

105TH CONGRESS
1ST SESSION

H. R. 1366

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Mr. BAESLER (for himself, Mr. TURNER, Ms. HARMAN, Mr. BERRY, Mr. BOYD, Mr. CONDIT, Mr. CRAMER, Mr. GOODE, Mr. HOLDEN, Mr. JOHN, Mr. LIPINSKI, Mr. MCINTYRE, Mr. MINGE, Mr. PETERSON of Minnesota, Mr. SISISKY, Mr. STENHOLM, Mr. TANNER, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on House Oversight

A BILL

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

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

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Federal Election Reform Act of 1997”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Purposes; findings.

TITLE I—SPENDING LIMITS IN HOUSE ELECTIONS

Sec. 101. Limits on expenditures by candidates.

Sec. 102. Limits on expenditures by political parties.

Sec. 103. Limits on independent expenditures.

TITLE II—EXPANDING SCOPE OF CONTRIBUTIONS AND
EXPENDITURES SUBJECT TO FEDERAL LAW

Sec. 201. Ban on soft money of political parties.

Sec. 202. Treatment of certain advocacy communications as expenditures subject to regulation.

Sec. 203. Treatment of amounts contributed or expended for recount activities.

TITLE III—OTHER REFORMS

Sec. 301. Increasing disclosure of contributions and expenditures.

Sec. 302. Prohibition of leadership committees.

Sec. 303. Prohibition of fundraising on behalf of certain nonprofit organizations.

TITLE IV—GENERAL PROVISIONS

Sec. 401. Effective date.

Sec. 402. Nonseverability of provisions.

1 **SEC. 2. PURPOSES; FINDINGS.**

2 (a) PURPOSES.—The purposes of this bill are as fol-
3 lows:

4 (1) Restore the public confidence in, and the in-
5 tegrity of, our democratic system.

6 (2) Strengthen and promote full and free cam-
7 paign discussion and debate.

8 (3) Relieve elective office seekers and office
9 holders from the limitations on purposive political
10 conduct and discourse that can arise from excessive
11 attention to fundraising.

12 (4) Reduce corruption and undue influence, or
13 the appearance thereof, in the financing of Federal
14 election campaigns.

1 (5) Afford nonpreferential terms of access to
2 elected office holders by interested members of the
3 public, in keeping with the constitutionally guaran-
4 teed right to petition the Government for the redress
5 of grievances.

6 (b) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) The current Federal campaign finance sys-
9 tem, with its perceived preferential access to law-
10 makers for interest groups capable of contributing
11 sizable sums to lawmakers' campaigns, has aroused
12 a widespread loss of public confidence in the fairness
13 and responsiveness of elective government. It has
14 undermined the belief, necessary to a functioning de-
15 mocracy, that the government exists to serve the
16 needs of all the people.

17 (2) The United States Supreme Court, in Buck-
18 ley v. Valeo, 424 U.S. 1 (1976), disapproved manda-
19 tory spending limits as an available remedy for such
20 effects, while approving campaign contribution lim-
21 its.

22 (3) Since that time, campaign expenditures
23 have risen steeply in Federal elections. Between
24 1976 and 1996, spending by candidates for the
25 United States Congress rose from some

1 \$115,000,000 to \$765,300,000, an increase several
2 times the rate of inflation.

3 (4) As campaign spending has escalated, voter
4 turnout has steadily declined. In 1996 it fell to its
5 lowest point since 1924, and stands now at the low-
6 est level of any democracy in the world.

7 (5) Coupled with out-of-control campaign
8 spending has come an incessant necessity of fund-
9 raising, due to a large extent from candidates adopt-
10 ing an defensive “arms race” posture of constant
11 readiness against the risk of massively financed at-
12 tacks on whatever they may say or do.

13 (6) This campaign finance system has had a
14 deleterious effect on those who hold public office, as
15 endless fundraising pressures intrude upon the per-
16 formance of constitutionally required duties. Capable
17 and dedicated officials have left office in dismay over
18 these distractions and negative public perceptions
19 that the fundraising process engenders. Further-
20 more, numerous qualified citizens have declined to
21 seek office because of the prospect of having to raise
22 the extraordinary amounts of money needed in to-
23 day’s elections. As talented incumbent and potential
24 public servants express such sentiments and act ac-
25 cordingly, the quality of representation suffers.

