

104TH CONGRESS
2D SESSION

H. R. 3820

To amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 1996

Mr. THOMAS (for himself, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. PAXON, Mr. FAWELL, Mr. HOEKSTRA, Mr. WAMP, Mr. EHLERS, Ms. GREENE of Utah, Mr. BALLINGER, Mr. RIGGS, Mr. FOX of Pennsylvania, Mr. KOLBE, Mr. WALKER, Mr. KINGSTON, Mr. HOBSON, Mr. LIVINGSTON, Mr. WELDON of Pennsylvania, and Mr. COBLE) introduced the following bill; which was referred to the Committee on House Oversight, and in addition to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Federal Election Campaign Act of 1971 to reform the financing of Federal election campaigns, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**
- 4 (a) SHORT TITLE.—This Act may be cited as the
- 5 “Campaign Finance Reform Act of 1996”.

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

See. 1. Short title; table of contents.
 See. 2. Findings.

TITLE I—RESTORING CONTROL OF ELECTIONS TO INDIVIDUALS

Sec. 101. Requiring majority of House of Representatives candidate funds to come from individuals residing in district.
 Sec. 102. Reduction in allowable contribution amounts for political action committees in Federal elections to level allowed for individuals.
 Sec. 103. Modification of limitations on contributions when candidates spend or contribute large amounts of personal funds.
 Sec. 104. Indexing limits on contributions.
 Sec. 105. Prohibition of leadership committees.
 Sec. 106. Prohibiting bundling of contributions to candidates by political action committees and lobbyists.
 Sec. 107. Definition of independent expenditures.
 Sec. 108. Requirements for use of payroll deductions for contributions.

TITLE II—STRENGTHENING POLITICAL PARTIES

Sec. 201. Modification of contribution limits and requirements for political parties.
 Sec. 202. Allowing political parties to offset funds carried over from previous elections.
 Sec. 203. Prohibiting use of non-Federal funds in Federal elections.
 Sec. 204. Permitting parties to have unlimited communication with members.
 Sec. 205. Promoting State and local party volunteer and grassroots activity.

TITLE III—DISCLOSURE AND ENFORCEMENT

Sec. 301. Timely reporting and increased disclosure.
 Sec. 302. Streamlining procedures and rules of Federal Election Commission.

TITLE IV—WORKER RIGHT TO KNOW

Sec. 401. Findings.
 Sec. 402. Purpose.
 Sec. 403. Worker choice.
 Sec. 404. Worker consent.
 Sec. 405. Worker notice.
 Sec. 406. Disclosure to workers.
 Sec. 407. Construction.
 Sec. 408. Effective date.

TITLE V—GENERAL PROVISIONS

Sec. 501. Effective date.
 Sec. 502. Severability.
 Sec. 503. Expedited court review.

3 **SEC. 2. FINDINGS.**
 4 Congress finds the following:

1 (1) Our republican form of government is
2 strengthened when voters choose their representa-
3 tives in elections that are free of corruption or the
4 appearance of corruption.

5 (2) Corruption or the appearance of corruption
6 in elections may evidence itself in many ways:

7 (A) Voters who democratically elect rep-
8 resentatives must believe they are fairly rep-
9 resented by those they elect. The current elec-
10 tion laws have led many to believe that the in-
11 terests of those who actually vote for their rep-
12 resentatives are less important than those who
13 cannot vote, but who can influence an election
14 by their contributions to the candidates.

15 (B) Failure to disclose, or timely disclose,
16 those who contribute and how much they con-
17 tribute unnecessarily withholds information vot-
18 ers need to cast ballots with complete con-
19 fidence, thereby increasing the belief of, or the
20 appearance of, corruption.

21 (C) The diminishing role of political par-
22 ties, despite parties' long-standing role in ad-
23 vancing broad national agendas, in assisting the
24 election of party candidates, and in organizing
25 members, has relatively enhanced groups that

1 pursue narrower interests. This relative shift of
2 influence has been interpreted by some as cor-
3 rupting the election process.

4 (D) Complicated and obsolete election laws
5 and rules discourage citizens from becoming
6 candidates, allow for coerced involuntary pay-
7 ments for political purposes, fail to keep con-
8 tribution amounts current with inflation, and
9 fail to provide reasonable compensating con-
10 tribution limits for candidates who run against
11 candidates who wish to exercise their constitu-
12 tional right of spending their own resources.
13 The current state of laws and rules is such that
14 if they do not corrupt, at the very least they un-
15 duly hinder fair, honest, and competitive elec-
16 tions.

17 **TITLE I—RESTORING CONTROL**
18 **OF ELECTIONS TO INDIVIDUALS**

19 **SEC. 101. REQUIRING MAJORITY OF HOUSE OF REP-**
20 **RESENTATIVES CANDIDATE FUNDS TO COME**
21 **FROM INDIVIDUALS RESIDING IN DISTRICT.**

22 (a) IN GENERAL.—Section 315 of the Federal Elec-
23 tion Campaign Act of 1971 (2 U.S.C. 441a) is amended
24 by adding at the end the following new subsection:

1 “(i)(1) A candidate for the office of Representative
2 in, or Delegate or Resident Commissioner to, the Congress
3 may not accept contributions with respect to an election
4 cycle from persons other than local individual residents to-
5 taling in excess of the total of contributions accepted from
6 local individual residents (as determined on the basis of
7 the most recent information included in reports pursuant
8 to section 304(d).

9 “(2) In determining the amount of contributions ac-
10 cepted by a candidate for purposes of this subsection, con-
11 tributions of the candidate’s personal funds shall be sub-
12 ject to the following rules:

13 “(A) To the extent that the amount of the con-
14 tribution does not exceed the limitation on contribu-
15 tions made by an individual under subsection
16 (a)(1)(A), such contribution shall be treated as any
17 other contribution.

18 “(B) The portion (if any) of the contribution
19 which exceeds the limitation on contributions which
20 may be made by an individual under subsection
21 (a)(1)(A) shall be allocated in accordance with para-
22 graph (8).

23 “(3) In determining the amount of contributions ac-
24 cepted by a candidate for purposes of this subsection, con-

1 tributions from a political party or a political party com-
2 mittee shall be allocated in accordance with paragraph (8).

3 “(4) In determining the amount of contributions ac-
4 cepted by a candidate for purposes of this subsection, any
5 funds remaining in the candidate’s campaign account
6 after the filing of the post-general election report under
7 section 304(a)(2)(A)(ii) for the most recent general elec-
8 tion shall be allocated in accordance with paragraph (8).

9 “(5) In determining the amount of contributions ac-
10 cepted by a candidate for purposes of this subsection, any
11 contributions accepted pursuant to subsection (j) which
12 are from persons other than local individual residents shall
13 be allocated in accordance with paragraph (8).

14 “(6)(A) Any candidate who accepts contributions that
15 exceed the limitation under this subsection, as determined
16 on the basis of information included in reports pursuant
17 to section 304(d), shall pay to the Commission at the time
18 of the filing of the report which contains the information,
19 for deposit in the Treasury, an amount equal to 3 times
20 the amount of the excess contributions (or, in the case
21 of a candidate described in subparagraph (C), an amount
22 equal to 5 times the amount of the excess contributions
23 plus a civil penalty in an amount determined by the Com-
24 mission).

1 “(B) Any amounts paid by a candidate under this
2 paragraph shall be paid from contributions subject to the
3 limitations and prohibitions of this title, including the lim-
4 itation under this subsection.

5 “(C) A candidate described in this subparagraph is
6 a candidate who accepts contributions that exceed the lim-
7 itation under this subsection as of the last day of the pe-
8 riod ending on the 20th day before an election or any pe-
9 riod ending after such 20th day and before or on the 20th
10 day after such election.

11 “(7) As used in this subsection, the term ‘local indi-
12 vidual resident’ means an individual who resides in the
13 congressional district involved.

14 “(8) For purposes of this subsection, any amounts
15 allocated in accordance with this paragraph shall be allo-
16 cated as follows:

17 “(A) 50 percent of such amounts shall be
18 deemed to be contributions from local individual
19 residents.

20 “(B) 50 percent of such amounts shall be
21 deemed to be contributions from persons other than
22 local individual residents.”.

23 (b) REPORTING REQUIREMENTS.—Section 304 of
24 such Act (2 U.S.C. 434) is amended by adding at the end
25 the following new subsection:

1 “(d) Each principal campaign committee of a can-
2 didate for the House of Representatives shall include the
3 following information in reports filed under subsection
4 (a)(2) and subsection (a)(6)(A):

5 “(1) With respect to each report filed under
6 such subsection—

7 “(A) the total contributions received by the
8 committee with respect to the election cycle in-
9 volved from local individual residents (as de-
10 fined in section 315(i)(7)), as of the last day of
11 the period covered by the report;

12 “(B) the total contributions received by the
13 committee with respect to the election cycle in-
14 volved which are not from local individual resi-
15 dents, as of the last day of the period covered
16 by the report; and

17 “(C) a certification as to whether the con-
18 tributions reported comply with the limitation
19 under section 315(i), as of the last day of the
20 period covered by the report.

