

107TH CONGRESS
1ST SESSION

H. R. 2360

To amend the Federal Election Campaign Act of 1971 to restrict the use of non-Federal funds by national political parties, to revise the limitations on the amount of certain contributions which may be made under such Act, to promote the availability of information on communications made with respect to campaigns for Federal elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2001

Mr. NEY (for himself, Mr. WYNN, Mr. SWEENEY, Mr. MICA, Mr. REYNOLDS, Mr. LATOURETTE, Mr. PETERSON of Pennsylvania, Mr. HOBSON, Ms. DUNN of Washington, Mr. CUNNINGHAM, Mr. TAYLOR of North Carolina, Mr. TRAFICANT, Ms. PRYCE of Ohio, Mr. BLUNT, Mr. EHLERS, Mr. BALLENGER, and Mr. NORWOOD) introduced the following bill; which was referred to the Committee on House Administration

A BILL

To amend the Federal Election Campaign Act of 1971 to restrict the use of non-Federal funds by national political parties, to revise the limitations on the amount of certain contributions which may be made under such Act, to promote the availability of information on communications made with respect to campaigns for 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; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Campaign Reform and Citizen Participation Act of
 4 2001”.

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

Sec. 1. Short title; table of contents.

TITLE I—SOFT MONEY OF NATIONAL PARTIES

Sec. 101. Restrictions on soft money of national political parties.

TITLE II—MODIFICATION OF CONTRIBUTION LIMITS

Sec. 201. Increase in limits on certain contributions.

Sec. 202. Increase in limits on contributions to State parties.

Sec. 203. Treatment of contributions to national party under aggregate annual
 limit on individual contributions.

Sec. 204. Exemption of costs of volunteer campaign materials produced and
 distributed by parties from treatment as contributions and ex-
 penditures.

Sec. 205. Indexing.

**TITLE III—DISCLOSURE OF ELECTION-RELATED
 COMMUNICATIONS**

Sec. 301. Disclosure of information on communications broadcast prior to elec-
 tion.

Sec. 302. Disclosure of information on targeted mass communications.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

7 **TITLE I—SOFT MONEY OF**
 8 **NATIONAL PARTIES**

9 **SEC. 101. RESTRICTIONS ON SOFT MONEY OF NATIONAL**
 10 **POLITICAL PARTIES.**

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

1 “SOFT MONEY OF NATIONAL POLITICAL PARTIES

2 “SEC. 323. (a) PROHIBITING USE OF SOFT MONEY
3 FOR FEDERAL ELECTION ACTIVITY.—A national com-
4 mittee of a political party may not solicit, receive, or direct
5 to another person a contribution, donation, or transfer of
6 funds or any other thing of value for Federal election ac-
7 tivity, or spend any funds for Federal election activity,
8 that are not subject to the limitations, prohibitions, and
9 reporting requirements of this Act.

10 “(b) LIMIT ON AMOUNT OF NONFEDERAL FUNDS
11 PROVIDED TO PARTY BY ANY PERSON FOR ANY PUR-
12 POSE.—No person shall make contributions, donations, or
13 transfers of funds which are not subject to the limitations
14 and prohibitions of this Act to a political committee estab-
15 lished and maintained by a national political party in any
16 calendar year in an aggregate amount equal to or greater
17 than \$75,000.

18 “(c) APPLICABILITY.— This subsection shall apply to
19 any political committee established and maintained by a
20 national political party, any officer or agent of such a com-
21 mittee acting on behalf of the committee, and any entity
22 that is directly or indirectly established, maintained, or
23 controlled by such a national committee.

