolon and inserting the fol-
 19 lowing: “, including any disbursement to a political com-
 20 mittee which accepts donations or contributions that do
 21 not comply with the limitations, prohibitions, and report-
 22 ing requirements of this Act (or any disbursement to or
 23 on behalf of any account of a political committee which
 24 is established for the purpose of accepting such donations
 25 or contributions);”.

1 (b) CONDITIONS UNDER WHICH CORPORATE PACS
2 MAY MAKE CONTRIBUTIONS AND EXPENDITURES.—Sec-
3 tion 316(b) of such Act (52 U.S.C. 30118(b)) is amended
4 by adding at the end the following new paragraph:

5 “(8) A separate segregated fund established by a cor-
6 poration may not make a contribution or expenditure dur-
7 ing a year unless the fund has certified to the Commission
8 the following during the year:

9 “(A) Each individual who manages the fund,
10 and who is responsible for exercising decisionmaking
11 authority for the fund, is a citizen of the United
12 States or is lawfully admitted for permanent resi-
13 dence in the United States.

14 “(B) No foreign national under section 319
15 participates in any way in the decisionmaking proc-
16 esses of the fund with regard to contributions or ex-
17 penditures under this Act.

18 “(C) The fund does not solicit or accept rec-
19 ommendations from any foreign national under sec-
20 tion 319 with respect to the contributions or expend-
21 itures made by the fund.

22 “(D) Any member of the board of directors of
23 the corporation who is a foreign national under sec-
24 tion 319 abstains from voting on matters concerning
25 the fund or its activities.”.

TITLE II—CAMPAIGN DISBURSEMENT REPORTING

SEC. 201. CAMPAIGN DISBURSEMENT REPORTING.

(a) INFORMATION REQUIRED TO BE REPORTED.—

(1) TREATMENT OF FUNCTIONAL EQUIVALENT OF EXPRESS ADVOCACY AS INDEPENDENT EXPENDITURE.—Subparagraph (A) of section 301(17) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101(17)) is amended to read as follows:

“(A) that expressly advocates the election or defeat of a clearly identified candidate, or is the functional equivalent of express advocacy because, when taken as a whole, it can be interpreted by a reasonable person only as advocating the election or defeat of a candidate, taking into account whether the communication involved mentions a candidacy, a political party, or a challenger to a candidate, or takes a position on a candidate’s character, qualifications, or fitness for office; and”.

(2) EXPANSION OF PERIOD DURING WHICH COMMUNICATIONS ARE TREATED AS ELECTIONEERING COMMUNICATIONS.—Section 304(f)(3)(A)(i) of such Act (52 U.S.C. 30104(f)(3)(A)(i)) is amended—

1 (A) by redesignating subclause (III) as
2 subclause (IV); and

3 (B) by striking subclause (II) and insert-
4 ing the following:

5 “(II) in the case of a communica-
6 tion which refers to a candidate for an
7 office other than the President or Vice
8 President, is made during the period
9 beginning on January 1 of the cal-
10 endar year in which a general or run-
11 off election is held and ending on the
12 date of the general or runoff election
13 (or in the case of a special election,
14 during the period beginning on the
15 date on which the announcement with
16 respect to such election is made and
17 ending on the date of the special elec-
18 tion);

19 “(III) in the case of a commu-
20 nication which refers to a candidate
21 for the office of President or Vice
22 President, is made in any State dur-
23 ing the period beginning 120 days be-
24 fore the first primary election, caucus,
25 or preference election held for the se-

1 lection of delegates to a national
2 nominating convention of a political
3 party is held in any State (or, if no
4 such election or caucus is held in any
5 State, the first convention or caucus
6 of a political party which has the au-
7 thority to nominate a candidate for
8 the office of President or Vice Presi-
9 dent) and ending on the date of the
10 general election; and”.

11 (3) EFFECTIVE DATE; TRANSITION FOR ELEC-
12 TIONEERING COMMUNICATIONS MADE PRIOR TO EN-
13 ACTMENT.—The amendment made by paragraph (2)
14 shall apply with respect to communications made on
15 or after January 1, 2019, except that no commu-
16 nication which is made prior to such date shall be
17 treated as an electioneering communication under
18 subclause (II) or (III) of section 304(f)(3)(A)(i) of
19 the Federal Election Campaign Act of 1971 (as
20 amended by paragraph (2)) unless the communica-
21 tion would be treated as an electioneering commu-
22 nication under such section if the amendment made
23 by paragraph (2) did not apply.

