

Calendar No. 456

104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**S. 1219**

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**A BILL**

To reform the financing of Federal elections, and  
for other purposes.

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JUNE 25, 1996

Placed on the calendar

**Calendar No. 456**104<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 1219**

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**IN THE SENATE OF THE UNITED STATES**

SEPTEMBER 7 (legislative day, SEPTEMBER 5), 1995

Mr. MCCAIN (for himself, Mr. FEINGOLD, Mr. THOMPSON, Mr. PELL, Mr. WELLSTONE, Mr. SIMON, Mr. SIMPSON, Mr. BINGAMAN, Mr. NUNN, Mr. GRAHAM, Mr. KERRY, Mr. DODD, Mr. KERREY, Ms. MOSELEY-BRAUN, Mrs. KASSEBAUM, Mrs. MURRAY, Mr. WYDEN, Mr. KOHL, and Mr. GLENN) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

JUNE 20, 1996

Committee discharged; considered and amended

JUNE 25, 1996

Placed on the calendar

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**A BILL**

To reform the financing of Federal elections, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Senate Campaign Fi-  
3 nance Reform Act of 1996”.

4 **SEC. 2. AMENDMENT OF CAMPAIGN ACT; TABLE OF CON-**  
5 **TENTS.**

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

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

Sec. 1. Short title.

Sec. 2. Amendment of campaign Act; table of contents.

TITLE I—SENATE ELECTION SPENDING LIMITS AND BENEFITS

Sec. 101. Senate election spending limits and benefits.

Sec. 102. Free broadcast time.

Sec. 103. Broadcast rates and preemption.

Sec. 104. Reduced postage rates.

Sec. 105. Contribution limit for eligible Senate candidates.

Sec. 106. Reporting requirement for eligible Senate candidates.

TITLE II—REDUCTION OF SPECIAL INTEREST INFLUENCE

Subtitle A—Elimination of Political Action Committees From Federal  
Election Activities

Sec. 201. Ban on activities of political action committees in Federal elections.

Subtitle B—Provisions Relating to Soft Money of Political Parties

Sec. 211. Soft money of political parties.

Sec. 212. State party grassroots funds.

Sec. 213. Reporting requirements.

Subtitle C—Soft Money of Persons Other Than Political Parties

Sec. 221. Soft money of persons other than political parties.

Subtitle D—Contributions

Sec. 231. Contributions through intermediaries and conduits.

Subtitle E—Independent Expenditures

Sec. 241. Clarification of definitions relating to independent expenditures.

Sec. 242. Reporting requirements for certain independent expenditures.

## TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Restrictions on use of campaign funds for personal purposes.  
 Sec. 302. Campaign advertising amendments.  
 Sec. 303. Filing of reports using computers and facsimile machines.  
 Sec. 304. Audits.  
 Sec. 305. Limit on congressional use of the franking privilege.  
 Sec. 306. Authority to seek injunction.  
 Sec. 307. Reporting requirements for contributions of \$50 or more.

## TITLE IV—CONSTITUTIONALITY AND EFFECTIVE DATE

- Sec. 401. Severability.  
 Sec. 402. Expedited review of constitutional issues.  
 Sec. 403. Effective date.  
 Sec. 404. Regulations.

1 **TITLE I—SENATE ELECTION**  
 2 **SPENDING LIMITS AND BENE-**  
 3 **FITS**

4 **SEC. 101. SENATE ELECTION SPENDING LIMITS AND BENE-**  
 5 **FITS.**

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

8 **“TITLE V—SPENDING LIMITS**  
 9 **AND BENEFITS FOR SENATE**  
 10 **ELECTION CAMPAIGNS**

11 **“SEC. 501. CANDIDATES ELIGIBLE TO RECEIVE BENEFITS.**

12 “(a) IN GENERAL.—For purposes of this title, a can-  
 13 didate is an eligible Senate candidate if the candidate—

14 “(1) meets the primary and general election fil-  
 15 ing requirements of subsections (c) and (d);

16 “(2) meets the primary and runoff election ex-  
 17 penditure limits of subsection (b);

1           “(3) meets the threshold contribution require-  
2           ments of subsection (e);

3           “(4) does not exceed the limitation on expendi-  
4           tures from personal funds under section 502(a); and

5           “(5) meets the in-State contribution require-  
6           ments of subsection (f).

7           “(b) PRIMARY AND RUNOFF EXPENDITURE LIM-  
8           ITS.—

9           “(1) IN GENERAL.—The requirements of this  
10          subsection are met if—

11           “(A) the candidate or the candidate’s au-  
12           thorized committees did not make expenditures  
13           for the primary election in excess of the lesser  
14           of—

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

17           “(ii) \$2,750,000; and

18           “(B) the candidate and the candidate’s au-  
19           thorized committees did not make expenditures  
20           for any runoff election in excess of 20 percent  
21           of the general election expenditure limit under  
22           section 502(b).

23           “(2) INDEXING.—The \$2,750,000 amount  
24           under paragraph (1)(A)(ii) shall be increased as of  
25           the beginning of each calendar year based on the in-

1       crease in the price index determined under section  
2       315(c), except that the base period shall be calendar  
3       year 1995.

4       “(c) PRIMARY FILING REQUIREMENTS.—

5             “(1) IN GENERAL.—The requirements of this  
6       subsection are met if the candidate files with the  
7       Commission a certification that—

8             “(A) the candidate and the candidate’s au-  
9       thorized committees—

10            “(i) will meet the primary and runoff  
11       election expenditure limits of subsection  
12       (b); and

13            “(ii) will accept only an amount of  
14       contributions for the primary and runoff  
15       elections that does exceed those limits;

16            “(B) the candidate and the candidate’s au-  
17       thorized committees will meet the limitation on  
18       expenditures from personal funds under section  
19       502(a); and

20            “(C) the candidate and the candidate’s au-  
21       thorized committees will meet the general elec-  
22       tion expenditure limit under section 502(b).

23       “(2) DEADLINE FOR FILING CERTIFICATION.—

24       The certification under paragraph (1) shall be filed

1 not later than the date the candidate files as a can-  
2 didate for the primary election.

3 “(d) GENERAL ELECTION FILING REQUIREMENTS.—

4 “(1) IN GENERAL.—The requirements of this  
5 subsection are met if the candidate files a certifi-  
6 cation with the Commission under penalty of perjury  
7 that—

8 “(A) the candidate and the candidate’s au-  
9 thorized committees—

10 “(i) met the primary and runoff elec-  
11 tion expenditure limits under subsection  
12 (b);

13 “(ii) did not accept contributions for  
14 the primary or runoff election in excess of  
15 the primary or runoff expenditure limit  
16 under subsection (b), whichever is applica-  
17 ble, reduced by any amounts transferred to  
18 the current election cycle from a preceding  
19 election cycle; and

20 “(iii) did not accept contributions for  
21 the primary or runoff election that caused  
22 the candidate to exceed the limitation on  
23 contributions from out-of-State residents  
24 under subsection (f);

1           “(B) at least one other candidate has  
2 qualified for the same general election ballot  
3 under the law of the candidate’s State;

4           “(C) the candidate and the authorized  
5 committees of the candidate—

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

10           “(ii) will not accept any contributions  
11 in violation of section 315; and

12           “(iii) except as otherwise provided by  
13 this title, will not accept any contribution  
14 for the general election involved to the ex-  
15 tent that the contribution—

16           “(I) would cause the aggregate  
17 amount of contributions to exceed the  
18 sum of the amount of the general  
19 election expenditure limit under sec-  
20 tion 502(b), reduced by any amounts  
21 transferred to the current election  
22 cycle from a previous election cycle  
23 and not taken into account under sub-  
24 paragraph (A)(ii); or



1                   “(II) would cause the candidate  
2                   to exceed the limitation on contribu-  
3                   tions from out-of-State residents  
4                   under subsection (f); and

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

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

10                   “(A) the date on which the candidate  
11                   qualifies for the general election ballot under  
12                   State law; or

13                   “(B) if under State law, a primary or run-  
14                   off election to qualify for the general election  
15                   ballot occurs after September 1, the date on  
16                   which the candidate wins the primary or runoff  
17                   election.

18                   “(e) THRESHOLD CONTRIBUTION REQUIREMENTS.—

19                   “(1) IN GENERAL.—The requirements of this  
20                   subsection are met if the candidate and the can-  
21                   didate’s authorized committees have received allow-  
22                   able contributions during the applicable period in an  
23                   amount at least equal to the lesser of—

24                   “(A) 10 percent of the general election ex-  
25                   penditure limit under section 502(b); or

1 “(B) \$250,000.

