

105TH CONGRESS  
1ST SESSION

# S. 918

To reform the financing of Federal elections.

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IN THE SENATE OF THE UNITED STATES

JUNE 17, 1997

Mr. KERRY (for himself, Mr. WELLSTONE, Mr. GLENN, Mr. BIDEN, and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

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## A BILL

To reform the financing of Federal elections.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

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

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Clean Money, Clean Elections Act”.

6 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title; table of contents.

### TITLE I—CLEAN MONEY FINANCING OF SENATE ELECTION CAMPAIGNS

Sec. 101. Findings and declarations.

Sec. 102. Eligibility requirements and benefits of clean money financing of Senate election campaigns.

Sec. 103. Reporting requirements for expenditures of private money candidates.

Sec. 104. Transition rule for current election cycle.

TITLE II—INDEPENDENT EXPENDITURES; COORDINATED  
EXPENDITURES

- Sec. 201. Reporting requirements for independent expenditures.  
 Sec. 202. Definition of independent expenditure.  
 Sec. 203. Limit on expenditures by political party committees.  
 Sec. 204. Party independent expenditures and coordinated expenditures.

TITLE III—VOTER INFORMATION

- Sec. 301. Free broadcast time.  
 Sec. 302. Broadcast rates and preemption.  
 Sec. 303. Campaign advertisements; issue advertisements.  
 Sec. 304. Limit on congressional use of the franking privilege.

TITLE IV—SOFT MONEY OF POLITICAL PARTY COMMITTEES

- Sec. 401. Soft money of political party committee.  
 Sec. 402. State party grassroots funds.  
 Sec. 403. Reporting requirements.

TITLE V—RESTRUCTURING AND STRENGTHENING OF THE  
FEDERAL ELECTION COMMISSION

- Sec. 501. Appointment and terms of commissioners.  
 Sec. 502. Audits.  
 Sec. 503. Authority to seek injunction.  
 Sec. 504. Standard for investigation.  
 Sec. 505. Petition for certiorari.  
 Sec. 506. Expedited procedures.  
 Sec. 507. Filing of reports using computers and facsimile machines.  
 Sec. 508. Power to issue subpoena without signature of chairperson.  
 Sec. 509. Prohibition of contributions by individuals not qualified to vote.

TITLE VI—EFFECTIVE DATE

- Sec. 601. Effective date.

1 **TITLE I—CLEAN MONEY FINANC-**  
 2 **ING OF SENATE ELECTION**  
 3 **CAMPAIGNS**

4 **SEC. 101. FINDINGS AND DECLARATIONS.**

5 (a) UNDERMINING OF DEMOCRACY BY CAMPAIGN  
 6 CONTRIBUTIONS FROM PRIVATE SOURCES.—The Senate  
 7 finds and declares that the current system of privately fi-  
 8 nanced campaigns for election to the Senate undermines  
 9 democracy in the United States by—

1           (1) violating the democratic principle of “one  
2           person, one vote” and diminishing the meaning of  
3           the right to vote by allowing monied interests to  
4           have a disproportionate and unfair influence within  
5           the political process;

6           (2) diminishing a Senator’s accountability to  
7           constituents by compelling legislators to be account-  
8           able to the major contributors who finance their  
9           election campaigns;

10          (3) creating a conflict of interest, perceived and  
11          real, by encouraging Senators to take money from  
12          private interests that are directly affected by Federal  
13          legislation;

14          (4) imposing large, unwarranted costs on tax-  
15          payers through legislative and regulatory outcomes  
16          shaped by unequal access to lawmakers for cam-  
17          paign contributors;

18          (5) driving up the cost of election campaigns,  
19          making it difficult for qualified candidates without  
20          personal fortunes or access to campaign contribu-  
21          tions from monied individuals and interest groups to  
22          mount competitive Senate election campaigns;

23          (6) disadvantaging challengers, because large  
24          campaign contributors tend to give their money to

1 incumbent Senators, thus causing Senate elections  
2 to be less competitive; and

3 (7) burdening incumbents with a preoccupation  
4 with fundraising and thus decreasing the time avail-  
5 able to carry out their public responsibilities.

6 (b) ENHANCEMENT OF DEMOCRACY BY PROVIDING  
7 CLEAN MONEY.—The Senate finds and declares that the  
8 replacement of private campaign contributions with clean  
9 money financing for all primary, runoff, and general elec-  
10 tions to the Senate would enhance American democracy  
11 by—

12 (1) helping to eliminate access to wealth as a  
13 determinant of a citizen’s influence within the politi-  
14 cal process and to restore meaning to the principle  
15 of “one person, one vote”;

16 (2) increasing the accountability of Senators to  
17 the constituents who elect them;

18 (3) eliminating the inherent conflict of interest  
19 caused by the private financing of the election cam-  
20 paigns of public officials, thus restoring public con-  
21 fidence in the fairness of the electoral and legislative  
22 processes;

23 (4) reversing the escalating cost of elections  
24 and saving taxpayers billions of dollars that are cur-

1       rently misspent due to legislative and regulatory  
2       agendas skewed by the influence of contributions;

3           (5) creating a more level playing field for in-  
4       cumbents and challengers, creating genuine opportu-  
5       nities for all Americans to run for the Senate, and  
6       encouraging more competitive elections; and

7           (6) freeing Senators from the constant pre-  
8       occupation with raising money, and allowing them  
9       more time to carry out their public responsibilities.

10 **SEC. 102. ELIGIBILITY REQUIREMENTS AND BENEFITS OF**  
11                           **CLEAN MONEY FINANCING OF SENATE ELEC-**  
12                           **TION CAMPAIGNS.**

13       The Federal Election Campaign Act of 1971 (2  
14 U.S.C. 431 et seq.) is amended by adding at the end the  
15 following:

16 **“TITLE V—CLEAN MONEY FI-**  
17                   **NANCING OF SENATE ELEC-**  
18                   **TION CAMPAIGNS**

19 **“SEC. 501. DEFINITIONS.**

20       “In this title:

21           “(1) **ALLOWABLE CONTRIBUTION.**—The term  
22       ‘allowable contribution’ means a qualifying contribu-  
23       tion or seed money contribution.

1           “(2) CLEAN MONEY.—The term ‘clean money’  
2 means funds that are made available by the Com-  
3 mission to a clean money candidate under this title.

4           “(3) CLEAN MONEY CANDIDATE.—The term  
5 ‘clean money candidate’ means a candidate for the  
6 Senate who is certified under section 505 as being  
7 eligible to receive clean money.

8           “(4) CLEAN MONEY QUALIFYING PERIOD.—The  
9 term ‘clean money qualifying period’ means the pe-  
10 riod beginning on the date that is 270 days before  
11 the date of the primary election and ending on the  
12 date that is 30 days before the date of the general  
13 election.

14           “(5) GENERAL ELECTION PERIOD.—The term  
15 ‘general election period’ means, with respect to a  
16 candidate, the period beginning on the day after the  
17 date of the primary or primary runoff election for  
18 the specific office that the candidate is seeking,  
19 whichever is later, and ending on the earlier of—

20                   “(A) the date of the general election; or

21                   “(B) the date on which the candidate with-  
22 draws from the campaign or otherwise ceases  
23 actively to seek election.

24           “(6) GENERAL RUNOFF ELECTION PERIOD.—  
25 The term ‘general runoff election period’ means,

1 with respect to a candidate, the period beginning on  
2 the day following the date of the last general election  
3 for the specific office that the candidate is seeking  
4 and ending on the date of the runoff election for  
5 that office.

6 “(7) IMMEDIATE FAMILY.—The term ‘imme-  
7 diate family’ means—

8 “(A) a candidate’s spouse;

9 “(B) a child, stepchild, parent, grand-  
10 parent, brother, half-brother, sister, or half-sis-  
11 ter of the candidate or the candidate’s spouse;  
12 and

13 “(C) the spouse of any person described in  
14 subparagraph (B).

15 “(8) MAJOR PARTY CANDIDATE.—The term  
16 ‘major party candidate’ means a candidate of a po-  
17 litical party of which a candidate for Senator, for  
18 President, or for Governor in the preceding 5 years  
19 received, as a candidate of that party, 25 percent or  
20 more of the total number of popular votes received  
21 in the State by all candidates for the same office.

22 “(9) PERSONAL FUNDS.—The term ‘personal  
23 funds’ means an amount that is derived from—

1           “(A) the personal funds of the candidate  
2           or a member of the candidate’s immediate fam-  
3           ily; and

4           “(B) proceeds of indebtedness incurred by  
5           the candidate or a member of the candidate’s  
6           immediate family.

7           “(10) PERSONAL USE.—

8           “(A) IN GENERAL.—The term ‘personal  
9           use’ means the use of funds to fulfill a commit-  
10          ment, obligation, or expense of a person that  
11          would exist irrespective of the candidate’s elec-  
12          tion campaign or individual’s duties as a holder  
13          of Federal office.

14          “(B) INCLUSIONS.—The term ‘personal  
15          use’ includes—

16                 “(i) a home mortgage, rent, or utility  
17                 payment;

18                 “(ii) a clothing purchase;

19                 “(iii) a noncampaign-related auto-  
20                 mobile expense;

21                 “(iv) a country club membership;

22                 “(v) a vacation or other noncampaign-  
23                 related trip;

24                 “(vi) a household food item;

25                 “(vii) a tuition payment;

1                   “(viii) admission to a sporting event,  
2                   concert, theater, or other form of enter-  
3                   tainment not associated with an election  
4                   campaign; and

5                   “(ix) dues, fees, and other payments  
6                   to a health club or recreational facility.

7                   “(11) PRIMARY ELECTION PERIOD.—The term  
8                   ‘primary election period’ means the period beginning  
9                   on the date that is 90 days before the date of the  
10                  primary election and ending on the date of the pri-  
11                  mary election.

12                  “(12) PRIMARY RUNOFF ELECTION PERIOD.—  
13                  The term ‘primary runoff election period’ means,  
14                  with respect to a candidate, the period beginning on  
15                  the day following the date of the last primary elec-  
16                  tion for the specific office that the candidate is seek-  
17                  ing and ending on the date of the runoff election for  
18                  that office.

19                  “(13) PRIVATE MONEY CANDIDATE.—The term  
20                  ‘private money candidate’ means a candidate for the  
21                  Senate other than a clean money candidate.

22                  “(14) QUALIFYING CONTRIBUTION.—The term  
23                  ‘qualifying contribution’ means a contribution that—

24                         “(A) is in the amount of \$5 exactly;

1           “(B) is made by an individual who is reg-  
2           istered to vote in the candidate’s State;

3           “(C) is made during the clean money  
4           qualifying period; and

5           “(D) meets the requirements of section  
6           502(a)(2)(D).

7           “(15) SEED MONEY CONTRIBUTION.—The term  
8           ‘seed money contribution’ means a contribution (or  
9           contributions in the aggregate made by any 1 per-  
10          son) of not more than \$100.

