

functional totals underlying this resolution assume the Federal Government's commitment to fund Federal law enforcement programs and programs to assist State and local efforts shall be maintained and funding for the Violent Crime Reduction Trust Fund shall not be cut as the resolution adopted by the House of Representatives would require.

THE SENATE CAMPAIGN FINANCE REFORM ACT OF 1996

MCCAIN (AND OTHERS)
AMENDMENT NO. 4038

(Ordered to lie on the table.)

Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. WELLSTONE, Mr. GRAHAM, Mr. SIMON, Mrs. MURRAY, Mr. KERREY, Mr. KERRY, Mr. KOHL, Mr. DODD, and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill (S. 1764) to authorize appropriations for fiscal year 1997 for military construction, and for other purposes; from the Committee on Armed Services; as follows:

At the end of the bill, insert the following new title:

TITLE ____—CAMPAIGN FINANCE REFORM SEC. ____01. SHORT TITLE.

This title may be cited as the "Senate Campaign Finance Reform Act of 1996".

SEC. ____02. AMENDMENT OF CAMPAIGN ACT; TABLE OF CONTENTS.

(a) AMENDMENT OF FECA.—When used in this title, the term "FECA" means the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.).

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

TITLE ____—CAMPAIGN FINANCE REFORM

Sec. ____01. Short title.
Sec. ____02. Amendment of Campaign Act; table of contents.

Subtitle A—Senate Election Spending Limits and Benefits

Sec. ____11. Senate election spending limits and benefits.
Sec. ____12. Free broadcast time.
Sec. ____13. Broadcast rates and preemption.
Sec. ____14. Reduced postage rates.
Sec. ____15. Contribution limit for eligible Senate candidates.

Subtitle B—Reduction of Special Interest Influence

CHAPTER 1—ELIMINATION OF POLITICAL ACTION COMMITTEES FROM FEDERAL ELECTION ACTIVITIES

Sec. ____21. Ban on activities of political action committees in Federal elections.

CHAPTER 2—PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES

Sec. ____31. National committees.
Sec. ____32. State, district, and local committees.
Sec. ____33. Tax-exempt organizations.
Sec. ____34. Candidates.
Sec. ____35. Reporting requirements.

CHAPTER 3—SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES

Sec. ____41. Soft money of persons other than political parties.

CHAPTER 4—CONTRIBUTIONS

Sec. ____51. Contributions through intermediaries and conduits.

CHAPTER 5—ADDITIONAL PROHIBITIONS ON CONTRIBUTIONS

Sec. ____61. Allowable contributions for complying candidates.

CHAPTER 6—INDEPENDENT EXPENDITURES

Sec. ____71. Clarification of definitions relating to independent expenditures.

Subtitle C—Miscellaneous Provisions

Sec. ____81. Restrictions on use of campaign funds for personal purposes.
Sec. ____82. Campaign advertising amendments.
Sec. ____83. Filing of reports using computers and facsimile machines.
Sec. ____84. Audits.
Sec. ____85. Limit on congressional use of the franking privilege.
Sec. ____86. Authority to seek injunction.
Sec. ____87. Severability.
Sec. ____88. Expedited review of constitutional issues.
Sec. ____89. Reporting requirements.
Sec. ____90. Effective date.
Sec. ____91. Regulations.

Subtitle A—Senate Election Spending Limits and Benefits

SEC. ____11. SENATE ELECTION SPENDING LIMITS AND BENEFITS.

(a) IN GENERAL.—FECA is amended by adding at the end the following new title:

"TITLE V—SPENDING LIMITS AND BENEFITS FOR SENATE ELECTION CAMPAIGNS

"SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.

"(a) IN GENERAL.—For purposes of this title, a candidate is an eligible Senate candidate if the candidate—

"(1) meets the primary and general election filing requirements of subsections (c) and (d);

"(2) meets the primary and runoff election expenditure limits of subsection (b);

"(3) meets the threshold contribution requirements of subsection (e); and

"(4) does not exceed the limitation on expenditures from personal funds under section 502(a).

"(b) PRIMARY AND RUNOFF EXPENDITURE LIMITS.—

"(1) IN GENERAL.—The requirements of this subsection are met if—

"(A) the candidate or the candidate's authorized committees did not make expenditures for the primary election in excess of the lesser of—

"(i) 67 percent of the general election expenditure limit under section 502(b); or

"(ii) \$2,750,000; and

"(B) the candidate and the candidate's authorized committees did not make expenditures for any runoff election in excess of 20 percent of the general election expenditure limit under section 502(b).

"(2) INDEXING.—The \$2,750,000 amount under paragraph (1)(A)(ii) shall be increased as of the beginning of each calendar year based on the increase in the price index determined under section 315(c), except that the base period shall be calendar year 1995.

"(c) PRIMARY FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files with the Secretary of the Senate a certification that—

"(A) the candidate and the candidate's authorized committees—

"(i) will meet the primary and runoff election expenditure limits of subsection (b); and

"(ii) will only accept contributions for the primary and runoff elections which do not exceed such limits;

"(B) the candidate and the candidate's authorized committees will meet the limitation on expenditures from personal funds under section 502(a); and

"(C) the candidate and the candidate's authorized committees will meet the general election expenditure limit under section 502(b).

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than the date the candidate files as a candidate for the primary election.