24 “(d) DEFINITIONS.—

25 “(1) FEDERAL ELECTION ACTIVITY.—

1 “(A) IN GENERAL.—The term ‘Federal
2 election activity’ means—

3 “(i) voter registration activity during
4 the period that begins on the date that is
5 120 days before the date a regularly sched-
6 uled Federal election is held and ends on
7 the date of the election, unless the activity
8 constitutes generic campaign activity;

9 “(ii) voter identification or get-out-
10 the-vote activity conducted in connection
11 with an election in which a candidate for
12 Federal office appears on the ballot (re-
13 gardless of whether a candidate for State
14 or local office also appears on the ballot),
15 unless the activity constitutes generic cam-
16 paign activity;

17 “(iii) any public communication that
18 refers to or depicts a clearly identified can-
19 didate for Federal office (regardless of
20 whether a candidate for State or local of-
21 fice is also mentioned or identified) and
22 that promotes or supports a candidate for
23 that office, or attacks or opposes a can-
24 didate for that office (regardless of wheth-

1 er the communication expressly advocates
2 a vote for or against a candidate); or

3 “(iv) any public communication made
4 by means of any broadcast, cable, or sat-
5 ellite communication.

6 “(B) EXCEPTION FOR CERTAIN ADMINIS-
7 TRATIVE ACTIVITIES.—The term ‘Federal elec-
8 tion activity’ does not include any activity relat-
9 ing to establishment, administration, or sollicita-
10 tion costs of a political committee established
11 and maintained by a national political party, so
12 long as the funds used to carry out the activity
13 are derived from funds or payments made to
14 the committee which are segregated and used
15 exclusively to defray the costs of such activities.

16 “(2) GENERIC CAMPAIGN ACTIVITY.—The term
17 ‘generic campaign activity’ means any activity that
18 does not mention, depict, or otherwise promote a
19 clearly identified Federal candidate.

20 “(3) PUBLIC COMMUNICATION.—The term
21 ‘public communication’ means a communication by
22 means of any broadcast, cable, or satellite commu-
23 nication, newspaper, magazine, outdoor advertising
24 facility, or direct mail.

1 “(4) DIRECT MAIL.—The term ‘direct mail’
2 means a mailing by a commercial vendor or any
3 mailing made from a commercial list.”.

4 **TITLE II—MODIFICATION OF**
5 **CONTRIBUTION LIMITS**

6 **SEC. 201. INCREASE IN LIMITS ON CERTAIN CONTRIBU-**
7 **TIONS.**

8 (a) CONTRIBUTIONS BY INDIVIDUALS TO NATIONAL
9 PARTIES.—Section 315(a)(1)(B) of the Federal Election
10 Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(B)) is
11 amended by striking “\$20,000” and inserting “\$30,000”.

12 (b) CONTRIBUTIONS BY COMMITTEES TO NATIONAL
13 PARTIES.—Section 315(a)(2)(B) of such Act (2 U.S.C.
14 441a(a)(2)(B)) is amended by striking “\$15,000” and in-
15 serting “\$30,000”.

16 (c) AGGREGATE ANNUAL LIMIT ON CONTRIBUTIONS
17 BY INDIVIDUALS.—Section 315(a)(3) of such Act (2
18 U.S.C. 441a(a)(3)) is amended by striking “\$25,000” and
19 inserting “\$37,500”.

20 **SEC. 202. INCREASE IN LIMITS ON CONTRIBUTIONS TO**
21 **STATE PARTIES.**

22 (a) CONTRIBUTIONS BY INDIVIDUALS.—Section
23 315(a)(1) of the Federal Election Campaign Act of 1971
24 (2 U.S.C. 441a(a)(1)) is amended—

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

3 (2) in subparagraph (C)—

4 (A) by inserting “(other than a committee
5 described in subparagraph (D))” after “com-
6 mittee”; and

7 (B) by striking the period at the end and
8 inserting “; or”; and

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

10 “(D) to a political committee established and
11 maintained by a State committee of a political party
12 in any calendar year which, in the aggregate, exceed
13 \$10,000.”.

14 (b) CONTRIBUTIONS BY COMMITTEES.—Section
15 315(a)(2) of the Federal Election Campaign Act of 1971
16 (2 U.S.C. 441a(a)(2)) is amended—

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

19 (2) in subparagraph (C)—

20 (A) by inserting “(other than a committee
21 described in subparagraph (D))” after “com-
22 mittee”; and

23 (B) by striking the period at the end and
24 inserting “; or”; and

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

1 “(D) to a political committee established and
2 maintained by a State committee of a political party
3 in any calendar year which, in the aggregate, exceed
4 \$10,000.”.