11          “(16) SENATE ELECTION FUND.—The term  
12          ‘Senate Election Fund’ means the fund established  
13          by section 507(a).

14   **“SEC. 502. ELIGIBILITY FOR CLEAN MONEY.**

15          “(a) PRIMARY ELECTION PERIOD AND PRIMARY  
16          RUNOFF ELECTION PERIOD.—

17               “(1) IN GENERAL.—A candidate qualifies as a  
18               clean money candidate during the primary election  
19               period and primary runoff election period if the can-  
20               didate files with the Commission a declaration,  
21               signed by the candidate and the treasurer of the  
22               candidate’s principal campaign committee, that the  
23               candidate—

24                       “(A) has complied and will comply with all  
25                       of the requirements of this title;

1           “(B) will not run in the general election as  
2 a private money candidate; and

3           “(C) meets the qualifying contribution re-  
4 quirement of paragraph (2).

5           “(2) QUALIFYING CONTRIBUTION REQUIRE-  
6 MENT.—

7           “(A) MAJOR PARTY CANDIDATES.—The re-  
8 quirement of this paragraph is met if, during  
9 the clean money qualifying period, a major  
10 party candidate receives the greater of—

11                   “(i) 1,000 qualifying contributions; or

12                   “(ii) a number of qualifying contribu-  
13 tions equal to 0.25 percent of the voting  
14 age population of the candidate’s State.

15           “(B) CANDIDATES THAT ARE NOT MAJOR  
16 PARTY CANDIDATES.—The requirement of this  
17 paragraph is met if, during the clean money  
18 qualifying period, a candidate that is not a  
19 major party candidate receives a number of  
20 qualifying contributions that is at least 150  
21 percent of the number of qualifying contribu-  
22 tions that a major party candidate in the same  
23 election is required to receive under subpara-  
24 graph (A).

1           “(C) RECEIPT OF QUALIFYING CONTRIBU-  
2           TION.—A qualifying contribution shall—

3                   “(i) be accompanied by the contribu-  
4                   tor’s name and home address;

5                   “(ii) be accompanied by a signed  
6                   statement that the contributor understands  
7                   the purpose of the qualifying contribution;

8                   “(iii) be made by a personal check or  
9                   money order payable to the Senate Elec-  
10                  tion Fund or by cash; and

11                  “(iv) be acknowledged by a receipt  
12                  that is sent to the contributor with a copy  
13                  kept by the candidate for the Commission  
14                  and a copy kept by the candidate for the  
15                  election authorities in the candidate’s  
16                  State.

17           “(D) DEPOSIT OF QUALIFYING CONTRIBU-  
18           TIONS IN SENATE ELECTION FUND.—

19                   “(i) IN GENERAL.—Not later than the  
20                   date that is 1 day after the date on which  
21                   the candidate is certified under section  
22                   505, a candidate shall remit all qualifying  
23                   contributions to the Commission for de-  
24                   posit in the Senate Election Fund.

1                   “(ii) CANDIDATES THAT ARE NOT  
2                   CERTIFIED.—Not later than the last day of  
3                   the clean money qualifying period, a can-  
4                   didate who has received qualifying con-  
5                   tributions and is not certified under section  
6                   505 shall remit all qualifying contributions  
7                   to the Commission for deposit in the Sen-  
8                   ate Election Fund.

9                   “(3) TIME TO FILE DECLARATION.—A declara-  
10                  tion under paragraph (1) shall be filed by a can-  
11                  didate not later than the date that is 30 days before  
12                  the date of the primary election.

13                  “(b) GENERAL ELECTION PERIOD.—

14                  “(1) IN GENERAL.—A candidate qualifies as a  
15                  clean money candidate during the general election  
16                  period if—

17                         “(A)(i) the candidate qualified as a clean  
18                         money candidate during the primary election  
19                         period (and primary runoff election period, if  
20                         applicable); or

21                         “(ii) the candidate files with the Commis-  
22                         sion a declaration, signed by the candidate and  
23                         the treasurer of the candidate’s principal com-  
24                         mittee, that the candidate—

1           “(I) has complied and will comply  
2           with all the requirements of this title; and

3           “(II) meets the qualifying contribu-  
4           tion requirement of subsection (a)(2);

5           “(B) the candidate files with the Commis-  
6           sion a written agreement between the candidate  
7           and the candidate’s political party in which the  
8           political party agrees not to make any expendi-  
9           tures in connection with the general election of  
10          the candidate in excess of the limit in section  
11          315(d)(3)(C); and

12          “(C) the candidate’s party nominated the  
13          candidate to be placed on the ballot for the gen-  
14          eral election or the candidate qualified to be  
15          placed on the ballot as an independent can-  
16          didate, and the candidate is qualified under  
17          State law to be on the ballot.

18          “(2) TIME TO FILE DECLARATION OR STATE-  
19          MENT.—A declaration or statement required to be  
20          filed under paragraph (1) shall be filed by a can-  
21          didate not later than the date that is 30 days before  
22          the date of the general election.

23          “(c) GENERAL RUNOFF ELECTION PERIOD.—A can-  
24          didate qualifies as a clean money candidate during the  
25          general runoff election period if the candidate qualified as

1 a clean money candidate during the general election pe-  
2 riod.

3 **“SEC. 503. REQUIREMENTS APPLICABLE TO CLEAN MONEY**  
4 **CANDIDATES.**

5 “(a) OBLIGATION TO COMPLY.—A clean money can-  
6 didate who accepts benefits during the primary election  
7 period shall comply with all the requirements of this Act  
8 through the primary runoff election period, the general  
9 election period, and the general runoff election period (if  
10 applicable) whether the candidate continues to accept ben-  
11 efits or not.

12 “(b) CONTRIBUTIONS AND EXPENDITURES.—

13 “(1) PROHIBITION OF PRIVATE CONTRIBU-  
14 TIONS.—Except as otherwise provided in this title,  
15 during the election cycle of a clean money candidate,  
16 the candidate shall not accept contributions other  
17 than clean money from any source.

18 “(2) PROHIBITION OF EXPENDITURES FROM  
19 PRIVATE SOURCES.—Except as otherwise provided in  
20 this title, during the election cycle of a clean money  
21 candidate, the candidate shall not make expenditures  
22 from any amounts other than clean money amounts.

23 “(c) USE OF PERSONAL FUNDS.—

1           “(1) IN GENERAL.—A clean money candidate  
2 shall not use personal funds to make an expenditure  
3 except as provided in paragraph (2).

4           “(2) EXCEPTIONS.—A seed money contribution  
5 or qualifying contribution from the candidate or a  
6 member of the candidate’s immediate family shall  
7 not be considered to be use of personal funds.

8           “(d) DEBATES.—

9           “(1) NUMBER OF DEBATES.—A clean money  
10 candidate shall participate in at least—

11                   “(A) 1 public debate with other clean  
12 money candidates from the same party for the  
13 same office during the primary election period;  
14 and

15                   “(B) 2 public debates with other clean  
16 money candidates for the same office during the  
17 general election period.

18           “(2) REGULATION.—The Commission shall pro-  
19 mulgate a regulation as necessary to carry out para-  
20 graph (1).

21 **“SEC. 504. SEED MONEY.**

22           “(a) SEED MONEY LIMIT.—A clean money candidate  
23 may accept seed money contributions in an aggregate  
24 amount not exceeding—

25                   “(1) \$50,000; plus

1           “(2) if there is more than 1 congressional dis-  
2           trict in the candidate’s State, an amount that is  
3           equal to \$5,000 times the number of additional con-  
4           gressional districts.

5           “(b) CONTRIBUTION LIMIT.—Except as provided in  
6           section 502(a)(2), a clean money candidate shall not ac-  
7           cept a contribution from any person except a seed money  
8           contribution (as defined in section 501).

9           “(c) RECORDS.—A clean money candidate shall  
10          maintain a record of the contributor’s name, street ad-  
11          dress, and amount of the contribution.

12          “(d) USE OF SEED MONEY.—

13                 “(1) IN GENERAL.—A clean money candidate  
14                 may expend seed money for any election campaign-  
15                 related costs, including costs to open an office, fund  
16                 a grassroots campaign, or hold community meetings.

17                 “(2) PROHIBITED USES.—A clean money can-  
18                 didate shall not expend seed money for—

19                         “(A) a television or radio broadcast; or

20                         “(B) personal use.

21          “(e) REPORT.—Unless a seed money contribution or  
22          expenditure made with a seed money contribution has  
23          been reported previously under section 304, a clean money  
24          candidate shall file with the Commission a report disclos-

1 ing all seed money contributions and expenditures not  
2 later than 48 hours after—

3           “(1) the earliest date on which the Commission  
4           makes funds available to the candidate for an elec-  
5           tion period under paragraph (1) or (2) of section  
6           506(b); or

7           “(2) the end of the clean money qualifying pe-  
8           riod,  
9           whichever occurs first.

10          “(f) TIME TO ACCEPT AND EXPEND SEED MONEY  
11          CONTRIBUTIONS.—A clean money candidate may accept  
12          and expend seed money contributions for an election dur-  
13          ing the time period beginning on the day after the date  
14          of the previous general election for the office to which the  
15          candidate is seeking election and ending on the earliest  
16          date on which the Commission makes funds available to  
17          the candidate for an election period under paragraph (1)  
18          or (2) of section 506(b).

19          “(g) DEPOSIT OF UNSPENT SEED MONEY CON-  
20          TRIBUTIONS.—A clean money candidate shall remit any  
21          unspent seed money to the Commission, for deposit in the  
22          Senate Election Fund, not later than the earliest date on  
23          which the Commission makes funds available to the can-  
24          didate for an election period under paragraph (1) or (2)  
25          of section 506(b).

1       “(h) NOT CONSIDERED AN EXPENDITURE.—An ex-  
2       penditure made with seed money shall not be treated as  
3       an expenditure for purposes of section 506(f)(2).

4       **“SEC. 505. CERTIFICATION BY COMMISSION.**

5       “(a) IN GENERAL.—Not later than 5 days after a  
6       candidate files a declaration under section 502, the Com-  
7       mission shall—

8               “(1) determine whether the candidate meets the  
9               eligibility requirements of section 502; and

10              “(2) certify whether or not the candidate is a  
11              clean money candidate.

12       “(b) REVOCATION OF CERTIFICATION.—The Com-  
13       mission may revoke a certification under subsection (a)  
14       if a candidate fails to comply with this title.

15       “(c) REPAYMENT OF BENEFITS.—If certification is  
16       revoked under subsection (b), the candidate shall repay  
17       to the Senate Election Fund an amount equal to the value  
18       of benefits received under this title.

