

**Calendar No. 107**

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

**S. 1053**

To amend the Federal Election Campaign Act of 1971 to clarify when organizations described in section 527 of the Internal Revenue Code of 1986 must register as political committees, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 17, 2005

Mr. LOTT, from the Committee on Rules and Administration, reported the following original bill; which was read twice and placed on the calendar

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**A BILL**

To amend the Federal Election Campaign Act of 1971 to clarify when organizations described in section 527 of the Internal Revenue Code of 1986 must register as political committees, 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 Reform Act of  
5 2005”.

1 **SEC. 2. TREATMENT OF SECTION 527 ORGANIZATIONS.**

2 (a) DEFINITION OF POLITICAL COMMITTEE.—Sec-  
 3 tion 301(4) of the Federal Election Campaign Act of 1971  
 4 (2 U.S.C. 431(4)) is amended by striking the period at  
 5 the end of subparagraph (C) and inserting “; or” and by  
 6 adding at the end the following:

7 “(D) any applicable 527 organization.”.

8 (b) DEFINITION OF APPLICABLE 527 ORGANIZA-  
 9 TION.—Section 301 of the Federal Election Campaign Act  
 10 of 1971 (2 U.S.C. 431) is amended by adding at the end  
 11 the following new paragraph:

12 “(27) APPLICABLE 527 ORGANIZATION.—For  
 13 purposes of paragraph (4)(D)—

14 “(A) IN GENERAL.—The term ‘applicable  
 15 527 organization’ means a committee, club, as-  
 16 sociation, or group of persons that—

17 “(i) has given notice to the Secretary  
 18 of the Treasury under section 527(i) of the  
 19 Internal Revenue Code of 1986 that it is  
 20 to be treated as an organization described  
 21 in section 527 of such Code, and

22 “(ii) is not described in subparagraph  
 23 (B).

24 “(B) EXCEPTED ORGANIZATIONS.—A com-  
 25 mittee, club, association, or other group of per-  
 26 sons described in this subparagraph is—

1           “(i) an organization described in sec-  
2           tion 527(i)(5) of the Internal Revenue  
3           Code of 1986,

4           “(ii) an organization which is a com-  
5           mittee, club, association or other group of  
6           persons that is organized, operated, and  
7           makes disbursements exclusively for paying  
8           expenses described in the last sentence of  
9           section 527(e)(2) of the Internal Revenue  
10          Code of 1986 or expenses of a newsletter  
11          fund described in section 527(g) of such  
12          Code,

13          “(iii) an organization which is a com-  
14          mittee, club, association, or other group  
15          that consists solely of candidates for State  
16          or local office, individuals holding State or  
17          local office, or any combination of either,  
18          but only if the organization refers only to  
19          one or more non-Federal candidates or ap-  
20          plicable State or local issues in all of its  
21          voter drive activities and does not refer to  
22          a Federal candidate or a political party in  
23          any of its voter drive activities,

1 “(iv) an organization which is a com-  
2 mittee, club, association, or other group of  
3 persons—

4 “(I) the election or nomination  
5 activities of which relate exclusively to  
6 any voter drive activity described in  
7 subparagraphs (A) through (D) of  
8 section 325(d)(1),

9 “(II) the public communications  
10 of which relate exclusively to activities  
11 described in subparagraphs (A)  
12 through (D) of section 325(d)(1), and

13 “(III) which does not engage in  
14 any broadcast, cable, or satellite com-  
15 munications, or

16 “(v) an organization described in sub-  
17 paragraph (C).

18 “(C) APPLICABLE ORGANIZATION.—For  
19 purposes of subparagraph (B)(v), an organiza-  
20 tion described in this subparagraph is a com-  
21 mittee, club, association, or other group of per-  
22 sons whose election or nomination activities re-  
23 late exclusively to—

24 “(i) elections where no candidate for  
25 Federal office appears on the ballot; or

1                   “(ii) one or more of the following pur-  
2                   poses:

3                   “(I) Influencing the selection,  
4                   nomination, election, or appointment  
5                   of one or more candidates to non-Fed-  
6                   eral offices.

