

109TH CONGRESS
1ST SESSION

H. R. 1316

To amend the Federal Election Campaign Act of 1971 to repeal the limit on the aggregate amount of campaign contributions that may be made by individuals during an election cycle, to repeal the limit on the amount of expenditures political parties may make on behalf of their candidates in general elections for Federal office, to allow State and local parties to make certain expenditures using nonfederal funds, to restore certain rights to exempt organizations under the Internal Revenue Code of 1986, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2005

Mr. PENCE (for himself and Mr. WYNN) introduced the following bill; which was referred to the Committee on House Administration

A BILL

To amend the Federal Election Campaign Act of 1971 to repeal the limit on the aggregate amount of campaign contributions that may be made by individuals during an election cycle, to repeal the limit on the amount of expenditures political parties may make on behalf of their candidates in general elections for Federal office, to allow State and local parties to make certain expenditures using nonfederal funds, to restore certain rights to exempt organizations under the Internal Revenue Code of 1986, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “527 Fairness Act of
5 2005”.

6 **SEC. 2. REPEAL OF AGGREGATE LIMIT ON CONTRIBUTIONS**

7 **BY INDIVIDUALS.**

8 (a) REPEAL OF LIMIT.—Section 315(a) of the Fed-
9 eral Election Campaign Act of 1971 (2 U.S.C. 441a(a))
10 is amended by striking paragraph (3).

11 (b) CONFORMING AMENDMENTS.—

12 (1) INDEXING.—Section 315(e) of such Act (2
13 U.S.C. 441a(c)) is amended by striking “(a)(3),”
14 each place it appears in paragraphs (1)(B)(i),
15 (1)(C), and (2)(B)(ii).

16 (2) INCREASE IN LIMITS FOR SENATE CAN-
17 DIDATES FACING WEALTHY OPPONENTS.—Section
18 315(i)(1)(C) of such Act (2 U.S.C. 441a(i)(1)(C)) is
19 amended—

20 (A) by amending clause (i) to read as fol-
21 lows:

22 “(i) 2 times the threshold amount, but
23 not over 4 times that amount, the in-
24 creased limit shall be 3 times the applica-
25 ble limit;”;

1 (B) by amending clause (ii) to read as fol-
2 lows:

3 “(ii) 4 times the threshold amount,
4 but not over 10 times that amount, the in-
5 creased limit shall be 6 times the applica-
6 ble limit; and”;

7 (C) in clause (iii)—

8 (i) by adding “and” at the end of sub-
9 clause (I),

10 (ii) by striking subclause (II), and

11 (iii) by redesignating subclause (III)
12 as subclause (II).

13 (3) INCREASE IN LIMITS FOR HOUSE CAN-
14 DIDATES FACING WEALTHY OPPONENTS.—Section
15 315A(a)(1) of such Act (2 U.S.C. 441a–1(a)(1)) is
16 amended—

17 (A) by adding “and” at the end of sub-
18 paragraph (A);

19 (B) by striking subparagraph (B); and

20 (C) by redesignating subparagraph (C) as
21 subparagraph (B).

1 **SEC. 3. REPEAL OF LIMIT ON AMOUNT OF PARTY EXPENDI-**
2 **TURES ON BEHALF OF CANDIDATES IN GEN-**
3 **ERAL ELECTIONS.**

4 (a) **REPEAL OF LIMIT.**—Section 315(d) of the Fed-
5 eral Election Campaign Act of 1971 (2 U.S.C. 441a(d))
6 is amended—

7 (1) in paragraph (1)—

8 (A) by striking “(1) Notwithstanding” and
9 inserting “Notwithstanding”,

10 (B) by striking “expenditures or limita-
11 tions on” and inserting “amounts of expendi-
12 tures or contributions”, and

13 (C) by striking “Federal office, subject to
14 the limitations contained in paragraphs (2), (3),
15 and (4) of this subsection” and inserting “Fed-
16 eral office in any amount”; and

17 (2) by striking paragraphs (2), (3), and (4).