"(d) GENERAL ELECTION FILING REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate files a certification with the Secretary of the Senate under penalty of perjury that—

"(A) the candidate and the candidate's authorized committees—

"(i) met the primary and runoff election expenditure limits under subsection (b); and

"(ii) did not accept contributions for the primary or runoff election in excess of the primary or runoff expenditure limit under subsection (b), whichever is applicable, reduced by any amounts transferred to this election cycle from a preceding election cycle;

"(B) at least one other candidate has qualified for the same general election ballot under the law of the State involved;

"(C) the candidate and the authorized committees of the candidate—

"(i) except as otherwise provided by this title, will not make expenditures that exceed the general election expenditure limit under section 502(b);

"(ii) will not accept any contributions in violation of section 315; and

"(iii) except as otherwise provided by this title, will not accept any contribution for the general election involved to the extent that such contribution would cause the aggregate amount of contributions to exceed the sum of the amount of the general election expenditure limit under section 502(b), reduced by any amounts transferred to this election cycle from a previous election cycle and not taken into account under subparagraph (A)(ii); and

"(D) the candidate intends to make use of the benefits provided under section 503.

"(2) DEADLINE FOR FILING CERTIFICATION.—The certification under paragraph (1) shall be filed not later than 7 days after the earlier of—

"(A) the date the candidate qualifies for the general election ballot under State law; or

"(B) if under State law, a primary or runoff election to qualify for the general election ballot occurs after September 1, the date the candidate wins the primary or runoff election.

"(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

"(1) IN GENERAL.—The requirements of this subsection are met if the candidate and the candidate's authorized committees have received allowable contributions during the applicable period in an amount at least equal to the lesser of—

"(A) 10 percent of the general election expenditure limit under section 502(b); or

"(B) \$250,000.

"(2) DEFINITIONS.—For purposes of this title—

"(A) the term 'allowable contributions' means contributions that are made as gifts of money by an individual pursuant to a written instrument identifying such individual as the contributor, except that such term shall not include contributions from individuals residing outside the candidate's State to the extent such contributions exceed 40 percent of the aggregate allowable contributions (without regard to this subparagraph) received by the candidate during the applicable period; and

"(B) the term 'applicable period' means—

"(i) the period beginning on January 1 of the calendar year preceding the calendar year of the general election involved and ending on the date on which the certification

under subsection (c)(2) is filed by the candidate; or

"(ii) in the case of a special election for the office of United States Senator, the period beginning on the date the vacancy in such office occurs and ending on the date of the general election.

"SEC. 502. LIMITATION ON EXPENDITURES.

"(a) LIMITATION ON USE OF PERSONAL FUNDS.—

"(1) IN GENERAL.—The aggregate amount of expenditures that may be made during an election cycle by an eligible Senate candidate or such candidate's authorized committees from the sources described in paragraph (2) shall not exceed the lesser of—

"(A) 10 percent of the general election expenditure limit under subsection (b); or

"(B) \$250,000.

"(2) SOURCES.—A source is described in this subsection if it is—

"(A) personal funds of the candidate and members of the candidate's immediate family; or

"(B) personal loans incurred by the candidate and members of the candidate's immediate family.

"(3) AMENDED DECLARATION.—A candidate who—

"(A) declares, pursuant to this Act, that the candidate does not intend to expend funds described in paragraph (2) in excess of \$250,000; and

"(B) subsequently changes such declaration or expends such funds in excess of that amount,

shall file an amended declaration with the Commission and notify all other candidates for the same office not later than 24 hours after changing such declaration or exceeding such limits, whichever first occurs, by sending a notice by certified mail, return receipt requested.

"(b) GENERAL ELECTION EXPENDITURE LIMIT.—

"(1) IN GENERAL.—Except as otherwise provided in this title, the aggregate amount of expenditures for a general election by an eligible Senate candidate and the candidate's authorized committees shall not exceed the lesser of—

"(A) \$5,500,000; or

"(B) the greater of—

"(i) \$950,000; or

"(ii) \$400,000; plus

"(1) 30 cents multiplied by the voting age population not in excess of 4,000,000; and

"(II) 25 cents multiplied by the voting age population in excess of 4,000,000.

"(2) EXCEPTION.—In the case of an eligible Senate candidate in a State that has not more than 1 transmitter for a commercial Very High Frequency (VHF) television station licensed to operate in that State, paragraph (1)(B)(ii) shall be applied by substituting—

"(A) '80 cents' for '30 cents' in subclause (I); and

"(B) '70 cents' for '25 cents' in subclause (II).

"(3) INDEXING.—The amount otherwise determined under paragraph (1) for any calendar year shall be increased by the same percentage as the percentage increase for such calendar year under section 501(b)(2).

"(c) PAYMENT OF TAXES.—The limitation under subsection (b) shall not apply to any expenditure for Federal, State, or local taxes with respect to earnings on contributions raised.

"(d) SPECIAL EXCEPTION FOR COMPLYING CANDIDATES RUNNING AGAINST NON-COMPLYING CANDIDATES.—If in the case of an election with more than one candidate where one or more candidates who have received contributions in excess of 10 percent of the general election limits contained in this Act or has

expended personal funds in excess of 10 percent of the general election limits contained in this Act choose not to comply with the provisions of this Act or violate the limitations on expenditures contained in this Act, such limitations contained in section 502(b) of this Act for the complying candidate(s) shall be increased by 20 percent."

"SEC. 503. BENEFITS ELIGIBLE CANDIDATES ENTITLED TO RECEIVE.

"An eligible Senate candidate shall be entitled to receive—

"(1) the broadcast media rates provided under section 315(b) of the Communications Act of 1934;

"(2) the free broadcast time provided under section 315(c) of such Act; and

"(3) the reduced postage rates provided in section 3626(e) of title 39, United States Code.

"SEC. 504. CERTIFICATION BY COMMISSION.

"(a) IN GENERAL.—Not later than 48 hours after an eligible candidate qualifies for a general election ballot, the Commission shall certify the candidate's eligibility for free broadcast time under section 315(b)(2) of the Communications Act of 1934. The Commission shall revoke such certification if it determines a candidate fails to continue to meet the requirements of this title.