7                   “(II) Influencing one or more ap-  
8                   plicable State or local issues.

9                   “(III) Influencing the selection,  
10                  appointment, nomination, or con-  
11                  firmation of one or more individuals  
12                  to non-elected offices.

13                  “(D) EXCLUSIVITY TEST.—A committee,  
14                  club, association, or other group of persons  
15                  shall not be treated as meeting the exclusivity  
16                  requirement of subparagraphs (B)(iv) and (C)  
17                  if it makes disbursements aggregating more  
18                  than \$1,000 for any of the following:

19                  “(i) A public communication that pro-  
20                  motes, supports, attacks, or opposes a  
21                  clearly identified candidate for Federal of-  
22                  fice during the 1-year period ending on the  
23                  date of the general election for the office  
24                  sought by the clearly identified candidate  
25                  (but if a run-off election is held for that

1 office, the 1-year period shall be extended  
2 and shall end on the date of the run-off  
3 election).

4 “(ii) Any voter drive activity during a  
5 calendar year, except that no disburse-  
6 ments for any voter drive activity shall be  
7 taken into account under this subpara-  
8 graph if the committee, club, association,  
9 or other group of persons during such cal-  
10 endar year—

11 “(I) makes disbursements for  
12 voter drive activities with respect to  
13 elections in only 1 State and complies  
14 with all applicable election laws of  
15 that State, including laws related to  
16 registration and reporting require-  
17 ments and contribution limitations;

18 “(II) refers to one or more non-  
19 Federal candidates or applicable State  
20 or local issues in all of its voter drive  
21 activities and does not refer to a Fed-  
22 eral candidate or a political party;

23 “(III) does not have a candidate  
24 for Federal office, an individual who  
25 holds any Federal office, a national

1 political party, or an agent of any of  
2 the foregoing, control or materially  
3 participate in the direction of the or-  
4 ganization, solicit contributions to the  
5 organization (other than funds which  
6 are described under clauses (i) and  
7 (ii) of section 323(e)(1)(B)), or direct  
8 disbursements, in whole or in part, by  
9 the organization; and

10 “(IV) makes no contributions to  
11 Federal candidates.

12 Clause (ii) shall not apply to disbursements by  
13 any committee, club, or association, or other  
14 group of persons described in subparagraph  
15 (B)(iv).

16 “(E) VOTER DRIVE ACTIVITY.—For pur-  
17 poses of this paragraph, the term ‘voter drive  
18 activity’ has the meaning given such term by  
19 section 325(d)(1).

20 “(F) APPLICABLE STATE OR LOCAL  
21 ISSUE.—For purposes of this paragraph, the  
22 term ‘applicable State or local issue’ means any  
23 State or local ballot initiative, State or local ref-  
24 erendum, State or local constitutional amend-

1           ment, State or local bond issue, or other State  
2           or local ballot issue.

3           “(G) REFERENCE TO FEDERAL CANDIDATES.—For purposes of this paragraph, any  
4           prohibition on a reference to a Federal candidate shall not include any reference described  
5           in section 325(d)(4).  
6

7           “(H) REFERENCE TO POLITICAL PARTIES.—For purposes of this paragraph, any  
8           prohibition on a reference to a political party shall not include any reference described in section  
9           325(d)(5).”  
10  
11  
12

13           (c) REGULATIONS.—The Federal Election Commission shall promulgate regulations to implement this section  
14           not later than 60 days after the date of enactment  
15           of this Act.  
16

17           (d) EFFECTIVE DATE.—The amendments made by  
18           this section shall take effect on the date which is 60 days  
19           after the date of enactment of this Act.

