

111TH CONGRESS
2^D SESSION

H. R. 4644

To amend the Federal Election Campaign Act of 1971 to prohibit a corporation from making any independent expenditure or disbursing funds for any electioneering communication without obtaining the prior approval of a majority of its shareholders, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 2010

Mr. SESTAK 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 prohibit a corporation from making any independent expenditure or disbursing funds for any electioneering communication without obtaining the prior approval of a majority of its shareholders, 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 “Fairness in Corporate
5 Campaign Spending Act of 2010”.

1 **SEC. 2. REQUIRING PRIOR SHAREHOLDER APPROVAL FOR**
2 **CAMPAIGN SPENDING BY CORPORATIONS.**

3 (a) **PRIOR APPROVAL REQUIRED.**—Title III of the
4 Federal Election Campaign Act of 1971 (2 U.S.C. 431
5 et seq.) is amended by inserting after section 316 the fol-
6 lowing new section:

7 **“SEC. 316A. PRIOR APPROVAL OF SHAREHOLDERS RE-**
8 **QUIRED FOR CERTAIN SPENDING BY COR-**
9 **PORATIONS.**

10 “(a) **PRIOR APPROVAL REQUIRED.**—A corporation
11 may not make any disbursement for an independent ex-
12 penditure or an electioneering communication under this
13 Act during a year unless—

14 “(1) at the most recent annual meeting of the
15 corporation’s shareholders, the corporation presented
16 to the shareholders a proposal that the corporation
17 make disbursements for such purposes during the
18 year; and

19 “(2) a majority of its shareholders voted to ap-
20 prove the proposal.

21 “(b) **PERSONAL LIABILITY FOR PAYMENT OF ADDI-**
22 **TIONAL PENALTY.**—In addition to any other penalty
23 which may be imposed under this Act, if a corporation
24 makes a disbursement in violation of this section, each of-
25 ficer and director of the corporation shall be personally

1 liable for payment of a civil money penalty in an amount
2 equal to the amount of the disbursement involved.

3 “(c) EXCEPTION FOR DISBURSEMENTS BELOW
4 THRESHOLD.—This section does not apply with respect
5 to a disbursement referred to in subsection (a) which is
6 made by a corporation during a year if the aggregate
7 amount of all such disbursements made by the corporation
8 during the year—

9 “(1) is less than \$8,000, in the case of a cor-
10 poration with fewer than 100 full-time-equivalent
11 employees (determined as of the date of the most re-
12 cent annual meeting of the corporation’s share-
13 holders); or

14 “(2) is less than \$20,000, in the case of any
15 other corporation.

16 “(d) NO AFFECT ON POLITICAL COMMITTEES OF
17 CORPORATIONS.—Nothing in this section shall be con-
18 strued to affect disbursements by a separate segregated
19 fund established by a corporation under section
20 316(b)(2)(C).”.

21 (b) EFFECTIVE DATE; TRANSITION FOR DISBURSE-
22 MENTS MADE IN 2010.—

23 (1) EFFECTIVE DATE.—The amendment made
24 by subsection (a) shall apply with respect to dis-

1 bursements made on or after the date of the enact-
2 ment of this Act.

3 (2) TRANSITION.—Notwithstanding paragraph
4 (1), a corporation shall be deemed to meet the appli-
5 cable requirements of section 316A of the Federal
6 Election Campaign Act of 1971 (as added by sub-
7 section (a)) with respect to a disbursement made
8 during 2010 if, not later than 60 days after the date
9 of the enactment of this Act—

10 (A) the corporation presents to its share-
11 holders a proposal described in section
12 316A(a)(1) of such Act for 2010; and

13 (B) a majority of the corporation’s share-
14 holders vote to approve the proposal.

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