5 **SEC. 203. TREATMENT OF CONTRIBUTIONS TO NATIONAL**
6 **PARTY UNDER AGGREGATE ANNUAL LIMIT**
7 **ON INDIVIDUAL CONTRIBUTIONS.**

8 Section 315(a)(3) of the Federal Election Campaign
9 Act of 1971 (2 U.S.C. 441(a)(3)) is amended—

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

11 and

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

14 “(B) Subparagraph (A) shall not apply with respect
15 to any contribution made to any political committee estab-
16 lished and maintained by a national political party which
17 is not the authorized political committee of any can-
18 didate.”.

19 **SEC. 204. EXEMPTION OF COSTS OF VOLUNTEER CAMPAIGN**
20 **MATERIALS PRODUCED AND DISTRIBUTED**
21 **BY PARTIES FROM TREATMENT AS CON-**
22 **TRIBUTIONS AND EXPENDITURES.**

23 (a) TREATMENT AS CONTRIBUTIONS.—Section
24 301(8)(B)(x) of the Federal Election Campaign Act of
25 1971 (2 U.S.C. 431(8)(B)(x)) is amended by striking “a

1 State or local committee of a political party of the costs
2 of” and inserting “a national, State, or local committee
3 of a political party of the costs of producing and distrib-
4 uting”.

5 (b) TREATMENT AS EXPENDITURES.—Section
6 301(9)(B)(viii) of the Federal Election Campaign Act of
7 1971 (2 U.S.C. 431(9)(B)(viii)) is amended by striking
8 “a State or local committee of a political party of the costs
9 of” and inserting “a national, State, or local committee
10 of a political party of the costs of producing and distrib-
11 uting”.

12 **SEC. 205. INDEXING.**

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

15 (1) in paragraph (1)—

16 (A) by striking the second and third sen-
17 tences;

18 (B) by inserting “(A)” before “At the be-
19 ginning”; and

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

21 “(B) Except as provided in subparagraph (C), in any
22 calendar year after 2002—

23 “(i) a limitation established by subsections (a),
24 (b), (d), or (h) shall be increased by the percent dif-
25 ference determined under subparagraph (A);

1 “(ii) each amount so increased shall remain in
2 effect for the calendar year; and

3 “(iii) if any amount after adjustment under
4 clause (i) is not a multiple of \$100, such amount
5 shall be rounded to the nearest multiple of \$100.

6 “(C) In the case of limitations under subsections (a)
7 and (h), increases shall only be made in odd-numbered
8 years and such increases shall remain in effect for the 2-
9 year period beginning on the first day following the date
10 of the last general election in the year preceding the year
11 in which the amount is increased and ending on the date
12 of the next general election.”; and

13 (2) in paragraph (2)(B), by striking “means the
14 calendar year 1974” and inserting “means—

15 “(i) for purposes of subsections (b) and
16 (d), calendar year 1974; and

17 “(ii) for purposes of subsections (a) and
18 (h), calendar year 2001”.

19 **TITLE III—DISCLOSURE OF**
20 **ELECTION-RELATED COMMU-**
21 **NICATIONS**

22 **SEC. 301. DISCLOSURE OF INFORMATION ON COMMUNICA-**
23 **TIONS BROADCAST PRIOR TO ELECTION.**

24 Section 304 of the Federal Election Campaign Act
25 of 1971 (2 U.S.C. 434), as amended by section 502(a)

1 of the Department of Transportation and Related Agen-
2 cies Act, 2001 (as enacted into law by reference under
3 section 101(a) of Public Law 106–346), is amended by
4 adding at the end the following new subsection:

5 “(e) DISCLOSURE OF INFORMATION ON CERTAIN
6 COMMUNICATIONS BROADCAST PRIOR TO ELECTIONS.—

7 “(1) IN GENERAL.—Any person who makes a
8 disbursement for a communication described in
9 paragraph (3) shall, not later than 24 hours after
10 making the disbursement, file with the Commission
11 a statement containing the information required
12 under paragraph (2).

