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93D CONGRESS }
2d Session }

SENATE }

REPORT
No. 93-1237

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS
OF 1974



OCTOBER 7, 1974.—Ordered to be printed

MR. CANNON, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 3044]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the Senate bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Federal Election Campaign Act Amendments of 1974".

TITLE I—CRIMINAL CODE AMENDMENTS

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 101. (a) Section 608 of title 18, United States Code, relating to limitations on contributions and expenditures, is amended by striking out subsections (b) and (c) and inserting in lieu thereof the following:

"(b) (1) Except as otherwise provided by paragraphs (2) and (3), no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

"(2) No political committee (other than a principal campaign committee) shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$5,000.



Contributions by the national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States shall not exceed the limitation imposed by the preceding sentence with respect to any other candidate for Federal office. For purposes of this paragraph, the term 'political committee' means an organization registered as a political committee under section 303 of the Federal Election Campaign Act of 1971 for a period of not less than 6 months which has received contributions from more than 50 persons and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office.

"(3) No individual shall make contributions aggregating more than \$25,000 in any calendar year. For purposes of this paragraph, any contribution made in a year other than the calendar year in which the election is held with respect to which such contribution was made, is considered to be made during the calendar year in which such election is held.

"(4) For purposes of this subsection—

"(A) contributions to a named candidate made to any political committee authorized by such candidate, in writing, to accept contributions on his behalf shall be considered to be contributions made to such candidate; and

"(B) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

"(5) The limitations imposed by paragraphs (1) and (2) of this subsection shall apply separately with respect to each election, except that all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.

"(6) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

"(c) (1) No candidate shall make expenditures in excess of—

"(A) \$10,000,000, in the case of a candidate for nomination for election to the office of President of the United States, except that the aggregate of expenditures under this subparagraph in any one State shall not exceed twice the expenditure limitation applicable in such State to a candidate for nomination for election to the office of Senator, Delegate, or Resident Commissioner, as the case may be;

"(B) \$20,000,000, in the case of a candidate for election to the office of President of the United States;

"(C) in the case of any campaign for nomination for election by a candidate for the office of Senator or by a candidate for the office

of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 8 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$100,000;

"(D) in the case of any campaign for election by a candidate for the office of Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 12 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$150,000;

"(E) \$70,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Representative in any other State, Delegate from the District of Columbia, or Resident Commissioner; or

"(F) \$15,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Delegate from Guam or the Virgin Islands.

"(2) For purposes of this subsection—

"(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States; and

"(B) an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(i) an authorized committee or any other agent of the candidate for the purposes of making any expenditure; or

"(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

"(3) The limitations imposed by subparagraphs (C), (D), (E), and (F) of paragraph (1) of this subsection shall apply separately with respect to each election.

"(4) The Commission shall prescribe rules under which any expenditure by a candidate for Presidential nomination for use in 2 or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(d) (1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by subsection (c) and subsection (f) shall be increased by such per centum difference. Each amount so increased shall be the amount in effect for such calendar year.

"(2) For purposes of paragraph (1)—

"(A) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the calendar year 1974.

"(e) (1) No person may make any expenditure (other than an expenditure made by or on behalf of a candidate within the meaning of subsection (c) (2) (B)) relative to a clearly identified candidate during a calendar year which, when added to all other expenditures made by such person during the year advocating the election or defeat of such candidate, exceeds \$1,000.

"(2) For purposes of paragraph (1)—

"(A) 'clearly identified' means—

"(i) the candidate's name appears;

"(ii) a photograph or drawing of the candidate appears; or

"(iii) the identity of the candidate is apparent by unambiguous reference; and

"(B) 'expenditure' does not include any payment made or incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610, would not constitute an expenditure by such corporation or labor organization.

"(f) (1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (g)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

"(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$20,000; and

"(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, 18 years of age or older.

"(h) No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

"(i) Any person who violates any provision of this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both."

(b) (1) Section 608(a) (1) of title 18, United States Code, relating to limitations on contributions and expenditures, is amended to read as follows:

"(a) (1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaigns during any calendar year for nomination for election, or for election, to Federal office in excess of, in the aggregate—

"(A) \$50,000, in the case of a candidate for the office of President or Vice President of the United States;

"(B) \$35,000, in the case of a candidate for the office of Senator or for the office of Representative from a State which is entitled to only one Representative; or

"(C) \$25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner, in any other State. For purposes of this paragraph, any expenditure made in a year other than the calendar year in which the election is held with respect to which such expenditure was made, is considered to be made during the calendar year in which such election is held."

(2) Such section 608(a) is amended by adding at the end thereof the following new paragraphs:

"(3) No candidate or his immediate family may make loans or advances from their personal funds in connection with his campaign for nomination for election, or for election, to Federal office unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

"(4) For purposes of this subsection, any such loan or advance shall be included in computing the total amount of such expenditures only to the extent of the balance of such loan or advance outstanding and unpaid."

(c) (1) Notwithstanding section 608(a) (1) of title 18, United States Code, relating to limitations on expenditures from personal funds, any individual may satisfy or discharge, out of his personal funds or the personal funds of his immediate family, any debt or obligation which is outstanding on the date of the enactment of this Act and which was

incurred by him or on his behalf by any political committee in connection with any campaign ending before the close of December 31, 1972, for election to Federal office.

(2) For purposes of this subsection—

(A) the terms "election", "Federal office", and "political committee" have the meanings given them by section 591 of title 18, United States Code; and

(B) the term "immediate family" has the meaning given it by section 608(a)(2) of title 18, United States Code.

(d) (1) The first paragraph of section 613 of title 18, United States Code, relating to contributions by certain foreign agents, is amended—

(A) by striking out "an agent of a foreign principal" and inserting in lieu thereof "a foreign national"; and

(B) by striking out ", either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal,".

(2) The second paragraph of such section 613 is amended by striking out "agent of a foreign principal or from such foreign principal" and inserting in lieu thereof "foreign national".

(3) The fourth paragraph of such section 613 is amended to read as follows:

"As used in this section, the term 'foreign national' means—

"(1) a foreign principal, as such term is defined by section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)), except that the term 'foreign national' shall not include any individual who is a citizen of the United States; or

"(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20))."

(4) (A) The heading of such section 613 is amended by striking out "agents of foreign principals" and inserting in lieu thereof "foreign nationals".

(B) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 613 and inserting in lieu thereof the following:

"613. Contributions by foreign nationals."

(e) (1) The second paragraph of section 610 of title 18, United States Code, relating to penalties for violating prohibitions against contributions or expenditures by national banks, corporations, or labor organizations, is amended—

(A) by striking out "\$5,000" and inserting in lieu thereof "\$25,000"; and

(B) by striking out "\$10,000" and inserting in lieu thereof "\$50,000".

(2) Section 611 of title 18, United States Code (as amended by section 103 of this Act), relating to contributions by firms or individuals contracting with the United States, is amended in the first paragraph thereof by striking out "\$5,000" and inserting in lieu thereof "\$25,000".

(3) The third paragraph of section 613 of title 18, United States Code (as amended by subsection (d) of this section), relating to con-

tributions by foreign nationals, is amended by striking out "\$5,000" and inserting in lieu thereof "\$25,000".

(f) (1) Chapter 29 of title 18, United States Code, relating to elections and political activities, is amended by adding at the end thereof the following new sections:

"§ 614. Prohibition of contributions in name of another

"(a) No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

"(b) Any person who violates this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.

"§ 615. Limitation on contributions of currency

"(a) No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

"(b) Any person who violates this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.

"§ 616. Acceptance of excessive honorariums

"Whoever, while an elected or appointed officer or employee of any branch of the Federal Government—

"(1) accepts any honorarium of more than \$1,000 (excluding amounts accepted for actual travel and subsistence expenses) for any appearance, speech, or article; or

"(2) accepts honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$15,000 in any calendar year; shall be fined not less than \$1,000 nor more than \$5,000.

"§ 617. Fraudulent misrepresentation of campaign authority

"Whoever, being a candidate for Federal office or an employee or agent of such a candidate—

"(1) fraudulently misrepresents himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

"(2) willfully and knowingly participates in or conspires to participate in any plan, scheme, or design to violate paragraph (1);

shall, for each such offense, be fined not more than \$25,000 or imprisoned not more than one year, or both."

(2) Section 591 of title 18, United States Code, relating to definitions, is amended by striking out the matter preceding paragraph (a) and inserting in lieu thereof the following:

"Except as otherwise specifically provided, when used in this section and in sections 597, 599, 600, 602, 608, 610, 611, 614, 615, and 617 of this title—"

(3) The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new items:

"614. Prohibition of contributions in name of another.

"615. Limitation on contributions of currency.

"616. Acceptance of excessive honorariums.

"617. Fraudulent misrepresentation of campaign authority."

(4) Title III of the Federal Election Campaign Act of 1971 is amended by striking out section 310, relating to prohibition of contributions in the name of another.

CHANGES IN CRIMINAL CODE DEFINITIONS

SEC. 102. (a) Paragraph (a) of section 591 of title 18, United States Code, relating to the definition of election, is amended—

(1) by inserting "or" before "(4)"; and

(2) by striking out ", and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States".

(b) Paragraph (2) of such section 591 relating to the definition of political committee, is amended to read as follows:

"(d) 'political committee' means any committee, club, association, or other groups of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000."

(c) Paragraph (e) of such section 591 relating to the definition of contribution, is amended to read as follows:

"(e) 'contribution'—

"(1) means a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, which shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

"(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; but

"(5) does not include—

"(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

"(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

"(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate, or

"(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election."

(d) Paragraph (f) of such section 591, relating to the definition of expenditure, is amended to read as follows:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

"(3) means the transfer of funds by a political committee to another political committee; but

"(4) does not include—

"(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

"(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office,

"(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

"(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office;

"(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

"(H) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 608(c) of this title; or

"(I) any costs incurred by a political committee (as such term is defined by section 608(b)(2) of this title) with respect to the solicitation of contributions to such political committee or to any general political fund controlled by such political committee, except that this clause shall not apply to exempt costs incurred with respect to the solicitation of contributions to any such political committee made through broadcasting stations, newspapers, magazines, outdoor advertising facilities, and

other similar types of general public political advertising;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (D) or (E) does not exceed \$500 with respect to any election;";

(e) Section 591 of title 18, United States Code, relating to definitions, is amended—

(1) by striking out "and" at the end of paragraph (g);

(2) by striking out the period at the end of paragraph (h) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(i) 'political party' means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization;

"(j) 'State committee' means the organization which by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Federal Election Commission;

"(k) 'national committee' means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Federal Election Commission established under section 310(a) of the Federal Election Campaign Act of 1971; and

"(l) 'principal campaign committee' means the principal campaign committee designated by a candidate under section 302(f) (1) of the Federal Election Campaign Act of 1971."

POLITICAL FUNDS OF CORPORATIONS OR LABOR ORGANIZATIONS

SEC. 103. Section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, is amended by adding at the end thereof the following new paragraphs:

"This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation or labor organization for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 610 of this title prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund.

"For purposes of this section, the term 'labor organization' has the meaning given it by section 610 of this title."

EFFECT ON STATE LAW

SEC. 104. (a) The provisions of chapter 29 of title 18, United States Code, relating to elections and political activities, supersede and preempt any provision of State law with respect to election to Federal office.

(b) For purposes of this section, the terms "election", "Federal office", and "State" have the meanings given them by section 591 of title 18, United States Code.

TITLE II—AMENDMENTS TO FEDERAL ELECTION
CAMPAIGN ACT OF 1971

CHANGES IN DEFINITIONS FOR REPORTING AND DISCLOSURE

SEC 201. (a) Section 301 of the Federal Election Campaign Act of 1971, relating to definitions, is amended—

(1) by inserting "and title IV of this Act" after "title";

(2) by striking out "and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" in paragraph (a), and by inserting "and" before "(4)" in such paragraph;

(3) by amending paragraph (d) to read as follows:

"(d) 'political committee' means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;"

(4) by amending paragraph (e) to read as follows:

"(e) 'contribution'—

"(1) means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of—

"(A) influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party, or

"(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, expressed or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

"(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; but

"(5) does not include—

"(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

"(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a

candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

"(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

"(E) the payment by a State or local committee of a political party of the costs of preparation, display, mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising; or

"(F) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;"

(5) by striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office of presidential and vice-presidential elector; or

"(B) influencing the results of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure;

"(3) means the transfer of funds by a political committee to another political committee; but

"(4) does not include—

"(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate,

"(B) nonpartisan activity designed to encourage individuals to register to vote or to vote,

"(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

"(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities, the cumulative value of such activities by such individual with respect to any candidate does not exceed \$500 with respect to any election;

"(E) any reimbursed payment for personal expenses made by an individual who on his own behalf volunteers his personal services to a candidate if the cumulative amount for such individual incurred with respect to such candidate does not exceed \$500 with respect to any election;

"(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office; or

"(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held, in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising; or

"(H) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization;"

(6) by striking "and" at the end of paragraph (h);

(7) by striking the period at the end of paragraph (i) and inserting in lieu thereof a semicolon; and

(8) by adding at the end thereof the following new paragraphs:

"(j) 'identification' means—

"(1) in the case of an individual, his full name and the full address of his principal place of residence; and

"(2) in the case of any other person, the full name and address of such person;

"(k) 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission;

"(l) 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission;

"(m) 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office, whose name appears on the election ballot as the candidate of such association, committee, or organization; and

"(n) 'principal campaign committee' means the principal campaign committee designated by a candidate under section 302(f) (1)."

(b) (1) Section 401 of the Federal Election Campaign Act of 1971, relating to extension of credit by regulated industries, is amended by striking out "As such term is defined in section 301(c) of the Federal Election Campaign Act of 1971)".

(2) Section 402 of the Federal Election Campaign Act of 1971, relating to prohibition against use of certain Federal funds for election activities, is amended by striking out the last sentence.

ORGANIZATION OF POLITICAL COMMITTEE; PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202 (a) (1) Section 302(b) of the Federal Election Campaign Act of 1971, relating to reports of contributions in excess of \$10, is amended by striking out ". the name and address (occupation and principal place of business, if any)" and inserting in lieu thereof "of the contribution and the identification".

(2) Section 302(c) of such Act, relating to detailed accounts, is amended by striking out "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (2) and (4) and inserting in lieu thereof in each such paragraph "identification".

(3) Section 302(c) of such Act is further amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof "and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any);".

(b) Section 302(f) of such Act is amended to read as follows:

"(f) (1) Each individual who is a candidate for Federal office (other than the office of Vice President of the United States) shall designate a political committee to serve as his principal campaign committee. No political committee may be designated as the principal campaign committee of more than one candidate, except that the candidate for the office of President of the United States nominated by a political party may designate the national committee of such political party as his principal campaign committee. Except as provided in the preceding sentence, no political committee which supports more than one candidate may be designated as a principal campaign committee.

"(2) Notwithstanding any other provision of this title, each report or statement of contributions received or expenditures made by a political committee (other than a principal campaign committee) which is required to be filed with the Commission under this title shall be filed instead with the principal campaign committee for the candidate on whose behalf such contributions are accepted or such expenditures are made.

"(3) It shall be the duty of each principal campaign committee to receive all reports and statements required to be filed with it under paragraph (2) of this subsection and to compile and file such reports and statements, together with its own reports and statements, with the Commission in accordance with the provisions of this title."

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 203. Section 303 of the Federal Election Campaign Act of 1971, relating to registration of political committees and statements, is amended by adding at the end thereof the following new subsection:

"(e) In the case of a political committee which is not a principal campaign committee, reports and notifications required under this section to be filed with the Commission shall be filed instead with the appropriate principal campaign committee."

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 204. (a) Section 304(a) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended—

(1) by striking out the second and third sentences and inserting in lieu thereof the following:

"The reports referred to in the preceding sentence shall be filed as follows:

"(A) (i) In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year, such reports shall be filed not later than the tenth day before the date on which such election is held and shall be complete as of the fifteenth day before the date of such election; except that any such report filed by registered or certified mail must be postmarked not later than the close of the twelfth day before the date of such election.

"(ii) Such reports shall be filed not later than the thirtieth day after the date of such election and shall be complete as of the twentieth day after the date of such election.

"(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed after December 31 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which the report is filed

"(C) Such reports shall be filed not later than the tenth day following the close of any calendar quarter in which the candidate or political committee concerned received contributions in excess of \$1,000, or made expenditures in excess of \$1,000, and shall be complete as of the close of such calendar quarter; except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.

"(D) When the last day for filing any quarterly report required by subparagraph (C) occurs within 10 days of an election, the filing of such quarterly report shall be waived and superseded by the report required by subparagraph (A) (i).

Any contribution of \$1,000 or more received after the fifteenth day, but more than 48 hours, before any election shall be reported within 48 hours after its receipt."; and

(2) by striking out "Each" at the beginning of the first sentence of such section 304(a) and inserting in lieu thereof "(1) Except as provided by paragraph (2), each", and by adding at the end thereof the following new paragraphs:

"(2) Each treasurer of a political committee which is not a principal campaign committee shall file the reports required under this section with the appropriate principal campaign committee.

"(3) Upon a request made by a presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates set forth in paragraph (1) (other than the reporting date set forth in paragraph (1) (B)), and require instead that such candidate or political committee file reports not less frequently than monthly. The Commission may not require a presidential candidate or a political committee operating in more than one State to file more than 12 reports (not counting any report referred to in paragraph (1) (B)) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, such candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code."

(b) (1) Section 304(b) (5) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by striking out "lender and endorsers" and inserting in lieu thereof "lender, endorsers, and guarantors".

(2) Section 304(b) (8) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: ", together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate".

(3) Section 304(b) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by striking out "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (9) and (10) and inserting in lieu thereof in each such paragraph "identification".

(4) Section 304(b) (11) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: ", together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate".

(5) Section 304(b) (12) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon a comma and the following: ", together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor".

(c) Such section 304 is amended by adding at the end thereof the following new subsections:

"(d) This section does not require a Member of the Congress to report as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him by the Senate Recording Studio, the House Recording Studio, or by an individual whose pay is disbursed by the Secretary of the Senate or the

Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee. This subsection does not apply to such recording services furnished during the calendar year before the year in which the Member's term expires.

"(e) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the Commission a statement containing the information required by this section. Statements required by this subsection shall be filed on the dates on which reports by political committees are filed but need not be cumulative."

(d) The heading for such section 304 is amended to read as follows:

"REPORTS"

(e) Notwithstanding the amendment to section 304 of the Federal Election Campaign Act of 1971, relating to the time for filing reports, made by the foregoing provisions of this section, nothing in this Act shall be construed to waive the report required to be filed by the thirty-first day of January of 1975 under the provisions of such section 304, as in effect on the date of the enactment of this Act.

CAMPAIGN ADVERTISEMENTS

SEC. 205. (a) Section 305 of the Federal Election Campaign Act of 1971, relating to reports by others than political committees, is amended to read as follows:

"REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

"SEC. 305. (a) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

"(b) Each political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

(b) Title I of the Federal Election Campaign Act of 1971 is repealed.

WAIVER OF REPORTING REQUIREMENTS

SEC. 206. Section 306 (b) of the Federal Election Campaign Act of 1971 (as so redesignated by section 207 of this Act), relating to formal requirements respecting reports and statements, is amended to read as follows:

"(b) The Commission may, by a rule of general applicability which is published in the Federal Register not less than 30 days before its effective date, relieve—

"(1) any category of candidates of the obligation to comply personally with the reporting requirements of section 304, if it determines that such action is consistent with the purposes of this Act; and

"(2) any category of political committees of the obligation to comply with the reporting requirements of such section if such committees—

"(A) primarily support persons seeking State or local office; and

"(B) do not operate in more than one State or do not operate on a statewide basis."

FORMAL REQUIREMENTS FOR REPORTS AND STATEMENTS

SEC. 207. Section 306 of the Federal Election Campaign Act of 1971, relating to formal requirements respecting reports and statements, is amended by striking out subsection (a); by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and by adding at the end thereof the following new subsection:

"(d) If a report or statement required by section 303, 304(a)(1)(A)(ii), 304(a)(1)(B), 304(a)(1)(C), or 304(e) of this title to be filed by a treasurer of a political committee or by a candidate or by any other person, is delivered by registered or certified mail, to the Commission or principal campaign committee with which it is required to be filed, the United States postmark stamped on the cover of the envelope or other container in which such report or statement is so mailed shall be deemed to be the date of filing."

REPORTS BY CERTAIN ORGANIZATIONS; FEDERAL ELECTION COMMISSION; CAMPAIGN DEPOSITORIES

SEC. 208. (a) Title III of the Federal Election Campaign Act of 1971, relating to disclosure of Federal campaign funds, is amended by redesignating sections 308 and 309 as sections 316 and 317, respectively; by redesignating section 311 as section 321; and by inserting immediately after section 307 the following new sections:

"REPORTS BY CERTAIN PERSONS

"SEC. 308. Any person (other than an individual) who expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election, or who publishes or broadcasts to the public any material referring to a candidate (by name, description, or other reference) advocating the election or defeat of such candidate, setting forth the candidate's position on any public issue, his voting record, or other official acts (in the case of a candidate who holds or has held Federal office), or otherwise designed to influence individuals to cast their votes for or against such candidate or to withhold their votes from such candidate shall file reports with the Commission as if such person were a political committee. The reports filed by such person shall set forth the source of the funds used in carrying out any activity described in the preceding sentence in the same detail as if the funds were contributions within the meaning of section 301(e), and payments of such funds in the same

detail as if they were expenditures within the meaning of section 301 (f). The provisions of this section do not apply to any publication or broadcast of the United States Government or to any news story, commentary, or editorial distributed through the facilities of a broadcasting station or a bona fide newspaper, magazine, or other periodical publication. A news story, commentary, or editorial is not considered to be distributed through a bona fide newspaper, magazine, or other periodical publication if—

“(1) such publication is primarily for distribution to individuals affiliated by membership or stock ownership with the person (other than an individual) distributing it or causing it to be distributed, and not primarily for purchase by the public at newsstands or by paid subscription; or

“(2) the news story, commentary, or editorial is distributed by a person (other than an individual) who devotes a substantial part of his activities to attempting to influence the outcome of elections, or to influence public opinion with respect to matters of national or State policy or concern.

“CAMPAIGN DEPOSITORIES

“Sec. 309. (a) (1) Each candidate shall designate one or more national or State banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a checking account at a depository designated by the candidate and shall deposit any contributions received by such committee into such account. A candidate shall deposit any payment received by him under chapter 95 or chapter 97 of the Internal Revenue Code of 1954 in the account maintained by his principal campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on such account, other than petty cash expenditures as provided in subsection (b).

“(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more national or State banks as campaign depositories of such committee, and shall maintain a checking account for the committee at each such depository. All contributions received by such committee shall be deposited in such accounts. No expenditure may be made by such committee except by check drawn on such accounts, other than petty cash expenditures as provided in subsection (b).

“(b) A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports there-of shall be furnished to the Commission as it may require.

“(c) A candidate for nomination for election, or for election, to the office of President of the United States may establish one such depository for such State by this principal campaign committee and any other political committee authorized by him to receive contributions

or to make expenditures on his behalf in such State, under rules prescribed by the Commission. The campaign depository of the candidate of a political party for election to the office of Vice President of the United States shall be the campaign depository designated by the candidate of such party for election to the office of President of the United States.

“FEDERAL ELECTION COMMISSION

“Sec. 310. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed as follows:

“(A) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President pro tempore of the Senate upon the recommendations of the majority leader of the Senate and the minority leader of the Senate;

“(B) 2 shall be appointed, with the confirmation of a majority of both Houses of Congress, by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House; and

“(C) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President of the United States.

A member appointed under subparagraph (A), (B), or (C) shall not be affiliated with the same political party as the other member appointed under such paragraph.

“(2) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed—

“(A) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending on the April 30 first occurring more than 6 months after the date on which he is appointed;

“(B) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 1 year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

“(C) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 2 years thereafter;

“(D) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending 3 years thereafter;

“(E) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 4 years thereafter; and

“(F) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 5 years thereafter.

An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment.

“(3) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment and shall be chosen from among individuals who, at the time of their appointment, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Government of the United States.

agement and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"REPORTS

"SEC. 312. The Commission shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Commission in carrying out its duties under this title, together with recommendations for such legislative or other action as the Commission considers appropriate.

"ADVISORY OPINIONS

"SEC. 313. (a) Upon written request to the Commission by any individual holding Federal office, any candidate for Federal office, or any political committee, the Commission shall render an advisory opinion, in writing, within a reasonable time with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of this Act, of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code.

"(b) Notwithstanding any other provision of law, any person with respect to whom an advisory opinion is rendered under subsection (a) who acts in good faith in accordance with the provisions and findings of such advisory opinion shall be presumed to be in compliance with the provision of this Act, of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, with respect to which such advisory opinion is rendered.

"(c) Any request made under subsection (a) shall be made public by the Commission. The Commission shall, before rendering an advisory opinion with respect to such request, provide any interested party with an opportunity to transmit written comments to the Commission with respect to such request.

"ENFORCEMENT

"SEC 314. (a) (1) (A) Any person who believes a violation of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, has occurred may file a complaint with the Commission.

"(B) In any case in which the Clerk of the House of Representatives or the Secretary of the Senate (who receive reports and statements as custodian for the Commission) has reason to believe a violation of this Act or section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, has occurred, he shall refer such apparent violation to the Commission.

"(2) The Commission, upon receiving any complaint under paragraph (1) (A), or a referral under paragraph (1) (B), or if it has reason to believe that any person has committed a violation of any such provision, shall notify the person involved of such apparent violation and shall—

"(A) report such apparent violation to the Attorney General;

or

"(B) make an investigation of such apparent violation.

"(3) Any investigation under paragraph (2) (B) shall be conducted expeditiously and shall include an investigation of reports and statements filed by any complainant under this title, if such complainant is a candidate. Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any other person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

"(4) The Commission shall, at the request of any person who receives notice of an apparent violation under paragraph (2), conduct a hearing with respect to such apparent violation.

"(5) If the Commission determines, after investigation, that there is reason to believe that any person has engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of this Act, it may endeavor to correct such violation by informal methods of conference, conciliation, and persuasion. If the Commission fails to correct the violation through informal methods, it may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, the court shall grant a permanent or temporary injunction, restraining order, or other order.