2 “(2) DEFINITIONS.—In this subsection:

3 “(A) ALLOWABLE CONTRIBUTION.—The  
4 term ‘allowable contribution’—

5 “(i) means a contribution that is  
6 made as a gift of money by an individual  
7 pursuant to a written instrument identify-  
8 ing the individual as the contributor; but

9 “(ii) does not include a contribution  
10 from an individual residing outside the  
11 candidate’s State to the extent that accept-  
12 ance of the contribution would bring a can-  
13 didate out of compliance with subsection  
14 (f).

15 “(B) APPLICABLE PERIOD.—The term ‘ap-  
16 plicable period’ means—

17 “(i) the period beginning on January  
18 1 of the calendar year preceding the cal-  
19 endar year of the general election involved  
20 and ending on the date on which the cer-  
21 tification under subsection (c)(2) is filed by  
22 the candidate; or

23 “(ii) in the case of a special election  
24 for the office of Senator, the period begin-  
25 ning on the date on which the vacancy in

1           the office occurs and ending on the date of  
2           the general election.

3           “(f) LIMITATION ON OUT-OF-STATE CONTRIBU-  
4 TIONS.—

5           “(1) REQUIREMENTS.—

6           “(A) IN GENERAL.—The requirements of  
7           this subsection are met if at least 60 percent of  
8           the total amount of contributions accepted by  
9           the candidate and the candidate’s authorized  
10          committees are from individuals who are legal  
11          residents of the candidate’s State.

12          “(B) SPECIAL RULE FOR SMALL  
13          STATES.—In the case of a candidate to which  
14          the general election expenditure limit under sec-  
15          tion 502(b)(1)(B)(i) applies, the requirements  
16          of this subsection are met if, at the option of  
17          the candidate—

18                  “(i) at least 60 percent of the total  
19                  amount of contributions accepted by the  
20                  candidate and the candidate’s authorized  
21                  committees are from individuals who are  
22                  legal residents of the candidate’s State; or

23                  “(ii) at least 60 percent of the num-  
24                  ber of individuals whose names are re-  
25                  ported to the Commission as individuals

1 from whom the candidate and the can-  
2 didate's authorized committees accept con-  
3 tributions are legal residents of the can-  
4 didate's State.

5 “(2) PERSONAL FUNDS.—For purposes of para-  
6 graph (1), amounts consisting of funds from sources  
7 described in section 502(a) shall be treated as con-  
8 tributions from individuals residing outside the can-  
9 didate's State.

10 “(3) TIME FOR DETERMINATION.—A deter-  
11 mination whether the requirements of paragraph (1)  
12 are met shall be made each time a candidate is re-  
13 quired to file a report under section 304 and shall  
14 be made on an aggregate basis.

15 “(4) REPORTING REQUIREMENTS.—In addition  
16 to information required to be reported under section  
17 304, a candidate that elects to comply with the re-  
18 quirements of paragraph (1)(B)(ii) shall include in  
19 each report required to be filed under section 304  
20 the name and address of each individual that, during  
21 the calendar year in which the reporting period oc-  
22 curs, makes contributions aggregating \$20 or more.

23 **“SEC. 502. LIMITATION ON EXPENDITURES.**

24 “(a) LIMITATION ON USE OF PERSONAL FUNDS.—

1           “(1) IN GENERAL.—The aggregate amount of  
2           expenditures that may be made during an election  
3           cycle by an eligible Senate candidate or the can-  
4           didate’s authorized committees from the sources de-  
5           scribed in paragraph (2) shall not exceed the lesser  
6           of—

7                   “(A) 10 percent of the general election ex-  
8                   penditure limit under subsection (b); or

9                   “(B) \$250,000.

10           “(2) SOURCES.—A source is described in this  
11           paragraph if the source is—

12                   “(A) personal funds of the candidate and  
13                   members of the candidate’s immediate family;  
14                   or

15                   “(B) personal loans incurred by the can-  
16                   didate and members of the candidate’s imme-  
17                   diate family.

18           “(3) AMENDED DECLARATION.—A candidate  
19           who—

20                   “(A) declares, pursuant to this title, that  
21                   the candidate does not intend to expend funds  
22                   described in paragraph (2) in excess of the  
23                   amount applicable to the candidate under para-  
24                   graph (1); and

1           “(B) subsequently changes the declaration  
2           or expends such funds in excess of that amount,  
3           shall file an amended declaration with the Commis-  
4           sion and notify all other candidates for the same of-  
5           fice not later than 24 hours after changing the dec-  
6           laration or exceeding the limits, whichever occurs  
7           first, by sending a notice by certified mail, return re-  
8           ceipt requested.

9           “(b) GENERAL ELECTION EXPENDITURE LIMIT.—

10           “(1) IN GENERAL.—Except as otherwise pro-  
11           vided in this title, the aggregate amount of expendi-  
12           tures for a general election by an eligible Senate  
13           candidate and the candidate’s authorized committees  
14           shall not exceed the lesser of—

15                   “(A) \$5,500,000; or

16                   “(B) the greater of—

17                           “(i) \$950,000; or

18                           “(ii) \$400,000; plus

19                                   “(I) 30 cents multiplied by the  
20                                   voting age population not in excess of  
21                                   4,000,000; and

22                                   “(II) 25 cents multiplied by the  
23                                   voting age population in excess of  
24                                   4,000,000.

1           “(2) EXCEPTION.—In the case of an eligible  
 2       Senate candidate in a State that has not more than  
 3       1 transmitter for a commercial Very High Fre-  
 4       quency (VHF) television station licensed to operate  
 5       in that State, paragraph (1)(B)(ii) shall be applied  
 6       by substituting—

7                   “(A) ‘80 cents’ for ‘30 cents’ in subclause  
 8           (I); and

9                   “(B) ‘70 cents’ for ‘25 cents’ in subclause  
 10          (II).

11           “(3) INDEXING.—The amount otherwise deter-  
 12       mined under paragraph (1) for any calendar year  
 13       shall be increased by the same percentage as the  
 14       percentage increase for such calendar year under  
 15       section 501(b)(2).

16           “(c) PAYMENT OF TAXES.—The limitation under  
 17       subsection (b) shall not apply to any expenditure for Fed-  
 18       eral, State, or local taxes with respect to earnings on con-  
 19       tributions raised.

20           “(d) EXCEPTIONS FOR COMPLYING CANDIDATES  
 21       RUNNING AGAINST NONCOMPLYING CANDIDATES.—

22                   “(1) EXCESSIVE CONTRIBUTIONS TO, OR PER-  
 23       SONAL EXPENDITURES BY, OPPOSING CANDIDATE.—

24                   “(A) 10 PERCENT EXCESS.—

1           “(i) IN GENERAL.—If any opponent of  
2 an eligible Senate candidate is a non-  
3 eligible candidate who—

4                   “(I) has received contributions;

5                   or

6                   “(II) has made expenditures

7                   from a source described in subsection

8                   (a);

9           in an aggregate amount equal to 110 per-  
10 cent of the general election expenditure  
11 limit, primary election expenditure limit, or  
12 runoff election expenditure limit applicable  
13 to the eligible Senate candidate, the gen-  
14 eral election expenditure limit, primary  
15 election expenditure limit, or runoff elec-  
16 tion expenditure limit (as the case may be)  
17 applicable to the eligible Senate candidate  
18 shall be increased by 20 percent.

19           “(ii) FUNDRAISING IN ANTICIPATION  
20 OF INCREASE.—Notwithstanding any other  
21 provision of this title, if any opponent of  
22 an eligible Senate candidate is a non-  
23 eligible candidate who—

24                   “(I) has received contributions;

25                   or



1                   “(II) has made expenditures  
2                   from a source described in subsection  
3                   (a);  
4                   in an aggregate amount equal to 50 per-  
5                   cent of the general election expenditure  
6                   limit, primary election expenditure limit, or  
7                   runoff election expenditure limit applicable  
8                   to the eligible Senate candidate, the eligible  
9                   Senate candidate may accept contributions  
10                  in excess of the general election expendi-  
11                  ture limit, primary election expenditure  
12                  limit, or runoff election expenditure limit  
13                  (as the case may be) so long as the eligible  
14                  Senate candidate does not make any ex-  
15                  penditures with such excess contributions  
16                  before becoming entitled to an increase in  
17                  the limit under clause (i).