1 (7) Contribution limits are inadequate by them-
2 selves to check these trends. As long as campaign
3 spending is effectively unrestrained, supporters can
4 find ways to protect their favored candidates from
5 being outspent. Since 1976, in fact, major evasion
6 routes have been found and exploited to get around
7 contribution limits.

8 (8) Among such avenues have been personal
9 spending by wealthy candidates, independent ex-
10 penditures that assist or attack an identified can-
11 didate, and the use of national, State, or local politi-
12 cal parties as a conduit for money assisting or at-
13 tacking such candidates.

14 (9) Wealthy candidates are free under the
15 present system to spend any amount they want out
16 of their own resources. While such spending may not
17 be self-corrupting, it introduces the very defects the
18 Supreme Court has wanted to avoid. For the effec-
19 tively limitless character of such resources obliges a
20 wealthy candidate's opponents to reach for ever larg-
21 er amounts of outside support, with the deleterious
22 effects previously described.

23 (10) Experience shows further that there is an
24 identity of interest between candidates and political
25 parties. The parties exist to support candidates, not

1 the other way around. Party expenditures in support
2 of, or in opposition to, an identifiable candidacy are
3 therefore effectively candidate spending.

4 (11) Political experience also shows that so-
5 called “independent” support, whether by individ-
6 uals, committees, or other entities, can be and often
7 is coordinated with a candidate’s campaign, by
8 means of tacit understandings, without losing its
9 nominally independent character. Likewise, contribu-
10 tions to a political party, ostensibly for “party-build-
11 ing” purposes, can be and often are routed, by
12 undeclared design, to the support of identified can-
13 didates.

14 (12) The actual, case-by-case detection of co-
15 ordination between candidate, party, and independ-
16 ent contributor is, as a practical matter, impossible
17 in a fast-moving campaign environment, and in
18 cases where there may in fact be no coordination,
19 the candidate risks losing control over the tone, clar-
20 ity, and content of his or her own campaign.

21 (13) So-called “issue advocacy”, by or through
22 parties or independent contributors, need not as a
23 practical matter call expressly for the election or de-
24 feat of a named candidate to cross the line into cam-
25 paign advocacy. Any clear objective indication of

1 purpose, such that voters may readily observe where
2 their electoral support is invited, will suffice.

3 (14) When State parties or other entities oper-
4 ating under State law receive funds, often called
5 “soft money”, which may directly or indirectly affect
6 Federal elections, the State parties and entities be-
7 come de facto agents of the national party. The sub-
8 jection of these funds to pertinent Federal limita-
9 tions becomes necessary and proper to the effective
10 regulation of national campaigns.

11 (15) The exorbitant level of money in the politi-
12 cal system has served to distort our democracy by
13 giving large contributors a favored access to elected
14 officials, thus undermining the ability of ordinary
15 citizens to petition their government. Concerns over
16 the potential for corruption and undue influence and
17 the appearances thereof have left the citizenry cyni-
18 cal, the reputation of elected officials tarnished, and
19 the moral authority of government weakened.

20 (16) The 2 decades of experience since the Su-
21 preme Court’s 1976 Buckley ruling show that rea-
22 sonable limits on campaign expenditures are now
23 necessary. These limits must comprehensively ad-
24 dress all avenues of expenditure, lest creative and
25 devastating circumvention ensue.

1 (17) The Supreme Court based its Buckley de-
2 cision on a concern that spending limits could nar-
3 row political speech “by restricting the number of is-
4 sues discussed, the depth of their exploration, and
5 the size of the audience reached.”. The experience of
6 the past 20 years is otherwise: It is unlimited ex-
7 penditure that can drown out or distort political dis-
8 course in a flood of distractive repetition. Reasonable
9 spending limits will increase the opportunity for pre-
10 viously muted voices to be heard and thereby in-
11 crease the number, depth, and diversity of ideas pre-
12 sented to the public.

13 (18) Issue advocacy which does not promote or
14 oppose an identified candidate needs to remain un-
15 regulated, as does the traditional freedom of the
16 press to report and editorialize about candidates and
17 campaigns.