"(6) The Commission shall refer apparent violations to the appropriate law enforcement authorities to the extent that violations of provisions of chapter 29 of title 18, United States Code, are involved, or if the Commission is unable to correct apparent violations of this Act under the authority given it by paragraph (5), or if the Commission determines that any such referral is appropriate.

"(7) Whenever in the judgment of the Commission, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, upon request by the Commission the Attorney General on behalf of the United States shall institute a civil action for relief, including a perma-

ment or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

"(8) In any action brought under paragraph (5) or (7) of this subsection, subpoenas for witnesses who are required to attend a United States district court may run into any other district.

"(9) Any party aggrieved by an order granted under paragraph (5) or (7) of this subsection may, at any time within 60 days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such order was issued for judicial review of such order.

"(10) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

"(11) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 315).

"(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted no later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

"JUDICIAL REVIEW

"SEC. 315. (a) The Commission, the national committee of any political party, or any individual eligible to vote in any election for the office of President of the United States may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code. The district court immediately shall certify all questions of constitutionality of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law, any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall

be brought no later than 20 days after the decision of the court of appeals.

"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under subsection (a)."

(b) Until the appointment and qualification of all the members of the Federal Election Commission and its general counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as such titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its general counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within 30 days after the date on which all such members and the general counsel are appointed, of copies of all appropriate records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 and chapter 95 of the Internal Revenue Code of 1954.

(c) Title III of the Federal Election Campaign Act of 1971 is amended—

(1) by amending section 301 (g), relating to definitions, to read as follows:

"(g) 'Commission' means the Federal Election Commission;";

"(g) 'Commission' means the Federal Election Commission;";

(2) by striking out "supervisory officer" in section 302 (d) and inserting in lieu thereof "Commission";

(3) by amending section 303, relating to registration of political committees; statement—

(A) by striking out "supervisory officer" each time it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "he" in the second sentence of subsection (a) of such section and inserting in lieu thereof "it";

(4) by amending section 304, relating to reports by political committees and candidates—

(A) by striking out "appropriate supervisory officer" and "him" in the first sentence thereof and inserting in lieu thereof "Commission" and "it", respectively; and

(B) by striking out "supervisory officer" where it appears in paragraphs (12) and (13) of subsection (b) and inserting in lieu thereof "Commission";

(5) by striking out "supervisory officer" each place it appears in section 306 relating to formal requirements respecting reports and statements, and inserting in lieu thereof "Commission";

(6) by striking out "Comptroller General of the United States" and "he" in section 307, relating to reports on convention financ-

ing, and inserting in lieu thereof "Federal Election Commission" and "it", respectively;

(7) by amending the heading for section 316 (as redesignated by subsection (a) of this section), relating to duties of the supervisory officer, to read as follows: "DUTIES";

(8) by striking out "supervisory officer" in section 316 (a) as redesignated by subsection (a) of this section the first time it appears and inserting in lieu thereof "Commission";

(9) by amending section 316 (a) (as redesignated by subsection (a) of this section)—

(A) by striking out "him" in paragraph (1) and inserting in lieu thereof "it"; and

(B) by striking out "him" in paragraph (4) and inserting in lieu thereof "it"; and

(10) by amending subsection (c) of section 316 (as redesignated by subsection (a) of this section)—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission" and striking out "his" in the second sentence of such subsection and inserting in lieu thereof "its"; and

(B) by striking out the last sentence thereof; and

(11) by striking out "a supervisory officer" in section 317 (a) of such Act (as redesignated by subsection (a) of this Act) and inserting in lieu thereof "the Commission".

DUTIES AND REGULATIONS

Sec. 209. (a) (1) Section 316 (a) of the Federal Election Campaign Act of 1971 (as redesignated and amended by section 208 (a) of this Act), relating to duties of the Commission, is amended by striking out paragraphs (6), (7), (8), (9), and (10), and by redesignating paragraphs (11), (12), and (13) as paragraphs (8), (9), and (10), respectively, and by inserting immediately after paragraph (5) the following new paragraphs:

"(6) to compile and maintain a cumulative index of reports and statements filed with it, which shall be published in the Federal Register at regular intervals and which shall be available for purchase directly or by mail for a reasonable price;

"(7) to prepare and publish from time to time special reports listing those candidates for whom reports were filed as required by this title and those candidates for whom such reports were not filed as so required;"

(2) Notwithstanding section 308 (a) (7) of the Federal Election Campaign Act of 1971 (relating to an annual report by the supervisory officer), as in effect on the day before the effective date of the amendments made by paragraph (1) of this subsection, no such annual report shall be required with respect to any calendar year beginning after December 31, 1972.

(b) (1) Section 316 (a) (10) of the Federal Election Campaign Act of 1971 (as so redesignated by subsection (a) of this section), relating to the prescription of rules and regulations, is amended by insert-

ing before the period at the end thereof the following: ", in accordance with the provisions of subsection (c)".

(2) Such section 316 is amended—

(A) by striking out subsection (b) and subsection (d); by redesignating subsection (c) as subsection (b); and

(B) by adding at the end thereof the following new subsections:

"(c) (1) The Commission, before prescribing any rule or regulation under this section, shall transmit a statement with respect to such rule or regulation to the Senate or the House of Representatives, as the case may be, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If the appropriate body of the Congress which receives a statement from the Commission under this subsection does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. In the case of any rule or regulation proposed to deal with reports or statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such a candidate both the Senate and the House of Representatives shall have the power to disapprove such proposed rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved under this paragraph.

"(3) If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, it shall transmit such statement to the Senate. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Representative, Delegates or Resident Commission, and by political committees supporting such candidate, it shall transmit such statement to the House of Representatives. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of President and by political committees supporting such candidate it shall transmit such statement to the House of Representatives and the Senate.

"(4) For purposes of this subsection, the term 'legislative days' does not include, with respect to statements transmitted to the Senate, any calendar day on which the Senate is not in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is not in session, and with respect to statements transmitted to both such bodies, any calendar day on which both Houses of the Congress are not in session.

"(d) (1) The Commission shall prescribe suitable rules and regulations to carry out the provisions of this title, including such rules and regulations as may be necessary to require that—

"(A) reports and statements required to be filed under this title by a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, and by political committees supporting such candidate, shall be received by the Clerk of the House of Representatives as custodian for the Commission;

"(B) reports and statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, shall be received by the Secretary of the Senate as custodian for the Commission; and

"(C) the Clerk of the House of Representatives and the Secretary of the Senate, as custodians for the Commission, each shall make the reports and statements received by him available for public inspection and copying in accordance with paragraph (4) of subsection a, and preserve such reports and statements in accordance with paragraph (5) of subsection (a).

"(2) It shall be the duty of the Clerk of the House of Representatives and the Secretary of the Senate to cooperate with the Commission in carrying out its duties under this Act and to furnish such services and facilities as may be required in accordance with this section."

MISCELLANEOUS PROVISIONS

SEC. 210. Title III of the Federal Election Campaign Act of 1971 is amended by inserting immediately after section 317 (as so redesignated by section 208(a) of this Act) the following new sections:

"USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

"SEC. 318. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section.

"PROHIBITION OF FRANKED SOLICITATIONS

"SEC. 319. No Senator, Representative, Resident Commissioner, or Delegate shall make any solicitations of funds by a mailing under the frank under section 3210 of title 39, United States Code.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 320. There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and

under chapter 95 and 96 of the Internal Revenue Code of 1954, not to exceed \$5,000,000 for the fiscal year ending June 30, 1975." following sections:

TITLE III—GENERAL PROVISIONS

EFFECT ON STATE LAW

SEC. 301. Section 403 of the Federal Election Campaign Act of 1971, relating to effect on State law, is amended to read as follows:

"EFFECT ON STATE LAW

"SEC. 403. The provisions of this Act, and of rules prescribed under this Act, supersede and preempt any provision of State law with respect to election to Federal office."

PERIOD OF LIMITATIONS; ENFORCEMENT

SEC. 302. Title IV of the Federal Election Campaign Act of 1971, relating to general provisions, is amended by redesignating section 406 as section 408 and by inserting immediately after section 405 the following new sections:

"PERIOD OF LIMITATIONS

"SEC. 406. (a) No person shall be prosecuted, tried, or punished for any violation of title III of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, unless the indictment is found or the information is instituted within 3 years after the date of the violation.

"(b) Notwithstanding any other provision of law—

"(1) the period of limitation referred to in subsection (a) shall apply with respect to violations referred to in such subsection committed before, on, or after the effective date of this section; and

"(2) no criminal proceeding shall be instituted against any person for any act or omission which was a violation of any provision of title III of this Act, or section 608, 610, 611, or 613 of title 18, United States Code, as in effect on December 31, 1974, if such act or omission does not constitute a violation of any such provision, as amended by the Federal Election Campaign Act Amendments of 1974.

Nothing in this subsection shall affect any proceeding pending in any court of the United States on the effective date of this section.

"ADDITIONAL ENFORCEMENT AUTHORITY

"SEC. 407. (a) In any case in which the Commission, after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code, makes a finding that a person who, while a candidate for Federal office, failed to file a report required by title III of this Act, and such finding is made before the expiration of the time within which the failure to file such report may be prosecuted as a violation of such title III, such person shall be dis-

qualified from becoming a candidate in any future election for Federal office for a period of time beginning on the date of such finding and ending one year after the expiration of the term of the Federal office for which such person was a candidate.

"(b) Any finding by the Commission under subsection (a) shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code."

TITLE IV—AMENDMENTS TO OTHER LAWS; EFFECTIVE DATES

POLITICAL ACTIVITIES BY STATE AND LOCAL OFFICERS AND EMPLOYEES

SEC. 401. (a) Section 1502 (a) (3) of title 5, United States Code (relating to influencing elections, taking part in political campaigns, prohibitions, exceptions), is amended to read as follows:

"(3) be a candidate for elective office."

(b) (1) Section 1503 of title 5, United States Code, relating to nonpartisan political activity, is amended to read as follows:

"§ 1503. Nonpartisan candidacies permitted

"Section 1502 (a) (3) of this title does not prohibit any State or local officer or employee from being a candidate in any election if none of the candidates is to be nominated or elected at such election as representing a party any of whose candidates for Presidential elector received votes in the last preceding election at which Presidential electors were selected."

(2) The table of sections for chapter 15 of title 5, United States Code, is amended by striking out the item relating to section 1503 and inserting in lieu thereof the following new item:

"1503. Nonpartisan candidacies permitted."

(c) Section 1501 of title 5, United States Code, relating to definitions, is amended—

(1) by striking out paragraph (5);

(2) in paragraph (3) thereof, by inserting "and" immediately after "Federal Reserve System;" and

(3) in paragraph (4) thereof, by striking out "; and" and inserting in lieu thereof a period.

REPEAL OF COMMUNICATIONS MEDIA EXPENDITURE LIMITATIONS

SEC. 402. (a) Section 315 of the Communications Act of 1934 (relating to candidates for public office; facilities; rules) is amended by striking out subsections (c), (d), and (e), and by redesignating subsections (f) and (g) as subsections (c) and (d), respectively.

(b) Section 315(c) of such Act (as so redesignated by subsection (a) of this section), relating to definitions, is amended to read as follows:

"(c) For purposes of this section—

"(1) the term 'broadcasting station' includes a community antenna television system; and

"(2) the terms 'licensee' and 'station licensee' when used with respect to a community antenna television system mean the operator of such system."

APPROPRIATIONS TO CAMPAIGN FUND

SEC. 403. (a) Section 9006 (a) of the Internal Revenue Code of 1954 (relating to establishment of campaign fund) is amended—

(1) by striking out "as provided by appropriation Acts" and inserting in lieu thereof "from time to time"; and

(2) by adding at the end thereof the following new sentence: "There is appropriated to the fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amounts so designated during each fiscal year, which shall remain available to the fund without fiscal year limitation."

(b) In addition to the amounts appropriated to the Presidential Election Campaign Fund established under section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) by the last sentence of subsection (a) of such section (as amended by subsection (a) of this section), there is appropriated to such fund an amount equal to the sum of the amounts designated for payment under section 6096 of such Code (relating to designation by individuals to the Presidential Election Campaign Fund) before January 1, 1975, not otherwise taken into account under the provisions of such section 9006, as amended by this section.

ENTITLEMENTS OF ELIGIBLE CANDIDATES TO PAYMENTS FROM PRESIDENTIAL ELECTION CAMPAIGN FUND

SEC. 404. (a) Subsection (a) (1) of section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended to read as follows:

"(1) The eligible candidates of each major party in a presidential election shall be entitled to equal payments under section 9006 in an amount which, in the aggregate, shall not exceed the expenditure limitations applicable to such candidates under section 608(c) (1) (B) of title 18, United States Code."

(b) (1) Subsection (a) (2) (A) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".

(2) The first sentence of subsection (a) (3) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".

(c) (1) Section 9002(3) of the Internal Revenue Code of 1954 (relating to the definition of "Comptroller General") is amended to read as follows:

"(3) The term 'Commission' means the Federal Election Commission established by section 310(a) (1) of the Federal Election Campaign Act of 1971."

(2) Section 9002(1) of such Code (relating to the definition of "authorized committee") is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(3) The third sentence of section 9002(11) of such Code (relating to the definition of "qualified campaign expense") is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(4) Section 9003(a) of such Code (relating to condition for eligibility for payments) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "he" each place it appears therein and inserting in lieu thereof "it".

(5) Section 9003(b) of such Code (relating to major parties) and section 9003(c) of such Code (relating to minor and new parties) each are amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

(6) The heading for section 9005 of such Code (relating to certification by Comptroller General) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".

(7) Section 9005(b) of such Code (relating to finality of certifications and determinations) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "him" and inserting in lieu thereof "it".

(8) Section 9006(c) of such Code (relating to payments from the fund) and section 9006(d) of such Code (relating to insufficient amounts in fund) each are amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

(9) Section 9007(a) of such Code (relating to examinations and audits) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(10) Section 9007(b) of such Code (relating to repayments) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "he" each place it appears therein and inserting in lieu thereof "it".

(11) Section 9007(c) of such Code (relating to notification) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(12) Section 9009(a) of such Code (relating to reports) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "him" and inserting in lieu thereof "it".

(13) Section 9009(b) of such Code (relating to regulations, etc.) is amended—

(A) by striking out "Comptroller General" and inserting in lieu thereof "Commission";

(B) by striking out "he" and inserting in lieu thereof "it"; and

(C) by striking out "him" and inserting in lieu thereof "it".

(14) The heading for section 9010 of such Code (relating to participation by Comptroller General in judicial proceedings) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".

(15) Section 9010(a) of such Code (relating to appearance by counsel) is amended—

(A) by striking out "Comptroller General" and inserting in lieu thereof "Commission";

(B) by striking out "his" and inserting in lieu thereof "its"; and

(C) by striking out "he" each place it appears therein and inserting in lieu thereof "it".

(16) Section 9010(b) of such Code (relating to recovery of certain payments) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(17) Section 9010(c) of such Code (relating to declaratory and injunctive relief) is amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

(18) Section 9010(d) of such Code (relating to appeal) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission" and by striking out "he" and inserting in lieu thereof "it".

(19) The heading for subsection (a) of section 9011 of such Code (relating to review of certification, determination, or other action by the Comptroller General) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".

(20) Section 9011(a) of such Code, as amended by paragraph (19) (relating to review of certification, determination, or other action by the Commission) is amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

(21) Section 9011(b) of such Code (relating to suits to implement chapter) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(22) Section 9012(d) (1) of such Code (relating to false statements, etc.) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "him" and inserting in lieu thereof "it".

CERTIFICATION FOR PAYMENT BY COMMISSION

Sec. 405. (a) Section 9005(a) of the Internal Revenue Code of 1954 (relating to initial certifications for eligibility for payments) is amended to read as follows:

"(a) INITIAL CERTIFICATIONS.—Not later than 10 days after the candidates of a political party for President and Vice President of the

United States have met all applicable conditions for eligibility to receive payments under this chapter set forth in section 9003, the Commission shall certify to the Secretary for payment to such eligible candidates under section 9006 payment in full of amounts to which such candidates are entitled under section 9004."

(b) Section 9003(a) of such Code (relating to general conditions for eligibility for payments) is amended—

(1) by striking out "with respect to which payment is sought in paragraph (1) and inserting in lieu thereof "of such candidates";

(2) by inserting "and" at the end of paragraph (2);

(3) by striking out ", and" at the end of paragraph (3) and inserting in lieu thereof a period; and

(4) by striking out paragraph (4).

FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

Sec. 406. (a) Chapter 95 of subtitle H of the Internal Revenue Code of 1954 (relating to the presidential election campaign fund) is amended by striking out section 9008 (relating to information on proposed expenses) and inserting in lieu thereof the following new section:

"SEC. 9008. PAYMENTS FOR PRESIDENTIAL NOMINATING CONVENTIONS.

"(a) ESTABLISHMENT OF ACCOUNTS.—The Secretary shall maintain in the fund, in addition to any account which he maintains under section 9006 (a), a separate account for the national committee of each major party and minor party. The Secretary shall deposit in each such account an amount equal to the amount which each such committee may receive under subsection (b). Such deposits shall be drawn from amounts designated by individuals under section 6096 and shall be made before any transfer is made to any account for any eligible candidate under section 9006 (a).

"(b) ENTITLEMENT TO PAYMENTS FROM THE FUND.—

"(1) MAJOR PARTIES.—Subject to the provisions of this section the national committee of a major party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed \$2,000,000.

"(2) MINOR PARTIES.—Subject to the provisions of this section the national committee of a minor party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to receive under paragraph (1) as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the United States of the major parties in the preceding presidential election.

"(3) PAYMENTS.—Upon receipt of certification from the Commission under subsection (g), the Secretary shall make payments from the appropriate account maintained under subsection (a) to the national committee of a major party or minor party which elects to receive its entitlement under this subsection. Such payments shall be available for use by such committee in accordance with the provisions of subsection (c).

"(4) LIMITATION.—Payments to the national committee of a major party or minor party under this subsection from the account designated for such committee shall be limited to the amounts in such account at the time of payment.

"(5) ADJUSTMENT OF ENTITLEMENT.—The entitlements established by this subsection shall be adjusted in the same manner as expenditure limitations established by section 608 (c) and section 608 (f) of title 18, United States Code, are adjusted pursuant to the provisions of section 608 (d) of such title.

"(c) USE OF FUNDS.—No part of any payment made under subsection (b) shall be used to defray the expenses of any candidate or delegate who is participating in any presidential nominating convention. Such payments shall be used only—

"(1) to defray expenses incurred with respect to a presidential nominating convention (including the payment of deposits) by or on behalf of the national committee receiving such payments; or

"(2) to repay loans the proceeds of which were used to defray such expenses, or otherwise to restore funds (other than contributions to defray such expenses received by such committee) used to defray such expenses.

"(d) LIMITATION OF EXPENDITURES.—

"(1) MAJOR PARTIES.—Except as provided by paragraph (3), the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled under subsection (b) (1).

"(2) MINOR PARTIES.—Except as provided by paragraph (3), the national committee of a minor party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of the entitlement of the national committee of a major party under subsection (b) (1).

"(3) EXCEPTION.—The Commission may authorize the national committee of a major party or minor party to make expenditures which, in the aggregate, exceed the limitation established by paragraph (1) or paragraph (2) of this subsection. Such authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, such expenditures are necessary to assure the effective operation of the presidential nominating convention by such committee.

"(e) AVAILABILITY OF PAYMENTS.—The national committee of a major party or minor party may receive payments under subsection (b) (3) beginning on July 1 of the calendar year immediately preceding the

calendar year in which a presidential nominating convention of the political party involved is held.

"(f) **TRANSFER TO THE FUND.**—If, after the close of a presidential nominating convention and after the national committee of the political party involved has been paid the amount which it is entitled to receive under this section, there are moneys remaining in the account of such national committee, the Secretary shall transfer the moneys so remaining to the fund.

"(g) **CERTIFICATION BY COMMISSION.**—Any major party or minor party may file a statement with the Commission in such form and manner and at such times as it may require, designating the national committee of such party. Such statement shall include the information required by section 303(b) of the Federal Election Campaign Act of 1971, together with such additional information as the Commission may require. Upon receipt of a statement filed under the preceding sentences, the Commission promptly shall verify such statement according to such procedures and criteria as it may establish and shall certify to the Secretary for payment in full to any such committee of amounts to which such committee may be entitled under subsection (b). Such certifications shall be subject to an examination and audit which the Commission shall conduct no later than December 31 of the calendar year in which the presidential nominating convention involved is held.

"(h) **REPAYMENTS.**—The Commission shall have the same authority to require repayments from the national committee of a major party or a minor party as it has with respect to repayments from any eligible candidate under section 9007(b). The provisions of section 9007(d) and section 9007(d) shall apply with respect to any repayment required by the Commission under this subsection."

(b)(1) Section 9009(a) of such Code (relating to reports) amended by striking out "and" in paragraph (2) thereof; by striking out the period at the end of paragraph (3) thereof and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraphs:

"(4) the expenses incurred by the national committee of a major party or minor party with respect to a presidential nominating convention;

"(5) the amounts certified by it under section 9008(g) for payment to each such committee; and

"(6) the amount of payments, if any, required from such committees under section 9008(h), and the reasons for each such payment."

(2) The heading for section 9012(a) of such Code (relating to excess campaign expenses) is amended by striking out "CAMPAIGN".

(3) Section 9012(a)(1) by such Code (relating to excess expenses) is amended by adding at the end thereof the following new sentence: "It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to incur expenses with respect to a presidential nominating convention in excess of the expenditure limitation applicable with respect to such committee under section

9008(d), unless the incurring of such expenses is authorized by the Commission under section 9008(d)(3)."

(4) Section 9012(c) of such Code (relating to unlawful use of payments) is amended by redesignating paragraph (2) as paragraph (3) and by inserting immediately after paragraph (1) the following new paragraph:

"(2) It shall be unlawful for the national committee of a major party or minor party which receives any payment under section 9008(b)(3) to use, or authorize the use of, such payment for any purpose other than a purpose authorized by section 9008(c)."

(5) Section 9012(e)(1) of such Code (relating to kickbacks and illegal payments) is amended by adding at the end thereof the following new sentence: "It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to give or accept any kickback or any illegal payment in connection with any expense incurred by such committee with respect to a presidential nominating convention."

(6) Section 9012(e)(3) of such Code (relating to kickbacks and illegal payments) is amended by inserting immediately after "their authorized committees" the following: ", or in connection with any expense incurred by the national committee of a major party or minor party with respect to a presidential nominating convention,".

(c) The table of sections for chapter 95 of subtitle H of such Code (relating to the presidential election campaign fund) is amended by striking out the item relating to section 9008 and inserting in lieu thereof the following new item:

"Sec. 9008. Payments for presidential nominating conventions."

(d) Section 276 of such Code (relating to certain indirect contributions to political parties) is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

TAX RETURNS BY POLITICAL COMMITTEES

SEC. 407. Section 6012(a) of the Internal Revenue Code of 1954 (relating to persons required to make returns of income) is amended by adding at the end thereof the following new sentence: "The Secretary or his delegate shall, by regulation, exempt from the requirement of making returns under this section any political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971) having no gross income for the taxable year."

PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

SEC. 408. (a) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

"Subtitle H. Financing of presidential election campaigns."

(b) The analysis of chapters at the beginning of subtitle H of such Code is amended by striking out the item relating to chapter 96 and inserting in lieu thereof the following:

"Chapter 96. Presidential Primary Matching Payment Account."

(c) Subtitle H of such Code is amended by striking out chapter 96 relating to Presidential Election Campaign Fund Advisory Board and inserting in lieu thereof the following new chapter:

"CHAPTER 96—PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

"Sec. 9031. Short title.

"Sec. 9032. Definitions.

"Sec. 9033. Eligibility for payment.

"Sec. 9034. Entitlement of eligible candidates to payments.

"Sec. 9035. Qualified campaign expense limitation.

"Sec. 9036. Certification by Commission.

"Sec. 9037. Payments to eligible candidates.

"Sec. 9038. Examinations and audits; repayments.

"Sec. 9039. Reports to Congress; regulations.

"Sec. 9040. Participation of Commission in judicial proceedings.

"Sec. 9041. Judicial review.

"Sec. 9042. Criminal penalties.

"SEC. 9031. SHORT TITLE.

"This chapter may be cited as the 'Presidential Primary Matching Payment Account Act'.

"SEC. 9032. DEFINITIONS.

"FOR PURPOSES OF THIS CHAPTER—

"(1) The term 'authorized committee' means, with respect to the candidates of a political party for President and Vice President of the United States, any political committee which is authorized in writing by such candidates to incur expenses to further the election of such candidates. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidates with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'candidate' means an individual who seeks nomination for election to be President of the United States. For purposes of this paragraph, an individual shall be considered to seek nomination for election if he (A) takes the action necessary under the law of a State to qualify himself for nomination for election, (B) receives contributions or incurs qualified campaign expenses, or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Commission' means the Federal Election Commission established by section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(4) Except as provided by section 9034(a), the term 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money, or anything of value, the payment of which is made on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election,

with respect to which such gift, subscription, loan, advance, or deposit of money, or anything of value, is made, for the purpose of influencing the result of a primary election,

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose,

"(C) means funds received by a political committee which are transferred to that committee from another committee, and

"(D) means the payment by any person other than a candidate, or his authorized committee, of compensation for the personal services of another person which are rendered to the candidate or committee without charge, but

"(E) does not include—

"(i) except as provided in subparagraph (D), the value of personal services rendered to or for the benefit of a candidate by an individual who receives no compensation for rendering such service to or for the benefit of the candidate, or

"(ii) payments under section 9037.

"(5) The term 'matching payment account' means the Presidential Primary Matching Payment Account established under section 9037(a).

"(6) The term 'matching payment period' means the period beginning with the beginning of the calendar year in which a general election for the office of President of the United States will be held and ending on the date on which the national convention of the party whose nomination a candidate seeks nominates its candidate for the office of President of the United States, or, in the case of a party which does not make such nomination by national convention, ending on the earlier of (A) the date such party nominates its candidate for the office of President of the United States, or (B) the last day of the last national convention held by a major party during such calendar year.

"(7) The term 'primary election' means an election, including a runoff election or a nominating convention or caucus held by a political party, for the selection of delegates to a national nominating convention of a political party, or for the expression of a preference for the nomination of persons for election to the office of President of the United States.