20           **SEC. 3. RULES FOR ALLOCATION OF EXPENSES BETWEEN**  
21           **FEDERAL AND NON-FEDERAL ACTIVITIES.**

22           (a) IN GENERAL.—Title III of the Federal Election  
23           Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended  
24           by adding at the end the following:



1 **“SEC. 325. ALLOCATION AND FUNDING RULES FOR CER-**  
2 **TAIN EXPENSES RELATING TO FEDERAL AND**  
3 **NON-FEDERAL ACTIVITIES.**

4 “(a) IN GENERAL.—In the case of any disbursements  
5 by any political committee that is a separate segregated  
6 fund or nonconnected committee for which allocation rules  
7 are provided under subsection (b)—

8 “(1) the disbursements shall be allocated be-  
9 tween Federal and non-Federal accounts in accord-  
10 ance with this section and regulations prescribed by  
11 the Commission, and

12 “(2) in the case of disbursements allocated to  
13 non-Federal accounts, may be paid only from a  
14 qualified non-Federal account.

15 “(b) COSTS TO BE ALLOCATED AND ALLOCATION  
16 RULES.—Disbursements by any separate segregated fund  
17 or nonconnected committee, other than an organization  
18 described in section 323(b)(1), for any of the following  
19 categories of activity shall be allocated as follows:

20 “(1) 100 percent of the expenses for public  
21 communications or voter drive activities that refer to  
22 one or more clearly identified Federal candidates,  
23 but do not refer to any clearly identified non-Federal  
24 candidates, shall be paid with funds from a Federal  
25 account, without regard to whether the communica-  
26 tion refers to a political party.

1           “(2) At least 50 percent, or a greater percent-  
2           age if the Commission so determines by regulation,  
3           of the expenses for public communications and voter  
4           drive activities that refer to one or more clearly  
5           identified candidates for Federal office and one or  
6           more clearly identified non-Federal candidates shall  
7           be paid with funds from a Federal account, without  
8           regard to whether the communication refers to a po-  
9           litical party.

10           “(3) At least 50 percent, or a greater percent-  
11           age if the Commission so determines by regulation,  
12           of the expenses for public communications or voter  
13           drive activities that refer to a political party, but do  
14           not refer to any clearly identified Federal or non-  
15           Federal candidate, shall be paid with funds from a  
16           Federal account, except that this paragraph shall  
17           not apply to communications or activities that relate  
18           exclusively to elections where no candidate for Fed-  
19           eral office appears on the ballot.

20           “(4) At least 50 percent, or a greater percent-  
21           age if the Commission so determines by regulation,  
22           of the expenses for public communications or voter  
23           drive activities that refer to a political party and  
24           refer to one or more clearly identified non-Federal  
25           candidates, but do not refer to any clearly identified

1 Federal candidates, shall be paid with funds from a  
2 Federal account, except that this paragraph shall  
3 not apply to communications or activities that relate  
4 exclusively to elections where no candidate for Fed-  
5 eral office appears on the ballot.

6 “(5) Unless otherwise determined by the Com-  
7 mission in its regulations, at least 50 percent of any  
8 administrative expenses, including rent, utilities, of-  
9 fice supplies, and salaries not attributable to a clear-  
10 ly identified candidate, shall be paid with funds from  
11 a Federal account, except that for a separate seg-  
12 regated fund such expenses may be paid instead by  
13 its connected organization.

14 “(6) At least 50 percent, or a greater percent-  
15 age if the Commission so determines by regulation,  
16 of the direct costs of a fundraising program or  
17 event, including disbursements for solicitation of  
18 funds and for planning and administration of actual  
19 fundraising events, where Federal and non-Federal  
20 funds are collected through such program or event  
21 shall be paid with funds from a Federal account, ex-  
22 cept that for a separate segregated fund such costs  
23 may be paid instead by its connected organization.  
24 This paragraph shall not apply to any fundraising

1 solicitations or any other activity that constitutes a  
2 public communication.