18                  “(B) 50 PERCENT EXCESS.—If any oppo-  
19                  nent of an eligible Senate candidate is a non-  
20                  eligible candidate who—

21                         “(i) has received contributions; or

22                         “(ii) has made expenditures from a  
23                         source described in subsection (a);

24                         in an aggregate amount equal to 150 percent of  
25                         the general election expenditure limit, primary

1 election expenditure limit, or runoff election ex-  
2 penditure limit applicable to the eligible Senate  
3 candidate, the general election expenditure  
4 limit, primary election expenditure limit, or  
5 runoff election expenditure limit (as the case  
6 may be) applicable to the eligible Senate can-  
7 didate shall be increased by 50 percent.

8 “(C) 100 PERCENT EXCESS.—If any oppo-  
9 nent of an eligible Senate candidate is a non-  
10 eligible candidate who—

11 “(i) has received contributions; or

12 “(ii) has made expenditures from a  
13 source described in subsection (a);

14 in an aggregate amount equal to 200 percent of  
15 the general election expenditure limit, primary  
16 election expenditure limit, or runoff election ex-  
17 penditure limit applicable to the eligible Senate  
18 candidate, the general election expenditure  
19 limit, primary election expenditure limit, or  
20 runoff election expenditure limit (as the case  
21 may be) applicable to the eligible Senate can-  
22 didate shall be increased by 100 percent.

23 “(2) REVOCATION OF ELIGIBILITY OF OPPO-  
24 NENT.—If the status of eligible Senate candidate of  
25 any opponent of an eligible Senate candidate is re-

1 voked under section 505(a), the general election ex-  
2 penditure limit applicable to the eligible Senate can-  
3 didate shall be increased by 20 percent.

4 “(e) EXPENDITURES IN RESPONSE TO INDEPEND-  
5 ENT EXPENDITURES.—If an eligible Senate candidate is  
6 notified by the Commission under section 304(c)(4) that  
7 independent expenditures totaling \$10,000 or more have  
8 been made in the same election in favor of another can-  
9 didate or against the eligible candidate, the eligible can-  
10 didate shall be permitted to spend an amount equal to the  
11 amount of the independent expenditures, and any such ex-  
12 penditures shall not be subject to any limit applicable  
13 under this title to the eligible candidate for the election.

14 **“SEC. 503. BENEFITS THAT ELIGIBLE CANDIDATES ARE EN-  
15 TITLED TO RECEIVE.**

16 “An eligible Senate candidate shall be entitled to re-  
17 ceive—

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

20 “(2) the free broadcast time provided under  
21 section 315(c) of the Communications Act of 1934;

22 and

23 “(3) the reduced postage rates provided in sec-  
24 tion 3626(e) of title 39, United States Code.

1 **“SEC. 504. CERTIFICATION BY COMMISSION.**

2 “(a) IN GENERAL.—Not later than 48 hours after  
3 an eligible candidate qualifies for a general election ballot,  
4 the Commission shall certify the candidate’s eligibility for  
5 free broadcast time under section 315(c) of the Commu-  
6 nications Act of 1934. The Commission shall revoke the  
7 certification if the Commission determines that a can-  
8 didate fails to continue to meet the requirements of this  
9 title.

10 “(b) DETERMINATIONS BY COMMISSION.—A deter-  
11 mination (including a certification under subsection (a))  
12 made by the Commission under this title shall be final,  
13 except to the extent that the determination is subject to  
14 examination and audit by the Commission under section  
15 505.

16 **“SEC. 505. REVOCATION; MISUSE OF BENEFITS.**

17 “(a) REVOCATION OF STATUS.—

18 “(1) IN GENERAL.—If the Commission deter-  
19 mines that any eligible Senate candidate—

20 “(A) has received contributions in excess of  
21 110 percent of—

22 “(i) the applicable primary election  
23 limit under this title;

24 “(ii) the applicable general election  
25 limit under this title; or

1                   “(iii) the limitation on contributions  
2                   from out-of-State residents under section  
3                   501(f); or

4                   “(B) has expended personal funds in ex-  
5                   cess of 110 percent of the limit under section  
6                   502(a),

7                   the Commission shall revoke the certification of the  
8                   candidate as an eligible Senate candidate and notify  
9                   the candidate of the revocation.

10                  “(2) PAYMENT OF VALUE OF BENEFITS.—On  
11                  receipt of notification of revocation of eligibility  
12                  under paragraph (1), a candidate—

13                         “(A) shall pay an amount equal to the  
14                         value of the benefits received under this title;  
15                         and

16                         “(B) shall be ineligible for benefits avail-  
17                         able under section 315(b) of the Communica-  
18                         tions Act of 1934 (47 U.S.C. 315(b)) for the  
19                         duration of the election cycle.

20                  “(b) MISUSE OF BENEFITS.—If the Commission de-  
21                  termines that any benefit made available to an eligible  
22                  Senate candidate under this title was not used as provided  
23                  for in this title or that a candidate has violated any of  
24                  the spending limits contained in this Act, the Commission

1 shall so notify the candidate, and the candidate shall pay  
2 an amount equal to the value of the benefit.”.

3 (b) **TRANSITION PERIOD.**—Expenditures made be-  
4 fore January 1, 1997, shall not be counted as expenditures  
5 for purposes of the limitations contained in the amend-  
6 ment made by subsection (a).

7 **SEC. 102. FREE BROADCAST TIME.**

8 (a) **IN GENERAL.**—Section 315 of the Communica-  
9 tions Act of 1934 (47 U.S.C. 315) is amended—

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

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

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

18 “(c) **FREE BROADCAST TIME.**—

19 “(1) **IN GENERAL.**—Except as provided in para-  
20 graph (3), each eligible Senate candidate who has  
21 qualified for the general election ballot as a can-  
22 didate of a major or minor party shall be entitled to  
23 receive a total of 30 minutes of free broadcast time  
24 from broadcasting stations within the candidate’s  
25 State or an adjacent State.

1           “(2) TIME.—

2                   “(A) PRIME TIME.—Unless a candidate  
3 elects otherwise, the broadcast time made avail-  
4 able under this subsection shall be between 6:00  
5 p.m. and 10:00 p.m. on any day that falls on  
6 Monday through Friday.

7                   “(B) LENGTH OF BROADCAST.—Except as  
8 otherwise provided in this Act, a candidate may  
9 use such time as the candidate elects, but time  
10 may not be used in lengths of less than 30 sec-  
11 onds or more than 5 minutes.

12                   “(C) MAXIMUM REQUIRED OF ANY ONE  
13 STATION.—A candidate may not request that  
14 more than 15 minutes of free broadcast time be  
15 aired by any one broadcasting station.

16           “(3) MORE THAN 2 CANDIDATES.—In the case  
17 of an election among more than 2 candidates de-  
18 scribed in paragraph (1), only 60 minutes of broad-  
19 cast time shall be available for all such candidates,  
20 and broadcast time shall be allocated as follows:

21                   “(A) MINOR PARTY CANDIDATES.—The  
22 amount of broadcast time that shall be provided  
23 to the candidate of a minor party shall be equal  
24 to 60 minutes multiplied by the percentage of  
25 the number of popular votes received by the

1 candidate of that party in the preceding general  
2 election for the Senate in the State (or if sub-  
3 section (e)(4)(B) applies, the percentage deter-  
4 mined under that subsection).

5 “(B) MAJOR PARTY CANDIDATES.—The  
6 amount of broadcast time remaining after as-  
7 signment of broadcast time to minor party can-  
8 didates under clause (i) shall be allocated equal-  
9 ly between the major party candidates.

10 “(4) ONLY 1 CANDIDATE.—In the case of an  
11 election in which only 1 candidate qualifies to be on  
12 the general election ballot, no time shall be required  
13 to be provided by a broadcasting station under this  
14 subsection.

15 “(5) EXEMPTION.—The Federal Election Com-  
16 mission shall by regulation exempt from the require-  
17 ments of this subsection—

18 “(A) a licensee the signal of which is  
19 broadcast substantially nationwide; and

20 “(B) a licensee that establishes that the re-  
21 quirements of this subsection would impose a  
22 significant economic hardship on the licensee.”;  
23 and

24 (4) in subsection (d) (as redesignated by para-  
25 graph (2))—



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

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

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

6 “(3) the term ‘major party’ means, with respect  
7 to an election for the United States Senate in a  
8 State, a political party whose candidate for the Unit-  
9 ed States Senate in the preceding general election  
10 for the Senate in that State received, as a candidate  
11 of that party, 25 percent or more of the number of  
12 popular votes received by all candidates for the Sen-  
13 ate;

14 “(4) the term ‘minor party’ means, with respect  
15 to an election for the United States Senate in a  
16 State, a political party—

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

23 “(B) whose candidate for the United  
24 States Senate in the current general election for  
25 the Senate in that State has obtained the signa-

1           tures of at least 5 percent of the State’s reg-  
2           istered voters, as determined by the chief voter  
3           registration official of the State, in support of  
4           a petition for an allocation of free broadcast  
5           time under this subsection; and

6           “(5) the term ‘Senate election cycle’ means,  
7           with respect to an election to a seat in the United  
8           States Senate, the 6-year period ending on the date  
9           of the general election for that seat.”.