"(8) The term 'political committee' means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the nomination of any person for election to the office of President of the United States.

"(9) The term 'qualified campaign expense' means a purchase, payment, distribution, loan, advance, deposit, or gift of money or of anything of value—

"(A) incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, and

“(B) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or the committee.

“(10) The term ‘State’ means each State of the United States and the District of Columbia.

“SEC. 9033. ELIGIBILITY FOR PAYMENTS.

“(a) **CONDITIONS.**—To be eligible to receive payments under section 9037, a candidate shall, in writing—

“(1) agree to obtain and furnish to the Commission any evidence it may request of qualified campaign expenses,

“(2) agree to keep and furnish to the Commission any records, books, and other information it may request, and

“(3) agree to an audit and examination by the Commission under section 9038 and to pay any amounts required to be paid under such section.

“(b) **EXPENSE LIMITATION; DECLARATION OF INTENT; MINIMUM CONTRIBUTIONS.**—To be eligible to receive payments under section 9037, a candidate shall certify to the Commission that—

“(1) the candidate and his authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9035,

“(2) the candidate is seeking nomination by a political party for election to the office of President of the United States,

“(3) the candidate has received matching contributions which in the aggregate, exceed \$5,000 in contributions from residents of each of at least 20 States, and

“(4) the aggregate of contributions certified with respect to any person under paragraph (3) does not exceed \$250.

“SEC. 9034. ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS.

“(a) **IN GENERAL.**—Every candidate who is eligible to receive payments under section 9033 is entitled to payments under section 9037 in an amount equal to the amount of each contribution received by such candidate on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such candidate is seeking nomination, or by his authorized committees, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person on or after the beginning of such preceding calendar year exceeds \$250. For purposes of this subsection and section 9033 (b), the term ‘contribution’ means a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address, but does not include a subscription, loan, advance or deposit of money, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9032 (4).

“(b) **LIMITATIONS.**—The total amount of payments to which a candidate is entitled under subsection (a) shall not exceed 50 percent of

the expenditure limitation applicable under section 608 (c) (1) (A) of title 18, United States Code.

“SEC. 9035. QUALIFIED CAMPAIGN EXPENSE LIMITATION.

“No candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable under section 608 (c) (1) (A) of title 18, United States Code.

“SEC. 9036. CERTIFICATION BY COMMISSION.

“(a) **INITIAL CERTIFICATIONS.**—Not later than 10 days after a candidate establishes his eligibility under section 9033 to receive payments under section 9037, the Commission shall certify to the Secretary for payment to such candidate under section 9037 payment in full of amounts to which such candidate is entitled under section 9034. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9037.

“(b) **FINALITY OF DETERMINATIONS.**—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter, are final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 9038 and judicial review under section 9041.

“SEC. 9037. PAYMENTS TO ELIGIBLE CANDIDATES.

“(a) **ESTABLISHMENT OF ACCOUNT.**—The Secretary shall maintain in the Presidential Election Campaign Fund established by section 9006 (a), in addition to any account which he maintains under such section, a separate account to be known as the Presidential Primary Matching Payment Account. The Secretary shall deposit into the matching payment account, for use by the candidate of any political party who is eligible to receive payments under section 9033, the amount available after the Secretary determines that amounts for payments under section 9006 (c) and for payments under section 9008 (b) (3) are available for such payments.

“(b) **PAYMENTS FROM THE MATCHING PAYMENT ACCOUNT.**—Upon receipt of a certification from the Commission under section 9036, but not before the beginning of the matching payment period, the Secretary or his delegate shall promptly transfer the amount certified by the Commission from the matching payment account to the candidate. In making such transfers to candidates of the same political party, the Secretary or his delegate shall seek to achieve an equitable distribution of funds available under subsection (a), and the Secretary or his delegate shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

“SEC. 9038. EXAMINATIONS AND AUDITS; REPAYMENTS.

“(a) **EXAMINATIONS AND AUDITS.**—After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9037.

“(b) **REPAYMENTS.**—

“(1) If the Commission determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under section 9034, it shall notify the can-

didate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) If the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses,

it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the matching payment account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding 6 months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the matching payment account bears to the total of all deposits made into the candidate's accounts shall be promptly repaid to the matching payment account.

"(c) NOTIFICATION.—No notification shall be made by the Commission under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the matching payment account.

"SEC. 9039. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after each matching payment period, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidate of each political party and their authorized committees,

"(2) the amounts certified by it under section 9036 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9038, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) REGULATIONS, ETC.—The Commission is authorized to prescribe rules and regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9038(a)), to conduct investigations, and to require the keeping and submission of any books, records,

and information, which it determines to be necessary to carry out its responsibilities under this chapter.

"(c) REVIEW OF REGULATIONS.—

"(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 90 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"SEC. 9040. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) APPEARANCE BY COUNSEL.—The Commission is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) RECOVERY OF CERTAIN PAYMENTS.—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made pursuant to section 9038.

"(c) INJUNCTIVE RELIEF.—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) APPEAL.—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 9041. JUDICIAL REVIEW.

"(a) REVIEW OF AGENCY ACTION BY THE COMMISSION.—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for

the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) **REVIEW PROCEDURES.**—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

"SEC. 9042. CRIMINAL PENALTIES.

"(a) **EXCESS CAMPAIGN EXPENSES.**—Any person who violates the provisions of section 9035 shall be fined not more than \$25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9035 shall be fined not more than \$25,000, or imprisoned not more than 5 years, or both.

"(b) **UNLAWFUL USE OF PAYMENTS.**—

"(1) It is unlawful for any person who receives any payment under section 9037, or to whom any portion of any such payment is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(c) **FALSE STATEMENTS, ETC.**—

"(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this chapter, or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(d) **KICKBACKS AND ILLEGAL PAYMENTS.**—

"(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection

with any qualified campaign expense of a candidate, or his authorized committees, who receives payments under section 9037.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committees shall pay to the Secretary for deposit in the matching payment account, an amount equal to 125 percent of the kickback or payment received."

REVIEW OF REGULATIONS

SEC. 409. (a) Section 9009 of the Internal Revenue Code of 1954 (relating to reports to Congress; regulations) is amended by adding at the end thereof the following new subsection:

"(c) **REVIEW OF REGULATIONS.**—

"(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session."

(b) Section 9009(b) of such Code (relating to regulations, etc.) is amended by inserting "in accordance with the provisions of subsection (c)" immediately after "regulations".

EFFECTIVE DATES

SEC. 410. (a) Except as provided by subsection (b) and subsection (c), the foregoing provisions of this Act shall become effective January 1, 1976.

(b) Section 104 and the amendment made by section 301 shall become effective on the date of the enactment of this Act.

(c) (1) The amendments made by sections 403(a), 404, 405, 406, 408, and 409 shall apply with respect to taxable years beginning after December 31, 1974.

(2) The amendment made by section 407 shall apply with respect to taxable years beginning after December 31, 1971.

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the Senate bill.

HOWARD W. CANNON,
CLAIBORNE PELL,
JOHN K. PASTORE,
RUSSELL LONG,
EDWARD KENNEDY,
DICK CLARK,
HUGH SCOTT,
WALLACE BENNETT,
ROBERT GRIFFIN,
TED STEVENS,
CHARLES McC. MATHIAS,

Managers on the part of the Senate.

WAYNE L. HAYS,
FRANK THOMPSON,
JOHN H. DENT,
JOHN BRADEMAS,
ED JONES,
ROBERT MOLLOHAN,
DAWSON MATHIS,
WILLIAM DICKINSON,
SAMUEL L. DEVINE,
JOHN WARE,
BILL FRENZEL,

Managers on the part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendments struck out all of the Senate bill after the enacting clause and inserted a substitute text and provided a new title for the Senate bill, and the Senate disagreed to the House amendments.

The committee of conference recommends that the Senate recede from its disagreement to the amendment of the House to the text of the bill, with an amendment which is a substitute for both the text of the Senate bill and the House amendment to the text of the Senate bill, and also recede from its disagreement to the House amendment to the title of the Senate bill.

The differences between the text of the Senate bill, the House amendment thereto, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by reason of agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE

The Senate bill, the House amendment, and the conference substitute provide that this legislation may be cited as the "Federal Election Campaign Act Amendments of 1974".

CRIMINAL CODE AMENDMENTS

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

A. CONTRIBUTIONS

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 615, relating to limitations on contributions.

Section 615(a)(1) provided that no individual may make contributions to a candidate with respect to his campaign for election which, in the aggregate, exceed \$3,000.

Section 615(a)(2) provided that no person (other than an individual) may make contributions to a candidate with respect to his campaign for election which, in the aggregate, exceed \$6,000.

Section 615(b)(1) provided that a candidate may not accept contributions from an individual which, in the aggregate, exceed \$3,000, or from any person (other than an individual) which, in the aggregate, exceed \$6,000.

Section 615(b)(3) provided that an officer or employee of a political committee or a political party may not accept any contribution which a candidate is prohibited from accepting by section 615(b)(1).

Section 615(d)(1) provided that no individual may make contributions during a calendar year which, in the aggregate, exceed \$25,000.

Section 615(d)(2) provided that any contribution to a campaign of a candidate in a year other than the calendar year in which the election to which such campaign relates is held shall be considered, for purposes of section 615(d)(1), to be made during the calendar year in which such election is held.

Section 615(c)(2) provided that contributions made to a candidate of a political party for the office of Vice President shall be considered to be made to the candidate of such party for the office of President.

Section 615(c)(3) defined the term "campaign" to include all primary, primary runoff, and general election campaigns related to a specific general election, and all primary, primary runoff, and special election campaigns related to a specific special election.

Section 615(c)(1) provided that, for purposes of the contribution limitations established by section 615, all contributions made by a person directly or indirectly to a candidate, including any earmarked or otherwise encumbered contributions, shall be considered contributions from such person to such candidate.

House amendment

Section 101(a) of the House amendment amended section 608 of title 18, United States Code, by inserting a new subsection (b).

Subsection (b)(1) provided that, except as otherwise provided by the new subsection (b), no person may make contributions exceeding \$1,000 to any candidate for Federal office in any election.

Subsection (b)(2) provided that no political committee (other than the principal campaign committee of a candidate) may make contributions exceeding \$5,000 to any candidate for Federal office in any election.

Subsection (b)(2) also defined the term "political committee" to mean, for purposes of subsection (b)(2), an organization registered as a political committee under section 303 of the Federal Election Campaign Act of 1971 (hereinafter in this statement referred to as the "Act") for at least 6 months which has received contributions from more than 50 persons and has made contributions to at least 5 candidates for Federal office. Subsection (b)(2) also provided that State political party organizations shall not be required to make con-

tributions to at least 5 candidates for Federal office in order to be considered political committees for purposes of subsection (b)(2).

Subsection (b)(3) provided that no individual may make contributions exceeding \$25,000 in any calendar year.

Subsection (b)(4) provided that, for purposes of subsection (b), the following rules shall apply: (1) if a contribution is made to a political committee authorized in writing by a candidate to accept contributions on his behalf, then such contribution shall be considered to be a contribution to such candidate; and (2) any contribution to the candidate of a political party for the office of Vice President shall be considered to be a contribution to the candidate of such party for the office of President.

Subsection (b)(5) provided that limitations imposed by subsection (b)(1) and subsection (b)(2) shall apply separately to each election.

Subsection (b)(6) provided that all contributions from a person to a particular candidate shall be treated as contributions from such person to such candidate, even if such contributions are made indirectly, are earmarked, or are directed through any intermediary or conduit. It should be noted that the provisions of subsection (b)(6) were not intended to apply to contributions from separate segregated funds maintained by corporations or labor organizations, because donors to such funds must relinquish control of their donation to the corporation or labor organization and such donors may not earmark or direct such donations to any specific candidate or political committee.

Subsection (b)(6) required any person acting as an intermediary or conduit to report to the supervisory officer the source of the contribution and the intended recipient of the contribution. Such person also shall report such contribution to the intended recipient.

It was the understanding of the Committee on House Administration (hereinafter in this statement referred to as the "House committee") that the following rule would apply with respect to the application of the contribution limitations established by subsection (b): if a person exercises any direct or indirect control over the making of a contribution, then such contribution shall count toward the limitation imposed with respect to such person under subsection (b), but it will not count toward such a person's contribution limitation when it is demonstrated that such person exercised no direct or indirect control over the making of the contribution involved.

A similar question was raised in the House committee regarding the possibility of circumventing the limit on contributions by political committees where a national committee of a political organization may contribute the maximum allowable amount to a candidate and a State or local sub-unit or subsidiary of that committee may also contribute to the same candidate. It was the intent of the House committee to allow the maximum contribution from each level of the organization if the decision or judgment to make such contributions is independently exercised within the separate levels of the organization. However, if the subsidiary or sub-unit organizations are under the control or direction of the parent organization with respect to their contributions to specific candidates, then the organizations acting

in concert would constitute one political committee for the purpose of the contribution limits included in the House amendment bill.

Conference substitute

The conference substitute is the same as the House amendment, with the following changes:

1. With respect to the provision of the House amendment which prohibited any individual from making contributions in any calendar year exceeding \$25,000, the conference substitute adopts the approach of the Senate bill which provided that any contribution to a campaign of a candidate in a year other than the calendar year in which the election to which such campaign relates is held shall be considered to be made during the calendar year in which such election is held.

2. The conference substitute adopts the provision of the Senate bill relating to the acceptance of illegal contributions by candidates and by officers or employees of political committees. Existing law prohibits a candidate or political committee from accepting an illegal contribution or authorizing an illegal expenditure. The conference substitute combines the prohibitions contained in existing law with those contained in the Senate bill and provides that no candidate or political committee may knowingly accept any contribution, or knowingly make any expenditure, in violation of the limits imposed by this legislation. The conference substitute also provides that no officer or employee of a political committee may knowingly accept a contribution made for the benefit of a candidate, or knowingly make any expenditure on behalf of the candidate, in violation of the limits imposed by this legislation.

The conferees agree with the analysis of the House report (as set forth in the statement relating to the House amendment) regarding the rule for application of contribution limitations and regarding the possibility of circumventing such limitations.

B. EXPENDITURES

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 614, relating to limitation on expenditures generally.

Section 614(a) (1) provided that no candidate may make expenditures in his campaign for nomination for election, or for election, to Federal office, which exceed the limitation established by section 504 of the Act if such candidate were receiving payments under title V of the Act.

Section 504 of the Act was added by section 101 of the Senate bill. Section 504(a) (1) provided that no candidate (other than a candidate for the office of President) who receives payments under title V with respect to his primary election campaign may make expenditures with respect to such campaign in excess of the greater of (1) 8 cents multiplied by the voting age population of the geographical area in which the election for such nomination is held; (2) \$125,000, if the Federal office sought is that of Senator or Representative from a State with only one Representative; or (3) \$90,000, if the Federal office sought is that of Representative from a State with more than one Representative.

Section 504(a) (2) provided that no candidate for nomination for the office of President may make expenditures in any State in which he is a candidate in a primary election which exceed 2 times the amount which a candidate for nomination for the office of Senator may spend in such State. No candidate for nomination for the office of President may make expenditures throughout the United States which exceed an amount equal to 10 cents multiplied by the voting age population of the United States.

Section 504(b) provided that no candidate who receives payments under title V with respect to his general election campaign may make expenditures with respect to such campaign in excess of the greater of (1) 12 cents multiplied by the voting age population of the geographical area in which such election is held; (2) \$175,000, if the Federal office sought is that of Senator or Representative from a State with only one Representative; or (3) \$90,000, if the Federal office sought is that of Representative from a State with more than one Representative.

Section 504(c) provided that no candidate who is unopposed in a general election may make expenditures with respect to his campaign which exceed 10 percent of the limitation in section 504(b).

Section 504(d) provided that the Federal Election Commission (hereinafter in this statement referred to as the "Commission") shall prescribe rules under which expenditures by a candidate for nomination for election to the office of President for use in 2 or more States shall be attributed to the expenditure limitation of such candidate in each State.

Section 504(e) (1) provided that expenditures made on behalf of a candidate shall be considered to be made by such candidate.

Section 504(e) (2) provided that expenditures made by a candidate of a political party for the office of Vice President shall be considered to be made by the candidate of such party for the office of President.

Section 504(e) (3) provided that an expenditure is made on behalf of a candidate if it is made by (1) an authorized committee or other agent of a candidate for the purposes of making expenditures; (2) any person authorized or requested to make an expenditure by a candidate, an authorized committee of a candidate, or an agent of a candidate; or (3) a national or State committee of a political party with respect to a primary or general election campaign of a candidate, if such expenditure exceeds the limitations of section 614(b) of title 18, United States Code, relating to limitation on expenditures generally. If any such expenditure does not exceed such limitations, it shall not be considered to be an expenditure made on behalf of such candidate.

Section 614(a) (2) was identical to section 504(e) (1) of the Act. Section 614(a) (3) was identical to section 504(e) (2) of the Act. Section 614(a) (4) provided that an expenditure is made on behalf of a candidate if it is made by (1) an authorized committee or other agent of a candidate for the purpose of making expenditures; or (2) any person authorized or requested to make an expenditure by a candidate, an authorized committee of a candidate, or an agent of a candidate. Section 614(a) (5) was identical to section 504(d) of the Act.

Section 614(b)(1) provided that a national committee or State committee of a political party may make expenditures with respect to general election campaigns of candidates for Federal office.

Section 614(b)(2) provided that a national committee of a political party may not make expenditures for the candidate of such party for the office of President which exceed an amount equal to 2 cents multiplied by the voting age population of the United States.

Section 614(b)(3) provided that a national committee or a State committee of a political party may not make expenditures for a candidate in a general election for Federal office which exceed (1) if the office involved is that of Senator or Representative in a State with only one Representative, the greater of (A) 2 cents multiplied by the voting age population of the State involved; or (B) \$20,000; and (2) if the office involved is that of Representative in a State with more than one Representative, \$10,000.

Section 614(b)(4) defined the term "voting age population" as the voting age population certified for the year involved under section 504(g) of the Act. Section 614(b)(4) also provided that the approval by a national committee of a political party of an expenditure by a candidate of such party for the office of President, as required by section 316 of the Act, shall not be considered an expenditure by such national committee.

Section 504(g) of the Act, as added by section 101 of the Senate bill, provided that, beginning in January 1975 and annually thereafter, the Secretary of Commerce shall certify to the Commission an estimate of the voting age population of the United States, of each State, and of each congressional district. The term "voting age population" was defined to mean resident population, 18 years of age or older.

Section 504(h) of the Act, as added by section 101 of the Senate bill, provided that the Commission shall, upon receiving certification from the Secretary of Commerce under section 504(g) and from the Secretary of Labor under section 504(f)(2), publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, each State, and each congressional district.

Section 504(i) of the Act, as added by section 101 of the Senate bill, provided that, in the case of a House candidate from a new district or from a district with new boundaries, the Commission shall determine the amount of payments to which such candidate is entitled and shall determine whether such candidate is a major party or a minor party candidate, based upon the number of votes cast in the preceding general election for the office involved by voters residing within the area encompassed in the new or altered congressional district.

House amendment

Section 101(a) of the House amendment amended section 608 of title 18, United States Code, by inserting a new subsection (c).

The new subsection (c) established the following expenditure limitations: (1) a candidate for nomination for election to the office of President may not make expenditures exceeding \$10,000,000; (2) a candidate for election to the office of President may not make expendi-

tures exceeding \$20,000,000; (3) a candidate for the office of Senator may not make expenditures which exceed the greater of (A) 5 cents multiplied by the population of the State involved; or (B) \$75,000; (4) a candidate for the office of Representative, Delegate from the District of Columbia, or Resident Commissioner, may not make expenditures exceeding \$60,000; and (5) a candidate for the office of Delegate from Guam or the Virgin Islands may not make expenditures exceeding \$15,000.

Subsection (c) also provided that, for purposes of such subsection, the following rules shall apply: (1) any expenditure made by the candidate of a political party for the office of Vice President shall be considered to be an expenditure made by the candidate of such party for the office of President; (2) any expenditure made on behalf of a candidate by his principal campaign committee shall be deemed to have been made by such candidate; and (3) the population of a geographical area shall be the population according to the most recent decennial census.

Subsection (c) also provided that the expenditure limitations applied by subsection (c) to candidates for the office of Senator, Representative, Delegate, and Resident Commissioner, shall apply separately to each election. It also provided that, for purposes of the \$10,000,000 expenditure limit on candidates for nomination to the office of President, all Presidential primary elections are considered one election.

Conference substitute

The conference substitute is the same as the House amendment, with the following changes:

1. The conference substitute increases the expenditure limitation applicable to candidates for the office of Representative, Delegate from the District of Columbia, and Resident Commissioner, from \$60,000 to \$70,000.

2. The conference substitute adopts the provision of the Senate bill which provided that an expenditure is made on behalf of a candidate if it is made by (A) an authorized committee or other agent of a candidate for the purpose of making expenditures; or (B) any person authorized or requested to make an expenditure by a candidate, an authorized committee of a candidate, or an agent of a candidate. This change conforms with the decision of the conferees to permit authorized committees, as well as the principal campaign committee, to make expenditures on behalf of a candidate.

3. The conference substitute adopts the approach taken by the Senate bill with respect to expenditures applicable to candidates for the office of Senator or Representative from a State with only one Representative. In a primary election, such candidates may make expenditures which do not exceed the greater of (A) 8 cents multiplied by the voting age population of the State in which the election is held; or (B) \$100,000 (the conference substitute reduces the floor of \$125,000 which was contained in the Senate bill).

In a general election, such candidates may make expenditures which do not exceed the greater of (A) 12 cents multiplied by the voting age population of the State in which the election is held; or (B) \$150,000

(the conference substitute reduces the floor of \$175,000 which was contained in the Senate bill).

4. The conference substitute adopts the provision of the Senate bill which provided that no candidate for nomination for the office of President may make expenditures in any State in which he is a candidate in a primary election which exceed 2 times the amount which a candidate for the office of Senator may make in such State.

5. The conference substitute adopts the provision of the Senate bill which provided that the Commission shall prescribe rules under which expenditures by a candidate for nomination for election to the office of President for use in 2 or more States shall be attributed to the expenditure limitation of such candidate in each State.

6. The conference substitute adopts the provision of the Senate bill which provided that national committees and State committees of political parties may make expenditures with respect to general election campaigns of candidates for Federal office. The expenditure limitations made applicable to such committees by the Senate bill are adopted by the conference substitute.

C. COST-OF-LIVING ADJUSTMENTS

Senate bill

Section 504(f) of the Act, as added by section 101 of the Senate bill provided that at the beginning of each calendar year (commencing in 1975) the Secretary of Labor shall certify to the Commission the percentage difference between the price index for the most recent calendar year and the price index for the base period. The expenditure limitations established by section 504(a) and section 504(b) shall be changed by such percentage difference.

Section 504(f) defined the term "price index" as the average over a calendar year of the Consumer Price Index (all items—United States city average), and the term "base period" as calendar year 1973.

House amendment

Section 608(d) of title 18, United States Code, as added by section 101(a) of the House amendment, was the same as section 504(f) of the Act, as added by the Senate bill, with the following difference: (1) certification was required to be made to the Comptroller General and not to the Commission; and (2) the percentage difference would be taken into account only if it required an increase in expenditure limitations established by section 608(c) of title 18, United States Code.

Conference substitute

The conference substitute is the same as the House amendment, except that certification is required to be made to the Commission.

D. OTHER EXPENDITURE LIMITATIONS

Senate bill

Section 614(c) of title 18, United States Code, as added by section 304(a) of the Senate bill, provided that no person may make expenditures (other than an expenditure permitted under section 614(a) (4)

advocating the election or defeat of a clearly identified candidate during a calendar year which exceed \$1,000.

Section 614(c) also contained definitions of terms used in such subsection. The term "clearly identified" was defined to mean (1) the candidate's name appears; (2) a photograph or drawing of the candidate appears; or (3) the identity of the candidate is apparent by unambiguous reference. The term "person" did not include a national committee or State committee of a political party. The term "expenditure" did not include any payment made by a corporation or labor organization which, under the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization.

House amendment

Section 608(e) of title 18, United States Code, as added by section 101(a) of the House amendment, was the same as section 614(c), as added by section 304(a) of the Senate bill, except that the provision added by the House amendment did not define the terms "person" and "expenditure".

Conference substitute

The conference substitute is the same as the Senate bill, except that the definition of person is omitted.

E. EXPENDITURES FROM PERSONAL FUNDS

Senate bill

Section 302(a) (1) of the Senate bill amended section 608(a) (1) of title 18, United States Code, relating to limitations on contributions and expenditures, to provide that no candidate may make expenditures from his personal funds or the personal funds of his immediate family with respect to his campaigns for nomination for election, and for election, to Federal office which exceed during any calendar year (1) \$50,000 in the case of a candidate for the office of President or Vice President; (2) \$35,000 in the case of a candidate for the office of Senator; or (3) \$25,000 in the case of a candidate for the office of Representative, Delegate, or Resident Commissioner.

Section 302(a) (2) of the Senate bill amended section 608(a) of title 18, United States Code, by adding at the end thereof a new paragraph (3) and paragraph (4). Paragraph (3) provided that no candidate or his immediate family may make loans or advances from their personal funds with respect to his campaigns for Federal office unless such loan or advance is evidenced by a written instrument disclosing the terms and conditions of such loan or advance. Paragraph (4) provided that any such loan or advance shall be included in computing expenditures under section 608(a) only to the extent of the balance of such loan or advance outstanding and unpaid.

House amendment

Section 101(b) of the House amendment amended section 608(a) (1) of title 18, United States Code, to provide that no candidate may make expenditures from his personal funds or the personal funds

of his immediate family with respect to his campaign for nomination for election, or for election, to Federal office, which exceed \$25,000.

Conference substitute

The conference substitute is the same as the Senate bill, except that the conference substitute permits candidates for the office of Representative from States with only one Representative to make expenditures of up to \$35,000 from their personal funds or the funds of their immediate families. Under the conference substitute the limitation on the expenditure of personal funds and immediate family funds by a candidate applies to the entire campaign period during any calendar year, beginning with the primary election campaign running through any primary runoff campaign and the general election campaign. In determining the amount of such funds used in connection with the candidate's efforts to obtain election to Federal office during any calendar year all funds spent in calendar years other than the calendar year in which such campaigns are conducted are taken into account.

