

105TH CONGRESS
1ST SESSION

S. 1117

To amend Federal elections law to provide for campaign finance reform,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 31, 1997

Ms. SNOWE introduced the following bill; which was read twice and referred
to the Committee on Rules and Administration

A BILL

To amend Federal elections law to provide for campaign
finance reform, 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. TABLE OF CONTENTS.**

4 The table of contents of this Act is as follows:

Sec. 1. Table of contents.

TITLE I—CONTRIBUTIONS

Sec. 101. Multicandidate political committees contributions to candidates.

Sec. 102. Prohibition of bundling of contributions by lobbyists.

Sec. 103. Credit for contributions to congressional candidates.

Sec. 104. Modification of contribution limits for Senate candidates when oppos-
ing candidates make expenditures from personal funds.

Sec. 105. Prohibition of contributions by individuals not qualified to vote.

Sec. 106. Indexing of contribution limits.

TITLE II—INDEPENDENT EXPENDITURES

Sec. 201. Reporting requirements for certain independent expenditures.

Sec. 202. Definition of independent expenditure; express advocacy.

TITLE III—POLITICAL PARTY COMMITTEES

Sec. 301. Soft money of political party committee.

Sec. 302. State party grassroots funds.

Sec. 303. Modification of contribution limits to committees of political parties.

Sec. 304. Reporting requirements.

Sec. 305. Expenditure limit of political party committees in response to candidate transfer of contributions from a previous election cycle.

Sec. 306. Prohibition of solicitation of political party soft money in Federal buildings.

TITLE IV—MISCELLANEOUS

Sec. 401. Prohibition of leadership committees.

Sec. 402. Political activity of corporations, national banks, and labor organizations.

1 **TITLE I—CONTRIBUTIONS**2 **SEC. 101. MULTICANDIDATE POLITICAL COMMITTEES CON-**
3 **TRIBUTIONS TO CANDIDATES.**

4 Section 315(a)(2)(A) of the Federal Election Cam-
5 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended
6 by striking “\$5,000” and inserting “\$1,000”.

7 **SEC. 102. PROHIBITION OF BUNDLING OF CONTRIBUTIONS**
8 **BY LOBBYISTS.**

9 Section 315(a)(8) of the Federal Election Campaign
10 Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read
11 as follows:

12 “(8) INTERMEDIARIES AND CONDUITS.—

13 “(A) TREATMENT AS CONTRIBUTIONS
14 FROM PERSONS BY WHOM MADE.—

15 “(i) IN GENERAL.—For purposes of
16 the limitations imposed by this section, all

1 contributions made by a person, either di-
 2 rectly or indirectly, on behalf of a can-
 3 didate, including contributions that are in
 4 any way earmarked or otherwise directed
 5 through an intermediary or conduit to the
 6 candidate, shall be treated as contributions
 7 from the person to the candidate.

8 “(ii) REPORTING.—The intermediary
 9 or conduit through which a contribution is
 10 made shall report the name of the original
 11 contributor and the intended recipient of
 12 the contribution to the Commission and to
 13 the intended recipient.

14 “(B) TREATMENT AS CONTRIBUTIONS
 15 FROM THE BUNDLER.—

16 “(i) IN GENERAL.—Contributions that
 17 a bundler delivers to a candidate or the
 18 candidate’s authorized committees shall be
 19 treated as contributions from the bundler
 20 to the candidate as well as from the origi-
 21 nal contributor.

22 “(C) DEFINITIONS.—In this paragraph:

23 “(i) BUNDLER.—The term ‘bundler’
 24 means an intermediary or conduit that—

1 “(I) delivers contributions made
2 by other persons; and

3 “(II) is—

4 “(aa) a person required to
5 be listed as a lobbyist on a reg-
6 istration or other report filed
7 pursuant to the Lobbying Disclo-
8 sure Act of 1995 (2 U.S.C. 1601
9 et seq.) or any successor law that
10 requires reporting on the activi-
11 ties of a person who is a lobbyist
12 or foreign agent; or

13 “(bb) an entity that is di-
14 rectly or indirectly established, fi-
15 nanced, maintained, or controlled
16 by a lobbyist or its agent, an en-
17 tity acting on behalf of a lobby-
18 ist, and an officer or agent acting
19 on behalf of any such lobbyist or
20 entity.

21 “(ii) DELIVER.—The term ‘deliver’
22 means to deliver contributions to a can-
23 didate by any method used or suggested by
24 a bundler that communicates to the can-
25 didate (or to the person who receives the

1 contributions on behalf of the candidate)
 2 that the bundler collected the contributions
 3 for the candidate, including such methods
 4 as—

5 “(I) personal delivery;

6 “(II) United States mail or simi-
 7 lar services;

8 “(III) messenger service; and

9 “(IV) collection at an event or re-
 10 ception.”.

11 **SEC. 103. CREDIT FOR CONTRIBUTIONS TO CONGRES-**
 12 **SIONAL CANDIDATES.**

13 (a) GENERAL RULE.—Subpart A of part IV of sub-
 14 chapter A of chapter 1 of the Internal Revenue Code of
 15 1986 (relating to nonrefundable personal credits) is
 16 amended by inserting after section 23 the following new
 17 section:

18 **“SEC. 24. IN-STATE CONTRIBUTIONS TO CONGRESSIONAL**
 19 **CANDIDATES.**

20 “(a) GENERAL RULE.—In the case of an individual,
 21 there shall be allowed as a credit against the tax imposed
 22 by this chapter for the taxable year an amount equal to
 23 the total amount of local congressional political contribu-
 24 tions made by the individual.

