

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2461

To amend the Federal Election Campaign Act of 1971 to provide for public funding for House of Representatives elections, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2001

Mr. ANDREWS introduced the following bill; which was referred to the Committee on House Administration

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## A BILL

To amend the Federal Election Campaign Act of 1971 to provide for public funding for House of Representatives 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,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Public Campaign Fi-  
5       nancing Act of 2001”.

1 **SEC. 2. PUBLIC FUNDING FOR HOUSE OF REPRESENTA-**  
 2 **TIVES ELECTIONS.**

3 The Federal Election Campaign Act of 1971 is  
 4 amended by adding at the end the following new title:

5 **“TITLE V—PUBLIC FUNDING FOR**  
 6 **HOUSE OF REPRESENTA-**  
 7 **TIVES ELECTIONS**

8 **“SEC. 501. QUALIFICATIONS FOR PUBLIC FUNDING.**

9 “A House of Representatives candidate qualifies for  
 10 public funding if, as determined by the Commission—

11 “(1) at least 6 weeks before the general elec-  
 12 tion, the candidate obtains the signatures of 3 per-  
 13 cent of the registered voters in the congressional dis-  
 14 trict involved; or

15 “(2) the candidate is the candidate of a political  
 16 party, the candidate of which, in the preceding gen-  
 17 eral election, received more than 25 percent of the  
 18 vote.

19 **“SEC. 502. LIMITATIONS ON CONTRIBUTIONS TO QUALI-**  
 20 **FYING HOUSE OF REPRESENTATIVES CAN-**  
 21 **DIDATES.**

22 “(a) **INDIVIDUAL CONTRIBUTIONS REQUIREMENT.—**  
 23 A qualifying House of Representatives candidate may not  
 24 accept contributions other than contributions from individ-  
 25 uals that total not more than \$100 per individual per elec-  
 26 tion cycle.

1       “(b) IN-STATE CONTRIBUTION REQUIREMENT.—  
2 With respect to each reporting period for an election, at  
3 least 80 percent of the total sum of contributions accepted  
4 by a qualifying House of Representatives candidate shall  
5 be from the State in which the congressional district in-  
6 volved is located.

7       **“SEC. 503. USE OF PUBLIC FUNDING.**

8       “(a) IN GENERAL.—A qualifying House of Rep-  
9 resentatives candidate may use public funds only for—

10               “(1) buying time on radio, cable, or television  
11 broadcast stations;

12               “(2) buying rental space on billboards or other  
13 outdoor signs;

14               “(3) buying advertising space in magazines,  
15 newspapers, periodicals, and other advertising  
16 media, including theaters, the Internet, and the  
17 worldwide web;

18               “(4) payment of the cost of producing adver-  
19 tisements for media referred to in paragraphs (1),  
20 (2), and (3);

21               “(5) procurement of computerized campaign  
22 software, voter lists, and other voter contact tools;

23               “(6) payment of the cost of printing and mail-  
24 ing campaign literature;

25               “(7) payment of the cost of telephone expenses;

1           “(8) payment of legal and accounting costs as-  
2           sociated with campaigning;

3           “(9) payment of campaign employees’ salaries;

4           “(10) payment of the cost of campaign office  
5           equipment and supplies; and

6           “(11) payment of incidental expenses of the  
7           candidate, such as travel and food.

8           “(b) SPECIFIC EXCLUSION.—A qualifying House of  
9           Representatives candidate may not use public funds under  
10          this title to pay the candidate a salary or personal mort-  
11          gages.

12          “(c) CALCULATION OF PUBLIC DISBURSEMENT.—

13                 “(1) IN GENERAL.—A qualifying House of Rep-  
14                 resentatives candidate shall receive public funds  
15                 closely approximating the cost of procuring 2½  
16                 hours of television commercial time on local tele-  
17                 vision stations in the district’s media markets.

18                 “(2) CRITERIA FOR DETERMINING AMOUNT.—

19                 An exact amount of the funds provided to a can-  
20                 didate under this section shall be determined by the  
21                 Commission, using—

22                         “(A) the average cost of a media point per  
23                         media market, as defined by Arbitron Area of  
24                         Dominant Influence, for the 4th quarter of the  
25                         preceding calendar year; and

1                   “(B) a multiplier of 5,000 media points.