3 “(c) QUALIFIED NON-FEDERAL ACCOUNT.—For  
4 purposes of this section—

5 “(1) IN GENERAL.—The term ‘qualified non-  
6 Federal account’ means an account which consists  
7 solely of amounts—

8 “(A) that, subject to the limitations of  
9 paragraphs (2) and (3), are raised by the sepa-  
10 rate segregated fund or nonconnected com-  
11 mittee only from individuals, and

12 “(B) with respect to which all require-  
13 ments of Federal, State, or local law (including  
14 any law relating to contribution limits) are met.

15 “(2) LIMITATION ON INDIVIDUAL DONA-  
16 TIONS.—

17 “(A) IN GENERAL.—A separate segregated  
18 fund or nonconnected committee may not ac-  
19 cept more than \$25,000 in funds for its quali-  
20 fied non-Federal account from any one indi-  
21 vidual in any calendar year.

22 “(B) AFFILIATION.—For purposes of this  
23 paragraph, all qualified non-Federal accounts of  
24 separate segregated funds or nonconnected  
25 committees which are directly or indirectly es-

1            established, financed, maintained, or controlled by  
2            the same person or persons shall be treated as  
3            one account.

4            “(3) FUNDRAISING LIMITATION.—

5                    “(A) IN GENERAL.—No donation to a  
6                    qualified non-Federal account may be solicited,  
7                    received, directed, transferred, or spent by or in  
8                    the name of any person described in subsection  
9                    (a) or (e) of section 323.

10                   “(B) FUNDS NOT TREATED AS SUBJECT  
11                   TO ACT.—Except as provided in subsection  
12                   (a)(2) and this subsection, any funds raised for  
13                   a qualified non-Federal account in accordance  
14                   with the requirements of this section shall not  
15                   be considered funds subject to the limitations,  
16                   prohibitions, and reporting requirements of this  
17                   Act for any purpose (including for purposes of  
18                   subsection (a) or (e) of section 323 or sub-  
19                   section (d)(2) of this section).

20           “(d) DEFINITIONS AND SPECIAL RULES.—For pur-  
21           poses of this section—

22                   “(1) VOTER DRIVE ACTIVITY.—The term ‘voter  
23                   drive activity’ means any of the following activities  
24                   conducted in connection with an election in which a  
25                   candidate for Federal office appears on the ballot

1 (regardless of whether a candidate for State or local  
2 office also appears on the ballot):

3 “(A) Voter registration activity.

4 “(B) Voter identification.

5 “(C) Get-out-the-vote activity.

6 “(D) Generic campaign activity.

7 “(E) Any public communication related to  
8 activities described in subparagraphs (A)  
9 through (D).

10 Such term shall not include any activity described in  
11 subparagraph (A) or (B) of section 316(b)(2).

12 “(2) FEDERAL ACCOUNT.—The term ‘Federal  
13 account’ means an account which consists solely of  
14 contributions subject to the limitations, prohibitions,  
15 and reporting requirements of this Act. Nothing in  
16 this section or in section 323(b)(2)(B)(iii) shall be  
17 construed to infer that a limit other than the limit  
18 under section 315(a)(1)(C) applies to contributions  
19 to the account.

20 “(3) NONCONNECTED COMMITTEE.—The term  
21 ‘nonconnected committee’ shall not include a polit-  
22 ical committee of a political party.

23 “(4) CERTAIN REFERENCES TO FEDERAL CAN-  
24 DIDATES NOT TAKEN INTO ACCOUNT.—A public  
25 communication or voter drive activity shall not be

1 treated as referring to any clearly identified Federal  
2 candidate if the only reference is—

3 “(A) a reference, in connection with an  
4 election for a non-Federal office, to a Federal  
5 candidate who is also a candidate for such non-  
6 Federal office; or

7 “(B) a reference to the fact that a Federal  
8 candidate has endorsed a non-Federal candidate  
9 or an applicable State or local issue (as defined  
10 in section 301(27)(F)), including a reference  
11 that constitutes the endorsement itself.

