

107TH CONGRESS  
1ST SESSION

# S. 719

To amend Federal election law to provide for clean elections funded by  
clean money.

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IN THE SENATE OF THE UNITED STATES

APRIL 5, 2001

Mr. WELLSTONE (for himself, Mr. KERRY, Mrs. CLINTON, and Ms. CANTWELL) 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 Federal election law to provide for clean elections  
funded by clean money.

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       “Clean Money, Clean Elections Act”.

6       (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—CLEAN MONEY FINANCING OF SENATE ELECTION  
CAMPAIGNS

Sec. 101. Findings and declarations.

Sec. 102. Eligibility requirements and benefits of clean money financing of Senate election campaigns.

Sec. 103. Reporting requirements for expenditures of private money candidates.

Sec. 104. Transition rule for current election cycle.

## TITLE II—INDEPENDENT EXPENDITURES; COORDINATED EXPENDITURES

Sec. 201. Reporting requirements for independent expenditures.

Sec. 202. Definition of independent expenditure.

Sec. 203. Limit on expenditures by political party committees.

Sec. 204. Party independent expenditures and coordinated expenditures.

## TITLE III—VOTER INFORMATION

Sec. 301. Free broadcast time.

Sec. 302. Broadcast rates and preemption.

Sec. 303. Campaign advertisements; issue advertisements.

Sec. 304. Limit on congressional use of the franking privilege.

## TITLE IV—SOFT MONEY

Sec. 401. Soft money of political parties.

Sec. 402. State party grassroots funds.

Sec. 403. Reporting requirements.

Sec. 404. Soft money of persons other than political parties.

## TITLE V—RESTRUCTURING AND STRENGTHENING OF THE FEDERAL ELECTION COMMISSION

Sec. 501. Appointment and terms of commissioners.

Sec. 502. Audits.

Sec. 503. Authority to seek injunction.

Sec. 504. Standard for investigation.

Sec. 505. Petition for certiorari.

Sec. 506. Expedited procedures.

Sec. 507. Filing by Senate candidates with Commission.

Sec. 508. Power to issue subpoena without signature of chairperson.

Sec. 509. Prohibition of contributions by individuals not qualified to vote.

Sec. 510. Penalties for violations.

## TITLE VI—EFFECTIVE DATE

Sec. 601. Effective date.

# 1 **TITLE I—CLEAN MONEY FINANC-** 2 **ING OF SENATE ELECTION** 3 **CAMPAIGNS**

## 4 **SEC. 101. FINDINGS AND DECLARATIONS.**

5 (a) UNDERMINING OF DEMOCRACY BY CAMPAIGN  
6 CONTRIBUTIONS FROM PRIVATE SOURCES.—The Senate  
7 finds and declares that the current system of privately fi-

1 nanced campaigns for election to the Senate undermines  
2 democracy in the United States by—

3 (1) violating the democratic principle of “one  
4 person, one vote” and diminishing the meaning of  
5 the right to vote by allowing monied interests to  
6 have a disproportionate and unfair influence within  
7 the political process;

8 (2) diminishing a Senator’s accountability to  
9 constituents by compelling legislators to be account-  
10 able to the major contributors who finance their  
11 election campaigns;

12 (3) creating a conflict of interest, perceived and  
13 real, by encouraging Senators to take money from  
14 private interests that are directly affected by Federal  
15 legislation;

16 (4) imposing large, unwarranted costs on tax-  
17 payers through legislative and regulatory outcomes  
18 shaped by unequal access to lawmakers for cam-  
19 paign contributors;

20 (5) driving up the cost of election campaigns,  
21 making it difficult for qualified candidates without  
22 personal fortunes or access to campaign contribu-  
23 tions from monied individuals and interest groups to  
24 mount competitive Senate election campaigns;

1           (6) disadvantaging challengers, because large  
 2       campaign contributors tend to give their money to  
 3       incumbent Senators, thus causing Senate elections  
 4       to be less competitive; and

5           (7) burdening incumbents with a preoccupation  
 6       with fundraising and thus decreasing the time avail-  
 7       able to carry out their public responsibilities.

8       (b) ENHANCEMENT OF DEMOCRACY BY PROVIDING  
 9   CLEAN MONEY.—The Senate finds and declares that the  
 10   replacement of private campaign contributions with clean  
 11   money financing for all primary, runoff, and general elec-  
 12   tions to the Senate would enhance American democracy  
 13   by—

14           (1) helping to eliminate access to wealth as a  
 15       determinant of a citizen’s influence within the polit-  
 16       ical process and to restore meaning to the principle  
 17       of “one person, one vote”;

18           (2) increasing the accountability of Senators to  
 19       the constituents who elect them;

20           (3) eliminating the inherent conflict of interest  
 21       caused by the private financing of the election cam-  
 22       paigns of public officials, thus restoring public con-  
 23       fidence in the fairness of the electoral and legislative  
 24       processes;

1           (4) reversing the escalating cost of elections  
 2           and saving taxpayers billions of dollars that are cur-  
 3           rently misspent due to legislative and regulatory  
 4           agendas skewed by the influence of contributions;

5           (5) creating a more level playing field for in-  
 6           cumbents and challengers, creating genuine opportu-  
 7           nities for all Americans to run for the Senate, and  
 8           encouraging more competitive elections; and

9           (6) freeing Senators from the constant pre-  
 10          occupation with raising money, and allowing them  
 11          more time to carry out their public responsibilities.

12 **SEC. 102. ELIGIBILITY REQUIREMENTS AND BENEFITS OF**  
 13 **CLEAN MONEY FINANCING OF SENATE ELEC-**  
 14 **TION CAMPAIGNS.**

15          The Federal Election Campaign Act of 1971 (2  
 16 U.S.C. 431 et seq.) is amended by adding at the end the  
 17 following:

18 **“TITLE V—CLEAN MONEY FI-**  
 19 **NANCING OF SENATE ELEC-**  
 20 **TION CAMPAIGNS**

21 **“SEC. 501. DEFINITIONS.**

22          “In this title:

23               “(1) ALLOWABLE CONTRIBUTION.—The term  
 24          ‘allowable contribution’ means a qualifying contribu-  
 25          tion or seed money contribution.

1           “(2) CLEAN MONEY.—The term ‘clean money’  
2           means funds that are made available by the Com-  
3           mission to a clean money candidate under this title.

4           “(3) CLEAN MONEY CANDIDATE.—The term  
5           ‘clean money candidate’ means a candidate for the  
6           Senate who is certified under section 505 as being  
7           eligible to receive clean money.

8           “(4) CLEAN MONEY QUALIFYING PERIOD.—The  
9           term ‘clean money qualifying period’ means the pe-  
10          riod beginning on the date that is 270 days before  
11          the date of the primary election and ending on the  
12          date that is 30 days before the date of the general  
13          election.

14          “(5) GENERAL ELECTION PERIOD.—The term  
15          ‘general election period’ means, with respect to a  
16          candidate, the period beginning on the day after the  
17          date of the primary or primary runoff election for  
18          the specific office that the candidate is seeking,  
19          whichever is later, and ending on the earlier of—

20                 “(A) the date of the general election; or

21                 “(B) the date on which the candidate with-  
22                 draws from the campaign or otherwise ceases  
23                 actively to seek election.

24          “(6) GENERAL RUNOFF ELECTION PERIOD.—  
25          The term ‘general runoff election period’ means,

1 with respect to a candidate, the period beginning on  
 2 the day following the date of the last general election  
 3 for the specific office that the candidate is seeking  
 4 and ending on the date of the runoff election for  
 5 that office.

6 “(7) IMMEDIATE FAMILY.—The term ‘imme-  
 7 diate family’ means—

8 “(A) a candidate’s spouse;

9 “(B) a child, stepchild, parent, grand-  
 10 parent, brother, half-brother, sister, or half-sis-  
 11 ter of the candidate or the candidate’s spouse;  
 12 and

13 “(C) the spouse of any person described in  
 14 subparagraph (B).

15 “(8) MAJOR PARTY CANDIDATE.—The term  
 16 ‘major party candidate’ means a candidate of a po-  
 17 litical party of which a candidate for Senator, for  
 18 President, or for Governor in the preceding 5 years  
 19 received, as a candidate of that party, 25 percent or  
 20 more of the total number of popular votes received  
 21 in the State by all candidates for the same office.

22 “(9) PERSONAL FUNDS.—The term ‘personal  
 23 funds’ means an amount that is derived from—

1           “(A) the personal funds of the candidate  
2           or a member of the candidate’s immediate fam-  
3           ily; and

4           “(B) proceeds of indebtedness incurred by  
5           the candidate or a member of the candidate’s  
6           immediate family.

7           “(10) PERSONAL USE.—

8           “(A) IN GENERAL.—The term ‘personal  
9           use’ means the use of funds to fulfill a commit-  
10          ment, obligation, or expense of a person that  
11          would exist irrespective of the candidate’s elec-  
12          tion campaign or that individual’s duties as a  
13          holder of Federal office.

14          “(B) INCLUSIONS.—The term ‘personal  
15          use’ includes—

16               “(i) a home mortgage, rent, or utility  
17               payment;

18               “(ii) a clothing purchase;

19               “(iii) a noncampaign-related auto-  
20               mobile expense;

21               “(iv) a country club membership;

22               “(v) a vacation or other noncampaign-  
23               related trip;

24               “(vi) a household food item;

25               “(vii) a tuition payment;



1                   “(viii) admission to a sporting event,  
 2                   concert, theater, or other form of enter-  
 3                   tainment not associated with an election  
 4                   campaign; and

5                   “(ix) dues, fees, and other payments  
 6                   to a health club or recreational facility.

7                   “(11) PRIMARY ELECTION PERIOD.—The term  
 8                   ‘primary election period’ means the period beginning  
 9                   on the date that is 90 days before the date of the  
 10                  primary election and ending on the date of the pri-  
 11                  mary election.

12                  “(12) PRIMARY RUNOFF ELECTION PERIOD.—  
 13                  The term ‘primary runoff election period’ means,  
 14                  with respect to a candidate, the period beginning on  
 15                  the day following the date of the last primary elec-  
 16                  tion for the specific office that the candidate is seek-  
 17                  ing and ending on the date of the runoff election for  
 18                  that office.

19                  “(13) PRIVATE MONEY CANDIDATE.—The term  
 20                  ‘private money candidate’ means a candidate for the  
 21                  Senate other than a clean money candidate.

22                  “(14) QUALIFYING CONTRIBUTION.—The term  
 23                  ‘qualifying contribution’ means a contribution that—

24                         “(A) is in the amount of \$5 exactly;

1 “(B) is made by an individual who is a  
 2 resident in the candidate’s State and is other-  
 3 wise authorized to make a contribution under  
 4 this Act;

5 “(C) is made during the clean money  
 6 qualifying period; and

7 “(D) meets the requirements of section  
 8 502(a)(2)(D).

9 “(15) SEED MONEY CONTRIBUTION.—The term  
 10 ‘seed money contribution’ means a contribution (or  
 11 contributions in the aggregate made by any 1 per-  
 12 son) of not more than \$100.

13 “(16) SENATE ELECTION FUND.—The term  
 14 ‘Senate Election Fund’ means the fund established  
 15 by section 507(a).

16 **“SEC. 502. ELIGIBILITY FOR CLEAN MONEY.**

17 “(a) PRIMARY ELECTION PERIOD AND PRIMARY  
 18 RUNOFF ELECTION PERIOD.—

19 “(1) IN GENERAL.—A candidate qualifies as a  
 20 clean money candidate during the primary election  
 21 period and primary runoff election period if the can-  
 22 didate files with the Commission a declaration,  
 23 signed by the candidate and the treasurer of the  
 24 candidate’s principal campaign committee, that the  
 25 candidate—

1           “(A) has complied and will comply with all  
2 of the requirements of this title;

3           “(B) will not run in the general election as  
4 a private money candidate; and

5           “(C) meets the qualifying contribution re-  
6 quirement of paragraph (2).

7           “(2) QUALIFYING CONTRIBUTION REQUIRE-  
8 MENT.—

9           “(A) MAJOR PARTY CANDIDATES.—The re-  
10 quirement of this paragraph is met if, during  
11 the clean money qualifying period, a major  
12 party candidate receives the greater of—

13                   “(i) 1,000 qualifying contributions; or

14                   “(ii) a number of qualifying contribu-  
15 tions equal to 0.25 percent of the voting  
16 age population of the candidate’s State.