25 “(b) LIMITATIONS.—

1 “(1) MAXIMUM CREDIT.—The credit allowed by
2 subsection (a) for a taxable year shall not exceed
3 \$100 (\$200 in the case of a joint return under sec-
4 tion 6013).

5 “(2) VERIFICATION.—The credit allowed by
6 subsection (a) shall be allowed with respect to any
7 contribution only if such contribution is verified in
8 such manner as the Secretary shall prescribe by reg-
9 ulations.

10 “(c) DEFINITION.—For purposes of this section—

11 “(1) CANDIDATE.—The term ‘candidate’ has
12 the meaning given that term in section 301 of the
13 Federal Election Campaign Act of 1971.

14 “(2) CONTRIBUTION.—The term ‘contribution’
15 has the meaning given that term in section 301 of
16 the Federal Election Campaign Act of 1971.

17 “(3) LOCAL CONGRESSIONAL POLITICAL CON-
18 TRIBUTION.—The term ‘local congressional political
19 contribution’ means a contribution or gift of money
20 to—

21 “(A) a local congressional candidate, or

22 “(B) a committee, association, or organiza-
23 tion (whether or not incorporated) organized
24 and operated exclusively for the purpose of in-
25 fluencing (or attempting to influence) the nomi-

1 nation or election of a local congressional can-
 2 didate,
 3 for use to further the candidacy of such candidate
 4 for nomination or election to the Senate or House of
 5 Representatives.

6 “(4) LOCAL CONGRESSIONAL CANDIDATE.—The
 7 term ‘local congressional candidate’ means a can-
 8 didate in a primary, general, or special election seek-
 9 ing nomination for election to, or election to, the—

10 “(A) Senate for the State in which the
 11 principal residence of the taxpayer is located; or

12 “(B) House of Representative for the con-
 13 gressional district in which the principal resi-
 14 dence of the taxpayer is located.

15 “(5) PRINCIPAL RESIDENCE.—The term ‘prin-
 16 cipal residence’ has the same meaning as when used
 17 in section 1034.”.

18 (b) CONFORMING AMENDMENTS.—

19 (1) Section 642 of such Code (relating to spe-
 20 cial rules for credits and deductions of estates or
 21 trusts) is amended by adding at the end the follow-
 22 ing:

23 “(j) CREDIT FOR CERTAIN CONTRIBUTIONS NOT AL-
 24 LOWED.—An estate or trust shall not be allowed the credit
 25 against tax provided by section 24.”.

1 (2) The table of sections for subpart A of part
 2 IV of subchapter A of chapter 1 of such Code is
 3 amended by inserting after the item relating to sec-
 4 tion 23 the following new item:

 “Sec. 24. In-State contributions to congressional candidates.”.

5 (c) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 1997.

8 **SEC. 104. MODIFICATION OF CONTRIBUTION LIMITS FOR**
 9 **SENATE CANDIDATES WHEN OPPOSING CAN-**
 10 **DIDATES MAKE EXPENDITURES FROM PER-**
 11 **SONAL FUNDS.**

12 (a) DECLARATION AND NOTIFICATION OF EXPENDI-
 13 TURES FROM PERSONAL FUNDS.—Section 304(a)(6) of
 14 the Federal Election Campaign Act of 1971 (2 U.S.C.
 15 434(a)(6)) is amended—

16 (1) by redesignating subparagraph (B) as sub-
 17 paragraph (D); and

18 (2) by inserting after subparagraph (A) the fol-
 19 lowing:

20 “(B)(i) Not later than the date on which a candidate
 21 for nomination to the Senate qualifies under State law for
 22 a primary election ballot, the candidate or the candidate’s
 23 authorized committees shall file a declaration with the
 24 Commission stating the amount of personal funds that the
 25 candidate intends to expend in connection with the can-

1 didate's campaign for election from the date of the filing
 2 of the declaration through the date of the general election.

3 “(ii) A candidate who—

4 “(I) declares, under clause (i), that the can-
 5 didate does not intend to expend personal funds in
 6 an amount in excess of \$100,000; and

7 “(II) subsequently changes the declaration or
 8 expends personal funds in excess of that amount,
 9 shall file an amended declaration with the Commission and
 10 notify all other candidates for the same office within 24
 11 hours after changing the declaration or exceeding the lim-
 12 its, whichever first occurs, by sending a notice by certified
 13 mail, return receipt requested.

14 “(C)(i) A candidate for election to the Senate or the
 15 candidate's authorized committees shall notify the Com-
 16 mission and each opponent of the candidate if the can-
 17 didate or the candidate's authorized committees makes or
 18 obligates to make an aggregate amount of expenditures
 19 using personal funds in excess of 90 percent of the amount
 20 stated in subparagraph (B).

21 “(ii) After a candidate files a notification under
 22 clause (i), the person shall file an additional notification
 23 each time an aggregate amount of expenditures is made
 24 or obligated to be made using personal funds that equals
 25 \$15,000.

1 “(iii) A notification under clause (i) or (ii) shall—

2 “(I) be submitted not later than 24 hours after
3 the expenditure that is the subject of the notification
4 is made or obligated to be made;

5 “(II) include the name of the candidate, the of-
6 fice sought by the candidate, and the date and
7 amount of the expenditure; and

8 “(III) include the total amount of expenditures
9 from personal funds that have been made or obli-
10 gated to be made with respect to that election as of
11 the date of the expenditure that is the subject of the
12 notification.”.