21 “(2) In the case of the first report filed under
22 such subsection which covers the period which begins
23 19 days before an election and ends 20 days after
24 the election—

1 “(A) the total contributions received by the
2 committee with respect to the election cycle in-
3 volved from local individual residents (as de-
4 fined in section 315(i)(7)), as of the last day of
5 such period;

6 “(B) the total contributions received by the
7 committee with respect to the election cycle in-
8 volved which are not from local individual resi-
9 dents, as of the last day of such period; and

10 “(C) a certification as to whether the con-
11 tributions reported comply with the limitation
12 under section 315(i), as of the last day of such
13 period.”.

14 **SEC. 102. REDUCTION IN ALLOWABLE CONTRIBUTION**
15 **AMOUNTS FOR POLITICAL ACTION COMMIT-**
16 **TEES IN FEDERAL ELECTIONS TO LEVEL AL-**
17 **LOWED FOR INDIVIDUALS.**

18 (a) **IN GENERAL.**—Section 315(a) of the Federal
19 Election Campaign Act of 1971 (2 U.S.C. 441a(a)) is
20 amended—

21 (1) in paragraph (1)—
22 (A) in subparagraph (A), by inserting after
23 “Federal office” the following: “or to any other
24 political committee other than a political party
25 committee in any calendar year”,

(B) in subparagraph (A), by adding “or”
at the end,

3 (C) in subparagraph (B), by striking “;
4 or” and inserting a period, and

5 (D) by striking subparagraph (C); and

6 (2) by amending paragraph (2) to read as fol-
7 lows:

8 “(2) No political party committee may make con-
9 tributions—

10 “(A) to any candidate or the candidate’s au-
11 thorized political committees with respect to any
12 election for Federal office which, in the aggregate,
13 exceed \$5,000; or

14 “(B) to any other political committee other
15 than a political party committee in any calendar
16 year which, in the aggregate, exceed \$5,000.”.

17 (b) POLITICAL PARTY COMMITTEE DEFINED.—The
18 second sentence of section 315(a)(4) of such Act (2 U.S.C.
19 441a(a)(4)) is amended to read as follows: “For purposes
20 of this section, the term ‘political party committee’ means
21 a political committee which is a national, State, district,
22 or local political party committee (including any subordi-
23 nate committee thereof).”.

24 (c) CONFORMING AMENDMENTS.—Section 311(a)(6)
25 of such Act (2 U.S.C. 438(a)(6)) is amended—

6 (2) in subparagraph (B), by striking “multi-
7 candidate committees” the second place it appears
8 and inserting “such committees”; and

12 SEC. 103. MODIFICATION OF LIMITATIONS ON CONTRIBU-
13 TIONS WHEN CANDIDATES SPEND OR CON-
14 TRIBUTE LARGE AMOUNTS OF PERSONAL
15 FUNDS.

16 (a) IN GENERAL.—Section 315 of the Federal Elec-
17 tion Campaign Act of 1971 (2 U.S.C. 441a), as amended
18 by section 101(a), is further amended by adding at the
19 end the following new subsection:

20 “(j)(1) Notwithstanding subsection (a), if in a gen-
21 eral election a House candidate makes expenditures of per-
22 sonal funds (including contributions by the candidate to
23 the candidate’s authorized campaign committee) in an
24 amount in excess of the amount of the limitation estab-
25 lished under subsection (a)(1)(A) and less than or equal

1 to \$150,000 (as reported under section 304(a)(2)(A)), a
2 political party committee may make contributions to an
3 opponent of the House candidate without regard to any
4 limitation otherwise applicable to such contributions under
5 subsection (a), except that the opponent may not accept
6 aggregate contributions under this paragraph in an
7 amount greater than the greatest amount of personal
8 funds expended (including contributions to the candidate's
9 authorized campaign committee) by any House candidate
10 (other than such opponent) with respect to the election
11 (as reported in a notification submitted under section
12 304(a)(6)(B)).

13 “(2) If a House candidate makes expenditures of per-
14 sonal funds (including contributions by the candidate to
15 the candidate's authorized campaign committee) with re-
16 spect to an election in an amount greater than \$150,000
17 (as reported under section 304(a)(2)(A)), the following
18 rules shall apply:

19 “(A) In the case of a general election, the limi-
20 tations under subsections (a)(1) and (a)(2) (insofar
21 as such limitations apply to political party commit-
22 tees and to individuals) shall not apply to contribu-
23 tions to the candidate or to any opponent of the can-
24 didate, except that neither the candidate or any op-
25 ponent may accept aggregate contributions under

1 this subparagraph and paragraph (1) in an amount
2 greater than the greatest amount of personal funds
3 (including contributions to the candidate's author-
4 ized campaign committee) expended by any House
5 candidate with respect to the election (as reported in
6 a notification submitted under section
7 304(a)(6)(B)).

8 “(B) In the case of an election other than a
9 general election, the limitations under subsection
10 (a)(1) (insofar as such limitations apply to individ-
11 uals) shall not apply to contributions to the can-
12 didate or to any opponent of the candidate, except
13 that neither the candidate or any opponent may ac-
14 cept aggregate contributions under this subpara-
15 graph in an amount greater than the greatest
16 amount of personal funds (including contributions to
17 the candidate's authorized campaign committee) ex-
18 pended by any House candidate with respect to the
19 election (as reported in a notification submitted
20 under section 304(a)(6)(B)).

21 “(3) In this subsection, the term ‘House candidate’
22 means a candidate in an election for the office of Rep-
23 resentative in, or Delegate or Resident Commissioner to,
24 the Congress.”.

1 (b) NOTIFICATION OF EXPENDITURES OF PERSONAL
2 FUNDS.—Section 304(a)(6) of such Act (2 U.S.C.
3 434(a)(6)) is amended—

4 (1) by redesignating subparagraph (B) as sub-
5 paragraph (C); and

6 (2) by inserting after subparagraph (A) the fol-
7 lowing new subparagraph:

8 “(B)(i) The principal campaign committee of a
9 House candidate (as defined in section 315(j)(3)) shall
10 submit the following notifications relating to expenditures
11 of personal funds by such candidate (including contribu-
12 tions by the candidate to such committee):

13 “(I) A notification of the first such expenditure
14 (or contribution) by which the aggregate amount of
15 personal funds expended (or contributed) with re-
16 spect to an election exceeds the amount of the limi-
17 tation established under section 315(a)(1)(A) for
18 elections in the year involved.

19 “(II) A notification of each such expenditure
20 (or contribution) which, taken together with all such
21 expenditures (and contributions) in any amount not
22 included in the most recent report under this sub-
23 paragraph, totals \$5,000 or more.

24 “(III) A notification of the first such expendi-
25 ture (or contribution) by which the aggregate

1 amount of personal funds expended with respect to
2 the election exceeds the level applicable under sec-
3 tion 315(j)(2) for elections in the year involved.

4 “(ii) Each of the notifications submitted under clause
5 (i)—

6 “(I) shall be submitted not later than 24 hours
7 after the expenditure or contribution which is the
8 subject of the notification is made;

9 “(II) shall include the name of the candidate,
10 the office sought by the candidate, and the date of
11 the expenditure or contribution and amount of the
12 expenditure or contribution involved; and

13 “(III) shall include the total amount of all such
14 expenditures and contributions made with respect to
15 the same election as of the date of expenditure or
16 contribution which is the subject of the notifica-
17 tion.”.

18 **SEC. 104. INDEXING LIMITS ON CONTRIBUTIONS.**

19 (a) IN GENERAL.—Section 315(c) of the Federal
20 Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is
21 amended by adding at the end the following new para-
22 graph:

23 “(3)(A) The amount of each limitation established
24 under subsection (a) shall be adjusted as follows:

1 “(i) For calendar year 1997, each such amount
2 shall be equal to the amount described in such sub-
3 section, increased (in a compounded manner) by the
4 percentage increase in the price index (as defined in
5 subsection (c)(2)) for each year after 1976 and be-
6 fore 1998.

7 “(ii) For calendar year 1999 and each second
8 subsequent year, each such amount shall be equal to
9 the amount for the second previous year (as ad-
10 justed under this subparagraph), increased (in a
11 compounded manner) by the percentage increase in
12 the price index for the previous year and the second
13 previous year.

14 “(B) In the case of any amount adjusted under this
15 subparagraph which is not a multiple of \$500, the amount
16 shall be rounded to the nearest lowest multiple of \$500.”.

17 (b) APPLICATION OF INDEXING TO SUPPORT OF
18 CANDIDATE’S COMMITTEES.—Section 302(e)(3)(B) of
19 such Act (2 U.S.C. 432(e)(3)(B)) is amended by adding
20 at the end the following new sentence: “The amount de-
21 scribed in the previous sentence shall be adjusted (for
22 years beginning with 1997) in the same manner as the
23 amounts of limitations on contributions under section
24 315(a) are adjusted under section 315(c)(3).”.

1 (c) APPLICATION OF INDEXING TO PROVISIONS RE-
2 LATING TO PERSONAL FUNDS.—

3 (1) IN GENERAL.—Section 315(j) of such Act
4 (2 U.S.C. 441a(j)), as added by section 103(a), is
5 amended—

6 (A) by redesignating paragraph (3) as
7 paragraph (4); and

8 (B) by inserting after paragraph (2) the
9 following new paragraph:

10 “(3) Each of the amounts provided under paragraph
11 (1) or (2) shall be adjusted for each biennial period begin-
12 ning after the 1998 general election in the same manner
13 as the amounts of limitations on contributions established
14 under subsection (a) are adjusted under subsection
15 (c)(3).”.