12 “(5) CERTAIN REFERENCES TO POLITICAL PAR-  
13 TIES NOT TAKEN INTO ACCOUNT.—A public commu-  
14 nication or voter drive activity shall not be treated  
15 as referring to a political party if the only reference  
16 is—

17 “(A) a reference to a political party for the  
18 purpose of identifying a non-Federal candidate;

19 “(B) a reference to a political party for the  
20 purpose of identifying the entity making the  
21 public communication or carrying out the voter  
22 drive activity; or

23 “(C) a reference to a political party in a  
24 manner or context that does not reflect support  
25 for or opposition to a Federal candidate or can-

1 candidates and does reflect support for or opposi-  
2 tion to a State or local candidate or candidates  
3 or an applicable State or local issue.”.

4 (b) REPORTING REQUIREMENTS.—Section 304(e) of  
5 the Federal Election Campaign Act of 1971 (2 U.S.C.  
6 434(e)) is amended by redesignating paragraphs (3) and  
7 (4) as paragraphs (4) and (5), respectively, and by insert-  
8 ing after paragraph (2) the following new paragraph:

9 “(3) RECEIPTS AND DISBURSEMENTS FROM  
10 QUALIFIED NON-FEDERAL ACCOUNTS.—In addition  
11 to any other reporting requirement applicable under  
12 this Act, a political committee to which section  
13 325(a) applies shall report all receipts and disburse-  
14 ments from a qualified non-Federal account (as de-  
15 fined in section 325(e)).”.

16 (c) REGULATIONS.—The Federal Election Commis-  
17 sion shall promulgate regulations to implement the amend-  
18 ments made by this section not later than 180 days after  
19 the date of enactment of this Act.

20 (d) EFFECTIVE DATE.—The amendments made by  
21 this section shall take effect on the date which is 180 days  
22 after the date of enactment of this Act.



1 **SEC. 4. TELEVISION MEDIA RATES.**

2 (a) **LOWEST UNIT CHARGE.**—Section 315 of the  
3 Communications Act of 1934 (47 U.S.C. 315) is amended  
4 by adding at the end the following:

5 “(f) **TELEVISION MEDIA RATES.**—

6 “(1) **LOWEST UNIT CHARGE.**—Notwithstanding  
7 any other provision of law, the charges made for the  
8 use of any television broadcast station, or by a pro-  
9 vider of cable or satellite television service, to any  
10 person who is a legally qualified candidate for any  
11 public office in connection with the campaign of such  
12 candidate for nomination for election, or election, to  
13 such office or by a national committee of a political  
14 party on behalf of such candidate in connection with  
15 such campaign, shall not exceed the lowest charge of  
16 the station (at any time during the 365-day period  
17 preceding the date of the use) for pre-emptible use  
18 thereof for the same amount of time for the same  
19 period.

20 “(2) **PREEMPTION.**—

21 “(A) **IN GENERAL.**—Except as provided in  
22 subparagraph (B), and notwithstanding the re-  
23 quirements of paragraph (1), a licensee shall  
24 not preempt the use of a broadcasting station  
25 by an eligible candidate or political committee

1 of a political party who has purchased and paid  
2 for such use.

3 “(B) CIRCUMSTANCES BEYOND CONTROL  
4 OF LICENSEE.—If a program to be broadcast  
5 by a broadcasting station is preempted because  
6 of circumstances beyond the control of the sta-  
7 tion, any candidate or party advertising spot  
8 scheduled to be broadcast during that program  
9 shall be treated in the same fashion as a com-  
10 parable commercial advertising spot.

11 “(3) AUDITS.—

12 “(A) IN GENERAL.—During the 45-day pe-  
13 riod preceding a primary election and the 60-  
14 day period preceding a general election, the  
15 Commission shall conduct such audits as it  
16 deems necessary to ensure that each broad-  
17 caster to which this subsection applies is allo-  
18 cating television broadcast advertising time in  
19 accordance with this subsection and section  
20 312.

21 “(B) MARKETS.—Each audit conducted  
22 under subparagraph (A) shall cover the fol-  
23 lowing markets:

24 “(i) At least 6 of the top 50 largest  
25 designated market areas (as defined in sec-

1                   tion 122(j)(2)(C) of title 17, United States  
2                   Code).