It is the intent of the conferees that members of the immediate family of any candidate shall be subject to the contribution limitation established by this legislation. If a candidate for the office of Senator, for example, already is in a position to exercise control over funds of a member of his immediate family before he becomes a candidate, then he could draw upon these funds up to the limit of \$35,000. If, however, the candidate did not have access to or control over such funds at the time he became a candidate, the immediate family member would not be permitted to grant access or control to the candidate in amounts up to \$35,000, if the immediate family member intends that such amounts are to be used in the campaign of the candidate. The immediate family member would be permitted merely to make contributions to the candidate in amounts not greater than \$1,000 for each election involved.

F. DISCHARGE OF CERTAIN CAMPAIGN DEBTS

Senate bill

Section 302(d) of the Senate bill provided that, notwithstanding the provisions of section 608 of title 18, United States Code, any individual may satisfy out of his personal funds or the personal funds of his immediate family any debt or obligation outstanding on the date of the enactment of this legislation and incurred by him with respect to any campaign for election to Federal office ending before January 1, 1973. The term "immediate family" was defined by reference to the definition of such term contained in section 608.

House amendment

Section 101(c) of the House amendment was the same as section 302(d) of the Senate bill, with the following differences: (1) the House amendment, instead of making an exception to the provisions of section 608 of title 18, United States Code, generally, made the exception apply specifically to the provisions of section 608(a)(1) of title 18, United States Code, relating to limitations on expenditures from personal funds; and (2) the House amendment defined

terms "election", "Federal office", and "political committee" by reference to the definitions of such terms contained in section 591 of title 18, United States Code.

Conference substitute

The conference substitute is the same as the House amendment.

G. CONTRIBUTIONS BY FOREIGN NATIONALS

Senate bill

Section 615(b)(2) of title 18, United States Code, as added by section 304(a) of the Senate bill, provided that no candidate may knowingly solicit or accept a contribution (1) from a foreign national; or (2) which is made in violation of section 613 of title 18, United States Code, relating to contributions by agents of foreign principals. The term "foreign national" was defined to mean a foreign principal, as such term is defined by the Foreign Agents Registration Act of 1938, or an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by the Immigration and Nationality Act.

House amendment

Section 101(d) of the House amendment amended section 613 of title 18, United States Code, relating to contributions by certain foreign agents, in order to make such section apply directly to foreign nationals instead of applying to agents of foreign principals. The term "foreign national" was defined in the same manner as in the Senate bill.

Conference substitute

The conference substitute is the same as the House amendment.

H. AMOUNT OF CRIMINAL FINES

Senate bill

Section 302(b) of the Senate bill amended section 608 of title 18, United States Code, relating to limitations on contributions and expenditures out of candidates' personal and family funds, by increasing the fine for violation of such section from a maximum of \$1,000 to a maximum of \$25,000, and by increasing the prison term from a maximum of one year to a maximum of 5 years.

The penalty for violation of section 614 of title 18, United States Code, as added by section 304(a) of the Senate bill, was a fine of \$25,000, or imprisonment for not more than 5 years, or both. If a candidate was convicted of violating section 614 because of an expenditure made on his behalf by a political committee, then the treasurer of such political committee or any other person authorizing such expenditure was punishable by a fine of not more than \$25,000, or imprisonment for not more than 5 years, or both, if such person knew or had reason to know that such expenditure was in violation of section 614.

The penalty for violation of section 615 of title 18, United States Code, as added by section 304(a) of the Senate bill, was a fine of not more than \$25,000, or imprisonment for not more than 5 years, or both.

House amendment

Section 101(e) (1) of the House amendment amended section 608 of title 18, United States Code, relating to limitations on contributions and expenditures, to increase the criminal fine which may be imposed under such section from \$1,000 to \$25,000.

Section 101(e) (2) amended section 610 of title 18, United States Code, relating to contributions or expenditures by national banks, corporations, or labor organizations, to (1) increase the criminal fine which may be imposed under such section against corporations or labor organizations from \$5,000 to \$25,000; and (2) increase the criminal fine which may be imposed under such section against officers or directors committing willful violations from \$10,000 to \$50,000. It was the desire of the House committee that the increased penalties of section 610, together with the existing prison penalties of such section shall be enforced rigorously against officers and directors of corporations and labor organizations to the extent such officers and directors are responsible for violations of such section.

Section 101(e) (3) amended section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, to increase the criminal fine which may be imposed under such section from \$5,000 to \$25,000.

Section 101(e) (4) amended section 613 of title 18, United States Code (as amended by section 101(d)), relating to contributions by foreign nationals, to increase the criminal fine which may be imposed under such section from \$5,000 to \$25,000.

Conference substitute

The conference substitute is the same as the House amendment.

I. PROHIBITION OF CERTAIN CONTRIBUTIONS

Senate bill

Section 211 of the Senate bill amended section 310 of the Act, relating to prohibition of contributions in the name of another, to provide that no person may knowingly permit his name to be used to effect any contribution which is prohibited by such section.

House amendment

Section 101(f) (1) of the House amendment amended chapter 29 of title 18, United States Code, by inserting a new section 614, relating to prohibition of contributions in the name of another. Section 614 was the same as section 310 of the Act (which was repealed by section 101(f) (4) of the House amendment), except that the criminal fine was increased from a maximum of \$1,000 to a maximum of \$25,000.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute adopts that portion of the Senate bill which provided that no person may knowingly permit his name to be used to effect any prohibited contribution.

J. CONTRIBUTIONS OF CURRENCY

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 616, relating to form of contributions. Section 616 prohibited contributions to any candidate or political committee in excess of \$100 in a calendar year unless such contributions are made by written instrument identifying the person making such contribution. Violation of section 616 is punishable by a fine of not more than \$1,000, imprisonment for not more than one year, or both.

House amendment

Section 101(f) (1) of the House amendment amended chapter 29 of title 18, United States Code, by inserting a new section 615, relating to limitation on contributions of currency. Section 615 provided that no person may make contributions of currency of the United States or currency of any foreign country exceeding \$100 to any candidate for Federal office in any election. Violation of section 615 is punishable by a fine of not more than \$25,000, imprisonment for not more than one year, or both.

Conference substitute

The conference substitute is the same as the House amendment.

K. CONVERSION OF CONTRIBUTIONS

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 617, which prohibited the embezzlement or conversion of political contributions.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

HONORARIUMS

Senate bill

No provision.

House amendment

Section 101(f) (1) of the House amendment amended chapter 29 of title 18, United States Code, by inserting a new section 616, relating to acceptance of excessive honorariums. Section 616 provided that any elected or appointed officer or employee of any branch of the Federal Government who accepts any single honorarium exceeding \$1,000, or who accepts honorariums exceeding \$10,000 in a calendar year, shall be fined not less than \$1,000 nor more than \$5,000.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute prohibits honorariums exceeding \$15,000 in a calendar year, thus increasing by \$5,000 the figure contained in the House amendment.

VOTING FRAUD

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 618, relating to voting fraud. Section 618 prohibited any person in a Federal election from (1) casting a ballot in the name of another person; (2) casting a ballot if he is not qualified to vote; (3) forging or altering a ballot; (4) miscounting votes; (5) tampering with a voting machine; or (6) committing any other act (or failing to carry out a duty required by law) with the intent of causing an inaccurate counting of votes in any election.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

DISCLOSURE OF ELECTION RESULTS

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 619, which made it unlawful to make public information with respect to votes cast in the office of Presidential and Vice-Presidential elector before midnight, eastern standard time, of the day on which the election is held.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

FRAUDULENT MISREPRESENTATION OF CAMPAIGN AUTHORITY

Senate bill

Section 304(a) of the Senate bill amended chapter 29 of title 18, United States Code, by inserting a new section 620, which made it unlawful for any candidate, or any agent or employee of a candidate, to fraudulently misrepresent himself as speaking or otherwise acting for or on behalf of any other candidate or political party on a matter which is damaging to such other candidate or political party. Violation of the provisions was made punishable by a \$50,000 fine or 5 years in prison, or both.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill, except that the conference substitute reduces the fine from \$50,000 to \$25,000 and reduces the prison term from 5 years to 1 year.

APPLICABILITY OF DEFINITIONS

Senate bill

Section 304(b) of the Senate bill amended section 591 of title 18, United States Code, relating to definitions, to make such section applicable to the new sections 614 through 620, which were added by section 304(a) of the Senate bill.

House amendment

Section 101(f)(2) of the House amendment amended section 591 of title 18, United States Code, relating to definitions, to clarify that the manner in which terms are defined in such section applies to the use of such terms in such section, and to make such section applicable to the new sections 614, 615, and 616, which were added by section 101(f)(1) of the House amendment.

Conference substitute

The conference substitute is essentially the same as the House amendment.

CHANGES IN DEFINITIONS

A. ELECTION

Senate bill

Section 301(a) of the Senate bill amended section 591(a) of title 18, United States Code, relating to the definition of election, to indicate that such term does not include the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

B. POLITICAL COMMITTEE

Senate bill

Section 301(b) of the Senate bill amended section 591(d) of title 18, United States Code, relating to the definition of political committee, to read that such term means (1) any committee or other group of persons which receives contributions or makes expenditures during a calendar year exceeding \$1,000; (2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State committee of a political party, whether or not any such entity receives contributions or makes expenditures during a calendar year exceeding \$1,000; and (3) any committee, association, or organization administering a

separate segregated fund described in section 610 of title 18, United States Code, relating to contributions or expenditures by national banks, corporations, or labor organizations.

House amendment

Section 102(a) of the House amendment amended section 591 of title 18, United States Code, relating to the definition of political committee, to provide that such term shall be extended to include an individual, committee, association, or organization which commits an act for the purpose of influencing the outcome of any election to a Federal office, except that such acts shall not include certain communications which are excluded from the definition of expenditure under section 591(f), as amended by the House amendment. Such communications include news stories and editorials distributed through the public media facilities (unless such facilities are owned or controlled by a political party or committee, or by a candidate), communications by a membership organization to its members (unless it is organized primarily for the purpose of influencing an election to a Federal office), and any other communication which is not made for the purpose of influencing an election to a Federal office.

Conference substitute

The conference substitute is the same as that portion of the Senate bill which provided that the term "political committee" means a committee or other group of persons which receives contributions and makes expenditures during a calendar year exceeding \$1,000.

C. CONTRIBUTION

Senate bill

Section 301(c) of the Senate bill amended section 591(e) of title 18, United States Code, relating to the definition of contribution, in the following ways: (1) to indicate that the term includes assessments, fees, or membership dues, connected with subscriptions; (2) to provide that such term does not apply to any transaction in connection with the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; (3) to provide that such term applies to financing the operations of a political committee, and to the payment of any debt or obligation of a candidate or a political committee; (4) to eliminate the applicability of such term to contracts, promises, or agreements to make a contribution; and (5) to clarify that such term includes funds received by a political committee which are transferred to such committee from another political committee.

House amendment

Section 102(b) of the House amendment amended section 591(e)(1) of title 18, United States Code, relating to the definition of contribution, to provide that a loan of money by a national or State bank shall be considered a loan by each endorser of such loan, in that proportion of the unpaid balance of such loan which each endorser bears to the total number of endorsers.

Section 102(c) of the House amendment amended section 591 of title 18, United States Code, relating to the definition of contri-

tion, to provide that the following activities shall not be considered to be contributions: (1) the use of property by an individual who owns or leases such property with respect to the rendering of voluntary services by such individual on his residential premises for candidate-related activities, including the cost of invitations and food and beverages, to the extent that the cumulative value of such use does not exceed \$500; (2) the sale of food or beverage by a vendor to a candidate at a reduced charge if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that such accumulated charges do not exceed \$500; (3) the travel expenses of an individual rendering voluntary services to a candidate, to the extent that the cumulative total of such expenses does not exceed \$500; and (4) the payment by a State or local committee of a political party of the costs of preparation or distribution of any printed slate card or other printed listing of 3 or more candidates for public office who are candidates in the State in which such committee is located, but this exclusion does not apply to payment of costs for the display of any such printed listing through public media facilities (other than newspapers) or on outdoor advertising facilities such as billboards.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute adopts that portion of the Senate bill which deleted from the term "contribution" any transaction in connection with the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States.

The purpose of the provision exempting slatecards is intended to allow State and local parties to educate the general public as to the identity of the candidates of the party. It is the intention of the conferees that the slatecard exemption applies only to lists containing the names of all candidates of a party within the State, displayed with equal prominence.

D. EXPENDITURE

Senate bill

Section 301(d) of the Senate bill amended section 591(f) of title 18, United States Code, relating to the definition of expenditure, to provide that such term means (1) a purchase, loan (other than a loan of money by a national or State bank), or other described payment of money or anything of value made for the purpose of (A) influencing the nomination for election, or election, of any person to Federal office; (B) influencing the result of a Presidential primary election; (C) financing a political committee; or (D) paying any debt or obligation of a candidate or a political committee; and (2) the transfer of funds by a political committee to another political committee.

The amendment made by section 301(d) of the Senate bill provided that the term "expenditure" does not include the value of services rendered by volunteer workers on behalf of a candidate.

House amendment

Section 102(d) of the House amendment amended section 591(f) of title 18, United States Code, relating to the definition of expenditure, to provide that the following activities shall not be considered

to be expenditures: (1) any news story, commentary, or editorial, any broadcasting station, newspaper, or other periodical publication, unless such facilities are owned or controlled by a political party, political committee, or candidate; (2) nonpartisan get-out-the-vote activity; (3) communications by a membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily to influence the outcome of elections for Federal office; (4) the use of property by an individual who owns or leases such property with respect to the rendering of voluntary services by such individual on his residential premises for candidate-related activities, including the cost of invitations and food and beverages, to the extent that the cumulative value of such use does not exceed \$500; (5) the travel expenses of an individual rendering voluntary services to a candidate, to the extent that the cumulative total of such expenses does not exceed \$500; (6) communications which are not made to influence the outcome of elections for Federal office; (7) the payment by a State or local committee of a political party of the costs of preparation or distribution of any printed slate card or other printed listing of 3 or more candidates for public office who are candidates in the State in which such committee is located, but this exclusion does not apply to payment of costs for the display of any such printed listing through public media facilities (other than newspapers) or on outdoor advertising facilities such as billboards; (8) the costs of a candidate (including his principal campaign committee) with respect to his solicitation of contributions, except that this exclusion does not apply to costs which exceed 25 percent of the expenditure limitation applicable to such candidate under section 608(c) of title 18, as added by the House amendment; and (9) any costs incurred by a multicandidate committee which has been registered under the Act as a political committee for at least 6 months, has received contributions from at least 50 persons, and (except for State political party organizations) has made contributions to at least 5 candidates, in connection with soliciting contributions to itself or to a general political fund controlled by it, but this exclusion does not exempt costs of soliciting contributions through any public media facilities.

Conference substitute

The conference substitute is the same as the House amendment, except that the 25 percent exemption for fundraising costs is reduced to 20 percent and that portion of the Senate bill is retained which deleted the reference to transactions in connection with the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States.

E. POLITICAL PARTY

Senate bill

Section 301(e) of the Senate bill amended section 591 of title 18, United States Code, by inserting a new paragraph (i), relating to the definition of political party. Such term was defined to mean any association or other organization which nominates a candidate for election to Federal office whose name appears on the election ballot as the candidate of such association or other organization.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

F. STATE COMMITTEE

Senate bill

Section 301(e) of the Senate bill amended section 591 of title 18, United States Code, by inserting a new paragraph (j), relating to the definition of State committee. Such term was defined to mean the organization which is responsible for the day-to-day operations of a political party at the State level, as determined by the Commission.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

G. NATIONAL COMMITTEE

Senate bill

Section 301(e) of the Senate bill amended section 591 of title 18, United States Code, by inserting a new paragraph (k), relating to the definition of national committee. Such term was defined to mean the organization which is responsible for the day-to-day operations of a political party at the national level, as determined by the Commission.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

H. PRINCIPAL CAMPAIGN COMMITTEE

Senate bill

No provision.

House amendment

Section 102(e) of the House amendment amended section 591 of title 18, United States Code, by inserting a new paragraph (i), relating to the definition of principal campaign committee. Such term was defined to mean the principal campaign committee designated by a candidate under section 302(f)(1) of the Act, as added by the House amendment.

Conference substitute

The conference substitute is the same as the House amendment.

POLITICAL FUNDS

Senate bill

Section 303 of the Senate bill amended section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, to provide that such section shall

not prohibit the establishment or maintenance of a separate segregated campaign fund by a corporation or a labor organization unless such establishment or maintenance is prohibited under section 610 of title 18, relating to contributions or expenditures by national banks, corporations, or labor organizations.

House amendment

Section 103 of the House amendment was the same as section 30 of the Senate bill, except that the amendment to section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, made by the House amendment contained a definition of the term "labor organization". Such term was defined by reference to the definition of such term contained in section 610 of title 18, United States Code.

A question was raised in the House committee during the consideration of the amendment to section 611 as to whether doctors receiving payments under the so-called Medicare and Medicaid programs are prohibited from making political contributions as government contractors. The House committee was of the opinion that nothing in the existing section 611, nor in the amendment thereto included in the House amendments, would prohibit a doctor from making a political contribution solely because he was receiving payments for medical services rendered to patients under either the Medicare or Medicaid program. Under the Medicare program the basic contractual relationship is between the Federal Government and the individual receiving the medical services. The individual receiving the medical services may be reimbursed directly by the Federal Government for amounts paid for such services, or he may assign his claim against the Federal Government to the doctor who rendered the services, but in the latter case the doctor merely stands in the shoes of the claimant for payment. This relationship is not altered by the fact that a Federal agency may retain a right to audit the accounts of a medical practitioner to protect the Federal Government against fraudulent claims for medical services.

Under so-called Medicaid programs, it is true that doctors may have specific contractual agreements to render medical services, but such agreements are with State agencies and not with the Federal Government. Medicaid programs are administered by State agencies using Federal funds. The House committee did not believe that section 611 prohibiting political contributions by government contractors has any application to doctors rendering medical services pursuant to a contract with a State agency.

A separate question was raised in the House committee concerning the application of section 610 of title 18, relating to prohibitions against political contributions by corporations, banks, and labor organizations, as to whether a professional corporation composed of doctors, lawyers, architects, engineers, etc., would be prohibited from making political contributions. Whether or not a professional association is a corporation is a matter determined under State law. If, under State law, such an association is a corporation, it would be prohibited from making a political contribution as a corporation. However, not

ing in existing law, nor in the amendments contained in the House amendment prohibit an individual member of any corporation from making a political contribution as an individual. Existing law also permits corporations to establish a separate segregated fund to be utilized for political purposes so long as contributions to such fund are voluntary and not secured by force or job discrimination or financial reprisals, or threat thereof, or by money obtained in any commercial transaction.

Conference substitute

The conference substitute is the same as the House amendment. The conferees agree with the analysis of the House report (as set forth in the statement relating to the House amendment) regarding political contributions by doctors and professional corporations.

EFFECT ON STATE LAW

Senate bill

No provision.

House amendment

Section 104 of the House amendment provided that chapter 29 of title 18, United States Code, relating to elections and political activities, supersedes and preempts provisions of State law.

Conference substitute

The conference substitute is the same as the House amendment. The provisions of the conference substitute make it clear that the Federal law occupies the field with respect to criminal sanctions relating to limitations on campaign expenditures, the sources of campaign funds used in Federal races, the conduct of Federal campaigns, and similar offenses, but does not affect the States' rights to prohibit false registration, voting fraud, theft of ballots, and similar offenses under State law.

AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

PRINCIPAL CAMPAIGN COMMITTEES

A. DESIGNATION

Senate bill

Section 207(a) of the Senate bill amended title III of the Act by inserting a new section 310, relating to central campaign committees. Section 310(a) provided that each candidate shall designate one political committee as his central campaign committee. A candidate for nomination for election, or for election, to the office of President, also may designate State campaign committees in States in which he is a candidate.

Section 310(b) provided that no political committee may be designated as the central campaign committee of more than one candidate, except that a political committee described in section 301(d)(2) of the Act, as added by the Senate bill, may be designated as the central

campaign committee of more than one candidate in a general election campaign. The central campaign committee and each State campaign committee of a candidate of a political party for the office of President shall be considered the central campaign committee and the State campaign committee of the candidate of such party for the office of Vice President.

House amendment

Section 201 of the House amendment amended section 302 of the Act by striking out subsection (f), relating to notices with respect to fund solicitation and annual reports by supervisory officers, and inserting in lieu thereof a new subsection (f), relating to principal campaign committees.

Subsection (f) (1) required that candidates for Federal office (other than candidates for the office of Vice President) designate a political committee as their principal campaign committee. No political committee which, supports more than one candidate may be designated as a principal campaign committee. Subsection (f) (1) as provided that no political committee may be designated as the principal campaign committee of more than one candidate, except that the Presidential candidate of a political party may, after he is nominated, designate the national committee of his political party as his principal campaign committee.

Conference substitute

Although the conference substitute is the same as the House amendment with respect to principal campaign committees, the conference substitute retains the provision of the Act deleted by the House amendment relating to notices with respect to fund solicitation. This provision requires political committees to have a notice on material soliciting contributions which states that copies of their reports filed under the Act are available for purchase from the Commission.

B. EXPENDITURES ON BEHALF OF CANDIDATE

Senate bill

No provision.

House amendment

Section 302(f) (2) of the Act, as added by the House amendment provided that, except in the case of expenditures which may be made under section 608(e) of title 18, United States Code, relating to expenditures of not more than \$1,000 in a calendar year made with respect to a clearly identified candidate, only the principal campaign committee of a candidate may make expenditures on behalf of such candidate.

Conference substitute

The conference substitute, like the Senate bill, permits authorized political committees other than the principal campaign committee to make expenditures on behalf of a candidate.

C. REPORTS

Senate bill

Section 310(c) (1) of the Act, as added by the Senate bill, provided that political committees, other than central campaign committees and State campaign committees, shall file required reports with the appropriate central campaign committee and not with the Commission. Any report filed with a central campaign committee shall be considered to have been filed with the Commission at the time it was filed with the central campaign committee.

Section 310(c) (2) provided that the Commission may require a political committee operating in a State on behalf of a candidate who has designated a State campaign committee for such State, to file required reports with such State campaign committee and not with the central campaign committee of such candidate.

Section 310(c) (3) provided that the Commission may require any political committee to file any report directly with the Commission.

Section 310(d) provided that each central campaign committee and State campaign committee shall consolidate reports filed with it by other political committees and furnish such reports, together with its own required reports, to the Commission.

House amendment

Section 302(f) (3) of the Act, as added by the House amendment, provided that political committees receiving contributions on behalf of a candidate shall report such contributions to the principal campaign committee of such candidate, instead of to the supervisory officer.

Subsection (f) (4) provided that the principal campaign committee shall compile and file reports which such committee receives from other political committees supporting the candidate involved, together with its own reports and statements, with the supervisory officer.

Conference substitute

The conference substitute follows the House amendment generally. Since the conference substitute permits expenditures to be made by other authorized political committees, it provides that political committees authorized to make expenditures with respect to a candidate must file reports relating to those expenditures with the principal campaign committee rather than with the Commission.

D. DEFINITION OF POLITICAL COMMITTEE

Senate bill

No provision.

House amendment

Section 302(f) (5) of the Act, as added by the House amendment, provided that, for purposes of subsection (f) (1) and subsection (f) (3), the term "political committee" does not include political committees supporting more than one candidate, except for the national committee of a political party designated by a Presidential candidate as his principal campaign committee. Therefore, a candidate may not

designate a multicandidate political committee as his principal campaign committee and multicandidate political committees shall continue to report directly to the supervisory officer under applicable provisions of the Act.

Conference substitute

Because of the conference substitute provisions permitting expenditures to be made for a candidate by political committees other than the principal campaign committee, the provision of the House amendment requiring multicandidate committees to report directly to the supervisory authority rather than to the principal campaign committee is not included in the conference substitute.

CAMPAIGN DEPOSITORIES

Senate bill

Section 207(a) of the Senate bill amended title III of the Act by inserting a new section 311, relating to campaign depositories.

Section 311 provided that each candidate shall designate one or more national or State banks as his campaign depositories. Contributions received by or on behalf of a candidate shall be deposited in one of his campaign depositories. Expenditures, other than petty cash expenditures, made on behalf of a candidate shall be made by check from an account at one of the campaign depositories of such candidate.

Section 311 also provided that the treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or make expenditures on his behalf) shall designate one or more national or State banks as the campaign depositories of such political committee. Contributions received by such political committee shall be deposited in one of its campaign depositories. Expenditures, other than petty cash expenditures, made by such political committee shall be made by check from an account at one of its campaign depositories.

Section 311 also provided that political committees may maintain petty cash funds from which expenditures not in excess of \$100 may be made in connection with a single purchase or transaction. Records of petty cash disbursements shall be kept in accordance with requirements established by the Commission.

Section 311 also provided that a candidate for nomination for election, or for election, to the office of President may establish one campaign depository in each State. The campaign depository of a candidate of a political party for the office of President shall be considered the campaign depository of the candidate of such political party for the office of Vice President.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

REGISTRATION REQUIREMENTS

Senate bill

Section 203(a) of the Senate bill amended section 303 of the Act (relating to registration of political committees; statements) by inserting

a new subsection (a). The new section 303(a) provided that each candidate, within 10 days after becoming a candidate, shall file with the Commission a registration statement, which shall include (1) the identification of the candidate and any person he has authorized to receive contributions or make expenditures on his behalf; (2) the identification of his campaign depositories and the identification of each individual authorized to make any expenditure or withdrawal from accounts at such depositories; and (3) such additional relevant information as the Commission may require.

Section 303(b) of the Act (as so redesignated by the Senate bill) was amended by the Senate bill in the following ways: (1) the first sentence, relating to certain reporting requirements of political committees, was struck out; and (2) a new sentence was added which provided that the treasurer of each political committee shall file with the Commission a statement of organization within 10 days after such political committee is organized.

Section 303(c) of the Act (as so redesignated by the Senate bill) was amended by the Senate bill in the following ways: (1) it was made clear by the Senate bill that statements of organization shall be in such form as the Commission shall prescribe; (2) paragraph (3) was amended to provide that the statement of organization shall include information with respect to the geographical area or political jurisdiction within which the political committee will operate, and a general description of the authority and activities of such political committee; and (3) paragraph (9) was amended to provide that the statement of organization shall include the name and address of campaign depositories used by the political committee involved, and the identification of each individual authorized to make withdrawals or payments from accounts at such depositories.