10          (b) JURISDICTION OVER CHALLENGES TO BROAD-  
11          CAST MEDIA RATES AND FREE BROADCAST TIME.—

12               (1) IN GENERAL.—The United States Court of  
13          Federal Claims shall have exclusive jurisdiction over  
14          any action challenging the constitutionality of the  
15          broadcast media rates and free broadcast time re-  
16          quired to be offered to political candidates under  
17          section 503 of the Federal Election Campaign Act of  
18          1971 and section 315 of the Communications Act of  
19          1934.

20               (2) REMEDY.—Money damages shall be the sole  
21          and exclusive remedy in an action under paragraph  
22          (1), and only an individual or entity that suffers ac-  
23          tual financial injury shall have standing to maintain  
24          such an action.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on January 1, 1997.

3 **SEC. 103. BROADCAST RATES AND PREEMPTION.**

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

6 (1) by striking “(b) The charges” and inserting  
7 the following:

8 “(b) BROADCAST MEDIA RATES.—

9 “(1) IN GENERAL.—The charges”;

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

12 (3) in paragraph (1)(A) (as redesignated by  
13 paragraph (2))—

14 (A) by striking “forty-five” and inserting  
15 “30”; and

16 (B) by striking “lowest unit charge of the  
17 station for the same class and amount of time  
18 for the same period” and inserting “lowest  
19 charge of the station for the same amount of  
20 time for the same period on the same date”;  
21 and

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

23 “(2) ELIGIBLE SENATE CANDIDATES.—In the  
24 case of an eligible Senate candidate (within the  
25 meaning of section 501(a) of the Federal Election

1 Campaign Act), the charges for the use of a tele-  
2 vision broadcasting station during the 30-day period  
3 and 60-day period referred to in paragraph (1)(A)  
4 shall not exceed 50 percent of the lowest charge de-  
5 scribed in paragraph (1)(A).”.

6 (b) PREEMPTION; ACCESS.—Section 315 of the Com-  
7 munications Act of 1934 (47 U.S.C. 315), as amended by  
8 section 102(a), is amended—

9 (1) by redesignating subsections (d) and (e) (as  
10 redesignated by section 102(a)(2)), as subsections  
11 (e) and (f), respectively; and

12 (2) by inserting after subsection (c) the follow-  
13 ing:

14 “(d) PREEMPTION.—

15 “(1) IN GENERAL.—Except as provided in para-  
16 graph (2), a licensee shall not preempt the use, dur-  
17 ing any period specified in subsection (b)(1)(A), of  
18 a broadcasting station by an eligible Senate can-  
19 didate who has purchased and paid for such use  
20 pursuant to subsection (b)(2).

21 “(2) CIRCUMSTANCES BEYOND CONTROL OF LI-  
22 CENSEE.—If a program to be broadcast by a broad-  
23 casting station is preempted because of cir-  
24 cumstances beyond the control of the broadcasting  
25 station, any candidate advertising spot scheduled to

1 be broadcast during that program may also be pre-  
2 empted.”.

3 (c) REVOCATION OF LICENSE FOR FAILURE TO PER-  
4 MIT ACCESS.—Section 312(a)(7) of the Communications  
5 Act of 1934 (47 U.S.C. 312(a)(7)) is amended—

6 (1) by striking “or repeated”;

7 (2) by inserting “or cable system” after “broad-  
8 casting station”; and

9 (3) by striking “his candidacy” and inserting  
10 “the candidacy of the candidate, under the same  
11 terms, conditions, and business practices as apply to  
12 the most favored advertiser of the licensee”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall take effect on January 1, 1997.

15 **SEC. 104. REDUCED POSTAGE RATES.**

16 (a) IN GENERAL.—Section 3626(e) of title 39, Unit-  
17 ed States Code, is amended—

18 (1) in paragraph (2)—

19 (A) in subparagraph (A)—

20 (i) by striking “and the National” and  
21 inserting “the National”; and

22 (ii) by inserting before the semicolon  
23 the following: “, and, subject to paragraph  
24 (3), the principal campaign committee of  
25 an eligible Senate candidate;”;

1 (B) in subparagraph (B), by striking  
2 “and” after the semicolon;

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

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

6 “(D) the term ‘principal campaign committee’  
7 has the meaning stated in section 301 of the Federal  
8 Election Campaign Act of 1971; and

9 “(E) the term ‘eligible Senate candidate’ means  
10 an eligible Senate candidate (within the meaning of  
11 section 501(a) of the Federal Election Campaign  
12 Act of 1971).”; and

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

14 “(3) The rate made available under this subsection  
15 with respect to an eligible Senate candidate shall apply  
16 only to that number of pieces of mail that is equal to 2  
17 times the number of individuals in the voting age popu-  
18 lation (as certified under section 315(e) of the Federal  
19 Election Campaign Act of 1971) of the State.”.

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section shall take effect on January 1, 1997.

22 **SEC. 105. CONTRIBUTION LIMIT FOR ELIGIBLE SENATE**  
23 **CANDIDATES.**

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

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

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

5 (3) by inserting after subparagraph (A) the fol-  
6 lowing:

7 “(B) if the general election expenditure, pri-  
8 mary election expenditure limit, or runoff election  
9 expenditure limit applicable to an eligible Senate  
10 candidate has been increased under section 502(d),  
11 to the eligible Senate candidate and the authorized  
12 political committees of the candidate with respect to  
13 any election for the office of United States Senator,  
14 which, in the aggregate, exceed \$2,000;”.

15 **SEC. 106. REPORTING REQUIREMENT FOR ELIGIBLE SEN-**  
16 **ATE CANDIDATES.**

17 Section 304(b)(2) of FECA (2 U.S.C. 434(b)(2)) is  
18 amended by striking “and” at the end of subparagraph  
19 (J), by striking the period at the end of subparagraph (K)  
20 and inserting “; and”, and by adding at the end the follow-  
21 ing new subparagraph:

22 “(L) in the case of an eligible Senate can-  
23 didate, the total amount of contributions from  
24 individuals who are residents of the State in  
25 which the candidate seeks office.”.

1           **TITLE II—REDUCTION OF**  
 2           **SPECIAL INTEREST INFLUENCE**  
 3           **Subtitle A—Elimination of Political**  
 4           **Action Committees From Fed-**  
 5           **eral Election Activities**

6           **SEC. 201. BAN ON ACTIVITIES OF POLITICAL ACTION COM-**  
 7   **MITTEES IN FEDERAL ELECTIONS.**

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

10           **“SEC. 324. BAN ON FEDERAL ELECTION ACTIVITIES BY PO-**  
 11   **LITICAL ACTION COMMITTEES.**

12           “Notwithstanding any other provision of this Act, no  
 13 person other than an individual or a political committee  
 14 may make a contribution to a candidate or candidate’s au-  
 15 thorized committee.”.

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

19                                   “(4) The term ‘political committee’ means—

20   “(A) the principal campaign committee of  
 21                                   a candidate;

22   “(B) any national, State, or district com-  
 23                                   mittee of a political party, including any subor-  
 24                                   dinate committee thereof;



1           “(C) any local committee of a political  
2 party that—

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

5                   “(ii) makes payments exempted from  
6 the definition of contribution or expendi-  
7 ture under paragraph (8) or (9) aggregat-  
8 ing in excess of \$5,000 during a calendar  
9 year; or

10                   “(iii) makes contributions or expendi-  
11 tures aggregating in excess of \$1,000 dur-  
12 ing a calendar year; and

13           “(D) any committee jointly established by  
14 a principal campaign committee and any com-  
15 mittee described in subparagraph (B) or (C) for  
16 the purpose of conducting joint fundraising ac-  
17 tivities.”.

18       (2) Section 316(b)(2) of FECA (2 U.S.C.  
19 441b(b)(2)) is amended—

20           (A) by inserting “or” after “subject;”;

21           (B) by striking “and their families; and” and  
22 inserting “and their families.”; and

23           (C) by striking subparagraph (C).

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

4           “(9) For the purposes of the limitations provided by  
5 paragraphs (1) and (2), any political committee that is  
6 established, financed, maintained, or controlled, directly or  
7 indirectly, by any candidate or Federal officeholder shall  
8 be deemed to be an authorized committee of such can-  
9 didate or officeholder.”.