1 (b) DISCLOSURE REQUIREMENTS FOR CORPORA-
2 TIONS, LABOR ORGANIZATIONS, AND CERTAIN OTHER
3 ENTITIES.—

4 (1) IN GENERAL.—Section 324 of the Federal
5 Election Campaign Act of 1971 (52 U.S.C. 30126)
6 is amended to read as follows:

7 **“SEC. 324. DISCLOSURE OF CAMPAIGN-RELATED DISBURSE-**
8 **MENTS BY COVERED ORGANIZATIONS.**

9 “(a) DISCLOSURE STATEMENT.—

10 “(1) IN GENERAL.—Any covered organization
11 that makes campaign-related disbursements aggre-
12 gating more than \$10,000 in an election reporting
13 cycle shall, not later than 24 hours after each disclo-
14 sure date, file a statement with the Commission
15 made under penalty of perjury that contains the in-
16 formation described in paragraph (2)—

17 “(A) in the case of the first statement filed
18 under this subsection, for the period beginning
19 on the first day of the election reporting cycle
20 and ending on the first such disclosure date;
21 and

22 “(B) in the case of any subsequent state-
23 ment filed under this subsection, for the period
24 beginning on the previous disclosure date and
25 ending on such disclosure date.

1 “(2) INFORMATION DESCRIBED.—The informa-
2 tion described in this paragraph is as follows:

3 “(A) The name of the covered organization
4 and the principal place of business of such or-
5 ganization and, in the case of a covered organi-
6 zation that is a corporation (other than a busi-
7 ness concern that is an issuer of a class of secu-
8 rities registered under section 12 of the Securi-
9 ties Exchange Act of 1934 (15 U.S.C. 78l) or
10 that is required to file reports under section
11 15(d) of that Act (15 U.S.C. 78o(d))) or an en-
12 tity described in subsection (e)(2), a list of the
13 beneficial owners (as defined in paragraph
14 (4)(A)) of the entity that—

15 “(i) identifies each beneficial owner by
16 name and current residential or business
17 street address; and

18 “(ii) if any beneficial owner exercises
19 control over the entity through another
20 legal entity, such as a corporation, partner-
21 ship, limited liability company, or trust,
22 identifies each such other legal entity and
23 each such beneficial owner who will use
24 that other entity to exercise control over
25 the entity.

1 “(B) The amount of each campaign-related
2 disbursement made by such organization during
3 the period covered by the statement of more
4 than \$1,000, and the name and address of the
5 person to whom the disbursement was made.

6 “(C) In the case of a campaign-related dis-
7 bursement that is not a covered transfer, the
8 election to which the campaign-related disburse-
9 ment pertains and if the disbursement is made
10 for a public communication, the name of any
11 candidate identified in such communication and
12 whether such communication is in support of or
13 in opposition to a candidate.

14 “(D) A certification by the chief executive
15 officer or person who is the head of the covered
16 organization that the campaign-related dis-
17 bursement is not made in cooperation, consulta-
18 tion, or concert with or at the request or sug-
19 gestion of a candidate, authorized committee, or
20 agent of a candidate, political party, or agent of
21 a political party.

22 “(E) If the covered organization makes
23 campaign-related disbursements using exclu-
24 sively funds in a segregated bank account con-
25 sisting of funds that were paid directly to such

1 account by persons other than the covered orga-
2 nization that controls the account, for each
3 such payment to the account—

4 “(i) the name and address of each
5 person who made such payment during the
6 period covered by the statement;

7 “(ii) the date and amount of such
8 payment; and

9 “(iii) the aggregate amount of all such
10 payments made by the person during the
11 period beginning on the first day of the
12 election reporting cycle and ending on the
13 disclosure date,

14 but only if such payment was made by a person
15 who made payments to the account in an aggre-
16 gate amount of \$10,000 or more during the pe-
17 riod beginning on the first day of the election
18 reporting cycle and ending on the disclosure
19 date.

20 “(F) If the covered organization makes
21 campaign-related disbursements using funds
22 other than funds in a segregated bank account
23 described in subparagraph (E), for each pay-
24 ment to the covered organization—

1 “(i) the name and address of each
2 person who made such payment during the
3 period covered by the statement;

4 “(ii) the date and amount of such
5 payment; and

6 “(iii) the aggregate amount of all such
7 payments made by the person during the
8 period beginning on the first day of the
9 election reporting cycle and ending on the
10 disclosure date,

11 but only if such payment was made by a person
12 who made payments to the covered organization
13 in an aggregate amount of \$10,000 or more
14 during the period beginning on the first day of
15 the election reporting cycle and ending on the
16 disclosure date.