3                   “(ii) At least 3 of the 51–100 largest  
4                   designated market areas (as so defined).

5                   “(iii) At least 3 of the 101–150 larg-  
6                   est designated market areas (as so de-  
7                   fined).

8                   “(iv) At least 3 of the 151–210 larg-  
9                   est designated market areas (as so de-  
10                  fined).

11                  “(C) BROADCAST STATIONS.—Each audit  
12                  conducted under subparagraph (A) shall include  
13                  each of the 3 largest television broadcast net-  
14                  works, 1 independent network, and 1 cable net-  
15                  work.”.

16                  (b) CONFORMING AMENDMENT.—Section 504 of the  
17                  Bipartisan Campaign Reform Act of 2002 (Public Law  
18                  107-155) is amended by striking “315), as amended by  
19                  this Act, is amended by redesignating subsections (e) and  
20                  (f) as subsections (f) and (g), respectively, and” and in-  
21                  serting “315) is amended by”.

22                  (c) STYLISTIC AMENDMENTS.—Section 315(c) the  
23                  Communications Act of 1934 (47 U.S.C. 315(c)) is  
24                  amended—

1 (1) by striking “For purposes of this section—  
2 ” and inserting “In this section:”;

3 (2) in paragraph (1), by striking “the” and in-  
4 serting “BROADCASTING STATION.—The”; and

5 (3) in paragraph (2), by striking “the” and in-  
6 serting “LICENSEE; STATION LICENSEE.—The”.

7 **SEC. 5. MODIFICATION OF DEFINITION OF PUBLIC COMMU-  
8 NICATION.**

9 (a) IN GENERAL.—Paragraph (22) of section 301 of  
10 the Federal Election Campaign Act of 1971 (2 U.S.C.  
11 431(22)) is amended by adding at the end the following  
12 new sentence: “Such term shall not include communica-  
13 tions over the Internet.”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 this section shall take effect on the date of the enactment  
16 of this Act.

17 **SEC. 6. INCREASE IN CONTRIBUTION LIMITS FOR POLIT-  
18 ICAL COMMITTEES.**

19 (a) INCREASE IN POLITICAL COMMITTEE CONTRIBU-  
20 TION LIMITS.—Section 315(a)(1)(C) of the Federal Elec-  
21 tion Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(C)) is  
22 amended by striking “\$5,000” and inserting “\$7,500”.

23 (b) INCREASE IN MULTICANDIDATE LIMITS.—Sec-  
24 tion 315(a)(2) of the Federal Election Campaign Act of  
25 1971 (2 U.S.C. 441a(a)(2)) is amended—

1           (1) in subparagraph (A), by striking “\$5,000”  
2           and inserting “\$7,500”;

3           (2) in subparagraph (B), by striking “\$15,000”  
4           and inserting “\$25,000”; and

5           (3) in subparagraph (C), by striking “\$5,000”  
6           and inserting “\$7,500”.

7           (c) INDEXING.—

8           (1) IN GENERAL.—Section 315(c)(1)(B) of the  
9           Federal Election Campaign Act of 1971 (2 U.S.C.  
10          441a(c)(1)(B)) is amended to read as follows:

11                   “(B) Except as provided in subparagraph  
12                   (C)—

13                           “(i) in any calendar year after 2002—

14                                   “(I) a limitation established by  
15                                   subsection     (a)(1)(A),     (a)(1)(B),  
16                                   (a)(3), (b), (d), or (h) shall be in-  
17                                   creased by the percent difference de-  
18                                   termined under subparagraph (A);

19                                   “(II) each amount so increased  
20                                   shall remain in effect for the calendar  
21                                   year; and

22                                   “(III) if any amount after the  
23                                   adjustment under subclause (I) is not  
24                                   a multiple of \$100, such amount shall

1 be rounded to the nearest multiple of  
2 \$100; and

3 “(ii) in any calendar year after  
4 2006—

5 “(I) a limitation established by  
6 subsection (a)(1)(C), (a)(1)(D), or  
7 (a)(2) shall be increased by the per-  
8 cent difference determined under sub-  
9 paragraph (A);

10 “(II) each amount so increased  
11 shall remain in effect for the calendar  
12 year; and

13 “(III) if any amount after the  
14 adjustment under subclause (I) is not  
15 a multiple of \$100, such amount shall  
16 be rounded to the nearest multiple of  
17 \$100.”.