2                   “(3) USE OF FUNDS.—The funds provided  
3           under this section may be used for any purpose  
4           specified in subsection (a).

5                   “(d) DISBURSEMENTS.—The Commission shall make  
6           disbursements of public funds under this title upon sub-  
7           mission of evidence that an eligible expense has been in-  
8           curred. No disbursement may be made with respect to an  
9           expense incurred more than 4 months before the election  
10          involved.

11          **“SEC. 504. MAXIMUM AMOUNT OF PUBLIC FUNDING.**

12                   “(a) IN GENERAL.—The maximum amount of public  
13          funding that a qualifying House of Representatives can-  
14          didate may receive is \$750,000.

15                   “(b) INDEXING.—The amount under subsection (a)  
16          shall be increased as of the beginning of each even-num-  
17          bered calendar year, based on the increase in the price  
18          index determined under section 315(c), except that the  
19          base period shall be calendar year 2001.

20          **“SEC. 505. TELEVISION DEBATE REQUIREMENT.**

21                   “A qualifying House of Representatives candidate  
22          shall be required to participate in at least 2 televised de-  
23          bates, organized by a bipartisan or nonpartisan group, in  
24          the congressional district media market.

1 **“SEC. 506. REQUIREMENT FOR ACCEPTANCE OF ADVER-**  
2 **TISING BY RADIO AND TELEVISION STA-**  
3 **TIONS.**

4 “(a) IN GENERAL.—Each radio station and each tele-  
5 vision station shall be—

6 “(1) required to accept orders for advertise-  
7 ments to be paid for under this title until such ad-  
8 vertising constitutes 40 percent of the station’s total  
9 advertising time; and

10 “(2) subject to random periodic examination of  
11 advertising charges paid under this title to ensure  
12 that such charges are correct.

13 “(b) CONDITION OF LICENSE.—The continuation of  
14 an existing license, the renewal of an expiring license, and  
15 the issuance of a new license under section 307 of the  
16 Communications Act of 1934 (47 U.S.C. 307) shall be  
17 conditioned on the agreement by the licensee to abide by  
18 the provisions of subsection (a)(1).

19 **“SEC. 507. DEFINITIONS.**

20 “As used in this title—

21 “(1) the term ‘House of Representatives can-  
22 didate’ means a candidate for the office of Rep-  
23 resentative in, or Delegate or Resident Commis-  
24 sioner to, the Congress;

25 “(2) the term ‘qualifying House of Representa-  
26 tives candidate’ means a House of Representatives

1 candidate who qualifies for public funding under this  
2 title; and

3 “(3) the term ‘congressional district media mar-  
4 ket’ means, with respect to a congressional district,  
5 the media market of that district, as determined  
6 from the licensing records of the Federal Commu-  
7 nications Commission.”.

8 **SEC. 3. RESTRICTIONS ON SOFT MONEY OF POLITICAL**  
9 **PARTIES AND CANDIDATES.**

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

13 “RESTRICTIONS ON SOFT MONEY OF POLITICAL PARTIES  
14 AND CANDIDATES

15 “SEC. 323. (a) NATIONAL PARTIES.—A national  
16 committee of a political party, including the national con-  
17 gressional campaign committees of a political party, and  
18 any officers or agents of such party committees, shall not  
19 solicit or receive any contributions, donations, or transfers  
20 of funds, or spend any funds, not subject to the limita-  
21 tions, prohibitions, and reporting requirements of this Act.  
22 This provision shall apply to any entity that is established,  
23 financed, maintained or controlled by a national com-  
24 mittee of a political party, including the national congres-  
25 sional campaign committees of a political party, and any

1 officer or agents of such party committees, other than an  
2 entity that is regulated by subsection (b).