13 (b) MODIFICATION OF CONTRIBUTION LIMITS.—Sec-
14 tion 315 of the Federal Election Campaign Act of 1971
15 (2 U.S.C. 441a) is amended—

16 (1) in subsection (a)—

17 (A) in paragraph (1), by striking “No per-
18 son” and inserting “Except as provided in sub-
19 section (i), no person”;

20 (B) in paragraph (2), by striking “No
21 multicandidate” and inserting “Except as pro-
22 vided in subsection (i), no multicandidate”;

23 (2) in subsection (d)(3), by striking “The na-
24 tional committee” and inserting “Except as provided
25 in subsection (i), the national committee”; and

1 (3) by adding at the end the following:

2 “(i) CONTRIBUTION LIMITS IN RESPONSE TO SEN-
3 ATE CANDIDATE EXPENDITURES OF PERSONAL
4 FUNDS.—

5 “(1) IN GENERAL.—

6 “(A) CONTRIBUTION LIMIT UNDER PARA-
7 GRAPHS (1)(A) AND (2)(A) OF SECTION 315(a).—

8 An individual or multicandidate political com-
9 mittee may make contributions to a candidate
10 with respect to any general election to the Sen-
11 ate in an amount—

12 “(i) not to exceed the applicable limit
13 multiplied by 2, if an opponent of the can-
14 didate or the opponent’s authorized com-
15 mittees in such election declares an inten-
16 tion to make, makes, or obligates to make
17 an aggregate amount of expenditures using
18 personal funds that is equal to or greater
19 than \$100,000 and less than \$250,000;

20 “(ii) not to exceed \$5,000, if an oppo-
21 nent of the candidate or the opponent’s au-
22 thorized committees declares an intention
23 to make, makes, or obligates to make an
24 aggregate amount of expenditures using

personal funds that is equal to or greater than \$250,000; or

“(iii) not to exceed \$5,000, if an opponent of the candidate or the opponent’s authorized committees makes or obligates to make an aggregate amount of expenditures in excess of the amount the opponent declared under section 304(a)(6)(B).

“(B) CONTRIBUTION LIMIT UNDER SECTION 315(d)(3).—If the opponent of a candidate for election to the Senate or the opponent’s authorized committees makes or obligates to make an aggregate amount of expenditures in excess of the amount the opponent declared under section 304(a)(6)(B), a national committee of a political party may make expenditures in connection with the general election campaign of the candidate without regard to the limitations in subsection (a) or this subsection in an amount not to exceed the amount of expenditures that the opponent makes or obligates to make in excess of the amount the opponent declared under such section.

“(2) EXCEPTION.—The limits under paragraph (1) shall apply to contributions to a candidate only

1 if the candidate declares an amount under section
 2 304(a)(6)(B) and expends an amount that is less
 3 than \$100,000.”.

4 (c) DEFINITION OF PERSONAL FUNDS.—Section 301
 5 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 6 431) is amended by adding at the end the following:

7 “(20) PERSONAL FUNDS.—The term ‘personal funds’
 8 means an amount that is derived from—

9 “(A) personal funds of the candidate and
 10 members of the candidate’s immediate family;
 11 or

12 “(B) proceeds of indebtedness incurred by
 13 the candidate or a member of the candidate’s
 14 immediate family.”.

15 **SEC. 105. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**
 16 **UALS NOT QUALIFIED TO VOTE.**

17 (a) PROHIBITION.—Section 319 of the Federal Elec-
 18 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

19 (1) in the heading by adding “AND INDIVID-
 20 UALS NOT QUALIFIED TO REGISTER TO
 21 VOTE” at the end; and

22 (2) in subsection (a)—

23 (A) by striking “(a) It shall” and inserting
 24 the following:

25 “(a) PROHIBITIONS.—

1 “(1) FOREIGN NATIONALS.—It shall”; and

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

3 “(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—

4 It shall be unlawful for—

5 “(A) an individual who is not qualified to
6 register to vote in a Federal election to make
7 a contribution, or to promise expressly or
8 impliedly to make a contribution, in connection
9 with a Federal election; or

10 “(B) any person to solicit, accept, or re-
11 ceive a contribution in connection with a Fed-
12 eral election from an individual who is not
13 qualified to register to vote in a Federal elec-
14 tion.”.

15 (b) INCLUSION IN DEFINITION OF IDENTIFICA-
16 TION.—Section 301(13) of the Federal Election Campaign
17 Act of 1971 (2 U.S.C. 431(13)) is amended—

18 (1) in subparagraph (A)—

19 (A) by striking “and” the first place it ap-
20 pears; and

21 (B) by inserting “, and an affirmation that
22 the individual is an individual who is not pro-
23 hibited by section 319 from making a contribu-
24 tion” after “employer”; and

1 (2) in subparagraph (B) by inserting “and an
2 affirmation that the person is a person that is not
3 prohibited by section 319 from making a contribu-
4 tion” after “such person”.

5 **SEC. 106. INDEXING OF CONTRIBUTION LIMITS.**

6 Section 315(c) of the Federal Election Campaign Act
7 of 1971 (2 U.S.C. 441a(c)) is amended—

8 (1) in paragraph (1), by striking “subsection
9 (b) and subsection (d)” and inserting “subsections
10 (a), (b), and (d)”; and

11 (2) in paragraph (2)(B), by striking “means the
12 calendar year 1974.” and inserting “means—

13 “(i) for purposes of subsections (b) and
14 (d), calendar year 1974; and

15 “(ii) for purposes of subsection (a), cal-
16 endar year 1997.”.