18 (19) In establishing reasonable limits on cam-
19 paign spending, it is necessary that they reflect the
20 realities of modern campaigning in a large, diverse
21 population with sophisticated and expensive modes
22 of communication. The limits must allow citizens to
23 benefit from a full and free debate of issues and per-
24 mit candidates to garner the resources necessary to
25 engage in that debate. The expenditure limit estab-

1 lished in this Act for elections to the House of Rep-
2 resentatives was determined after careful review of
3 spending patterns in the 3 most recent elections.

4 For example:

5 (A) More than three-fourths of major
6 party House candidates spent less than the
7 \$700,000 limit established here, and roughly
8 three-fourths of open seat candidates, running
9 in typically very competitive elections, spent
10 \$700,000 or less.

11 (B) Furthermore, and perhaps most sig-
12 nificantly, fully half of challengers who defeated
13 incumbent House Members, and half of all win-
14 ners in close races, spent \$700,000 or less.

15 (C) Thus, it is clear from recent experience
16 that a limit of \$700,000 will be high enough to
17 allow an effective level of competition, with an
18 opportunity for diverse points of view to be
19 heard, and it will be low enough to circumscribe
20 finally the most egregiously high spending levels
21 and to be a bulwark against future excesses of
22 even greater magnitude.

1 **TITLE I—SPENDING LIMITS IN**
2 **HOUSE ELECTIONS**

3 **SEC. 101. LIMITS ON EXPENDITURES BY CANDIDATES.**

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

7 “EXPENDITURE LIMITS FOR CANDIDATES IN HOUSE
8 ELECTIONS

9 “SEC. 323. (a) IN GENERAL.—Notwithstanding any
10 other provision of this title, the amount of funds expended
11 by a candidate or the candidate’s authorized committee
12 (from any source) with respect to any House election may
13 not exceed \$700,000 for the election cycle involved.

14 “(b) SPECIAL RULES FOR CERTAIN CANDIDATES
15 AND ELECTIONS.—

16 “(1) RUNOFF ELECTION.—In the case of a can-
17 didate who is participating in a runoff House elec-
18 tion, the limit on expenditures under subsection (a)
19 with respect to the election cycle involved shall be in-
20 creased by 20 percent.

21 “(2) GENERAL ELECTION CANDIDATE WINNING
22 CLOSELY CONTESTED PRIMARY.—In the case of a
23 candidate who is participating in a general House
24 election who won the previous primary election by a
25 margin not greater than 15 percentage points, the

1 limit on expenditures under subsection (a) with re-
2 spect to the election cycle involved shall be increased
3 by 50 percent.

4 “(3) SPECIAL ELECTION.—In the case of a can-
5 didate who is participating in a special House elec-
6 tion, the amount of funds expended by the candidate
7 or the candidate’s authorized committee may not ex-
8 ceed \$700,000 for the election (including any related
9 primary election).

10 “(c) INDEXING OF AMOUNTS.—

11 “(1) IN GENERAL.—The amount of each limita-
12 tion established under this section shall be adjusted
13 as follows:

14 “(A) For calendar year 2001, each such
15 amount shall be equal to the amount described,
16 increased (in a compounded manner) by the
17 percentage increase in the price index (as de-
18 fined in paragraph (2)(A)) for 1999 and 2000.

19 “(B) For calendar year 2003 and each sec-
20 ond subsequent year, each such amount shall be
21 equal to the amount for the second previous
22 year (as adjusted under this subparagraph), in-
23 creased (in a compounded manner) by the per-
24 centage increase in the price index for the pre-
25 vious year and the second previous year.

1 “(2) ROUNDING.—In the case of any amount
2 adjusted under this subsection which is not a mul-
3 tiple of \$500, the amount shall be rounded to the
4 nearest highest multiple of \$500.”.

5 “(d) EXCLUSION OF CERTAIN EXPENDITURES.—In
6 determining the amount of funds expended by a candidate
7 for purposes of this section, there shall be excluded any
8 amounts expended for—

9 “(1) legal services rendered in connection with
10 complying with the requirements of this title or any
11 State law, responding to complaints or investigations
12 by the Commission or the House of Representatives,
13 or any other legal representation related to the elec-
14 tion involved which is rendered on behalf of or in de-
15 fense of the candidate or the candidate’s authorized
16 committee;

17 “(2) Federal, State, or local income taxes on
18 earnings of a candidate’s authorized committees;
19 and

20 “(3) services related to a recount of the results
21 of a Federal election or an election contest concern-
22 ing a Federal election.