17           “(B) CANDIDATES THAT ARE NOT MAJOR  
18 PARTY CANDIDATES.—The requirement of this  
19 paragraph is met if, during the clean money  
20 qualifying period, a candidate that is not a  
21 major party candidate receives a number of  
22 qualifying contributions that is at least 150  
23 percent of the number of qualifying contribu-  
24 tions that a major party candidate in the same

1 election is required to receive under subpara-  
 2 graph (A).

3 “(C) RECEIPT OF QUALIFYING CONTRIBU-  
 4 TION.—A qualifying contribution shall—

5 “(i) be accompanied by the contribu-  
 6 tor’s name and home address;

7 “(ii) be accompanied by a signed  
 8 statement that the contributor understands  
 9 the purpose of the qualifying contribution;

10 “(iii) be made by a personal check or  
 11 money order payable to the Senate Elec-  
 12 tion Fund or by cash; and

13 “(iv) be acknowledged by a receipt  
 14 that is sent to the contributor with a copy  
 15 kept by the candidate for the Commission  
 16 and a copy kept by the candidate for the  
 17 election authorities in the candidate’s  
 18 State.

19 “(D) DEPOSIT OF QUALIFYING CONTRIBU-  
 20 TIONS IN SENATE ELECTION FUND.—

21 “(i) IN GENERAL.—Not later than the  
 22 date that is 1 day after the date on which  
 23 the candidate is certified under section  
 24 505, a candidate shall remit all qualifying

1 contributions to the Commission for de-  
 2 posit in the Senate Election Fund.

3 “(ii) CANDIDATES THAT ARE NOT  
 4 CERTIFIED.—Not later than the last day of  
 5 the clean money qualifying period, a can-  
 6 didate who has received qualifying con-  
 7 tributions and is not certified under section  
 8 505 shall remit all qualifying contributions  
 9 to the Commission for deposit in the Sen-  
 10 ate Election Fund.

11 “(3) TIME TO FILE DECLARATION.—A declara-  
 12 tion under paragraph (1) shall be filed by a can-  
 13 didate not later than the date that is 30 days before  
 14 the date of the primary election.

15 “(b) GENERAL ELECTION PERIOD.—

16 “(1) IN GENERAL.—A candidate qualifies as a  
 17 clean money candidate during the general election  
 18 period if—

19 “(A)(i) the candidate qualified as a clean  
 20 money candidate during the primary election  
 21 period (and primary runoff election period, if  
 22 applicable); or

23 “(ii) the candidate files with the Commis-  
 24 sion a declaration, signed by the candidate and

1 the treasurer of the candidate's principal com-  
 2 mittee, that the candidate—

3 “(I) has complied and will comply  
 4 with all the requirements of this title; and

5 “(II) meets the qualifying contribu-  
 6 tion requirement of subsection (a)(2);

7 “(B) the candidate files with the Commis-  
 8 sion a written agreement between the candidate  
 9 and the candidate's political party in which the  
 10 political party agrees not to make any expendi-  
 11 tures in connection with the general election of  
 12 the candidate in excess of the limit in section  
 13 315(d)(3)(C);

14 “(C) the candidate's party nominated the  
 15 candidate to be placed on the ballot for the gen-  
 16 eral election or the candidate qualified to be  
 17 placed on the ballot as an independent can-  
 18 didate; and

19 “(D) the candidate is qualified under State  
 20 law to be on the ballot.

21 “(2) TIME TO FILE DECLARATION OR STATE-  
 22 MENT.—A declaration or statement required to be  
 23 filed under paragraph (1) shall be filed by a can-  
 24 didate not later than the date that is 30 days before  
 25 the date of the general election.

1       “(c) GENERAL RUNOFF ELECTION PERIOD.—A can-  
 2 didate qualifies as a clean money candidate during the  
 3 general runoff election period if the candidate qualified as  
 4 a clean money candidate during the general election pe-  
 5 riod.

6       **“SEC. 503. REQUIREMENTS APPLICABLE TO CLEAN MONEY**  
 7                               **CANDIDATES.**

8       “(a) OBLIGATION TO COMPLY.—A clean money can-  
 9 didate who accepts benefits under section 506 during the  
 10 primary election period shall comply with all the require-  
 11 ments of this Act through the primary runoff election pe-  
 12 riod, the general election period, and the general runoff  
 13 election period (if applicable) whether the candidate con-  
 14 tinues to accept benefits or not.

15       “(b) CONTRIBUTIONS AND EXPENDITURES.—

16               “(1) PROHIBITION OF PRIVATE CONTRIBU-  
 17 TIONS.—Except as otherwise provided in this title,  
 18 during the election cycle of a clean money candidate,  
 19 the candidate shall not accept contributions other  
 20 than clean money from any source.

21               “(2) PROHIBITION OF EXPENDITURES FROM  
 22 PRIVATE SOURCES.—Except as otherwise provided in  
 23 this title, during the election cycle of a clean money  
 24 candidate, the candidate shall not make expenditures  
 25 from any amounts other than clean money amounts.

1 “(c) USE OF PERSONAL FUNDS.—

2 “(1) IN GENERAL.—A clean money candidate  
3 shall not use personal funds to make an expenditure  
4 except as provided in paragraph (2).

5 “(2) EXCEPTIONS.—A seed money contribution  
6 or qualifying contribution from the candidate or a  
7 member of the candidate’s immediate family shall  
8 not be considered to be use of personal funds.

9 “(d) DEBATES.—

10 “(1) NUMBER OF DEBATES.—A clean money  
11 candidate shall participate in at least—

12 “(A) 1 public debate with other clean  
13 money candidates from the same party for the  
14 same office during the primary election period;  
15 and

16 “(B) 2 public debates with other clean  
17 money candidates for the same office during the  
18 general election period.

19 “(2) REGULATION.—The Commission shall pro-  
20 mulgate regulations as necessary to carry out para-  
21 graph (1).

22 **“SEC. 504. SEED MONEY.**

23 “(a) SEED MONEY LIMIT.—A clean money candidate  
24 may accept seed money contributions in an aggregate  
25 amount not exceeding—



1 “(1) \$50,000; plus

2 “(2) if there is more than 1 congressional dis-  
3 trict in the candidate’s State, an amount that is  
4 equal to \$5,000 times the number of additional con-  
5 gressional districts.

6 “(b) CONTRIBUTION LIMIT.—Except as provided in  
7 section 502(a)(2), a clean money candidate shall not ac-  
8 cept a contribution from any person except a seed money  
9 contribution (as defined in section 501).

10 “(c) RECORDS.—A clean money candidate shall  
11 maintain a record of the contributor’s name, street ad-  
12 dress, and amount of the contribution.

13 “(d) USE OF SEED MONEY.—

14 “(1) IN GENERAL.—A clean money candidate  
15 may expend seed money for any election campaign-  
16 related costs, including costs to open an office, fund  
17 a grassroots campaign, or hold community meetings.

18 “(2) PROHIBITED USES.—A clean money can-  
19 didate shall not expend seed money for—

20 “(A) a television or radio broadcast; or

21 “(B) personal use.

22 “(e) REPORT.—Unless a seed money contribution or  
23 expenditure made with a seed money contribution has  
24 been reported previously under section 304, a clean money  
25 candidate shall file with the Commission a report dis-

1 closing all seed money contributions and expenditures not  
 2 later than 48 hours after—

3 “(1) the earliest date on which the Commission  
 4 makes funds available to the candidate for an elec-  
 5 tion period under paragraph (1) or (2) of section  
 6 506(b); or

7 “(2) the end of the clean money qualifying pe-  
 8 riod,  
 9 whichever occurs first.

10 “(f) TIME TO ACCEPT AND EXPEND SEED MONEY  
 11 CONTRIBUTIONS.—A clean money candidate may accept  
 12 and expend seed money contributions for an election dur-  
 13 ing the time period beginning on the day after the date  
 14 of the previous general election for the office to which the  
 15 candidate is seeking election and ending on the earliest  
 16 date on which the Commission makes funds available to  
 17 the candidate for an election period under paragraph (1)  
 18 or (2) of section 506(b).

19 “(g) DEPOSIT OF UNSPENT SEED MONEY CON-  
 20 TRIBUTIONS.—A clean money candidate shall remit any  
 21 unspent seed money to the Commission, for deposit in the  
 22 Senate Election Fund, not later than the earliest date on  
 23 which the Commission makes funds available to the can-  
 24 didate for an election period under paragraph (1) or (2)  
 25 of section 506(b).

1       “(h) NOT CONSIDERED AN EXPENDITURE.—An ex-  
 2       penditure made with seed money shall not be treated as  
 3       an expenditure for purposes of section 506(f)(2).

4       **“SEC. 505. CERTIFICATION BY COMMISSION.**

5       “(a) IN GENERAL.—Not later than 5 days after a  
 6       candidate files a declaration under section 502, the Com-  
 7       mission shall—

8               “(1) determine whether the candidate meets the  
 9       eligibility requirements of section 502; and

10              “(2) certify whether or not the candidate is a  
 11       clean money candidate.

12       “(b) REVOCATION OF CERTIFICATION.—The Com-  
 13       mission may revoke a certification under subsection (a)  
 14       if a candidate fails to comply with this title.

15       “(c) REPAYMENT OF BENEFITS.—If certification is  
 16       revoked under subsection (b), the candidate shall repay  
 17       to the Senate Election Fund an amount equal to the value  
 18       of benefits received under this title.

19       **“SEC. 506. BENEFITS FOR CLEAN MONEY CANDIDATES.**

20       “(a) IN GENERAL.—A clean money candidate shall  
 21       be entitled to—

22              “(1) a clean money amount for each election  
 23       period to make or to obligate to make expenditures  
 24       during the election period for which the clean money  
 25       is provided, as provided in subsection (c);

1 “(2) media benefits under section 315 of the  
2 Communications Act of 1934 (47 U.S.C. 315); and

3 “(3) an aggregate amount of increase in the  
4 clean money amount in response to certain inde-  
5 pendent expenditures and expenditures of a private  
6 money candidate under subsection (d) that, in the  
7 aggregate, are in excess of 125 percent of the clean  
8 money amount of the clean money candidate.

9 “(b) PAYMENT OF CLEAN MONEY AMOUNT.—

10 “(1) PRIMARY ELECTION.—The Commission  
11 shall make funds available to a clean money can-  
12 didate on the later of—

13 “(A) the date on which the candidate is  
14 certified as a clean money candidate under sec-  
15 tion 505; or

16 “(B) the date on which the primary elec-  
17 tion period begins.

18 “(2) GENERAL ELECTION.—The Commission  
19 shall make funds available to a clean money can-  
20 didate not later than 48 hours after—

21 “(A) certification of the primary election  
22 or primary runoff election result; or

23 “(B) the date on which the candidate is  
24 certified as a clean money candidate under sec-

1           tion 505 for the general election, whichever oc-  
2           curs first.

3           “(3) RUNOFF ELECTION.—The Commission  
4           shall make funds available to a clean money can-  
5           didate not later than 48 hours after the certification  
6           of the primary or general election result (as applica-  
7           ble).

8           “(c) CLEAN MONEY AMOUNTS.—

9           “(1) PRIMARY ELECTION CLEAN MONEY  
10          AMOUNT.—

11           “(A) MAJOR PARTY CANDIDATES.—The  
12          primary election clean money amount with re-  
13          spect to a clean money candidate who is a  
14          major party candidate is 67 percent of the gen-  
15          eral election clean money amount with respect  
16          to the clean money candidate.

17           “(B) CANDIDATES THAT ARE NOT MAJOR  
18          PARTY CANDIDATES.—The primary election  
19          clean money amount with respect to a clean  
20          money candidate who is not a major party can-  
21          didate is 25 percent of the general election  
22          clean money amount with respect to the clean  
23          money candidate.

24           “(2) PRIMARY RUNOFF ELECTION CLEAN  
25          MONEY AMOUNT.—The primary runoff election clean

1 money amount with respect to a clean money can-  
 2 didate is 25 percent of the primary election clean  
 3 money amount with respect to the clean money can-  
 4 didate.