17 “(G) Such other information as required in
18 rules established by the Commission to promote
19 the purposes of this section.

20 “(3) EXCEPTIONS.—

21 “(A) AMOUNTS RECEIVED IN ORDINARY
22 COURSE OF BUSINESS.—The requirement to in-
23 clude in a statement filed under paragraph (1)
24 the information described in paragraph (2)
25 shall not apply to amounts received by the cov-

1 ered organization in commercial transactions in
2 the ordinary course of any trade or business
3 conducted by the covered organization or in the
4 form of investments (other than investments by
5 the principal shareholder in a limited liability
6 corporation) in the covered organization.

7 “(B) DONOR RESTRICTION ON USE OF
8 FUNDS.—The requirement to include in a state-
9 ment submitted under paragraph (1) the infor-
10 mation described in subparagraph (F) of para-
11 graph (2) shall not apply if—

12 “(i) the person described in such sub-
13 paragraph prohibited, in writing, the use of
14 the payment made by such person for cam-
15 paign-related disbursements; and

16 “(ii) the covered organization agreed
17 to follow the prohibition and deposited the
18 payment in an account which is segregated
19 from any account used to make campaign-
20 related disbursements.

21 “(C) AMOUNTS RECEIVED FROM AFFILI-
22 ATES.—The requirement to include in a state-
23 ment submitted under paragraph (1) the infor-
24 mation described in subparagraph (F) of para-

1 graph (2) shall not apply to any amount which
2 is described in subsection (f)(3)(A)(i).

3 “(4) OTHER DEFINITIONS.—For purposes of
4 this section:

5 “(A) BENEFICIAL OWNER DEFINED.—

6 “(i) IN GENERAL.—Except as pro-
7 vided in clause (ii), the term ‘beneficial
8 owner’ means, with respect to any entity,
9 a natural person who, directly or indi-
10 rectly—

11 “(I) exercises substantial control
12 over an entity through ownership, vot-
13 ing rights, agreement, or otherwise; or

14 “(II) has a substantial interest in
15 or receives substantial economic bene-
16 fits from the assets of an entity.

17 “(ii) EXCEPTIONS.—The term ‘bene-
18 ficial owner’ shall not include—

19 “(I) a minor child;

20 “(II) a person acting as a nomi-
21 nee, intermediary, custodian, or agent
22 on behalf of another person;

23 “(III) a person acting solely as
24 an employee of an entity and whose
25 control over or economic benefits from

1 the entity derives solely from the em-
2 ployment status of the person;

3 “(IV) a person whose only inter-
4 est in an entity is through a right of
5 inheritance, unless the person also
6 meets the requirements of clause (i);
7 or

8 “(V) a creditor of an entity, un-
9 less the creditor also meets the re-
10 quirements of clause (i).

11 “(iii) ANTI-ABUSE RULE.—The excep-
12 tions under clause (ii) shall not apply if
13 used for the purpose of evading, circum-
14 venting, or abusing the provisions of clause
15 (i) or paragraph (2)(A).

16 “(B) DISCLOSURE DATE.—The term ‘dis-
17 closure date’ means—

18 “(i) the first date during any election
19 reporting cycle by which a person has
20 made campaign-related disbursements ag-
21 gregating more than \$10,000; and

22 “(ii) any other date during such elec-
23 tion reporting cycle by which a person has
24 made campaign-related disbursements ag-
25 gregating more than \$10,000 since the

1 most recent disclosure date for such elec-
2 tion reporting cycle.

3 “(C) ELECTION REPORTING CYCLE.—The
4 term ‘election reporting cycle’ means the 2-year
5 period beginning on the date of the most recent
6 general election for Federal office.

7 “(D) PAYMENT.—The term ‘payment’ in-
8 cludes any contribution, donation, transfer, pay-
9 ment of dues, or other payment.

10 “(b) COORDINATION WITH OTHER PROVISIONS.—

11 “(1) OTHER REPORTS FILED WITH THE COM-
12 MISSION.—Information included in a statement filed
13 under this section may be excluded from statements
14 and reports filed under section 304.

15 “(2) TREATMENT AS SEPARATE SEGREGATED
16 FUND.—A segregated bank account referred to in
17 subsection (a)(2)(E) may be treated as a separate
18 segregated fund for purposes of section 527(f)(3) of
19 the Internal Revenue Code of 1986.