House amendment

Section 202 of the House amendment amended section 303 of the Act, relating to registration of political committees and statements, by adding at the end thereof a new subsection (e) which provided that reports and notifications of political committees (other than principal campaign committees and multicandidate political committees) required to be filed under section 303 shall be filed with the appropriate principal campaign committee.

Conference substitute

The conference substitute is the same as the House amendment, except that multicandidate committees report to the appropriate principal campaign committee.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

A. FILING DATES

Senate bill

Section 204(a) of the Senate bill made the following changes in section 304 of the Act, relating to reports by political committees and candidates:

1. The provisions of section 304 were clarified in order to indicate that such provisions apply to campaigns for nomination for election, as well as to campaigns for election.

2. The amendment made by the Senate bill established the following reporting dates: (A) the tenth day of April, July, and October of each year; (B) the tenth day before an election; (C) the tenth day of December in the year of an election; and (D) the last day of January of each year. In years in which no election is held, candidates may file reports on the twentieth day of April, July, and August, instead of the tenth day of each such month.

3. The requirement that contributions of \$5,000 or more received after the last report before an election must be reported within 48 hours after receipt, was eliminated by the amendment made by the Senate bill.

4. If the identity of an anonymous contributor becomes known, such identity shall be reported to the Commission.

5. The Commission may, upon request by a Presidential candidate upon its own motion, waive reporting dates (other than January) and require that Presidential candidates report not less frequently than monthly. If the Commission acts upon its own motion, then a Presidential candidate involved is entitled to judicial review of the decision.

House amendment

Section 203(a) of the House amendment amended section 304 of the Act, relating to filing dates for reports of receipts and expenditures by political committees and candidates, to provide for the following new filing requirements:

1. In a calendar year in which an individual is a candidate for Federal office and an election is held for the particular Federal office which such individual is seeking, reports of receipts and expenditures must be filed 10 days before such election. Such reports shall be complete as of the fifteenth day before such election. Reports filed by registered mail or certified mail must be postmarked by the twelfth day before such election. In addition, such reports must be filed 30 days after the date of such election and be complete as of the twentieth day after the date of such election.

2. In other calendar years, reports of receipts and expenditures must be filed after the close of the calendar year and no later than January 31 of the following calendar year, and must be complete as of the close of the calendar year for which filed.

3. In addition to reports required to be filed in an election year or in any other calendar year, reports of receipts and expenditures must be filed for any calendar quarter in which the candidate or committee reporting received contributions exceeding \$1,000 or made expenditures exceeding \$1,000. In any case in which such a quarterly report would coincide with the annual report which is required for non-election years, the amendment made by section 203(a) provided that the quarterly report be filed in accordance with provisions governing the filing of annual reports.

The amendment made by section 203(a) also provided that when the last day for filing a quarterly report occurs within 10 days of an election, then the quarterly report requirement shall be waived and superseded by the required election report. Such amendment also

provided that any contribution exceeding \$1,000 which is received after the fifteenth day before an election but more than 48 hours before an election, shall be reported no later than 48 hours after receipt.

Such amendment also provided that treasurers of political committees which are not principal campaign committees or multicanidate committees shall file reports required by section 304 of the Act with the appropriate principal campaign committee, instead of with the supervisory officer.

Conference substitute

The conference substitute follows the House amendment generally, but includes that provision of the Senate bill permitting monthly reporting in the case of presidential candidates and political committees supporting candidates in more than one State. The maximum number of reports in addition to the final report for the calendar year is increased in the conference substitute from 11 to 12 in order to permit the Commission to require such candidates and committees to file the report due 10 days before the date of the general election even if such candidates and committees are reporting on a monthly basis.

B. REPORTING OF LOANS

Senate bill

Section 204(b)(2) of the Senate bill amended section 304(b)(5) of the Act, relating to the reporting of loans, to provide that information with respect to the guarantors of loans shall be included in reports, as well as information with respect to lenders and endorsers.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

C. REPORTING OF DEBTS AND OBLIGATIONS

Senate bill

Section 204(c) of the Senate bill amended section 304(b)(12) of the Act, relating to the reporting of debts and obligations, to provide that reports filed with the Commission must include a statement with respect to the circumstances and conditions under which any debt or obligation is extinguished.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill. The conferees expect that this reporting requirement will eliminate the practice of reporting the expenditure of the proceeds of the proceeds of a loan as an "expenditure" two times—once when the funds are spent and again when the loan is paid off.

D. REPORTING OF EARMARKED CONTRIBUTIONS

Senate bill

Section 204(d) of the Senate bill added a new paragraph (1) to section 304(b) of the Act. Such paragraph provided that reports filed with the Commission shall contain such information as the Commission may require with respect to earmarked contributions to other special funds.

House amendment

No provision. See section 608(b) (6) of title 18, United States Code as added by section 101(a) of the House amendment, which requires the reporting of earmarked contributions.

Conference substitute

The conference substitute is the same as the House amendment.

E. CONTRIBUTION AND EXPENDITURE INFORMATION

Senate bill

No provision.

House amendment

Section 203(b) of the House amendment amended section 304 of the Act, relating to information required to be reported, to provide that, in addition to reporting total receipts and total expenditures, each report must show total receipts less transfers between political committees which support the same candidate and do not support other candidate and total expenditures less such transfers. In some cases the total receipts and expenditures reported have presented a distorted picture because, under the Act, transfers of funds between committees are counted as contributions and expenditures. This amendment provided that where such transfers occur between single candidate committees supporting the same candidate the report must also show total receipts less such transfers and total expenditures less such transfers.

Conference substitute

The conference substitute is the same as the House amendment.

F. CUMULATIVE REPORTS

Senate bill

Section 204(e) of the Senate bill amended section 304(c) of the Act (1) to eliminate the option of reporting only the amounts of the previous reporting period when there has been no change in the amounts of items since the last report; and (2) to provide that the Commission may require cumulative reports with respect to periods other than the calendar year.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

G. EXEMPTED TRANSACTIONS

Senate bill

Section 204(f) of the Senate bill amended section 304 of the Act by inserting a new subsection (d). Such subsection provided that Members of the Congress are not required to report as contributions or expenditures certain services furnished before the first day of January of the year before the year during which the term of the Member expires. Such services are (1) those furnished by the Senate Recording Studio; (2) those furnished by the House Recording Studio; (3) those furnished by employees whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives; and (4) those paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill, except that where the Senate bill provided that certain photographic, matting, and recording studio services, if reportable under the Act, were only reportable to the extent utilized in the calendar year before the expiration of a Member's term, the conference substitute provides only for the reporting during that year of recording studio services to the extent that they are reportable under the Act.

CAMPAIGN ADVERTISEMENTS

Senate bill

Sections 204(f) and 205 of the Senate bill amended title III of the Act by striking out section 305, relating to reports by other than political committees, and by inserting the provisions of section 305 as a new section 304(e). Section 205 of the Senate bill amended title III of the Act by inserting a new section 305, relating to requirements relating to campaign advertising.

Section 305(a) of the Act required that persons seeking to publish political advertisements must furnish to the publisher their identification and the identification of any person authorizing the political advertisement.

Section 305(b) required that each published political advertisement contain a statement of the identification of any person authorizing such political advertisement.

Section 305(c) required that publishers maintain records with respect to the publication of political advertisements. Section 304(d) provided that persons selling newspaper or magazine space to candidates may not charge rates which exceed rates for comparable space used for other purposes.

Section 305(e) required political committees to print on all literature and advertisements soliciting contributions a notice with respect to reports of such political committees filed with the Commission. Section 305(f) defined the terms "political advertisement" and "published".

House amendment

No provision.

Conference substitute

The conference substitute, like the Senate bill, continues the provision of existing law prohibiting newspapers or magazines from charging a rate for political advertising which is higher than the rate charged for any comparable use of the newspaper or magazine for other purposes.

WAIVER OF REPORTING REQUIREMENTS

Senate bill

Section 206 of the Senate bill amended section 306(c) of the Act relating to waiver of certain reporting requirements, to provide that the Commission may relieve any category of candidates from personally complying with the filing requirements of section 304 through section 304(e) of the Act, and that the Commission may relieve any category of political committees from complying with such provisions if such political committees primarily support persons seeking State office and do not operate in more than one State or not operate on a statewide basis.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

DETERMINATION OF DATE OF FILING

Senate bill

No provision.

House amendment

Section 204 of the House amendment amended section 306 of the Act, relating to formal requirements respecting reports and statements, by adding at the end thereof a new subsection (e) which provided that if a report or statement required to be filed by a candidate or committee relating to contributions or expenditures or registration of a committee is delivered by registered or certified mail, then the United States postmark stamped on the envelope containing such report shall be deemed to be the date of filing.

Conference substitute

The conference substitute is the same as the House amendment.

DUTIES OF SUPERVISORY OFFICER

A. CUMULATIVE INDEX

Senate bill

Section 208 of the Senate bill amended section 308(a)(6) of the Act, relating to duties of the supervisory officer, to provide that it

shall be a duty of the Commission to compile and maintain a cumulative index of statements and reports filed with the Commission.

House amendment

The amendment made by section 205(a)(1) of the House amendment, which amended section 308(a)(6) of the Act, was essentially the same as the amendment made by section 208 of the Senate bill, with the following differences: (1) the amendment made by the Senate bill required the index to be published monthly, whereas the amendment made by the House amendment provided for publication at regular intervals; and (2) the amendment made by the Senate bill contained detailed requirements for identification of reports by the name of the candidate or committee, the dates of the reports, and the number of pages in the reports; these requirements were not specifically contained in the amendment made by the House amendment.

Conference substitute

The conference substitute is the same as the House amendment.

B. SPECIAL REPORTS

Senate bill

No provision.

House amendment

Section 205(a)(1) of the House amendment amended section 308(a) of the Act, relating to duties of the supervisory officer, by inserting a new paragraph (7), which required the preparation of special reports listing candidates for whom reports were filed as required by title III of the Act and candidates for whom such reports were not filed as so required.

Conference substitute

The conference substitute is the same as the House amendment.

C. ELIMINATION OF CERTAIN DUTIES

Senate bill

No provision.

House amendment

Section 205(a)(1) of the House amendment amended section 308(a) of the Act in order to eliminate the following duties of the supervisory officer: (1) the duty to compile and maintain a current list of statements relating to each candidate; (2) the duty to prepare and publish an annual report regarding contributions to and expenditures by candidates and political committees; (3) the duty to prepare special reports comparing totals and categories of contributions and expenditures; (4) the duty to prepare such other reports as the supervisory officer may deem appropriate; and (5) the duty to assure wide dissemination of statistics, summaries, and reports prepared under the Act.

Conference substitute

The conference substitute is the same as the House amendment.

D. ANNUAL REPORT FOR 1973

Senate bill

No provision.

House amendment

Section 205(a)(2) of the House amendment provided that the annual report which the supervisory officer is required to file under section 308(a)(7) of the Act (which is eliminated by the amendment made by section 205(a)) shall not be filed with respect to any calendar year beginning after December 31, 1972.

Conference substitute

The conference substitute is the same as the House amendment.

E. REVIEW OF REGULATIONS

Senate bill

No provision.

House amendment

Section 205(b) of the House amendment amended section 308 of the Act by adding a new subsection (b), which required the supervisory officer, before prescribing any rule or regulation under section 308, to transmit a statement regarding such rule or regulation to the Senate or the House of Representatives, as the case may be. The new subsection (b) provided that such statement shall explain and justify the proposed rule or regulation.

Subsection (b) also provided that if the supervisory officer proposes to prescribe any rule or regulation with respect to candidates for the office of Representative, Delegate, or Resident Commissioner, he shall transmit such statement to the House of Representatives. If the supervisory officer proposes to prescribe any rule or regulation with respect to candidates for the office of Senator, he shall transmit such statement to the Senate. If the supervisory officer proposes to prescribe any rule or regulation with respect to candidates for the office of President, he shall transmit such statement to the Senate and to the House of Representatives.

If either House which receives a statement from the supervisory officer disapproves the proposed rule or regulation within 30 legislative days after it is received, then the supervisory officer may not prescribe such rule or regulation. In the case of a proposed rule or regulation with respect to candidates for the office of President, if only one of the two Houses disapproves the proposed rule or regulation, such disapproval by one House is sufficient to prevent prescription of the rule or regulation.

Subsection (b) also defined the term "legislative days". With respect to statements transmitted to the Senate, such term does not include any calendar day on which the Senate is not in session. With respect to statements transmitted to the House, such term does not include any calendar day on which the House is not in session. With respect to statements transmitted to both Houses, such term does not

include any calendar day on which both Houses of the Congress are not in session.

It should be noted that it was the intent of the members of the House committee that the Senate and the House of Representatives, in reviewing proposed rules and regulations under section 308(b) of the Act and under sections 9009(c) and 9039(c) of the Internal Revenue Code of 1954, as added by the House amendment, shall strive to achieve uniformity in such rules and regulations.

Conference substitute

The conference substitute is the same as the House amendment.

F. CUSTODIAL RECEIPT OF REPORTS

Senate bill

No provision.

House amendment

Section 205(b) of the House amendment amended section 308 of the Act by inserting a new subsection (c). Such subsection provided that the supervisory officer shall prescribe rules to carry out title III of the Act, including rules to require that (1) reports required to be filed by candidates for the office of Representative, Delegate, or Resident Commissioner, shall be filed with the Clerk of the House of Representatives as custodian for the Board of Supervisory Officers (hereinafter in this statement referred to as the "Board"); (2) reports required to be filed by candidates for the office of Senator shall be filed with the Secretary of the Senate as custodian for the Board; and (3) the Clerk of the House of Representatives and the Secretary of the Senate shall be required to (A) make such reports available for public inspection; and (B) preserve such reports.

Subsection (c) also required the Clerk of the House of Representatives and the Secretary of the Senate to cooperate with the Board in carrying out its duties under the Act.

Conference substitute

The conference substitute is the same as the House amendment.

G. COOPERATION WITH STATE OFFICIALS

Senate bill

No provision.

House amendment

Section 205(b) of the House amendment amended section 308 of the Act by striking out subsection (b), which required the supervisory officer to develop procedures in cooperation with State election officials to permit filing of Federal reports to comply with State requirements.

Conference substitute

The conference substitute is the same as the House amendment.

H. NATIONAL CLEARINGHOUSE

Senate bill

No provision.

House amendment

Section 205(b) of the House amendment amended section 308 of the Act by striking out subsection (c), which required the Comptroller General to serve as a national clearinghouse for information regarding the administration of elections.

Conference substitute

The conference substitute is the same as the Senate bill, which retained the clearinghouse function, but it is vested in the Commission.

CHANGES IN DEFINITIONS

A. APPLICABILITY TO TITLE IV

Senate bill

No provision.

House amendment

Section 206(a) of the House amendment amended section 301 of the Act, relating to definitions, to provide that definitions contained in such section applied to title IV of the Act as well as to title III of the Act.

Conference substitute

The conference substitute is the same as the House amendment.

B. ELECTION

Senate bill

Section 202(a)(1) of the Senate bill amended section 301(a) of the Act, relating to the definition of election, in the same manner that section 301(a) of the Senate bill amended section 591(a) of title 18, United States Code, relating to the definition of election. The amendment made by section 202(a)(1) provided that such term does not include the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

C. POLITICAL COMMITTEE

Senate bill

Section 202(a)(2) of the Senate bill amended section 301(d) of the Act, relating to the definition of political committee, in the same manner that section 301(b) of the Senate bill amended section 591(d) of title 18, United States Code, relating to the definition of political committee. The amendment made by section 202(a)(2) provided that such term means (1) any committee or other group of persons

which receives contributions or makes expenditures during a calendar year exceeding \$1,000; (2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State committee of a political party, whether or not any such entity receives contributions or makes expenditures during a calendar year exceeding \$1,000; and (3) any committee, association, or organization administering a separate segregated fund described in section 610 of title 18, United States Code, relating to contributions or expenditures by national banks, corporations, or labor organizations.

House amendment

Section 206(b) of the House amendment amended section 301(d) of the Act, relating to the definition of political committee, in the same manner that section 102(a) of the House amendment amended section 591(d) of title 18, United States Code, relating to the definition of political committee. This amendment extended the definition of political committee to include any individual, committee, association, or organization which commits any act for the purpose of influencing the outcome of any election for Federal office, except that communications which are excluded from the definition of expenditure under section 301(f)(4), as added by the House amendment, are excluded. Such communications included news stories and editorials distributed through the public media facilities (unless such facilities are owned or controlled by a political party or committee, or by a candidate), communications by a membership organization to its members (unless it is organized primarily for the purpose of influencing an election to Federal office), and any other communication which is not made for the purpose of influencing an election to Federal office.

Conference substitute

The conference substitute follows the provisions of the Senate bill generally. A provision of the House amendment extended the duty to register as a political committee to any person committing any act to influence the outcome of any election. This provision is recast as a new section 308 of the Act, which will require any organization which expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election, or which publishes or broadcasts to the public material intended to influence public opinion with respect to candidates for Federal office to register with the Commission as a political committee and report the source and amount of its funds and of its expenditures. Since these organizations use their resources for political purposes, often having a direct and substantial effect on the outcome of Federal elections, it would be inappropriate to permit these organizations to conceal the interests they represent solely because the organizations are able to avoid reporting and disclosure under the technical definitions of political committee, contribution, and expenditure. The conference substitute does not apply to individuals acting on their own behalf or to news stories, commentaries, and editorials published in bona fide newspapers, magazines, or other periodical publications.

D. CONTRIBUTION

Senate bill

Section 202(a)(3) through section 202(a)(6) of the Senate bill amended section 301(e) of the Act, relating to the definition of contribution, in the same manner that section 301(c) of the Senate bill amended section 591(e) of title 18, United States Code, relating to the definition of contribution, except that the amendment made by section 202(a)(4) of the Senate bill provided that the term "contribution" shall not include payments made or obligations incurred by a corporation or labor organization which, under 610 of title 18, United States Code, would not constitute a contribution by such corporation or labor organization. The amendments made by section 202(a)(3) through section 202(a)(6) amended section 301(e) in the following ways: (1) to indicate that the term includes assessments, fees, or membership dues, connected with subscriptions; (2) to provide that such term does not apply to any transaction in connection with the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States; (3) to provide that such term applies to financing the operations of a political committee, and to the payment of any debt or obligation of a candidate or a political committee; (4) to eliminate the applicability of such term to contracts, promises, or agreements to make a contribution; and (5) to clarify that such term includes funds received by a political committee which are transferred to such committee from another political committee.

House amendment

Section 206(c) of the House amendment amended section 301(e)(5) of the Act, relating to an exception to the definition of contribution, in the same manner that section 102(b) of the House amendment amended section 591(e)(5) of title 18, United States Code, relating to an exception to the definition of contributions. Under this amendment, the following activities are not considered contributions: (1) the use of property by an individual who owns or leases such property with respect to the rendering of voluntary services by such individual on his residential premises for candidate-related activities, including the cost of invitations and food and beverages, to the extent that the cumulative value of such use does not exceed \$500; (2) the sale of food or beverages by a vendor to a candidate at a reduced charge if such charge is at least equal to the cost of such food or beverage to the vendor, to the extent that such accumulated charges do not exceed \$500; (3) the travel expenses of an individual rendering voluntary services to a candidate, to the extent that the cumulative total of such expenses does not exceed \$500; and (4) the payment by a State or local committee of a political party of the costs of preparation or distribution of any printed slate card or other printed listing of 3 or more candidates for public office who are candidates in the State in which such committee is located, but this exclusion does not apply to payment of costs for the display of any such printed listing through public media facilities (other than newspapers) or on outdoor advertising facilities such as billboards.

Conference substitute

The conference substitute follows the provisions of the Senate bill generally except that the provisions including membership fees and payments to finance the operations of a political committee or pay the debts of a committee or candidate are omitted and the provisions of the House amendment relating to exceptions from the definition of contribution are included.

E. EXPENDITURE

Senate bill

Section 202(a)(7) of the Senate bill amended section 301(f) of the Act, relating to the definition of expenditure, in the same manner that section 301(d) of the Senate bill amended section 591(f) of title 18, United States Code, relating to the definition of expenditure, with the following differences: (1) the amendment made by section 202(a)(7) of the Senate bill did not exclude loans of money by a national or State bank from the definition of expenditure; and (2) the amendment made by section 202(a)(7) of the Senate bill did exclude from the definition of expenditure payments made or obligations incurred by a corporation or labor organization which, under section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization. The amendment made by section 202(a)(7) provided that such term means (1) a purchase, loan, or other described payment of money or anything of value made for the purpose of (A) influencing the nomination for election, or election, of any person to Federal office; (B) influencing the result of a Presidential primary election; (C) financing a political committee; or (D) paying any debt or obligation of a candidate or a political committee; and (2) the transfer of funds by a political committee to another political committee.

The amendment made by section 202(a)(7) of the Senate bill provided that the term "expenditure" does not include the value of services rendered by volunteer workers on behalf of a candidate.

House amendment

Section 206(d) of the House amendment amended section 301(f) of the Act, relating to the definition of expenditure, in the same manner that section 102(c) of the House amendment amended section 591(f) of title 18, United States Code, relating to the definition of expenditure, except that the amendment made by this section did not establish an exception for costs incurred by a candidate or political committee with respect to the solicitation of contributions by the candidate or political committee. Under this amendment, the following activities are not considered expenditures: (1) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, or periodical publication (unless such facilities are owned or controlled by a political party or committee, or by a candidate); (2) nonpartisan get-out-the-vote activity; (3) communications by a membership organization to its members (unless it is organized primarily for the purpose of influencing an election to Federal office); (4) the use of property by an individual who owns or

leases such property with respect to the rendering of voluntary services by such individual on his residential premises for candidate-related activities, including the cost of invitations and food and beverages, to the extent that the cumulative value of such use does not exceed \$500; (5) the travel expenses of an individual rendering voluntary services to a candidate, to the extent that the cumulative total of such expenses does not exceed \$500; (6) communications which are not made to influence the outcome of elections for Federal office; (7) the payment by a State or local committee of a political party of the costs of preparation or distribution of any printed slate card or other printed listing of 3 or more candidates for public office who are candidates in the State in which such committee is located, but this exclusion does not apply to payment of costs for the display of any such printed listing through public media facilities (other than newspapers) or on outdoor advertising facilities such as billboards; (8) the costs of a candidate (including his principal campaign committee) with respect to his solicitation of contributions, except that this exception does not apply to costs which exceed 25 percent of the expenditure limitation applicable to such candidate under section 608(c) of title 18, as added by the House amendment; and (9) any costs incurred by a multi-candidate committee which has been registered under the Act as a political committee for at least 6 months, has received contributions from at least 50 persons, and (except for State political party organizations) has made contributions to at least 5 candidates, in connection with soliciting contributions to itself or to a general political fund controlled by it, but this exclusion does not exempt costs of soliciting contributions through any public media facilities.

Conference substitute

The conference substitute follows the provisions of the Senate bill generally except that it omits payments to finance a political committee or pay debts of a committee or candidate and includes the exemptions of the House amendment with a modification. Although the definition of expenditure contained in section 591 of title 18, United States Code, as amended by this legislation, contains an exception for certain amounts spent solely in connection with fund raising activities, that exception is not contained in the definition of expenditure which relates to reporting and disclosure. Under the conference substitute a candidate or political committee must report all expenditures to the Commission but, to the extent provided in section 591(f) of title 18, United States Code, those expenditures used in raising funds are not counted against expenditure limits contained in that title. Nothing in this provision of the conference substitute is intended to require multi-candidate committees to allocate among candidates amounts spent for fund raising activities, or to relieve such committees of reporting the expenditure of such amounts.

F. IDENTIFICATION

Senate bill

Section 202(a) (10) of the Senate bill amended section 301 of the Act, relating to definitions, by inserting a new paragraph (j), relating to the definition of identification. Such term was defined to mean (1)

in the case of an individual, his name and the address of his principal place of residence; and (2) in the case of any other person, the name and address of such person.

Section 202(b) of the Senate bill amended section 302(b) of the Act, relating to reports of contributions in excess of \$10, and section 302(c) of the Act, relating to detailed accounts, by inserting the term "identification" to clarify the nature of information which must be provided under each such subsection.

Section 204(b) (1) of the Senate bill amended section 304(b) (9) and 304(b) (10) of the Act, relating to reports by political committees and candidates, by inserting the term "identification" to clarify the nature of information which must be provided under each such paragraph. Use of the new term eliminated the requirement that information with respect to occupation and principal place of business must be provided.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

G. NATIONAL COMMITTEE

Senate bill

Section 202(a) (10) of the Senate bill amended section 301 of the Act, relating to definitions, by inserting a new paragraph (k), relating to the definition of national committee. Such term was defined to mean the organization which is responsible for the day-to-day operations of a political party at the national level, as determined by the Commission.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

H. POLITICAL PARTY

Senate bill

Section 202(a) (10) of the Senate bill amended section 301 of the Act, relating to definitions, by inserting a new paragraph (l), relating to the definition of political party. Such term was defined to mean any association or other organization which nominates a candidate for election to Federal office whose name appears on the election ballot as the candidate of such association or other organization.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

I. SUPERVISORY OFFICER; PRINCIPAL CAMPAIGN COMMITTEE; BOARD

Senate bill

No provision.

House amendment

Section 206(e) of the House amendment amended section 301(g) of the Act, relating to the definition of supervisory officer, to provide that such term means the Board of Supervisory Officers established by section 308(a)(1) of the Act, as added by the House amendment.

Section 206(f) of the House amendment amended section 301 of the Act, relating to definitions, by adding two new paragraphs. The new paragraph (j) defined the term "principal campaign committee" to mean the principal campaign committee designated by a candidate under section 302(f)(1) of the Act, as added by the House amendment.

The new paragraph (k) defined the term "Board" to mean the Board of Supervisory Officers established by section 308(a)(1) of the Act, as added by the House amendment.

Conference substitute

The conference substitute adds to the definitions contained in section 301 of the Act a definition of Commission, which relates to the Federal Election Commission established under the conference substitute, and the definition of principal campaign committee as in the House amendment.