19       **“SEC. 506. BENEFITS FOR CLEAN MONEY CANDIDATES.**

20       “(a) IN GENERAL.—A clean money candidate shall  
21       be entitled to—

22              “(1) a clean money amount for each election  
23              period to make or obligate to make expenditures  
24              during the election period for which the clean money  
25              is provided, as provided in subsection (c);

1           “(2) media benefits under section 315 of the  
2           Communications Act of 1934 (47 U.S.C. 315); and

3           “(3) an aggregate amount of increase in the  
4           clean money amount in response to certain inde-  
5           pendent expenditures and expenditures of a private  
6           money candidate under subsection (d) that, in the  
7           aggregate, are in excess of 125 percent of the clean  
8           money amount of the clean money candidate.

9           “(b) PAYMENT OF CLEAN MONEY AMOUNT.—

10           “(1) PRIMARY ELECTION.—The Commission  
11           shall make funds available to a clean money can-  
12           didate on the later of—

13                   “(A) the date on which the candidate is  
14                   certified as a clean money candidate under sec-  
15                   tion 505; or

16                   “(B) the date on which the primary elec-  
17                   tion period begins.

18           “(2) GENERAL ELECTION.—The Commission  
19           shall make funds available to a clean money can-  
20           didate not later than 48 hours after—

21                   “(A) certification of the primary election  
22                   or primary runoff election result; or

23                   “(B) the date on which the candidate is  
24                   certified as a clean money candidate under sec-  
25                   tion 505 for the general election,

1       whichever occurs first.

2           “(3) RUNOFF ELECTION.—The Commission  
3       shall make funds available to a clean money can-  
4       didate not later than 48 hours after the certification  
5       of the primary or general election result (as applica-  
6       ble).

7       “(c) CLEAN MONEY AMOUNTS.—

8           “(1) PRIMARY ELECTION CLEAN MONEY  
9       AMOUNT.—

10           “(A) MAJOR PARTY CANDIDATES.—The  
11       primary election clean money amount with re-  
12       spect to a clean money candidate who is a  
13       major party candidate is 67 percent of the gen-  
14       eral election clean money amount with respect  
15       to the clean money candidate.

16           “(B) CANDIDATES THAT ARE NOT MAJOR  
17       PARTY CANDIDATES.—The primary election  
18       clean money amount with respect to a clean  
19       money candidate who is not a major party can-  
20       didate is 25 percent of the general election  
21       clean money amount with respect to the clean  
22       money candidate.

23           “(2) PRIMARY RUNOFF ELECTION CLEAN  
24       MONEY AMOUNT.—The primary runoff election clean  
25       money amount with respect to a clean money can-

1 didate is 25 percent of the primary election clean  
 2 money amount with respect to the clean money can-  
 3 didate.

4 “(3) GENERAL ELECTION CLEAN MONEY  
 5 AMOUNT.—

6 “(A) IN GENERAL.—The general election  
 7 clean money amount with respect to a clean  
 8 money candidate is the lesser of—

9 “(i) \$4,400,000; or

10 “(ii) the greater of—

11 “(I) \$760,000; or

12 “(II) \$320,000; plus

13 “(aa) 24 cents multiplied by  
 14 the voting age population not in  
 15 excess of 4,000,000; and

16 “(bb) 20 cents multiplied by  
 17 the voting age population in ex-  
 18 cess of 4,000,000.

19 “(B) EXCEPTION.—In the case of an eligi-  
 20 ble Senate candidate in a State that has not  
 21 more than 1 transmitter for a commercial Very  
 22 High Frequency (VHF) television station li-  
 23 censed to operate in that State, subparagraph  
 24 (A)(ii)(II) shall be applied by substituting—

1                   “(i) ‘64 cents’ for ‘24 cents’ in item  
2                   (aa); and

3                   “(ii) ‘56 cents’ for ‘20 cents’ in item  
4                   (bb).

5                   “(C) INDEXING.—The clean money  
6                   amount under subparagraphs (A) and (B) shall  
7                   be increased as of the beginning of each cal-  
8                   endar year based on an increase in the price  
9                   index determined under section 315(c), except  
10                  that the base period shall be calendar year  
11                  1997.

12                  “(4) GENERAL RUNOFF ELECTION CLEAN  
13                  MONEY AMOUNT.—The general runoff election clean  
14                  money amount with respect to a clean money can-  
15                  didate is 25 percent of the general election clean  
16                  money amount with respect to the clean money can-  
17                  didate.

18                  “(5) UNOPPOSED CANDIDATES.—Except for a  
19                  candidate receiving amounts under paragraph  
20                  (1)(B), a clean money candidate in a primary or  
21                  general election in which there is no opposing can-  
22                  didate shall receive a clean money amount with re-  
23                  spect to that election equal to 25 percent of the full  
24                  clean money amount that the candidate would re-  
25                  ceive in a contested election.

1       “(d) MATCHING FUNDS IN RESPONSE TO INDEPEND-  
2 ENT EXPENDITURES AND EXPENDITURES OF PRIVATE  
3 MONEY CANDIDATES.—

4           “(1) IN GENERAL.—If the Commission—

5               “(A) receives notification under—

6                   “(i) subparagraphs (A) or (B) of sec-  
7 tion 304(c)(2) that a person has made or  
8 obligated to make an independent expendi-  
9 ture in an aggregate amount of \$1,000 or  
10 more in an election period or that a person  
11 has made or obligated to make an inde-  
12 pendent expenditure in an aggregate  
13 amount of \$500 or more during the 20  
14 days preceding the date of an election in  
15 support of another candidate or against a  
16 clean money candidate; or

17                   “(ii) section 304(d)(1) that a private  
18 money candidate has made or obligated to  
19 make expenditures in an aggregate amount  
20 in excess of 100 percent of the amount of  
21 clean money provided to a clean money  
22 candidate who is an opponent of the pri-  
23 vate money candidate in the same election;  
24 and

1           “(B) determines that the aggregate  
2           amount of expenditures reported under sub-  
3           paragraph (A) in an election period is in excess  
4           of 125 percent of the amount of clean money  
5           provided to a clean money candidate who is an  
6           opponent of the private money candidate in the  
7           same election or against whom the independent  
8           expenditure is made,  
9           the Commission shall make available to the clean  
10          money candidate, not later than 24 hours after re-  
11          ceiving a notification under subparagraph (A), an  
12          aggregate amount of increase in clean money in an  
13          amount equal to the aggregate amount of expendi-  
14          tures that is in excess of 125 percent of the amount  
15          of clean money provided to the clean money can-  
16          didate as determined under subparagraph (B).

17           “(2) CLEAN MONEY CANDIDATES OPPOSED BY  
18          MORE THAN 1 PRIVATE MONEY CANDIDATE.—For  
19          purposes of paragraph (1), if a clean money can-  
20          didate is opposed by more than 1 private money can-  
21          didate in the same election, the Commission shall  
22          take into account only the amount of expenditures of  
23          the private money candidate that expends, in the ag-  
24          gregate, the greatest amount (as determined each

1 time notification is received under section  
2 304(d)(1)).

3 “(3) CLEAN MONEY CANDIDATES OPPOSED BY  
4 CLEAN MONEY CANDIDATES.—If a clean money can-  
5 didate is opposed by a clean money candidate, the  
6 increase in clean money amounts under paragraph  
7 (1) shall be made available to the clean money can-  
8 didate if independent expenditures are made against  
9 the clean money candidate or in behalf of the oppos-  
10 ing clean money candidate in the same manner as  
11 the increase would be made available for a clean  
12 money candidate who is opposed by a private money  
13 candidate.

14 “(e) LIMITS ON MATCHING FUNDS.—The aggregate  
15 amount of clean money that a clean money candidate re-  
16 ceives to match independent expenditures and the expendi-  
17 tures of private money candidates under subsection (d)  
18 shall not exceed 200 percent of the clean money amount  
19 that the clean money candidate receives under subsection  
20 (c).

21 “(f) EXPENDITURES MADE WITH CLEAN MONEY  
22 AMOUNTS.—

23 “(1) IN GENERAL.—The clean money amount  
24 received by a clean money candidate shall be used  
25 only for the purpose of making or obligating to make

1 expenditures during the election period for which the  
2 clean money is provided.

3 “(2) EXPENDITURES IN EXCESS OF CLEAN  
4 MONEY AMOUNT.—A clean money candidate shall  
5 not make expenditures or incur obligations in excess  
6 of the clean money amount.

7 “(3) PROHIBITED USES.—The clean money  
8 amount received by a clean money candidate shall  
9 not be—

10 “(A) converted to a personal use; or

11 “(B) used in violation of law.

12 “(4) PETTY CASH FUND.—

13 “(A) IN GENERAL.—A candidate may es-  
14 tablish a petty cash fund, to be used to pay ex-  
15 penses such as the costs of food, newspapers,  
16 magazines, pay telephone calls and other minor  
17 necessary expenses, that contains, on any day,  
18 not more than—

19 “(i) \$200; plus

20 “(ii) if there is more than 1 congres-  
21 sional district in the candidate’s State, an  
22 amount that is equal to \$20 times the  
23 number of additional congressional dis-  
24 tricts.

1           “(B) RECEIPT.—An expenditure from the  
2           petty cash fund in an amount greater than \$25  
3           shall be evidenced by a receipt describing the  
4           item purchased, the purpose and cost of the  
5           item, and the name and street address of the  
6           seller.

7           “(5) PENALTY.—A person that uses a clean  
8           money amount in violation of this subsection shall be  
9           imprisoned not more than 5 years, fined not more  
10          than \$15,000, or both.

11          “(g) REMITTING OF CLEAN MONEY AMOUNTS.—Not  
12          later than the date that is 14 days after the last day of  
13          the applicable election period, a clean money candidate  
14          shall remit any unspent clean money amount to the Com-  
15          mission for deposit in the Senate Election Fund.

16          **“SEC. 507. ADMINISTRATION OF CLEAN MONEY.**

17          “(a) SENATE ELECTION FUND.—

18                  “(1) ESTABLISHMENT.—There is established in  
19                  the Treasury a fund to be known as the ‘Senate  
20                  Election Fund’.

21                  “(2) DEPOSITS.—The Commission shall deposit  
22                  unspent seed money contributions, qualifying con-  
23                  tributions, penalty amounts received under this title,  
24                  and amounts appropriated for clean money financing  
25                  in the Senate Election Fund.

1           “(3) FUNDS.—The Commission shall withdraw  
2           the clean money amount for a clean money can-  
3           didate from the Senate Election Fund.

4           “(b) REGULATIONS.—The Commission shall promul-  
5           gate a regulation to—

6           “(1) effectively and efficiently monitor and en-  
7           force the limits on use of private money by clean  
8           money candidates;

9           “(2) effectively and efficiently monitor use of  
10          publicly financed amounts under this title; and

11          “(3) enable clean money candidates to monitor  
12          expenditures and comply with the requirements of  
13          this title.