"(b) DETERMINATIONS BY COMMISSION.—All determinations (including certifications under subsection (a)) made by the Commission under this title shall be final, except to the extent that they are subject to examination and audit by the Commission under section 505.

"SEC. 505. REPAYMENTS; ADDITIONAL CIVIL PENALTIES.

"(a) EXCESS PAYMENTS; REVOCATION OF STATUS.—If the Commission revokes the certification of a candidate as an eligible Senate candidate under section 504(a), the Commission shall notify the candidate, and the candidate shall pay an amount equal to the value of the benefits received under this title.

"(b) MISUSE OF BENEFITS.—If the Commission determines that any benefit made available to an eligible Senate candidate under this title was not used as provided for in this title, or that a candidate has violated any of the spending limits contained in this Act, the Commission shall so notify the candidate and the candidate shall pay an amount equal to the value of such benefit."

(b) TRANSITION PERIOD.—Expenditures made before January 1, 1997, shall not be counted as expenditures for purposes of the limitations contained in the amendment made by subsection (a).

SEC. 12. FREE BROADCAST TIME.

(a) IN GENERAL.—Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended—

(1) in subsection (a)—

(A) by striking "within the meaning of this subsection" and inserting "within the meaning of this subsection and subsection (c)";

(B) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(C) by inserting immediately after subsection (b) the following new subsection:

"(c)(1) An eligible Senate candidate who has qualified for the general election ballot shall be entitled to receive a total of 30 minutes of free broadcast time from broadcasting stations within the State or an adjacent State.

"(2)(A) Unless a candidate elects otherwise, the broadcast time made available under this subsection shall be between 6:00 p.m. and 10:00 p.m. on any day that falls on Monday through Friday.

"(B) Except as otherwise provided in this Act, a candidate may use such time as the candidate elects except that such time may not be used in intervals of less than 30 seconds or more than 5 minutes.

"(C) A candidate may not request more than 15 minutes of free broadcast time be aired by any one broadcasting station.

"(3)(A) In the case of an election among more than 2 candidates, the broadcast time provided under paragraph (1) shall be allocated as follows:

"(i) The amount of broadcast time that shall be provided to the candidate of a minor party shall be equal to the number of minutes allocable to the State multiplied by the percentage of the number of popular votes received by the candidate of that party in the preceding general election for the Senate in the State (or if subsection (d)(4)(B) applies, the percentage determined under such subsection).

"(ii) The amount of broadcast time remaining after assignment of broadcast time to minor party candidates under clause (i) shall be allocated equally between the major party candidates.

"(B) In the case of an election where only 1 candidate qualifies to be on the general election ballot, no time shall be required to be provided by a licensee under this subsection.

"(4) The Federal Election Commission shall by regulation exempt from the requirements of this subsection—

"(A) a licensee whose signal is broadcast substantially nationwide; and

"(B) a licensee that establishes that such requirements would impose a significant economic hardship on the licensee."; and

(2) in subsection (d), as redesignated—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

"(3) the term 'major party' means, with respect to an election for the United States Senate in a State, a political party whose candidate for the United States Senate in the preceding general election for the Senate in that State received, as a candidate of that party, 25 percent or more of the number of popular votes received by all candidates for the Senate;

"(4) the term 'minor party' means, with respect to an election for the United States Senate in a State, a political party—

"(A) whose candidate for the United States Senate in the preceding general election for the Senate in that State received 5 percent or more but less than 25 percent of the number of popular votes received by all candidates for the Senate; or

"(B) whose candidate for the United States Senate in the current general election for the Senate in that State has obtained the signatures of at least 5 percent of the State's registered voters, as determined by the chief voter registration official of the State, in support of a petition for an allocation of free broadcast time under this subsection; and

"(5) the term 'Senate election cycle' means, with respect to an election to a seat in the United States Senate, the 6-year period ending on the date of the general election for that seat."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to general elections occurring after December 31, 1996 (and the election cycles relating thereto).

SEC. 13. BROADCAST RATES AND PREEMPTION.

(a) BROADCAST RATES.—Section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) is amended—

(1) by striking "(b) The changes" and inserting "(b)(1) The changes";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in paragraph (1)(A), as redesignated—

(A) by striking "forty-five" and inserting "30"; and

(B) by striking "lowest unit charge of the station for the same class and amount of time for the same period" and inserting "lowest charge of the station for the same amount of time for the same period on the same date"; and

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

"(2) In the case of an eligible Senate candidate (as described in section 501(a) of the Federal Election Campaign Act), the charges for the use of a television broadcasting station during the 30-day period and 60-day period referred to in paragraph (1)(A) shall not exceed 50 percent of the lowest charge described in paragraph (1)(A)."

(b) PREEMPTION; ACCESS.—Section 315 of such Act (47 U.S.C. 315), as amended by section 12(a), is amended—

(1) by redesignating subsections (d) and (e) as redesignated, as subsections (e) and (f), respectively; and

(2) by inserting immediately after subsection (c) the following subsection:

"(d)(1) Except as provided in paragraph (2), a licensee shall not preempt the use, during any period specified in subsection (b)(1)(A), of a broadcasting station by an eligible Senate candidate who has purchased and paid for such use pursuant to subsection (b)(2)."

"(2) If a program to be broadcast by a broadcasting station is preempted because of circumstances beyond the control of the broadcasting station, any candidate advertising spot scheduled to be broadcast during that program may also be preempted."

(c) REVOCATION OF LICENSE FOR FAILURE TO PERMIT ACCESS.—Section 312(a)(7) of the Communications Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

(1) by striking "or repeated";

(2) by inserting "or cable system" after "broadcasting station"; and

(3) by striking "his candidacy" and inserting "the candidacy of such person, under the same terms, conditions, and business practices as apply to its most favored advertiser".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1995 (and the election cycles relating thereto).