CONTRIBUTION INFORMATION

Senate bill

Section 202(b)(3) of the Senate bill amended section 302(c) of the Act, relating to detailed accounts, to provide that if a person's contributions aggregate more than \$100, then the treasurer of a political committee receiving such contributions shall furnish an account of the occupation and principal place of business of such person.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

FEDERAL ELECTION COMMISSION

A. ESTABLISHMENT; COMPOSITION

Senate bill

Section 207(a) of the Senate bill amended title III of the Act by inserting a new section 308, relating to Federal Election Commission. The new section 308(a)(1) established the Federal Election Commission.

Section 308(a)(2) provided that the Commission shall be composed of 7 members appointed by the President by and with the advice and consent of the Senate. Of the 7 members (1) 2 shall be chosen from

individuals recommended by the President pro tempore of the Senate, upon recommendation of the majority leader of the Senate and the minority leader of the Senate; and (2) 2 shall be chosen from individuals recommended by the Speaker of the House of Representatives, upon recommendation of the majority leader of the House and the minority leader of the House. The individuals chosen upon recommendation of the President pro tempore shall not be affiliated with the same political party. The same rule shall apply with respect to individuals chosen upon recommendation of the Speaker of the House. Of the 3 remaining members to be appointed by the President, no more than 2 may be affiliated with the same political party. The Comptroller General shall be a member of the Commission, in addition to the 7 other members, but he shall serve without the right to vote.

Members of the Commission, other than the Comptroller General, shall serve for terms of 7 years, except that section 308(a)(3) provided for staggering the terms of the initial members appointed to the Commission. Section 308(a)(4) provided that members shall be appointed on the basis of maturity, experience, and other similar factors, and that members may be reappointed only once.

Section 308(a)(5) provided that an individual appointed to fill a vacancy shall be appointed only for the unexpired term of the member he succeeds. Vacancies shall be filled in the same manner in which the office originally was filled.

Section 308(a)(6) provided that the Commission shall elect a chairman and vice chairman.

Section 308(b) provided that a vacancy shall not impair the exercise of powers of the Commission, and that 4 members shall constitute a quorum. Section 308(c) provided that the Commission shall have an official seal which shall be judicially noticed. Section 308(e) provided that the principal office of the Commission shall be at or near the District of Columbia, but that the Commission may meet or exercise its powers in any State.

Section 308(j) provided that section 7324 of title 5, United States Code (relating to influencing elections; taking part in political campaigns; prohibitions; exceptions) shall apply to members of the Commission.

House amendment

Section 207(a) of the House amendment amended title III of the Act by inserting a new section 308, relating to Board of Supervisory Officers.

The new section 308(a)(1) established the Board of Supervisory Officers and provided that the Board shall be composed of (1) the Clerk of the House of Representatives, who shall serve without the right to vote; (2) the Secretary of the Senate, who shall serve without the right to vote; (3) 2 individuals appointed by the President of the Senate, upon recommendation of the majority leader of the Senate and the minority leader of the Senate; and (4) 2 individuals appointed by the Speaker of the House of Representatives, upon recommendation of the majority leader of the House and the minority leader of the House.

The appointed members were required to be chosen, on the basis of their maturity, experience, integrity, impartiality, and good judgment, from among individuals who are not officers or employees in the executive, legislative, or judicial branch of the Federal Government (including elected and appointed officials). They serve for terms of 4 years, except that one of the members first appointed by the President of the Senate will be appointed for a term of 1 year and one will be appointed for a term of 3 years, and one of the members first appointed by the Speaker of the House will be appointed for a term of 2 years.

Section 308 also provided that the Board shall supervise administration of, seek to obtain compliance with, and formulate overall policy concerning, title I of the Act, title III of the Act, and sections 608, 610, 611, 613, 614, 615, and 616 of title 18, United States Code. Members of the Board shall alternate in serving as chairman. Decisions of the Board shall be made by majority vote and no member of the Board may delegate to any person his vote or any decisionmaking authority or duty. Section 308 provided that the Board shall meet once per month and at the call of any member of the Board.

Conference substitute

The conference substitute provides for the establishment of a Federal Election Commission to administer, seek to obtain compliance with, and formulate policy with respect to the Act and certain provisions of chapter 29 of title 18, United States Code, relating to offenses in connection with Federal election campaigns. The Commission is composed of the Secretary of the Senate and the Clerk of the House, both of whom serve without additional compensation and without the right to vote, and 6 other members. Of the other members, 2 are appointed by the President pro tempore of the Senate, 2 are appointed by the Speaker of the House of Representatives, and 2 are appointed by the President. All 6 are subject to confirmation by both Houses of the Congress. The appointed members serve terms of 6 years each. The terms are staggered so that one member's term expires on April 30 of each year. The 2 members appointed by each appointing officer may not be affiliated with the same political party.

The Commission elects a chairman and vice chairman from among its members for terms of 1 year each on a rotating basis. Members of the Commission must be chosen on the basis of their personal qualifications and no member may be appointed to the Commission who at the time of taking office as such a member is an elected or appointed official of any branch of the United States Government.

B. STAFF DIRECTOR; GENERAL COUNSEL; STAFF

Senate bill

Section 308(f) of the Act, as added by section 207(a) of the Senate bill, provided that the Commission shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Commission. The Commission may, by rule or order, delegate duties and functions to the Executive Director, except that the Commission may not dele-

gate to the Executive Director the making of rules with respect to elections.

Section 308(g) provided that the Chairman of the Commission shall appoint and fix the compensation of personnel necessary to fulfill the duties of the Commission. Section 308(h) provided that the Commission may obtain the services of experts and consultants under section 3109 of title 5, United States Code (relating to employment of experts and consultants; temporary or intermittent).

Section 308(i) provided that the Commission shall seek the assistance of the General Accounting Office and the Department of Justice in carrying out its responsibilities under the Act. Such subsection also provided that the Comptroller General and the Attorney General may make available to the Commission, with or without reimbursement, personnel, facilities, and other assistance.

Section 207(b)(2) of the Senate bill amended section 5315 of title 5, United States Code, to provide that the General Counsel and Executive Director of the Commission shall be compensated under level IV of the Executive Schedule.

House amendment

Section 308(f) of the Act, as added by section 207(a) of the House amendment, provided that the Board shall appoint a Staff Director (whose rate of pay shall be the rate for level IV of the Executive Schedule, currently \$38,000) and a General Counsel (whose rate of pay shall be the rate for level V of the Executive Schedule, currently \$36,000). The Staff Director, with the approval of the Board, may appoint and fix the pay of additional personnel. At least 30 percent of such personnel shall be selected as follows: (1) one-half recommended by the minority leader of the Senate; and (2) one-half recommended by the minority leader of the House of Representatives. The Staff Director, with the approval of the Board, also may obtain temporary and intermittent services as provided by section 3109(b) of title 5, United States Code.

Conference substitute

The conference substitute is the same as the House amendment except that the provisions relating to minority staffing are omitted.

C. BUDGET REQUESTS; LEGISLATIVE RECOMMENDATIONS

Senate bill

Section 308(k) of the Act, as added by section 207(a) of the Senate bill, provided that whenever the Commission transmits any budget request to the President or to the Office of Management and Budget, it also shall transmit a copy of such request to the Congress.

Section 308(k) also provided that whenever the Commission transmits to the President or to the Office of Management and Budget any legislative recommendations or comments on legislation requested by the Congress or by any Member of the Congress, it also shall transmit a copy of such recommendations or comments to the Congress or to the Member of the Congress making such request. No officer or agency of the United States shall have authority to require the

Commission to submit legislative recommendations or comments on legislation to such officer or agency for approval before the Commission transmits such recommendations or comments to the Congress.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

D. POWERS

Senate bill

Section 309(a) of the Act, as added by section 207(a) of the Senate bill, provided that the Commission has the power to (1) require any person to submit in writing such reports or answers as the Commission may require; (2) administer oaths; (3) require by subpoena, signed by the Chairman or Vice Chairman of the Commission, the attendance and testimony of witnesses and the production of documentary evidence; (4) order testimony to be taken by deposition in any proceeding or investigation; (5) pay the same witness fees and mileage expenses paid by courts of the United States; (6) initiate, prosecute, defend, or appeal any civil or criminal action in the name of the Commission in order to enforce the Act and sections 602, 608, 610, 611, 612, 613, 614, 615, 616, 617, and 618 of title 18, United States Code; (7) delegate any of its functions or powers (other than the power to issue subpoenas) to any officer or employee of the Commission; and (8) prescribe rules.

Section 309(b) provided that district courts of the United States may enforce subpoenas issued by the Commission. Section 309(c) provided that no person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

House amendment

Section 309(a) of the Act, as added by section 207(a) of the House amendment, provided that the Board shall have the power to (1) formulate general policy regarding the administration of title I of the Act, title III of the Act, and sections 608, 610, 611, 613, 614, 615, and 616 of title 18, United States Code; (2) oversee the development of prescribed forms required under title III of the Act; (3) review rules and regulations prescribed under title I of the Act or title III of the Act, to assure that such rules and regulations are consistent with the appropriate statutory provisions and that such rules and regulations are sufficiently uniform; (4) render advisory opinion under the new section 313 of the Act, as added by section 208 of the House amendment; (5) carry out investigations and hearings, encourage voluntary compliance with Federal election law provisions, and to report apparent violations to the appropriate law enforcement authorities; (6) administer oaths or affirmations; (7) issue subpoenas, signed by the Chairman of the Board, to require the testimony of witnesses and the production of documentary evidence relevant to any investigation or hearing conducted by the Board; and (8)

pay the same witness fees and mileage expenses paid by courts of the United States.

Section 309 also provided that appropriate district courts of the United States shall have the power to issue orders enforcing subpoenas issued by the Board.

Conference substitute

The conference substitute generally follows the provisions of the House amendment.

E. REPORTS

Senate bill

Section 308(d) of the Act, as added by section 207(a) of the Senate bill, provided that the Commission shall, at the close of each fiscal year, report to the Congress and to the President with respect to (1) actions it has taken; (2) the names, salaries, and duties of individuals employed by the Commission; and (3) money disbursed by the Commission. Section 308(d) also provided that the Commission may make such further reports and recommendations as may appear desirable.

House amendment

Section 310 of the Act, as added by section 207(a) of the House amendment, provided that the Board shall transmit annual reports to the President and each House of the Congress, which shall describe the activities of the Board and recommend any legislative or other action the Board considers appropriate.

Conference substitute

The conference substitute is the same as the House amendment.

F. INVESTIGATIONS AND HEARINGS

Senate bill

Section 309(d) of the Act, as added by section 207(a) of the Senate bill, provided that the Commission shall be the primary civil and criminal enforcement agency for violation of the provisions of the Act and sections 602, 608, 610, 611, 612, 613, 614, 615, 616, 617, and 618 of title 18, United States Code. Violations of any such provision shall be prosecuted by the Attorney General or personnel of the Department of Justice only after the Commission is consulted and consents to such prosecution.

Section 309(e) of the Act established procedures for the imposition of civil penalties. The Commission shall have the power to assess a civil penalty of not more than \$10,000 against any person who violates the Act or section 602, 608, 610, 611, 612, 613, 614, 615, 616, 617, or 618 of title 18, United States Code. Such penalty may be assessed only after the person involved is given an opportunity for a hearing and the Commission has determined, through a decision which incorporates findings of fact, that a violation did occur.

Section 309(e) also provided that, if a person fails to pay a civil penalty, the Commission shall file a petition for enforcement in any appropriate district court of the United States. The district court may determine de novo all questions of law, but the findings of fact made by the Commission shall be conclusive, to the extent they are supported by substantial evidence.

House amendment

Section 207(b)(1) of the House amendment amended section 311(e) of the Act (as so redesignated by section 207(a)(1)), relating to duties of the supervisory officer, by striking out paragraph (1) and inserting a new paragraph (1). The new paragraph (1) provided that if any person who believes a violation of title I of the Act, title III of the Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, has occurred may file a complaint with the Board. If the Clerk of the House of Representatives, the Secretary of the Senate, or any other person receiving reports and statements as custodian for the Board, has reason to believe that any such violation has occurred, then he shall refer such apparent violation to the Board.

Paragraph (1) also provided that if the Board receives a complaint or referral, or if the Board has reason to believe that any person has committed a violation, then the Board shall notify the person involved and shall either report the apparent violation to the Attorney General of the United States or make an investigation of the apparent violation. If the complainant involved is a candidate for Federal office, then any investigation conducted by the Board shall include an investigation of reports and statements filed by the complainant. The Board may not disclose any notification or investigation unless it receives written permission to do so by the person notified or under investigation. Such person also may request the Board to conduct a hearing regarding the apparent violation.

Paragraph (1) also provided that the Board seek to correct apparent violations through informal methods of conference, conciliation, and persuasion, and that the Board must refer apparent violations to law enforcement authorities if the Board considers it appropriate or if the Board fails to correct the violations.

Paragraph (1) also provided that if the Board concludes, after affording notice and opportunity for a hearing, that a person has committed or is about to commit any violation of title I of the Act, title III of the Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, then the Attorney General shall bring a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order.

Conference substitute

The conference substitute generally follows the provisions of the House amendment with two modifications. First, the Commission is given power to bring civil actions in Federal district courts to enforce the provisions of the Act where its informal methods of obtaining compliance fail to correct violations. Second, the Commission is given primary jurisdiction for the enforcement of the provisions of the Act. Thus, any person must exhaust his administrative remedies with respect to violations under this Act. The primary jurisdiction of the Commission to enforce the provisions of the Act is not intended to interfere in any way with the activities of the Attorney General or Department of Justice personnel in performing their duties under the laws of the United States.

G. REPORT BY ATTORNEY GENERAL

Senate bill

No provision.

House amendment

Section 207(b)(2) of the House amendment amended section 311 of the Act (as so redesignated by section 207(a)(1)), relating to duties of the supervisory officer, by adding a new subsection (d) which required the Attorney General to report to the Board regarding apparent violations referred to the Attorney General by the Board. The reports were required to be made no later than 2 months after referral and on a monthly basis thereafter until there is a final disposition of the apparent violation. The new subsection (d) also provided that the Board may publish reports on the status of referrals made by the Board to the Attorney General.

Conference substitute

The conference substitute is the same as the House amendment.

H. SALARIES

Senate bill

Section 207(b)(1) of the Senate bill amended section 5314 of title 5, United States Code, to provide that members of the Commission shall be compensated under level III of the Executive Schedule.

House amendment

Section 308(a)(1)(iv) of the Act, as added by section 207(a) of the House amendment, provided that members of Board (other than the Clerk of the House of Representatives and the Secretary of the Senate) shall receive compensation at a rate equivalent to the rate of compensation paid under level IV of the Executive Schedule.

Conference substitute

The conference substitute is the same as the House amendment.

I. TRANSITION

Senate bill

Section 207(c) of the Senate bill provided that the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I of the Act and title III of the Act until the appointment and qualification of members of the Commission and the General Counsel of the Commission. Upon such appointment, the Comptroller General, the Secretary of the Senate, and the Clerk of the House shall meet with the Commission to arrange the transfer, within 30 days after such appointment, of appropriate documents and records.

House amendment

No provision.

Conference substitute

The conference substitute is the same as the Senate bill.

J. CONFORMING AND TECHNICAL CHANGES

Senate bill

Section 207(d) of the Senate bill made conforming and technical amendments to title III of the Act required by the provisions of the Senate bill establishing the Commission.

House amendment

Section 206(e) of the House amendment, which amended section 301(g) of the Act, relating to the definition of supervisory officer, to provide that such term means the Board, eliminated any necessity for conforming or technical amendments to title III of the Act.

Conference substitute

The conference substitute is the same as the Senate bill.

K. JUDICIAL REVIEW

Senate bill

Section 214 of the Senate bill amended title IV of the Act by inserting a new section 407, relating to judicial review. Section 407 authorized the Commission, the national committee of any political party, and any individual eligible to vote in any election for the office of President to bring any appropriate action in the appropriate district court of the United States to implement or construe any provision of the Act or of chapter 29 of title 18, United States Code. The district court was required to certify all questions of constitutionality to the United States court of appeals for the circuit involved, which was required to hear the matter sitting en banc.

Section 407 also provided that any decision on a matter certified to a circuit court shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal must be brought within 20 days after the decision of the court of appeals. The court of appeals and the Supreme Court shall advance on the docket and expedite the disposition of any matter certified to the circuit court.

House amendment

The amendment made by section 207(c) of the House amendment was the same as the amendment made by section 214 of the Senate bill, with the following differences: (1) the amendment made by the House amendment was to title III of the Act, inserting a new section 315; and (2) section 315 was made applicable to sections 608, 610, 611, 613, 614, 615, and 616 of title 18, United States Code, and not to chapter 29 of title 18, United States Code.

Conference substitute

The conference substitute generally follows the House amendment and makes it clear that these special judicial review provisions are available only for actions directed at determining the constitutionality of provisions of the Act and of provisions of title 18, United States Code, related to the activities regulated by the Act.

JUDICIAL REVIEW OF AGENCY ACTION

Senate bill

Section 209 of the Senate bill amended title III of the Act by inserting a new section 313, relating to judicial review. Section 313(a) pro-

vided that an agency action of the Commission shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition by an interested person.

Section 313(b) provided that the Commission, the national committee of any political party, and individuals eligible to vote in an election for Federal office, may institute such actions as may be appropriate to implement the provisions of the Act. Section 313(c) provided that chapter 7 of title 5, United States Code, relating to judicial review, shall apply to agency action by the Commission.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

FINANCIAL ASSISTANCE TO STATES

Senate bill

Section 210 of the Senate bill amended section 309 of the Act, relating to statements filed with State officers, by inserting a new subsection (c). Such subsection authorized the appropriation of \$500,000 to the Commission during each fiscal year, to be made available to the States by the Commission to assist the States in carrying out their responsibilities under section 309.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

STATEMENTS FILED WITH STATE OFFICERS

Senate bill

Section 210 of the Senate bill amended section 309(a)(1) of the Act, relating to statements filed with State officers, to provide that a candidate for the office of President or Vice President is required to file statements in each State in which he is a candidate or in which substantial expenditures are made by him or on his behalf.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

REGULATION OF CERTAIN CAMPAIGN ACTIVITIES

A. APPROVAL OF CERTAIN EXPENDITURES

Senate bill

Section 316 of the Act, as added by section 212 of the Senate bill, provided that the national committee of a political party shall approve each expenditure in excess of \$1,000 made by the candidate of such party for the office of President or Vice President. Each national committee approving expenditures was required to register under sec-

tion 303 of the Act and to report each such expenditure, together with the identity of each person requesting approval of the national committee for the making of expenditures. Section 316 also provided that no political party may have more than one national committee.

House amendment
No provision.

Conference substitute
The conference substitute omits the provisions of the Senate bill.

B. CERTAIN USES OF CONTRIBUTIONS

Senate bill
Section 317 of the Act, as added by section 212 of the Senate bill, provided that excess contributions received by a candidate and moneys received by an individual holding Federal office for the purpose of supporting the activities of such individual as a holder of Federal office, may be used by such candidate or individual to defray ordinary and necessary expenses incurred in connection with his duties as a holder of Federal office, or may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, relating to the definition of charitable contribution, or for any other lawful purpose.

Section 317 also provided that any such contributions, amounts contributed, or expenditures shall be fully disclosed by the candidate or individual holding Federal office, in accordance with rules prescribed by the Commission.

House amendment
No provision.

Conference substitute
The conference substitute is the same as the Senate bill. The provisions of this section do not affect any rule of the Senate or of the House of Representatives limiting the use of funds received as political contributions nor do they have any effect on the Federal tax treatment of any such contributions used by a candidate for personal purposes.

C. SUSPENSION OF USE OF FRANK

Senate bill
Section 318 of the Act, as added by section 212 of the Senate bill, provided that no Senator, Representative, Delegate, or Resident Commissioner may make any mass mailing of a newsletter or mailing with a simplified form of address under the frank during the 60-day period immediately before an election in which he is a candidate.

House amendment
No provision.

Conference substitute
The conference substitute omits the provisions of the Senate bill. It is noted by the conferees that such provisions are similar to provisions in existing law.

D. PROHIBITION OF FRANKED SOLICITATIONS

Senate bill

Section 319 of the Act, as added by section 212 of the Senate bill, provided that no Senator, Representative, Delegate, or Resident Commissioner may make any solicitation of funds by a mailing under the frank.

House amendment
No provision.

Conference substitute
The conference substitute is the same as the Senate bill.

AUTHORIZATION OF APPROPRIATIONS

Senate bill

Section 320 of the Act, as added by section 212 of the Senate bill, authorized to be appropriated to the Commission for the purposes of carrying out its functions under title III of the Act, title V of the Act (as added by the Senate bill), and chapter 29 of title 18, United States Code, not to exceed \$5,000,000 for fiscal year 1974, and not to exceed \$5,000,000 for each fiscal year thereafter.

House amendment

Section 316 of the Act, as added by section 207(c) of the House amendment, provided that, notwithstanding any other provision of law, such sums as may be necessary may be appropriated to the Board to enable the Board to carry out its duties under the Act.

Conference substitute

The conference substitute authorizes an appropriation of \$5,000,000 for fiscal year 1975.

PENALTIES

Senate bill

Section 212 of the Senate bill amended title III of the Act by striking out section 311, relating to penalty for violations, and by inserting a new section 321, relating to penalty for violations.

Section 321(a) provided that violation of any provision of title III of the Act is a misdemeanor punishable by a fine of not more than \$10,000, imprisonment for not more than one year, or both.

Section 321(b) provided that violation of any such provision with knowledge or reason to know that the act committed or omitted is a violation of title III of the Act is punishable by a fine of not more than \$100,000, imprisonment for not more than 5 years, or both.

House amendment
No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill, but like the House amendment retains the penalty contained in existing law.

ADVISORY OPINIONS

Senate bill

Section 309(f) of the Act, as added by section 207(a) of the Senate bill, provided that, upon application by any individual holding Federal office, any candidate, or any political committee, the Commission shall provide an advisory opinion, within a reasonable time, with respect to whether a transaction or activity may constitute a violation of any provision of the Act or of title 18, United States Code, over which the Commission has primary jurisdiction.

House amendment

Section 208 of the House amendment amended title III of the Act by inserting a new section 313, relating to advisory opinions. The new section 313 provided for the rendering of advisory opinions by the Board. Section 313 provided that if an individual holding Federal office, a candidate, or a political committee, makes a written request to the Board, then the Board shall render a written advisory opinion regarding whether any activity of the individual, candidate, or political committee would constitute a violation of title I of the Act, title III of the Act, or section 608, 610, 611, 613, 614 615, or 616 or title 18, United States Code.

The new section 313 also provided that if a person acts in good faith in compliance with an advisory opinion rendered at his request, then the person shall be presumed to be in compliance with the statutory provision regarding which the advisory opinion is rendered. Section 313 also provided that any request for an advisory opinion shall be made public by the Board. The Board was required to provide interested parties with an opportunity to furnish written comments to the Board concerning any request before the Board renders an advisory opinion regarding the request.

Conference substitute

The conference substitute is the same as the House amendment, except that it is extended to Commission functions under chapters 95 and 96 of the Internal Revenue Code of 1954.

GENERAL PROVISIONS

EFFECT ON STATE LAW

Senate bill

Section 213 of the Senate bill amended section 403 of the Act, relating to effect on State law, to provide that the provisions of the Act preempt any provision of State law with respect to campaigns for election to Federal office.

House amendment

Section 301 of the House amendment amended section 403 of the Act, relating to effect on State law, in essentially the same manner as the amendment made by section 213 of the Senate bill.

Conference substitute

The conference substitute follows the House amendment. It is clear that the Federal law occupies the field with respect to reporting and

disclosure of political contributions to and expenditures by Federal candidates and political committees, but does not affect State laws as to the manner of qualifying as a candidate, or the dates and places of elections.

PERIOD OF LIMITATIONS

Senate bill

No provision.

House amendment

Section 406 of the Act, as added by section 302 of the House amendment, provided that no criminal action may be brought against a person for violation of title I of the Act, title III of the Act, or section 608, 610, 611, 613, 614, 615, or 616 of title 18, United States Code, unless such action is brought before the expiration of 3 years after the date of such violation. Under existing law the period of limitations is 5 years.

Section 406 also provided that (1) the new period of limitations shall apply to violations committed before, on, or after the effective date of such section; (2) no person shall be prosecuted, tried, or punished for any violation of title I of the Act, title III of the Act, or section 608, 610, 611, or 613 of title 18, United States Code, as in effect on the day before the effective date of this legislation, if the act or omission constituting such violation does not constitute a violation of any such provision as amended by this legislation; and (3) section 406 shall not affect any proceeding pending in any court of the United States on the effective date of section 406.

Conference substitute

The conference substitute is generally the same as the House amendment, but it provides that no criminal proceedings are to be instituted after December 31, 1974, for violations of the old law which do not constitute violations of the law as amended by the conference substitute.

ENFORCEMENT

Senate bill

No provision.

House amendment

Section 407 of the Act, as added by section 302 of the House amendment, provided that if the Board finds, after notice and opportunity for a hearing on the record, that a candidate failed to file a report required by title III of the Act, then the candidate shall be disqualified from becoming a candidate in any future Federal election for a period beginning on the date of the finding and ending one year after the expiration of the term of the Federal office for which the person was a candidate. Any such finding would be reviewable by the courts under chapter 7 of title 5, United States Code, in the same manner as in the case of any other final agency action under the administrative procedure provisions of title 5 of the United States Code.

It was the intent of the members of the House committee that the enforcement mechanism of section 407 shall not be applied in any case in which the candidate involved demonstrates that he did not receive timely notice from the Board advising him of an approaching filing date regarding reports he is required to file under title III of the Act.

Conference substitute

The conference substitute is the same as the House amendment.

AMENDMENTS TO OTHER LAWS; EFFECTIVE DATES

POLITICAL ACTIVITIES BY STATE AND LOCAL OFFICERS AND EMPLOYEES

Senate bill

No provision.

House amendment

Section 401 of the House amendment amended section 1502 of title 5, United States Code (relating to influencing elections; taking part in political campaigns; prohibitions; exceptions) to provide that State and local officers and employees may take an active part in political management and in political campaigns, except that they may not be candidates for elective office.

Conference substitute

The conference substitute is the same as the House amendment. It is the intent of the conferees that any State law regulating the political activities of State and local officers and employees is not preempted or superseded by the amendments to title 5, United States Code, made by this legislation.