17 **TITLE II—INDEPENDENT**
18 **EXPENDITURES**

19 **SEC. 201. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
20 **PENDENT EXPENDITURES.**

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

23 (1) in subsection (c)(2), by striking the undes-
24 ignated matter after subparagraph (C); and

25 (2) by adding at the end the following:

1 “(d) TIME FOR REPORTING CERTAIN EXPENDI-
2 TURES.—

3 “(1) EXPENDITURES AGGREGATING \$1,000
4 WITHIN 20 DAYS BEFORE AN ELECTION.—

5 “(A) INITIAL REPORT.—A person (includ-
6 ing a political committee) that makes or obli-
7 gates to make independent expenditures aggreg-
8 gating \$1,000 or more after the 20th day, but
9 more than 24 hours, before the date of an elec-
10 tion shall file a report describing the expendi-
11 tures within 24 hours after that amount of
12 independent expenditures has been made.

13 “(B) ADDITIONAL REPORTS.—After a per-
14 son files a report under subparagraph (A), the
15 person shall file an additional report each time
16 that the person makes or obligates to make
17 independent expenditures during the period de-
18 scribed in (A) aggregating an additional \$1,000
19 with respect to the same election as that to
20 which the initial report relates.

21 “(2) EXPENDITURES AGGREGATING \$5,000 BE-
22 FORE 20TH DAY BEFORE ELECTION.—

23 “(A) INITIAL REPORT.—A person (includ-
24 ing a political committee) that makes or obli-
25 gates to make independent expenditures aggreg-

gating \$5,000 or more at any time up to and including the 20th day before the date of an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made.

“(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report each time that the person makes or obligates to make independent expenditures during the period described in subparagraph (A) aggregating an additional \$5,000 with respect to the same election as that to which the initial report relates.

“(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

“(A) shall be filed with the Commission; and

“(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.”.

SEC. 202. DEFINITION OF INDEPENDENT EXPENDITURE; EXPRESS ADVOCACY.

(a) DEFINITION OF INDEPENDENT EXPENDITURE.—

Section 301(17) of the Federal Election Campaign Act of

1 1971 (2 U.S.C. 431(17) et seq.) is amended to read as
 2 follows:

3 “(17) INDEPENDENT EXPENDITURE.—The term
 4 ‘independent expenditure’ means an expenditure that—

5 “(A) contains express advocacy; and

6 “(B) is made without the participation or co-
 7 operation of, or without consultation with, or with-
 8 out coordination with a candidate or a candidate’s
 9 authorized committee or agent.”.

10 (b) EXPRESS ADVOCACY.—

11 (1) AMENDMENT OF DEFINITION OF EXPENDI-
 12 TURE.—Section 301(9)(A) of the Federal Election
 13 Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is
 14 amended—

15 (A) by striking “and” at the end of clause
 16 (i);

17 (B) by striking the period at the end of
 18 clause (ii) and inserting a semicolon; and

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

20 “(iii) any payment during an election
 21 year (or in a nonelection year, during the
 22 period beginning on the date on which a
 23 vacancy for Federal office occurs and end-
 24 ing on the date of the special election for
 25 that office) for a communication that is

made through any broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising by a national, State, district, or local committee of a political party, including a congressional campaign committee of a party, that refers to a clearly identified candidate; and

“(iv) any payment for a communication that contains express advocacy.”.

(2) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) (as amended by section 104(c)) is amended by adding at the end the following:

“(21) EXPRESS ADVOCACY.—

“(A) IN GENERAL.—The term ‘express advocacy’ includes—

“(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote against,’ ‘defeat,’ ‘reject,’ ‘(name of candidate) for Congress,’ ‘vote pro-life,’ or ‘vote pro-choice,’ accompanied by a listing or picture of a clearly identified candidate

described as ‘pro-life’ or ‘pro-choice,’ ‘reject the incumbent’, or a similar expression;

“(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of \$10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of the candidate, and that is made within 30 days before the date of a primary election (and is targeted to the State in which the primary is occurring), or 60 days before a general election; or

“(iii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of \$10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of a candidate, that is made before the date that is 30 days before the date of a primary

1 election, or 60 days before the date of a general
 2 election, and that is made for the purpose of
 3 advocating the election or defeat of the can-
 4 didate, as shown by 1 or more factors such as
 5 a statement or action by the person making the
 6 communication, the targeting or placement of
 7 the communication, or the use by the person
 8 making the communication of polling, demo-
 9 graphic, or other similar data relating to the
 10 candidate's campaign or election.

11 “(B) EXCLUSION.—The term ‘express advoca-
 12 cacy’ does not include the publication or distribution
 13 of a communication that is limited solely to provid-
 14 ing information about the voting record of elected
 15 officials on legislative matters and that a reasonable
 16 person would not understand as advocating the elec-
 17 tion or defeat of a particular candidate.”.

18 **TITLE III—POLITICAL PARTY** 19 **COMMITTEES**

20 **SEC. 301. SOFT MONEY OF POLITICAL PARTY COMMITTEE.**

21 Title III of the Federal Election Campaign Act of
 22 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
 23 end the following:

1 **“SEC. 324. SOFT MONEY OF PARTY COMMITTEES.**

2 “(a) NATIONAL COMMITTEES.—A national commit-
3 tee of a political party (including a national congressional
4 campaign committee of a political party but not including
5 an entity regulated under subsection (b)) shall not solicit
6 or receive any contributions, donations, or transfers of
7 funds, or spend any funds, that are not subject to the limi-
8 tations, prohibitions, and reporting requirements of this
9 Act.