5 “(3) GENERAL ELECTION CLEAN MONEY  
 6 AMOUNT.—

7 “(A) IN GENERAL.—The general election  
 8 clean money amount with respect to a clean  
 9 money candidate is the lesser of—

10 “(i) \$4,400,000; or

11 “(ii) the greater of—

12 “(I) \$760,000; or

13 “(II) \$320,000; plus

14 “(aa) 24 cents multiplied by  
 15 the voting age population not in  
 16 excess of 4,000,000; and

17 “(bb) 20 cents multiplied by  
 18 the voting age population in ex-  
 19 cess of 4,000,000.

20 “(B) EXCEPTION.—In the case of an eligi-  
 21 ble Senate candidate in a State that has not  
 22 more than 1 transmitter for a commercial Very  
 23 High Frequency (VHF) television station li-  
 24 censed to operate in that State, subparagraph  
 25 (A)(ii)(II) shall be applied by substituting—

1 “(i) ‘64 cents’ for ‘24 cents’ in item  
2 (aa); and

3 “(ii) ‘56 cents’ for ‘20 cents’ in item  
4 (bb).

5 “(C) INDEXING.—The clean money  
6 amount under subparagraphs (A) and (B) shall  
7 be increased as of the beginning of each cal-  
8 endar year based on an increase in the price  
9 index determined under section 315(c), except  
10 that the base period shall be calendar year  
11 2001.

12 “(4) GENERAL RUNOFF ELECTION CLEAN  
13 MONEY AMOUNT.—The general runoff election clean  
14 money amount with respect to a clean money can-  
15 didate is 25 percent of the general election clean  
16 money amount with respect to the clean money can-  
17 didate.

18 “(5) UNOPPOSED CANDIDATES.—Except for a  
19 candidate receiving amounts under paragraph  
20 (1)(B), a clean money candidate in a primary or  
21 general election in which there is no opposing can-  
22 didate shall receive a clean money amount with re-  
23 spect to that election equal to 25 percent of the full  
24 clean money amount that the candidate would re-  
25 ceive in a contested election.

1       “(d) MATCHING FUNDS IN RESPONSE TO INDE-  
 2 PENDENT EXPENDITURES AND EXPENDITURES OF PRI-  
 3 VATE MONEY CANDIDATES.—

4               “(1) IN GENERAL.—If the Commission—

5                       “(A) receives notification under—

6                               “(i) subparagraph (A) or (B) of sec-  
 7 tion 304(c)(2) that a person has made or  
 8 has obligated to make an independent ex-  
 9 penditure in an aggregate amount of  
 10 \$1,000 or more in an election period or  
 11 that a person has made or has obligated to  
 12 make an independent expenditure in an ag-  
 13 gregate amount of \$500 or more during  
 14 the 20 days preceding the date of an elec-  
 15 tion in support of another candidate or  
 16 against a clean money candidate; or

17                               “(ii) section 304(d)(1) that a private  
 18 money candidate has made or has obli-  
 19 gated to make expenditures in an aggre-  
 20 gate amount in excess of 100 percent of  
 21 the amount of clean money provided to a  
 22 clean money candidate who is an opponent  
 23 of the private money candidate in the same  
 24 election; and



1           “(B) determines that the aggregate  
2           amount of expenditures described in subpara-  
3           graph (A) in an election period is in excess of  
4           125 percent of the amount of clean money pro-  
5           vided to a clean money candidate who is an op-  
6           ponent of the private money candidate in the  
7           same election or against whom the independent  
8           expenditure is made,

9           the Commission shall make available to the clean  
10          money candidate, not later than 24 hours after re-  
11          ceiving a notification described in subparagraph (A),  
12          an aggregate amount of increase in clean money in  
13          an amount equal to the aggregate amount of ex-  
14          penditures that is in excess of 125 percent of the  
15          amount of clean money provided to the clean money  
16          candidate as determined under subparagraph (B).

17          “(2) CLEAN MONEY CANDIDATES OPPOSED BY  
18          MORE THAN 1 PRIVATE MONEY CANDIDATE.—For  
19          purposes of paragraph (1), if a clean money can-  
20          didate is opposed by more than 1 private money can-  
21          didate in the same election, the Commission shall  
22          take into account only the amount of expenditures of  
23          the private money candidate that expends, in the ag-  
24          gregate, the greatest amount (as determined each

1       time notification is received under section  
2       304(d)(1)).

3               “(3) CLEAN MONEY CANDIDATES OPPOSED BY  
4       CLEAN MONEY CANDIDATES.—If a clean money can-  
5       didate is opposed by a clean money candidate, the  
6       increase in clean money amounts under paragraph  
7       (1) shall be made available to the clean money can-  
8       didate if independent expenditures are made against  
9       the clean money candidate or on behalf of the oppos-  
10      ing clean money candidate in the same manner as  
11      the increase would be made available for a clean  
12      money candidate who is opposed by a private money  
13      candidate.

14           “(e) LIMITS ON MATCHING FUNDS.—The aggregate  
15      amount of clean money that a clean money candidate re-  
16      ceives to match independent expenditures and the expendi-  
17      tures of private money candidates under subsection (d)  
18      shall not exceed 200 percent of the clean money amount  
19      that the clean money candidate receives under subsection  
20      (c).

21           “(f) EXPENDITURES MADE WITH CLEAN MONEY  
22      AMOUNTS.—

23               “(1) IN GENERAL.—The clean money amount  
24      received by a clean money candidate shall be used  
25      only for the purpose of making or obligating to make

1 expenditures during the election period for which the  
 2 clean money is provided.

3 “(2) EXPENDITURES IN EXCESS OF CLEAN  
 4 MONEY AMOUNT.—A clean money candidate shall  
 5 not make expenditures or incur obligations in excess  
 6 of the clean money amount.

7 “(3) PROHIBITED USES.—The clean money  
 8 amount received by a clean money candidate shall  
 9 not be—

10 “(A) converted to a personal use; or

11 “(B) used in violation of law.

12 “(4) PETTY CASH FUND.—

13 “(A) IN GENERAL.—A candidate may es-  
 14 tablish a petty cash fund, to be used to pay ex-  
 15 penses such as the costs of food, newspapers,  
 16 magazines, pay telephone calls, and other minor  
 17 necessary expenses, that contains, on any day,  
 18 not more than—

19 “(i) \$200; plus

20 “(ii) if there is more than 1 congres-  
 21 sional district in the candidate’s State, an  
 22 amount that is equal to \$20 times the  
 23 number of additional congressional dis-  
 24 tricts.

1           “(B) RECEIPT.—An expenditure from the  
 2           petty cash fund in an amount greater than \$25  
 3           shall be evidenced by a receipt describing the  
 4           item purchased, the purpose and cost of the  
 5           item, and the name and street address of the  
 6           seller.

7           “(5) PENALTY.—A person that uses a clean  
 8           money amount in violation of this subsection shall be  
 9           imprisoned not more than 5 years, fined not more  
 10          than \$15,000, or both.

11          “(g) REMITTING OF CLEAN MONEY AMOUNTS.—Not  
 12          later than the date that is 14 days after the last day of  
 13          the applicable election period, a clean money candidate  
 14          shall remit any unspent clean money amount to the Com-  
 15          mission for deposit in the Senate Election Fund.

16       **“SEC. 507. ADMINISTRATION OF CLEAN MONEY.**

17          “(a) SENATE ELECTION FUND.—

18               “(1) ESTABLISHMENT.—There is established in  
 19               the Treasury a fund to be known as the ‘Senate  
 20               Election Fund’.

21               “(2) DEPOSITS.—The Commission shall deposit  
 22               unspent seed money contributions, qualifying con-  
 23               tributions, penalty amounts received under this title,  
 24               and amounts appropriated for clean money financing  
 25               in the Senate Election Fund.

1           “(3) FUNDS.—The Commission shall withdraw  
2           the clean money amount for a clean money can-  
3           didate from the Senate Election Fund.

4           “(b) REGULATIONS.—The Commission shall promul-  
5           gate regulations to—

6           “(1) effectively and efficiently monitor and en-  
7           force the limits on use of private money by clean  
8           money candidates;

9           “(2) effectively and efficiently monitor use of  
10          publicly financed amounts under this title; and

11          “(3) enable clean money candidates to monitor  
12          expenditures and comply with the requirements of  
13          this title.

14   **“SEC. 508. EXPENDITURES MADE FROM FUNDS OTHER**  
15                   **THAN CLEAN MONEY.**

16          “If a clean money candidate makes an expenditure  
17          using funds other than funds provided under this title, the  
18          Commission shall assess a civil penalty against the can-  
19          didate in an amount that is not more than 10 times the  
20          amount of the expenditure.

21   **“SEC. 509. AUTHORIZATION OF APPROPRIATIONS.**

22          “There are authorized to be appropriated to the Sen-  
23          ate Election Fund such sums as are necessary to carry  
24          out this title.”.

1 **SEC. 103. REPORTING REQUIREMENTS FOR EXPENDITURES**  
 2 **OF PRIVATE MONEY CANDIDATES.**

3 Section 304 of the Federal Election Campaign Act  
 4 of 1971 (2 U.S.C. 434) is amended by adding at the end  
 5 the following:

6 “(e) PRIVATE MONEY CANDIDATES.—

7 “(1) EXPENDITURES IN EXCESS OF CLEAN  
 8 MONEY AMOUNTS.—Not later than 48 hours after  
 9 making or obligating to make an expenditure, a pri-  
 10 vate money candidate (as defined in section 501)  
 11 that makes or obligates to make expenditures during  
 12 an election period (as defined in section 501), in an  
 13 aggregate amount in excess of 100 percent of the  
 14 amount of clean money provided to a clean money  
 15 candidate (as defined in section 501), who is an op-  
 16 ponent of the private money candidate shall file with  
 17 the Commission a report stating the amount of each  
 18 expenditure (in increments of an aggregate amount  
 19 of \$1,000) made or obligated to be made.

20 “(2) PLACE OF FILING; NOTIFICATION.—

21 “(A) PLACE OF FILING.—A report under  
 22 this subsection shall be filed with the Commis-  
 23 sion.

24 “(B) NOTIFICATION OF CLEAN MONEY  
 25 CANDIDATES.—Not later than 24 hours after  
 26 receipt of a report under this subsection, the

1 Commission shall notify each clean money can-  
2 didate seeking nomination for election to, or  
3 election to, the office the private money can-  
4 didate is seeking, of the receipt of the report.

5 “(3) DETERMINATIONS BY THE COMMISSION.—

6 “(A) IN GENERAL.—The Commission may,  
7 on a request of a candidate or on its own initia-  
8 tive, make a determination that a private  
9 money candidate has made, or has obligated to  
10 make, expenditures in excess of the applicable  
11 amount in paragraph (1).

12 “(B) NOTIFICATION.—In the case of such  
13 a determination, the Commission shall notify  
14 each clean money candidate seeking nomination  
15 for election to, or election to, the office the pri-  
16 vate money candidate is seeking, of the deter-  
17 mination not later than 24 hours after making  
18 the determination.

19 “(C) TIME TO COMPLY WITH REQUEST  
20 FOR DETERMINATION.—A determination made  
21 at the request of a candidate shall be made not  
22 later than 48 hours after the time of the re-  
23 quest.”.

1 **SEC. 104. TRANSITION RULE FOR CURRENT ELECTION**  
 2 **CYCLE.**

3 (a) IN GENERAL.—During the election cycle in effect  
 4 on the date of enactment of this Act, a candidate may  
 5 be certified as a clean money candidate (as defined in sec-  
 6 tion 501 of the Federal Election Campaign Act of 1971,  
 7 as added by section 102 of this Act), notwithstanding the  
 8 acceptance of contributions or making of expenditures  
 9 from private funds before the date of enactment that  
 10 would, absent this section, disqualify the candidate as a  
 11 clean money candidate.

12 (b) PRIVATE FUNDS.—A candidate may be certified  
 13 as a clean money candidate only if any private funds ac-  
 14 cepted and not expended before the date of enactment of  
 15 this Act are—

16 (1) returned to the contributor; or

17 (2) submitted to the Federal Election Commis-  
 18 sion for deposit in the Senate Election Fund (as de-  
 19 fined in section 501 of the Federal Election Cam-  
 20 paign Act of 1971, as added by section 102 of this  
 21 Act).