CAMPAIGN COMMUNICATIONS

A. REPEAL OF CERTAIN PROVISIONS

Senate bill

Section 201(e) of the Senate bill repealed title I of the Act, relating to campaign communications.

House amendment

Section 402 of the House amendment amended title I of the Act, relating to campaign communications, by striking out section 104, relating to limitations of expenditures for use of communications media.

Under the amendment made by this section, a candidate is no longer restricted with respect to expenditures for use of communications media. The House amendment, however, established overall limitations on campaign expenditures, but left the candidate free to decide the purpose for which such expenditures will be made. The House committee also noted that, on November 14, 1973, the United States District Court for the District of Columbia decided, in the case of *American Civil Liberties Union v. Jennings* (366 F. 2d 1041), that the requirement of section 104(b) of the Act that a candidate certify that certain media advertising (newspapers, magazines, and billboards) did not violate the expenditure limitations repealed by this section was an unconstitutional prior restraint upon publication in violation of First Amendment rights.

Conference substitute

The conference substitute is the same as the Senate bill.

B. AVAILABILITY OF BROADCAST FACILITIES

Senate bill

Section 201(a) of the Senate bill amended section 315(a) of the Communications Act of 1934, relating to facilities for candidates for public office, by inserting a new paragraph (2) and paragraph (3).

Paragraph (2) provided that a licensee may meet the equal broadcast time requirements of section 315(a) with respect to a candidate seeking equal broadcast time if (1) the licensee makes available without charge to such candidate at least 5 minutes of broadcast time; (2) the licensee notifies such candidate of the availability of such time at least 15 days before the election involved; and (3) the broadcast will cover, in whole or in part, the geographical area in which such election is held.

Paragraph (3) provided that a candidate could not make use of broadcast time offered to him under paragraph (2) unless he notified the licensee of his acceptance within 48 hours after receipt of the offer.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

C. CHARGES FOR USE OF FACILITIES

Senate bill

Section 201(b) of the Senate bill amended section 315(b) of the Communications Act of 1934, relating to facilities for candidates for public office, to provide that rules established by section 315(b) governing charges made by broadcasting stations shall apply whether the candidate himself uses the facilities of the station, or such facilities are used by other persons on behalf of the candidate.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

D. EXPENDITURE CERTIFICATIONS

Senate bill

Section 201(c) (1) of the Senate bill amended section 315(c) of the Communications Act of 1934, relating to facilities for candidates for public office, to provide that the expenditure limitations applicable to such subsection shall be those in effect under section 504 of the Act, as added by the Senate bill, or under section 614 of title 18, United States Code, as added by the Senate bill.

Section 201(c) (2) of the Senate bill amended section 315(d) of such Act to provide that if a State imposes an expenditure limitation with respect to candidates for public office (other than Federal office), then a station licensee may not make a charge for the use of his facilities by or on behalf of any such candidate unless such candidate certifies

to such station licensee that payment of the charge will not violate the expenditure limitation established by the State.

House amendment

Section 402(c) of the House amendment amended section 315 of the Communications Act of 1934, relating to facilities for candidates for public office, by striking out subsections (c), (d), and (e). The effect of the amendment was to eliminate the requirement that licensees of broadcasting stations obtain certification from a candidate that his purchase of air time on the station involved does not exceed his expenditure limitations under title I of the Act or under any provision of State law.

Conference substitute

The conference substitute is the same as the House amendment.

E. POLITICAL ADVERTISEMENTS ON RADIO

Senate bill

Section 201(d) of the Senate bill amended section 317 of the Communications Act of 1934, relating to announcement of payment for broadcast, to provide that (1) a political broadcast soliciting funds shall include an announcement (the time for which shall be made available without charge by the licensee) that reports of the candidate involved filed with the Commission are available from the Commission; and (2) station licensees shall maintain records of political advertisements which are broadcast by such licensees.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

AUTOMATIC TRANSFERS TO CAMPAIGN FUND

Senate bill

No provision.

House amendment

Section 403 of the House amendment amended section 9006(a) of the Internal Revenue Code of 1954 (hereinafter in this statement referred to as the "Code"), relating to establishment of campaign fund, to provide that the Secretary of the Treasury (hereinafter in this statement referred to as the "Secretary") shall automatically transfer to the Presidential Election Campaign Fund, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to amounts designated under section 6096 of the Code, relating to designation of income tax payments to the Presidential Election Campaign Fund.

Conference substitute

The conference substitute is the same as the House amendment.

The conference substitute also provides that there is appropriated to the Presidential Election Campaign Fund all amounts designated

by taxpayers for payment under section 6096 of the Code, relating to designation by individuals to the Presidential Election Campaign Fund, before January 1, 1975, to the extent that such amounts are not otherwise taken into account under the provisions of section 9006 of the Code, relating to payments to eligible candidates, as amended by this legislation.

ENTITLEMENT TO PAYMENTS FROM PRESIDENTIAL ELECTION CAMPAIGN FUND

Senate bill

No provision.

House amendment

Section 404 of the House amendment amended section 9004(a)(1) of the Code, relating to entitlement of eligible candidates to payments, to provide that eligible candidates of each major party in a Presidential election shall be entitled to equal payments in an amount not to exceed \$20,000,000. The amendment eliminated the formula under which candidates of a major party would receive 15 cents multiplied by the number of residents of the United States who are 18 years of age or older.

Conference substitute

The conference substitute is the same as the House amendment.

DEFINITION OF AUTHORIZED COMMITTEE

Senate bill

No provision.

House amendment

Section 404(c) of the House amendment amended section 9002(1) of the Code, relating to the definition of "authorized committee", to provide that such term means, with respect to candidates for President or Vice President, the political committee designated under section 302(f)(1) of the Act, as added by the House amendment, by the candidate for President as his principal campaign committee. Section 404(c) also contained technical conforming amendments to various sections of the Code made necessary by the change made to the definition of "authorized committee".

Conference substitute

The conference substitute omits the provisions of the House amendment. This omission conforms with the decision of the conferees to permit authorized committees, as well as the principal campaign committee, to make expenditures on behalf of a candidate.

The conference substitute also amends section 9002(3) of the Code, relating to the definition of "Comptroller General", by eliminating such definition and inserting a new definition, relating to the Federal Election Commission established by section 310(a)(1) of the Act, as amended by this legislation. The conference substitute also contains technical conforming amendments to various sections of the Code made necessary by the decision of the conferees to substitute the Commission for the Comptroller General with respect to administration of the Code political financing provisions.

The conference substitute also repeals chapter 96 of the Code, relating to Presidential Election Campaign Fund Advisory Board. It is the opinion of the conferees that the Commission will be in a position to perform those functions which were assigned to such Board under chapter 96.

CERTIFICATION FOR PAYMENT BY COMMISSION

Senate bill

No provision.

House amendment

Section 405 of the House amendment amended section 9005(a) of the Code, relating to initial certifications for eligibility for payments, to provide that, not later than 10 days after candidates of a political party have established their eligibility to receive payments, the Comptroller General shall certify to the Secretary payment in full of the candidates' entitlements. The amendment, together with the amendment made by section 406(a) of the House amendment, eliminated the procedure under which candidates were required to submit records of expenses and proposed expenses in order to obtain certification from the Comptroller General for payments. Section 406(a) of the House amendment amended chapter 95 of subtitle H of the Code, relating to the Presidential election campaign fund, by striking out section 9008, relating to information on proposed expenses.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

Senate bill

No provision.

House amendment

Section 406(a) of the House amendment amended chapter 95 of subtitle H of the Code, relating to the Presidential election campaign fund, by inserting a new section 9008, relating to payments for Presidential nominating conventions.

A. Establishment of accounts.—Section 9008(a) provided that the Secretary shall maintain in the Presidential Election Campaign Fund a separate account for the national committee of a major political party or a minor political party. The Secretary shall deposit in each account each national committee's entitlement under section 9008. These deposits shall be drawn from amounts designated under section 6096 of the Code, relating to designation of income tax payments to the Presidential election campaign fund, and the deposits shall be made before any transfer of funds to the account of any eligible candidate under section 9006(a) of the Code, relating to establishment of campaign fund.

B. Entitlement to payments.—Section 9008(b) provided that the national committee of a major party is entitled to payments not to exceed \$2,000,000. The national committee of a minor party is entitled to payments not to exceed an amount which bears the same ratio to the entitlement of the national committee of a major party as the number of votes received by the candidate for President of the minor party in the preceding Presidential election bears to the average number of votes received by candidates for President of the major parties in the election. The national committee of a minor party could use additional private funds in the operation of a Presidential nominating convention, but only to the extent that the total expenditure (counting both public and private funds) does not exceed \$2,000,000. A major party electing to receive its \$2,000,000 entitlement could not use any additional private funds. The only exception to the \$2,000,000 limitation would be an instance in which the Presidential Election Campaign Advisory Board permitted the expenditure of private funds under section 9008(d).

C. Use of funds.—Section 9008(c) provided that no part of payments made under section 9008 may be used to defray expenses of any candidate or delegate participating in any Presidential nominating convention. The payments are to be used only to (1) defray expenses incurred with respect to a Presidential nominating convention (including payment of deposits) by the national committee; or (2) repay loans which were used to defray such expenses.

D. Limitation of expenditures.—Section 9008(d) provided that the national committee of a major party or a minor party may not make expenditures which exceed the amount of the entitlement of the national committee of a major party under section 9008. Notwithstanding this limitation, the national committee of a major party or minor party may make expenditures from private sources in excess of this limitation if such expenditures are authorized by the Presidential Election Campaign Advisory Board. Before making any authorization, such Board shall determine that extraordinary and unforeseen circumstances have made necessary such expenditures to assure effective operation of the Presidential nominating convention. It was the intent of the House committee that such Board shall make authorizations only in cases in which events of a catastrophic nature overwhelmingly imperil the operation of a Presidential nominating convention.

E. Other provisions.—

1. Payments to the national committee of major parties and minor parties under section 9008 may be made beginning on July 1 of the calendar year before the calendar year in which the Presidential nominating convention is held.

2. If, after each national committee has been paid the amount to which it is entitled, there are moneys remaining in national committee accounts, then such moneys shall be transferred to the Presidential Election Campaign Fund.

3. In order to qualify for payments, any major party or minor party may file a statement with the Comptroller General designating the national committee of the party. After the Comptroller General

verifies the statement he shall certify to the Secretary payment in full of the entitlement of the national committee. Payments shall be subject to examination and audit, which the Comptroller General shall conduct before the close of the calendar year in which the nominating convention is held.

4. The Comptroller General may require repayments from the national committee of a major party or minor party in the same manner as he may require repayments from candidates under section 9007 (b) of the Code, relating to repayments.

F. Conforming amendments.—Section 406 (b) of the House amendment amended section 9009 (a) of the Code, relating to reports, to require that reports of the Comptroller General include the following information: (1) expenses incurred by the national committee of a major party or minor party with respect to a Presidential nominating convention; (2) amounts certified by the Comptroller General for payment to such national committees; and (3) the amount of repayments required from such national committees, and the reason for any repayments.

Section 406 (b) also amended section 9012 (a) (1) of the Code, relating to excess campaign expenses, to make it unlawful for the national committee of a major party or minor party to incur convention expenses in excess of the applicable expenditure limitation, unless such expenses are authorized by the Presidential Election Campaign Fund Advisory Board.

Section 406 (b) also amended section 9012 (c) of the Code, relating to unlawful use of payments, to make it unlawful for the national committee of a major party or minor party to use payments for any purpose which is not authorized by section 9008 (c), relating to use of funds.

Section 406 (b) also amended section 9012 (e) (1) of the Code, relating to kickbacks and illegal payments, to make it unlawful for the national committee of a major party or minor party to give or accept any kickback or other illegal payment in connection with any convention expense incurred by such national committee.

Conference substitute

The conference substitute is the same as the House amendment, except for the following changes:

1. The conference substitute eliminates the role of the Comptroller General and the Presidential Election Advisory Board, and substitutes the Commission.

2. The conference substitute provides that the \$2,000,000 payments limit and expenditure limit shall be subject to cost-of-living adjustments in the same manner as the expenditure limitations contained in title 18, United States Code, as amended by this legislation.

Participation in the convention financing program of this legislation is optional. The provisions of this legislation do not require the national committee of a major party or a minor party to seek to qualify for payments.

If the national committee of a major party chooses to participate and qualifies for payments, it will be limited to payments aggregating \$2,000,000. If such national committee chooses not to participate in the

financing program, it still will be subject to the \$2,000,000 spending limitation.

If the national committee of a minor party chooses to participate and qualifies for payments, it will be entitled to payments in amounts based on the voting strength of the minor party. If the national committee of a minor party participates in the financing program, it still could use additional private funds in the operation of a Presidential nominating convention, but only to the extent that the total expenditure (counting both public and private funds) does not exceed \$2,000,000.

If the national committee of a minor party chooses not to participate in the financing program, it still will be subject to the \$2,000,000 spending limitation.

ADVERTISING IN CONVENTION PROGRAMS

Senate bill

No provision.

House amendment

Section 406 (d) of the House amendment amended section 276 of the Code, relating to certain indirect contributions to political parties, by striking out subsection (c), relating to advertising in a convention program of a national political convention. The effect of the amendment was to eliminate any income tax deduction for any amount paid for advertising in a convention program.

Conference substitute

The conference substitute is the same as the House amendment.

TAX RETURNS BY POLITICAL COMMITTEES

Senate bill

No provision.

House amendment

Section 407 of the House amendment amended section 6012 (a) of the Code, relating to persons required to make returns of income, to provide that any political committee which has no gross income for a taxable year shall be exempt from the requirement of making a return for such taxable year.

Conference substitute

The conference substitute is the same as the House amendment.

PUBLIC FINANCING OF FEDERAL ELECTION CAMPAIGNS

A. IN GENERAL

Senate bill

Section 101 of the Senate bill amended the Act by inserting a new title V. Title V provided that public financing would be available on a matching basis to all candidates for Federal office in primary election campaigns, and that complete public financing (up to the expenditure limitations established by the Senate bill) would be available to all

candidates of major parties in general election campaigns, with proportionate amounts available to all candidates of minor parties and other parties.

House amendment

Section 408 of the House amendment amended subtitle H of the Code by inserting a new chapter 97, relating to Presidential primary matching payment account. Chapter 97 provided that public financing would be available on a matching basis to all candidates for the office of President in primary election campaigns.

Conference substitute

The conference substitute is the same as the House amendment.

B. SHORT TITLE

Senate bill

No provision.

House amendment

Section 9031 of the Code, as added by section 408(c) of the House amendment, provided that chapter 97 of the Code may be cited as the "Presidential Primary Matching Payment Account Act".

Conference substitute

The conference substitute is the same as the House amendment.

C. DEFINITIONS

Senate bill

Section 501 of the Act, as added by section 101 of the Senate bill, contained the following definitions:

1. The terms "candidate", "Commission", "contribution", "expenditure", "national committee", "political committee", "political party", and "State" were given the same meanings as given them by section 301 of the Act.

2. The term "authorized committee" was defined to mean the central campaign committee of a candidate designated under section 310 of the Act, relating to central campaign committees, as added by the Senate bill, or any political committee authorized in writing to receive contributions or make expenditures for a candidate.

3. The term "Federal office" was defined to mean the office of President, Senator, or Representative.

4. The term "Representative" was defined to mean a Member of the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands.

5. The term "general election" was defined to mean any regularly scheduled or special election held to elect a candidate to Federal office or to elect Presidential and Vice-Presidential electors.

6. The term "primary election" was defined to mean (A) an election, including a runoff election, held for the nomination of a candidate by a political party for election to Federal office; (B) a convention or caucus of a political party to nominate a candidate; (C) a convention, caucus, or election held to select delegates to a national nominating

convention of a political party; and (D) an election held for expression of a preference for nomination of persons for election to the office of President.

7. The term "eligible candidate" was defined to mean a candidate who is eligible under section 502 of the Act, relating to eligibility for payments, as added by the Senate bill, for payments under title V of the Act, as added by the Senate bill.

8. The term "major party" was defined to mean (A) a political party whose candidate for the Federal office involved in the preceding general election for such office received (as the candidate of such party) at least 25 percent of the votes cast in such election; or (B) if only one political party qualifies as a major party under the provisions of (A), the political party whose candidate for the Federal office involved in the preceding general election for such office received (as a candidate of such party) the second greatest number of votes cast in such election, if (i) such number is equal to at least 15 percent of the votes cast in such election; and (ii) in a State which registers voters by political party, the registration of such political party in such State or district is equal to at least 15 percent of the total number of voters registered in such State or district.

9. The term "minor party" was defined to mean a political party whose candidate for the Federal office involved in the preceding general election for such office received (as a candidate of such party) at least 5 percent but less than 25 percent of the votes cast in such election.

10. The term "fund" was defined to mean the Federal Election Campaign Fund established by section 506(a) of the Act, relating to payments to eligible candidates, as added by the Senate bill.

House amendment

Section 9032 of the Code, as added by section 408(c) of the House amendment, contained the following definitions:

1. The term "authorized committee" was defined to mean the political committee designated under section 302(f)(1) of the Act, as added by the House amendment, by the candidate of a political party for President as his principal campaign committee.

2. The term "candidate" was defined to mean an individual who seeks nomination for election to the office of President. An individual shall be considered to be seeking the nomination if he (A) takes actions necessary under State law to qualify for nomination; (B) receives contributions or incurs qualified campaign expenses; or (C) gives his consent for any other person to receive contributions or incur qualified campaign expenses on his behalf.

3. The term "Comptroller General" was defined to mean the Comptroller General of the United States.

4. The term "contribution" was defined to mean (A) a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing the result of a primary election, if payment is made on or after the beginning of the calendar year preceding the calendar year of the Presidential election with respect to which such primary election is held; (B) a contract, promise, or agreement to make a contribution; (C) a transfer of funds between politi-

cal committees; or (D) payment by any person, other than a candidate or his authorized committee, of compensation for personal services of another person which are rendered to the candidate or committee without charge. Such term did not include the value of personal services rendered on a voluntary basis by persons who receive no compensation for such services, or any payments made under section 9037, relating to payments to eligible candidates, as added by the House amendment.

5. The term "matching payment account" was defined to mean the Presidential Primary Matching Payment Account established under section 9037(a), relating to establishment of account, as added by the House amendment.

6. The term "matching payment period" was defined to mean the period beginning with the beginning of the calendar year in which a general election for the office of President is held and ending on the date which the party whose nomination a candidate seeks nominates its candidate for such office.

7. The term "primary election" was defined to mean an election, including a runoff election or a nominating convention or caucus held by a political party, for selection of delegates to a national nominating convention of a political party, or for expression of a preference for nomination of persons for election to the office of President.

8. The term "political committee" was defined to mean any individual, committee, association, or organization which accepts contributions or incurs qualified campaign expenses for the purpose of influencing the nomination for election of one or more individuals to be President.

9. The term "qualified campaign expense" was defined to mean a purchase, payment, distribution, loan, advance, deposit, or gift of money or of anything of value incurred by a candidate or his authorized committee in connection with his campaign for nomination for election, neither the incurring nor payment of which violates any Federal or State law.

10. The term "State" was defined to mean each State of the United States and the District of Columbia.

Conference substitute

The conference substitute is the same as the House amendment, with the following changes:

1. The conference substitute defines the term "authorized committee" to mean any political committee authorized in writing by candidates for the office of President or Vice President to make expenditures on behalf of such candidates. The conference substitute requires such authorization to be addressed to the chairman of such political committee, with a copy filed with the Commission. Any withdrawal of such authorization also must be in writing, addressed to the chairman, and filed with the Commission.

This change conforms with the decision of the conferees to permit authorized committees, as well as the principal campaign committee, to make expenditures on behalf of a candidate.

2. The conference substitute omits the definition of "Comptroller General" and inserts a definition of the Federal Election Commission

established by section 310(a)(1) of the Act, as amended by this legislation. This change conforms with the decision of the conferees to substitute the Commission for the Comptroller General with respect to administration of the Code political financing provisions.

3. The conference substitute provides that, with respect to political parties which do not nominate their candidates for the office of President by holding national conventions, the end of the matching payment period shall be the earlier of (A) the date such parties nominate their candidate; or (B) the last day of the last nominating convention held by a major party during the calendar year of the general election for the office of President.

D. ELIGIBILITY FOR PAYMENTS

Senate bill

Section 502(a) of the Act, relating to eligibility for payments, as added by section 101 of the Senate bill, provided that, to be eligible to receive payments under title V of the Act, a candidate shall agree (1) to obtain and furnish to the Commission evidence with respect to his campaign expenditures and contributions; (2) to keep records, books, and other information; (3) to submit to an audit and examination by the Commission; and (4) to furnish statements of expenditures and proposed expenditures under section 508 of the Act, relating to information of expenditures and proposed expenditures, as added by the Senate bill.

Section 502(b) provided that every candidate shall certify to the Commission that (1) he and his authorized committees will not make expenditures in excess of the limitations established by section 504 of the Act, relating to expenditure limitations, as added by the Senate bill; and (2) no contributions will be accepted by him or his authorized committees in violation of section 615(b) of title 18, United States Code, relating to limitations on contributions, as added by the Senate bill.

Section 502(c)(1) provided that, to be eligible to receive payments for use in connection with his primary election campaign, a candidate shall certify to the Commission that (1) he is seeking nomination for election as a Representative and he has received contributions of more than \$10,000; (2) he is seeking nomination for election to the Senate and he has received contributions equal to the lesser of (A) 20 percent of the maximum he may spend under section 504(a)(1) of the Act, relating to expenditure limitations, as added by the Senate bill; or (B) \$125,000; or (3) he is seeking nomination for election to the office of President and he has received contributions of more than \$250,000, with not less than \$5,000 in matchable contributions having been received from residents of each of at least 20 States.

Section 502(c)(2) provided that, to be eligible to receive payments for use in connection with his primary runoff election campaign, a candidate shall certify to the Commission that he is seeking nomination for election as a Representative or as a Senator, and that he is a candidate for such nomination in a primary runoff election.

Section 502(d) provided that, to be eligible to receive payments for use in connection with his general election campaign, a candidate shall certify to the Commission that (1) he is the nominee of a major party

or a minor party; or (2) in the case of any other candidate, he is seeking election to Federal office and he has received contributions in a total amount not less than the amount of contributions required to be received under section 502(c) for the Federal office involved.

Section 502(e) provided that, in determining the amount of contributions received by a candidate for purposes of section 502(c) and section 502(d)(2), the following rules shall apply: (1) no contributions in the form of subscriptions, loans, advances, deposits, products, or services, shall be taken into account; (2) in the case of a candidate for nomination for election to the office of President, no contributions in excess of \$250 from any person shall be taken into account; and (3) in the case of any other candidate, no contributions in excess of \$100 from any person shall be taken into account.

House amendment

Section 9033(a) of the Code, as added by section 408(c) of the House amendment, required that a candidate seeking to become eligible for payments shall in writing (1) furnish to the Comptroller General evidence of qualified campaign expenses; (2) agree to keep and furnish to the Comptroller General records, books, and other information; and (3) agree to an audit and examination by the Comptroller General, and agree to make repayments required under section 9038 of the Code, relating to examinations and audits, repayments, as added by the House amendment.

Section 9033(b) required that a candidate seeking to become eligible for payments shall certify to the Comptroller General that (1) the candidate and his authorized committee will not incur qualified campaign expenses in excess of the limit imposed by section 9035 of the Code, relating to qualified campaign expense limitation, as added by the House amendment; (2) the candidate is seeking nomination by a political party for election to the office of President; (3) the candidate and his authorized committee have received contributions which exceed \$5,000 from residents of each of at least 20 States; and (4) the aggregate of contributions certified with respect to any one such resident does not exceed \$250.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

E. ENTITLEMENT TO PAYMENTS

Senate bill

Section 503(a) of the Act, relating to entitlement to payments, as added by section 101 of the Senate bill, provided that every eligible candidate is entitled to payments in connection with his primary election campaign in an amount equal to the amount of contributions received by such candidate, except that no contributions in the form of subscriptions, loans, advances, deposits, products, or services, shall be taken into account.

For purposes of section 503(a), the following rules shall apply: (1) in the case of a candidate for nomination for election to the office of

President, no contributions in excess of \$250 from any person shall be taken into account; and (2) in the case of any other candidate, no contributions in excess of \$100 from any person shall be taken into account.

Section 503(b)(1) provided that every eligible candidate nominated by a major party is entitled to receive payments for use in connection with his general election campaign in an amount equal to the amount of expenditures such candidate may make in connection with such campaign under section 504 of the Act, relating to expenditure limitations, as added by the Senate bill.

Section 503(b)(2) provided that every eligible candidate nominated by a minor party is entitled to receive payments for use in connection with his general election campaign in an amount equal to the greater of (1) an amount having the same ratio to the amount of payments to which a major party candidate is entitled as the total number of votes received by the candidate of such minor party in the preceding general election bears to the average number of votes received by major party candidates in such election; or (2) an amount having the same ratio to the amount of payments to which a major party candidate is entitled as the total number of votes received by such eligible candidate (other than votes he received as the candidate of a major party) in the preceding general election bears to the average number of votes received by major party candidates in such election.

Section 503(b)(3) provided that candidates, other than major party or minor party candidates, eligible under section 502(d)(2) of the Act, relating to eligibility for payments, as added by the Senate bill, shall receive payments in amounts determined as follows: if any such candidate received, in the preceding general election for the Federal office involved, 5 percent or more of the total number of votes cast, he is entitled to receive payments for use in his general election campaign in an amount (not in excess of the applicable expenditure limitation under section 504 of the Act, relating to expenditure limitations, as added by the Senate bill) equal to an amount having the same ratio to the amount of payments to which a major party candidate is entitled as the total number of votes received by such eligible candidate in the preceding general election for the Federal office involved bears to the average number of votes received by major party candidates in such election. Section 503(b)(3) also provided that the foregoing formula shall not apply in determining the entitlement of any candidate who was the candidate of a major party or minor party in the preceding general election for the Federal office involved.

