

106TH CONGRESS
2D SESSION

H. R. 3688

To amend the Internal Revenue Code of 1986 to require certain political organizations under such Code to report information to the Federal Election Commission, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 16, 2000

Mr. MOORE (for himself, Mr. HOYER, Mrs. THURMAN, Mr. WAXMAN, Mr. DAVIS of Florida, Mrs. MINK of Hawaii, Mr. FRANK of Massachusetts, Mr. EVANS, Ms. PELOSI, Mr. PETERSON of Minnesota, Mr. BARRETT of Wisconsin, Mr. GREEN of Texas, Mr. HASTINGS of Florida, Mr. MINGE, Mr. NADLER, Ms. WOOLSEY, Mr. FARR of California, Ms. MCCARTHY of Missouri, Ms. RIVERS, Mr. BOSWELL, Mr. BOYD, Mr. FORD, Ms. HOOLEY of Oregon, Mr. PASCRELL, Mr. SANDLIN, Ms. BALDWIN, Mr. CAPUANO, Mr. CROWLEY, Mr. GONZALEZ, Mr. HILL of Indiana, Mr. HOEFFEL, Mr. LARSON, Mrs. NAPOLITANO, Mr. PHELPS, Ms. SCHAKOWSKY, Mr. SHOWS, Mr. THOMPSON of California, Mr. UDALL of New Mexico, and Mr. WU) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to require certain political organizations under such Code to report information to the Federal Election Commission, 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 “Campaign Integrity
3 Act of 2000”.

4 **SEC. 2. REQUIREMENTS APPLICABLE TO POLITICAL ORGA-**
5 **NIZATIONS UNDER INTERNAL REVENUE**
6 **CODE OF 1986.**

7 (a) IN GENERAL.—Paragraph (1) of section 527(e)
8 of the Internal Revenue Code of 1986 is amended to read
9 as follows:

10 “(1) POLITICAL ORGANIZATION.—

11 “(A) IN GENERAL.—The term ‘political or-
12 ganization’ means a party, committee, associa-
13 tion, fund, or other organization (whether or
14 not incorporated)—

15 “(i) organized and operated primarily
16 for the purpose of directly or indirectly ac-
17 cepting contributions or making expendi-
18 tures, or both, for an exempt function; and

19 “(ii) except as provided in subpara-
20 graph (B), which files an annual statement
21 with the Secretary under which it certifies
22 that it is in compliance with subsections
23 (a) and (b) of section 304A of the Federal
24 Election Campaign Act of 1971.

1 “(B) EXCEPTION FOR CERTAIN ORGANIZA-
2 TIONS.—Subparagraph (A)(ii) does not apply
3 with respect to any of the following:

4 “(i) Subject to subparagraph (C), any
5 organization which exists for the exclusive
6 purpose of influencing or attempting to
7 influence—

8 “(I) the selection, nomination,
9 election, or appointment of any indi-
10 vidual to any State or local public of-
11 fice or office in a State or local polit-
12 ical organization;

13 “(II) the appointment of any in-
14 dividual to any Federal public office;
15 or

16 “(III) the selection, nomination,
17 election, or appointment of any indi-
18 vidual to any office in a political orga-
19 nization.

20 “(ii) Any committee, club, association,
21 or other group of persons (other than a
22 separate segregated fund established under
23 section 316 of the Federal Election Cam-
24 paign Act of 1971 (2 U.S.C. 441b)) which
25 accepts contributions or makes expendi-

1 tures (as defined in this subsection) during
2 a calendar year in an aggregate amount of
3 less than \$5,000.

4 “(iii) Any political committee de-
5 scribed in section 301(4) of the Federal
6 Election Campaign Act of 1971.

7 “(C) TREATMENT OF CERTAIN COMMU-
8 NICATIONS.—

9 “(i) IN GENERAL.—No organization
10 may be treated as an organization de-
11 scribed in subparagraph (B)(i) if it makes
12 payments described in clause (ii) during an
13 election cycle.

14 “(ii) COMMUNICATIONS DESCRIBED.—
15 A payment described in this clause is a
16 payment for any communication which
17 mentions a clearly identified candidate for
18 election for Federal office or which con-
19 tains the likeness of such a candidate,
20 other than a payment for a communication
21 described in clause (i) of section 301(9)(B)
22 of the Federal Election Campaign Act of
23 1971 (2 U.S.C. 431(9)(B)) or a payment
24 described in clause (v) of such section.

1 “(iii) ELECTION CYCLE DEFINED.—In
2 this subparagraph, the term ‘election cycle’
3 means, with respect to a candidate for
4 election for Federal office, the period be-
5 ginning on the first day following the date
6 of the last general election for such office
7 and ending on the date of the next general
8 election for such office.

9 “(D) TIMING OF STATEMENT OF COMPLI-
10 ANCE.—The annual statement of compliance re-
11 quired under subparagraph (A)(ii) shall be filed
12 not later than the time for filing an annual re-
13 turn under section 6012(a)(6) (whether or not
14 the organization is required to file a return
15 under such section for such year).”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall apply to taxable years beginning after
18 December 2000.