20 “(c) FILING.—Statements required to be filed under
21 subsection (a) shall be subject to the requirements of sec-
22 tion 304(d) to the same extent and in the same manner
23 as if such reports had been required under subsection (c)
24 or (g) of section 304.

1 “(d) CAMPAIGN-RELATED DISBURSEMENT DE-
2 FINED.—

3 “(1) IN GENERAL.—In this section, the term
4 ‘campaign-related disbursement’ means a disburse-
5 ment by a covered organization for any of the fol-
6 lowing:

7 “(A) An independent expenditure con-
8 sisting of a public communication.

9 “(B) An electioneering communication, as
10 defined in section 304(f)(3).

11 “(C) A covered transfer.

12 “(2) INTENT NOT REQUIRED.—A disbursement
13 for an item described in subparagraph (A), (B), or
14 (C) of paragraph (1) shall be treated as a campaign-
15 related disbursement regardless of the intent of the
16 person making the disbursement.

17 “(e) COVERED ORGANIZATION DEFINED.—In this
18 section, the term ‘covered organization’ means any of the
19 following:

20 “(1) A corporation (other than an organization
21 described in section 501(c)(3) of the Internal Rev-
22 enue Code of 1986).

23 “(2) A limited liability corporation that is not
24 otherwise treated as a corporation for purposes of
25 this Act (other than an organization described in

1 section 501(c)(3) of the Internal Revenue Code of
2 1986).

3 “(3) An organization described in section
4 501(c) of such Code and exempt from taxation
5 under section 501(a) of such Code (other than an
6 organization described in section 501(c)(3) of such
7 Code).

8 “(4) A labor organization (as defined in section
9 316(b)).

10 “(5) Any political organization under section
11 527 of the Internal Revenue Code of 1986, other
12 than a political committee under this Act (except as
13 provided in paragraph (6)).

14 “(6) A political committee with an account that
15 accepts donations or contributions that do not com-
16 ply with the contribution limits or source prohibi-
17 tions under this Act, but only with respect to such
18 accounts.

19 “(f) COVERED TRANSFER DEFINED.—

20 “(1) IN GENERAL.—In this section, the term
21 ‘covered transfer’ means any transfer or payment of
22 funds by a covered organization to another person if
23 the covered organization—

24 “(A) designates, requests, or suggests that
25 the amounts be used for—

1 “(i) campaign-related disbursements
2 (other than covered transfers); or

3 “(ii) making a transfer to another
4 person for the purpose of making or pay-
5 ing for such campaign-related disburse-
6 ments;

7 “(B) made such transfer or payment in re-
8 sponse to a solicitation or other request for a
9 donation or payment for—

10 “(i) the making of or paying for cam-
11 paign-related disbursements (other than
12 covered transfers); or

13 “(ii) making a transfer to another
14 person for the purpose of making or pay-
15 ing for such campaign-related disburse-
16 ments;

17 “(C) engaged in discussions with the re-
18 cipient of the transfer or payment regarding—

19 “(i) the making of or paying for cam-
20 paign-related disbursements (other than
21 covered transfers); or

22 “(ii) donating or transferring any
23 amount of such transfer or payment to an-
24 other person for the purpose of making or

1 paying for such campaign-related disburse-
2 ments;

3 “(D) made campaign-related disburse-
4 ments (other than a covered transfer) in an ag-
5 gregate amount of \$50,000 or more during the
6 2-year period ending on the date of the transfer
7 or payment, or knew or had reason to know
8 that the person receiving the transfer or pay-
9 ment made such disbursements in such an ag-
10 gregate amount during that 2-year period; or

11 “(E) knew or had reason to know that the
12 person receiving the transfer or payment would
13 make campaign-related disbursements in an ag-
14 gregate amount of \$50,000 or more during the
15 2-year period beginning on the date of the
16 transfer or payment.

17 “(2) EXCLUSIONS.—The term ‘covered transfer’
18 does not include any of the following:

19 “(A) A disbursement made by a covered
20 organization in a commercial transaction in the
21 ordinary course of any trade or business con-
22 ducted by the covered organization or in the
23 form of investments made by the covered orga-
24 nization.

“(B) A disbursement made by a covered organization if—

“(i) the covered organization prohibited, in writing, the use of such disbursement for campaign-related disbursements; and

“(ii) the recipient of the disbursement agreed to follow the prohibition and deposited the disbursement in an account which is segregated from any account used to make campaign-related disbursements.