18 (b) **CONFORMING AMENDMENTS.**—

19 (1) **INDEXING.**—Section 315(c) of such Act (2
20 U.S.C. 441a(c)) is amended—

21 (A) in paragraph (1)(B)(i), by striking
22 “(d),”; and

23 (B) in paragraph (2)(B)(i), by striking
24 “subsections (b) and (d)” and inserting “sub-
25 section (b)”.

1 (2) INCREASE IN LIMITS FOR SENATE CAN-
2 DIDATES FACING WEALTHY OPPONENTS.—Section
3 315(i) of such Act (2 U.S.C. 441a(i)(1)) is amend-
4 ed—

5 (A) in paragraph (1)(C), as amended by
6 section 2(b)(2)(C), by amending clause (iii) to
7 read as follows:

8 “ (iii) 10 times the threshold amount,
9 the increased limit shall be 6 times the ap-
10 plicable limit.”;

11 (B) in paragraph (2)(A) in the matter pre-
12 ceding clause (i), by striking “, and a party
13 committee shall not make any expenditure,”;

14 (C) in paragraph (2)(A)(ii), by striking
15 “and party expenditures previously made”; and

16 (D) in paragraph (2)(B), by striking “and
17 a party shall not make any expenditure”.

18 (3) INCREASE IN LIMITS FOR HOUSE CAN-
19 DIDATES FACING WEALTHY OPPONENTS.—Section
20 315A(a) of such Act (2 U.S.C. 441a–1(a)) is amend-
21 ed—

22 (A) in paragraph (1), as amended by sec-
23 tion 2(b)(3), by striking “exceeds \$350,000—”
24 and all that follows and inserting the following:
25 “exceeds \$350,000, the limit under subsection

1 (a)(1)(A) with respect to the candidate shall be
2 tripled.”;

3 (B) in paragraph (3)(A) in the matter pre-
4 ceeding clause (i), “, and a party committee
5 shall not make any expenditure,”;

6 (C) in paragraph (3)(A)(ii), by striking
7 “and party expenditures previously made”; and

8 (D) in paragraph (3)(B), by striking “and
9 a party shall not make any expenditure”.

10 **SEC. 4. INDEXING OF LIMITS ON AMOUNT OF CONTRIBU-**
11 **TIONS MADE TO OR BY MULTICANDIDATE PO-**
12 **LITICAL COMMITTEES.**

13 (a) INDEXING.—Section 315(c)(1) of the Federal
14 Election Campaign Act of 1971 (2 U.S.C. 441a(c)(1)) is
15 amended by inserting after “(a)(1)(B)” each place it ap-
16 pears in subparagraphs (B)(i) and (C) the following:
17 “(a)(1)(C), (a)(2),”.

18 (b) TIMING OF INCREASE.—Section 315(c)(1)(B) of
19 such Act (2 U.S.C. 441a(c)(1)(B)) is amended in the mat-
20 ter preceding clause (i) by striking “after 2002” and in-
21 serting “after 2002 (or, in the case of the limitations es-
22 tablished under subsection (a)(1)(C) or (a)(2), after
23 2004)”.

1 (c) DETERMINATION OF BASE YEAR.—Section
2 315(c)(2)(B) of such Act (2 U.S.C. 441a(c)(2)(B)) is
3 amended—

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

5 (2) by striking the period at the end of clause

6 (ii) and inserting “; and”; and

7 (3) by adding at the end the following new
8 clause:

9 “(iii) for purposes of subsections (a)(1)(C)
10 and (a)(2), calendar year 2003.”.

11 **SEC. 5. PERMITTING EXPENDITURES FOR ELECTION-**
12 **EERING COMMUNICATIONS BY CERTAIN OR-**
13 **GANIZATIONS.**

14 (a) PERMITTING ORGANIZATIONS TO MAKE EXPEND-
15 ITURES FOR CERTAIN TARGETED ELECTIONEERING COM-
16 MUNICATIONS.—Section 316(c) of the Federal Election
17 Campaign Act of 1971 (2 U.S.C. 441b(c)) is amended by
18 striking paragraph (6).