16 (2) CONFORMING AMENDMENT.—Section
17 304(a)(6)(B)(i) of such Act (2 U.S.C.
18 434(a)(6)(B)(i)), as added by section 103(b), is
19 amended by striking “section 315(j)(3)” and insert-
20 ing “section 315(j)(4)”.

21 **SEC. 105. PROHIBITION OF LEADERSHIP COMMITTEES.**

22 (a) LEADERSHIP COMMITTEE PROHIBITION.—Sec-
23 tion 302 of the Federal Election Campaign Act of 1971
24 (2 U.S.C. 432) is amended by adding at the end the fol-
25 lowing new subsection:

1 “(j) A candidate for Federal office or an individual
2 holding Federal office may not establish, maintain, fi-
3 nance, or control a political committee, other than a prin-
4 cipal campaign committee of the candidate or the individ-
5 ual.”.

6 (b) CONFORMING AMENDMENT RELATING TO JOINT
7 FUNDRAISING.—Section 302(e)(3)(A) of such Act (2
8 U.S.C. 432(e)(3)) is amended by striking “except
9 that—” and all that follows and inserting the following:
10 “except that the candidate for the office of President nom-
11 inated by a political party may designate the national com-
12 mittee of such political party as a principal campaign com-
13 mittee, but only if that national committee maintains sep-
14 arate books of account with respect to its function as a
15 principal campaign committee.”.

16 (c) EFFECTIVE DATE; TRANSITION RULE.—

17 (1) IN GENERAL.—The amendments made by
18 this section shall apply with respect to elections oc-
19 ccurring in years beginning with 1997.

20 (2) TRANSITION RULE.—

21 (A) IN GENERAL.—Notwithstanding sec-
22 tion 302(j) of the Federal Election Campaign
23 Act of 1971 (as added by subsection (a)), if a
24 political committee established, maintained, fi-
25 nanced, or controlled by a candidate for Federal

1 office or an individual holding Federal office
2 (other than a principal campaign committee of
3 the candidate or individual) with respect to an
4 election occurring during 1996 has funds re-
5 maining unexpended after the 1996 general
6 election, the committee may make contributions
7 or expenditures of such funds with respect to
8 elections occurring during 1997 or 1998.

(B) DISBANDING COMMITTEES; TREATMENT OF REMAINING FUNDS.—Any political committee described in subparagraph (A) shall be disbanded after filing any post-election reports required under section 304 of the Federal Election Campaign Act of 1971 with respect to the 1998 general election. Any funds of such a committee which remain unexpended after the 1998 general election and before the date on which the committee disbands shall be returned to contributors or available for any lawful purpose other than use by the candidate or individual involved with respect to an election for Federal office.

1 **SEC. 106. PROHIBITING BUNDLING OF CONTRIBUTIONS TO**
2 **CANDIDATES BY POLITICAL ACTION COMMIT-**
3 **TEES AND LOBBYISTS.**

4 Section 316 of the Federal Election Campaign Act
5 of 1971 (2 U.S.C. 441b) is amended by adding at the end
6 the following new subsection:

7 “(c)(1) No political action committee or person re-
8 quired to register under the Lobbying Disclosure Act of
9 1995 (2 U.S.C. 1601 et seq.) may act as an intermediary
10 or conduit with respect to a contribution to a candidate
11 for Federal office.

12 “(2) In this subsection, the term ‘political action com-
13 mittee’ means any political committee which is not—

14 “(A) the principal campaign committee of a
15 candidate; or

16 “(B) a political party committee.”.

17 **SEC. 107. DEFINITION OF INDEPENDENT EXPENDITURES.**

18 Section 301 of the Federal Election Campaign Act
19 of 1971 (2 U.S.C. 431) is amended by striking paragraph
20 (17) and inserting the following:

21 “(17)(A) The term ‘independent expenditure’ means
22 an expenditure by a person for a communication expressly
23 advocating the election or defeat of a clearly identified
24 candidate which is not made with the cooperation or with
25 the prior consent of, or in consultation with, or at the re-

1 quest or suggestion of, a candidate or any agent or author-
2 ized committee of such candidate.

3 “(B) For purposes of this paragraph—

4 “(i) ‘expressly advocating the election or defeat’
5 means the use in the communication of explicit
6 words such as ‘vote for’, ‘reelect’, ‘support’, ‘cast
7 your ballot for’, ‘vote against’, ‘defeat’, or ‘reject’,
8 accompanied by a reference in the communication to
9 one or more clearly identified candidates, or words
10 such as ‘vote’ for or against a position on an issue,
11 accompanied by a listing in the communication of
12 one or more clearly identified candidates described
13 as for or against a position on that issue;

14 “(ii) ‘which is not made with the cooperation or
15 with the prior consent of, or in consultation with, or
16 at the request or suggestion of, a candidate or any
17 agent or authorized committee of such candidate’ re-
18 fers to the expenditure in question for the commu-
19 nication made by the person; and

20 “(iii) the term ‘agent’ means any person who
21 has actual oral or written authority, either express
22 or implied, to make or authorize the making of ex-
23 penditures on behalf of a candidate.

24 “(C) An expenditure by a person for a communication
25 which does not contain explicit words expressly advocating

1 the election or defeat of a clearly identified candidate shall
2 not be considered an independent expenditure.”.

3 **SEC. 108. REQUIREMENTS FOR USE OF PAYROLL DEDUC-**
4 **TIONS FOR CONTRIBUTIONS.**

5 Title III of the Federal Election Campaign Act of
6 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
7 end the following new section:

8 “USE OF PAYROLL DEDUCTIONS FOR CONTRIBUTIONS
9 “SEC. 323. (a) REQUIREMENTS FOR AUTHORIZATION
10 OF DEDUCTION.—

11 “(1) IN GENERAL.—No amounts withheld from
12 an individual’s wages or salary during a year may be
13 used for any contribution under this title unless
14 there is in effect an authorization in writing by the
15 individual permitting the withholding of such
16 amounts for the contribution.

17 “(2) PERIOD OF AUTHORIZATION.—An author-
18 ization described in this subsection may be in effect
19 with respect to an individual for such period as the
20 individual may specify (subject to cancellation under
21 paragraph (3)), except that the period may not be
22 longer than 12 months.

23 “(3) RIGHT OF CANCELLATION.—An individual
24 with an authorization in effect under this subsection
25 may cancel or revise the authorization at any time.

1 “(b) INFORMATION PROVIDED BY WITHHOLDING
2 ENTITY.—

3 “(1) IN GENERAL.—Each entity withholding
4 wages or salary from an individual with an author-
5 ization in effect under subsection (a) shall provide
6 the individual with a statement that the individual
7 may at any time cancel or revise the authorization
8 in accordance with subsection (a)(3).

9 “(2) TIMING OF NOTICE.—The entity shall pro-
10 vide the information described in paragraph (1) to
11 an individual at the beginning of each calendar year
12 occurring during the period in which the individual’s
13 authorization is in effect.”.

14 **TITLE II—STRENGTHENING
15 POLITICAL PARTIES**

16 **SEC. 201. MODIFICATION OF CONTRIBUTION LIMITS AND
17 REQUIREMENTS FOR POLITICAL PARTIES.**

18 (a) TREATMENT OF PARTY CONTRIBUTIONS UNDER
19 AGGREGATE INDIVIDUAL CAP.—Section 315(a)(3) of the
20 Federal Election Campaign Act (2 U.S.C. 441a(a)(3)) is
21 amended by adding at the end the following new sentence:
22 “For purposes of this paragraph, in determining the
23 amount of contributions made by an individual there shall
24 be excluded any contributions made by the individual to
25 a political party or a political party committee.”.

1 (b) LIMITATION AMOUNT FOR CONTRIBUTIONS TO
2 STATE POLITICAL PARTIES.—Section 315(a)(1)(B) of
3 such Act (2 U.S.C. 441a(a)(1)(B)) is amended by insert-
4 ing after “national” the following: “or State”.

5 **SEC. 202. ALLOWING POLITICAL PARTIES TO OFFSET**
6 **FUNDS CARRIED OVER FROM PREVIOUS**
7 **ELECTIONS.**

8 Section 315 of the Federal Election Campaign Act
9 of 1971 (2 U.S.C. 441a), as amended by sections 101 and
10 103(a), is further amended by adding at the end the fol-
11 lowing new subsection:

12 “(k)(1) Subject to paragraph (2), if, in a general elec-
13 tion for Federal office, a candidate who is the incumbent
14 uses campaign funds carried forward from an earlier elec-
15 tion cycle, any political party committee may make con-
16 tributions to the nominee of that political party to match
17 the funds so carried forward by such incumbent. For pur-
18 poses of this paragraph, funds shall be considered to have
19 been carried forward if the funds represent cash on hand
20 as reported in the applicable post-general election report
21 filed under section 304(a) for the general election involved,
22 plus any amount expended on or before the filing of the
23 report for a later election, less legitimate outstanding
24 debts relating to the previous election up to the amount
25 reported.