“(3) EXCEPTION FOR CERTAIN TRANSFERS AMONG AFFILIATES.—

“(A) EXCEPTION FOR CERTAIN TRANSFERS AMONG AFFILIATES.—

“(i) IN GENERAL.—The term ‘covered transfer’ does not include an amount transferred by one covered organization to another covered organization if such transfer—

“(I) is not made directly into a separate segregated bank account described in subsection (a)(2)(E); and

1 “(II) is treated as a transfer be-
2 tween affiliates under subparagraph
3 (B).

4 “(ii) SPECIAL RULE.—If the aggre-
5 gate amount of transfers described in
6 clause (i) exceeds \$50,000 in any election
7 reporting cycle—

8 “(I) the covered organization
9 which makes such transfers shall pro-
10 vide to the covered organization re-
11 ceiving such transfers the information
12 required under subsection (a)(2)(F)
13 (applied by substituting ‘the period
14 beginning on the first day of the elec-
15 tion reporting cycle and ending on the
16 date of the most recent transfer de-
17 scribed in subsection (f)(3)(A)(i)’ for
18 ‘the period covered by the statement’
19 in clause (i) thereof); and

20 “(II) the covered organization re-
21 ceiving such transfers shall report the
22 information described in subclause (I)
23 on any statement filed under sub-
24 section (a)(1) as if any contribution,
25 donation, or transfer to which such

1 information relates was made directly
2 to the covered organization receiving
3 the transfer.

4 “(B) DESCRIPTION OF TRANSFERS BE-
5 TWEEN AFFILIATES.—A transfer of amounts
6 from one covered organization to another cov-
7 ered organization shall be treated as a transfer
8 between affiliates if—

9 “(i) one of the organizations is an af-
10 filiate of the other organization; or

11 “(ii) each of the organizations is an
12 affiliate of the same organization,

13 except that the transfer shall not be treated as
14 a transfer between affiliates if one of the orga-
15 nizations is established for the purpose of mak-
16 ing campaign-related disbursements.

17 “(C) DETERMINATION OF AFFILIATE STA-
18 TUS.—For purposes of this paragraph, the fol-
19 lowing organizations shall be considered to be
20 affiliated with each other:

21 “(i) A membership organization, in-
22 cluding a trade or professional association,
23 and the related State and local entities of
24 that organization.

1 “(ii) A national or international labor
 2 organization and its State or local unions,
 3 or an organization of national or inter-
 4 national unions and its State and local en-
 5 tities.

6 “(iii) A corporation and its wholly
 7 owned subsidiaries.

8 “(D) COVERAGE OF TRANSFERS TO AF-
 9 FILATED SECTION 501(c)(3) ORGANIZA-
 10 TIONS.—This paragraph shall apply with re-
 11 spect to an amount transferred by a covered or-
 12 ganization to an organization described in para-
 13 graph (3) of section 501(c) of the Internal Rev-
 14 enue Code of 1986 and exempt from tax under
 15 section 501(a) of such Code in the same man-
 16 ner as this paragraph applies to an amount
 17 transferred by a covered organization to an-
 18 other covered organization.”.

19 (2) CONFORMING AMENDMENT.—Section
 20 304(f)(6) of such Act (52 U.S.C. 30104) is amended
 21 by striking “Any requirement” and inserting “Ex-
 22 cept as provided in section 324(b), any require-
 23 ment”.

24 (3) COORDINATION WITH FINCEN.—

1 (A) IN GENERAL.—The Director of the Fi-
2 nancial Crimes Enforcement Network of the
3 Department of the Treasury shall provide the
4 Federal Election Commission with such infor-
5 mation as necessary to assist in administering
6 and enforcing section 324 of the Federal Elec-
7 tion Campaign Act of 1971, as added by this
8 subsection.

9 (B) REPORT.—Not later than 6 months
10 after the date of the enactment of this Act, the
11 Chairman of the Federal Election Commission,
12 in consultation with the Director of the Finan-
13 cial Crimes Enforcement Network of the De-
14 partment of the Treasury, shall submit to Con-
15 gress a report with recommendations for pro-
16 viding further legislative authority to assist in
17 the administration and enforcement of such sec-
18 tion 324.