3 “(b) STATE AND LOCAL PARTIES.—

4 “(1) IN GENERAL.—Any amount expended or  
5 disbursed by a State, district, or local committee of  
6 a political party, during a calendar year in which a  
7 Federal election is held, for any activity which might  
8 affect the outcome of a Federal election, including  
9 but not limited to any voter registration and get-out-  
10 the-vote activity, any generic campaign activity, and  
11 any communication that identifies a Federal can-  
12 didate (regardless of whether a State or local can-  
13 didate is also mentioned or identified) shall be made  
14 from funds subject to the limitations, prohibitions  
15 and reporting requirements of this Act.

16 “(2) EXCEPTIONS.—Paragraph (1) shall not  
17 apply to expenditures or disbursements made by a  
18 State, district, or local committee of a political party  
19 for—

20 “(A) a contribution to a candidate other  
21 than for Federal office, so long as the contribu-  
22 tion is not designated or otherwise earmarked  
23 to pay for activities described in paragraph (1);

24 “(B) the costs of a State, district, or local  
25 political convention;



1           “(C) the non-Federal share of a State, dis-  
2           trict, or local party committee’s administrative  
3           and overhead expenses (but not including the  
4           compensation in any month of any individual  
5           who spends more than 20 percent of his or her  
6           time on activity during such month which may  
7           affect the outcome of a Federal election), deter-  
8           mined by applying the ratio of the non-Federal  
9           disbursements to the total Federal expenditures  
10          and non-Federal disbursements made by the  
11          committee during the previous presidential elec-  
12          tion year to the committee’s administrative and  
13          overhead expenses in the election year in ques-  
14          tion;

15          “(D) the costs of grassroots campaign ma-  
16          terials (including buttons, bumper stickers, and  
17          yard signs) which solely name or depict a State  
18          or local candidate; and

19          “(E) the cost of any campaign activity con-  
20          ducted solely on behalf of a clearly identified  
21          State or local candidate, so long as the activity  
22          does not identify a Federal candidate.

23          “(3) APPLICABILITY.—This subsection shall  
24          apply to any entity that is established, financed,  
25          maintained, or controlled by a State, district or local

1 committee of a political party or any agent or officer  
2 of such party committee in the same manner as it  
3 applies to that committee.

4 “(c) FUNDRAISING COSTS.—Any amount spent by a  
5 national, State, district or local committee or entity of a  
6 political party to raise funds that are used, in whole or  
7 in part, to pay the costs of any activity covered by sub-  
8 section (b)(1) shall be made from funds subject to the lim-  
9 itations, prohibitions, and reporting requirements of this  
10 Act.

11 “(d) SOLICITATION BY PARTIES FOR NONPROFITS.—  
12 No national, State, district, or local committee of a polit-  
13 ical party may solicit any funds for or make any donations  
14 to any organization that is exempt from Federal taxation  
15 under section 501(c) of the Internal Revenue Code of  
16 1986.

17 “(e) SOLICITATION AND RECEIPT OF FUNDS BY CAN-  
18 DIDATES AND OFFICEHOLDERS.—

19 “(1) IN GENERAL.—No candidate for Federal  
20 office, individual holding Federal office, or any agent  
21 of such candidate or officeholder, may solicit or re-  
22 ceive any funds in connection with any Federal elec-  
23 tion unless such funds are subject to the limitations,  
24 prohibitions and reporting requirements of this Act.

1           “(2) EXCEPTION FOR ACTIVITIES PERMITTED  
2 UNDER STATE LAW.—Paragraph (1) shall not apply  
3 to the solicitation or receipt of funds by an indi-  
4 vidual who is a candidate for a non-Federal office if  
5 such activity is permitted under State law for such  
6 individual’s non-Federal campaign committee.”.

7 **SEC. 4. REPORTING REQUIREMENTS.**

8           (a) REPORTING RECEIPTS AND DISBURSEMENTS BY  
9 POLITICAL PARTIES AND OTHER COMMITTEES.—Section  
10 304 of the Federal Election Campaign Act of 1971 (2  
11 U.S.C. 434), as amended by section 502(a) of the Depart-  
12 ment of Transportation and Related Agencies Act, 2001  
13 (as enacted into law by reference under section 101(a) of  
14 Public Law 106–346), is amended by adding at the end  
15 the following new subsection:

16           “(e) RECEIPTS AND DISBURSEMENTS OF POLITICAL  
17 PARTIES AND OTHER COMMITTEES.—(1) The national  
18 committee of a political party, any congressional campaign  
19 committee of a political party, and any subordinate com-  
20 mittee of either, shall report all receipts and disburse-  
21 ments during the reporting period, whether or not in con-  
22 nection with an election for Federal office.