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

21 (A) in paragraph (1)(C), by striking “sub-  
22 sections (a)(1)(A), (a)(1)(B), (a)(3),” and in-  
23 serting “subsections (a)”; and

24 (B) in paragraph (2)(B)—

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

3 (ii) by striking the period at the end  
4 of clause (ii) and inserting “; and”; and

5 (iii) by adding at the end the fol-  
6 lowing new clause:

7 “(iii) for purposes of subsections  
8 (a)(1)(C), (a)(1)(D) and (a)(2), calendar  
9 year 2005.”.

10 (d) SPECIAL RULE FOR TRANSFERS FROM LEADER-  
11 SHIP PACS TO NATIONAL PARTY COMMITTEES.—Para-  
12 graph (4) of section 315(a) of the Federal Election Cam-  
13 paign Act of 1971 (2 U.S.C. 441a(a)(4)) is amended—

14 (1) by inserting “(A)” before “The limitations”;  
15 and

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

17 “(B) The limitations on contributions con-  
18 tained in paragraphs (1) and (2) do not apply  
19 to transfers between any committee (other than  
20 an authorized committee) established, financed,  
21 maintained, or controlled by a candidate or an  
22 individual holding a Federal office and political  
23 committees established and maintained by a na-  
24 tional political party.”.

1 (e) ELIMINATION OF CERTAIN RESTRICTIONS ON SO-  
2 LICITATIONS BY CORPORATIONS AND LABOR ORGANIZA-  
3 TIONS.—

4 (1) WRITTEN SOLICITATIONS.—Subparagraph  
5 (B) of section 316(b)(4) of the Federal Election  
6 Campaign Act of 1971 (2 U.S.C. 441b(b)(4)(B)) is  
7 amended—

8 (A) by striking “2”; and

9 (B) by striking “during the calendar  
10 year”.

11 (2) PRIOR APPROVAL OF SOLICITATION FOR  
12 TRADE ASSOCIATIONS.—Subparagraph (D) of sec-  
13 tion 316(b)(4) of the Federal Election Campaign  
14 Act of 1971 (2 U.S.C. 441b(b)(4)(D)) is amended  
15 by striking “to the extent that such solicitation” and  
16 all that follows and inserting a period.

17 (f) INCREASE IN THRESHOLD FOR POLITICAL COM-  
18 MITTEES.—

19 (1) IN GENERAL.—Section 301(4)(A) of the  
20 Federal Election Campaign Act of 1971 (2 U.S.C.  
21 431(4)(A)) is amended by striking “\$1,000” each  
22 place it appears and inserting “\$10,000”.

23 (2) LOCAL COMMITTEES.—

24 (A) CONTRIBUTIONS RECEIVED.—Section  
25 301(4)(C) of the Federal Election Campaign



1 Act of 1971 (2 U.S.C. 431(4)(C)) is amended  
2 by striking “\$5,000” each place it appears and  
3 inserting “\$10,000”.

4 (B) CONTRIBUTIONS MADE.—Section  
5 301(4)(C) of the Federal Election Campaign  
6 Act of 1971 (2 U.S.C. 431(4)(C)) is amended  
7 by striking “\$1,000” each place it appears and  
8 inserting “\$10,000”.

9 (g) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to calendar years beginning after  
11 December 31, 2005.

12 **SEC. 7. SEVERABILITY.**

13 If any provision of this Act or amendment made by  
14 this Act, or the application of a provision or amendment  
15 to any person or circumstance, is held to be unconstitu-  
16 tional, the remainder of this Act and amendments made  
17 by this Act, and the application of the provisions and  
18 amendment to any person or circumstance, shall not be  
19 affected by the holding.