1 **TITLE II—INDEPENDENT EX-**  
 2 **PENDITURES; COORDINATED**  
 3 **EXPENDITURES**

4 **SEC. 201. REPORTING REQUIREMENTS FOR INDEPENDENT**  
 5 **EXPENDITURES.**

6 (a) INDEPENDENT EXPENDITURES.—Section 304(c)  
 7 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
 8 434(c)) is amended—

9 (1) by striking “(c)(1) Every person” and in-  
 10 serting the following:

11 “(c) INDEPENDENT EXPENDITURES.—

12 “(1) IN GENERAL.—

13 “(A) REQUIRED FILING.—Except as pro-  
 14 vided in paragraph (2), every person”;

15 (2) in paragraph (2), by redesignating subpara-  
 16 graphs (A), (B), and (C) as clauses (i), (ii), and  
 17 (iii), respectively, and adjusting the margins accord-  
 18 ingly;

19 (3) by redesignating paragraphs (2) and (3) as  
 20 subparagraphs (B) and (C), respectively, and adjust-  
 21 ing the margins accordingly; and

22 (4) by adding at the end the following:

23 “(2) SENATE ELECTIONS.—

24 “(A) INDEPENDENT EXPENDITURES MORE  
 25 THAN 20 DAYS BEFORE AN ELECTION.—

“(i) IN GENERAL.—If, more than 20 days before the date of an election for the office of Senator, a person makes or obligates to make independent expenditures in an aggregate amount exceeding \$1,000 during an election period (as defined in section 501) in support of, or in opposition to, a candidate for the office, such person shall file with the Commission a statement containing the information described in clause (ii) not later than 48 hours after making or obligating to make such expenditures.

“(ii) CONTENTS OF STATEMENT.—A statement under subparagraph (A) shall include a certification, under penalty of perjury, that contains the information required by subsection (b)(6)(B)(iii).

“(iii) ADDITIONAL STATEMENTS.—An additional statement shall be filed for each aggregate of independent expenditures that exceeds \$1,000.

“(B) INDEPENDENT EXPENDITURES DURING THE 20 DAYS PRECEDING AN ELECTION.—If, during the 20 days preceding the date of an

1 election for the office of Senator, a person  
 2 makes or obligates to make independent ex-  
 3 penditures in an aggregate amount exceeding  
 4 \$500 in support of, or in opposition to, a can-  
 5 didate for the office, such person shall file with  
 6 the Commission a statement setting forth the  
 7 amount of each such expenditure not later than  
 8 24 hours after making or obligating to make  
 9 such expenditures.

10 “(C) PLACE OF FILING; NOTIFICATION.—

11 “(i) PLACE OF FILING.—A report or  
 12 statement under this paragraph shall be  
 13 filed with the Commission.

14 “(ii) NOTIFICATION OF CLEAN MONEY  
 15 CANDIDATES.—Not later than 24 hours  
 16 after receipt of a statement under this  
 17 paragraph, the Commission shall notify  
 18 each clean money candidate seeking nomi-  
 19 nation for election to, or election to, the of-  
 20 fice in question of the receipt of a state-  
 21 ment.

22 “(D) DETERMINATION BY THE COMMIS-  
 23 SION.—

24 “(i) IN GENERAL.—The Commission  
 25 may, on request of a candidate or on its

own initiative, make a determination that a person has made or obligated to make independent expenditures with respect to a candidate that in the aggregate exceed the applicable amount under subparagraph (A).

“(ii) NOTIFICATION.—Not later than 24 hours after making a determination under clause (i), the Commission shall notify each clean money candidate in the election of the determination.

“(iii) TIME TO COMPLY WITH REQUEST FOR DETERMINATION.—A determination made at the request of a candidate shall be made not later than 48 hours after the time of the request.”.

**SEC. 202. DEFINITION OF INDEPENDENT EXPENDITURE.**

(a) IN GENERAL.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

“(17) INDEPENDENT EXPENDITURE.—

“(A) IN GENERAL.—The term “independent expenditure” means an expenditure made by a person other than a candidate or candidate’s authorized committee—

1 “(i) for a communication that is ex-  
 2 press advocacy; and

3 “(ii) that is not coordinated activity  
 4 or is not provided in coordination with a  
 5 candidate or a candidate’s agent or a per-  
 6 son who is coordinating with a candidate  
 7 or a candidate’s agent.

8 “(B) EXPRESS ADVOCACY.—Except as pro-  
 9 vided in subparagraph (C), the term ‘express  
 10 advocacy’ means a communication that is made  
 11 through a broadcast medium, newspaper, maga-  
 12 zine, billboard, direct mail, or similar type of  
 13 general public communication or political adver-  
 14 tising and that advocates the election or defeat  
 15 of a clearly identified candidate by—

16 “(i) containing a phrase such as ‘vote  
 17 for’, ‘re-elect’, ‘support’, ‘cast your ballot  
 18 for’, ‘(name of candidate) for Congress’,  
 19 ‘(name of candidate) in (year)’, ‘vote  
 20 against’, ‘defeat’, ‘reject’;

21 “(ii) containing campaign slogans or  
 22 individual words that in context can have  
 23 no reasonable meaning other than to rec-  
 24 ommend the election or defeat of 1 or more  
 25 clearly identified candidates; or

“(iii) referring to a clearly identified candidate in a paid advertisement that is broadcast through radio or television but only if the communication—

“(I) is made not more than 60 days before the date of a general election; and

“(II) involves aggregate disbursements of \$5,000 or more.

“(C) VOTING RECORD AND VOTING GUIDE EXCEPTION.—The term ‘express advocacy’ does not include a communication which is in printed form or posted on the Internet that—

“(i) presents information solely about the voting record or position on a campaign issue of 1 or more candidates (including any statement by the sponsor of the voting record or voting guide of its agreement or disagreement with the record or position of a candidate), so long as the voting record or voting guide when taken as a whole does not express unmistakable and unambiguous support for or opposition to one or more clearly identified candidates;

“(ii) is not coordinated activity or is not made in coordination with a candidate, political party, or agent of the candidate or party, or a candidate’s agent or a person who is coordinating with a candidate or a candidate’s agent, except that nothing in this clause may be construed to prevent the sponsor of the voting guide from directing questions in writing to a candidate about the candidate’s position on issues for purposes of preparing a voter guide or to prevent the candidate from responding in writing to such questions; and

“(iii) does not contain a phrase such as ‘vote for’, ‘re-elect’, ‘support’, ‘cast your ballot for’, ‘(name of candidate) for Congress’, ‘(name of candidate) in (year)’, ‘vote against’, ‘defeat’, or ‘reject’, or a campaign slogan or words that in context can have no reasonable meaning other than to urge the election or defeat of one or more clearly identified candidates.”.

(b) DEFINITION APPLICABLE WHEN PROVISION NOT IN EFFECT.—For purposes of the Federal Election Campaign Act of 1971, during any period beginning after the

1 effective date of this Act in which the definition, or any  
 2 part of the definition, under section 301(17)(B) of that  
 3 Act (as added by subsection (a)) is not in effect, the defini-  
 4 tion of ‘express advocacy’ shall mean, in addition to the  
 5 part of the definition that is in effect, a communication  
 6 that clearly identifies a candidate and—

7           (1) taken as a whole and with limited reference  
 8           to external events, such as proximity to an election,  
 9           expresses unmistakable support for or opposition to  
 10          1 or more clearly identified candidates; or

11          (2) is made for the clear purpose of advocating  
 12          the election or defeat of the candidate, as shown by  
 13          the existence of each of the following factors:

14               (A) A statement or action by the person  
 15               making the communication.

16               (B) The targeting or placement of the  
 17               communication.

18               (C) The use by the person making the  
 19               communication of polling, demographic, or  
 20               other similar data relating to the candidate’s  
 21               campaign for election.

22 **SEC. 203. LIMIT ON EXPENDITURES BY POLITICAL PARTY**  
 23 **COMMITTEES.**

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



1 (1) in subparagraph (A)—

2 (A) by inserting “except an election in  
3 which 1 or more of the candidates is a clean  
4 money candidate (as defined in section 501)”  
5 after “Senator”; and

6 (B) by striking “and” at the end;

7 (2) in subparagraph (B), by striking the period  
8 at the end and inserting “; and”; and

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

10 “(C) in the case of a candidate for election to  
11 the office of Senator in which 1 or more candidates  
12 is a clean money candidate (as defined in section  
13 501), 10 percent of the amount of clean money that  
14 a clean money candidate is eligible to receive for the  
15 general election period.”.

16 **SEC. 204. PARTY INDEPENDENT EXPENDITURES AND CO-**  
17 **ORDINATED EXPENDITURES.**

18 (a) DETERMINATION TO MAKE COORDINATED EX-  
19 PENDITURES.—Section 315(d) of the Federal Election  
20 Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended—

21 (1) in paragraph (1)—

22 (A) by inserting “coordinated” after  
23 “make”; and

24 (B) by striking “(2) and (3)” and inserting  
25 “(2), (3), and (4)”; and

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

2           “(4)(A) Before a committee of a political party  
3 makes a coordinated expenditure in connection with  
4 a general election campaign for Federal office in ex-  
5 cess of \$5,000, the committee shall file with the  
6 Commission a certification, signed by the treasurer  
7 of the committee, that the committee has not made  
8 and will not make any independent expenditures in  
9 connection with that campaign for Federal office. A  
10 party committee that determines to make a coordi-  
11 nated expenditure shall not make any transfer of  
12 funds in the same election cycle to, or receive any  
13 transfer of funds in the same election cycle from,  
14 any other party committee that determines to make  
15 independent expenditures in connection with the  
16 same campaign for Federal office.

17           “(B) A committee of a political party shall be  
18 considered to be in coordination with a candidate of  
19 the party if the committee—

20           “(i) makes a payment for a communication  
21 or anything of value which constitutes a coordi-  
22 nated activity described in section 301(8)(C);

23           “(ii) makes a coordinated expenditure  
24 under this subsection on behalf of the can-  
25 didate;

1           “(iii) participates in joint fundraising with  
2           the candidate or in any way solicits or receives  
3           a contribution on behalf of the candidate;

4           “(iv) communicates with the candidate, or  
5           an agent of the candidate (including a pollster,  
6           media consultant, vendor, advisor, or staff  
7           member), acting on behalf of the candidate,  
8           about advertising, message, allocation of re-  
9           sources, fundraising, or other campaign matters  
10          related to the candidate’s campaign, including  
11          campaign operations, staffing, tactics or strat-  
12          egy; or

13          “(v) provides in-kind services, polling data,  
14          or anything of value to the candidate.

15          “(C) For purposes of this paragraph, all polit-  
16          ical committees established and maintained by a na-  
17          tional political party (including all congressional  
18          campaign committees) and all political committees  
19          established by State political parties shall be consid-  
20          ered to be a single political committee.

21          “(D) For purposes of subparagraph (A), any  
22          coordination between a committee of a political party  
23          and a candidate of the party after the candidate has  
24          filed a statement of candidacy constitutes coordina-  
25          tion for the period beginning with the filing of the

1 statement of candidacy and ending at the end of the  
 2 election cycle.”.

3 (b) DEFINITION OF COORDINATION WITH CAN-  
 4 DIDATES.—

5 (1) SECTION 301(8).—Section 301(8) of the  
 6 Federal Election Campaign Act of 1971 (2 U.S.C.  
 7 431(8)) is amended—

8 (A) in subparagraph (A)—

9 (i) by striking “or” at the end of  
 10 clause (i);

11 (ii) by striking the period at the end  
 12 of clause (ii) and inserting “; or”; and

13 (iii) by adding at the end the fol-  
 14 lowing:

15 “(iii) any coordinated activity (as de-  
 16 fined in subparagraph (C)).”; and

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

18 “(C) The term ‘coordinated activity’ means  
 19 anything of value provided by a person in co-  
 20 ordination with a candidate, an agent of the  
 21 candidate, or the political party of the can-  
 22 didate or its agent for the purpose of influ-  
 23 encing a Federal election (regardless of whether  
 24 the value being provided is a communication  
 25 that is express advocacy) in which such can-

1 candidate seeks nomination or election to Federal  
2 office, and includes any of the following:

3 “(i) A payment made by a person in  
4 cooperation, consultation, or concert with,  
5 at the request or suggestion of, or pursu-  
6 ant to any general or particular under-  
7 standing with a candidate, the candidate’s  
8 authorized committee, the political party of  
9 the candidate, or an agent acting on behalf  
10 of a candidate, authorized committee, or  
11 the political party of the candidate.