SEC. 14. REDUCED POSTAGE RATES.

(a) IN GENERAL.—Section 3626(e) of title 39, United States Code, is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and the National" and inserting "the National"; and

(ii) by inserting before the semicolon the following: ", and, subject to paragraph (3), the principal campaign committee of an eligible Senate candidate";

(B) in subparagraph (B), by striking "and" after the semicolon;

(C) in subparagraph (C), by striking the period and inserting a semicolon; and

(D) by adding after subparagraph (C) the following new subparagraphs:

"(D) the term 'principal campaign committee' has the meaning given such term in section 301 of the Federal Election Campaign Act of 1971; and

"(E) the term 'eligible Senate candidate' has the meaning given such term in section 501(a) of the Federal Election Campaign Act of 1971."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) The rate made available under this subsection with respect to an eligible Senate candidate shall apply only to that number of pieces of mail equal to 2 times the number of individuals in the voting age population (as

certified under section 315(e) of such Act) of the State."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to the general elections occurring after December 31, 1996 (and the election cycles relating thereto).

SEC. 15. CONTRIBUTION LIMIT FOR ELIGIBLE SENATE CANDIDATES.

Section 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) is amended—

(1) by inserting "except as provided in subparagraph (B)," before "to" in subparagraph (A);

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(3) by inserting immediately after subparagraph (A) the following new subparagraph:

"(B) to any eligible Senate candidate and the authorized political committees of such candidate with respect to any election for the office of United States Senator (if any other Senate candidate chooses not to comply with the expenditure limits contained in this Act and has received contributions in excess of 10 percent of the general election limits contained in this Act or has expended personal funds in excess of 10 percent of the general election limits contained in this Act) which, in the aggregate, exceed \$2,000;"

Subtitle B—Reduction of Special Interest Influence

CHAPTER 1—ELIMINATION OF POLITICAL ACTION COMMITTEES FROM FEDERAL ELECTION ACTIVITIES

SEC. 21. BAN ON ACTIVITIES OF POLITICAL ACTION COMMITTEES IN FEDERAL ELECTIONS.

(a) IN GENERAL.—Title III of FECA (2 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

"BAN ON FEDERAL ELECTION ACTIVITIES BY POLITICAL ACTION COMMITTEES

"SEC. 324. Notwithstanding any other provision of this Act, no person other than an individual or a political committee may make contributions, solicit or receive contributions, or make expenditures for the purpose of influencing an election for Federal office."

(b) DEFINITION OF POLITICAL COMMITTEE.—(1) Section 301(4) of FECA (2 U.S.C. 431(4)) is amended to read as follows:

"(4) The term 'political committee' means—

"(A) the principal campaign committee of a candidate;

"(B) any national, State, or district committee of a political party, including any subordinate committee thereof;

"(C) any local committee of a political party that—

"(i) receives contributions aggregating in excess of \$5,000 during a calendar year;

"(ii) makes payments exempted from the definition of contribution or expenditure under paragraph (8) or (9) aggregating in excess of \$5,000 during a calendar year; or

"(iii) makes contributions or expenditures aggregating in excess of \$1,000 during a calendar year; and

"(D) any committee jointly established by a principal campaign committee and any committee described in subparagraph (B) or (C) for the purpose of conducting joint fundraising activities."

(2) Section 316(b)(2) of FECA (2 U.S.C. 441b(b)(2)) is amended—

(A) by inserting "or" after "subject";

(B) by striking "and their families; and" and inserting "and their families."; and

(C) by striking subparagraph (C).

(c) CANDIDATE'S COMMITTEES.—(1) Section 315(a) of FECA (2 U.S.C. 441a(a)) is amended by adding at the end the following new paragraph:

"(9) For the purposes of the limitations provided by paragraphs (1) and (2), any political committee that is established, financed, maintained, or controlled, directly or indirectly, by any candidate or Federal officeholder shall be deemed to be an authorized committee of such candidate or officeholder."

(2) Section 302(e)(3) of FECA (2 U.S.C. 432) is amended to read as follows:

"(3) No political committee that supports, or has supported, more than one candidate may be designated as an authorized committee, except that—

"(A) a candidate for the office of President nominated by a political party may designate the national committee of such political party as the candidate's principal campaign committee, if that national committee maintains separate books of account with respect to its functions as a principal campaign committee; and

"(B) a candidate may designate a political committee established solely for the purpose of joint fundraising by such candidates as an authorized committee."

(d) RULES APPLICABLE WHEN BAN NOT IN EFFECT.—(1) For purposes of FECA, during any period beginning after the effective date in which the limitation under section 324 of that Act (as added by subsection (a)) is not in effect—

(A) the amendments made by subsections (a), (b), and (c) shall not be in effect;

(B) it shall be unlawful for a multicandidate political committee, intermediary, or conduit (as that term is defined in section 315(a)(8) of FECA, as amended by section 51 of this title), to make a contribution to a candidate for election, or nomination for election, to Federal office (or an authorized committee) to the extent that the making or accepting of the contribution will cause the amount of contributions received by the candidate and the candidate's authorized committees from multicandidate political committees to exceed 20 percent of the aggregate Federal election spending limits applicable to the candidate for the election cycle; and

(C) it shall be unlawful for a political committee, intermediary, or conduit, as that term is defined in section 315(a)(8) of FECA (as amended by section 51 of this title), to make a contribution to a candidate for election, or a nomination for an election, to Federal office (or an authorized committee of such candidate) in excess of the amount an individual is allowed to give directly to a candidate or a candidate's authorized committee.

(2) A candidate or authorized committee that receives a contribution from a multicandidate political committee in excess of the amount allowed under paragraph (1)(B) shall return the amount of such excess contribution to the contributor.