14   **“SEC. 508. EXPENDITURES MADE FROM FUNDS OTHER**  
15                           **THAN CLEAN MONEY.**

16          “If a clean money candidate makes an expenditure  
17          using funds other than funds provided under this title, the  
18          Commission shall assess a civil penalty against the can-  
19          didate in an amount that is not more than 10 times the  
20          amount of the expenditure.

21   **“SEC. 509. AUTHORIZATION OF APPROPRIATIONS.**

22          “‘There are authorized to be appropriated to the Sen-  
23          ate Election Fund such sums as are necessary to carry  
24          out this title.’”.

1 **SEC. 103. REPORTING REQUIREMENTS FOR EXPENDITURES**  
2 **OF PRIVATE MONEY CANDIDATES.**

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

6 “(d) PRIVATE MONEY CANDIDATES.—

7 “(1) EXPENDITURES IN EXCESS OF CLEAN  
8 MONEY AMOUNTS.—Not later than 48 hours after  
9 making or obligating to make an expenditure, a pri-  
10 vate money candidate (as defined in section 501)  
11 that makes or obligates to make expenditures during  
12 an election period (as defined by section 501), in an  
13 aggregate amount in excess of 100 percent of the  
14 amount of clean money provided to a clean money  
15 candidate (as defined in section 501), who is an op-  
16 ponent of the private money candidate shall file with  
17 the Commission a report stating the amount of each  
18 expenditure (in increments of an aggregate amount  
19 of \$1,000) made or obligated to be made.

20 “(2) PLACE OF FILING; NOTIFICATION.—

21 “(A) PLACE OF FILING.—A report under  
22 this subsection shall be filed with the Commis-  
23 sion.

24 “(B) NOTIFICATION OF CLEAN MONEY  
25 CANDIDATES.—Not later than 24 hours after  
26 receipt of a report under this subsection, the

1 Commission shall notify each clean money can-  
2 didate seeking nomination for election to, or  
3 election to, the office in question, of the receipt  
4 of the report.

5 “(3) DETERMINATIONS BY THE COMMISSION.—

6 “(A) IN GENERAL.—The Commission may,  
7 on a request of a candidate or on its own initia-  
8 tive, make a determination that a private  
9 money candidate has made, or has obligated to  
10 make, expenditures in excess of the applicable  
11 amount in paragraph (1).

12 “(B) NOTIFICATION.—In the case of such  
13 a determination, the Commission shall notify  
14 each clean money candidate seeking nomination  
15 for election to, or election to, the office in ques-  
16 tion, of the making of the determination not  
17 later than 24 hours after making the deter-  
18 mination.

19 “(C) TIME TO COMPLY WITH REQUEST  
20 FOR DETERMINATION.—A determination made  
21 at the request of a candidate shall be made not  
22 later than 48 hours after the date of the re-  
23 quest.”.

1 **SEC. 104. TRANSITION RULE FOR CURRENT ELECTION**  
2 **CYCLE.**

3 (a) **IN GENERAL.**—During the election cycle in effect  
4 on the date of enactment of this Act, a candidate may  
5 be certified as a clean money candidate (as defined in sec-  
6 tion 501 of the Federal Election Campaign Act of 1971  
7 (2 U.S.C. 431)), notwithstanding the acceptance of con-  
8 tributions or making of expenditures from private funds  
9 before the date of enactment that would, absent this sec-  
10 tion, disqualify the candidate as a clean money candidate.

11 (b) **PRIVATE FUNDS.**—A candidate may be certified  
12 as a clean money candidate only if any private funds ac-  
13 cepted and not expended before the date of enactment of  
14 this Act are—

15 (1) returned to the contributor; or

16 (2) submitted to the Federal Election Commis-  
17 sion for deposit in the Senate Election Fund (as de-  
18 fined in section 501 of the Federal Election Cam-  
19 paign Act of 1971 (2 U.S.C. 431)).

1 **TITLE II—INDEPENDENT EX-**  
2 **PENDITURES; COORDINATED**  
3 **EXPENDITURES**

4 **SEC. 201. REPORTING REQUIREMENTS FOR INDEPENDENT**  
5 **EXPENDITURES.**

6 (a) INDEPENDENT EXPENDITURES.—Section 304(c)  
7 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
8 434(c)) is amended—

9 (1) by striking “(c)(1) Every person” and in-  
10 serting the following:

11 “(c) INDEPENDENT EXPENDITURES.—

12 “(1) IN GENERAL.—

13 “(A) REQUIRED FILING.—Except as pro-  
14 vided in paragraph (2), every person”;

15 (2) in paragraph (2), by redesignating subpara-  
16 graphs (A), (B), and (C) as clauses (i), (ii), and  
17 (iii), respectively, and adjusting the margins accord-  
18 ingly;

19 (3) by redesignating paragraphs (2) and (3) as  
20 subparagraphs (B) and (C), respectively, and adjust-  
21 ing the margins accordingly;

22 (4) by adding at the end the following:

23 “(2) SENATE ELECTIONS WITH A CLEAN  
24 MONEY CANDIDATE.—

1           “(A) INDEPENDENT EXPENDITURES MORE  
2 THAN 20 DAYS BEFORE AN ELECTION.—

3           “(i) IN GENERAL.—Not later than 48  
4 hours after making or obligating to make  
5 an independent expenditure, more than 20  
6 days before the date of an election, in sup-  
7 port of an opponent of or in opposition to  
8 a clean money candidate (as defined in sec-  
9 tion 501), a person that makes independ-  
10 ent expenditures in an aggregate amount  
11 in excess of \$1,000 during an election pe-  
12 riod (as defined in section 501) shall file  
13 with the Commission a statement contain-  
14 ing the information described in clause (ii).

15           “(ii) CONTENTS OF STATEMENT.—A  
16 statement under subparagraph (A) shall  
17 include a certification, under penalty of  
18 perjury, that contains the information re-  
19 quired by subsection (b)(6)(B)(iii).

20           “(iii) ADDITIONAL STATEMENTS.—An  
21 additional statement shall be filed for each  
22 aggregate of independent expenditures that  
23 exceeds \$1,000.

24           “(B) INDEPENDENT EXPENDITURES DUR-  
25 ING THE 20 DAYS PRECEDING AN ELECTION.—

1 Not later than 24 hours after making or obli-  
2 gating to make an independent expenditure in  
3 support of an opponent of or in opposition to a  
4 clean money candidate in an aggregate amount  
5 in excess of \$500, during the 20 days preceding  
6 the date of an election, a person that makes or  
7 obligates to make the independent expenditure  
8 shall file with the Commission a statement stat-  
9 ing the amount of each independent expenditure  
10 made or obligated to be made.

11 “(C) PLACE OF FILING; NOTIFICATION.—

12 “(i) PLACE OF FILING.—A report or  
13 statement under this paragraph shall be  
14 filed with the Commission.

15 “(ii) NOTIFICATION OF CLEAN MONEY  
16 CANDIDATES.—Not later than 24 hours  
17 after receipt of a statement under this  
18 paragraph, the Commission shall notify  
19 each clean money candidate seeking nomi-  
20 nation for election to, or election to, the of-  
21 fice in question of the receipt of a state-  
22 ment.

23 “(D) DETERMINATION BY THE COMMIS-  
24 SION.—

1           “(i) IN GENERAL.—The Commission  
 2           may, on request of a candidate or on its  
 3           own initiative, make a determination that a  
 4           person has made or obligated to make  
 5           independent expenditures with respect to a  
 6           candidate that in the aggregate exceed the  
 7           applicable amount under subparagraph  
 8           (A).

9           “(ii) NOTIFICATION.—Not later than  
 10          24 hours after making a determination  
 11          under clause (i), the Commission shall no-  
 12          tify each clean money candidate in the  
 13          election of the making of the determina-  
 14          tion.

15          “(iii) TIME TO COMPLY WITH RE-  
 16          QUEST FOR DETERMINATION.—A deter-  
 17          mination made at the request of a can-  
 18          didate shall be made not later than 48  
 19          hours after the date of the request.”.

20 **SEC. 202. DEFINITION OF INDEPENDENT EXPENDITURE.**

21          (a) IN GENERAL.—Section 301 of the Federal Elec-  
 22          tion Campaign Act of 1971 (2 U.S.C. 431) is amended  
 23          by striking paragraph (17) and inserting the following:

24                 “(17) INDEPENDENT EXPENDITURE.—

1           “(A) IN GENERAL.—The term “independ-  
2           ent expenditure” means an expenditure made  
3           by a person other than a candidate or can-  
4           didate’s authorized committee—

5                   “(i) that is made for a communication  
6                   that contains express advocacy; and

7                   “(ii) is made without the participation  
8                   or cooperation of and without coordination  
9                   with a candidate (within the meaning of  
10                  section 301(8)(A)(iii)).

11           “(B) EXPRESS ADVOCACY.—The term ‘ex-  
12           press advocacy’ means a communication that is  
13           made through a broadcast medium, newspaper,  
14           magazine, billboard, direct mail, or similar type  
15           of general public communication or political ad-  
16           vertising and that—

17                   “(i) advocates the election or defeat of  
18                   a clearly identified candidate, including  
19                   any communication that—

20                           “(I) contains a phrase such as  
21                           ‘vote for’, ‘re-elect’, ‘support’, ‘cast  
22                           your ballot for’, ‘(name of candidate)  
23                           for Congress’, ‘(name of candidate) in  
24                           1997’, ‘vote against’, ‘defeat’, ‘reject’;  
25                           or

1                   “(II) contains campaign slogans  
2                   or individual words that in context  
3                   can have no reasonable meaning other  
4                   than to recommend the election or de-  
5                   feat of 1 or more clearly identified  
6                   candidates; or

7                   “(ii)(I) involves aggregate disburse-  
8                   ments of \$5,000 or more;

9                   “(II) refers to a clearly identified can-  
10                  didate; and

11                  “(III) is made not more than 60 days  
12                  before the date of a general election.”.

13                  (b) DEFINITION APPLICABLE WHEN PROVISION NOT  
14                  IN EFFECT.—For purposes of the Federal Election Cam-  
15                  paign Act of 1971, during any period beginning after the  
16                  effective date of this Act in which the definition, or any  
17                  part of the definition, under section 301(17)(B) of that  
18                  Act (as added by subsection (a)) is not in effect, the defini-  
19                  tion of ‘express advocacy’ shall mean, in addition to the  
20                  part of the definition that is in effect, a communication  
21                  that clearly identifies a candidate and—

22                         (1) taken as a whole and with limited reference  
23                         to external events, such as proximity to an election,  
24                         expresses unmistakable support for or opposition to  
25                         1 or more clearly identified candidates; or

1           (2) is made for the clear purpose of advocating  
2 the election or defeat of the candidate, as shown by  
3 the existence of each of the following factors:

4           (A) A statement or action by the person  
5 making the communication.

6           (B) The targeting or placement of the  
7 communication.

8           (C) The use by the person making the  
9 communication of polling, demographic, or  
10 other similar data relating to the candidate's  
11 campaign for election.