12 “(ii) A payment made by a person for  
13 the production, dissemination, distribution,  
14 or republication, in whole or in part, of any  
15 broadcast or any written, graphic, or other  
16 form of campaign material prepared by a  
17 candidate, a candidate’s authorized com-  
18 mittee, or an agent of a candidate or au-  
19 thorized committee (not including a com-  
20 munication described in paragraph  
21 (9)(B)(i) or a communication that ex-  
22 pressly advocates the candidate’s defeat).

23 “(iii) A payment made by a person  
24 based on information about a candidate’s  
25 plans, projects, or needs provided to the

1 person making the payment by the can-  
2 didate or the candidate's agent who pro-  
3 vides the information with the intent that  
4 the payment be made.

5 “(iv) A payment made by a person if,  
6 in the same election cycle in which the pay-  
7 ment is made, the person making the pay-  
8 ment is serving or has served as a member,  
9 employee, fundraiser, or agent of the can-  
10 didate's authorized committee in an execu-  
11 tive or policymaking position.

12 “(v) A payment made by a person if  
13 the person making the payment has served  
14 in any formal policymaking or advisory po-  
15 sition with the candidate's campaign or  
16 has participated in formal strategic or for-  
17 mal policymaking discussions (other than  
18 any discussion treated as a lobbying con-  
19 tact under the Lobbying Disclosure Act of  
20 1995 in the case of a candidate holding  
21 Federal office or as a similar lobbying ac-  
22 tivity in the case of a candidate holding  
23 State or other elective office) with the can-  
24 didate's campaign relating to the can-  
25 didate's pursuit of nomination for election,

1 or election, to Federal office, in the same  
2 election cycle as the election cycle in which  
3 the payment is made.

4 “(vi) A payment made by a person if,  
5 in the same election cycle, the person mak-  
6 ing the payment retains the professional  
7 services of any person that has provided or  
8 is providing campaign-related services in  
9 the same election cycle to a candidate (in-  
10 cluding services provided through a polit-  
11 ical committee of the candidate’s political  
12 party) in connection with the candidate’s  
13 pursuit of nomination for election, or elec-  
14 tion, to Federal office, including services  
15 relating to the candidate’s decision to seek  
16 Federal office, and the person retained is  
17 retained to work on activities relating to  
18 that candidate’s campaign.

19 “(vii) A payment made by a person  
20 who has directly participated in fund-  
21 raising activities with the candidate or in  
22 the solicitation or receipt of contributions  
23 on behalf of the candidate.

24 “(viii) A payment made by a person  
25 who has communicated with the candidate

1 or an agent of the candidate (including a  
2 communication through a political com-  
3 mittee of the candidate's political party)  
4 after the declaration of candidacy (includ-  
5 ing a pollster, media consultant, vendor,  
6 advisor, or staff member acting on behalf  
7 of the candidate), about an advertising  
8 message, allocation of resources, fund-  
9 raising, or other campaign matters related  
10 to the candidate's campaign, including  
11 campaign operations, staffing, tactics, or  
12 strategy.

13 “(ix) The provision of in-kind profes-  
14 sional services or polling data (including  
15 services or data provided through a polit-  
16 ical committee of the candidate's political  
17 party) to the candidate or candidate's  
18 agent.

19 “(x) A payment made by a person  
20 who has engaged in a coordinated activity  
21 with a candidate described in clauses (i)  
22 through (ix) for a communication that  
23 clearly refers to the candidate or the can-  
24 didate's opponent and is for the purpose of  
25 influencing that candidate's election (re-



1            regardless of whether the communication is  
2            express advocacy).

3            “(D) For purposes of subparagraph (C),  
4            the term ‘professional services’ means polling,  
5            media advice, fundraising, campaign research or  
6            direct mail (except for mailhouse services solely  
7            for the distribution of voter guides as defined in  
8            section 301(17)(C)) services in support of a  
9            candidate’s pursuit of nomination for election,  
10          or election, to Federal office.

11          “(E) For purposes of subparagraph (C),  
12          all political committees established and main-  
13          tained by a national political party (including  
14          all congressional campaign committees) and all  
15          political committees established and maintained  
16          by a State political party (including any subor-  
17          dinate committee of a State committee) shall be  
18          considered to be a single political committee.”.

19          (2) SECTION 315(a)(7).—Section 315(a)(7) (2  
20          U.S.C. 441a(a)(7)) is amended by striking subpara-  
21          graph (B) and inserting the following:

22          “(B) a coordinated activity, as described in  
23          section 301(8)(C), shall be considered to be a  
24          contribution to the candidate, and in the case

1 of a limitation on expenditures, shall be treated  
 2 as an expenditure by the candidate.”.

3 (c) MEANING OF CONTRIBUTION OR EXPENDITURE  
 4 FOR THE PURPOSES OF SECTION 316.—Section 316(b)(2)  
 5 of the Federal Election Campaign Act of 1971 (2 U.S.C.  
 6 441b(b)(2)) is amended by striking “shall include” and  
 7 inserting “includes a contribution or expenditure (as those  
 8 terms are defined in section 301) and also includes”.

## 9 **TITLE III—VOTER INFORMATION**

### 10 **SEC. 301. FREE BROADCAST TIME.**

11 Section 315 of the Communications Act of 1934 (47  
 12 U.S.C. 315) is amended—

13 (1) in subsection (a), in the third sentence, by  
 14 striking “within the meaning of this subsection” and  
 15 inserting “within the meaning of this subsection or  
 16 subsection (c)”;

17 (2) by redesignating subsections (c) and (d) as  
 18 subsections (d) and (e), respectively;

19 (3) by inserting after subsection (b) the fol-  
 20 lowing:

21 “(c) FREE BROADCAST TIME.—

22 “(1) AMOUNT OF TIME.—A clean money can-  
 23 didate shall be entitled to receive—

1           “(A) 30 minutes of free broadcast time  
 2           during each of the primary election period and  
 3           the primary runoff election period; and

4           “(B) 60 minutes of free broadcast time  
 5           during the general election period.

6           “(2) TIME DURING WHICH THE BROADCAST IS  
 7           AIRE.—The broadcast time available under para-  
 8           graph (1) shall be—

9           “(A) with respect to a television broadcast,  
 10          the time between 6:00 p.m. and 10:00 p.m. on  
 11          any day that falls on Monday through Friday;  
 12          and

13          “(B) with respect to a radio broadcast, the  
 14          time between 7:00 a.m. and 9:30 a.m. or be-  
 15          tween 4:30 p.m. and 7:00 p.m. on any day that  
 16          falls on Monday through Friday.

17          “(3) MAXIMUM REQUIRED OF ANY STATION.—  
 18          The amount of free broadcast time that any 1 sta-  
 19          tion is required to make available to any 1 clean  
 20          money candidate during each of the primary election  
 21          period, primary runoff election period, and general  
 22          election period shall not exceed 15 minutes.

23          “(4) CONTENT OF BROADCAST.—A broadcast  
 24          under this subsection shall be more than 30 seconds  
 25          and less than 5 minutes in length.”; and

1           (4) in subsection (d) (as redesignated by para-  
2       graph (1))—

3           (A) by striking “and” at the end of para-  
4       graph (1);

5           (B) by striking the period at the end of  
6       paragraph (2) and inserting a semicolon, and  
7       by redesignating that paragraph as paragraph  
8       (4);

9           (C) by inserting after paragraph (1) the  
10      following:

11          “(2) the term ‘clean money candidate’ has the  
12      meaning given in section 501 of the Federal Election  
13      Campaign Act of 1971;

14          “(3) the term ‘general election period’ has the  
15      meaning given in section 501 of the Federal Election  
16      Campaign Act of 1971;” and

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

18          “(5) the term ‘primary election period’ has the  
19      meaning given in section 501 of the Federal Election  
20      Campaign Act of 1971;

21          “(6) the term ‘private money candidate’ has the  
22      meaning given in section 501 of the Federal Election  
23      Campaign Act of 1971; and

1 “(7) the term ‘primary runoff election period’  
 2 has the meaning given in section 501 of the Federal  
 3 Election Campaign Act of 1971.”.

4 **SEC. 302. BROADCAST RATES AND PREEMPTION.**

5 (a) BROADCAST RATES.—Section 315(b) of the Com-  
 6 munications Act of 1934 (47 U.S.C. 315(b)) is amended—

7 (1) by redesignating paragraphs (1) and (2) as  
 8 subparagraphs (A) and (B), respectively, and adjust-  
 9 ing the margins accordingly;

10 (2) by striking “The charges” and inserting the  
 11 following:

12 “(1) IN GENERAL.—Except as provided in para-  
 13 graph (2), the charges”; and

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

15 “(2) CLEAN MONEY CANDIDATES.—In the case  
 16 of a clean money candidate, the charges for the use  
 17 of a television broadcasting station shall not exceed  
 18 50 percent of the lowest charge described in para-  
 19 graph (1)(A) during—

20 “(A) the 30 days preceding the date of a  
 21 primary or primary runoff election in which the  
 22 candidate is opposed; and

23 “(B) the 60 days preceding the date of a  
 24 general or special election in which the can-  
 25 didate is opposed.

1           “(3) RATE CARDS.—A licensee shall provide to  
2           a Senate candidate a rate card that discloses—

3                   “(A) the rate charged under this sub-  
4                   section; and

5                   “(B) the method that the licensee uses to  
6                   determine the rate charged under this sub-  
7                   section.”.

8           (b) PREEMPTION.—Section 315 of the Communica-  
9           tions Act of 1934 (47 U.S.C. 315) (as amended by section  
10          301) is amended—

11                   (1) by redesignating subsections (d) and (e) as  
12                   subsections (e) and (f), respectively; and

13                   (2) by inserting after subsection (d) the fol-  
14                   lowing:

15           “(d) PREEMPTION.—

16                   “(1) IN GENERAL.—Except as provided in para-  
17                   graph (2), a licensee shall not preempt the use of a  
18                   broadcasting station by a legally qualified candidate  
19                   for the United States Senate who has purchased and  
20                   paid for such use.

21                   “(2) CIRCUMSTANCES BEYOND CONTROL OF LI-  
22                   CENSEE.—If a program to be broadcast by a broad-  
23                   casting station is preempted because of cir-  
24                   cumstances beyond the control of the broadcasting  
25                   station, any candidate advertising spot scheduled to

1 be broadcast during that program may also be pre-  
 2 empted.”.

3 **SEC. 303. CAMPAIGN ADVERTISEMENTS; ISSUE ADVERTISE-**  
 4 **MENTS.**

5 (a) CONTENTS OF CAMPAIGN ADVERTISEMENTS.—  
 6 Section 318 of the Federal Election Campaign Act of  
 7 1971 (2 U.S.C. 441d) is amended—

8 (1) in subsection (a)—

9 (A) in the matter preceding paragraph  
 10 (1)—

11 (i) by striking “Whenever” and insert-  
 12 ing “Whenever a political committee makes  
 13 a disbursement for the purpose of financ-  
 14 ing any communication through any broad-  
 15 casting station, newspaper, magazine, out-  
 16 door advertising facility, mailing, or any  
 17 other type of general public political adver-  
 18 tising, or whenever”;

19 (ii) by striking “an expenditure” and  
 20 inserting “a disbursement”; and

21 (iii) by striking “direct”; and

22 (B) in paragraph (3), by inserting “and  
 23 permanent street address” after “name”; and

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

1 “(c) Any printed communication described in sub-  
2 section (a) shall be—

3 “(1) of sufficient type size to be clearly read-  
4 able by the recipient of the communication;

5 “(2) contained in a printed box set apart from  
6 the other contents of the communication; and

7 “(3) consist of a reasonable degree of color con-  
8 trast between the background and the printed state-  
9 ment.

10 “(d)(1) Any broadcast or cablecast communication  
11 described in paragraph (1) or (2) of subsection (a) shall  
12 include, in addition to the requirements of those para-  
13 graphs, an audio statement by the candidate that identi-  
14 fies the candidate and states that the candidate has ap-  
15 proved the communication.