19 **SEC. 202. EFFECTIVE DATE.**

20 Except as provided in section 201(a)(3), the amend-
21 ments made by this title shall apply with respect to dis-
22 bursements made on or after January 1, 2019, and shall
23 take effect without regard to whether or not the Federal
24 Election Commission has promulgated regulations to carry
25 out such amendments.

1 **TITLE III—STAND BY YOUR AD**

2 **SEC. 301. STAND BY YOUR AD.**

3 (a) DISCLAIMER REQUIREMENTS FOR CAMPAIGN-RE-
 4 LATED DISBURSEMENTS.—Section 318(a) of the Federal
 5 Election Campaign Act of 1971 (52 U.S.C. 30120(a)) is
 6 amended by striking “for the purpose of financing commu-
 7 nications expressly advocating the election or defeat of a
 8 clearly identified candidate” and inserting “for a cam-
 9 paign-related disbursement, as defined in section 324, con-
 10 sisting of a public communication”.

11 (b) STAND BY YOUR AD REQUIREMENTS.—

12 (1) MAINTENANCE OF REQUIREMENTS FOR PO-
 13 LITICAL PARTIES AND CERTAIN POLITICAL COMMIT-
 14 TEES.—Section 318(d)(2) of such Act (52 U.S.C.
 15 30120(d)(2)) is amended—

16 (A) in the heading, by striking “OTHERS”
 17 and inserting “CERTAIN POLITICAL COMMIT-
 18 TEES”;

19 (B) by striking “Any communication” and
 20 inserting “(A) Any communication”;

21 (C) by inserting “which (except to the ex-
 22 tent provided in the last sentence of this para-
 23 graph) is paid for by a political committee (in-
 24 cluding a political committee of a political
 25 party) and” after “subsection (a)”;

1 (D) by striking “or other person” each
 2 place it appears; and

3 (E) by adding at the end the following new
 4 subparagraph:

5 “(B) This paragraph does not apply to a com-
 6 munication paid for in whole or in part with a pay-
 7 ment which is treated as a campaign-related dis-
 8 bursement under section 324 and with respect to
 9 which a covered organization files a statement under
 10 such section.”.

11 (2) MODIFICATION OF ADDITIONAL REQUIRE-
 12 MENTS FOR CERTAIN COMMUNICATIONS.—Section
 13 318(d) of the Federal Election Campaign Act of
 14 1971 (52 U.S.C. 30120(d)) is amended—

15 (A) in paragraph (1)(A)—

16 (i) by striking “which is transmitted
 17 through radio” and inserting “which is in
 18 an audio format”; and

19 (ii) by striking “BY RADIO” in the
 20 heading and inserting “AUDIO FORMAT”;

21 (B) in paragraph (1)(B)—

22 (i) by striking “which is transmitted
 23 through television” and inserting “which is
 24 in video format”; and

1 (ii) by striking “BY TELEVISION” in
2 the heading and inserting “VIDEO FOR-
3 MAT”; and

4 (C) in paragraph (2)—

5 (i) by striking “transmitted through
6 radio or television” and inserting “made in
7 audio or video format”; and

8 (ii) by striking “through television” in
9 the second sentence and inserting “in video
10 format”.

11 (3) SPECIAL DISCLAIMER REQUIREMENTS FOR
12 CERTAIN COMMUNICATIONS.—Section 318 of such
13 Act (52 U.S.C. 30120) is amended by adding at the
14 end the following new subsection:

15 “(e) COMMUNICATIONS BY OTHERS.—

16 “(1) IN GENERAL.—Any communication de-
17 scribed in paragraph (3) of subsection (a) which is
18 transmitted in audio or video format (other than a
19 communication to which subsection (d)(2) applies)
20 shall include, in addition to the requirements of such
21 paragraph, the following:

22 “(A) The individual disclosure statement
23 described in paragraph (2)(A) (if the person
24 paying for the communication is an individual)
25 or the organizational disclosure statement de-

1 scribed in paragraph (2)(B) (if the person pay-
2 ing for the communication is not an individual).

3 “(B) If the communication is transmitted
4 in video format and is paid for in whole or in
5 part with a payment which is treated as a cam-
6 paign-related disbursement under section 324,
7 the Top Five Funders list (if applicable), un-
8 less, on the basis of criteria established in regu-
9 lations issued by the Commission, the commu-
10 nication is of such short duration that including
11 the Top Five Funders list in the communication
12 would constitute a hardship to the person pay-
13 ing for the communication by requiring a dis-
14 proportionate amount of the content of the
15 communication to consist of the Top Five
16 Funders list.