23           “(2) A political committee to which section 323 ap-  
24 plies (other than a committee described in paragraph (1))  
25 shall report all receipts and disbursements.

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

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

10       “(5) Reports required to be filed under this sub-  
11 section shall be filed for the same time periods required  
12 for political committees under subsection (a).”.

13       (b) REPORT OF EXEMPT CONTRIBUTIONS.—Section  
14 301(8) of such Act (2 U.S.C. 431(8)) is amended by in-  
15 serting at the end the following:

16               “(C) The exclusion provided in subpara-  
17 graph (B)(viii) shall not apply for purposes of  
18 any requirement to report contributions under  
19 this Act, and all such contributions aggregating  
20 in excess of \$50 shall be reported.”.

21       (c) REPORTS BY STATE COMMITTEES.—Section 304  
22 of the such Act (2 U.S.C. 434), as amended by subsection  
23 (a), is amended by adding at the end the following new  
24 subsection:

1       “(f) FILING OF STATE REPORTS.—In lieu of any re-  
2 port required to be filed by this Act, the Commission may  
3 allow a State committee of a political party to file with  
4 the Commission a report required to be filed under State  
5 law if the Commission determines such reports contain  
6 substantially the same information.”.

7       (d) OTHER REPORTING REQUIREMENTS.—

8           (1) AUTHORIZED COMMITTEES.—Section  
9 304(b)(4) of such Act (2 U.S.C. 434(b)(4)) is  
10 amended—

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

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

15           (C) by adding at the end the following new  
16 subparagraph:

17           “(J) in the case of an authorized com-  
18 mittee, disbursements for the primary election,  
19 the general election, and any other election in  
20 which the candidate participates;”.

21           (2) NAMES AND ADDRESSES.—Section  
22 304(b)(5)(A) of such Act (2 U.S.C. 434(b)(5)(A)) is  
23 amended—

24           (A) by striking “within the calendar year”;

25           and

1 (B) by inserting “, and the election to  
2 which the operating expenditure relates” after  
3 “operating expenditure”.

4 **SEC. 5. REPORTING OF ELECTION ACTIVITY OF PERSONS**  
5 **OTHER THAN POLITICAL PARTIES.**

6 Section 304 of the Federal Election Campaign Act  
7 of 1971 (2 U.S.C. 434), as amended by section 4(c), is  
8 amended by adding at the end the following new sub-  
9 section:

10 “(g) ELECTION ACTIVITY OF PERSONS OTHER THAN  
11 POLITICAL PARTIES.—

12 “(1) REQUIREMENT DESCRIBED.—(A) If any  
13 person to which section 323 does not apply makes  
14 (or obligates to make) disbursements for activities  
15 described in section 323(b) in excess of \$2,000, such  
16 person shall file a statement—

17 “(i) on or before the date that is 48 hours  
18 before the disbursements (or obligations) are  
19 made; or

20 “(ii) in the case of disbursements (or obli-  
21 gations) that are required to be made within 14  
22 days of the election, on or before such 14th day.

23 “(B) An additional statement shall be filed each  
24 time additional disbursements aggregating \$2,000

1 are made (or obligated to be made) by a person de-  
2 scribed in subparagraph (A).

3 “(2) CONTENTS OF STATEMENT.—Any state-  
4 ment under this section shall be filed with the Sec-  
5 retary of the Senate or the Clerk of the House of  
6 Representatives, and the Secretary of State (or  
7 equivalent official) of the State involved, as appro-  
8 priate, and shall contain such information as the  
9 Commission shall prescribe, including whether the  
10 disbursement is in support of, or in opposition to, 1  
11 or more candidates or any political party. The Sec-  
12 retary of the Senate or Clerk of the House of Rep-  
13 resentatives shall, as soon as possible (but not later  
14 than 24 hours after receipt), transmit a statement  
15 to the Commission. Not later than 48 hours after re-  
16 ceipt, the Commission shall transmit the statement  
17 to—

18 “(A) the candidates or political parties in-  
19 volved; or

20 “(B) if the disbursement is not in support  
21 of, or in opposition to, a candidate or political  
22 party, the State committees of each political  
23 party in the State involved.