23 “(e) TREATMENT OF FUNDS EXPENDED BY AU-
24 THORIZED COMMITTEE.—For purposes of this section,

1 any funds expended by any authorized committee of a can-
2 didate shall be considered to be expended by the candidate.

3 “(f) PENALTIES FOR EXCESS EXPENDITURES.—A
4 candidate who expends funds with respect to a House elec-
5 tion in an amount greater than the applicable limit for
6 the candidate and election under this section shall pay a
7 penalty to the Commission in an amount equal to—

8 “(1) in the case of a candidate who expends
9 funds in an amount equal to or less than 105 per-
10 cent of such applicable limit, the amount by which
11 the funds expended exceed such limit; or

12 “(2) in the case of a candidate who expends
13 funds in an amount greater than 105 percent of
14 such applicable limit, 300 percent of the amount by
15 which the funds expended exceed such limit.”.

16 (b) ELECTION CYCLE AND HOUSE ELECTION DE-
17 FINED.—Section 301 of such Act (2 U.S.C. 431) is
18 amended by striking paragraph (19) and inserting the fol-
19 lowing:

20 “(19) The term ‘election cycle’ means, with respect
21 to a candidate, the period beginning on the day after the
22 date of the most recent general election for the specific
23 office or seat which such candidate seeks and ending on
24 the date of the next general election for such office or seat.

1 “(20) The term ‘House election’ means an election
2 for the office of Representative in, or Delegate or Resident
3 Commissioner to, the Congress.”.

4 **SEC. 102. LIMITS ON EXPENDITURES BY POLITICAL PAR-**
5 **TIES.**

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

10 “(4) The national committee of a political party, or
11 a State committee of a political party, including any sub-
12 ordinate committee of a State committee, may not make
13 any expenditure in connection with any candidate who is
14 affiliated with such party for election for the office of Rep-
15 resentative in, or Delegate or Resident Commissioner to,
16 the Congress, which is held after December 31, 1998,
17 which exceeds \$30,000, without regard to whether the par-
18 ty’s expenditures are made in coordination with the can-
19 didate or are made independently from the candidate.”.

20 (b) CONFORMING AMENDMENTS.—Section 315(d) of
21 the Federal Election Campaign Act of 1971 (2 U.S.C.
22 441a(d)) is amended—

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

25 (2) in paragraph (3)—

1 (A) in subparagraph (A) in the matter pre-
2 ceding clause (i), by striking “one Representa-
3 tive,” and inserting the following: “one Rep-
4 resentative in the case of an election held prior
5 to January 1999,” and

6 (B) in subparagraph (B), by striking “for
7 election to the office of Representative, Dele-
8 gate, or Resident Commissioner” and inserting
9 “in a House election held prior to January
10 1999”.

11 **SEC. 103. LIMITS ON INDEPENDENT EXPENDITURES.**

12 Section 315 of the Federal Election Campaign Act
13 of 1971 (2 U.S.C. 441a) is amended by adding at the end
14 the following new subsection:

15 “(i)(1) Notwithstanding any other provision of this
16 title, no person (other than any person subject to limita-
17 tions on expenditures under subsection (d)(4)) may make
18 independent expenditures in connection with a House elec-
19 tion with respect to an election cycle in an amount greater
20 than \$25,000.

21 “(2) The amount of the limitation under paragraph
22 (1) shall be adjusted for each biennial period beginning
23 after the 2000 general election in the same manner as the
24 amounts of limitations on expenditures by candidates es-

1 tablished under section 323(a) are adjusted under section
2 323(e).”.