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

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

15                 “(A) a candidate for the office of President  
16 nominated by a political party may designate the na-  
17 tional committee of such political party as the can-  
18 didate’s principal campaign committee, if that na-  
19 tional committee maintains separate books of ac-  
20 count with respect to its functions as a principal  
21 campaign committee; and

22                 “(B) a candidate may designate a political com-  
23 mittee established solely for the purpose of joint  
24 fundraising by such candidates as an authorized  
25 committee.”.

1 (d) RULES APPLICABLE WHEN BAN NOT IN EF-  
2 FECT.—(1) For purposes of FECA, during any period be-  
3 ginning after the effective date in which the limitation  
4 under section 324 of that Act (as added by subsection (a))  
5 is not in effect—

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

8 (B) it shall be unlawful for a multicandidate  
9 political committee, intermediary, or conduit to  
10 make a contribution to a candidate for election, or  
11 nomination for election, to Federal office (or an au-  
12 thorized committee) to the extent that the making or  
13 accepting of the contribution will cause the amount  
14 of contributions received by the candidate and the  
15 candidate's authorized committees from multican-  
16 didate political committees, intermediaries, or con-  
17 duits to exceed 20 percent of the aggregate Federal  
18 election spending limits applicable to the candidate  
19 for the election cycle; and

20 (C) it shall be unlawful for a political commit-  
21 tee, intermediary, or conduit to make a contribution  
22 to a candidate for election, or a nomination for an  
23 election, to Federal office (or an authorized commit-  
24 tee of such candidate) in excess of the amount an

1 individual is allowed to give directly to a candidate  
2 or a candidate’s authorized committee.

3 For purposes of this paragraph, the term “intermediary  
4 or conduit” has the meaning stated in section 315(a)(8)  
5 of FECA.

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

## 11 **Subtitle B—Provisions Relating to** 12 **Soft Money of Political Parties**

### 13 **SEC. 211. SOFT MONEY OF POLITICAL PARTIES.**

14 Title III of FECA (2 U.S.C. 301 et seq.) (as amend-  
15 ed by section 201) is amended by adding at the end the  
16 following:

#### 17 **“SEC. 325. SOFT MONEY OF POLITICAL PARTIES.**

18 “(a) NATIONAL COMMITTEES.—A national committee  
19 of a political party (including a national congressional  
20 campaign committee of a political party, an entity that  
21 is established, financed, maintained, or controlled by the  
22 national committee, a national congressional campaign  
23 committee of a political party, and an officer or agent of  
24 any such party or entity but not including an entity regu-  
25 lated under subsection (b)) shall not solicit or receive any

1 contributions, donations, or transfers of funds, or spend  
2 any funds, not subject to the limitations, prohibitions, and  
3 reporting requirements of this Act.

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

5 “(1) LIMITATION.—Any amount that is ex-  
6 pended or disbursed by a State, district, or local  
7 committee of a political party (including an entity  
8 that is established, financed, maintained, or con-  
9 trolled by a State, district, or local committee of a  
10 political party and an agent or officer of any such  
11 committee or entity) during a calendar year in which  
12 a Federal election is held, for any activity that might  
13 affect the outcome of a Federal election, including  
14 any voter registration or get-out-the-vote activity,  
15 any generic campaign activity, and any communica-  
16 tion that identifies a candidate (regardless of wheth-  
17 er a candidate for State or local office is also men-  
18 tioned or identified) shall be made from funds sub-  
19 ject to the limitations, prohibitions, and reporting  
20 requirements of this Act.

21 “(2) ACTIVITY NOT INCLUDED IN PARAGRAPH  
22 (1).—

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

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

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

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

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

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

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

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

14 “(B) FUNDRAISING.—Any amount that is  
15 expended or disbursed by a national, State, dis-  
16 trict, or local committee, by an entity that is es-  
17 tablished, financed, maintained, or controlled by  
18 a State, district, or local committee of a politi-  
19 cal party, or by an agent or officer of any such  
20 committee or entity to raise funds that are  
21 used, in whole or in part, to pay the costs of  
22 an activity described in subparagraph (A) shall  
23 be made from funds subject to the limitations,  
24 prohibitions, and reporting requirements of this  
25 Act.

1       “(c) TAX-EXEMPT ORGANIZATIONS.—No national,  
2 State, district, or local committee of a political party shall  
3 solicit any funds for or make any donations to an organi-  
4 zation that is exempt from Federal taxation under section  
5 501(c) of the Internal Revenue Code of 1986.

6       “(d) CANDIDATES.—

7           “(1) IN GENERAL.—Except as provided in para-  
8 graph (2), no candidate, individual holding Federal  
9 office, or agent of a candidate or individual holding  
10 Federal office may—

11           “(A) solicit or receive funds in connection  
12 with an election for Federal office unless the  
13 funds are subject to the limitations, prohibi-  
14 tions, and reporting requirements of this Act;  
15 or

16           “(B) solicit or receive funds that are to be  
17 expended in connection with any election for  
18 other than a Federal election unless the  
19 funds—

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



1                   “(ii) are not from sources prohibited  
2                   by this Act from making contributions with  
3                   respect to an election for Federal office.

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

10 **SEC. 212. STATE PARTY GRASSROOTS FUNDS.**

11           (a)       INDIVIDUAL       CONTRIBUTIONS.—Section  
12 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) (as amended  
13 by section 105) is amended—

14                   (1) in subparagraph (C) by striking “or” at the  
15                   end;

16                   (2) by redesignating subparagraph (D) as sub-  
17                   paragraph (E); and

18                   (3) by inserting after subparagraph (C) the fol-  
19                   lowing:

20                   “(D) to—

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

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

11          (b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS  
12 TO STATE PARTY.—Section 315(a)(2) of FECA (2 U.S.C.  
13 441a(a)(2)) is amended—

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

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

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

20           “(C) to—

21           “(i) a State Party Grassroots Fund estab-  
22           lished and maintained by a State committee of  
23           a political party in any calendar year which in  
24           the aggregate, exceed \$15,000;

1           “(ii) to any other political committee estab-  
2           lished and maintained by a State committee of  
3           a political party which, in the aggregate, exceed  
4           \$5,000;

5           except that the aggregate contributions described in  
6           this subparagraph that may be made by a multican-  
7           didate political committee to the State Party Grass-  
8           roots Fund and all committees of a State Committee  
9           of a political party in any State in any calendar year  
10          shall not exceed \$15,000; or”.

11          (c) OVERALL LIMIT.—

12           (1) IN GENERAL.—Section 315(a) of FECA (2  
13          U.S.C. 441a(a)) is amended by striking paragraph  
14          (3) and inserting the following:

15           “(3) OVERALL LIMIT.—

16           “(A) ELECTION CYCLE.—No individual  
17           shall make contributions during any election  
18           cycle that, in the aggregate, exceed \$60,000.

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

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

1           “(ii) to all political committees estab-  
2           lished and maintained by State committees  
3           of a political party that, in the aggregate,  
4           exceed \$20,000.

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

13          (2) DEFINITION.—Section 301 of FECA (2  
14          U.S.C. 431) is amended by adding at the end the  
15          following:

16               “(20) ELECTION CYCLE.—The term ‘election  
17               cycle’ means—

18                       “(A) in the case of a candidate or the au-  
19                       thorized committees of a candidate, the period  
20                       beginning on the day after the date of the most  
21                       recent general election for the specific office or  
22                       seat that the candidate seeks and ending on the  
23                       date of the next general election for that office  
24                       or sea; and

1           “(B) in the case of all other persons, the  
2           period beginning on the first day following the  
3           date of the last general election and ending on  
4           the date of the next general election.”.

5           (d) STATE PARTY GRASSROOTS FUNDS.—

6           (1) IN GENERAL.—Title III of FECA (2 U.S.C.  
7           301 et seq.) (as amended by section 211) is amend-  
8           ed by adding at the end the following:

9           **“SEC. 326. STATE PARTY GRASSROOTS FUNDS.**

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

14          “(b)       TRANSFERS.—Notwithstanding       section  
15          315(a)(4), no funds may be transferred by a State com-  
16          mittee of a political party from its State Party Grassroots  
17          Fund to any other State Party Grassroots Fund or to any  
18          other political committee, except a transfer may be made  
19          to a district or local committee of the same political party  
20          in the same State if the district or local committee—

21               “(1) has established a separate segregated fund  
22          for the purposes described in section 325(b)(1); and

23               “(2) uses the transferred funds solely for those  
24          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 section 325(b)(1) that are for the benefit of that  
7 candidate shall be treated as meeting the require-  
8 ments of 325(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); 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 (2) DEFINITION.—Section 301 of FECA (2  
20 U.S.C. 431) (as amended by subsection (c)(2)) is  
21 amended by adding at the end the following:

22 “(21) STATE PARTY GRASSROOTS FUND.—The  
23 term ‘State Party Grassroots Fund’ means a sepa-  
24 rate segregated fund established and maintained by  
25 a State committee of a political party solely for the

1 purpose of making expenditures and other disburse-  
2 ments described in section 325(a).”.