12 **SEC. 203. LIMIT ON EXPENDITURES BY POLITICAL PARTY**  
13 **COMMITTEES.**

14           Section 315(d)(3) of the Federal Election Campaign  
15 Act of 1971 (2 U.S.C. 441a(d)(3)) is amended—

16           (1) in subparagraph (A)(ii)—

17           (A) by inserting “except an election in  
18 which 1 or more of the candidates is a clean  
19 money candidate (as defined in section 501)”  
20 after “Senator”; and

21           (B) by striking “and” at the end;

22           (2) in subparagraph (B), by striking the period  
23 at the end and inserting “; and”; and

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

1           “(C) in the case of an election to the office of  
2           Senator in which 1 or more candidates is a clean  
3           money candidate (as defined in section 501), 10 per-  
4           cent of the amount of clean money that a clean  
5           money candidate is eligible to receive for the general  
6           election period.”.

7   **SEC. 204. PARTY INDEPENDENT EXPENDITURES AND CO-**  
8                           **ORDINATED EXPENDITURES.**

9           (a) DETERMINATION TO MAKE COORDINATED EX-  
10          PENDITURES.—Section 315(d) of the Federal Election  
11          Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

12                       (1) in paragraph (1)—

13                               (A) by inserting “coordinated” after  
14                       “make”; and

15                               (B) by striking “(2) and (3)” and inserting  
16                       “(2), (3), and (4)”; and

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

18                       “(4)(A) Before a committee of a political party  
19                       makes a coordinated expenditure in connection with  
20                       a general election campaign for Federal office in ex-  
21                       cess of \$5,000, the committee shall file with the  
22                       Commission a certification, signed by the treasurer,  
23                       that the committee has not made and will not make  
24                       any independent expenditures in connection with  
25                       that campaign for Federal office. A party committee

1 that determines to make a coordinated expenditure  
2 shall not make any transfer of funds in the same  
3 election cycle to, or receive any transfer of funds in  
4 the same election cycle from, any other party com-  
5 mittee that determines to make independent expend-  
6 itures in connection with the same campaign for  
7 Federal office.

8 “(B) A committee of a political party shall be  
9 considered to be in coordination with a candidate of  
10 the party if the committee—

11 “(i) makes a payment for a communication  
12 or anything of value in coordination with the  
13 candidate, as described in section  
14 301(8)(A)(iii);

15 “(ii) makes a coordinated expenditure  
16 under this subsection on behalf of the can-  
17 didate;

18 “(iii) participates in joint fundraising with  
19 the candidate or in any way solicits or receives  
20 a contribution on behalf of the candidate;

21 “(iv) communicates with the candidate, or  
22 an agent of the candidate (including a pollster,  
23 media consultant, vendor, advisor, or staff  
24 member), acting on behalf of the candidate,  
25 about advertising, message, allocation of re-

1 sources, fundraising, or other campaign matters  
2 related to the candidate’s campaign, including  
3 campaign operations, staffing, tactics or strat-  
4 egy; or

5 “(v) provides in-kind services, polling data,  
6 or anything of value to the candidate.

7 “(C) For purposes of this paragraph, all politi-  
8 cal committees established and maintained by a na-  
9 tional political party (including all congressional  
10 campaign committees) and all political committees  
11 established by State political parties shall be consid-  
12 ered to be a single political committee.

13 “(D) For purposes of subparagraph (A), any  
14 coordination between a committee of a political party  
15 and a candidate of the party after the candidate has  
16 filed a statement of candidacy constitutes coordina-  
17 tion for the period beginning with the filing of the  
18 statement of candidacy and ending at the end of the  
19 election cycle.”.

20 (b) DEFINITIONS.—

21 (1) AMENDMENT OF DEFINITION OF CONTRIBU-  
22 TION.—Section 301(8) of the Federal Election Cam-  
23 paign Act of 1971 (2 U.S.C. 431(8)) is amended—

24 (A) in subparagraph (A)—

1 (i) by striking “or” at the end of  
2 clause (i);

3 (ii) by striking the period at the end  
4 of clause (ii) and inserting “; or”; and

5 (iii) by adding at the end the follow-  
6 ing:

7 “(iii) a payment made for a commu-  
8 nication or anything of value that is for  
9 the purpose of influencing an election for  
10 Federal office and that is made in coordi-  
11 nation with a candidate.”; and

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

13 “(C) For the purposes of subparagraph  
14 (A)(iii), the term ‘payment made in coordina-  
15 tion with a candidate’ includes—

16 “(i) a payment made by a person in  
17 cooperation, consultation, or concert with,  
18 at the request or suggestion of, or pursu-  
19 ant to any general or particular under-  
20 standing with a candidate, the candidate’s  
21 authorized committee, or an agent acting  
22 on behalf of a candidate or authorized  
23 committee;

24 “(ii) a payment made by a person for  
25 the dissemination, distribution, or republi-

1 cation, in whole or in part, of any broad-  
2 cast or any written, graphic, or other form  
3 of campaign material prepared by a can-  
4 didate, a candidate's authorized committee,  
5 or an agent of a candidate or authorized  
6 committee (not including a communication  
7 described in paragraph (9)(B)(i) or a com-  
8 munication that expressly advocates the  
9 candidate's defeat);

10 “(iii) a payment made based on infor-  
11 mation about a candidate's plans, projects,  
12 or needs provided to the person making the  
13 payment by the candidate or the can-  
14 didate's agent who provides the informa-  
15 tion with a view toward having the pay-  
16 ment made;

17 “(iv) a payment made by a person if,  
18 in the same election cycle in which the pay-  
19 ment is made, the person making the pay-  
20 ment is serving or has served as a member,  
21 employee, fundraiser, or agent of the can-  
22 didate's authorized committee in an execu-  
23 tive or policymaking position;

24 “(v) a payment made by a person if  
25 the person making the payment has served

1 in any formal policy or advisory position  
2 with the candidate's campaign or has par-  
3 ticipated in strategic or policymaking dis-  
4 cussions with the candidate's campaign re-  
5 lating to the candidate's pursuit of nomi-  
6 nation for election, or election, to Federal  
7 office, in the same election cycle as the  
8 election cycle in which the payment is  
9 made; and

10 “(vi) a payment made by a person if  
11 the person making the payment retains the  
12 professional services of an individual or  
13 person who has provided or is providing  
14 campaign-related services in the same elec-  
15 tion cycle to a candidate in connection with  
16 the candidate's pursuit of nomination for  
17 election, or election, to Federal office, in-  
18 cluding services relating to the candidate's  
19 decision to seek Federal office, and the  
20 payment is for services of which the pur-  
21 pose is to influence that candidate's elec-  
22 tion.

23 “(D) For purposes of subparagraph  
24 (C)(vi), the term ‘professional services’ includes  
25 services in support of a candidate's pursuit of

1 nomination for election, or election, to Federal  
2 office such as polling, media advice, direct mail,  
3 fundraising, or campaign research.”.

4 (2) DEFINITION OF CONTRIBUTION IN SECTION  
5 315(a)(7).—Section 315(a)(7) of the Federal Elec-  
6 tion Campaign Act of 1971 (2 U.S.C. 441a(a)(7)) is  
7 amended by striking paragraph (B) and inserting  
8 the following:

9 “(B)(i) Except as provided in clause (ii), a pay-  
10 ment made in coordination with a candidate (as de-  
11 scribed in section 301(8)(A)(iii)) shall be considered  
12 to be a contribution to the candidate, and, for the  
13 purposes of any provision of this Act that imposes  
14 a limitation on the making of expenditures by a can-  
15 didate, shall be treated as an expenditure by the  
16 candidate for purposes of this paragraph.

17 “(ii) In the case of a clean money candidate (as  
18 defined in section 501), a payment made in coordi-  
19 nation with a candidate by a committee of a political  
20 party shall not be treated as a contribution to the  
21 candidate for purposes of section 503(b)(1) or an ex-  
22 penditure made by the candidate for purposes of sec-  
23 tion 503(b)(2).”.

24 (c) MEANING OF CONTRIBUTION OR EXPENDITURE  
25 FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2)

1 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
2 441b(b)(2)) is amended by striking “shall include” and  
3 inserting “includes a contribution or expenditure (as those  
4 terms are defined in section 301) and also includes”.

## 5 **TITLE III—VOTER INFORMATION**

### 6 **SEC. 301. FREE BROADCAST TIME.**

7 Section 315 of the Communications Act of 1934 (47  
8 U.S.C. 315) is amended—

9 (1) in subsection (a), in the third sentence, by  
10 striking “within the meaning of this subsection” and  
11 inserting “within the meaning of this subsection or  
12 subsection (c)”;

13 (2) by redesignating subsections (c) and (d) as  
14 subsections (d) and (e), respectively;

15 (3) by inserting after subsection (b) the follow-  
16 ing:

17 “(c) **FREE BROADCAST TIME.**—

18 “(1) **AMOUNT OF TIME.**—A clean money can-  
19 didate shall be entitled to receive—

20 “(A) 30 minutes of free broadcast time  
21 during each of the primary election period and  
22 the primary runoff election period; and

23 “(B) 60 minutes of free broadcast time  
24 during the general election period.

1           “(2) TIME DURING WHICH THE BROADCAST IS  
2           AIRED.—The broadcast time under paragraph (1)  
3           shall be—

4                   “(A) with respect to a television broadcast,  
5           the time between 6:00 p.m. and 10:00 p.m. on  
6           any day that falls on Monday through Friday;  
7           and

8                   “(B) with respect to a radio broadcast, the  
9           time between 7:00 a.m. and 9:30 a.m. or be-  
10          tween 4:30 p.m. and 7:00 p.m. on any day that  
11          falls on Monday through Friday.

12           “(3) MAXIMUM REQUIRED OF ANY STATION.—  
13          The amount of free broadcast time that any 1 sta-  
14          tion is required to make available to any 1 clean  
15          money candidate during each of the primary election  
16          period, primary runoff election period, and general  
17          election period shall not exceed 15 minutes.

18           “(4) CONTENT OF BROADCAST.—A broadcast  
19          under this subsection shall be more than 30 seconds  
20          and less than 5 minutes in length.”; and

21           (4) in subsection (d) (as redesignated by para-  
22          graph (1))—

23                   (A) by striking “and” at the end of para-  
24          graph (1);

1 (B) by striking the period at the end of  
2 paragraph (2) and inserting a semicolon, and  
3 by redesignating that paragraph as paragraph  
4 (4);

5 (C) by inserting after paragraph (1) the  
6 following:

7 “(2) the term ‘clean money candidate’ has the  
8 meaning given in section 501 of the Federal Election  
9 Campaign Act of 1971;

10 “(3) the term ‘general election period’ has the  
11 meaning given in section 501 of the Federal Election  
12 Campaign Act of 1971;” and

13 (D) by adding at the end the following:

14 “(5) the term ‘primary election period’ has the  
15 meaning given in section 501 of the Federal Election  
16 Campaign Act of 1971;

17 “(6) the term ‘private money candidate’ has the  
18 meaning given in section 501 of the Federal Election  
19 Campaign Act of 1971; and

20 “(7) the term ‘primary runoff election period’  
21 has the meaning given in section 501 of the Federal  
22 Election Campaign Act of 1971.”.