19 **SEC. 3. REPORTING REQUIREMENTS UNDER FEDERAL**
20 **ELECTION CAMPAIGN ACT OF 1971 DE-**
21 **SCRIBED.**

22 Title III of the Federal Election Campaign Act of
23 1971 (2 U.S.C. 431 et seq.) is amended by inserting after
24 section 304 the following new section:

1 “REPORTING REQUIREMENTS FOR POLITICAL
 2 ORGANIZATIONS

3 “SEC. 304A. (a) STATEMENT OF ORGANIZATION.—

4 “(1) IN GENERAL.—For purposes of section
 5 527(e)(1)(A)(ii) of the Internal Revenue Code of
 6 1986, a political organization described in section
 7 527(e)(1) of such Code is in compliance with this
 8 subsection with respect to a calendar year if it files
 9 with the Commission a statement of organization
 10 (containing the information described in paragraph
 11 (2)) not later than 10 days after the organization
 12 first receives or spends an aggregate amount equal
 13 to or greater than \$5,000 during the year for an
 14 exempt function described in section 527(e)(2) of
 15 such Code.

16 “(2) CONTENTS OF STATEMENT.—The state-
 17 ment of organization filed by a political organization
 18 under paragraph (1) shall contain—

19 “(A) the name, address, and type of orga-
 20 nization;

21 “(B) the name, address, relationship, and
 22 type of connected or affiliated organization;

23 “(C) the name, address, and position of
 24 the custodian of books and accounts of the or-
 25 ganization; and

1 “(D) the name, address, and position of
2 the president, chief executive officer, or similar
3 authority of the organization.

4 “(b) REPORT OF RECEIPTS AND DISBURSEMENTS.—

5 “(1) IN GENERAL.—For purposes of section
6 527(e)(1)(A)(ii) of the Internal Revenue Code of
7 1986, a political organization described in section
8 527(e)(1) of such Code is in compliance with this
9 subsection if it files with the Commission reports of
10 its receipts and disbursements (containing the infor-
11 mation described in paragraph (2)) at the same time
12 and in the same manner as a political committee
13 which files reports under section 304(a)(4).

14 “(2) CONTENTS OF REPORTS.—Each report
15 filed by a political organization under paragraph (1)
16 shall include the following information:

17 “(A) The amount of cash on hand at the
18 beginning of the reporting period.

19 “(B) For the reporting period and the cal-
20 endar year, the total amount of all receipts, and
21 the total amount of all receipts in the following
22 categories:

23 “(i) Receipts from persons other than
24 political committees.

1 “(ii) Receipts from political party
2 committees.

3 “(iii) Receipts from other political
4 committees.

5 “(iv) All loans (other than loans made
6 by or guaranteed by a candidate).

7 “(v) Dividends, interest, and other
8 forms of receipts.

9 “(C) The identification of each—

10 “(i) person (other than a political
11 committee) who makes a disbursement to
12 the organization during the reporting pe-
13 riod, whose disbursements have an aggre-
14 gate amount or value in excess of \$200
15 within the calendar year, or in any lesser
16 amount if the organization should so elect,
17 together with the date and amount of any
18 such disbursement;

19 “(ii) political committee which makes
20 a disbursement to the organization during
21 the reporting period, together with the
22 date and amount of any such disburse-
23 ment;

24 “(iii) person who makes a loan to the
25 organization during the reporting period,

1 together with the identification of any en-
2 dorser or guarantor of such loan, and the
3 date and amount or value of such loan;

4 “(iv) person who provides a rebate, re-
5 fund, or other offset to operating expendi-
6 tures to the organization in an aggregate
7 amount or value in excess of \$200 within
8 the calendar year, together with the date
9 and amount of such receipt; and

10 “(v) person who provides any divi-
11 dend, interest, or other receipt to the orga-
12 nization in an aggregate value or amount
13 in excess of \$200 within the calendar year,
14 together with the date and amount of any
15 such receipt.

16 “(D) For the reporting period and the cal-
17 endar year, the total amount of all disburse-
18 ments, and all disbursements in the following
19 categories:

20 “(i) Disbursements to persons other
21 than political committees.

22 “(ii) Disbursements to political party
23 committees.

24 “(iii) Disbursements to other political
25 committees.

1 “(iv) The repayment of all loans
2 (other than loans made by or guaranteed
3 by a candidate).

4 “(v) Any other disbursements.

5 “(E) The name and address of each—

6 “(i) person to whom a disbursement
7 in an aggregate amount or value in excess
8 of \$200 within the calendar year is made
9 by the organization to meet a candidate or
10 organization operating expense, together
11 with the date, amount, and purpose of
12 such operating expenditure;

13 “(ii) person who receives a loan repay-
14 ment from the organization during the re-
15 porting period, together with the date and
16 amount of such loan repayment; and

17 “(iii) person who receives a refund or
18 other offset to receipts from the organiza-
19 tion where such receipt was reported under
20 subparagraph (C)(i), together with the
21 date and amount of such disbursement.”.

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