3 **SEC. 213. REPORTING REQUIREMENTS.**

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

7 “(d) POLITICAL COMMITTEES.—(1) The national  
8 committee of a political party, any congressional campaign  
9 committee of a political party, and any subordinate com-  
10 mittee of either, shall report all receipts and disburse-  
11 ments during the reporting period, whether or not in con-  
12 nection with an election for Federal office.

13 “(2) A political committee (not described in para-  
14 graph (1)) to which section 325(b)(1) applies shall report  
15 all receipts and disbursements.

16 “(3) Any political committee shall include in its re-  
17 port under paragraph (1) or (2) the amount of any con-  
18 tribution received by a national committee which is to be  
19 transferred to a State committee for use directly (or pri-  
20 marily to support) activities described in section 325(b)(2)  
21 and shall itemize such amounts to the extent required by  
22 subsection (b)(3)(A).

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



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

7       “(6) Reports required to be filed under this sub-  
8 section shall be filed for the same time periods required  
9 for political committees under subsection (a).”.

10       (b) REPORT OF EXEMPT CONTRIBUTIONS.—Section  
11 301(8) of FECA (2 U.S.C. 431(8)) is amended by insert-  
12 ing at the end the following:

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

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

22       “(e) FILING OF STATE REPORTS.—In lieu of any re-  
23 port required to be filed by this Act, the Commission may  
24 allow a State committee of a political party to file with  
25 the Commission a report required to be filed under State

1 law if the Commission determines such reports contain  
2 substantially the same information.”.

3 (d) OTHER REPORTING REQUIREMENTS.—

4 (1) AUTHORIZED COMMITTEES.—Section  
5 304(b)(4) of FECA (2 U.S.C. 434(b)(4)) is amend-  
6 ed—

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

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

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

13 “(J) in the case of an authorized commit-  
14 tee, disbursements for the primary election, the  
15 general election, and any other election in which  
16 the candidate participates;”.

17 (2) NAMES AND ADDRESSES.—Section  
18 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is  
19 amended—

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

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

1 **Subtitle C—Soft Money of Persons**  
2 **Other Than Political Parties**

3 **SEC. 221. SOFT MONEY OF PERSONS OTHER THAN POLITI-**  
4 **CAL PARTIES.**

5 Section 304 of the Federal Election Campaign Act  
6 of 1971 (2 U.S.C. 434) (as amended by section 215) is  
7 amended by adding at the end the following:

8 “(f) ELECTION ACTIVITY OF PERSONS OTHER THAN  
9 POLITICAL PARTIES.—

10 “(1) IN GENERAL.—A person other than a com-  
11 mittee of a political party that makes aggregate dis-  
12 bursements totaling in excess of \$10,000 for activi-  
13 ties described in paragraph (2) shall file a statement  
14 with the Commission—

15 “(A) within 48 hours after the disburse-  
16 ments are made; or

17 “(B) in the case of disbursements that are  
18 made within 20 days of an election, within 24  
19 hours after the disbursements are made.

20 “(2) ACTIVITY.—The activity described in this  
21 paragraph is—

22 “(A) any activity described in section  
23 441(b)(2)(A) that refers to any candidate for  
24 Federal office, any political party, or any Fed-  
25 eral election; and

1           “(B) any activity described in section  
2           441b(b)(2) (B) or (C).

3           “(3) ADDITIONAL STATEMENTS.—An additional  
4           statement shall be filed each time additional dis-  
5           bursements aggregating \$10,000 are made by a per-  
6           son described in paragraph (1).

7           “(4) APPLICABILITY.—This subsection does not  
8           apply to—

9           “(A) a candidate or a candidate’s author-  
10          ized committees; or

11          “(B) an independent expenditure.

12          “(5) CONTENTS.—A statement under this sec-  
13          tion shall contain such information about the dis-  
14          bursements as the Commission shall prescribe, in-  
15          cluding—

16          “(A) the name and address of the person  
17          or entity to whom the disbursement was made;

18          “(B) the amount and purpose of the dis-  
19          bursement; and

20          “(C) if applicable, whether the disburse-  
21          ment was in support of, or in opposition to, a  
22          candidate or a political party, and the name of  
23          the candidate or the political party.”.

## 1                   **Subtitle D—Contributions**

### 2   **SEC. 231. CONTRIBUTIONS THROUGH INTERMEDIARIES** 3                   **AND CONDUITS.**

4           Section 315(a)(8) of FECA (2 U.S.C. 441a(a)(8)) is  
5 amended by striking paragraph (8) and inserting the fol-  
6 lowing:

7                   “(8) INTERMEDIARIES AND CONDUITS.—

8                           “(A) DEFINITIONS.—In this paragraph:

9                                   “(i) ACTING ON BEHALF OF THE EN-  
10                                   TITY.—The term ‘acting on behalf of the  
11                                   entity’ means soliciting one or more con-  
12                                   tributions—

13   “(I) in the name of an entity;

14   “(II) using other than incidental  
15                                   resources of an entity; or

16   “(III) by directing a significant  
17                                   portion of the solicitations to other of-  
18                                   ficers, employees, agents, or members  
19                                   of an entity or their spouses, or by so-  
20                                   liciting a significant portion of the  
21                                   other officers, employees, agents, or  
22                                   members of an entity or their spouses.

23                                   “(ii) BUNDLER.—The term ‘bundler’  
24                                   means an intermediary or conduit that is  
25                                   any of the following persons or entities:

1           “(I) A political committee (other  
2           than the authorized campaign com-  
3           mittee of the candidate that receives  
4           contributions as described in subpara-  
5           graph (B) or (C)).

6           “(II) Any officer, employee or  
7           agent of a political committee de-  
8           scribed in subclause (I).

9           “(III) An entity.

10          “(IV) Any officer, employee, or  
11          agent of an entity who is acting on  
12          behalf of the entity.

13          “(V) A person required to be list-  
14          ed as a lobbyist on a registration or  
15          other report filed pursuant to the  
16          Lobbying Disclosure Act of 1995 (2  
17          U.S.C. 1601 et seq.) or any successor  
18          law that requires reporting on the ac-  
19          tivities of a person who is a lobbyist  
20          or foreign agent.

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

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

5 “(I) personal delivery;

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

8 “(III) messenger service; and

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

11 “(iv) ENTITY.—The term ‘entity’  
12 means a corporation, labor organization, or  
13 partnership.

14 “(B) TREATMENT AS CONTRIBUTIONS  
15 FROM PERSONS BY WHOM MADE.—

16 “(i) IN GENERAL.—For purposes of  
17 the limitations imposed by this section, all  
18 contributions made by a person, either di-  
19 rectly or indirectly, on behalf of a can-  
20 didate, including contributions that are in  
21 any way earmarked or otherwise directed  
22 through an intermediary or conduit to the  
23 candidate, shall be treated as contributions  
24 from the person to the candidate.

1           “(ii) REPORTING.—The intermediary  
2           or conduit through which a contribution is  
3           made shall report the name of the original  
4           contributor and the intended recipient of  
5           the contribution to the Commission and to  
6           the intended recipient.

7           “(C) TREATMENT AS CONTRIBUTIONS  
8           FROM THE BUNDLER.—Contributions that a  
9           bundler delivers to a candidate, agent of the  
10          candidate, or the candidate’s authorized com-  
11          mittee shall be treated as contributions from  
12          the bundler to the candidate as well as from the  
13          original contributor.

14          “(D) NO LIMITATION ON OR PROHIBITION  
15          OF CERTAIN ACTIVITIES.—This subsection does  
16          not—

17                 “(i) limit fundraising efforts for the  
18                 benefit of a candidate that are conducted  
19                 by another candidate or Federal office-  
20                 holder; or

21                 “(ii) prohibit any individual described  
22                 in subparagraph (A)(ii)(IV) from soliciting,  
23                 collecting, or delivering a contribution to a  
24                 candidate, agent of the candidate, or the  
25                 candidate’s authorized committee if the in-



1           dividual is not acting on behalf of the en-  
2           tity.”.