23 **SEC. 302. BROADCAST RATES AND PREEMPTION.**

24 (a) BROADCAST RATES.—Section 315(b) of the Com-  
25 munications Act of 1934 (47 U.S.C. 315(b)) is amended—

1           (1) by redesignating paragraphs (1) and (2) as  
2           subparagraphs (A) and (B), respectively, and adjust-  
3           ing the margins accordingly;

4           (2) by striking “The charges” and inserting the  
5           following:

6           “(1) IN GENERAL.—Except as provided in para-  
7           graph (2), the charges”; and

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

9           “(2) CLEAN MONEY CANDIDATES.—In the case  
10          of a clean money candidate, the charges for the use  
11          of a television broadcasting station shall not exceed  
12          50 percent of the lowest charge described in para-  
13          graph (1)(A) during—

14                 “(A) the 30 days preceding the date of a  
15                 primary or primary runoff election in which the  
16                 candidate is opposed; and

17                 “(B) the 60 days preceding the date of a  
18                 general or special election in which the can-  
19                 didate is opposed.

20           “(3) RATE CARDS.—A licensee shall provide to  
21          a Senate candidate a rate card that discloses—

22                 “(A) the rate charged under this sub-  
23                 section; and

1           “(B) the method that the licensee uses to  
2           determine the rate charged under this sub-  
3           section.”.

4           (b) PREEMPTION.—Section 315 of the Communica-  
5           tions Act of 1934 (47 U.S.C. 315) (as amended by section  
6           301) is amended—

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

9           (2) by inserting after subsection (d) the follow-  
10          ing:

11          “(d) PREEMPTION.—

12           “(1) IN GENERAL.—Except as provided in para-  
13           graph (2), a licensee shall not preempt the use of a  
14           broadcasting station by a legally qualified candidate  
15           for the United States Senate who has purchased and  
16           paid for such use.

17           “(2) CIRCUMSTANCES BEYOND CONTROL OF LI-  
18           CENSEE.—If a program to be broadcast by a broad-  
19           casting station is preempted because of cir-  
20           cumstances beyond the control of the broadcasting  
21           station, any candidate advertising spot scheduled to  
22           be broadcast during that program may also be pre-  
23           empted.”.

1 **SEC. 303. CAMPAIGN ADVERTISEMENTS; ISSUE ADVERTISE-**  
2 **MENTS.**

3 (a) CONTENTS OF CAMPAIGN ADVERTISEMENTS.—  
4 Section 318 of the Federal Election Campaign Act of  
5 1971 (2 U.S.C. 441d) is amended—

6 (1) in subsection (a)—

7 (A) in the matter preceding paragraph  
8 (1)—

9 (i) by striking “Whenever” and insert-  
10 ing “Whenever a political committee makes  
11 a disbursement for the purpose of financ-  
12 ing any communication through any broad-  
13 casting station, newspaper, magazine, out-  
14 door advertising facility, mailing, or any  
15 other type of general public political adver-  
16 tising, or whenever”;

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

19 (iii) by striking “direct”; and

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

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

23 “(c) Any printed communication described in sub-  
24 section (a) shall be—

25 “(1) of sufficient type size to be clearly read-  
26 able by the recipient of the communication;

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

3           “(3) consist of a reasonable degree of color con-  
4           trast between the background and the printed state-  
5           ment.

6           “(d)(1) Any broadcast or cablecast communication  
7           described in subsection (a)(1) or subsection (a)(2) shall  
8           include, in addition to the requirements of those sub-  
9           sections, an audio statement by the candidate that identi-  
10          fies the candidate and states that the candidate has ap-  
11          proved the communication.

12          “(2) If a broadcast or cablecast communication de-  
13          scribed in paragraph (1) is broadcast or cablecast by  
14          means of television, the communication shall include, in  
15          addition to the audio statement under paragraph (1), a  
16          written statement which—

17                 “(A) appears at the end of the communication  
18                 in a clearly readable manner with a reasonable de-  
19                 gree of color contrast between the background and  
20                 the printed statement, for a period of at least 4 sec-  
21                 onds; and

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

24          “(e) Any broadcast or cablecast communication de-  
25          scribed in subsection (a)(3) shall include, in addition to

1 the requirements of those subsections, in a clearly spoken  
2 manner, the following statement: ‘\_\_\_\_\_ is  
3 responsible for the content of this advertisement.’ (with  
4 the blank to be filled in with the name of the political  
5 committee or other person paying for the communication  
6 and the name of any connected organization of the payor).  
7 If broadcast or cablecast by means of television, the state-  
8 ment shall also appear in a clearly readable manner with  
9 a reasonable degree of color contrast between the back-  
10 ground and the printed statement, for a period of at least  
11 4 seconds.

12 “(f) Any broadcast or cablecast communication de-  
13 scribed in subsection (a)(1), made by or on behalf of a  
14 private money candidate (as defined in section 501), shall  
15 include, in addition to the requirements of this subsection,  
16 in a clearly spoken manner, the following statement: ‘This  
17 candidate has chosen not to participate in the Clean  
18 Money, Clean Elections Act and is receiving campaign  
19 contributions from private sources’.”.

20 (b) REPORTING REQUIREMENTS FOR ISSUE ADVER-  
21 TISEMENTS.—Section 304 of the Federal Election Cam-  
22 paign Act of 1971 (2 U.S.C. 434) (as amended by section  
23 103) is amended by adding at the end the following:

24 “(e) ISSUE ADVERTISEMENTS.—

1           “(1) IN GENERAL.—A person that makes or ob-  
2           ligates to make a disbursement to purchase an issue  
3           advertisement shall file a report with the Commis-  
4           sion not later than 48 hours after making or obligat-  
5           ing to make the disbursement, containing the follow-  
6           ing information—

7                   “(A) the amount of the disbursement;

8                   “(B) the information required under sub-  
9           section (b)(3)(A) for each person that makes a  
10          contribution, in an aggregate amount of \$5,000  
11          or greater in a calendar year, to the person who  
12          makes the disbursement;

13                  “(C) the name and address of the person  
14          making the disbursement; and

15                  “(D) the purpose of the issue advertise-  
16          ment.

17          “(2) DEFINITION OF ISSUE ADVERTISEMENT.—

18          In this subsection, the term ‘issue advertisement’  
19          means a communication through a broadcasting sta-  
20          tion, newspaper, magazine, outdoor advertising facil-  
21          ity, mailing, or any other type of general public po-  
22          litical advertising—

23                  “(A) the purchase of which is not an inde-  
24          pendent expenditure or a contribution;

1           “(B) that contains the name or likeness of  
2 a Senate candidate;

3           “(C) that is communicated during an elec-  
4 tion year; and

5           “(D) that recommends a position on a po-  
6 litical issue.”.

7 **SEC. 304. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**  
8 **ING PRIVILEGE.**

9           Section 3210(a)(6) of title 39, United States Code,  
10 is amended by striking subparagraph (A) and inserting  
11 the following:

12           “(A)(i) Except as provided in clause (ii), a  
13 Member of Congress shall not mail any mass  
14 mailing as franked mail during a year in which  
15 there will be an election for the seat held by the  
16 Member during the period between January 1  
17 of that year and the date of the general election  
18 for that office, unless the Member has made a  
19 public announcement that the Member will not  
20 be a candidate for reelection in that year or for  
21 election to any other Federal office.

22           “(ii) A Member of Congress may mail a  
23 mass mailing as franked mail if—

1                   “(I) the purpose of the mailing is to  
2                   communicate information about a public  
3                   meeting; and

4                   “(II) the content of the mailed matter  
5                   includes only the candidate’s name, and  
6                   the date, time, and place of the public  
7                   meeting.”.

8                   **TITLE IV—SOFT MONEY OF**  
9                   **POLITICAL PARTY COMMITTEES**

10 **SEC. 401. SOFT MONEY OF POLITICAL PARTY COMMITTEE.**

11           Title III of the Federal Election Campaign Act of  
12 1971 (2 U.S.C. 431 et seq.) is amended by adding at the  
13 end the following:

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

15           “(a) NATIONAL COMMITTEES.—A national commit-  
16 tee of a political party (including a national congressional  
17 campaign committee of a political party but not including  
18 an entity regulated under subsection (b)) shall not solicit  
19 or receive any contributions, donations, or transfers of  
20 funds, or spend any funds, that are not subject to the limi-  
21 tations, prohibitions, and reporting requirements of this  
22 Act.

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

24                   “(1) IN GENERAL.—A State, district, or local  
25                   committee of a political party shall not expend or

1 disburse any amount during a calendar year in  
2 which a Federal election is held for any activity that  
3 might affect the outcome of a Federal election, in-  
4 cluding any voter registration or get-out-the-vote ac-  
5 tivity, any generic campaign activity, and any com-  
6 munication that refers to a candidate (regardless of  
7 whether a candidate for State or local office is also  
8 mentioned or identified) unless the amount is sub-  
9 ject to the limitations, prohibitions, and reporting  
10 requirements of this Act.

11 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH  
12 (1).—

13 “(A) IN GENERAL.—Paragraph (1) shall  
14 not apply to an expenditure or disbursement  
15 made by a State, district, or local committee of  
16 a political party for—

17 “(i) a contribution to a candidate for  
18 State or local office if the contribution is  
19 not designated or otherwise earmarked to  
20 pay for an activity described in paragraph  
21 (1);

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

24 “(iii) the non-Federal share of a  
25 State, district, or local party committee’s

1 administrative and overhead expenses (but  
2 not including the compensation in any  
3 month of any individual who spends more  
4 than 20 percent of the individual's time on  
5 activities during the month that may affect  
6 the outcome of a Federal election), except  
7 that for purposes of this paragraph, the  
8 non-Federal share of a party committee's  
9 administrative and overhead expenses shall  
10 be determined by applying the ratio of the  
11 non-Federal disbursements to the total  
12 Federal expenditures and non-Federal dis-  
13 bursements made by the committee during  
14 the previous presidential election year to  
15 the committee's administrative and over-  
16 head expenses in the election year in ques-  
17 tion;

18 “(iv) the costs of grassroots campaign  
19 materials, including buttons, bumper stick-  
20 ers, and yard signs that name or depict  
21 only a candidate for State or local office;  
22 and

23 “(v) the cost of any campaign activity  
24 conducted solely on behalf of a clearly  
25 identified candidate for State or local of-

1           fice, if the candidate activity is not an ac-  
2           tivity described in paragraph (1).