1 “(2) The political party contributions under para-
2 graph (1) may be made without regard to any limitation
3 amount otherwise applicable to such contributions made
4 under subsections (a) or (i), but a candidate may not ac-
5 cept contributions under this subsection in excess of the
6 total of funds carried forward by the incumbent can-
7 didate.”.

8 **SEC. 203. PROHIBITING USE OF NON-FEDERAL FUNDS IN**
9 **FEDERAL ELECTIONS.**

10 Title III of the Federal Election Campaign Act of
11 1971 (2 U.S.C. 431 et seq.), as amended by section 108,
12 is further amended by adding at the end the following new
13 section:

14 **“RESTRICTIONS ON USE OF NON-FEDERAL FUNDS**
15 **“SEC. 324. (a) PROHIBITING USE OF FUNDS IN**
16 **FEDERAL ELECTIONS.**—No funds may be expended by a
17 political party committee for the purpose of influencing
18 an election for Federal office unless the funds are subject
19 to the limitations and prohibitions of this Act, except as
20 may be provided in this section.

21 **“(b) RESTRICTIONS ON USE OF FUNDS FOR MIXED**
22 **ACTIVITIES.**—

23 **“(1) PROHIBITING USE BY NATIONAL PARTY**
24 **COMMITTEES.**—A national committee of a political
25 party (including any subordinate committee thereof)
26 may not use any funds which are not subject to the

1 limitations and prohibitions of this Act for any
2 mixed activity.

3 “(2) MIXED ACTIVITY DEFINED.—In this sub-
4 section, the term ‘mixed activity’ means any activity
5 which is both for the purpose of influencing an elec-
6 tion for Federal office and for any purpose unrelated
7 to influencing an election for Federal office, includ-
8 ing voter registration, absentee ballot programs, and
9 get-out-the-vote programs, but does not include the
10 payment of any administrative or overhead costs, in-
11 cluding salaries (other than payments made to indi-
12 viduals for get-out-the-vote activities conducted on
13 the day of an election), rent, fundraising, or commu-
14 nications to members of a political party.

15 “(c) RESTRICTIONS ON USE OF FUNDS FOR MIXED
16 CANDIDATE-SPECIFIC ACTIVITIES.—

17 “(1) REQUIRING ALLOCATION AMONG CANDI-
18 DATES.—A political party committee may use
19 funds which are not subject to the limitations and
20 prohibitions of this Act for mixed candidate-specific
21 activities if the funds are allocated among the can-
22 didates involved on the basis of the time and space
23 allocated to the candidates.

24 “(2) MIXED CANDIDATE-SPECIFIC ACTIVITY DE-
25 FINED.—In this subsection, the term ‘mixed can-

1 didate-specific activity' means any activity which is
2 both for the purpose of promoting a specific can-
3 didate or candidates in an election for Federal office
4 and for the purpose of promoting a specific can-
5 didate or candidates in any other election.”.

6 SEC. 204. PERMITTING PARTIES TO HAVE UNLIMITED COM- 7 MUNICATION WITH MEMBERS.

8 (a) IN GENERAL.—Section 315(d) of the Federal
9 Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is
10 amended by adding at the end the following new para-
11 graph:

12 “(4)(A) For purposes of applying the limitations es-
13 tablished under paragraphs (2) and (3), in determining
14 the amount of expenditures made by a national committee
15 of a political party or a State committee of a political
16 party (including any subordinate committee of a State
17 committee), there shall be excluded any amounts expended
18 by the committee for communications to the extent the
19 communications are made to members of the party.

20 “(B) For purposes of subparagraph (A), an individ-
21 ual shall be considered to be a ‘member’ of a political
22 party if any of the following apply:

23 “(i) The individual is registered to vote as a
24 member of the party.

1 “(ii) There is a public record that the individual
2 voted in the primary of the party during the most
3 recent primary election.

4 “(iii) The individual has made a contribution to
5 the party and the contribution has been reported to
6 the Commission (in accordance with this Act) or to
7 a State reporting agency.

8 “(iv) The individual has indicated in writing
9 that the individual is a member of the party.”.

10 (b) FUNDS AVAILABLE FOR PARTY COMMUNICA-
11 TIONS.—Section 324 of such Act, as added by section 203,
12 is amended by adding at the end the following new sub-
13 section:

14 “(d) FUNDS FOR PARTY COMMUNICATIONS WITH
15 MEMBERS.—Subsection (a) shall not apply with respect
16 to funds expended by a political party for communications
17 to the extent the communications are made to members
18 of the party (as determined in accordance with section
19 315(d)(4)), except that any communications which are
20 both for the purpose of expressly advocating the election
21 or defeat of a specific candidate for election to Federal
22 office and for any other purpose shall be subject to alloca-
23 tion in the same manner as funds expended for mixed can-
24 didate-specific activities under subsection (c).”.

1 **SEC. 205. PROMOTING STATE AND LOCAL PARTY VOLUN-**2 **TEER AND GRASSROOTS ACTIVITY.**3 **(a) ENCOURAGING STATE AND LOCAL PARTY AC-**4 **TIVITIES.—**5 **(1) CONTRIBUTIONS.—**Section 301(8)(B) of the

6 Federal Election Campaign Act of 1971 (2 U.S.C.

7 431(8)(B)) is amended—

8 **(A) by striking “and” at the end of clause**9 **(xiii);**10 **(B) by striking the period at the end of**
11 **clause (xiv) and inserting “; and”; and**12 **(C) by adding at the end the following new**
13 **clause:**14 **“(xv) the payment by a State or local commit-**
15 **tee of a political party for any of the following activi-**
16 **ties:**17 **“(I) The listing of the slate of the party’s**
18 **candidates, including the communication of the**
19 **slate to the public.**20 **“(II) The mailing of materials for or on**
21 **behalf of specific candidates by volunteers (in-**
22 **cluding labeling envelopes or affixing postage or**
23 **other indicia to particular pieces of mail), other**
24 **than the mailing of materials to a commercial**
25 **list.**

1 “(III) Conducting a telephone bank for or
2 on behalf of specific candidates staffed by vol-
3 unteers.

4 “(IV) The distribution of collateral mate-
5 rials (such as pins, bumper stickers, handbills,
6 brochures, posters, party tabloids, and yard
7 signs) for or on behalf of specific candidates
8 (whether by volunteers or otherwise).”.

9 (2) EXPENDITURES.—Section 301(9)(B) of
10 such Act (2 U.S.C. 431(9)(B)) is amended—

11 (A) by striking “and” at the end of clause
12 (ix);

13 (B) by striking the period at the end of
14 clause (x) and inserting “; and”; and

15 (C) by adding at the end the following new
16 clause:

17 “(xi) the payment by a State or local committee
18 of a political party for any of the following activities:

19 “(I) The listing of the slate of the party’s
20 candidates, including the communication of the
21 slate to the public.

22 “(II) The mailing of materials for or on
23 behalf of specific candidates by volunteers (in-
24 cluding labeling envelopes or affixing postage or
25 other indicia to particular pieces of mail), other

1 than the mailing of materials to a commercial
2 list.

3 “(III) Conducting a telephone bank for or
4 on behalf of specific candidates staffed by vol-
5 unteers.

6 “(IV) The distribution of collateral mate-
7 rials (such as pins, bumper stickers, handbills,
8 brochures, posters, party tabloids, and yard
9 signs) for or on behalf of specific candidates
10 (whether by volunteers or otherwise).”.

11 (3) CONFORMING AMENDMENTS.—(A) Section
12 301(8)(B)(x) of such Act (2 U.S.C. 431(8)(B)(x)) is
13 amended by striking “in connection with volunteer
14 activities on behalf of nominees of such party” and
15 inserting “in connection with State or local activi-
16 ties, other than any payment described in clause
17 (xv)”.

18 (B) Section 301(9)(B)(viii) of such Act (2
19 U.S.C. 431(9)(B)(viii)) is amended by striking “in
20 connection with volunteer activities on behalf of
21 nominees of such party” and inserting “in connec-
22 tion with State or local activities, other than any
23 payment described in clause (xi)”.

24 (b) FUNDS AVAILABLE FOR ACTIVITIES.—

4 (A) by redesignating paragraph (2) as
5 paragraph (3); and

6 (B) by inserting after paragraph (1) the
7 following new paragraph:

8 “(2) USE BY STATE OR LOCAL PARTY COMMIT-
9 TEES.—A State, local, or district committee of a po-
10 litical party (including any subordinate committee
11 thereof) may use funds which are not subject to the
12 limitations and prohibitions of this Act for mixed ac-
13 tivity if the funds are allocated in accordance with
14 the process described in subsection (g).”.

20 "(e) FUNDS AVAILABLE FOR STATE AND LOCAL
21 PARTY VOLUNTEER AND GRASSROOTS ACTIVITIES.—Sub-
22 section (a) shall not apply with respect to payments de-
23 scribed in section 301(8)(B)(xv) or section 301(9)(B)(xi),
24 except that any payments which are both for the purpose
25 of expressly advocating the election or defeat of a specific

1 candidate for election to Federal office and for any other
2 purpose shall be subject to allocation in the same manner
3 as funds expended for mixed candidate-specific activities
4 under subsection (c).”.