20 **SEC. 8. CONSTRUCTION.**

21 No provision of this Act, or amendment made by this  
22 Act, shall be construed—

23 (1) as approving, ratifying, or endorsing a regu-  
24 lation promulgated by the Federal Election Commis-  
25 sion,

1           (2) as establishing, modifying, or otherwise af-  
2           fecting the definition of political organization for  
3           purposes of the Internal Revenue Code of 1986, or  
4           (3) as affecting the determination of whether a  
5           group organized under section 501(c) of the Internal  
6           Revenue Code of 1986 is a political committee under  
7           section 301(4) of the Federal Election Campaign  
8           Act of 1971.

9 **SEC. 9. JUDICIAL REVIEW.**

10         (a) SPECIAL RULES FOR ACTIONS BROUGHT ON  
11         CONSTITUTIONAL GROUNDS.—If any action is brought for  
12         declaratory or injunctive relief to challenge the constitu-  
13         tionality of any provision of this Act or any amendment  
14         made by this Act, the following rules shall apply:

15                 (1) The action shall be filed in the United  
16                 States District Court for the District of Columbia  
17                 and shall be heard by a 3-judge court convened pur-  
18                 suant to section 2284 of title 28, United States  
19                 Code.

20                 (2) A copy of the complaint shall be delivered  
21                 promptly to the Clerk of the House of Representa-  
22                 tives and the Secretary of the Senate.

23                 (3) A final decision in the action shall be re-  
24                 viewable only by appeal directly to the Supreme  
25                 Court of the United States. Such appeal shall be

1 taken by the filing of a notice of appeal within 10  
2 days, and the filing of a jurisdictional statement  
3 within 30 days, of the entry of the final decision.

4 (4) It shall be the duty of the United States  
5 District Court for the District of Columbia and the  
6 Supreme Court of the United States to advance on  
7 the docket and to expedite to the greatest possible  
8 extent the disposition of the action and appeal.

9 (b) INTERVENTION BY MEMBERS OF CONGRESS.—In  
10 any action in which the constitutionality of any provision  
11 of this Act or any amendment made by this Act is raised  
12 (including but not limited to an action described in sub-  
13 section (a)), any Member of the House of Representatives  
14 (including a Delegate or Resident Commissioner to Con-  
15 gress) or Senate shall have the right to intervene either  
16 in support of or opposition to the position of a party to  
17 the case regarding the constitutionality of the provision  
18 or amendment. To avoid duplication of efforts and reduce  
19 the burdens placed on the parties to the action, the court  
20 in any such action may make such orders as it considers  
21 necessary, including orders to require intervenors taking  
22 similar positions to file joint papers or to be represented  
23 by a single attorney at oral argument.

24 (c) CHALLENGE BY MEMBERS OF CONGRESS.—Any  
25 Member of Congress may bring an action, subject to the

1 special rules described in subsection (a), for declaratory  
2 or injunctive relief to challenge the constitutionality of any  
3 provision of this Act or any amendment made by this Act.

4 (d) APPLICABILITY.—

5 (1) INITIAL CLAIMS.—With respect to any ac-  
6 tion initially filed on or before December 31, 2008,  
7 the provisions of subsection (a) shall apply with re-  
8 spect to each action described in such subsection.

9 (2) SUBSEQUENT ACTIONS.—With respect to  
10 any action initially filed after December 31, 2008,  
11 the provisions of subsection (a) shall not apply to  
12 any action described in such subsection unless the  
13 person filing such action elects such provisions to  
14 apply to the action.



Calendar No. 107

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

**S. 1053**

**A BILL**

To amend the Federal Election Campaign Act of 1971 to clarify when organizations described in section 527 of the Internal Revenue Code of 1986 must register as political committees, and for other purposes.

MAY 17, 2005

Read twice and placed on the calendar