13 “(2) CONTENTS OF STATEMENT.—Each state-
14 ment required to be filed under this subsection shall
15 be made under penalty of perjury and shall contain
16 the following information:

17 “(A) The identification of the person mak-
18 ing the disbursement, of any individual or enti-
19 ty sharing or exercising direction or control
20 over the activities of such person, and of the
21 custodian of the books and accounts of the per-
22 son making the disbursement.

23 “(B) The principal place of business and
24 phone number of the person making the dis-
25 bursement, if not an individual.

1 “(C) The amount of the disbursement.

2 “(D) The clearly identified candidate or
3 candidates to which the communication pertains
4 and the names (if known) of the candidates
5 identified or to be identified in the communica-
6 tion.

7 “(E) The text of the communication in-
8 volved.

9 “(3) COMMUNICATIONS DESCRIBED.—

10 “(A) IN GENERAL.—A communication de-
11 scribed in this paragraph is any
12 communication—

13 “(i) which is disseminated to the pub-
14 lic by means of any broadcast, cable, or
15 satellite communication during the 120-day
16 period ending on the date of a Federal
17 election; and

18 “(ii) which mentions a clearly identi-
19 fied candidate for such election (by name,
20 image, or likeness).

21 “(B) EXCEPTION.—A communication is
22 not described in this paragraph if—

23 “(i) the communication appears in a
24 news story, commentary, or editorial dis-
25 tributed through the facilities of any

1 broadcasting station, unless such facilities
2 are owned or controlled by any political
3 party, political committee, or candidate; or

4 “(ii) the communication constitutes an
5 expenditure under this Act.

6 “(4) COORDINATION WITH OTHER REQUIRE-
7 MENTS.—Any requirement to file a statement under
8 this subsection shall be in addition to any other re-
9 porting requirement under this Act.

10 “(5) CLARIFICATION OF TREATMENT OF VEN-
11 DORS.—A person shall not be considered to have
12 made a disbursement for a communication under
13 this subsection if the person made the disbursement
14 solely as a vendor acting pursuant to a contractual
15 agreement with the person responsible for spon-
16 soring the communication.”.

17 **SEC. 302. DISCLOSURE OF INFORMATION ON TARGETED**
18 **MASS COMMUNICATIONS.**

19 Section 304 of the Federal Election Campaign Act
20 of 1971 (2 U.S.C. 434), as amended by section 301, is
21 further amended by adding at the end the following new
22 subsection:

23 “(f) DISCLOSURE OF INFORMATION ON TARGETED
24 MASS COMMUNICATIONS.—

1 “(1) IN GENERAL.—Any person who makes a
2 disbursement for targeted mass communications in
3 an aggregate amount in excess of \$50,000 during
4 any calendar year shall, within 24 hours of each dis-
5 closure date, file with the Commission a statement
6 containing the information described in paragraph
7 (2).

8 “(2) CONTENTS OF STATEMENT.—Each state-
9 ment required to be filed under this subsection shall
10 be made under penalty of perjury and shall contain
11 the following information:

12 “(A) The identification of the person mak-
13 ing the disbursement, of any individual or enti-
14 ty sharing or exercising direction or control
15 over the activities of such person, and of the
16 custodian of the books and accounts of the per-
17 son making the disbursement.

18 “(B) The principal place of business and
19 phone number of the person making the dis-
20 bursement, if not an individual.

21 “(C) The amount of each such disburse-
22 ment of more than \$200 made by the person
23 during the period covered by the statement and
24 the identification of the person to whom the
25 disbursement was made.

1 “(D) The clearly identified candidate or
2 candidates to which the communication pertains
3 and the names (if known) of the candidates
4 identified or to be identified in the communica-
5 tion.