3           “(B) FUNDRAISING COSTS.—A national,  
4           State, district, or local committee of a political  
5           party shall not expend any amount to raise  
6           funds that are used, in whole or in part, to pay  
7           the costs of an activity described in paragraph  
8           (1) unless the amount is subject to the limita-  
9           tions, prohibitions, and reporting requirements  
10          of this Act.

11          “(c) TAX-EXEMPT ORGANIZATIONS.—A national,  
12          State, district, or local committee of a political party (in-  
13          cluding a national congressional campaign committee of  
14          a political party) shall not solicit any funds for or make  
15          any donations to an organization that is exempt from Fed-  
16          eral taxation under section 501(a) of the Internal Revenue  
17          Code of 1986 and that is described in section 501(e) of  
18          such Code.

19          “(d) CANDIDATES.—

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

23                         “(A) solicit, receive, transfer, or spend  
24                         funds in connection with an election for Federal  
25                         office unless the funds are subject to the limita-

1 tions, prohibitions, and reporting requirements  
2 of this Act;

3 “(B) solicit, receive, or transfer funds that  
4 are to be expended in connection with any elec-  
5 tion other than a Federal election unless the  
6 funds—

7 “(i) are not in excess of the amounts  
8 permitted with respect to contributions to  
9 candidates and political committees under  
10 section 315(a) (1) and (2); and

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

14 “(C) solicit, receive, or transfer any funds  
15 on behalf of any person that are not subject to  
16 the limitations, prohibitions, and reporting re-  
17 quirements of this Act if the funds are for use  
18 in financing any campaign-related activity or  
19 any communication that refers to a clearly iden-  
20 tified candidate for Federal office.

21 “(2) EXCEPTION.—Paragraph (1) does not  
22 apply to the solicitation or receipt of funds by an in-  
23 dividual who is a candidate for a State or local office  
24 if the solicitation or receipt of funds is permitted

1 under State law for the individual's State or local  
2 campaign committee.

3 “(e) DEFINITION OF COMMITTEE.—In this section,  
4 the term ‘committee of a political party’ includes an entity  
5 that is directly or indirectly established, financed, main-  
6 tained, or controlled by a committee or its agent, an entity  
7 acting on behalf of a committee, and an officer or agent  
8 acting on behalf of any such committee or entity.”.

9 **SEC. 402. STATE PARTY GRASSROOTS FUNDS.**

10 (a) INDIVIDUAL CONTRIBUTIONS.—Section  
11 315(a)(1) of the Federal Election Campaign Act of 1971  
12 (2 U.S.C. 441a(a)(1)) is amended—

13 (1) in subparagraph (B) by striking “or” at the  
14 end;

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

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

19 “(C) to—

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

24 “(ii) any other political committee estab-  
25 lished and maintained by a State committee of

1           a political party in any calendar year which, in  
2           the aggregate, exceed \$5,000;  
3       except that the aggregate contributions described in  
4       this subparagraph that may be made by a person to  
5       the State Party Grassroots Fund and all committees  
6       of a State Committee of a political party in any  
7       State in any calendar year shall not exceed \$20,000;  
8       or”.

9       (b) LIMITS.—

10           (1) IN GENERAL.—Section 315(a) of the Fed-  
11       eral Election Campaign Act of 1971 (2 U.S.C.  
12       441a(a)) is amended by striking paragraph (3) and  
13       inserting the following:

14           “(3) OVERALL LIMITS.—

15           “(A) INDIVIDUAL LIMIT.—No individual  
16       shall make contributions during any calendar  
17       year that, in the aggregate, exceed \$25,000.

18           “(B) CALENDAR YEAR.—No individual  
19       shall make contributions during any calendar  
20       year—

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

24           “(ii) to all political committees estab-  
25       lished and maintained by State committees

1 of a political party that, in the aggregate,  
2 exceed \$20,000.

3 “(C) NONELECTION YEARS.—For purposes  
4 of subparagraph (B)(i), any contribution made  
5 to a candidate or the candidate’s authorized po-  
6 litical committees in a year other than the cal-  
7 endar year in which the election is held with re-  
8 spect to which the contribution is made shall be  
9 treated as being made during the calendar year  
10 in which the election is held.”.

11 (c) DEFINITIONS.—Section 301 of the Federal Elec-  
12 tion Campaign Act of 1970 (2 U.S.C. 431) is amended  
13 by adding at the end the following:

14 “(20) The term ‘generic campaign activity’  
15 means a campaign activity that promotes a political  
16 party and does not refer to any particular Federal  
17 or non-Federal candidate.

18 “(21) The term ‘State Party Grassroots Fund’  
19 means a separate segregated fund established and  
20 maintained by a State committee of a political party  
21 solely for purposes of making expenditures and other  
22 disbursements described in section 326(d).”.

23 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of  
24 the Federal Election Campaign Act of 1971 (2 U.S.C. 431

1 et seq.) (as amended by section 401) is amended by adding  
2 at the end the following:

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

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

8 “(b) TRANSFERS.—

9 “(1) IN GENERAL.—Notwithstanding section  
10 315(a)(4), a State committee of a political party  
11 shall not transfer any funds from the committee’s  
12 State Party Grassroots Fund to any other State  
13 Party Grassroots Fund or to any other political com-  
14 mittee, except as provided in paragraph (2).

15 “(2) EXCEPTION.—A committee of a political  
16 party may transfer funds from the committee’s  
17 State Party Grassroots Fund to a district or local  
18 committee of the same political party in the same  
19 State if the district or local committee—

20 “(A) has established a separate segregated  
21 fund for the purposes described in subsection  
22 (d); and

23 “(B) uses the transferred funds solely for  
24 those purposes.

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

3               “(1) IN GENERAL.—Any amount received by a  
4 State Party Grassroots Fund from a State or local  
5 candidate committee for expenditures described in  
6 subsection (d) that are for the benefit of that can-  
7 didate shall be treated as meeting the requirements  
8 of 324(b)(1) and section 304(d) if—

9               “(A) the amount is derived from funds  
10 which meet the requirements of this Act with  
11 respect to any limitation or prohibition as to  
12 source or dollar amount specified in section  
13 315(a) (1)(A) and (2)(A)(i); and

14               “(B) the State or local candidate commit-  
15 tee—

16               “(i) maintains, in the account from  
17 which payment is made, records of the  
18 sources and amounts of funds for purposes  
19 of determining whether those requirements  
20 are met; and

21               “(ii) certifies that the requirements  
22 were met.

23               “(2) DETERMINATION OF COMPLIANCE.—For  
24 purposes of paragraph (1)(A), in determining wheth-

1 er the funds transferred meet the requirements of  
2 this Act described in paragraph (1)(A)—

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

7 “(B) the committee must be able to dem-  
8 onstrate that its cash on hand contains funds  
9 meeting those requirements sufficient to cover  
10 the transferred funds.

11 “(3) REPORTING.—Notwithstanding paragraph  
12 (1), any State Party Grassroots Fund that receives  
13 a transfer described in paragraph (1) from a State  
14 or local candidate committee shall be required to  
15 meet the reporting requirements of this Act, and  
16 shall submit to the Commission all certifications re-  
17 ceived, with respect to receipt of the transfer from  
18 the candidate committee.

19 “(d) DISBURSEMENTS AND EXPENDITURES.—A  
20 State committee of a political party may make disburse-  
21 ments and expenditures from its State Party Grassroots  
22 Fund only for—

23 “(1) any generic campaign activity;

1           “(2) payments described in clauses (v), (ix),  
2           and (xi) of paragraph (8)(B) and clauses (iv), (viii),  
3           and (ix) of paragraph (9)(B) of section 301;

4           “(3) subject to the limitations of section  
5           315(d), payments described in clause (xii) of para-  
6           graph (8)(B), and clause (ix) of paragraph (9)(B),  
7           of section 301 on behalf of candidates other than for  
8           President and Vice President;

9           “(4) voter registration; and

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

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

16   **SEC. 403. REPORTING REQUIREMENTS.**

17           (a) REPORTING REQUIREMENTS.—Section 304 of the  
18           Federal Election Campaign Act of 1971 (2 U.S.C. 434)  
19           (as amended by section 303(b)) is amended by adding at  
20           the end the following:

21           “(f) POLITICAL COMMITTEES.—

22           “(1) NATIONAL AND CONGRESSIONAL POLITI-  
23           CAL COMMITTEES.—The national committee of a po-  
24           litical party, any congressional campaign committee  
25           of a political party, and any subordinate committee

1 of either, shall report all receipts and disbursements  
2 during the reporting period, whether or not in con-  
3 nection with an election for Federal office.

4 “(2) OTHER POLITICAL COMMITTEES TO WHICH  
5 SECTION 324 APPLIES.—A political committee to  
6 which section 324(b)(1) applies shall report all re-  
7 ceipts and disbursements made for activities de-  
8 scribed in section 324(b) (1) and (2)(A)(iii).

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

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

20 “(5) REPORTING PERIODS.—Reports required  
21 to be filed under this subsection shall be filed for the  
22 same time periods as reports are required for politi-  
23 cal committees under subsection (a).”.

24 (b) BUILDING FUND EXCEPTION TO THE DEFINI-  
25 TION OF CONTRIBUTION.—Section 301(8) of the Federal

1 Election Campaign Act of 1971 (2 U.S.C. 431(8)) is  
2 amended—

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

4 (2) by redesignating clauses (ix) through (xiv)  
5 as clauses (viii) through (xiii), respectively.

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

10 “(g) FILING OF STATE REPORTS.—In lieu of any re-  
11 port required to be filed by this Act, the Commission may  
12 allow a State committee of a political party to file with  
13 the Commission a report required to be filed under State  
14 law if the Commission determines that such reports con-  
15 tain substantially the same information.”.

16 (d) OTHER REPORTING REQUIREMENTS.—

17 (1) AUTHORIZED COMMITTEES.—Section  
18 304(b)(4) of the Federal Election Campaign Act of  
19 1971 (2 U.S.C. 434(b)(4)) is amended—

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

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

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

1           “(J) in the case of an authorized commit-  
 2           tee, disbursements for the primary election, the  
 3           general election, and any other election in which  
 4           the candidate participates;”.

5           (2) NAMES AND ADDRESSES.—Section  
 6           304(b)(5)(A) of the Federal Election Campaign Act  
 7           of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by  
 8           striking “operating expense” and inserting “operat-  
 9           ing expenditure, and the election to which the oper-  
 10          ating expenditure relates”.