16 “(2) If a broadcast or cablecast communication de-  
17 scribed in paragraph (1) is broadcast or cablecast by  
18 means of television, the communication shall include, in  
19 addition to the audio statement under paragraph (1), a  
20 written statement which—

21 “(A) appears at the end of the communication  
22 in a clearly readable manner with a reasonable de-  
23 gree of color contrast between the background and  
24 the printed statement, for a period of at least 4 sec-  
25 onds; and



1           “(B) is accompanied by a clearly identifiable  
2           photographic or similar image of the candidate.

3           “(e) Any broadcast or cablecast communication de-  
4           scribed in subsection (a)(3) shall include, in addition to  
5           the other requirements of this section, in a clearly spoken  
6           manner, the following statement: ‘\_\_\_\_\_ is  
7           responsible for the content of this advertisement.’ (with  
8           the blank to be filled in with the name of the political  
9           committee or other person paying for the communication  
10          and the name of any connected organization of the payor).  
11          If broadcast or cablecast by means of television, the state-  
12          ment shall also appear in a clearly readable manner with  
13          a reasonable degree of color contrast between the back-  
14          ground and the printed statement, for a period of at least  
15          4 seconds.

16          “(f) Any broadcast or cablecast communication de-  
17          scribed in subsection (a)(1), made by or on behalf of a  
18          private money candidate (as defined in section 501), shall  
19          include, in addition to the other requirements of this sec-  
20          tion, in a clearly spoken manner, the following statement:  
21          ‘This candidate has chosen not to participate in the Clean  
22          Money, Clean Elections Act and is receiving campaign  
23          contributions from private sources’.”.

24           (b) REPORTING REQUIREMENTS FOR ISSUE ADVER-  
25          TISEMENTS.—Section 304 of the Federal Election Cam-

1 paign Act of 1971 (2 U.S.C. 434) (as amended by section  
2 103) is amended by adding at the end the following:

3 “(f) ISSUE ADVERTISEMENTS.—

4 “(1) IN GENERAL.—A person that makes or ob-  
5 ligates to make a disbursement to purchase an issue  
6 advertisement shall file a report with the Commis-  
7 sion not later than 48 hours after making or obli-  
8 gating to make the disbursement, containing the fol-  
9 lowing information—

10 “(A) the amount of the disbursement;

11 “(B) the information required under sub-  
12 section (b)(3)(A) for each person that makes a  
13 contribution, in an aggregate amount of \$5,000  
14 or greater in a calendar year, to the person who  
15 makes the disbursement;

16 “(C) the name and address of the person  
17 making the disbursement; and

18 “(D) the purpose of the issue advertise-  
19 ment.

20 “(2) DEFINITION OF ISSUE ADVERTISEMENT.—

21 In this subsection, the term ‘issue advertisement’  
22 means a communication through a broadcasting sta-  
23 tion, newspaper, magazine, outdoor advertising facil-  
24 ity, mailing, or any other type of general public po-  
25 litical advertising—

1 “(A) the purchase of which is not an inde-  
 2 pendent expenditure or a contribution;

3 “(B) that contains the name or likeness of  
 4 a Senate candidate;

5 “(C) that is communicated during an elec-  
 6 tion year; and

7 “(D) that recommends a position on a po-  
 8 litical issue.”.

9 **SEC. 304. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**  
 10 **ING PRIVILEGE.**

11 Section 3210(a)(6) of title 39, United States Code,  
 12 is amended by striking subparagraph (A) and inserting  
 13 the following:

14 “(A)(i) Except as provided in clause (ii), a  
 15 Member of Congress shall not mail any mass  
 16 mailing as franked mail during a year in which  
 17 there will be an election for the seat held by the  
 18 Member during the period between January 1  
 19 of that year and the date of the general election  
 20 for that office, unless the Member has made a  
 21 public announcement that the Member will not  
 22 be a candidate for reelection in that year or for  
 23 election to any other Federal office.

24 “(ii) A Member of Congress may mail a  
 25 mass mailing as franked mail if—

1 “(I) the purpose of the mailing is to  
 2 communicate information about a public  
 3 meeting; and

4 “(II) the content of the mailed matter  
 5 includes only the candidate’s name, and  
 6 the date, time, and place of the public  
 7 meeting.”.

## 8 **TITLE IV—SOFT MONEY**

### 9 **SEC. 401. SOFT MONEY OF POLITICAL PARTIES.**

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:

### 13 **“SEC. 323. SOFT MONEY OF POLITICAL PARTIES.**

14 “(a) NATIONAL COMMITTEES.—

15 “(1) IN GENERAL.—A national committee of a  
 16 political party (including a national congressional  
 17 campaign committee of a political party) and any of-  
 18 ficers or agents of such party committees, shall not  
 19 solicit, receive, or direct to another person a con-  
 20 tribution, donation, or transfer of funds, or spend  
 21 any funds, that are not subject to the limitations,  
 22 prohibitions, and reporting requirements of this Act.

23 “(2) APPLICABILITY.—This subsection shall  
 24 apply to an entity that is directly or indirectly estab-  
 25 lished, financed, maintained, or controlled by a na-

1        tional committee of a political party (including a na-  
 2        tional congressional campaign committee of a polit-  
 3        ical party), or an entity acting on behalf of a na-  
 4        tional committee, and an officer or agent acting on  
 5        behalf of any such committee or entity.

6        “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

7            “(1) IN GENERAL.—An amount that is ex-  
 8        pended or disbursed by a State, district, or local  
 9        committee of a political party (including an entity  
 10       that is directly or indirectly established, financed,  
 11       maintained, or controlled by a State, district, or  
 12       local committee of a political party and an officer or  
 13       agent acting on behalf of such committee or entity)  
 14       for Federal election activity shall be made from  
 15       funds subject to the limitations, prohibitions, and re-  
 16       porting requirements of this Act.

17           “(2) FEDERAL ELECTION ACTIVITY.—

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

20           “(i) voter registration activity during  
 21           the period that begins on the date that is  
 22           120 days before the date a regularly sched-  
 23           uled Federal election is held and ends on  
 24           the date of the election;

1           “(ii) voter identification, get-out-the-  
2           vote activity, or generic campaign activity  
3           conducted in connection with an election in  
4           which a candidate for Federal office ap-  
5           pears on the ballot (regardless of whether  
6           a candidate for State or local office also  
7           appears on the ballot); and

8           “(iii) a communication that refers to a  
9           clearly identified candidate for Federal of-  
10          fice (regardless of whether a candidate for  
11          State or local office is also mentioned or  
12          identified) and is made for the purpose of  
13          influencing a Federal election (regardless  
14          of whether the communication is express  
15          advocacy).

16          “(B) EXCLUDED ACTIVITY.—The term  
17          ‘Federal election activity’ does not include an  
18          amount expended or disbursed by a State, dis-  
19          trict, or local committee of a political party  
20          for—

21               “(i) campaign activity conducted sole-  
22               ly on behalf of a clearly identified can-  
23               didate for State or local office, provided  
24               the campaign activity is not a Federal elec-

1           tion activity described in subparagraph  
2           (A);

3           “(ii) a contribution to a candidate for  
4           State or local office, provided the contribu-  
5           tion is not designated or used to pay for a  
6           Federal election activity described in sub-  
7           paragraph (A);

8           “(iii) the costs of a State, district, or  
9           local political convention;

10          “(iv) the costs of grassroots campaign  
11          materials, including buttons, bumper stick-  
12          ers, and yard signs, that name or depict  
13          only a candidate for State or local office;

14          “(v) the non-Federal share of a State,  
15          district, or local party committee’s admin-  
16          istrative and overhead expenses (but not  
17          including the compensation in any month  
18          of an individual who spends more than 20  
19          percent of the individual’s time on Federal  
20          election activity) as determined by a regu-  
21          lation promulgated by the Commission to  
22          determine the non-Federal share of a  
23          State, district, or local party committee’s  
24          administrative and overhead expenses; and

1                   “(vi) the cost of constructing or pur-  
2                   chasing an office facility or equipment for  
3                   a State, district or local committee.

4           “(c) FUNDRAISING COSTS.—An amount spent by a  
5   national, State, district, or local committee of a political  
6   party, by an entity that is established, financed, main-  
7   tained, or controlled by a national, State, district, or local  
8   committee of a political party, or by an agent or officer  
9   of any such committee or entity, to raise funds that are  
10   used, in whole or in part, to pay the costs of a Federal  
11   election activity shall be made from funds subject to the  
12   limitations, prohibitions, and reporting requirements of  
13   this Act.

14          “(d) TAX-EXEMPT ORGANIZATIONS.—A national,  
15   State, district, or local committee of a political party (in-  
16   cluding a national congressional campaign committee of  
17   a political party), an entity that is directly or indirectly  
18   established, financed, maintained, or controlled by any  
19   such national, State, district, or local committee or its  
20   agent, and an officer or agent acting on behalf of any such  
21   party committee or entity, shall not solicit any funds for,  
22   or make or direct any donations to, an organization that  
23   is described in section 501(c) of the Internal Revenue  
24   Code of 1986 and exempt from taxation under section  
25   501(a) of such Code (or has submitted an application to



1 the Secretary of the Treasury for determination of tax-  
2 exemption under such section).

3 “(e) CANDIDATES.—

4 “(1) IN GENERAL.—A candidate, individual  
5 holding Federal office, agent of a candidate or indi-  
6 vidual holding Federal office, or an entity directly or  
7 indirectly established, financed, maintained, or con-  
8 trolled by or acting on behalf of one or more can-  
9 didates or individuals holding Federal office, shall  
10 not—

11 “(A) solicit, receive, direct, transfer, or  
12 spend funds in connection with an election for  
13 Federal office, including funds for any Federal  
14 election activity, unless the funds are subject to  
15 the limitations, prohibitions, and reporting re-  
16 quirements of this Act; or

17 “(B) solicit, receive, direct, transfer, or  
18 spend funds in connection with any election  
19 other than an election for Federal office or dis-  
20 burse funds in connection with such an election  
21 unless the funds—

22 “(i) are not in excess of the amounts  
23 permitted with respect to contributions to  
24 candidates and political committees under

1 paragraphs (1) and (2) of section 315(a);  
 2 and

3 “(ii) are not from sources prohibited  
 4 by this Act from making contributions with  
 5 respect to an election for Federal office.

6 “(2) STATE LAW.—Paragraph (1) does not  
 7 apply to the solicitation, receipt, or spending of  
 8 funds by an individual who is a candidate for a  
 9 State or local office in connection with such election  
 10 for State or local office if the solicitation, receipt, or  
 11 spending of funds is permitted under State law for  
 12 any activity other than a Federal election activity.

13 “(3) FUNDRAISING EVENTS.—Notwithstanding  
 14 paragraph (1), a candidate may attend, speak, or be  
 15 a featured guest at a fundraising event for a State,  
 16 district, or local committee of a political party.”.

17 **SEC. 402. STATE PARTY GRASSROOTS FUNDS.**

18 (a) INDIVIDUAL CONTRIBUTIONS.—Section  
 19 315(a)(1) of the Federal Election Campaign Act of 1971  
 20 (2 U.S.C. 441a(a)(1)) is amended—

21 (1) in subparagraph (B) by striking “or” at the  
 22 end;

23 (2) by redesignating subparagraph (C) as sub-  
 24 paragraph (D); and

1           (3) by inserting after subparagraph (B) the fol-  
 2       lowing:

3           “(C) to—

4                 “(i) a State Party Grassroots Fund estab-  
 5       lished and maintained by a State committee of  
 6       a political party in any calendar year which, in  
 7       the aggregate, exceed \$20,000;

8                 “(ii) any other political committee estab-  
 9       lished and maintained by a State committee of  
 10      a political party in any calendar year which, in  
 11      the aggregate, exceed \$5,000;

12      except that the aggregate contributions described in  
 13      this subparagraph that may be made by a person to  
 14      the State Party Grassroots Fund and all committees  
 15      of a State Committee of a political party in any  
 16      State in any calendar year shall not exceed \$20,000;  
 17      or”.