17 “(C) If the communication is transmitted
18 in audio format and is paid for in whole or in
19 part with a payment which is treated as a cam-
20 paign-related disbursement under section 324,
21 the Top Two Funders list (if applicable), un-
22 less, on the basis of criteria established in regu-
23 lations issued by the Commission, the commu-
24 nication is of such short duration that including
25 the Top Two Funders list in the communication

would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the content of the communication to consist of the Top Two Funders list.

“(2) DISCLOSURE STATEMENTS DESCRIBED.—

“(A) INDIVIDUAL DISCLOSURE STATEMENTS.—The individual disclosure statement described in this subparagraph is the following: ‘I am _____, and I approve this message.’, with the blank filled in with the name of the applicable individual.

“(B) ORGANIZATIONAL DISCLOSURE STATEMENTS.—The organizational disclosure statement described in this subparagraph is the following: ‘I am _____, the _____ of _____, and _____ approves this message.’, with—

“(i) the first blank to be filled in with the name of the applicable individual;

“(ii) the second blank to be filled in with the title of the applicable individual; and

1 “(iii) the third and fourth blank each
2 to be filled in with the name of the organi-
3 zation or other person paying for the com-
4 munication.

5 “(3) METHOD OF CONVEYANCE OF STATE-
6 MENT.—

7 “(A) COMMUNICATIONS IN AUDIO FOR-
8 MAT.—In the case of a communication to which
9 this subsection applies which is transmitted in
10 audio format, the disclosure statements re-
11 quired under paragraph (1) shall be made by
12 audio by the applicable individual in a clearly
13 spoken manner.

14 “(B) COMMUNICATIONS TRANSMITTED IN
15 VIDEO FORMAT.—In the case of a communica-
16 tion to which this subsection applies which is
17 transmitted in video format, the information re-
18 quired under paragraph (1)—

19 “(i) shall appear in writing at the end
20 of the communication or in a crawl along
21 the bottom of the communication in a
22 clearly readable manner, with a reasonable
23 degree of color contrast between the back-
24 ground and the printed statement, for a
25 period of at least 6 seconds; and

1 “(ii) shall also be conveyed by an
2 unobscured, full-screen view of the applica-
3 ble individual or by the applicable indi-
4 vidual making the statement in voice-over
5 accompanied by a clearly identifiable pho-
6 tograph or similar image of the individual,
7 except in the case of a Top Five Funders
8 list.

9 “(4) DEFINITIONS.—In this subsection:

10 “(A) APPLICABLE INDIVIDUAL.—The term
11 ‘applicable individual’ means, with respect to a
12 communication to which this subsection ap-
13 plies—

14 “(i) if the communication is paid for
15 by an individual, the individual involved;

16 “(ii) if the communication is paid for
17 by a corporation, the chief executive officer
18 of the corporation (or, if the corporation
19 does not have a chief executive officer, the
20 highest ranking official of the corporation);
21 and

22 “(iii) if the communication is paid for
23 by a labor organization, trade association,
24 or any other organization, the highest

1 ranking officer or official of the organiza-
2 tion.

3 “(B) COVERED ORGANIZATION AND CAM-
4 PAIGN-RELATED DISBURSEMENT.—The terms
5 ‘campaign-related disbursement’ and ‘covered
6 organization’ have the meaning given such
7 terms in section 324.

8 “(C) TOP FIVE FUNDERS LIST.—The term
9 ‘Top Five Funders list’ means, with respect to
10 a communication paid for in whole or in part
11 with a payment which is treated as a campaign-
12 related disbursement under section 324, a list
13 of the five persons who provided the largest
14 payments of any type in an aggregate amount
15 equal to or exceeding \$10,000 which are re-
16 quired under section 324(a) to be included in
17 the reports filed by a covered organization with
18 respect to such communication during the 12-
19 month period ending on the date of the dis-
20 bursement and the amount of the payments
21 each such person provided. If two or more peo-
22 ple provided the fifth largest of such payments,
23 the covered organization involved shall select
24 one of those persons to be included on the Top
25 Five Funders list.