### 3           **Subtitle E—Independent** 4           **Expenditures**

#### 5   **SEC. 241. CLARIFICATION OF DEFINITIONS RELATING TO** 6           **INDEPENDENT EXPENDITURES.**

7           (a) INDEPENDENT EXPENDITURE DEFINITION  
8 AMENDMENT.—Section 301 of FECA (2 U.S.C. 431) is  
9 amended by striking paragraphs (17) and (18) and insert-  
10 ing the following:

11           “(17) INDEPENDENT EXPENDITURE.—

12           “(A) IN GENERAL.—The term ‘independ-  
13 ent expenditure’ means an expenditure that—

14           “(i) contains express advocacy; and

15           “(ii) is made without the participation  
16 or cooperation of, or without the consulta-  
17 tion of, a candidate or a candidate’s rep-  
18 resentative.

19           “(B) ITEMS EXCLUDED.—The following  
20 shall not be considered to be an independent ex-  
21 penditure:

22           “(i) An expenditure made by—

23           “(I) an authorized committee of  
24 a candidate for Federal office; or

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

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

8                   “(iii) An expenditure if, in the same  
9                   election cycle, the person making the ex-  
10                  penditure is or has been—

11                  “(I) authorized to raise or ex-  
12                  pend funds on behalf of the candidate  
13                  or the candidate’s authorized commit-  
14                  tees; or

15                  “(II) serving as a member, em-  
16                  ployee, or agent of the candidate’s au-  
17                  thorized committees in an executive or  
18                  policymaking position.

19                  “(iv) An expenditure if the person  
20                  making the expenditure has played a sig-  
21                  nificant role in advising or counseling the  
22                  candidate or the candidate’s agents at any  
23                  time on the candidate’s plans, projects, or  
24                  needs relating to the candidate’s pursuit of  
25                  nomination for election, or election, to

1 Federal office, in the same election cycle,  
2 including any advice relating to the can-  
3 didate's decision to seek Federal office.

4 “(v) An expenditure if the person  
5 making the expenditure retains the profes-  
6 sional services of any individual or other  
7 person also providing services in the same  
8 election cycle to the candidate in connec-  
9 tion with the candidate's pursuit of nomi-  
10 nation for election, or election, to Federal  
11 office, including any services relating to  
12 the candidate's decision to seek Federal of-  
13 fice. For purposes of this clause, the term  
14 ‘professional services’ shall include any  
15 services (other than legal and accounting  
16 services solely for purposes of ensuring  
17 compliance with any Federal law) in sup-  
18 port of any candidate's or candidates' pur-  
19 suit of nomination for election, or election,  
20 to Federal office.

21 “(C) PERSONS INCLUDED.—For purposes  
22 of subparagraph (B), the person making the ex-  
23 penditure shall include any officer, director, em-  
24 ployee, or agent of the person.

25 “(18) EXPRESS ADVOCACY.—

1           “(A) IN GENERAL.—The term ‘express ad-  
2           vocacy’ means a communication that, taken as  
3           a whole and with limited reference to external  
4           events, makes an expression of support for or  
5           opposition to a specific candidate, to a specific  
6           group of candidates, or to candidates of a par-  
7           ticular political party.

8           “(B) EXPRESSION OF SUPPORT FOR OR  
9           OPPOSITION TO.—In subparagraph (A), the  
10          term ‘expression of support for or opposition to’  
11          includes a suggestion to take action with re-  
12          spect to an election, such as to vote for or  
13          against, make contributions to, or participate in  
14          campaign activity, or to refrain from taking ac-  
15          tion.

16          “(C) VOTING RECORDS.—The term ‘ex-  
17          press advocacy’ does not include the publication  
18          and distribution of a communication that is lim-  
19          ited to providing information about votes by  
20          elected officials on legislative matters and that  
21          does not expressly advocate the election or de-  
22          feat of a clearly identified candidate.”.

23          (b) CONTRIBUTION DEFINITION AMENDMENT.—Sec-  
24          tion 301(8)(A) of FECA (2 U.S.C. 431(8)(A)) is amend-  
25          ed—

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

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

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

5 “(iii) any payment or other transaction referred  
6 to in paragraph (17)(A)(i) that is not an independ-  
7 ent expenditure under paragraph (17).”.

8 **SEC. 242. REPORTING REQUIREMENTS FOR CERTAIN INDE-**  
9 **PENDENT EXPENDITURES.**

10 Section 304(c) of FECA of 1971 (2 U.S.C. 434(c))  
11 is amended—

12 (1) in paragraph (2), by striking the undesig-  
13 nated matter after subparagraph (C);

14 (2) by redesignating paragraph (3) as para-  
15 graph (7); and

16 (3) by inserting after paragraph (2), as amend-  
17 ed by paragraph (1), the following new paragraphs:

18 “(3)(A) Any person (including a political com-  
19 mittee) making independent expenditures as defined  
20 in section 301 (17) and (18) with respect to a can-  
21 didate in an election aggregating \$1,000 or more  
22 made after the 20th day, but more than 24 hours,  
23 before the election shall file a report within 24 hours  
24 after such independent expenditures are made. An  
25 additional report shall be filed each time independ-

1 ent expenditures aggregating \$1,000 are made with  
2 respect to the same candidate after the latest report  
3 filed under this subparagraph.

4 “(B) Any person (including a political commit-  
5 tee) making independent expenditures with respect  
6 to a candidate in an election aggregating \$10,000 or  
7 more made at any time up to and including the 20th  
8 day before the election shall file a report within 48  
9 hours after such independent expenditures are made.  
10 An additional report shall be filed each time inde-  
11 pendent expenditures aggregating \$10,000 are made  
12 with respect to the same candidate after the latest  
13 report filed under this paragraph.

14 “(C) A report under subparagraph (A) or (B)  
15 shall be filed with the Commission and shall identify  
16 each candidate whom the expenditure is actually in-  
17 tended to support or to oppose. In the case of an  
18 election for United States Senator, the Commission  
19 shall, within 2 business days of receipt of a report,  
20 transmit a copy of the report to each eligible Senate  
21 candidate seeking nomination or election to that of-  
22 fice.

23 “(D) For purposes of this section, an independ-  
24 ent expenditure shall be considered to have been

1 made upon the making of any payment or the taking  
2 of any action to incur an obligation for payment.

3 “(4) The Commission may, upon a request of a  
4 candidate or on its own initiative, make its own de-  
5 termination that a person, including a political com-  
6 mittee, has made, or has incurred obligations to  
7 make, independent expenditures with respect to any  
8 candidate in any election which in the aggregate ex-  
9 ceed the applicable amounts under paragraph (3). In  
10 the case of an election for United States Senator,  
11 the Commission shall notify each eligible Senate can-  
12 didate in such election of such determination made  
13 within 2 business days after making it. Any deter-  
14 mination made at the request of a candidate shall be  
15 made within 48 hours of the request.

16 “(5) In the event that independent expenditures  
17 totaling in the aggregate \$10,000 have been made in  
18 the same election in favor of another candidate or  
19 against an eligible Senate candidate, the Commission  
20 shall, within 2 business days, notify the eligible can-  
21 didate that such candidate is entitled to an increase  
22 under section 502(e) in the candidate’s applicable  
23 election limit in an amount equal to the amount of  
24 such independent expenditures.”.

1           **TITLE III—MISCELLANEOUS**  
2                           **PROVISIONS**

3   **SEC. 301. RESTRICTIONS ON USE OF CAMPAIGN FUNDS FOR**  
4                           **PERSONAL PURPOSES.**

5           (a) RESTRICTIONS ON USE OF CAMPAIGN FUNDS.—  
6 Title III of FECA (2 U.S.C. 431 et seq.) (as amended  
7 by section 201) is amended by adding at the end the fol-  
8 lowing new section:

9   **“SEC. 325. RESTRICTIONS ON USE OF CAMPAIGN FUNDS**  
10                           **FOR PERSONAL PURPOSES.**

11           “(a) DEFINITIONS.—In this section:

12                   “(1) CAMPAIGN EXPENSE.—The term ‘cam-  
13                   paign expense’ means an expense that is attributable  
14                   solely to a bona fide campaign purpose.

15                   “(2) INHERENTLY PERSONAL PURPOSES.—The  
16                   term ‘inherently personal purpose’ means a purpose  
17                   that, by its nature, confers a personal benefit, in-  
18                   cluding a home mortgage, rent, or utility payment,  
19                   clothing purchase, noncampaign automobile expense,  
20                   country club membership, vacation, or trip of a non-  
21                   campaign nature, household food items, tuition pay-  
22                   ment, admission to a sporting event, concert, theatre  
23                   or other form of entertainment not associated with  
24                   a campaign, dues, fees, or contributions to a health  
25                   club or recreational facility, and any other inherently



1 personal living expense as determined under the reg-  
 2 ulations promulgated pursuant to section 301(b) of  
 3 the Senate Campaign Finance Reform Act of 1996.