5 (3) TREATMENT OF INTRA-PARTY TRANS-
6 FERS.—Section 324 of such Act, as added by section
7 203 and as amended by section 204(b) and para-
8 graph (2), is amended by adding at the end the fol-
9 lowing new subsection:

10 “(f) RULE OF CONSTRUCTION REGARDING INTRA-
11 PARTY TRANSFERS.—Nothing in this section shall be con-
12 strued to prohibit the transfer between and among na-
13 tional, State, or local party committees (including any sub-
14 ordinate committees thereof) of funds which are not sub-
15 ject to the limitations and prohibitions of this Act.”.

16 (4) ALLOCATION PROCEDURES DESCRIBED.—
17 Section 324 of such Act, as added by section 203
18 and as amended by section 204(b) and paragraphs
19 (2) and (3), is amended by adding at the end the
20 following new subsection:

21 “(g) STATE AND LOCAL PARTY COMMITTEES; METH-
22 OD FOR ALLOCATING EXPENDITURES FOR MIXED ACTIVI-
23 TIES.—

24 “(1) GENERAL RULE.—All State and local
25 party committees except those covered by paragraph

1 (2) shall allocate their expenses for mixed activities,
2 as described in subsection (b)(2), according to the
3 ballot composition method described as follows:

4 “(A) Under this method, expenses shall be
5 allocated based on the ratio of Federal offices
6 expected on the ballot to total Federal and non-
7 Federal offices expected on the ballot in the
8 next general election to be held in the commit-
9 tee’s State or geographic area. This ratio shall
10 be determined by the number of categories of
11 Federal offices on the ballot and the number of
12 categories of non-Federal offices on the ballot,
13 as described in subparagraph (B).

14 “(B) In calculating a ballot composition
15 ratio, a State or local party committee shall
16 count the Federal offices of President, United
17 States Senator, and United States Representa-
18 tive, if expected on the ballot in the next gen-
19 eral election, as one Federal office each. The
20 committee shall count the non-Federal offices of
21 Governor, State Senator, and State Representa-
22 tive, if expected on the ballot in the next gen-
23 eral election, as one non-Federal office each.
24 The committee shall count the total of all other
25 partisan statewide executive candidates, if ex-

1 pected on the ballot in the next general election,
2 as a maximum of two non-Federal offices. State
3 party committees shall also include in the ratio
4 one additional non-Federal office if any par-
5 tisan local candidates are expected on the ballot
6 in any regularly scheduled election during the 2
7 year congressional election cycle. Local party
8 committees shall also include in the ratio a
9 maximum of 2 additional non-Federal offices if
10 any partisan local candidates are expected on
11 the ballot in any regularly scheduled election
12 during the 2 year congressional election cycle.
13 State and local party committees shall also in-
14 clude in the ratio 1 additional non-Federal of-
15 fice.

16 “(2) EXCEPTION FOR STATES THAT DO NOT
17 HOLD FEDERAL AND NON-FEDERAL ELECTIONS IN
18 THE SAME YEAR.—State and local party committees
19 in states that do not hold Federal and non-Federal
20 elections in the same year shall allocate the costs of
21 mixed activities according to the ballot composition
22 method described in paragraph (1), based on a ratio
23 calculated for that calendar year.”.

1 **TITLE III—DISCLOSURE AND** 2 **ENFORCEMENT**

3 **SEC. 301. TIMELY REPORTING AND INCREASED DISCLO- 4 SURE.**

5 (a) DEADLINE FOR FILING.—

6 (1) REQUIRING REPORTS FOR ALL CONTRIBU-
7 TIONS MADE WITHIN 20 DAYS OF ELECTION; RE-
8 QUIRING REPORTS TO BE MADE WITHIN 24
9 HOURS.—Section 304(a)(6)(A) of the Federal Elec-
10 tion Campaign Act of 1971 (2 U.S.C. 434(a)(6)(A))
11 is amended—

12 (A) by striking “after the 20th day, but
13 more than 48 hours before any election” and
14 inserting “during the period which begins on
15 the 20th day before an election and ends at the
16 time the polls close for such election”; and

17 (B) by striking “48 hours” the second
18 place it appears and inserting the following:
19 “24 hours (or, if earlier, by midnight of the day
20 on which the contribution is deposited)”.
21 (2) REQUIRING ACTUAL DELIVERY BY DEAD-
22 LINE.—

23 (A) IN GENERAL.—Section 304(a)(6) of
24 such Act (2 U.S.C. 434(a)(6)), as amended by

1 section 103(b), is further amended by adding at
2 the end the following new subparagraph:

3 “(D) Notwithstanding paragraph (5), the time at
4 which a notification or report under this paragraph is re-
5 ceived by the Secretary, the Commission, or any other re-
6 cipient to whom the notification is required to be sent shall
7 be considered the time of filing of the notification or report
8 with the recipient.”.

9 (B) CONFORMING AMENDMENT.—Section
10 304(a)(5) of such Act (2 U.S.C. 434(a)(5)) is
11 amended by striking “paragraph (2)(A)(i) or
12 (4)(A)(ii)” and inserting “paragraphs (2)(A)(i),
13 (4)(A)(ii), or (6))”.

14 (b) INCREASING ELECTRONIC DISCLOSURE.—Section
15 304(a)(6) of such Act (2 U.S.C. 434(a)(6)), as amended
16 by section 103(b) and subsection (a)(2)(A), is further
17 amended by adding at the end the following new subpara-
18 graph:

19 “(E)(i) The Commission shall make the information
20 contained in the reports submitted under this paragraph
21 available on the Internet and publicly available at the of-
22 fices of the Commission as soon as practicable (but in no
23 case later than 24 hours) after the information is received
24 by the Commission.

1 “(ii) In this subparagraph, the term ‘Internet’ means
2 the international computer network of both Federal and
3 non-Federal interoperable packet-switched data net-
4 works.”.

5 (c) CHANGE IN CERTAIN REPORTING FROM A CAL-
6 ENDAR YEAR BASIS TO AN ELECTION CYCLE BASIS.—
7 Section 304(b) of such Act (2 U.S.C. 434(b)) is amended
8 by inserting “(or election cycle, in the case of an author-
9 ized committee of a candidate for Federal office)” after
10 “calendar year” each place it appears in paragraphs (2),
11 (3), (4), (6), and (7).

12 (d) CLARIFICATION OF PERMISSIBLE USE OF FAC-
13 SIMILE MACHINES TO FILE REPORTS.—Section
14 304(a)(11)(A) of such Act (2 U.S.C. 434(a)(11)) is
15 amended by striking “method,” and inserting “method
16 (including by facsimile device in the case of any report
17 required to be filed within 24 hours after the transaction
18 reported has occurred),”.

19 (e) REQUIRING RECEIPT OF INDEPENDENT EXPEND-
20 ITURE REPORTS WITHIN 24 HOURS.—

21 (1) IN GENERAL.—Section 304(c)(2) of such
22 Act (2 U.S.C. 434(c)(2)) is amended in the matter
23 following subparagraph (C)—

24 (A) by striking “shall be reported” and in-
25 serting “shall be filed”; and

1 (B) by adding at the end the following new
2 sentence: “Notwithstanding subsection (a)(5),
3 the time at which the statement under this sub-
4 section is received by the Secretary, the Com-
5 mission, or any other recipient to whom the no-
6 tification is required to be sent shall be consid-
7 ered the time of filing of the statement with the
8 recipient.”.

14 (f) REQUIRING RECORD KEEPING AND REPORT OF
15 SECONDARY PAYMENTS BY CAMPAIGN COMMITTEES.—

16 (1) REPORTING.—Section 304(b)(5)(A) of such
17 Act (2 U.S.C. 434(b)(5)(A)) is amended by striking
18 the semicolon at the end and inserting the following:
19 “, and, if such person in turn makes expenditures
20 which aggregate \$500 or more in an election cycle
21 to other persons (not including employees) who pro-
22 vide goods or services to the candidate or the can-
23 didate’s authorized committees, the name and ad-
24 dress of such other persons, together with the date,
25 amount, and purpose of such expenditures;”.

5 “(k) A person described in section 304(b)(5)(A) who
6 makes expenditures which aggregate \$500 or more in an
7 election cycle to other persons (not including employees)
8 who provide goods or services to a candidate or a can-
9 didate’s authorized committees shall provide to a political
10 committee the information necessary to enable the com-
11 mittee to report the information described in such sec-
12 tion.”.

19 (g) INCLUDING REPORT ON CUMULATIVE CONTRIBUTU-
20 TIONS AND EXPENDITURES IN POST ELECTION RE-
21 PORTS.—Section 304(a)(7) of such Act (2 U.S.C.
22 434(a)(7)) is amended—

23 (1) by striking "(7)" and inserting "(7)(A)";
24 and

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

3 “(B) In the case of any report required to be filed
4 by this subsection which is the first report required to be
5 filed after the date of an election, the report shall include
6 a statement of the total contributions received and expend-
7 itures made as of the date of the election.”.