10 “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

11 “(1) IN GENERAL.—A State, district, or local
12 committee of a political party shall not expend or
13 disburse any amount during a calendar year in
14 which a Federal election is held for any activity that
15 might affect the outcome of a Federal election, in-
16 cluding any voter registration or get-out-the-vote ac-
17 tivity, any generic campaign activity, and any com-
18 munication that refers to a candidate (regardless of
19 whether a candidate for State or local office is also
20 mentioned or identified) unless the amount is sub-
21 ject to the limitations, prohibitions, and reporting
22 requirements of this Act.

23 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH

24 (1).—

25 “(A) IN GENERAL.—Paragraph (1) shall
26 not apply to an expenditure or disbursement

1 made by a State, district, or local committee of
2 a political party for—

3 “(i) a contribution to a candidate for
4 State or local office if the contribution is
5 not designated or otherwise earmarked to
6 pay for an activity described in paragraph
7 (1);

8 “(ii) the costs of a State, district, or
9 local political convention;

10 “(iii) the non-Federal share of a
11 State, district, or local party committee’s
12 administrative and overhead expenses (but
13 not including the compensation in any
14 month of any individual who spends more
15 than 20 percent of the individual’s time on
16 activities during the month that may affect
17 the outcome of a Federal election), except
18 that for purposes of this paragraph, the
19 non-Federal share of a party committee’s
20 administrative and overhead expenses shall
21 be determined by applying the ratio of the
22 non-Federal disbursements to the total
23 Federal expenditures and non-Federal dis-
24 bursements made by the committee during
25 the previous presidential election year to

1 the committee's administrative and over-
2 head expenses in the election year in ques-
3 tion;

4 “(iv) the costs of grassroots campaign
5 materials, including buttons, bumper stick-
6 ers, and yard signs that name or depict
7 only a candidate for State or local office;
8 and

9 “(v) the cost of any campaign activity
10 conducted solely on behalf of a clearly
11 identified candidate for State or local of-
12 fice, if the candidate activity is not an ac-
13 tivity described in paragraph (1).

14 “(B) FUNDRAISING COSTS.—A national,
15 State, district, or local committee of a political
16 party shall not expend any amount to raise
17 funds that are used, in whole or in part, to pay
18 the costs of an activity described in paragraph
19 (1) unless the amount is subject to the limita-
20 tions, prohibitions, and reporting requirements
21 of this Act.

22 “(c) TAX-EXEMPT ORGANIZATIONS.—A national,
23 State, district, or local committee of a political party (in-
24 cluding a national congressional campaign committee of
25 a political party) shall not solicit any funds for or make

1 any donations to an organization that is exempt from Fed-
2 eral taxation under section 501(a) of the Internal Revenue
3 Code of 1986 and that is described in section 501(c) of
4 such Code.

5 “(d) CANDIDATES.—

6 “(1) IN GENERAL.—A candidate, individual
7 holding Federal office, or agent of a candidate or in-
8 dividual holding Federal office shall not—

9 “(A) solicit, receive, transfer, or spend
10 funds in connection with an election for Federal
11 office unless the funds are subject to the limita-
12 tions, prohibitions, and reporting requirements
13 of this Act;

14 “(B) solicit, receive, or transfer funds that
15 are to be expended in connection with any elec-
16 tion other than a Federal election unless the
17 funds—

18 “(i) are not in excess of the amounts
19 permitted with respect to contributions to
20 candidates and political committees under
21 paragraphs (1) and (2) of section 315(a);
22 and

23 “(ii) are not from sources prohibited
24 by this Act from making contributions with
25 respect to an election for Federal office; or

1 “(C) solicit, receive, or transfer any funds
 2 on behalf of any person that are not subject to
 3 the limitations, prohibitions, and reporting re-
 4 quirements of this Act if the funds are for use
 5 in financing any campaign-related activity or
 6 any communication that refers to a clearly iden-
 7 tified candidate for Federal office.

8 “(2) EXCEPTION.—Paragraph (1) does not
 9 apply to the solicitation or receipt of funds by an in-
 10 dividual who is a candidate for a State or local office
 11 if the solicitation or receipt of funds is permitted
 12 under State law for the individual’s State or local
 13 campaign committee.

14 “(e) DEFINITION OF COMMITTEE.—In this section,
 15 the term ‘committee of a political party’ includes an entity
 16 that is directly or indirectly established, financed, main-
 17 tained, or controlled by a committee or its agent, an entity
 18 acting on behalf of a committee, and an officer or agent
 19 acting on behalf of any such committee or entity.”.

20 **SEC. 302. STATE PARTY GRASSROOTS FUNDS.**

21 (a) INDIVIDUAL CONTRIBUTIONS.—Section
 22 315(a)(1) of the Federal Election Campaign Act of 1971
 23 (2 U.S.C. 441a(a)(1)) is amended—

24 (1) in subparagraph (B) by striking “or” at the
 25 end;

1 (2) by redesignating subparagraph (C) as sub-
2 paragraph (D); and

3 (3) by inserting after subparagraph (B) the fol-
4 lowing:

5 “(C) to—

6 “(i) a State Party Grassroots Fund estab-
7 lished and maintained by a State committee of
8 a political party in any calendar year which, in
9 the aggregate, exceed \$20,000;

10 “(ii) any other political committee estab-
11 lished and maintained by a State committee of
12 a political party in any calendar year which, in
13 the aggregate, exceed \$5,000;

14 except that the aggregate contributions described in
15 this subparagraph that may be made by a person to
16 the State Party Grassroots Fund and all committees
17 of a State Committee of a political party in any
18 State in any calendar year shall not exceed \$20,000;
19 or”.