6 “(E) The text of the communication in-
7 volved.

8 “(3) TARGETED MASS COMMUNICATION DE-
9 FINED.—

10 “(A) IN GENERAL.—In this subsection, the
11 term ‘targeted mass communication’ means any
12 communication—

13 “(i) which is disseminated during the
14 120-day period ending on the date of a
15 Federal election;

16 “(ii) which refers to or depicts a clear-
17 ly identified candidate for such election (by
18 name, image, or likeness); and

19 “(iii) which is targeted to the relevant
20 electorate.

21 “(B) TARGETING TO RELEVANT ELEC-
22 TORATE.—

23 “(i) BROADCAST COMMUNICATIONS.—
24 For purposes of this paragraph, a commu-
25 nication disseminated to the public by

1 means of any broadcast, cable, or satellite
2 communication which refers to or depicts a
3 clearly identified candidate for Federal of-
4 fice is ‘targeted to the relevant electorate’
5 if the communication is disseminated by a
6 broadcaster whose audience includes—

7 “(I) a substantial number of resi-
8 dents of the district the candidate
9 seeks to represent (as determined in
10 accordance with regulations of the
11 Commission), in the case of a can-
12 didate for Representative in, or Dele-
13 gate or Resident Commissioner to, the
14 Congress; or

15 “(II) a substantial number of
16 residents of the State the candidate
17 seeks to represent (as determined in
18 accordance with regulations of the
19 Commission), in the case of a can-
20 didate for Senator.

21 “(ii) OTHER COMMUNICATIONS.—For
22 purposes of this paragraph, a communica-
23 tion which is not described in clause (i)
24 which refers to or depicts a clearly identi-

1 fied candidate for Federal office is ‘tar-
2 geted to the relevant electorate’ if—

3 “(I) more than 10 percent of the
4 total number of intended recipients of
5 the communication are members of
6 the electorate involved with respect to
7 such Federal office; or

8 “(II) more than 10 percent of
9 the total number of members of the
10 electorate involved with respect to
11 such Federal office receive the com-
12 munication.

13 “(C) EXCEPTIONS.—The term ‘targeted
14 mass communication’ does not include—

15 “(i) a communication appearing in a
16 news story, commentary, or editorial dis-
17 tributed through the facilities of any
18 broadcasting station, newspaper, magazine,
19 or other periodical publication, unless such
20 facilities are owned or controlled by any
21 political party, political committee, or can-
22 didate;

23 “(ii) a communication made by any
24 membership organization (including a
25 labor organization) or corporation solely to

1 its members, stockholders, or executive or
2 administrative personnel, if such member-
3 ship organization or corporation is not or-
4 ganized primarily for the purpose of influ-
5 encing the nomination for election, or elec-
6 tion, of any individual to Federal office; or

7 “(iii) a communication which con-
8 stitutes an expenditure under this Act.

9 “(4) DISCLOSURE DATE.—For purposes of this
10 subsection, the term ‘disclosure date’ means—

11 “(A) the first date during any calendar
12 year by which a person has made disbursements
13 for targeted mass communications aggregating
14 in excess of \$50,000; and

15 “(B) any other date during such calendar
16 year by which a person has made disbursements
17 for targeted mass communications aggregating
18 in excess of \$50,000 since the most recent dis-
19 closure date for such calendar year.

20 “(5) COORDINATION WITH OTHER REQUIRE-
21 MENTS.—Any requirement to report under this sub-
22 section shall be in addition to any other reporting
23 requirement under this Act.

24 “(6) CLARIFICATION OF TREATMENT OF VEN-
25 DORS.—A person shall not be considered to have

1 made a disbursement for a communication under
2 this subsection if the person made the disbursement
3 solely as a vendor acting pursuant to a contractual
4 agreement with the person responsible for spon-
5 soring the communication.”.

6 **TITLE IV—EFFECTIVE DATE**

7 **SEC. 401. EFFECTIVE DATE.**

8 The amendments made by this Act shall apply with
9 respect to elections occurring after December 2002.

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