11 **TITLE V—RESTRUCTURING AND**  
 12 **STRENGTHENING OF THE**  
 13 **FEDERAL ELECTION COMMIS-**  
 14 **SION**

15 **SEC. 501. APPOINTMENT AND TERMS OF COMMISSIONERS.**

16          (a) IN GENERAL.—Section 306(a) of the Federal  
 17 Election Campaign Act of 1971 (2 U.S.C. 437c(a)) is  
 18 amended—

19           (1) in paragraph (1)—

20           (A) by striking “(1) There is established”  
 21           and inserting “(1)(A) There is established”;

22           (B) by striking the second sentence and in-  
 23           serting the following:

24           “(B) COMPOSITION OF COMMISSION.—The Commis-  
 25           sion is composed of 6 members appointed by the Presi-

1 dent, by and with the advice and consent of the Senate,  
2 and 1 member appointed by the President from among  
3 persons recommended by the Commission as provided in  
4 subparagraph (D).”;

5 (C) by striking “No more than” and in-  
6 serting the following:

7 “(C) PARTY AFFILIATION.—Not more than”; and

8 (D) by adding at the end the following:

9 “(D) NOMINATION BY COMMISSION OF ADDITIONAL  
10 MEMBER.—

11 “(i) IN GENERAL.—The members of the Com-  
12 mission shall recommend to the President, by a vote  
13 of 4 members, 3 persons for the appointment to the  
14 Commission.

15 “(ii) VACANCY.—On vacancy of the position of  
16 the member appointed under this subparagraph, a  
17 member shall be appointed to fill the vacancy in the  
18 same manner as provided in clause (i).”;

19 (2) in paragraph (2)(A) by striking “terms of  
20 6 years” and inserting “not more than 1 term of 6  
21 years;”; and

22 (3) in paragraphs (3) and (4), by striking  
23 “(other than the Secretary of the Senate and the  
24 Clerk of the House of Representatives)”.

1 (b) TRANSITION RULE.—Not later than 90 days after  
2 the date of enactment of this Act, the Commission shall  
3 recommend persons for appointment under section  
4 306(a)(1)(D) of the Federal Election Campaign Act of  
5 1971, as added by section 501(a)(1)(D) of this Act.

6 **SEC. 502. AUDITS.**

7 (a) RANDOM AUDIT.—Section 311(b) of the Federal  
8 Election Campaign Act of 1971 (2 U.S.C. 438(b)) is  
9 amended—

10 (1) by inserting “(1)” before “The Commis-  
11 sion”; and

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

13 “(2) RANDOM AUDITS.—

14 “(A) IN GENERAL.—Notwithstanding para-  
15 graph (1), after every primary, general, and  
16 runoff election, the Commission may conduct  
17 random audits and investigations to ensure vol-  
18 untary compliance with this Act.

19 “(B) SELECTION OF SUBJECTS.—The sub-  
20 jects of audits and investigations under this  
21 paragraph shall be selected on the basis of im-  
22 partial criteria established by a vote of at least  
23 4 members of the Commission.

24 “(C) EXCLUSION.—This paragraph does  
25 not apply to an authorized committee of a can-

1 didate for President or Vice President subject  
2 to audit under chapter 95 or 96 of the Internal  
3 Revenue Code of 1986.”.

4 **SEC. 503. AUTHORITY TO SEEK INJUNCTION.**

5 Section 309(a) of the Federal Election Campaign Act  
6 of 1971 (2 U.S.C. 437g(a)) is amended—

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

8 “(13) AUTHORITY TO SEEK INJUNCTION.—

9 “(A) IN GENERAL.—If, at any time in a pro-  
10 ceeding described in paragraph (1), (2), (3), or (4),  
11 the Commission believes that—

12 “(i) there is a substantial likelihood that a  
13 violation of this Act is occurring or is about to  
14 occur;

15 “(ii) the failure to act expeditiously will re-  
16 sult in irreparable harm to a party affected by  
17 the potential violation;

18 “(iii) expeditious action will not cause  
19 undue harm or prejudice to the interests of oth-  
20 ers; and

21 “(iv) the public interest would be best  
22 served by the issuance of an injunction;

23 the Commission may initiate a civil action for a tem-  
24 porary restraining order or preliminary injunction

1 pending the outcome of proceedings under para-  
2 graphs (1), (2), (3), and (4).

3 “(B) VENUE.—An action under subparagraph  
4 (A) shall be brought in the United States district  
5 court for the district in which the defendant resides,  
6 transacts business, or may be found, or in which the  
7 violation is occurring, has occurred, or is about to  
8 occur.”;

9 (2) in paragraph (7), by striking “(5) or (6)”  
10 and inserting “(5), (6), or (13)”;

11 (3) in paragraph (11), by striking “(6)” and in-  
12 serting “(6) or (13)”.

13 **SEC. 504. STANDARD FOR INVESTIGATION.**

14 Section 309(a)(2) of the Federal Election Campaign  
15 Act of 1971 (2 U.S.C. 437f(a)(2)) is amended by striking  
16 “reason to believe that” and inserting “reason to open an  
17 investigation on whether”.

18 **SEC. 505. PETITION FOR CERTIORARI.**

19 Section 307(a)(6) of the Federal Election Campaign  
20 Act of 1971 (2 U.S.C. 437d(a)) is amended by inserting  
21 “(including a proceeding before the Supreme Court on cer-  
22 tiorari)” after “appeal”.

1 **SEC. 506. EXPEDITED PROCEDURES.**

2 Section 309(a) of the Federal Election Campaign Act  
3 of 1971 (2 U.S.C. 437g(a)) (as amended by section 503)  
4 is amended by adding at the end the following:

5 “(14) EXPEDITED PROCEDURE.—

6 “(A) 60 DAYS BEFORE A GENERAL ELEC-  
7 TION.—If the complaint in a proceeding was  
8 filed within 60 days before the date of a general  
9 election, the Commission may take action de-  
10 scribed in this subparagraph.

11 “(B) RESOLUTION BEFORE AN ELEC-  
12 TION.—If the Commission determines, on the  
13 basis of facts alleged in the complaint and other  
14 facts available to the Commission, that there is  
15 clear and convincing evidence that a violation of  
16 this Act has occurred, is occurring, or is about  
17 to occur and it appears that the requirements  
18 for relief stated in clauses (ii), (iii), and (iv) of  
19 paragraph (13)(A) are met, the Commission  
20 may—

21 “(i) order expedited proceedings,  
22 shortening the time periods for proceedings  
23 under paragraphs (1), (2), (3), and (4) as  
24 necessary to allow the matter to be re-  
25 solved in sufficient time before the election

1 to avoid harm or prejudice to the interests  
2 of the parties; or

3 “(ii) if the Commission determines  
4 that there is insufficient time to conduct  
5 proceedings before the election, imme-  
6 diately seek relief under paragraph  
7 (13)(A).

8 “(C) MERITLESS COMPLAINTS.—If the  
9 Commission determines, on the basis of facts  
10 alleged in the complaint and other facts avail-  
11 able to the Commission, that the complaint is  
12 clearly without merit, the Commission may—

13 “(i) order expedited proceedings,  
14 shortening the time periods for proceedings  
15 under paragraphs (1), (2), (3), and (4) as  
16 necessary to allow the matter to be re-  
17 solved in sufficient time before the election  
18 to avoid harm or prejudice to the interests  
19 of the parties; or

20 “(ii) if the Commission determines  
21 that there is insufficient time to conduct  
22 proceedings before the election, summarily  
23 dismiss the complaint.”.

1 **SEC. 507. FILING OF REPORTS USING COMPUTERS AND**  
2 **FACSIMILE MACHINES.**

3 Section 302(g) of the Federal Election Campaign Act  
4 of 1971 (2 U.S.C. 432(g)) is amended by adding at the  
5 end the following:

6 “(5) FILING OF REPORTS USING COMPUTERS  
7 AND FACSIMILE MACHINES.—

8 “(A) COMPUTERS.—The Commission, in  
9 consultation with the Secretary of the Senate  
10 and the Clerk of the House of Representatives,  
11 shall issue a regulation under which a person  
12 required to file a designation, statement, or re-  
13 port under this Act—

14 “(i) is required to maintain and file  
15 the designation, statement, or report for  
16 any calendar year in electronic form acces-  
17 sible by computers if the person has, or  
18 has reason to expect to have, aggregate  
19 contributions or expenditures in excess of a  
20 threshold amount determined by the Com-  
21 mission; and

22 “(ii) may maintain and file the des-  
23 ignation, statement, or report in that man-  
24 ner if not required to do so under a regula-  
25 tion under clause (i).

1           “(B) FACSIMILE MACHINES.—The Com-  
2 mission, in consultation with the Secretary of  
3 the Senate and the Clerk of the House of Rep-  
4 resentatives, shall prescribe a regulation that  
5 allows a person to file a designation, statement,  
6 or report required by this Act through the use  
7 of a facsimile machine.

8           “(C) VERIFICATION.—In a regulation  
9 under this paragraph, the Commission shall  
10 provide methods (other than requiring a signa-  
11 ture on the document being filed) for verifying  
12 a designation, statement, or report. Any docu-  
13 ment verified under any of the methods shall be  
14 treated for all purposes (including penalties for  
15 perjury) in the same manner as a document  
16 verified by signature.

17           “(D) COMPATIBILITY OF SYSTEMS.—The  
18 Secretary of the Senate and the Clerk of the  
19 House of Representatives shall ensure that any  
20 computer or other system that the Secretary or  
21 the Clerk may develop and maintain to receive  
22 designations, statements, and reports in the  
23 forms required or permitted under this para-  
24 graph is compatible with any system that the  
25 Commission may develop and maintain.”.

1 **SEC. 508. POWER TO ISSUE SUBPOENA WITHOUT SIGNA-**  
 2 **TURE OF CHAIRPERSON.**

3 Section 307(a)(3) of the Federal Election Campaign  
 4 Act of 1971 (2 U.S.C. 437d(a)(3)) is amended by striking  
 5 “, signed by the chairman or the vice chairman,”.

6 **SEC. 509. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**  
 7 **UALS NOT QUALIFIED TO VOTE.**

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

10 (1) in the heading by adding “AND INDIVID-  
 11 UALS NOT QUALIFIED TO REGISTER TO  
 12 VOTE” at the end; and

13 (2) in subsection (a)—

14 (A) by striking “(a) It shall” and inserting  
 15 the following:

16 “(a) PROHIBITIONS.—

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

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

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

20 It shall be unlawful for an individual who is not  
 21 qualified to register to vote in a Federal election to  
 22 make a contribution, or to promise expressly or  
 23 impliedly to make a contribution, in connection with  
 24 a Federal election; or for any person to solicit, ac-  
 25 cept, or receive a contribution in connection with a

1 Federal election from an individual who is not quali-  
2 fied to register to vote in a Federal election.”.

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

6 (1) in subparagraph (A)—

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

9 (B) by inserting “, and an affirmation that  
10 the individual is an individual who is not pro-  
11 hibited by section 319 from making a contribu-  
12 tion” after “employer”; and

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

## 17 **TITLE VI—EFFECTIVE DATE**

### 18 **SEC. 601. EFFECTIVE DATE.**

19 This Act and the amendments made by this Act take  
20 effect on January 1, 1998.

○