20 (b) LIMITS.—

21 (1) IN GENERAL.—Section 315(a) of the Fed-
22 eral Election Campaign Act of 1971 (2 U.S.C.
23 441a(a)) is amended by striking paragraph (3) and
24 inserting the following:

25 “(3) OVERALL LIMITS.—

1 “(A) INDIVIDUAL LIMIT.—No individual
2 shall make contributions during any calendar
3 year that, in the aggregate, exceed \$30,000.

4 “(B) CALENDAR YEAR.—No individual
5 shall make contributions during any calendar
6 year—

7 “(i) to all candidates and their au-
8 thorized political committees that, in the
9 aggregate, exceed \$25,000; or

10 “(ii) to all political committees estab-
11 lished and maintained by State committees
12 of a political party that, in the aggregate,
13 exceed \$20,000.

14 “(C) NONELECTION YEARS.—For purposes
15 of subparagraph (B)(i), any contribution made
16 to a candidate or the candidate’s authorized po-
17 litical committees in a year other than the cal-
18 endar year in which the election is held with re-
19 spect to which the contribution is made shall be
20 treated as being made during the calendar year
21 in which the election is held.”.

22 (c) DEFINITIONS.—Section 301 of the Federal Elec-
23 tion Campaign Act of 1970 (2 U.S.C. 431) (as amended
24 by section 202(b)(2)) is amended by adding at the end
25 the following:

1 “(22) GENERIC CAMPAIGN ACTIVITY.—The
 2 term ‘generic campaign activity’ means a campaign
 3 activity that promotes a political party and does not
 4 refer to any particular Federal or non-Federal can-
 5 didate.

6 “(23) STATE PARTY GRASSROOTS FUND.—The
 7 term ‘State Party Grassroots Fund’ means a sepa-
 8 rate segregated fund established and maintained by
 9 a State committee of a political party solely for pur-
 10 poses of making expenditures and other disburse-
 11 ments described in section 326(d).”.

12 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of
 13 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
 14 et seq.) (as amended by section 301) is amended by adding
 15 at the end the following:

16 **“SEC. 325. STATE PARTY GRASSROOTS FUNDS.**

17 “(a) IN GENERAL.—A State committee of a political
 18 party shall only make disbursements and expenditures
 19 from the committee’s State Party Grassroots Fund that
 20 are described in subsection (d).

21 “(b) TRANSFERS.—

22 “(1) IN GENERAL.—Notwithstanding section
 23 315(a)(4), a State committee of a political party
 24 shall not transfer any funds from the committee’s
 25 State Party Grassroots Fund to any other State

1 Party Grassroots Fund or to any other political com-
 2 mittee, except as provided in paragraph (2).

3 “(2) EXCEPTION.—A committee of a political
 4 party may transfer funds from the committee’s
 5 State Party Grassroots Fund to a district or local
 6 committee of the same political party in the same
 7 State if the district or local committee—

8 “(A) has established a separate segregated
 9 fund for the purposes described in subsection
 10 (d); and

11 “(B) uses the transferred funds solely for
 12 those purposes.

13 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS
 14 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

15 “(1) IN GENERAL.—Any amount received by a
 16 State Party Grassroots Fund from a State or local
 17 candidate committee for expenditures described in
 18 subsection (d) that are for the benefit of that can-
 19 didate shall be treated as meeting the requirements
 20 of 324(b)(1) and section 304(e) if—

21 “(A) the amount is derived from funds
 22 which meet the requirements of this Act with
 23 respect to any limitation or prohibition as to
 24 source or dollar amount specified in paragraphs
 25 (1)(A) and (2)(A)(i) of section 315(a); and

1 “(B) the State or local candidate commit-
2 tee—

3 “(i) maintains, in the account from
4 which payment is made, records of the
5 sources and amounts of funds for purposes
6 of determining whether those requirements
7 are met; and

8 “(ii) certifies that the requirements
9 were met.

10 “(2) DETERMINATION OF COMPLIANCE.—For
11 purposes of paragraph (1)(A), in determining wheth-
12 er the funds transferred meet the requirements of
13 this Act described in paragraph (1)(A)—

14 “(A) a State or local candidate commit-
15 tee’s cash on hand shall be treated as consisting
16 of the funds most recently received by the com-
17 mittee; and

18 “(B) the committee must be able to dem-
19 onstrate that its cash on hand contains funds
20 meeting those requirements sufficient to cover
21 the transferred funds.

22 “(3) REPORTING.—Notwithstanding paragraph
23 (1), any State Party Grassroots Fund that receives
24 a transfer described in paragraph (1) from a State
25 or local candidate committee shall be required to

1 meet the reporting requirements of this Act, and
 2 shall submit to the Commission all certifications re-
 3 ceived, with respect to receipt of the transfer from
 4 the candidate committee.