18      (b) LIMITS.—

19           (1) IN GENERAL.—Section 315(a) of the Fed-  
 20      eral Election Campaign Act of 1971 (2 U.S.C.  
 21      441a(a)) is amended by striking paragraph (3) and  
 22      inserting the following:

23           “(3) OVERALL LIMITS.—

1           “(A) INDIVIDUAL LIMIT.—No individual  
2           shall make contributions during any calendar  
3           year that, in the aggregate, exceed \$25,000.

4           “(B) CALENDAR YEAR.—No individual  
5           shall make contributions during any calendar  
6           year—

7                   “(i) to all candidates and their au-  
8                   thorized political committees that, in the  
9                   aggregate, exceed \$25,000; or

10                   “(ii) to all political committees estab-  
11                   lished and maintained by State committees  
12                   of a political party that, in the aggregate,  
13                   exceed \$20,000.

14           “(C) NONELECTION YEARS.—For purposes  
15           of subparagraph (B)(i), any contribution made  
16           to a candidate or the candidate’s authorized po-  
17           litical committees in a year other than the cal-  
18           endar year in which the election is held with re-  
19           spect to which the contribution is made shall be  
20           treated as being made during the calendar year  
21           in which the election is held.”.

22           (c) DEFINITIONS.—Section 301 of the Federal Elec-  
23           tion Campaign Act of 1970 (2 U.S.C. 431) is amended  
24           by adding at the end the following:

1           “(20) GENERIC CAMPAIGN ACTIVITY.—The  
 2           term ‘generic campaign activity’ means an activity  
 3           that promotes a political party and does not promote  
 4           a candidate or non-Federal candidate.

5           “(21) STATE PARTY GRASSROOTS FUND.—The  
 6           term ‘State Party Grassroots Fund’ means a sepa-  
 7           rate segregated fund established and maintained by  
 8           a State committee of a political party solely for pur-  
 9           poses of making expenditures and other disburse-  
 10          ments described in section 324(d).”.

11          (d) STATE PARTY GRASSROOTS FUNDS.—Title III of  
 12          the Federal Election Campaign Act of 1971 (2 U.S.C. 431  
 13          et seq.) (as amended by section 401) is amended by adding  
 14          at the end the following:

15          **“SEC. 324. STATE PARTY GRASSROOTS FUNDS.**

16           “(a) IN GENERAL.—A State committee of a political  
 17          party shall only make disbursements and expenditures  
 18          from the committee’s State Party Grassroots Fund that  
 19          are described in subsection (d).

20           “(b) TRANSFERS.—

21           “(1) IN GENERAL.—Notwithstanding section  
 22          315(a)(4), a State committee of a political party  
 23          shall not transfer any funds from the committee’s  
 24          State Party Grassroots Fund to any other State

1 Party Grassroots Fund or to any other political com-  
 2 mittee, except as provided in paragraph (2).

3 “(2) EXCEPTION.—A committee of a political  
 4 party may transfer funds from the committee’s  
 5 State Party Grassroots Fund to a district or local  
 6 committee of the same political party in the same  
 7 State if the district or local committee—

8 “(A) has established a separate segregated  
 9 fund for the purposes described in subsection  
 10 (d); and

11 “(B) uses the transferred funds solely for  
 12 those purposes.

13 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS  
 14 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

15 “(1) IN GENERAL.—Any amount received by a  
 16 State Party Grassroots Fund from a State or local  
 17 candidate committee for expenditures described in  
 18 subsection (d) that are for the benefit of that can-  
 19 didate shall be treated as meeting the requirements  
 20 of 323(b)(1) and section 304(d) if—

21 “(A) the amount is derived from funds  
 22 which meet the requirements of this Act with  
 23 respect to any limitation or prohibition as to  
 24 source or dollar amount specified in paragraphs  
 25 (1)(A) and (2)(A) of section 315(a); and

1           “(B) the State or local candidate  
2 committee—

3           “(i) maintains, in the account from  
4 which payment is made, records of the  
5 sources and amounts of funds for purposes  
6 of determining whether those requirements  
7 are met; and

8           “(ii) certifies that the requirements  
9 were met.

10           “(2) DETERMINATION OF COMPLIANCE.—For  
11 purposes of paragraph (1)(A), in determining wheth-  
12 er the funds transferred meet the requirements of  
13 this Act described in paragraph (1)(A)—

14           “(A) a State or local candidate commit-  
15 tee’s cash on hand shall be treated as consisting  
16 of the funds most recently received by the com-  
17 mittee; and

18           “(B) the committee must be able to dem-  
19 onstrate that its cash on hand contains funds  
20 meeting those requirements sufficient to cover  
21 the transferred funds.

22           “(3) REPORTING.—Notwithstanding paragraph  
23 (1), any State Party Grassroots Fund that receives  
24 a transfer described in paragraph (1) from a State  
25 or local candidate committee shall be required to

1       meet the reporting requirements of this Act, and  
 2       shall submit to the Commission all certifications re-  
 3       ceived, with respect to receipt of the transfer from  
 4       the candidate committee.

5       “(d) DISBURSEMENTS AND EXPENDITURES.—A  
 6       State committee of a political party may make disburse-  
 7       ments and expenditures from its State Party Grassroots  
 8       Fund only for—

9               “(1) any generic campaign activity;

10              “(2) payments described in clauses (v), (ix),  
 11       and (xi) of paragraph (8)(B) and clauses (iv), (viii),  
 12       and (ix) of paragraph (9)(B) of section 301;

13              “(3) subject to the limitations of section  
 14       315(d), payments described in clause (xii) of para-  
 15       graph (8)(B), and clause (ix) of paragraph (9)(B),  
 16       of section 301 on behalf of candidates other than for  
 17       President and Vice President;

18              “(4) voter registration; and

19              “(5) development and maintenance of voter files  
 20       during an even-numbered calendar year.

21       “(e) DEFINITION.—In this section, the term ‘State  
 22       or local candidate committee’ means a committee estab-  
 23       lished, financed, maintained, or controlled by a candidate  
 24       for other than Federal office.”.



1 **SEC. 403. REPORTING REQUIREMENTS.**

2 (a) REPORTING REQUIREMENTS.—Section 304 of the  
3 Federal Election Campaign Act of 1971 (2 U.S.C. 434)  
4 (as amended by section 303(b)) is amended by adding at  
5 the end the following:

6 “(g) POLITICAL COMMITTEES.—

7 “(1) NATIONAL AND CONGRESSIONAL POLIT-  
8 ICAL COMMITTEES.—The national committee of a  
9 political party, any congressional campaign com-  
10 mittee of a political party, and any subordinate com-  
11 mittee of either, shall report all receipts and dis-  
12 bursements during the reporting period, whether or  
13 not in connection with an election for Federal office.

14 “(2) OTHER POLITICAL COMMITTEES TO WHICH  
15 SECTION 323 APPLIES.—A political committee to  
16 which section 323(b)(1) applies shall report all re-  
17 cepts and disbursements made for activities de-  
18 scribed in paragraphs (1) and (2)(A)(iii) of section  
19 323(b).

20 “(3) OTHER POLITICAL COMMITTEES.—Any po-  
21 litical committee to which paragraph (1) or (2) does  
22 not apply shall report any receipts or disbursements  
23 that are used in connection with a Federal election.

24 “(4) ITEMIZATION.—If a political committee  
25 has receipts or disbursements to which this sub-  
26 section applies from any person aggregating in ex-

1       cess of \$200 for any calendar year, the political  
 2       committee shall separately itemize its reporting for  
 3       the person in the same manner as required in para-  
 4       graphs (3)(A), (5), and (6) of subsection (b).

5           “(5) REPORTING PERIODS.—Reports required  
 6       to be filed under this subsection shall be filed for the  
 7       same time periods as reports are required for polit-  
 8       ical committees under subsection (a).”.

9       (b) BUILDING FUND EXCEPTION TO THE DEFINI-  
 10      TION OF CONTRIBUTION.—Section 301(8)(A) of the Fed-  
 11      eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(A))  
 12      is amended—

13           (1) by striking clause (viii); and

14           (2) by redesignating clauses (ix) through (xv)  
 15      as clauses (viii) through (xiv), respectively.

16      (c) REPORTS BY STATE COMMITTEES.—Section 304  
 17      of the Federal Election Campaign Act of 1971 (2 U.S.C.  
 18      434) (as amended by subsection (a)) is amended by adding  
 19      at the end the following:

20           “(h) FILING OF STATE REPORTS.—In lieu of any re-  
 21      port required to be filed by this Act, the Commission may  
 22      allow a State committee of a political party to file with  
 23      the Commission a report required to be filed under State  
 24      law if the Commission determines that such reports con-  
 25      tain substantially the same information.”.

1 (d) OTHER REPORTING REQUIREMENTS.—

2 (1) AUTHORIZED COMMITTEES.—Section  
3 304(b)(4) of the Federal Election Campaign Act of  
4 1971 (2 U.S.C. 434(b)(4)) is amended—

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

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

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

10 “(J) in the case of an authorized com-  
11 mittee, disbursements for the primary election,  
12 the general election, and any other election in  
13 which the candidate participates;”.

14 (2) NAMES AND ADDRESSES.—Section  
15 304(b)(5)(A) of the Federal Election Campaign Act  
16 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by  
17 striking “operating expense” and inserting “oper-  
18 ating expenditure, and the election to which the op-  
19 erating expenditure relates”.

20 **SEC. 404. SOFT MONEY OF PERSONS OTHER THAN POLIT-**  
21 **ICAL PARTIES.**

22 Section 304 of the Federal Election Campaign Act  
23 of 1971 (2 U.S.C. 434) (as amended by section 403(c))  
24 is amended by adding at the end the following:

1       “(i) DISBURSEMENTS OF PERSONS OTHER THAN  
2 POLITICAL PARTIES.—

3               “(1) IN GENERAL.—A person, other than a po-  
4 litical committee of a political party or a person de-  
5 scribed in section 501(d) of the Internal Revenue  
6 Code of 1986, that makes an aggregate amount of  
7 disbursements in excess of \$50,000 during a cal-  
8 endar year for activities described in paragraph (2)  
9 shall file a statement with the Commission—

10               “(A) on a monthly basis as described in  
11 subsection (a)(4)(B); or

12               “(B) in the case of disbursements that are  
13 made within 20 days of an election, within 24  
14 hours after the disbursements are made.

15               “(2) ACTIVITY.—The activity described in this  
16 paragraph is—

17               “(A) Federal election activity (as defined  
18 in section 323(b)(2));

19               “(B) an activity described in section  
20 316(b)(2)(A) that expresses support for or op-  
21 position to a candidate for Federal office or a  
22 political party; and

23               “(C) an activity described in subparagraph  
24 (B) or (C) of section 316(b)(2).

1           “(3) APPLICABILITY.—This subsection does not  
2       apply to—

3           “(A) a candidate or a candidate’s author-  
4       ized committees; or

5           “(B) an independent expenditure.

6           “(4) CONTENTS.—A statement under this sec-  
7       tion shall contain such information about the dis-  
8       bursements made during the reporting period as the  
9       Commission shall prescribe, including—

10           “(A) the aggregate amount of disburse-  
11       ments made;

12           “(B) the name and address of the person  
13       or entity to whom a disbursement is made in an  
14       aggregate amount in excess of \$200;

15           “(C) the date made, amount, and purpose  
16       of the disbursement; and

17           “(D) if applicable, whether the disburse-  
18       ment was in support of, or in opposition to, a  
19       candidate or a political party, and the name of  
20       the candidate or the political party.”.

1 **TITLE V—RESTRUCTURING AND**  
 2 **STRENGTHENING OF THE**  
 3 **FEDERAL ELECTION COMMIS-**  
 4 **SION**

5 **SEC. 501. APPOINTMENT AND TERMS OF COMMISSIONERS.**

6 (a) IN GENERAL.—Section 306(a) of the Federal  
 7 Election Campaign Act of 1971 (2 U.S.C. 437c(a)) is  
 8 amended—

9 (1) in paragraph (1)—

10 (A) by striking “(1) There is established”  
 11 and inserting “(1)(A) There is established”;

12 (B) by striking the second sentence and in-  
 13 serting the following:

14 “(B) COMPOSITION OF COMMISSION.—The Commis-  
 15 sion is composed of 6 members appointed by the Presi-  
 16 dent, by and with the advice and consent of the Senate,  
 17 and 1 member appointed by the President from among  
 18 persons recommended by the Commission as provided in  
 19 subparagraph (D).”;

20 (C) by striking “No more than” and in-  
 21 serting the following:

22 “(C) PARTY AFFILIATION.—Not more than”; and

23 (D) by adding at the end the following:

24 “(D) NOMINATION BY COMMISSION OF ADDITIONAL  
 25 MEMBER.—

1           “(i) IN GENERAL.—The members of the Com-  
 2           mission shall recommend to the President, by a vote  
 3           of 4 members, 3 persons for the appointment to the  
 4           Commission.