24 “(3) DETERMINATIONS BY COMMISSION.—The  
25 Commission may make its own determination that

1 disbursements described in paragraph (1) have been  
2 made or are obligated to be made. The Commission  
3 shall notify the candidates or political parties de-  
4 scribed in paragraph (2) not later than 24 hours  
5 after its determination.

6 “(4) EXCEPTIONS.—This subsection shall not  
7 apply to—

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

10 “(B) an independent expenditure (as de-  
11 fined in section 301(17)).”.

12 **SEC. 6. CONTRIBUTIONS THROUGH INTERMEDIARIES AND**  
13 **CONDUITS.**

14 Section 315(a)(8) of the Federal Election Campaign  
15 Act of 1971 (2 U.S.C. 441a(a)(8)) is amended to read  
16 as follows:

17 “(8) For the purposes of this subsection:

18 “(A) Contributions made by a person, either di-  
19 rectly or indirectly, to or on behalf of a particular  
20 candidate, including contributions that are in any  
21 way earmarked or otherwise directed through an  
22 intermediary or conduit to a candidate, shall be  
23 treated as contributions from the person to the can-  
24 didate. If a contribution is made to a candidate  
25 through an intermediary or conduit, the inter-



1 intermediary or conduit shall report the original source  
2 and the intended recipient of the contribution to the  
3 Commission and the intended recipient.

4 “(B) Contributions made directly or indirectly  
5 by a person to or on behalf of a particular candidate  
6 through an intermediary or conduit, including con-  
7 tributions arranged to be made by an intermediary  
8 or conduit, shall be treated as contributions from the  
9 intermediary or conduit to the candidate if—

10 “(i) the contributions made through the  
11 intermediary or conduit are in the form of a  
12 check or other negotiable instrument made pay-  
13 able to the intermediary or conduit rather than  
14 the intended recipient; or

15 “(ii) the intermediary or conduit is—

16 “(I) a political committee, a political  
17 party, or an officer, employee, or agent of  
18 either;

19 “(II) a person whose activities are re-  
20 quired to be reported under section 4 of  
21 the Lobbying Disclosure Act of 1995 (2  
22 U.S.C. 1603), the Foreign Agents Reg-  
23 istration Act of 1938 (22 U.S.C. 611 et  
24 seq.), or any successor Federal law requir-  
25 ing a person who is a lobbyist or foreign

1 agent to report the activities of such per-  
2 son;

3 “(III) a person who is prohibited from  
4 making contributions under section 316 or  
5 a partnership; or

6 “(IV) an officer, employee, or agent of  
7 a person described in subclause (II) or  
8 (III) acting on behalf of such person.

9 “(C) The term ‘contributions arranged to be  
10 made’ includes—

11 “(i)(I) contributions delivered directly or  
12 indirectly to a particular candidate or the can-  
13 didate’s authorized committee or agent by the  
14 person who facilitated the contribution; and

15 “(II) contributions made directly or indi-  
16 rectly to a particular candidate or the can-  
17 didate’s authorized committee or agent that are  
18 provided at a fundraising event sponsored by an  
19 intermediary or conduit described in subpara-  
20 graph (B).

21 “(D) This paragraph shall not prohibit—

22 “(i) fundraising efforts for the benefit of a  
23 candidate that are conducted by another can-  
24 didate or Federal officeholder; or

1           “(ii) the solicitation by an individual using  
2           the individual’s resources and acting in the in-  
3           dividual’s own name of contributions from other  
4           persons in a manner not described in para-  
5           graphs (B) and (C).”.

6 **SEC. 7. EFFECTIVE DATE.**

7           The amendments made by this Act shall apply with  
8           respect to elections occurring after December 31, 2002.

○