CHAPTER 2—PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES

SEC. 31. NATIONAL COMMITTEES.

A national committee of a political party, including the national congressional campaign committees of a political party, and any officers or agents of such party committees, shall not solicit or receive any contributions, donations, or transfers of funds, or spend any funds, not subject to the limitations, prohibitions, and reporting requirements of this title. This provision shall apply to any entity that is established, financed, maintained or controlled by a national committee of a political party, including the national congressional campaign committees of a political party, and any officer or agents of such party committees, other than an entity that is regulated by section 32 of this Act.

SEC. 32. STATE, DISTRICT, AND LOCAL COMMITTEES.

(a) Any amount expended or disbursed by a State, district, or local committee of a political party, during a calendar year in which a Federal election is held, for any activity which might affect the outcome of a Federal election, including but not limited to any voter registration and get-out-the-vote activity, any generic campaign activity, and any communication that identifies a Federal candidate (regardless of whether a State or local candidate is also mentioned or identified) shall be made from funds subject to the limitations, prohibitions and reporting requirements of this title.

(b) Paragraph (a) shall not apply to expenditures or disbursements made by a State, district or local committee of a political party for—

(1) a contribution to a candidate other than for Federal office, provided that such contribution is not designated or otherwise earmarked to pay for activities described in subparagraph (a) above;

(2) the costs of a State or district/local political convention;

(3) the non-Federal share of a State, district or local party committee's administrative and overhead expenses (but not including the compensation in any month of any individual who spends more than 20 percent of his or her time on activity during such month which may affect the outcome of a Federal election). For purposes of this provision, the non-federal share of a party committee's administrative and overhead expenses shall be determined by applying the ratio of the non-Federal disbursements to the total Federal expenditures and non-Federal disbursements made by the committee during the previous presidential election year to the committee's administrative and overhead expenses in the election year in question;

(4) the costs of grassroots campaign materials, including buttons, bumper stickers, and yard signs, which material solely name or depict a State or local candidate; and

(5) the cost of any campaign activity conducted solely on behalf of a clearly identified State or local candidate, provided that such activity is not covered by subparagraph (a) above.

(c) Any amount spent by a national, State, district or local committee or entity of a political party to raise funds that are used, in whole or in part, to pay the costs of any activity covered by paragraph 2(a) above shall be made from funds subject to the limitations, prohibitions, and reporting requirements of this title.

This provision shall apply to any entity that is established, financed, maintained, or controlled by a State, district or local committee of a political party or any agent or officer of such party committee in the same manner as it applies to that committee.

SEC. 33. TAX-EXEMPT ORGANIZATIONS.

No national, State, district or local committee of a political party shall solicit any funds for or make any donations to any organization that is exempt from Federal taxation under 26 U.S.C. 501(c).

SEC. 34. CANDIDATES.

No candidate for Federal office, individual holding Federal office, or any agent of such candidate or officeholder, may solicit or receive any funds in connection with any Federal election unless such funds are subject to the limitations, prohibitions and reporting requirements of this title. This provision shall not apply to the solicitation or receipt of funds by an individual who is a candidate for a non-Federal office if such activity is permitted under State law for such individual's non-Federal campaign committee.

SEC. 35. REPORTING REQUIREMENTS.

(a) REPORTING REQUIREMENTS.—Section 304 of FECA (2 U.S.C. 434) is amended by adding at the end the following new subsection:

“(d) POLITICAL COMMITTEES.—(1) The national committee of a political party, any congressional campaign committee of a political party, and any subordinate committee of either, shall report all receipts and disbursements during the reporting period, whether or not in connection with an election for Federal office.

“(2) A political committee (not described in paragraph (1)) to which section 325 applies shall report all receipts and disbursements including separate schedules for receipts and disbursements for any State Party Grassroots Fund described in section 301(21).

“(3) Any political committee to which section 325 applies shall include in its report under paragraph (1) or (2) the amount of any transfer described in section 325(d)(2) and shall itemize such amounts to the extent required by subsection (b)(3)(A).

“(4) Any political committee to which paragraph (1) or (2) does not apply shall report any receipts or disbursements that are used in connection with a Federal election.

“(5) If a political committee has receipts or disbursements to which this subsection applies from any person aggregating in excess of \$200 for any calendar year, the political committee shall separately itemize its reporting for such person in the same manner as required in subsection (b) (3)(A), (5), or (6).

“(6) Reports required to be filed under this subsection shall be filed for the same time periods required for political committees under subsection (a).”.

(b) REPORT OF EXEMPT CONTRIBUTIONS.—Section 301(8) of FECA (2 U.S.C. 431(8)) is amended by inserting at the end the following:

“(C) The exclusion provided in subparagraph (B)(viii) shall not apply for purposes of any requirement to report contributions under this Act, and all such contributions aggregating in excess of \$200 shall be reported.”.

(c) REPORTS BY STATE COMMITTEES.—Section 304 of FECA (2 U.S.C. 434), as amended by subsection (a), is amended by adding at the end the following new subsection:

“(e) FILING OF STATE REPORTS.—In lieu of any report required to be filed by this Act, the Commission may allow a State committee of a political party to file with the Commission a report required to be filed under State law if the Commission determines such reports contain substantially the same information.”.

(d) OTHER REPORTING REQUIREMENTS.—

(1) AUTHORIZED COMMITTEES.—Section 304(b)(4) of FECA (2 U.S.C. 434(b)(4)) is amended—

(A) by striking “and” at the end of subparagraph (H);

(B) by inserting “and” at the end of subparagraph (I); and

(C) by adding at the end the following new subparagraph:

“(J) in the case of an authorized committee, disbursements for the primary election, the general election, and any other election in which the candidate participates;”.