1 “(D) TOP TWO FUNDERS LIST.—The term
2 ‘Top Two Funders list’ means, with respect to
3 a communication paid for in whole or in part
4 with a payment which is treated as a campaign-
5 related disbursement under section 324, a list
6 of the persons who provided the largest and the
7 second largest payments of any type in an ag-
8 gregate amount equal to or exceeding \$10,000
9 which are required under section 324(a) to be
10 included in the reports filed by a covered orga-
11 nization with respect to such communication
12 during the 12-month period ending on the date
13 of the disbursement and the amount of the pay-
14 ments each such person provided. If two or
15 more persons provided the second largest of
16 such payments, the covered organization in-
17 volved shall select one of those persons to be in-
18 cluded on the Top Two Funders list.”.

19 (4) CLARIFICATION RELATED TO INTERNET
20 COMMUNICATIONS.—Section 318 of such Act (52
21 U.S.C. 30120), as amended by paragraph (3), is
22 amended by adding at the end the following new
23 subsection:

24 “(f) AUDIO AND VIDEO FORMATS.—For purposes of
25 this section, any reference to a communication transmitted

1 in audio format or video format shall include a reference
2 to a communication transmitted over the Internet in such
3 format.”.

4 (c) DISCLOSURE REQUIREMENTS FOR CAMPAIGN
5 COMMUNICATIONS MADE THROUGH PRERECORDED
6 TELEPHONE CALLS.—

7 (1) APPLICATION OF REQUIREMENTS.—Section
8 318(a) of the Federal Election Campaign Act of
9 1971 (52 U.S.C. 30120(a)) is amended by inserting
10 after “mailing,” each place it appears the following:
11 “telephone call which consists in substantial part of
12 a prerecorded audio message,”.

13 (2) TREATMENT AS AUDIO COMMUNICATION.—

14 (A) COMMUNICATIONS BY CANDIDATES OR
15 AUTHORIZED PERSONS.—Section 318(d)(1) of
16 such Act (52 U.S.C. 30120(d)(1)) is amended
17 by adding at the end the following new sub-
18 paragraph:

19 “(C) PRERECORDED TELEPHONE CALLS.—

20 Any communication described in paragraph (1)
21 or (2) of subsection (a) which is a telephone call
22 which consists in substantial part of a
23 prerecorded audio message shall meet the re-
24 quirements applicable under subparagraph (A)
25 to communications transmitted in an audio for-

1 mat, except that the statement required under
2 such subparagraph shall be made at the begin-
3 ning of the telephone call.”.

4 (B) COMMUNICATIONS BY OTHERS.—

5 (i) IN GENERAL.—Section 318(d)(2)
6 of such Act (52 U.S.C. 30120(d)(2)), as
7 amended by subsection (b)(1), is further
8 amended—

9 (I) by redesignating subpara-
10 graph (B) as subparagraph (C); and

11 (II) by inserting after subpara-
12 graph (A) the following new subpara-
13 graph:

14 “(B) Any communication described in para-
15 graph (3) of subsection (a) which is a telephone call
16 which consists in substantial part of a prerecorded
17 audio message shall meet the requirements applica-
18 ble under this paragraph to communications trans-
19 mitted in an audio format, except that the statement
20 required shall be made at the beginning of the tele-
21 phone call.”.

22 (ii) APPLICATION OF SPECIAL PER-
23 SONAL DISCLOSURE RULES FOR CERTAIN
24 COMMUNICATIONS.—Section 318(e) of such

1 Act, as added by subsection (b)(3), is
2 amended—

3 (I) in paragraph (1) in the mat-
4 ter preceding subparagraph (A), by
5 striking “audio or video format” and
6 inserting “audio or video format, or
7 which is a telephone call which con-
8 sists in substantial part of a
9 prerecorded audio message,”; and

10 (II) in paragraph (3), by adding
11 at the end the following new subpara-
12 graph:

13 “(C) COMMUNICATIONS MADE THROUGH
14 PRERECORDED TELEPHONE CALLS.—Any com-
15 munication to which this paragraph applies
16 which is a telephone call which consists in sub-
17 stantial part of a prerecorded audio message
18 shall meet the requirements applicable under
19 this paragraph to communications transmitted
20 in audio format.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply with respect to disbursements
23 made on or after January 1, 2019.

1 **TITLE IV—USE OF FUNDS**

2 **SEC. 401. REPEAL OF RESTRICTIONS ON USE OF CERTAIN**
3 **FUNDS.**

4 The following provisions of the Consolidated Appro-
5 priations Act, 2018 are repealed:

6 (1) Section 125 of Division E.

7 (2) Section 631 of Division E.

8 (3) Section 735 of Division E.

9 **TITLE V—OTHER PROVISIONS**

10 **SEC. 501. SEVERABILITY.**

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

○