8 (h) INCLUDING INFORMATION ON AGGREGATE CON-
9 TRIBUTIONS IN REPORT ON ITEMIZED CONTRIBUTIONS.—
10 Section 304(b)(3) of such Act (2 U.S.C. 434(b)(3)) is
11 amended—

20 SEC. 302. STREAMLINING PROCEDURES AND RULES OF
21 FEDERAL ELECTION COMMISSION.

22 (a) STANDARDS FOR COMMISSION REGULATION AND
23 JUDICIAL INTERPRETATION.—Section 307 of the Federal
24 Election Campaign Act of 1971 (2 U.S.C. 437d) is amend-
25 ed by adding at the end the following new subsection:

1 “(f)(1) When developing prescribed forms and mak-
2 ing, amending, or repealing rules pursuant to the author-
3 ity granted to the Commission by subsection (a)(8), the
4 Commission shall act in a manner that will have the least
5 restrictive effect on the rights of free speech and associa-
6 tion so protected by the First Article of Amendment to
7 the Constitution of the United States.

8 “(2) When the Commission’s actions under para-
9 graph (1) are challenged, a reviewing court shall hold un-
10 lawful and set aside any actions of the Commission that
11 do not conform with the principles set forth in paragraph
12 (1).”.

13 (b) WRITTEN RESPONSES TO QUESTIONS.—

14 (1) IN GENERAL.—Title III of such Act (2
15 U.S.C. 431 et seq.) is amended by inserting after
16 section 308 the following new section:

17 “OTHER WRITTEN RESPONSES TO QUESTIONS

18 “SEC. 308A. (a) PERMITTING RESPONSES.—In addi-
19 tion to issuing advisory opinions under section 308, the
20 Commission shall issue written responses pursuant to this
21 section with respect to a written request concerning the
22 application of this Act, chapter 95 or chapter 96 of the
23 Internal Revenue Code of 1986, a rule or regulation pre-
24 scribed by the Commission, or an advisory opinion issued
25 by the Commission under section 308, with respect to a
26 specific transaction or activity by the person, if the Com-

1 mission finds the application of the Act, chapter, rule, reg-
2 ulation, or advisory opinion to the transaction or activity
3 to be clear and unambiguous.

4 “(b) PROCEDURE FOR RESPONSE.—

5 “(1) ANALYSIS BY STAFF.—The staff of the
6 Commission shall analyze each request submitted
7 under this section. If the staff believes that the
8 standard described in subsection (a) is met with re-
9 spect to the request, the staff shall circulate a state-
10 ment to that effect together with a draft response to
11 the request to the members of the Commission.

12 “(2) ISSUANCE OF RESPONSE.—Upon the expi-
13 ration of the 3-day period beginning on the date the
14 statement and draft response is circulated (excluding
15 weekends or holidays), the Commission shall issue
16 the response, unless during such period any member
17 of the Commission objects to issuing the response.

18 “(c) EFFECT OF RESPONSE.—

19 “(1) SAFE HARBOR.—Notwithstanding any
20 other provisions of law, any person who relies upon
21 any provision or finding of a written response issued
22 under this section and who acts in good faith in ac-
23 cordance with the provisions and findings of such re-
24 sponse shall not, as a result of any such act, be sub-
25 ject to any sanction provided by this Act or by chap-

1 ter 95 or chapter 96 of the Internal Revenue Code
2 of 1986.

3 “(2) NO RELIANCE BY OTHER PARTIES.—Any
4 written response issued by the Commission under
5 this section may only be relied upon by the person
6 involved in the specific transaction or activity with
7 respect to which such response is issued, and may
8 not be applied by the Commission with respect to
9 any other person or used by the Commission for en-
10 forcement or regulatory purposes.

11 “(d) PUBLICATION OF REQUESTS AND RE-
12 SPONSES.—The Commission shall make public any re-
13 quest for a written response made, and the responses is-
14 sued, under this section. In carrying out this subsection,
15 the Commission may not make public the identity of any
16 person submitting a request for a written response unless
17 the person specifically authorizes to Commission to do so.

18 “(e) COMPILATION OF INDEX.—The Commission
19 shall compile, publish, and regularly update a complete
20 and detailed index of the responses issued under this sec-
21 tion through which responses may be found on the basis
22 of the subjects included in the responses.”.

23 (2) CONFORMING AMENDMENT.—Section
24 307(a)(7) of such Act (2 U.S.C. 437d(a)(7)) is

1 amended by striking “of this Act” and inserting
2 “and other written responses under section 308A”.

3 (c) OPPORTUNITY FOR ORAL ARGUMENTS BEFORE
4 COMMISSION.—Section 309(a)(3) of such Act (2 U.S.C.
5 437g(a)(3)) is amended—

6 (1) by striking “(3)” and inserting “(3)(A)”;

7 and

8 (2) by adding at the end the following new sub-
9 paragraph:

10 “(B) If a respondent submits a brief under subpara-
11 graph (A), the respondent may submit (at the time of sub-
12 mitting the brief) a request to present an oral argument
13 in support of the respondent’s brief before the Commis-
14 sion. If at least 2 members of the Commission approve
15 of the request, the respondent shall be permitted to appear
16 before the Commission in open session and make an oral
17 presentation in support of the brief and respond to ques-
18 tions of members of the Commission. Such appearance
19 shall take place at a time specified by the Commission dur-
20 ing the 30-day period which begins on the date the request
21 is approved, and the Commission may limit the length of
22 the respondent’s appearance to such period of time as the
23 Commission considers appropriate. Any information pro-
24 vided by the respondent during the appearance shall be

1 considered by the Commission before proceeding under
2 paragraph (4).”.

3 (d) INDEX OF ADVISORY OPINIONS.—

4 (1) IN GENERAL.—Section 308 of the Federal
5 Election Campaign Act of 1971 (2 U.S.C. 437f) is
6 amended by adding at the end the following new
7 subsection:

8 “(e) The Commission shall compile, publish, and reg-
9 ularly update a complete and detailed index of the advisory
10 opinions issued under this section through which opinions
11 may be found on the basis of the subjects included in the
12 opinions.”.

13 (2) EFFECTIVE DATE.—The Federal Election
14 Commission shall first publish the index of advisory
15 opinions described in section 308(e) of the Federal
16 Election Campaign Act of 1971 (as added by para-
17 graph (1)) not later than 60 days after the date of
18 the enactment of this Act.

19 (e) STANDARD FOR INITIATION OF ACTIONS.—Sec-
20 tion 309(a)(2) of the Federal Election Campaign Act of
21 1971 (2 U.S.C. 437g(a)(2)) is amended by striking “it
22 has reason to believe” and all that follows through “of
23 1954,” and inserting the following: “it has a reason to
24 investigate a possible violation of this Act or of chapter
25 95 or chapter 96 of the Internal Revenue Code of 1986

1 that has occurred or is about to occur (based on the same
2 criteria applicable under this paragraph prior to the enact-
3 ment of the Campaign Finance Reform Act of 1996).".

4 (f) APPLICATION OF AGGREGATE CONTRIBUTION
5 LIMIT ON CALENDAR YEAR BASIS DURING NON-ELEC-
6 TION YEARS.—Section 315(a)(3) of the Federal Election
7 Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended
8 by striking the second sentence.

9 (g) REPEAL REPORT BY SECRETARY OF COMMERCE
10 ON DISTRICT-SPECIFIC VOTING AGE POPULATION.—Sec-
11 tion 315(e) of the Federal Election Campaign Act of 1971
12 (2 U.S.C. 441a(e)) is amended by striking “States, of each
13 State, and of each congressional district” and inserting
14 “States and of each State”.

15 (h) COMMERCIALLY REASONABLE LOANS NOT TO BE
16 TREATED AS CONTRIBUTIONS BY LENDER.—Section
17 301(8)(B)(vii) of the Federal Election Campaign Act of
18 1971 (2 U.S.C. 431(8)(B)(vii)) is amended—

19 (1) by striking “or a depository” and inserting
20 “a depository”; and

21 (2) by inserting after “Administration,” the fol-
22 lowing: “or any other commercial lender,”.

23 (i) ABOLITION OF EX OFFICIO MEMBERSHIP OF
24 CLERK OF HOUSE OF REPRESENTATIVES ON COMMIS-

1 SION.—Section 306(a) of the Federal Election Campaign
2 Act of 1971 (2 U.S.C. 437c(a)) is amended—

3 (1) in paragraph (1), by striking “and the
4 Clerk” and all that follows through “designees” and
5 inserting “or the designee of the Secretary”; and

6 (2) in paragraphs (3), (4), and (5), by striking
7 “and the Clerk of the House of Representatives”
8 each place it appears.

9 (j) GRANTING COMMISSION AUTHORITY TO WAIVE
10 REPORTING REQUIREMENTS.—Section 304 of such Act (2
11 U.S.C. 434), as amended by section 101(b), is further
12 amended by adding at the end the following new sub-
13 section:

14 “(e) The Commission may by unanimous vote relieve
15 any person or category of persons of the obligation to file
16 any of the reports required by this section, or may change
17 the due dates of any of the reports required by this sec-
18 tion, if it determines that such action is consistent with
19 the purposes of this title. The Commission may waive re-
20 quirements to file reports or change due dates in accord-
21 ance with this subsection through a rule of general appli-
22 cability or, in a specific case, by notifying all the political
23 committees involved.”.