(2) NAMES AND ADDRESSES.—Section 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is amended—

(A) by striking “within the calendar year”; and

(B) by inserting “, and the election to which the operating expenditure relates” after “operating expenditure”.

CHAPTER 3—SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES**SEC. 41. SOFT MONEY OF PERSONS OTHER THAN POLITICAL PARTIES.**

Section 304 of FECA (2 U.S.C. 434), as amended by section 35(c), is amended by adding at the end the following new subsection:

“(f) ELECTION ACTIVITY OF PERSONS OTHER THAN POLITICAL PARTIES.—(1)(A)(i) If any person to which section 325 does not apply makes (or obligates to make) disbursements for activities described in section 325(b) in excess of \$2,000, such person shall file a statement—

“(I) on or before the date that is 48 hours before the disbursements (or obligations) are made; or

“(II) in the case of disbursements (or obligations) that are required to be made within 14 days of the election, on or before such 14th day.

“(ii) An additional statement shall be filed each time additional disbursements aggregating \$2,000 are made (or obligated to be made) by a person described in clause (i).

“(B) This paragraph shall not apply to—

“(i) a candidate or a candidate's authorized committees; or

“(ii) an independent expenditure (as defined in section 301(17)).

“(2) Any statement under this section shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, and the Secretary of State (or equivalent official) of the State involved, as appropriate, and shall contain such information as the Commission shall prescribe, including whether the disbursement is in support of, or in opposition to, 1 or more candidates or any political party. The Secretary of the Senate or Clerk of the House of Representatives shall, as soon as possible (but not later than 24 hours after receipt), transmit a statement to the Commission. Not later than 48 hours after receipt, the Commission shall transmit the statement to—

“(A) the candidates or political parties involved; or

“(B) if the disbursement is not in support of, or in opposition to, a candidate or political party, the State committees of each political party in the State involved.

“(3) The Commission may make its own determination that disbursements described in paragraph (1) have been made or are obligated to be made. The Commission shall notify the candidates or political parties described in paragraph (2) not later than 24 hours after its determination.”.

CHAPTER 4—CONTRIBUTIONS**SEC. 51. CONTRIBUTIONS THROUGH INTERMEDIARIES AND CONDUITS.**

Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is amended to read as follows:

“(8) For the purposes of this subsection:

“(A) Contributions made by a person, either directly or indirectly, to or on behalf of a particular candidate, including contributions that are in any way earmarked or otherwise directed through an intermediary or conduit to a candidate, shall be treated as contributions from the person to the candidate. If a contribution is made to a candidate through an intermediary or conduit, the intermediary or conduit shall report the original source and the intended recipient of the contribution to the Commission and the intended recipient.

“(B) Contributions made directly or indirectly by a person to or on behalf of a particular candidate through an intermediary or conduit, including contributions arranged to be made by an intermediary or conduit, shall be treated as contributions from the intermediary or conduit to the candidate if—

“(i) the contributions made through the intermediary or conduit are in the form of a

check or other negotiable instrument made payable to the intermediary or conduit rather than the intended recipient; or

“(ii) the intermediary or conduit is—

“(I) a political committee, a political party, or an officer, employee, or agent of either;

“(II) a person whose activities are required to be reported under section 308 of the Federal Regulation of Lobbying Act (2 U.S.C. 267), the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.), or any successor Federal law requiring a person who is a lobbyist or foreign agent to report the activities of such person;

“(III) a person who is prohibited from making contributions under section 316 or a partnership; or

“(IV) an officer, employee, or agent of a person described in subclause (II) or (III) acting on behalf of such person.

“(C) The term ‘contributions arranged to be made’ includes—

“(i) (I) contributions delivered directly or indirectly to a particular candidate or the candidate’s authorized committee or agent by the person who facilitated the contribution; and

“(II) contributions made directly or indirectly to a particular candidate or the candidate’s authorized committee or agent that are provided at a fundraising event sponsored by an intermediary or conduit described in subparagraph (B);

(D) This paragraph shall not prohibit—

“(i) fundraising efforts for the benefit of a candidate that are conducted by another candidate or Federal officeholder; or

“(ii) the solicitation by an individual using the individual’s resources and acting in the individual’s own name of contributions from other persons in a manner not described in paragraphs (B) and (C).”.

CHAPTER 5—ADDITIONAL PROHIBITIONS ON CONTRIBUTIONS

SEC. ____ 61. ALLOWABLE CONTRIBUTIONS FOR COMPLYING CANDIDATES.

For the purposes of this Federal Election Campaign Act of 1971, in order for a candidate to be considered to be in compliance with the spending limits contained in such Act, not less than 60 percent of the total dollar amount of all contributions from individuals to a candidate or a candidate’s authorized committee, not including any expenditures, contributions or loans made by the candidate, shall come from individuals legally residing in the candidate’s State.

CHAPTER 6—INDEPENDENT EXPENDITURES

SEC. ____ 71. CLARIFICATION OF DEFINITIONS RELATING TO INDEPENDENT EXPENDITURES.

(a) INDEPENDENT EXPENDITURE DEFINITION AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is amended by striking paragraphs (17) and (18) and inserting the following:

“(17)(A) The term ‘independent expenditure’ means an expenditure that—

“(i) contains express advocacy; and

“(ii) is made without the participation or cooperation of, or without the consultation of, a candidate or a candidate’s representative.

“(B) The following shall not be considered an independent expenditure:

“(i) An expenditure made by—

“(I) an authorized committee of a candidate for Federal office, or

“(II) a political committee of a political party.

“(ii) An expenditure if there is any arrangement, coordination, or direction with respect to the expenditure between the candidate or the candidate’s agent and the person making the expenditure.

“(iii) An expenditure if, in the same election cycle, the person making the expenditure is or has been—

“(I) authorized to raise or expend funds on behalf of the candidate or the candidate’s authorized committees; or

“(II) serving as a member, employee, or agent of the candidate’s authorized committees in an executive or policymaking position.