5 “(d) DISBURSEMENTS AND EXPENDITURES.—A
 6 State committee of a political party may make disburse-
 7 ments and expenditures from its State Party Grassroots
 8 Fund only for—

9 “(1) any generic campaign activity;

10 “(2) payments described in clauses (v), (viii),
 11 and (x) of paragraph (8)(B) and clauses (iv), (viii),
 12 and (ix) of paragraph (9)(B) of section 301;

13 “(3) subject to the limitations of section
 14 315(d), payments described in clause (xii) of para-
 15 graph (8)(B), and clause (ix) of paragraph (9)(B),
 16 of section 301 on behalf of candidates other than for
 17 President and Vice President;

18 “(4) voter registration; and

19 “(5) development and maintenance of voter files
 20 during an even-numbered calendar year.

21 “(e) DEFINITION.—In this section, the term ‘State
 22 or local candidate committee’ means a committee estab-
 23 lished, financed, maintained, or controlled by a candidate
 24 for other than Federal office.”.

1 **SEC. 303. MODIFICATION OF CONTRIBUTION LIMITS TO**
 2 **COMMITTEES OF POLITICAL PARTIES.**

3 Section 315(a) of the Federal Election Campaign Act
 4 of 1971 (2 U.S.C. 441a(a) et seq.) is amended—

5 (1) in paragraph (1)(B), by striking “\$20,000”
 6 and inserting “\$25,000”; and

7 (2) in paragraph (2)(B), by striking “\$15,000”
 8 and inserting “\$20,000”.

9 **SEC. 304. REPORTING REQUIREMENTS.**

10 (a) REPORTING REQUIREMENTS.—Section 304 of the
 11 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
 12 (as amended by section 201) is amended by adding at the
 13 end the following:

14 “(e) POLITICAL COMMITTEES.—

15 “(1) NATIONAL AND CONGRESSIONAL POLITI-
 16 CAL COMMITTEES.—The national committee of a po-
 17 litical party, any congressional campaign committee
 18 of a political party, and any subordinate committee
 19 of either, shall report all receipts and disbursements
 20 during the reporting period, whether or not in con-
 21 nection with an election for Federal office.

22 “(2) OTHER POLITICAL COMMITTEES TO WHICH
 23 SECTION 324 APPLIES.—A political committee to
 24 which section 324(b)(1) applies shall report all re-
 25 ceipts and disbursements made for activities de-

1 scribed in paragraphs (1) and (2)(A)(iii) of section
 2 324(b).

3 “(3) OTHER POLITICAL COMMITTEES.—Any po-
 4 litical committee to which paragraph (1) or (2) does
 5 not apply shall report any receipts or disbursements
 6 that are used in connection with a Federal election.

7 “(4) ITEMIZATION.—If a political committee
 8 has receipts or disbursements to which this sub-
 9 section applies from any person aggregating in ex-
 10 cess of \$200 for any calendar year, the political
 11 committee shall separately itemize its reporting for
 12 such person in the same manner as required in para-
 13 graphs (3)(A), (5), and (6) of subsection (b).

14 “(5) REPORTING PERIODS.—Reports required to be
 15 filed under this subsection shall be filed for the same time
 16 periods required for political committees under
 17 subsection (a).”.

18 (b) BUILDING FUND EXCEPTION TO THE DEFINI-
 19 TION OF CONTRIBUTION.—Section 301(8)(B) of the Fed-
 20 eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(B))
 21 is amended—

22 (1) by striking clause (viii); and

23 (2) by redesignating clauses (ix) through (xiv)
 24 as clauses (viii) through (xiii), respectively.

1 (c) REPORTS BY STATE COMMITTEES.—Section 304
 2 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 3 434) (as amended by subsection (a)) is amended by adding
 4 at the end the following:

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

11 (d) OTHER REPORTING REQUIREMENTS.—

12 (1) AUTHORIZED COMMITTEES.—Section
 13 304(b)(4) of the Federal Election Campaign Act of
 14 1971 (2 U.S.C. 434(b)(4)) is amended—

15 (A) by striking “and” at the end of sub-
 16 paragraph (H);

17 (B) by inserting “and” at the end of sub-
 18 paragraph (I); and

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

21 “(J) in the case of an authorized commit-
 22 tee, disbursements for the primary election, the
 23 general election, and any other election in which
 24 the candidate participates;”.

1 (2) NAMES AND ADDRESSES.—Section
 2 304(b)(5)(A) of the Federal Election Campaign Act
 3 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by in-
 4 serting “, and the election to which the operating ex-
 5 penditure relates” after “operating expenditure”.

6 **SEC. 305. EXPENDITURE LIMIT OF POLITICAL PARTY COM-**
 7 **MITTEES IN RESPONSE TO CANDIDATE**
 8 **TRANSFER OF CONTRIBUTIONS FROM A PRE-**
 9 **VIOUS ELECTION CYCLE.**

10 (a) IN GENERAL.—Section 315(d) of the Federal
 11 Election Campaign Act of 1971 (2 U.S.C. 441a(d)) (as
 12 amended by section 104(b)(2)) is amended—

13 (1) in paragraph (1), by striking “(2) and (3)”
 14 and inserting “(2), (3), and (4)”;

15 (2) in paragraph (3), by striking “subsection
 16 (i)” and inserting “subsection (i) and paragraph
 17 (4)”; and

18 (3) by adding at the end the following:

19 “(4) If a candidate for election to the Senate or the
 20 House of Representatives or the candidate’s authorized
 21 committees transfers funds from a previous election cycle
 22 to the current election cycle, a national or State committee
 23 of a political party may make an aggregate amount of ex-
 24 penditures in connection with the general election cam-
 25 paign of an opponent of the candidate in the same election

1 that does not exceed the amount of such funds transferred
 2 by the candidate.”.

