

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

# S. 1932

To amend the Federal Election Campaign Act of 1971 to limit the amount of nonconstituent contributions that a candidate may accept, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JULY 8, 1996

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

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## A BILL

To amend the Federal Election Campaign Act of 1971 to limit the amount of nonconstituent contributions that a candidate may accept, 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. LIMIT ON AMOUNT OF NONCONSTITUENT CON-**  
4 **TRIBUTIONS AND MULTICANDIDATE POLITI-**  
5 **CAL COMMITTEE CONTRIBUTIONS THAT A**  
6 **CANDIDATE MAY ACCEPT.**

7 Title III of the Federal Election Campaign Act of  
8 1971 (2 U.S.C. 431 et seq.) is amended by adding at the  
9 end the following:

1 **“SEC. 324. LIMIT ON AMOUNT OF NONCONSTITUENT CON-**  
2 **TRIBUTIONS AND POLITICAL ACTION COM-**  
3 **MITTEE CONTRIBUTIONS THAT A CANDIDATE**  
4 **MAY ACCEPT.**

5 “(a) DEFINITION.—In this section, the term ‘non-  
6 constituent source’ means—

7 “(1) an individual that is a resident of a State  
8 other than a candidate’s State (in the case of a can-  
9 didate for the Senate) or district (in the case of a  
10 candidate for the House of Representatives);

11 “(2) a multicandidate political committee that,  
12 during any calendar year, accepts from residents of  
13 a candidate’s State contributions in an amount that  
14 is not more than 10 percent of the total amount of  
15 contributions accepted by the committee; and

16 “(3)(A) a separate segregated fund of a cor-  
17 poration that does not have an office in the can-  
18 didate’s State (in the case of a candidate for the  
19 Senate) or district (in the case of a candidate for the  
20 House of Representatives); and

21 “(B) a separate segregated fund of a labor or-  
22 ganization, membership organization, or unincor-  
23 porated cooperative not more than 10 percent of the  
24 members of which are residents of the candidate’s  
25 State (in the case of a candidate for the Senate) or

1 district (in the case of a candidate for the House of  
2 Representatives).

3 “(b) PROHIBITION.—A candidate for election to the  
4 Senate or House of Representatives, and the candidate’s  
5 authorized committees, shall not accept for use in an elec-  
6 tion—

7 “(1) an amount of contributions from non-  
8 constituent sources that exceeds 33 percent of the  
9 total amount of contributions accepted by the can-  
10 didate or candidate’s authorized committees; or

11 “(2) an amount of contributions from multicand-  
12 didate political committees and separate segregated  
13 funds that exceeds 20 percent of the total amount  
14 of contributions accepted by the candidate or can-  
15 didate’s authorized committees.”.

16 **SEC. 2. CONTROL OF CONTRIBUTIONS BY POLITICAL AC-**  
17 **TION COMMITTEES.**

18 Title III of the Federal Election Campaign Act of  
19 1971 (2 U.S.C. 431 et seq.) (as amended by section 1)  
20 is amended by adding at the end the following:

21 **“SEC. 325. CONTROL OF CONTRIBUTIONS BY MULTICAN-**  
22 **DIDATE POLITICAL COMMITTEES AND SEPA-**  
23 **RATE SEGREGATED FUNDS.**

24 “(a) IN GENERAL.—It shall be unlawful for a multi-  
25 candidate political committee or a separate segregated

1 fund established under section 316(b) to make a contribu-  
 2 tion to or an expenditure on behalf of, or an expenditure  
 3 in opposition to, a candidate or candidate's authorized  
 4 committee, political party, or any other person unless the  
 5 decision to make the contribution or expenditure is made  
 6 by vote of the contributors to the multicandidate political  
 7 committee or separate segregated fund conducted in ac-  
 8 cordance with the regulation issued by the Commission  
 9 under subsection (b).

10 “(b) REGULATION.—

11 “(1) IN GENERAL.—The regulation under sub-  
 12 section (a) shall require, at a minimum, that a  
 13 multicandidate political committee or separate seg-  
 14 regated fund—

15 “(A) send to each of its contributors a  
 16 form, in the form set forth in paragraph (2),  
 17 for the contributor to return to the committee  
 18 or fund that states the percentages in which the  
 19 contributor desires the amount of contributions  
 20 made by the contributor to be contributed to  
 21 the party organizations and candidates of each  
 22 political party;

23 “(B) make contributions and expenditures  
 24 in accordance with the percentages specified by  
 25 each contributor (unless a contributor specifies

1 percentages that total more than or less than  
 2 100 percent, in which case contributions and  
 3 expenditures shall be made to the parties for  
 4 which percentages are specified pro rata); and

5 “(C) maintain the forms for a period of 5  
 6 years after the forms are returned to the com-  
 7 mittee and allow inspection of the forms by the  
 8 Commission and by contributors to the commit-  
 9 tee or fund.

10 “(2) FORM.—The form referred to in para-  
 11 graph (1)(A) is as follows:

12 “MULTICANDIDATE POLITICAL COMMITTEE/  
 13 SEPARATE SEGREGATED FUND CONTRIBU-  
 14 TOR PARTICIPATION FORM

15 “Please indicate what percentage of your contribution you  
 16 want to go to the party organizations and/or candidates  
 17 of each of the political parties listed below\*:

18 “(List all political parties that are on the official ballot  
 19 of the contributor’s State):

20 “EXAMPLES

21 “\_\_\_ Republican Party

22 “\_\_\_ Democrat Party

23 “\_\_\_ Libertarian Party

24 “\_\_\_ Natural Law Party

25 “\_\_\_ Reform Party

1 “\_\_\_\_\_ American Independent Party

2 “\_\_\_\_\_ Taxpayers’ Party

3 “\_\_\_\_\_ Party

4 “\*If for any reason your specified percentages total more  
5 or less than 100 percent, your contribution will be allo-  
6 cated pro rata in accordance with your indicated choices.

7 *“This form must be kept on file for 5 years by the multican-  
8 didate political committee or the separate segregated fund  
9 and is subject to inspection by the Federal Election Com-  
10 mission and by the contributors to the committee or the  
11 fund.”.*

12 **SEC. 3. INCREASE IN INDIVIDUAL CONTRIBUTION LIMIT.**

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

15 (1) in subsection (a)(1)(A) by striking  
16 “\$1,000” and inserting “\$1,910”; and

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

18 “(9) INDEXING.—The \$1,910 amount under  
19 paragraph (1)(A) shall be increased as of the begin-  
20 ning of each calendar year based on the increase in  
21 the price index determined under subsection (c), ex-  
22 cept that the base period shall be calendar year  
23 1996.”.

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