3 **TITLE II—EXPANDING SCOPE OF**
4 **CONTRIBUTIONS AND EX-**
5 **PENDITURES SUBJECT TO**
6 **FEDERAL LAW**

7 **SEC. 201. BAN ON SOFT MONEY OF POLITICAL PARTIES.**

8 Title III of the Federal Election Campaign Act of
9 1971 (2 U.S.C. 431 et seq.), as amended by section
10 101(a), is further amended by adding at the end the fol-
11 lowing new section:

12 “RESTRICTIONS ON USE OF NON-FEDERAL FUNDS BY
13 POLITICAL PARTIES

14 “SEC. 324. (a) ANY USE OF FUNDS BY NATIONAL
15 PARTIES.—A political committee of a national political
16 party may not solicit, receive, transfer, direct, or expend
17 any funds for the purpose of influencing an election for
18 Federal office unless the funds are subject to the limita-
19 tions, prohibitions, and reporting requirements of this
20 title.

21 “(b) EXPENDITURE OF FUNDS BY STATE AND
22 LOCAL PARTIES DURING FEDERAL ELECTION YEARS.—
23 A political committee of a State or local political party
24 may not expend any funds during a year in which an elec-
25 tion for Federal office is held in the State for the purpose
26 of influencing an election for Federal office unless the

1 funds are subject to the limitations, prohibitions, and re-
2 porting requirements of this title.

3 “(c) EXCLUSION OF CERTAIN EXPENDITURES.—For
4 purposes of this section, funds shall not be considered to
5 be expended for the purpose of influencing an election for
6 Federal office if the funds are expended for any of the
7 following activities:

8 “(1) Any communication which does not por-
9 tray by name, reference, representation, or likeness,
10 a candidate for election for Federal office, or which
11 does not similarly portray the Congress or either of
12 its Houses.

13 “(2) Administrative expenses of a State or local
14 political party.

15 “(3) A convention of a State or local political
16 party.”.

17 **SEC. 202. TREATMENT OF CERTAIN ADVOCACY COMMU-**
18 **NICATIONS AS EXPENDITURES SUBJECT TO**
19 **REGULATION.**

20 (a) IN GENERAL.—Section 301(9)(A) of the Federal
21 Election Campaign Act of 1971 (2 U.S.C. 431(9)(A)) is
22 amended—

23 (1) by striking “and” at the end of clause (i);

24 (2) by redesignating clause (ii) as clause (iv);

25 and

1 (3) by inserting after clause (i) the following
2 new clauses:

3 “(ii) any payment for a communication which
4 portrays by name, reference, representation, or like-
5 ness a candidate for election for Federal office, to-
6 gether with words such as ‘vote for’, ‘vote against’,
7 ‘elect’, ‘defeat’, ‘support’, ‘oppose’, or ‘reject’;

8 “(iii) any payment for a communication which
9 is disseminated during the 90-day period ending on
10 the date of an election and which portrays by name,
11 reference, representation, or likeness a candidate for
12 election for Federal office; and”.

13 (b) CONFORMING AMENDMENT RELATING TO INDE-
14 PENDENT EXPENDITURES.—Section 301(17) of such Act
15 (2 U.S.C. 431(17)) is amended by striking “by a person
16 expressly advocating the election or defeat of a clearly
17 identified candidate”.

18 **SEC. 203. TREATMENT OF AMOUNTS CONTRIBUTED OR EX-**
19 **PENDED FOR RECOUNT ACTIVITIES.**

20 (a) SUBJECTING AMOUNTS TO LIMITS APPLICABLE
21 TO CONTRIBUTIONS.—Section 315(a) of the Federal Elec-
22 tion Campaign Act of 1971 (2 U.S.C. 441a(a)) is amended
23 by adding at the end the following new paragraph:

24 “(9) Any funds provided to a political committee for
25 purposes relating to a recount of the results of a Federal

1 election or an election contest concerning a Federal elec-
2 tion shall be subject to the limitations applicable to con-
3 tributions under this subsection.”.

4 (b) TREATMENT AS EXPENDITURES.—Section
5 301(9)(A)(i) of the Federal Election Campaign Act of
6 1971 (2 U.S.C. 431(9)(A)(i)) is amended by striking “of-
7 fice;” and inserting the following: “office, or made by any
8 person with respect to a recount of the results of a Federal
9 election or an election contest concerning a Federal elec-
10 tion;”.