24 (k) PERMITTING CORPORATIONS TO COMMUNICATE
25 WITH ALL EMPLOYEES.—

10 (l) PERMITTING UNLIMITED SOLICITATIONS BY COR-
11 PORATIONS OR LABOR ORGANIZATIONS; PROTECTING
12 CONFIDENTIALITY OF CONTRIBUTIONS NOT GREATER
13 THAN \$100.—Section 316(b) of the Federal Election
14 Campaign Act of 1971 (2 U.S.C. 441b(b)(3)), as amended
15 by subsection (k)(2), is amended—

16 (1) in paragraph (4)(A), by striking "(B), (C),"
17 and inserting "(C)";

1 (3) in paragraph (4), by striking subparagraph
2 (B); and

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

5 “(7)(A) Any corporation or labor organization (or
6 separate segregated fund established by such a corpora-
7 tion or such a labor organization) making solicitations of
8 contributions shall make such solicitations in a manner
9 that ensures that the corporation, organization, or fund
10 cannot determine who makes a contribution of \$100 or
11 less as a result of such solicitation and who does not make
12 such a contribution.

13 “(B) Subparagraph (A) shall not apply with respect
14 to any solicitation of contributions of a corporation from
15 its stockholders.”.

16 (m) GREATER PROTECTION AGAINST FORCE AND
17 REPRISALS.—Section 316(b)(3) of the Federal Election
18 Campaign Act of 1971 (2 U.S.C. 441b(b)(3)), is amend-
19 ed—

20 (1) by redesignating subparagraphs (A) through
21 (C) as subparagraphs (B) through (D); and

22 (2) by inserting before subparagraph (B) (as so
23 redesignated) the following new subparagraph:

24 “(A) for such a fund to cause another person
25 to make a contribution or expenditure by physical

1 force, job discrimination, financial reprisals, or the
2 threat of force, job discrimination, or financial re-
3 prisal;”.

4 (n) REQUIRING COMPLAINANT TO PROVIDE NOTICE
5 TO RESPONDENTS.—Section 309(a)(1) of the Federal
6 Election Campaign Act of 1971 (2 U.S.C. 437g(a)(1)) is
7 amended by striking the third sentence and inserting the
8 following: “The complaint shall include the names and ad-
9 dresses of persons alleged to have committed such a viola-
10 tion. Within 5 days after receipt of the complaint, the
11 Commission shall provide written notice of the complaint
12 together with a copy of the complaint to each person de-
13 scribed in the previous sentence, except that if the Com-
14 mission determines that it is not necessary for a person
15 described in the previous sentence to receive a copy of the
16 complaint, the Commission shall provide the person with
17 written notice that the complaint has been filed, together
18 with written instructions on how to obtain a copy of the
19 complaint without charge from the Commission.”.

20 (o) STANDARD FORM FOR COMPLAINTS; STRONGER
21 DISCLAIMER LANGUAGE.—

22 (1) STANDARD FORM.—Section 309(a)(1) of
23 the Federal Election Campaign Act of 1971 (2
24 U.S.C. 437g(a)(1)) is amended by inserting after
25 “shall be notarized,” the following: “shall be in a

1 standard form prescribed by the Commission, shall
2 not include (but may refer to) extraneous mate-
3 rials.”.

4 (2) DISCLAIMER LANGUAGE.—Section
5 309(a)(1) of such Act (2 U.S.C. 437g(a)(1)) is
6 amended—

7 (A) by striking “(a)(1)” and inserting
8 “(a)(1)(A)”; and

9 (B) by adding at the end the following new
10 subparagraph:

11 “(B) The written notice of a complaint provided by
12 the Commission under subparagraph (A) to a person al-
13 leged to have committed a violation referred to in the com-
14 plaint shall include a cover letter (in a form prescribed
15 by the Commission) and the following statement: ‘The en-
16 closed complaint has been filed against you with the Fed-
17 eral Election Commission. The Commission has not veri-
18 fied or given official sanction to the complaint. The Com-
19 mission will make no decision to pursue the complaint for
20 a period of at least 15 days from your receipt of this com-
21 plaint. You may, if you wish, submit a written statement
22 to the Commission explaining why the Commission should
23 take no action against you based on this complaint. If the
24 Commission should decide to investigate, you will be noti-
25 fied and be given further opportunity to respond.””.

1 (p) BANNING ACCEPTANCE OF CASH CONTRIBU-
2 TIONS GREATER THAN \$100.—Section 315 of the Federal
3 Election Campaign Act of 1971 (2 U.S.C. 441a), as
4 amended by sections 101, 103(a)(1), and 202, is further
5 amended by adding at the end the following new sub-
6 section:

7 “(l) No candidate or political committee may accept
8 any contributions of currency of the United States or cur-
9 rency of any foreign country from any person which, in
10 the aggregate, exceed \$100.”.

11 (q) APPOINTMENT AND SERVICE OF STAFF DIREC-
12 TOR AND GENERAL COUNSEL OF COMMISSION.—

13 (1) APPOINTMENT; LENGTH OF TERM OF SERV-
14 ICE.—

15 (A) IN GENERAL.—The first sentence of
16 section 306(f)(1) of the Federal Election Cam-
17 paign Act of 1971 (2 U.S.C. 437c(f)(1)) is
18 amended by striking “by the Commission” and
19 inserting the following: “by an affirmative vote
20 of not less than 4 members of the Commission
21 and may not serve for a term of more than 4
22 consecutive years without reappointment in ac-
23 cordance with this paragraph”.

24 (B) EFFECTIVE DATE.—The amendment
25 made by subparagraph (A) shall apply with re-

7 (2) TREATMENT OF INDIVIDUALS FILLING VA-
8 CANCIES; TERMINATION OF AUTHORITY UPON EXPI-
9 RATION OF TERM.—Section 306(f)(1) of such Act (2
10 U.S.C. 437c(f)(1)) is amended by inserting after the
11 first sentence the following new sentences: “An indi-
12 vidual appointed as a staff director or general coun-
13 sel to fill a vacancy occurring other than by the expi-
14 ration of a term of office shall be appointed only for
15 the unexpired term of the individual he or she suc-
16 ceeds. An individual serving as staff director or gen-
17 eral counsel may not serve in any capacity on behalf
18 of the Commission after the expiration of the indi-
19 vidual’s term unless reappointed in accordance with
20 this paragraph.”.

21 (3) APPOINTMENT OF ADDITIONAL STAFF.—

22 (A) IN GENERAL.—The last sentence of
23 section 306(f)(1) of such Act (2 U.S.C.
24 437c(f)(1)) is amended by inserting “not less
25 than 4 members of” after “approval of”.

5 (r) ENCOURAGING CITIZEN GRASSROOTS ACTIVITY
6 ON BEHALF OF FEDERAL CANDIDATES.—

12 (A) by striking “and” at the end of clause
13 (xiv):

14 (B) by striking the period at the end of
15 clause (xv) and inserting “; and”; and

16 (C) by adding at the end the following new
17 clause:

18 “(xvi) any payment of funds on behalf of a can-
19 didate (whether in cash or in kind, but not including
20 a direct payment of cash to a candidate or a political
21 committee of the candidate) by an individual from
22 the individual’s personal funds which in the aggre-
23 gate does not exceed \$100, if the funds are used for
24 activities carried out by the individual or a member
25 of the individual’s family.”.

6 (A) by striking “and” at the end of clause

7 (x);

8 (B) by striking the period at the end of
9 clause (xi) and inserting “; and”; and

10 (C) by adding at the end the following new
11 clause:

12 “(xii) any payment of funds on behalf of a can-
13 didate (whether in cash or in kind, but not including
14 a direct payment of cash to a candidate or a political
15 committee of the candidate) by an individual from
16 the individual’s personal funds which in the aggre-
17 gate does not exceed \$100, if the funds are used for
18 activities carried out by the individual or a member
19 of the individual’s family.”.

20 (s) PERMITTING PARTNERSHIPS TO SOLICIT CON-
21 TRIBUTIONS AND PAY ADMINISTRATIVE COSTS OF POLIT-
22 ICAL COMMITTEES IN SAME MANNER AS CORPORATIONS
23 AND LABOR UNIONS.—

24 (1) TREATMENT OF CONTRIBUTIONS.—Section
25 301(8)(B) of the Federal Election Campaign Act (2

1 U.S.C. 431(8)(B)), as amended by section 205(a)
2 and subsection (r)(1), is amended—

3 (A) by striking “and” at the end of clause
4 (xv);

5 (B) by striking the period at the end of
6 clause (xvi) and inserting “; and”; and

7 (C) by adding at the end the following new
8 clause:

9 “(xvii) any payment made or obligation in-
10 curred by a partnership in the establishment and
11 maintenance of a political committee, the adminis-
12 tration of such a political committee, or the solicita-
13 tion of contributions to such committee.”.

14 (2) TREATMENT OF EXPENDITURES.—Section
15 301(9)(B) of such Act (2 U.S.C. 431(9)(B)), as
16 amended by section 205(b) and subsection (r)(2), is
17 amended—

18 (A) by striking “and” at the end of clause
19 (xi);

20 (B) by striking the period at the end of
21 clause (xii) and inserting “; and”; and

22 (C) by adding at the end the following new
23 clause:

24 “(xiii) any payment made or obligation incurred
25 by a partnership in the establishment and mainte-

1 nance of a political committee, the administration of
2 such a political committee, or the solicitation of con-
3 tributions to such committee.”.