19 (b) EXPANDING TYPES OF ORGANIZATIONS ELIGI-
20 BLE TO MAKE EXPENDITURES.—

21 (1) IN GENERAL.—Section 316(c) of such Act
22 (2 U.S.C. 441b(c)) is amended by striking “section
23 501(c)(4) organization” each place it appears in
24 paragraphs (2), (3)(A), and (4)(B) and inserting
25 “section 501(c)(4), (5), or (6) organization”.

1 (2) DEFINITION.—Section 316(c)(4)(A)(i) of
2 such Act (2 U.S.C. 441b(c)(4)(A)(i)) is amended by
3 striking “section 501(c)(4) of the Internal Revenue
4 Code of 1986” and inserting “paragraph (4), (5), or
5 (6) of section 501(c) of the Internal Revenue Code
6 of 1986”.

7 (c) CLARIFICATION OF EFFECT ON TAX TREATMENT
8 OF EXPENDITURES.—Section 316(c)(5) of such Act (2
9 U.S.C. 441b(c)(5)) is amended by striking the period at
10 the end and inserting the following: “, or to affect the
11 treatment under such Code of any expenditures described
12 in section 527(e) of such Code which are made by a sec-
13 tion 501(c)(4), (5), or (6) organization.”.

14 **SEC. 6. EXPANDING ABILITY OF CORPORATIONS AND**
15 **LABOR ORGANIZATIONS TO COMMUNICATE**
16 **WITH MEMBERS.**

17 (a) TYPES OF COMMUNICATIONS PERMITTED.—Sec-
18 tion 316(b)(4)(B) of the Federal Election Campaign Act
19 of 1971 (2 U.S.C. 441b(b)(4)(B)) is amended by striking
20 “only by mail addressed” and inserting “only by commu-
21 nications addressed or otherwise delivered”.

22 (b) SOLICITATIONS BY TRADE ASSOCIATIONS.—Sec-
23 tion 316(b)(4)(D) of such Act (2 U.S.C. 441b(b)(4)(D))
24 is amended by striking “to the extent that” and all that
25 follows and inserting a period.

1 **SEC. 7. PERMITTING STATE AND LOCAL POLITICAL PAR-**
2 **TIES TO USE NONFEDERAL FUNDS FOR**
3 **VOTER REGISTRATION AND SAMPLE BAL-**
4 **LOTS.**

5 (a) IN GENERAL.—Section 301(20) of the Federal
6 Election Campaign Act of 1971 (2 U.S.C. 431(20)) is
7 amended—

8 (1) in subparagraph (A), by striking clause (i)
9 and redesignating clauses (ii) through (iv) as clauses
10 (i) through (iii); and

11 (2) in subparagraph (B)—

12 (A) in clause (i), by striking “subpara-

13 graph (A)(i) or (ii)” and inserting “subpara-

14 graph (A)(i)”;

15 (B) by striking “and” at the end of clause
16 (iii);

17 (C) by striking the period at the end of
18 clause (iv); and

19 (D) by adding at the end the following new
20 clauses:

21 “(v) voter registration activities; and

22 “(vi) the costs incurred with the prep-

23 aration of a sample ballot for an election

24 in which a candidate for Federal office and

25 a candidate for State or local office ap-

26 pears on the ballot, if the sample ballot in-

1 cludes the names of every candidate for
2 Federal office listed on the sample ballot.”.

3 (b) CONFORMING AMENDMENTS.—(1) Section
4 304(f)(3)(B)(iv) of such Act (2 U.S.C. 434(f)(3)(B)(iv))
5 is amended by striking “section 301(20)(A)(iii)” and in-
6 serting “section 301(20)(A)(ii)”.

7 (2) Section 323 of such Act (2 U.S.C. 441i) is
8 amended—

9 (A) in subsection (b)(2)(A), by striking “clause
10 (i) or (ii)” and inserting “clause (i)”;

11 (B) in subsection (e)(4), by striking “clauses (i)
12 and (ii)” each place it appears in subparagraphs (A)
13 and (B) and inserting “clause (i)”; and

14 (C) in subsection (f), by striking “section
15 301(20)(A)(iii)” and inserting “section
16 301(20)(A)(ii)”.

17 **SEC. 8. EFFECTIVE DATE.**

18 The amendments made by this Act shall apply with
19 respect to elections for Federal office occurring after
20 2004.

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