11 (c) SEGREGATION OF AMOUNTS.—Section 302(b) of
12 such Act (2 U.S.C. 432(b)) is amended by adding at the
13 end the following new paragraph:

14 “(4) Any funds provided to a political committee for
15 purposes relating to a recount of the results of a Federal
16 election or an election contest concerning a Federal elec-
17 tion shall be segregated from and may not be commingled
18 with any other funds of the committee, and may not be
19 used for any other purpose.”.

20 **TITLE III—OTHER REFORMS**

21 **SEC. 301. INCREASING DISCLOSURE OF CONTRIBUTIONS** 22 **AND EXPENDITURES.**

23 (a) REMOVING THRESHOLD FOR DISCLOSURE OF
24 CONTRIBUTIONS.—

1 (1) ACCOUNTING REQUIREMENTS FOR POLITI-
2 CAL COMMITTEES.—Section 302(c)(3) of the Federal
3 Election Campaign Act of 1971 (2 U.S.C. 432(c)(3))
4 is amended by striking “\$200” and inserting “\$1”.

5 (2) CONTENTS OF REPORTS.—

6 (A) IN GENERAL.—Section 304(b)(3) of
7 such Act (2 U.S.C. 434(b)(3)) is amended by
8 striking “\$200” each place it appears in sub-
9 paragraphs (A), (F), and (G) and inserting
10 “\$1”.

11 (B) PERSONS MAKING INDEPENDENT EX-
12 PENDITURES.—Section 304(c)(2)(C) of such
13 Act (2 U.S.C. 434(c)(2)(C)) is amended by
14 striking “\$200” and inserting “\$1”.

15 (b) NOTICE OF CERTAIN INDEPENDENT EXPENDI-
16 TURES.—Section 304(c) of such Act (2 U.S.C. 434(c)) is
17 amended by adding at the end the following new para-
18 graph:

19 “(4) Any person making an independent expenditure
20 consisting of a communication broadcast or disseminated
21 during the 10-day period ending on the date of an election
22 shall disclose the communication to the candidate involved
23 and the candidate’s opponent prior to the time the com-
24 munication is broadcast or disseminated.”.

1 **SEC. 302. PROHIBITION OF LEADERSHIP COMMITTEES.**

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

5 “(j) A candidate for Federal office or an individual
6 holding Federal office may not establish, maintain, fi-
7 nance, or control a political committee, other than a cam-
8 paign committee for the election of the candidate or the
9 individual.”.

10 **SEC. 303. PROHIBITION OF FUNDRAISING ON BEHALF OF**
11 **CERTAIN NONPROFIT ORGANIZATIONS.**

12 Title III of the Federal Election Campaign Act of
13 1971 (2 U.S.C. 431 et seq.), as amended by sections
14 101(a) and 201, is further amended by adding at the end
15 the following new section:

16 “PROHIBITING FUNDRAISING ON BEHALF OF CERTAIN
17 NONPROFIT ORGANIZATIONS

18 “SEC. 325. (a) POLITICAL PARTIES.—No national,
19 State, district, or local committee of a political party may
20 solicit any funds for or make any donations to any organi-
21 zation that is exempt from Federal taxation under section
22 501(c) of the Internal Revenue Code of 1986.

23 “(b) CANDIDATES AND OFFICEHOLDERS.—No can-
24 didate for Federal office or individual holding Federal of-
25 fice may raise funds for or on behalf of any organization

1 exempt from Federal taxation under section 501(c) of the
2 Internal Revenue Code of 1986 if—

3 “(1) the organization is established, main-
4 tained, or controlled by the candidate or individual;
5 and

6 “(2) voter registration or get-out-the-vote cam-
7 paigns comprise a significant portion of the organi-
8 zation’s activities.”.

9 **TITLE IV—GENERAL** 10 **PROVISIONS**

11 **SEC. 401. EFFECTIVE DATE.**

12 Except as provided in section 402, this Act and the
13 amendments made by this Act shall apply with respect to
14 elections held after December 31, 1998.

15 **SEC. 402. NONSEVERABILITY OF PROVISIONS.**

16 If any provision of this Act or any amendment made
17 by this Act is found unconstitutional, no provision of this
18 Act or any amendment made by this Act may take effect
19 or remain in effect.

○