3 (b) DEFINITION OF ELECTION CYCLE.—Section 301
 4 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 5 431) (as amended by section 302(c)) is amended by add-
 6 ing at the end the following:

7 “(24) ELECTION CYCLE.—The term ‘election cycle’
 8 means—

9 “(A) in the case of a candidate or the author-
 10 ized committees of a candidate, the period beginning
 11 on the day after the date of the most recent general
 12 election for the office or seat that the candidate is
 13 seeking and ending on the date of the next general
 14 election for that office or seat; and

15 “(B) in the case of all other persons, the period
 16 beginning on the first day following the date of the
 17 last general election and ending on the date of the
 18 next general election.”.

19 **SEC. 306. PROHIBITION OF SOLICITATION OF POLITICAL**
 20 **PARTY SOFT MONEY IN FEDERAL BUILDINGS.**

21 Section 607 of title 18, United States Code, is
 22 amended—

23 (1) in subsection (a), by striking “within the
 24 meaning of section 301(8) of the Federal Election
 25 Campaign Act of 1971”; and

1 (2) by adding at the end the following:

2 “(c) DEFINITION OF CONTRIBUTION.—In this sec-
3 tion, the term ‘contribution’ means a gift, subscription,
4 loan, advance, or deposit of money or anything of value
5 made by any person in connection with—

6 “(1) any election or elections for Federal office;

7 or

8 “(2) any political committee (as defined in sec-
9 tion 301 of the Federal Election Campaign Act of
10 1971).”.

11 **TITLE IV—MISCELLANEOUS**

12 **SEC. 401. PROHIBITION OF LEADERSHIP COMMITTEES.**

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

16 “(6) PROHIBITION OF LEADERSHIP COMMIT-
17 TEES.—

18 “(A) IN GENERAL.—

19 “(i) PROHIBITION.—A candidate or
20 an individual holding Federal office shall
21 not establish, finance, maintain, or control
22 any political committee or non-Federal po-
23 litical committee other than a principal
24 campaign committee of the candidate, au-
25 thorized committee, party committee, or

1 other political committee designated in ac-
 2 cordance with paragraph (3).

3 “(ii) CANDIDATE FOR MORE THAN 1
 4 OFFICE.—A candidate for more than 1
 5 Federal office may designate a separate
 6 principal campaign committee for the cam-
 7 paign for election to each Federal office.

8 “(iii) CANDIDATES FOR STATE OR
 9 LOCAL OFFICE.—This paragraph does not
 10 preclude a Federal officeholder who is a
 11 candidate for State or local office from es-
 12 tablishing, financing, maintaining, or con-
 13 trolling a political committee for election of
 14 the individual to the State or local office.

15 “(B) TRANSITION.—

16 “(i) CONTINUATION FOR 12
 17 MONTHS.—For a period of 12 months
 18 after the effective date of this paragraph,
 19 any political committee established before
 20 that date but that is prohibited under sub-
 21 paragraph (A) may continue to make con-
 22 tributions.

23 “(ii) DISBURSEMENT AT THE END OF
 24 12 MONTHS.—At the end of the 12-month
 25 period, the political committee shall dis-

1 burse all funds by 1 or more of the follow-
 2 ing means:

3 “(I) Making contributions to a
 4 person described in section 501(c)(3)
 5 of the Internal Revenue Code of 1986
 6 and exempt from taxation under sec-
 7 tion 501(a) of the Code.

8 “(II) Making a contribution to
 9 the Treasury of the United States.

10 “(III) Contributing to the na-
 11 tional, State, or local committee of a
 12 political party.

13 “(IV) Making a contribution of
 14 not to exceed \$1,000 each to 1 or
 15 more candidates or non-Federal can-
 16 didates.”.

17 **SEC. 402. POLITICAL ACTIVITY OF CORPORATIONS, NA-**
 18 **TIONAL BANKS, AND LABOR ORGANIZATIONS.**

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

22 “(c) USE OF FUNDS FOR POLITICAL ACTIVITY.—

23 “(1) AUTHORIZATION REQUIRED.—Except with
 24 the prior, written, voluntary authorization of each
 25 member, stockholder, or employee—

1 “(A) a national bank or corporation de-
 2 scribed in this section shall not collect from or
 3 assess its stockholders or employees any dues,
 4 initiation fee, or other payment as a condition
 5 of employment or ownership if any part of the
 6 dues, fee, or payment will be used for political
 7 activities in which the national bank or corpora-
 8 tion, as the case may be, is engaged; and

9 “(B) a labor organization described in this
 10 section shall not collect from or assess its mem-
 11 bers or nonmembers any dues, initiation fee, or
 12 other payment if any part of the dues, fee, or
 13 payment will be used for political activities.

14 “(2) LENGTH OF AUTHORIZATION.—An author-
 15 ization under paragraph (1) shall cease to be effec-
 16 tive on the date that it is revoked by the individual
 17 that gave the authorization.

18 “(3) FORM OF AUTHORIZATION.—An authoriza-
 19 tion under paragraph (1) shall be presented to the
 20 individual as a separate document, clearly explaining
 21 the purpose and effect of the authorization.

22 “(4) DEFINITION OF POLITICAL ACTIVITY.—In
 23 this subsection, the term ‘political activity’ means a
 24 communication or other activity that involves carry-
 25 ing on propaganda, attempting to influence legisla-

- 1 tion, or participating or intervening in a political
- 2 campaign or political party.”.

○