4 “(b) PERMITTED AND PROHIBITED USES.—An indi-  
 5 vidual who receives contributions as a candidate for Fed-  
 6 eral office—

7 “(1) shall use the contributions only for legiti-  
 8 mate and verifiable campaign expenses; and

9 “(2) shall not use the contributions for any in-  
 10 herently personal purpose.”.

11 (b) REGULATIONS.—Not later than 90 days after the  
 12 date of enactment of this Act, the Federal Election Com-  
 13 mission shall promulgate regulations consistent with this  
 14 Act to implement subsection (a). Such regulations shall  
 15 apply to all contributions possessed by an individual on  
 16 the date of enactment of this Act.

17 **SEC. 302. CAMPAIGN ADVERTISING AMENDMENTS.**

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

19 (1) in subsection (a)—

20 (A) in the matter preceding paragraph

21 (1)—

22 (i) by striking “Whenever” and insert-  
 23 ing “Whenever a political committee makes  
 24 a disbursement for the purpose of financ-  
 25 ing any communication through any broad-

1 casting station, newspaper, magazine, out-  
2 door advertising facility, mailing, or any  
3 other type of general public political adver-  
4 tising, or whenever”;

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

7 (iii) by striking “direct”; and

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

10 (2) by adding at the end the following new sub-  
11 sections:

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

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

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

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

21 “(d)(1) Any broadcast or cablecast communication  
22 described in subsection (a)(1) or subsection (a)(2) shall  
23 include, in addition to the requirements of those sub-  
24 sections, an audio statement by the candidate that identi-

1 files the candidate and states that the candidate has ap-  
2 proved the communication.

3       “(2) If a broadcast or cablecast communication de-  
4 scribed in paragraph (1) is broadcast or cablecast by  
5 means of television, the communication shall include, in  
6 addition to the audio statement under paragraph (1), a  
7 written statement which—

8           “(A) appears at the end of the communication  
9       in a clearly readable manner with a reasonable de-  
10       gree of color contrast between the background and  
11       the printed statement, for a period of at least 4 sec-  
12       onds; and

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

15       “(e) Any broadcast or cablecast communication de-  
16 scribed in subsection (a)(3) shall include, in addition to  
17 the requirements of those subsections, in a clearly spoken  
18 manner, the following statement: ‘\_\_\_\_\_ is  
19 responsible for the content of this advertisement.’ (with  
20 the blank to be filled in with the name of the political  
21 committee or other person paying for the communication  
22 and the name of any connected organization of the payor).  
23 If broadcast or cablecast by means of television, the state-  
24 ment shall also appear in a clearly readable manner with  
25 a reasonable degree of color contrast between the back-

1 ground and the printed statement, for a period of at least  
2 4 seconds.”.

3 **SEC. 303. FILING OF REPORTS USING COMPUTERS AND**  
4 **FACSIMILE MACHINES.**

5 Section 302(g) of FECA (2 U.S.C. 432(g)) is amend-  
6 ed by adding at the end the following new paragraph:

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

12 “(i) are required to maintain and file them  
13 for any calendar year in electronic form acces-  
14 sible by computers if the person has, or has  
15 reason to expect to have, aggregate contribu-  
16 tions or expenditures in excess of a threshold  
17 amount determined by the Commission; and

18 “(ii) may maintain and file them in that  
19 manner if not required to do so under regula-  
20 tions prescribed under clause (i).

21 “(B) The Commission, in consultation with the  
22 Secretary of the Senate and the Clerk of the House  
23 of Representatives, shall prescribe regulations which  
24 allow persons to file designations, statements, and

1 reports required by this Act through the use of fac-  
2 simile machines.

3 “(C) In prescribing regulations under this para-  
4 graph, the Commission shall provide methods (other  
5 than requiring a signature on the document being  
6 filed) for verifying designations, statements, and re-  
7 ports covered by the regulations. Any document veri-  
8 fied under any of the methods shall be treated for  
9 all purposes (including penalties for perjury) in the  
10 same manner as a document verified by signature.

11 “(D) The Secretary of the Senate and the Clerk  
12 of the House of Representatives shall ensure that  
13 any computer or other system that they may develop  
14 and maintain to receive designations, statements,  
15 and reports in the forms required or permitted  
16 under this paragraph is compatible with any such  
17 system that the Commission may develop and main-  
18 tain.”.

19 **SEC. 304. AUDITS.**

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

22 (1) by inserting “(1)” before “The Commis-  
23 sion”; and

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

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

13       (b) EXTENSION OF PERIOD DURING WHICH CAM-  
14 PAIGN AUDITS MAY BE BEGUN.—Section 311(b) of  
15 FECA (2 U.S.C. 438(b)) is amended by striking “6  
16 months” and inserting “12 months”.

17 **SEC. 305. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**  
18 **ING PRIVILEGE.**

19       (a) IN GENERAL.—Section 3210(a)(6)(A) of title 39,  
20 United States Code, is amended to read as follows:

21               “(A) A Member of Congress shall not mail  
22               any mass mailing as franked mail during a year  
23               in which there will be an election for the seat  
24               held by the Member during the period between  
25               January 1 of that year and the date of the gen-

1           eral election for that Office, unless the Member  
2           has made a public announcement that the  
3           Member will not be a candidate for reelection to  
4           that year or for election to any other Federal  
5           office.”.

6           (b) APPLICATION OF SAVINGS.—It is the intent of  
7 Congress that any savings realized by virtue of the amend-  
8 ment made by subsection (a) shall be designated to pay  
9 for the benefits of section 104 (relating to reduced postage  
10 rates for eligible Senate candidates) provided under sec-  
11 tion 104.

12 **SEC. 306. AUTHORITY TO SEEK INJUNCTION.**

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

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

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

20           “(i) there is a substantial likelihood that a vio-  
21 lation of this Act is occurring or is about to occur;

22           “(ii) the failure to act expeditiously will result  
23 in irreparable harm to a party affected by the poten-  
24 tial violation;

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

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

5           the Commission may initiate a civil action for a temporary  
6           restraining order or a temporary injunction pending the  
7           outcome of the proceedings described in paragraphs (1),  
8           (2), (3), and (4).

9           “(B) An action under subparagraph (A) shall be  
10          brought in the United States district court for the district  
11          in which the defendant resides, transacts business, or may  
12          be found, or in which the violation is occurring, has oc-  
13          curred, or is about to occur.”;

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

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

18       **SEC. 307. REPORTING REQUIREMENTS FOR CONTRIBU-**  
19                               **TIONS OF \$50 OR MORE.**

20          Section 304(b)(2)(A) is amended by inserting “, in-  
21          cluding the name and address of each person who makes  
22          contributions aggregating at least \$50 but not more than  
23          \$200 during the calendar year” after “political commit-  
24          tees”.



1 **TITLE IV—CONSTITUTIONALITY**  
2 **AND EFFECTIVE DATE**

3 **SEC. 401. SEVERABILITY.**

4 If any provision of this Act, an amendment made by  
5 this Act, or the application of such provision or amend-  
6 ment to any person or circumstance is held to be unconsti-  
7 tutional, the remainder of this Act, the amendments made  
8 by this Act, and the application of the provisions of such  
9 to any person or circumstance shall not be affected there-  
10 by.

11 **SEC. 402. EXPEDITED REVIEW OF CONSTITUTIONAL ISSUES.**

12 (a) **DIRECT APPEAL TO SUPREME COURT.**—An ap-  
13 peal may be taken directly to the Supreme Court of the  
14 United States from any interlocutory order or final judg-  
15 ment, decree, or order issued by any court ruling on the  
16 constitutionality of any provision of this Act or amend-  
17 ment made by this Act.

18 (b) **ACCEPTANCE AND EXPEDITION.**—The Supreme  
19 Court shall, if it has not previously ruled on the question  
20 addressed in the ruling below, accept jurisdiction over, ad-  
21 vance on the docket, and expedite the appeal to the great-  
22 est extent possible.

1 **SEC. 403. EFFECTIVE DATE.**

2       Except as otherwise provided in this Act, the amend-  
3 ments made by, and the provisions of, this Act shall take  
4 effect on January 1, 1997.

5 **SEC. 404. REGULATIONS.**

6       The Federal Election Commission shall prescribe any  
7 regulations required to carry out this Act not later than  
8 9 months after the effective date of this Act.