5           “(ii) VACANCY.—On vacancy of the position of  
 6           the member appointed under this subparagraph, a  
 7           member shall be appointed to fill the vacancy in the  
 8           same manner as provided in clause (i).”; and

9           (2) in paragraphs (3) and (4), by striking  
 10          “(other than the Secretary of the Senate and the  
 11          Clerk of the House of Representatives)”.

12          (b) TRANSITION RULE.—Not later than 90 days after  
 13          the date of enactment of this Act, the Commission shall  
 14          recommend persons for appointment under section  
 15          306(a)(1)(D) of the Federal Election Campaign Act of  
 16          1971, as added by subsection (a)(1)(D).

17       **SEC. 502. AUDITS.**

18          (a) RANDOM AUDIT.—Section 311(b) of the Federal  
 19          Election Campaign Act of 1971 (2 U.S.C. 438(b)) is  
 20          amended—

21               (1) by inserting “(1)” before “The Commis-  
 22               sion”; and

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

24               “(2) RANDOM AUDITS.—

1           “(A) IN GENERAL.—Notwithstanding para-  
 2           graph (1), after every primary, general, and  
 3           runoff election, the Commission may conduct  
 4           random audits and investigations to ensure vol-  
 5           untary compliance with this Act.

6           “(B) SELECTION OF SUBJECTS.—The sub-  
 7           jects of audits and investigations under this  
 8           paragraph shall be selected on the basis of im-  
 9           partial criteria established by a vote of at least  
 10          4 members of the Commission.

11          “(C) EXCLUSION.—This paragraph does  
 12          not apply to an authorized committee of a can-  
 13          didate for President or Vice President subject  
 14          to audit under chapter 95 or 96 of the Internal  
 15          Revenue Code of 1986.”.

16 **SEC. 503. AUTHORITY TO SEEK INJUNCTION.**

17          Section 309(a) of the Federal Election Campaign Act  
 18          of 1971 (2 U.S.C. 437g(a)) is amended—

19               (1) by adding at the end the following:

20           “(13) AUTHORITY TO SEEK INJUNCTION.—

21               “(A) IN GENERAL.—If, at any time in a pro-  
 22           ceeding described in paragraph (1), (2), (3), or (4),  
 23           the Commission believes that—



1           “(i) there is a substantial likelihood that a  
2           violation of this Act is occurring or is about to  
3           occur;

4           “(ii) the failure to act expeditiously will re-  
5           sult in irreparable harm to a party affected by  
6           the potential violation;

7           “(iii) expeditious action will not cause  
8           undue harm or prejudice to the interests of oth-  
9           ers; and

10          “(iv) the public interest would be best  
11          served by the issuance of an injunction;

12          the Commission may initiate a civil action for a tem-  
13          porary restraining order or preliminary injunction  
14          pending the outcome of proceedings under para-  
15          graphs (1), (2), (3), and (4).

16          “(B) VENUE.—An action under subparagraph  
17          (A) shall be brought in the United States district  
18          court for the district in which the defendant resides,  
19          transacts business, or may be found, or in which the  
20          violation is occurring, has occurred, or is about to  
21          occur.”;

22          (2) in paragraph (7), by striking “(5) or (6)”  
23          and inserting “(5), (6), or (13)”;

24          (3) in paragraph (11), by striking “(6)” and in-  
25          serting “(6) or (13)”.

1 **SEC. 504. STANDARD FOR INVESTIGATION.**

2 Section 309(a)(2) of the Federal Election Campaign  
3 Act of 1971 (2 U.S.C. 437f(a)(2)) is amended by striking  
4 “reason to believe that” and inserting “reason to open an  
5 investigation on whether”.

6 **SEC. 505. PETITION FOR CERTIORARI.**

7 Section 307(a)(6) of the Federal Election Campaign  
8 Act of 1971 (2 U.S.C. 437d(a)) is amended by inserting  
9 “(including a proceeding before the Supreme Court on cer-  
10 tiorari)” after “appeal”.

11 **SEC. 506. EXPEDITED PROCEDURES.**

12 Section 309(a) of the Federal Election Campaign Act  
13 of 1971 (2 U.S.C. 437g(a)) (as amended by section 503)  
14 is amended by adding at the end the following:

15 “(14) EXPEDITED PROCEDURE.—

16 “(A) 60 DAYS BEFORE A GENERAL ELEC-  
17 TION.—If the complaint in a proceeding was  
18 filed within 60 days before the date of a general  
19 election, the Commission may take action de-  
20 scribed in this subparagraph.

21 “(B) RESOLUTION BEFORE AN ELEC-  
22 TION.—If the Commission determines, on the  
23 basis of facts alleged in the complaint and other  
24 facts available to the Commission, that there is  
25 clear and convincing evidence that a violation of  
26 this Act has occurred, is occurring, or is about

1 to occur and it appears that the requirements  
2 for relief stated in clauses (ii), (iii), and (iv) of  
3 paragraph (13)(A) are met, the Commission  
4 may—

5 “(i) order expedited proceedings,  
6 shortening the time periods for proceedings  
7 under paragraphs (1), (2), (3), and (4) as  
8 necessary to allow the matter to be re-  
9 solved in sufficient time before the election  
10 to avoid harm or prejudice to the interests  
11 of the parties; or

12 “(ii) if the Commission determines  
13 that there is insufficient time to conduct  
14 proceedings before the election, imme-  
15 diately seek relief under paragraph  
16 (13)(A).

17 “(C) MERITLESS COMPLAINTS.—If the  
18 Commission determines, on the basis of facts  
19 alleged in the complaint and other facts avail-  
20 able to the Commission, that the complaint is  
21 clearly without merit, the Commission may—

22 “(i) order expedited proceedings,  
23 shortening the time periods for proceedings  
24 under paragraphs (1), (2), (3), and (4) as  
25 necessary to allow the matter to be re-

1           solved in sufficient time before the election  
 2           to avoid harm or prejudice to the interests  
 3           of the parties; or

4           “(ii) if the Commission determines  
 5           that there is insufficient time to conduct  
 6           proceedings before the election, summarily  
 7           dismiss the complaint.”.

8   **SEC. 507. FILING BY SENATE CANDIDATES WITH COMMIS-**  
 9           **SION.**

10       Title III of the Federal Election Campaign Act of  
 11   1971 (2 U.S.C. 431 et seq.) is amended—

12           (1) in section 302, by striking subsection (g)  
 13       and inserting the following:

14       “(g) **FILING WITH THE COMMISSION.**—All designa-  
 15   tions, statements, and reports required to be filed under  
 16   this Act shall be filed with the Commission.”; and

17           (2) in section 304—

18           (A) in subsection (a)(6)(A), by striking  
 19       “the Secretary or”; and

20           (B) in the matter following subsection  
 21       (c)(2), by striking “the Secretary or”.

1 **SEC. 508. POWER TO ISSUE SUBPOENA WITHOUT SIGNA-**  
 2 **TURE OF CHAIRPERSON.**

3 Section 307(a)(3) of the Federal Election Campaign  
 4 Act of 1971 (2 U.S.C. 437d(a)(3)) is amended by striking  
 5 “, signed by the chairman or the vice chairman,”.

6 **SEC. 509. PROHIBITION OF FOREIGN MONEY IN FEDERAL**  
 7 **ELECTIONS.**

8 Section 319 of the Federal Election Campaign Act  
 9 of 1971 (2 U.S.C. 441e) is amended—

10 (1) by striking the heading and inserting the  
 11 following: “CONTRIBUTIONS AND DONATIONS BY  
 12 FOREIGN NATIONALS”; and

13 (2) by striking subsection (a) and inserting the  
 14 following:

15 “(a) PROHIBITION.—It shall be unlawful for—

16 “(1) a foreign national, directly or indirectly, to  
 17 make—

18 “(A) a donation of money or other thing of  
 19 value, or to make an express or implied promise  
 20 to make a donation, in connection with a Fed-  
 21 eral, State, or local election; or

22 “(B) a contribution or donation to a com-  
 23 mittee of a political party; or

24 “(2) for a person to solicit, accept, or receive  
 25 such contribution or donation from a foreign na-  
 26 tional.”.

1 **SEC. 510. PENALTIES FOR VIOLATIONS.**

2 (a) INCREASED PENALTIES.—Section 309(a) of the  
3 Federal Election Campaign Act of 1971 (2 U.S.C.  
4 437g(a)) is amended—

5 (1) in paragraphs (5)(A), (6)(A), and (6)(B),  
6 by striking “\$5,000” and inserting “\$10,000”; and

7 (2) in paragraphs (5)(B) and (6)(C), by strik-  
8 ing “\$10,000 or an amount equal to 200 percent”  
9 and inserting “\$20,000 or an amount equal to 300  
10 percent”.

11 (b) EQUITABLE REMEDIES.—Section 309(a)(5)(A) of  
12 the Federal Election Campaign Act of 1971 (2 U.S.C.  
13 437g(a)(5)) is amended by striking the period at the end  
14 and inserting “, and may include equitable remedies or  
15 penalties, including disgorgement of funds to the Treasury  
16 or community service requirements (including require-  
17 ments to participate in public education programs).”.

18 (c) AUTOMATIC PENALTY FOR LATE FILING.—Sec-  
19 tion 309(a) of the Federal Election Campaign Act of 1971  
20 (2 U.S.C. 437g(a)) (as amended by section 506) is  
21 amended—

22 (1) by adding at the end the following:

23 “(15) PENALTY FOR LATE FILING.—

24 “(A) IN GENERAL.—

25 “(i) MONETARY PENALTIES.—The Com-  
26 mission shall establish a schedule of mandatory

1 monetary penalties that shall be imposed by the  
2 Commission for failure to meet a time require-  
3 ment for filing under section 304.

4 “(ii) REQUIRED FILING.—In addition to  
5 imposing a penalty, the Commission may re-  
6 quire a report that has not been filed within the  
7 time requirements of section 304 to be filed by  
8 a specific date.

9 “(iii) PROCEDURE.—A penalty or filing re-  
10 quirement imposed under this paragraph shall  
11 not be subject to paragraph (1), (2), (3), (4),  
12 (5), or (12).

13 “(B) FILING AN EXCEPTION.—

14 “(i) TIME TO FILE.—A political committee  
15 shall have 30 days after the imposition of a  
16 penalty or filing requirement by the Commis-  
17 sion under this paragraph in which to file an  
18 exception with the Commission.

19 “(ii) TIME FOR COMMISSION TO RULE.—  
20 Within 30 days after receiving an exception, the  
21 Commission shall make a determination that is  
22 a final agency action subject to exclusive review  
23 by the United States Court of Appeals for the  
24 District of Columbia Circuit under section 706  
25 of title 5, United States Code, upon petition

1 filed in that court by the political committee or  
 2 treasurer that is the subject of the agency ac-  
 3 tion, if the petition is filed within 30 days after  
 4 the date of the Commission action for which re-  
 5 view is sought.”;

6 (2) in paragraph (5)(D)—

7 (A) by inserting after the first sentence the  
 8 following: “In any case in which a penalty or  
 9 filing requirement imposed on a political com-  
 10 mittee or treasurer under paragraph (15) has  
 11 not been satisfied, the Commission may insti-  
 12 tute a civil action for enforcement under para-  
 13 graph (6)(A).”; and

14 (B) by inserting before the period at the  
 15 end of the last sentence the following: “or has  
 16 failed to pay a penalty or meet a filing require-  
 17 ment imposed under paragraph (15)”;

18 (3) in paragraph (6)(A), by striking “paragraph  
 19 (4)(A)” and inserting “paragraph (4)(A) or (15)”.

## 20 **TITLE VI—EFFECTIVE DATE**

### 21 **SEC. 601. EFFECTIVE DATE.**

22 This Act and the amendments made by this Act take  
 23 effect on January 1, 2002.