4 **TITLE IV—WORKER RIGHT TO**
5 **KNOW**

6 **SEC. 401. FINDINGS.**

7 The Congress finds the following:

8 (1) The United States Supreme Court an-
9 nounced in the landmark decision, Communications
10 Workers of America v. Beck (487 U.S. 735), that
11 employees who work under a union security agree-
12 ment, and are required to pay union dues as a con-
13 dition of employment, may not be forced to contrib-
14 ute through such dues to union-supported political,
15 legislative, social, or charitable causes with which
16 they disagree, and may only be required to pay dues
17 related to collective bargaining, contract administra-
18 tion, and grievance adjustment necessary to per-
19 forming the duties of exclusive representation.

20 (2) Little action has been taken by the National
21 Labor Relations Board to facilitate the ability of em-
22 ployees to exercise their right to object to the use of
23 their union dues for political, legislative, social, or
24 charitable purposes, or other activities not necessary
25 to performing the duties of the exclusive representa-

1 tive of employees in dealing with the employer on
2 labor-management issues, and the Board only re-
3 cently issued its first ruling implementing the Beck
4 decision nearly 8 years after the Supreme Court is-
5 sued the opinion.

6 (3) The evolution of the right enunciated in the
7 Beck decision has diminished its meaningfulness be-
8 cause employees are forced to forego critical work-
9 place rights bearing on their economic well-being in
10 order to object to the use of their dues for purposes
11 unrelated to collective bargaining, to rely on the very
12 organization they are challenging to make the deter-
13 mination regarding the amount of dues necessary to
14 the union's representational function, and do not
15 have access to clear and concise financial records
16 that provide an accurate accounting of how union
17 dues are spent.

18 **SEC. 402. PURPOSE.**

19 The purpose of this title is to ensure that workers
20 who are required to pay union dues as a condition of em-
21 ployment have adequate information about how the money
22 they pay in dues to a union is spent and to remove obsta-
23 cles to the ability of working people to exercise their right
24 to object to the use of their dues for political, legislative,
25 social, or charitable causes with which they disagree, or

1 for other activities not necessary to performing the duties
2 of the exclusive representative of the employees in dealing
3 with the employer on labor-management issues.

4 **SEC. 403. WORKER CHOICE.**

5 (a) **RIGHTS OF EMPLOYEES.**—Section 7 of the Na-
6 tional Labor Relations Act (29 U.S.C. 157) is amended
7 by striking “membership” and all that follows and insert-
8 ing the following: “the payment to a labor organization
9 of dues or fees related to collective bargaining, contract
10 administration, or grievance adjustment necessary to per-
11 forming the duties of exclusive representation as a condi-
12 tion of employment as authorized in section 8(a)(3).”.

13 (b) **UNFAIR LABOR PRACTICES.**—Section 8(a)(3) of
14 such Act (29 U.S.C. 158(a)(3)) is amended by striking
15 “membership therein” and inserting “the payment to such
16 labor organization of dues or fees related to collective bar-
17 gaining, contract administration, or grievance adjustment
18 necessary to performing the duties of exclusive representa-
19 tion”.

20 **SEC. 404. WORKER CONSENT.**

21 (a) **WRITTEN AGREEMENT.**—Section 8 of the Na-
22 tional Labor Relations Act (29 U.S.C. 158) is amended
23 by adding at the end the following:

24 “(h) An employee subject to an agreement between
25 an employer and a labor organization requiring the pay-

1 ment of dues or fees to such organization as authorized
2 in section 8(a)(3) may not be required to pay to such orga-
3 nization, nor may such organization accept payment of,
4 any dues or fees not related to collective bargaining, con-
5 tract administration, or grievance adjustment necessary to
6 performing the duties of exclusive representation unless
7 the employee has agreed to pay such dues or fees in a
8 signed written agreement that must be renewed between
9 the first day of September and the first day of October
10 of each year. Such signed written agreement shall include
11 a ratio of the dues or fees related to collective bargaining,
12 contract administration, or grievance adjustment nec-
13 essary to performing the duties of exclusive representation
14 and the dues or fees related to other purposes.”.

15 (b) WRITTEN ASSIGNMENT.—Section 302(c)(4) of
16 the Labor Management Relations Act, 1947 (29 U.S.C.
17 186(c)(4)) is amended by inserting before the semicolon
18 the following: “: *Provided further*, That no amount may
19 be deducted for dues unrelated to collective bargaining,
20 contract administration, or grievance adjustment nec-
21 essary to performing the duties of exclusive representation
22 unless a written assignment authorizes such a deduction”.

1 **SEC. 405. WORKER NOTICE.**

2 Section 8 of the National Labor Relations Act (29
3 U.S.C. 158), as amended by section 404(a), is further
4 amended by adding at the end the following:

5 “(i) An employer shall be required to post a notice,
6 of such size and in such form as the Board shall prescribe,
7 in conspicuous places in and about its plants and offices,
8 including all places where notices to employees are cus-
9 tomarily posted, informing employees of their rights under
10 section 7 of this Act and clarifying to employees that an
11 agreement requiring the payment of dues or fees to a labor
12 organization as a condition of employment as authorized
13 in subsection (a)(3) may only require that employees pay
14 to such organization any dues or fees related to collective
15 bargaining, contract administration, or grievance adjust-
16 ment necessary to performing the duties of exclusive rep-
17 resentation.”.

18 **SEC. 406. DISCLOSURE TO WORKERS.**

19 (a) EXPENSES REPORTING.—Section 201(b) of the
20 Labor-Management Reporting and Disclosure Act of 1959
21 (29 U.S.C. 431(b)) is amended by adding at the end the
22 following new sentence: “Every labor organization shall be
23 required to attribute and report expenses by function clas-
24 sification in such detail as necessary to allow its members
25 to determine whether such expenses were related to collec-
26 tive bargaining, contract administration, or grievance ad-

1 justment necessary to performing the duties of exclusive
2 representation or were related to other purposes.”.

3 (b) DISCLOSURE.—Section 201(c) of the Labor-Man-
4 agement Reporting and Disclosure Act of 1959 (29 U.S.C.
5 431(c)) is amended—

6 (1) by inserting “and employees required to pay
7 any dues or fees to such organization” after “mem-
8 bers”; and

9 (2) inserting “or employee required to pay any
10 dues or fees to such organization” after “member”
11 each place it appears.

12 (c) REGULATIONS.—The Secretary of Labor shall
13 prescribe such regulations as are necessary to carry out
14 the amendments made by this section not later than 120
15 days after the date of the enactment of this Act.

16 **SEC. 407. CONSTRUCTION.**

17 Nothing in this title shall be construed to affect sec-
18 tion 14(b) of the National Labor Relations Act or the con-
19 current jurisdiction of Federal district courts over claims
20 that a labor organization has breached its duty of fair rep-
21 resentation with regard to the collection or expenditure of
22 dues or fees.

23 **SEC. 408. EFFECTIVE DATE.**

24 This title shall take effect on the date of enactment,
25 except that the requirements contained in the amendments

1 made by sections 404 and 405 shall take effect 60 days
2 after the date of the enactment of this Act.

3 **TITLE V—GENERAL PROVISIONS**

4 **SEC. 501. EFFECTIVE DATE.**

5 Except as otherwise specifically provided, this Act
6 and the amendments made by this Act shall take effect
7 January 1, 1997.

8 **SEC. 502. SEVERABILITY.**

9 If any provision of this Act or any amendment made
10 by this Act, or the application thereof to any person or
11 circumstance, is held invalid, the validity of the remainder
12 of the Act and the application of such provision to other
13 persons and circumstances shall not be affected thereby.

14 **SEC. 503. EXPEDITED COURT REVIEW.**

15 (a) **RIGHT TO BRING ACTION.**—The Federal Elec-
16 tion Commission, a political committee under title III of
17 the Federal Election Campaign Act of 1971, or any indi-
18 vidual eligible to vote in any election for the office of Presi-
19 dent of the United States may institute an action in an
20 appropriate district court of the United States (including
21 an action for declaratory judgment) as may be appropriate
22 to construe the constitutionality of any provision of this
23 Act or any amendment made by this Act.

24 (b) **HEARING BY THREE-JUDGE COURT.**—Upon the
25 institution of an action described in subsection (a), a dis-

1 strict court of three judges shall immediately be convened
2 to decide the action pursuant to section 2284 of title 28,
3 United States Code. Such action shall be advanced on the
4 docket and expedited to the greatest extent possible.

5 (c) APPEAL OF INITIAL DECISION TO SUPREME
6 COURT.—An appeal may be taken directly to the Supreme
7 Court of the United States from any interlocutory order
8 or final judgment, decree, or order issued by the court of
9 3 judges convened pursuant to subsection (b) in an action
10 described in subsection (a). Such appeal shall be brought
11 not later than 20 days after the issuance by the court of
12 the judgment, decree, or order.

13 (d) EXPEDITED REVIEW BY SUPREME COURT.—The
14 Supreme Court shall accept jurisdiction over, advance on
15 the docket, and expedite to the greatest extent possible
16 an appeal taken pursuant to subsection (c).