“(iv) An expenditure if the person making the expenditure has advised or counseled the candidate or the candidate’s agents at any time on the candidate’s plans, projects, or needs relating to the candidate’s pursuit of nomination for election, or election, to Federal office, in the same election cycle, including any advice relating to the candidate’s decision to seek Federal office.

“(v) An expenditure if the person making the expenditure retains the professional services of any individual or other person also providing services in the same election cycle to the candidate in connection with the candidate’s pursuit of nomination for election, or election, to Federal office, including any services relating to the candidate’s decision to seek Federal office. For purposes of this clause, the term ‘professional services’ shall include any services (other than legal and accounting services solely for purposes of ensuring compliance with any Federal law) in support of any candidate’s or candidates’ pursuit of nomination for election, or election, to Federal office. For purposes of this subparagraph, the person making the expenditure shall include any officer, director, employee, or agent of such person.

“(18)(A) The term ‘express advocacy’ means when a communication is taken as a whole and with limited reference to external events, an expression of support for or opposition to a specific candidate, to a specific group of candidates, or to candidates of a particular political party.

“(B) The term ‘expression of support for or opposition to’ includes a suggestion to take action with respect to an election, such as to vote for or against, make contributions to, or participate in campaign activity, or to refrain from taking action.”.

(b) CONTRIBUTION DEFINITION AMENDMENT.—Section 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amended—

(1) in clause (i), by striking “or” after the semicolon at the end;

(2) in clause (ii), by striking the period at the end and inserting “; or”; and

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

“(iii) any payment or other transaction referred to in paragraph (17)(A)(i) that is not an independent expenditure under paragraph (17).”.

Subtitle C—Miscellaneous Provisions

SEC. ____ 81. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES.

(a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—Title III of FECA (2 U.S.C. 431 et seq.), as amended by section ____ 21, is amended by adding at the end the following new section:

“RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR PERSONAL PURPOSES

“SEC. 326. (a) An individual who receives contributions as a candidate for Federal office—

“(1) shall use such contributions only for legitimate and verifiable campaign expenses; and

“(2) shall not use such contributions for any inherently personal purpose.

“(b) As used in this subsection—

“(1) the term ‘campaign expenses’ means expenses attributable solely to bona fide campaign purposes; and

“(2) the term ‘inherently personal purpose’ means a purpose that, by its nature, confers a personal benefit, including a home mortgage rent or utility payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, household food items, tuition payment, admission to a sporting event, concert, theatre or other form of entertainment not associated with a campaign, dues, fees, or contributions to a health club or recreational facility and any other inherently personal living expense as determined under the regulations promulgated pursuant to section 302(b) of the Senate Campaign Finance Reform Act of 1996.”.

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this title, the Federal Election Commission shall promulgate regulations consistent with this title to implement subsection (a). Such regulations shall apply to all contributions possessed by an individual on the date of enactment of this title.

SEC. ____ 82. CAMPAIGN ADVERTISING AMENDMENTS.

Section 318 of FECA (2 U.S.C. 441d) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking “Whenever” and inserting “Whenever a political committee makes a disbursement for the purpose of financing any communication through any broadcasting station, newspaper, magazine, outdoor advertising facility, mailing, or any other type of general public political advertising, or whenever”;;

(ii) by striking “an expenditure” and inserting “a disbursement”; and

(iii) by striking “direct”; and

(B) in paragraph (3), by inserting “and permanent street address” after “name”; and

(2) by adding at the end the following new subsections:

“(c) Any printed communication described in subsection (a) shall be—

“(1) of sufficient type size to be clearly readable by the recipient of the communication;

“(2) contained in a printed box set apart from the other contents of the communication; and

“(3) consist of a reasonable degree of color contrast between the background and the printed statement.

“(d)(1) Any broadcast or cablecast communication described in subsection (a)(1) or subsection (a)(2) shall include, in addition to the requirements of those subsections, an audio statement by the candidate that identifies the candidate and states that the candidate has approved the communication.

“(2) If a broadcast or cablecast communication described in paragraph (1) is broadcast or cablecast by means of television, the communication shall include, in addition to the audio statement under paragraph (1), a written statement which—

“(A) appears at the end of the communication in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds; and

“(B) is accompanied by a clearly identifiable photographic or similar image of the candidate.

“(e) Any broadcast or cablecast communication described in subsection (a)(3) shall include, in addition to the requirements of those subsections, in a clearly spoken manner, the following statement:

“_____ is responsible for the content of this advertisement.” (with the blank to be filled in with the name of the political committee or other person paying for the communication and the name of any connected organization of the payor). If broadcast or cablecast by means of television, the

statement shall also appear in a clearly readable manner with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 4 seconds."

SEC. 83. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(g) of FECA (2 U.S.C. 432(g)) is amended by adding at the end the following new paragraph:

"(6)(A) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

"(i) are required to maintain and file them for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

"(ii) may maintain and file them in that manner if not required to do so under regulations prescribed under clause (i).

"(B) The Commission, in consultation with the Secretary of the Senate and the Clerk of the House of Representatives, shall prescribe regulations which allow persons to file designations, statements, and reports required by this Act through the use of facsimile machines.

"(C) In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.

"(D) The Secretary of the Senate and the Clerk of the House of Representatives shall ensure that any computer or other system that they may develop and maintain to receive designations, statements, and reports in the forms required or permitted under this paragraph is compatible with any such system that the Commission may develop and maintain."

SEC. 84. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended—

(1) by inserting "(1)" before "The Commission"; and

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

"(2) Notwithstanding paragraph (1), the Commission may after all elections are completed conduct random audits and investigations to ensure voluntary compliance with this Act. The subjects of such audits and investigations shall be selected on the basis of criteria established by vote of at least 4 members of the Commission to ensure impartiality in the selection process. This paragraph does not apply to an authorized committee of a candidate for President or Vice President subject to audit under title VI or to an authorized committee of an eligible Senate candidate or an eligible House candidate subject to audit under section 522(a)."

(b) EXTENSION OF PERIOD DURING WHICH CAMPAIGN AUDITS MAY BE BEGUN.—Section 311(b) of FECA (2 U.S.C. 438(b)) is amended by striking "6 months" and inserting "12 months".

SEC. 85. LIMIT ON CONGRESSIONAL USE OF THE FRANKING PRIVILEGE.

Section 3210(a)(6)(A) of title 39, United States Code, is amended to read as follows:

"(A) A Member of Congress shall not mail any mass mailing as franked mail during a year in which there will be an election for

the seat held by the Member during the period between January 1 of that year and the date of the general election for that Office, unless the Member has made a public announcement that the Member will not be a candidate for reelection to that year or for election to any other Federal office."

SEC. 86. AUTHORITY TO SEEK INJUNCTION.

Section 309(a) of FECA (2 U.S.C. 437g(a)) is amended—

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

"(13)(A) If, at any time in a proceeding described in paragraph (1), (2), (3), or (4), the Commission believes that—

"(i) there is a substantial likelihood that a violation of this Act is occurring or is about to occur;

"(ii) the failure to act expeditiously will result in irreparable harm to a party affected by the potential violation;

"(iii) expeditious action will not cause undue harm or prejudice to the interests of others; and

"(iv) the public interest would be best served by the issuance of an injunction,

the Commission may initiate a civil action for a temporary restraining order or a temporary injunction pending the outcome of the proceedings described in paragraphs (1), (2), (3), and (4).

"(B) An action under subparagraph (A) shall be brought in the United States district court for the district in which the defendant resides, transacts business, or may be found, or in which the violation is occurring, has occurred, or is about to occur."

(2) in paragraph (7), by striking "(5) or (6)" and inserting "(5), (6), or (13)"; and

(3) in paragraph (11), by striking "(6)" and inserting "(6) or (13)".

SEC. 87. SEVERABILITY.

If any provision of this title, an amendment made by this title, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this title, the amendments made by this title, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 88. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.

(a) DIRECT APPEAL TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by any court ruling on the constitutionality of any provision of this title or amendment made by this title.

(b) ACCEPTANCE AND EXPEDITION.—The Supreme Court shall, if it has not previously ruled on the question addressed in the ruling below, accept jurisdiction over, advance on the docket, and expedite the appeal to the greatest extent possible.

SEC. 89. REPORTING REQUIREMENTS.

(a) CONTRIBUTORS.—Section 302(c)(3) of FECA (2 U.S.C. 432(c)(3)) is amended by striking "\$200" and inserting "\$50".

(b) DISBURSEMENTS.—Section 302(c)(5) of FECA (2 U.S.C. 432(c)(5)) is amended by striking "\$200" and inserting "\$50".

SEC. 90. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by, and the provisions of, this title shall take effect on January 1, 1997.

SEC. 91. REGULATIONS.

The Federal Election Commission shall prescribe any regulations required to carry out this title not later than 9 months after the effective date of this title.

TERRITORIES AND FREELY ASSOCIATED STATES LEGISLATION

MURKOWSKI AMENDMENT NO. 4039

(Ordered referred to the Committee on Energy and Natural Resources.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill (S. 1804) to make technical and other changes to the laws dealing with the Territories and Freely Associated States of the United States; as follows:

At the end of the bill add the following new section:

"SEC. 9. BIKINI AND ENEWETAK MEDICAL CARE.

In fulfillment of the terms of Public Law 96-205 and section 103(h)(1) of Public Law 99-239, the Secretary of Energy shall include the populations of Bikini and Enewetak within its existing special medical care program in the Marshall Islands at the request of the local government and on a reimbursable basis.

THE CONGRESSIONAL BUDGET CONCURRENT RESOLUTION

BYRD (AND OTHERS) AMENDMENT NO. 4040

Mr. BYRD (for himself, Mr. BINGAMAN, and Mr. LAUTENBERG) proposed an amendment to Senate Concurrent Resolution 57, supra; as follows:

On page 3, line 5, increase the amount by \$201,000,000.

On page 3, line 6, increase the amount by \$408,000,000.

On page 3, line 7, increase the amount by \$649,000,000.

On page 3, line 8, increase the amount by \$946,000,000.

On page 3, line 9, increase the amount by \$1,068,000,000.

On page 3, line 10, increase the amount by \$1,142,000,000.

On page 3, line 14, increase the amount by \$201,000,000.

On page 3, line 15, increase the amount by \$408,000,000.

On page 3, line 16, increase the amount by \$649,000,000.

On page 3, line 17, increase the amount by \$946,000,000.

On page 3, line 18, increase the amount by \$1,068,000,000.

On page 3, line 19, increase the amount by \$1,142,000,000.

On page 4, line 8, increase the amount by \$1,011,000,000.

On page 4, line 9, increase the amount by \$1,049,000,000.

On page 4, line 10, increase the amount by \$1,089,000,000.

On page 4, line 11, increase the amount by \$1,131,000,000.

On page 4, line 12, increase the amount by \$1,068,000,000.

On page 4, line 13, increase the amount by \$1,110,000,000.

On page 4, line 17, increase the amount by \$201,000,000.

On page 4, line 18, increase the amount by \$408,000,000.

On page 4, line 19, increase the amount by \$649,000,000.

On page 4, line 20, increase the amount by \$946,000,000.

On page 4, line 21, increase the amount by \$1,068,000,000.