Section 503(b)(4) provided that an eligible candidate nominated by a minor party or whose entitlement is determined under section 502(d)(2) of the Act, relating to eligibility for payments, as added by the Senate bill, and who receives at least 5 percent of the total number of votes in the current election, is entitled to payments under section 506 of the Act, relating to payments to eligible candidates, as added by the Senate bill, for expenditures made or incurred in connection with his general election campaign in an amount (not in excess of the applicable expenditure limitation under section 504 of the Act, relating to expenditure limitations, as added by the Senate bill) equal

to (1) an amount having the same ratio to the amount of payments to which a major party candidate was or would have been entitled to receive, as the total number of votes received by such eligible candidate in such election bears to the average number of votes received by major party candidates in such election, reduced by (2) any amount paid to such eligible candidate under section 506 before such election.

Section 503(b)(5) provided that, in applying the provisions of section 503 to a candidate for election to the office of President the following rules shall apply: (1) votes cast for electors affiliated with a political party shall be considered as cast for the candidate of such party for the office of President; and (2) votes cast for electors publicly pledged to cast their electoral votes for a candidate shall be considered as cast for such candidate.

Section 503(c) provided that no candidate is entitled to payments in excess of the expenditure limitation applicable to him for the election campaign involved under section 504 of the Act, relating to expenditure limitations, as added by the Senate bill.

House amendment

Section 9034(a) of the Code, as added by section 408(c) of the House amendment, provided that every eligible candidate is entitled to payments in an amount equal to contributions received by the candidate and his authorized committee on or after the beginning of the calendar year before the calendar year of the Presidential election with respect to which the candidate is seeking nomination. Contributions from any one person will qualify for matching only to the extent that such contributions do not aggregate more than \$250.

For purposes of section 9033(b) of the Code (relating to expense limitation; declaration of intent; minimum contributions), as added by the House amendment, and section 9034(a), the term "contribution" was defined to mean a gift of money made by a written instrument which identifies the person making the contribution. Such term did not include a subscription, loan, advance, or deposit of money, or anything described in section 9032(4)(B), (C), or (D) of the Code, relating to the definition of contribution, as added by the House amendment.

Section 9034(b) provided that payments under section 9034(a) may not exceed 50 percent of the expenditure limitation for Presidential primaries established by section 608(c)(1)(A) of title 18, United States Code, relating to limitations on contributions and expenditures, as added by the House amendment.

Conference substitute

The conference substitute is the same as the House amendment.

With respect to candidates who elect to receive matching payments, all contributions (including those needed to meet the threshold requirements of \$5,000 in each of 20 States) received on or after January 1 of the year preceding the year in which the Presidential election is held will be matched with payments from check-off funds under the financing program. A candidate may not receive matching payments for any contributions not raised on or after January 1 of the year preceding the year in which the Presidential election is held, and

such contributions may not be applied by such candidate to meet threshold requirements.

F. LIMITATION ON QUALIFIED CAMPAIGN EXPENSES

Senate bill

No provision.

House amendment

Section 9035 of the Code, as added by section 408(c) of the House amendment, prohibited any candidate from incurring qualified campaign expenses in excess of the expenditure limitation for Presidential primaries established by section 608(c)(1)(A) of title 18, United States Code, relating to limitations on contributions and expenditures, as added by the House amendment.

Conference substitute

The conference substitute is the same as the House amendment.

G. CERTIFICATION PROCEDURES

Senate bill

Section 505 of the Act, as added by section 101 of the Senate bill, provided that the Commission, on the basis of records furnished by each eligible candidate and before an examination and audit conducted by the Commission, shall certify from time to time to the Secretary for payment to each candidate the amount to which such candidate is entitled.

Section 505 also provided that certifications and all determinations made by the Commission under title V of the Act shall be final, except to the extent they are subject to examination and audit by the Commission and to judicial review under section 313 of the Act, as added by the Senate bill.

House amendment

Section 9036(a) of the Code, as added by section 408(c) of the House amendment, provided that, not later than 10 days after a candidate establishes his eligibility for payments, the Comptroller General shall certify to the Secretary payment in full to the candidate of amounts to which he is entitled.

Section 9036(b) provided that such certification and all determinations of the Comptroller General under chapter 97 of the Code are final and conclusive, except to the extent they are subject to examination and audit by the Comptroller General and to judicial review.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

The conference substitute provides that the Commission shall make such additional certifications as may be necessary to assure that candidates will receive payments for matchable contributions under section 9037 of the Code.

H. PAYMENTS TO ELIGIBLE CANDIDATES

Senate bill

Section 506(a) of the Act, as added by section 101 of the Senate bill, established within the Treasury of the United States a fund to be known as the Federal Election Campaign Fund. Section 506(a) also authorized the appropriation of funds in amounts equal to amounts designated under section 6096 of the Code, relating to designation by individuals of income tax payments to Presidential Election Campaign Fund, not previously taken into account for purposes of section 506(a), together with such additional funds as may be necessary to carry out title V of the Act.

Section 506(b) provided that the Secretary shall, upon receipt of certification from the Commission, pay the amount certified to the candidate involved.

Section 506(c) (1) provided that, if the Secretary determines that amounts in such Fund are not sufficient to pay entitlements of all candidates, then he shall reduce the amount to which each candidate is entitled by a percentage equal to the percentage obtained by dividing (1) the amount of moneys in such Fund at the time of such determination by (2) the total amount which all eligible candidates are entitled to receive. The Secretary was required to make further reductions if additional candidates become eligible after such determination.

Section 506(c) (2) provided that if, as a result of reductions in the amount of entitlement, a candidate has received payments in excess of his entitlement, then such candidate is liable for repayment to such Fund of the amount of such excess.

Section 506(d) provided that no payment shall be made under title V of the Act to any candidate in connection with any election held before January 1, 1976.

House amendment

Section 9037(a) of the Code, as added by section 408(c) of the House amendment, required the Secretary to establish in the Presidential Election Campaign Fund a separate account to be known as the Presidential Primary Matching Payment Account (hereinafter in this statement referred to as the "matching payment account"). The Secretary was required to deposit into the matching payment account, for use by eligible candidates, amounts available after the Secretary determines that amounts for payments to candidates in the general election for the office of President and amounts for payments to national committees of major parties and minor parties for Presidential nominating conventions, are available for such payments.

Section 9037(b) required the Secretary to transfer certified amounts to candidates during the matching payment period. In making transfers to candidates of the same political party, the Secretary was required to seek an equitable distribution of funds, taking into account the sequence in which certifications are received. Transfers to candidates of the same political party may not exceed 45 percent of the total amount available in the matching payment account, and transfers to any candidate may not exceed 25 percent of the total amount available in the matching payment account.

Conference substitute

The conference substitute is the same as the House amendment, except that the percentage limitations on transfers to candidates and political parties are omitted.

I. EXAMINATION AND AUDITS; REPAYMENTS

Senate bill

Section 507(a) of the Act, as added by section 101 of the Senate bill, required the Commission to conduct an examination and audit of the campaign expenditures of every candidate receiving payments under title V of the Act after each Federal election.

Section 507(b) (1) provided that if the Commission determines that a candidate received payments in excess of his entitlement, then the candidate shall be required to repay the excess amount. Section 507(b) (1) also provided that if the Commission determines that payments made to a candidate were not used to make expenditures in connection with the election campaign of such candidate, such candidate shall be required to pay an amount equal to the unexpended portion of such payments to the Secretary. The Commission, in making such determination, was required to consider amounts received as contributions to have been expended before any amounts received under title V of the Act are expended.

Section 507(b) (2) provided that if the Commission determines that a candidate has used payments for any purpose other than to defray campaign expenses or to repay loans or restore funds which were used to defray campaign expenses, then the candidate shall be required to repay the amount involved.

Section 507(b) (3) provided that no payments shall be required from a candidate under section 507(b) in excess of payments received by such candidate under section 506 of the Act, relating to payments to eligible candidates, as added by the Senate bill.

Section 507(c) provided that the Commission may not make a notification of a required repayment by a candidate with respect to any election campaign more than 18 months after the day of the election involved.

Section 507(d) required the Secretary to deposit repayments received by him under section 507(b) in such Fund.

House amendment

Section 9038 of the Code, as added by section 408(c) of the House amendment, was the same as section 507 of the Act, as added by the Senate bill, with the following differences:

1. The responsibility for administering section 9038 was given to the Comptroller General, and not to the Commission.
2. The Comptroller General was required to conduct examinations and audits at the end of each matching payment period, and not after each Federal election.
3. Section 9038(a) specifically required examinations and audits of the authorized committee of each candidate, together with examinations and audits of each candidate.

4. With respect to the repayment by candidates of unexpended portions of payments, section 9038(b)(3) provided that payments to a candidate from the matching payment account may be retained to pay qualified campaign expenses for a period not exceeding 6 months after the close of the matching payment period. After a candidate has liquidated all obligations, that portion of any balance remaining in his account which bears the same ratio to the total balance as the total amount received from the matching payment account bears to the total of all deposits made into the candidate's account, shall be repaid by the candidate to the matching payment account.

5. Section 9038 did not contain a provision that no payments shall be required from a candidate in excess of payments received by such candidate.

6. Section 9038(c) provided that notifications of required repayments could not be made more than 3 years after the end of the matching payment period involved.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

J. INFORMATION ON EXPENDITURES

Senate bill

Section 508(a) of the Act, as added by section 101 of the Senate bill, provided that every candidate shall, from time to time, furnish to the Commission a detailed statement of (1) campaign expenditures incurred by him and his authorized committees before the date of the statement; and (2) campaign expenditures which he and his authorized committees propose to incur on or after the date of the statement.

Section 508(b) provided that the Commission shall prepare and make available for public inspection summaries of statements received under section 508(a).

House amendment

No provision. Section 9036(a) of the Code, relating to initial certifications, as added by the House amendment, which required immediate certification of payment in full to candidates of all amounts to which they are entitled, made unnecessary any provision comparable to section 508 of the Act, as added by the Senate bill.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

K. REPORTS TO THE CONGRESS

Senate bill

Section 509(a) of the Act, as added by section 101 of the Senate bill, required the Commission, after the close of each calendar year, to transmit a report to each House of the Congress setting forth (1) campaign expenses of every candidate and authorized committee; (2) the amount of payments certified by the Commission; and (3) the amount of repayments required from every candidate, and the reason for any repayments.

Section 509(b) authorized the Commission to (1) conduct examinations and audits, in addition to examinations and audits required under sections 505 and 507 of the Act, as added by the Senate bill; (2) conduct investigations; and (3) require the keeping and submission of books, records, and information.

House amendment

Section 9039(a) and section 9039(b) of the Code, as added by section 408(c) of the House amendment, were the same as section 509 of the Act, as added by the Senate bill, with the following differences:

1. Section 9039(a) placed the reporting requirements on the Comptroller General, and not on the Commission.

2. Section 9039(a) required reports after each matching payment period, and not at the close of each calendar year.

3. Section 9039(b), in addition to authority granted by section 509(b) of the Act, as added by the Senate bill, gave the Comptroller General authority to prescribe rules and regulations. It should be noted that section 309(a)(8) of the Act, as added by section 207(a) of the Senate bill, gave the Commission general authority to prescribe rules to carry out all provisions of the Act.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

L. REVIEW OF REGULATIONS

Senate bill

No provision.

House amendment

Section 9039(c) of the Code, as added by section 408(c) of the House amendment, provided that the Comptroller General, before prescribing any rule or regulation, shall transmit the proposed rule or regulation, together with a detailed explanation and justification, to the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives. If either committee does not disapprove the proposed rule or regulation no later than 30 legislative days after receipt of the proposed rule or regulation, then the Comptroller General is authorized to prescribe such rule or regulation. Section 9039(c) prohibited the prescription of any rule or regulation which is disapproved by either committee.

Section 9039(c) also provided that the term "legislative days" does not include any calendar day on which both Houses of the Congress are not in session.

Conference substitute

The conference substitute is the same as the House amendment, with the following changes:

1. The conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

2. The conference substitute provides that proposed rules and regulations shall be transmitted to the Senate and to the House of Repre-

sentatives, instead of to the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House. This change conforms to the amendment to section 308 of the Act made by section 205(b) of the House amendment, which is adopted by the conference substitute.

M. PARTICIPATION IN JUDICIAL PROCEEDINGS

Senate bill

Section 510 of the Act, as added by section 101 of the Senate bill, provided that the Commission may initiate civil proceedings in any district court of the United States to seek recovery of amounts determined to be payable to the Secretary under title V of the Act.

House amendment

Section 9040(a) of the Code, as added by section 408(c) of the House amendment, authorized the Comptroller General to appear in and defend against any action brought under section 9040 of the Code.

Section 9040(b) authorized the Comptroller General to bring actions in the district courts of the United States for recovery of repayments required as a result of examinations and audits conducted by the Comptroller General.

Section 9040(c) authorized the Comptroller General to petition the courts of the United States for injunctive relief to implement the provisions of chapter 97 of the Code, as added by the House amendment.

Section 9040(d) authorized the Comptroller General to appeal any action in which he appears.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

N. JUDICIAL REVIEW

Senate bill

Section 313 of the Act, as added by section 209 of the Senate bill, provided for judicial review of the actions of the Commission under the provisions of the Act. Section 313(a) provided that an agency action of the Commission shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition by an interested person.

Section 313(b) provided that the Commission, the national committee of any political party, and individuals eligible to vote in an election for Federal office, may institute such actions as may be appropriate to implement the provisions of the Act. Section 313(c) provided that chapter 7 of title 5, United States Code, relating to judicial review, shall apply to agency action by the Commission.

House amendment

Section 9041(a) of the Code, as added by section 408(c) of the House amendment, provided that any agency action of the Comptroller General under chapter 97 of the Code, as added by the House amendment, is subject to review by the United States Court of Appeals for the Dis-

trict of Columbia Circuit upon petition filed no later than 30 days after the agency action involved.

Section 9041(b) provided that chapter 7 of title 5, United States Code, relating to judicial review, shall apply to any agency action by the Comptroller General. The term "agency action" was given the same meaning given it by section 551(13) of title 5, United States Code.

Conference substitute

The conference substitute is the same as the House amendment, except that the conference substitute eliminates the role of the Comptroller General and substitutes the Commission.

O. CRIMINAL PENALTIES

Senate bill

Section 511 of the Act, as added by section 101 of the Senate bill, provided that violation of any provision of title V of the Act shall be punishable by a fine of not more than \$50,000, or imprisonment for not more than 5 years, or both.

House amendment

Section 9042(a) of the Code, as added by section 408(c) of the House amendment, provided that any person who incurs qualified campaign expenses in excess of the expenditure limitation for Presidential primaries established by section 608(c)(1) of title 18, United States Code, relating to limitations on contributions and expenditures, as added by the House amendment, shall be fined not more than \$25,000 or imprisoned not more than 5 years, or both. Section 9042(a) also provided that any officer or member of a political committee who knowingly consents to an expenditure which violates such limitation shall be fined not more than \$25,000 or imprisoned not more than 5 years, or both.

Section 9042(b) made it unlawful for any person who receives a payment from the matching payment account, or to whom a portion of such payment is transferred, to use such payment for any purpose other than to defray qualified campaign expenses or to repay loans or restore funds which were used to defray qualified campaign expenses. Any person who violates this provision shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

Section 9042(c) made it unlawful for any person to refuse to furnish information which may be required under chapter 97 of the Code, as added by the House amendment, or to furnish false information. Any person who violates this provision shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

Section 9042(d) made it unlawful for any person to give or accept any kickback or other illegal payment in connection with any qualified campaign expense of a candidate or authorized committee. Any person who violates this provision shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both. Section 9042(d) also provided that any person who accepts any kickback or other illegal payment shall pay to the Secretary for deposit in the matching payment account an amount equal to 125 percent of the kickback or other illegal payment received.

Conference substitute

The conference substitute is the same as the House amendment.

P. RELATIONSHIP TO OTHER FEDERAL ELECTION LAWS

Senate bill

Section 512 of the Act, as added by section 101 of the Senate bill, provided that the Commission shall consult with the Secretary of the Senate, the Clerk of the House of Representatives, the Federal Communications Commission, and other Federal officers charged with administering Federal election laws, in order to develop consistency and coordination in the administration of such laws. Section 512 also required the Commission to use, whenever possible, the same or comparable data as that used in the administration of such other Federal election laws.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

REVIEW OF REGULATIONS

Senate bill

No provision.

House amendment

Section 409 of the House amendment amended section 9009 of the Code (relating to reports to Congress; regulations) to establish a procedure for the review of regulations by congressional committees identical to the procedures established by the new section 9039(c) of the Code, relating to review of regulations, as added by section 408(c) of the House amendment.

Conference substitute

The conference substitute is the same as the House amendment, with the following changes:

1. The conference substitute eliminates the role of the Comptroller General and substitutes the Commission.
2. The conference substitute provides that proposed rules and regulations shall be transmitted to the Senate and to the House of Representatives, instead of to the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House. This change conforms to the amendment to section 308 of the Act made by section 205(b) of the House amendment, which is adopted by the conference substitute.

EFFECTIVE DATES

Senate bill

No provision. Section 506(d) of the Act, as added by section 101 of the Senate bill, provided that no payment shall be made under title V of the Act before January 1, 1976.

House amendment

Section 410(a) of the House amendment provided that the provisions of this legislation (other than amendments to the Code) shall take effect 30 days after the date of the enactment of this legislation.

Section 410(b)(1) of the House amendment provided that amendments to the Code made by sections 403, 404, 405, 406, 408, and 409 of the House amendment shall apply with respect to taxable years beginning after December 31, 1973.

Section 410(b)(2) of the House amendment provided that the amendment made by section 407 of the House amendment shall apply with respect to taxable years beginning after December 31, 1971.

Conference substitute

The conference substitute provides for the following effective dates:

1. Section 104 of this legislation, relating to effect on State law, and the amendment made by section 301 of this legislation, relating to effect on State law, are effective on the date of the enactment of this legislation. Except as already noted with respect to State laws regulating political activities of State and local employees, all State and local laws relating to criminal offenses referred to in chapter 29 of title 18, United States Code, and to registration, reporting, and disclosure requirements for Federal elections are preempted and superseded by Federal law immediately upon enactment of this legislation.

2. The amendment made by section 407 of this legislation, relating to tax returns by political committees, is made to apply with respect to taxable years beginning after December 31, 1971. This provision incorporates the provision of the House amendment.

3. The remaining provisions of this legislation are effective January 1, 1975. Although the conference substitute makes the provisions relating to political convention financing and Presidential election financing effective on January 1, 1975, moneys designated for deposit in the Presidential Election Campaign Fund before January 1, 1975, are appropriated for distribution to national committees and candidates in accordance with the provisions of this legislation.

OTHER PROVISIONS

DISCLOSURE OF FINANCIAL INTERESTS

Senate bill

Title IV of the Senate bill established requirements for the disclosure of financial interests by certain Federal officers and employees.

Section 401(a) of the Senate bill required that reports shall be filed with the Commission by the following individuals: (1) any candidate for Federal office who does not occupy any Federal office at the time he becomes a candidate; (2) each Member of the Congress; (3) each officer and employee of the United States, including any member of the uniformed service, with an annual salary of at least \$25,000; (4) each officer and employee of the United States performing duties of a type generally performed by an individual occupying grade GS-16 of the General Schedule or any higher grade or position; (5) the President; and (6) the Vice President. Individuals in the first category described above shall file reports within one month after be-

coming a candidate. Individuals in the other categories shall file annual reports.

Each report shall contain a statement of (1) taxes paid by the individual, or by the individual and his spouse filing jointly, for the preceding calendar year; (2) the amount and source of each item of income (other than gifts received from his spouse or his immediate family) received by the individual which exceeds \$100 in amount or value, including honorariums and income in the form of goods or services; (3) the amount of each asset held by the individual worth more than \$1,000, and the amount of each liability of more than \$1,000 owed by the individual; (4) any securities transactions by the individual in amounts in excess of \$1,000; (5) any commodities transactions by the individual in amounts in excess of \$1,000; and (6) any purchase or sale of real property (other than his personal residence) by the individual if the value of the property involved exceeds \$1,000.

Section 401(b) provided that annual reports shall be filed no later than May 15 of each year. Any person who, before such date, ceases to hold an office or position requiring him to file a report, shall file such report on the last day he holds such office or position, or within 3 months after such day, as the Commission may prescribe.

Section 401(c) authorized the Commission to prescribe rules governing the form of reports and provided that the Commission may allow the grouping of items of income and other related items.

Section 401(d) provided that any person who willfully fails to file a report or who willfully and knowingly files a false report shall be fined not more than \$2,000, or imprisoned not more than 5 years, or both.

Section 401(e) provided that reports filed under section 401 shall be maintained by the Commission as public records.

Section 401(f) provided that an individual shall be considered to be in one of the categories described above with respect to a given calendar year if he holds the office or position involved for more than 6 months during such calendar year.

Section 401(g) contained the following definitions:

1. The term "income" was defined to mean gross income as defined in section 61 of the Code, relating to the definition of gross income.

2. The term "security" was given the same meaning as given it by section 2 of the Securities Act of 1933, relating to definitions.

3. The term "commodity" was given the same meaning as given it by section 2 of the Commodity Exchange Act, relating to definitions.

4. The term "transactions in securities or commodities" was defined to mean any acquisition, holding, or disposition involving any security or commodity.

5. The term "Member of Congress" was defined to mean a Senator, Representative, Resident Commissioner, or Delegate.

6. The term "officer" was given the same meaning as given it by section 2104 of title 5, United States Code, relating to the definition of officer.

7. The term "employee" was given the same meaning as given it by section 2105 of title 5, United States Code, relating to the definition of employee.

8. The term "uniformed service" was defined to mean (1) any of the Armed Forces; (2) the commissioned corps of the Public Health

Service; or (3) the commissioned corps of the National Oceanic and Atmospheric Administration.

9. The term "immediate family" was defined to mean the child, parent, grandparent, brother, or sister of an individual, and the spouses of such persons.

Section 401(i) provided that the first report required under section 401 shall be due 30 days after the date of the enactment of this legislation, and shall be filed with the Comptroller General.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

AMENDMENT TO ADMINISTRATIVE PROCEDURE ACT

Senate bill

Section 401(h) of the Senate bill amended section 554 of title 5, United States Code, relating to adjudications, by inserting a new subsection (f). The new subsection (f) provided that written communications stating the circumstances of oral communications made to an agency with respect to an adjudication subject to section 554 by any person who is not an officer or employee of such agency, shall be made part of the public record of the adjudication involved. This rule shall not apply to communications to any officer, employee, or agent of the agency who is performing the investigative or prosecutorial functions of such agency with respect to the adjudication involved.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

SIMULTANEOUS POLL CLOSING TIME

Senate bill

Section 501 of the Senate bill provided that on every national election day, beginning in 1976, the closing time of polling places in the several States shall be 11 p.m. in the eastern time zone, with simultaneous closing times in each of the other time zones. Section 501 also required that each polling place shall be open at least 12 hours.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

FEDERAL ELECTION DAY

Senate bill

Section 502 of the Senate bill amended section 6103(a) of title 5, United States Code, relating to holidays, to make the national election day (beginning in 1976) a legal public holiday. The amendment desig-

nated the first Wednesday next after the first Monday in November as the national election day.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

REVIEW OF INCOME TAX RETURNS

Senate bill

Section 503(a) of the Senate bill provided that on or before July 1 of each year the Comptroller General shall obtain from the Internal Revenue Service the income tax returns of Members of the Congress, and each officer or employee of the executive, judicial, or legislative branch of the Federal Government, for the 5 previous years. The Comptroller General was required to inspect and audit such returns.

Section 506(b) required the Comptroller General to report the results of each such inspection and audit to the Internal Revenue Service, and to provide a copy of each such report to the individual involved.

Section 503(c) required the Internal Revenue Service to assist the Comptroller General in carrying out section 503.

House amendment

No provision.

Conference substitute

The conference substitute omits the provisions of the Senate bill.

HOWARD W. CANNON,
CLAIBORNE PELL,
JOHN O. PASTORE,
RUSSELL LONG,
EDWARD KENNEDY,
DICK CLARK,
HUGH SCOTT,
WALLACE BENNETT,
ROBERT P. GRIFFIN,
TED STEVENS,
CHARLES MCC. MATHIAS,

Managers on the part of the Senate.

WAYNE L. HAYS,
FRANK THOMPSON,
JOHN H. DENT,
JOHN BRADEMAS,
ED JONES,
ROBERT H. MOLLOHAN,
DAWSON MATHIS,
WILLIAM L. DICKINSON,
SAMUEL L. DEVINE,
JOHN H. WARE,
BILL FRENZEL,

Managers on the part of the House.



Public Law 93-443
93rd Congress, S. 3044
October 15, 1974

An Act

88 STAT. 1263

To impose overall limitations on campaign expenditures and political contributions; to provide that each candidate for Federal office shall designate a principal campaign committee; to provide for a single reporting responsibility with respect to receipts and expenditures by certain political committees; to change the times for the filing of reports regarding campaign expenditures and political contributions; to provide for public financing of Presidential nominating conventions and Presidential primary elections; and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1974".

Federal Election Campaign Act Amendments of 1974.
2 USC 431 note.

TITLE I—CRIMINAL CODE AMENDMENTS

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 101. (a) Section 608 of title 18, United States Code, relating to limitations on contributions and expenditures, is amended by striking out subsections (b) and (c) and inserting in-lieu thereof the following:

"(b) (1) Except as otherwise provided by paragraphs (2) and (3), no person shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$1,000.

"(2) No political committee (other than a principal campaign committee) shall make contributions to any candidate with respect to any election for Federal office which, in the aggregate, exceed \$5,000. Contributions by the national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States shall not exceed the limitation imposed by the preceding sentence with respect to any other candidate for Federal office. For purposes of this paragraph, the term 'political committee' means an organization registered as a political committee under section 303 of the Federal Election Campaign Act of 1971 for a period of not less than 6 months which has received contributions from more than 50 persons and, except for any State political party organization, has made contributions to 5 or more candidates for Federal office.

"(3) No individual shall make contributions aggregating more than \$25,000 in any calendar year. For purposes of this paragraph, any contribution made in a year other than the calendar year in which the election is held with respect to which such contribution was made, is considered to be made during the calendar year in which such election is held.

"(4) For purposes of this subsection—

"(A) contributions to a named candidate made to any political committee authorized by such candidate, in writing, to accept contributions on his behalf shall be considered to be contributions made to such candidate; and

"(B) contributions made to or for the benefit of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be contributions made to or for the benefit of the candidate of such party for election to the office of President of the United States.

"(5) The limitations imposed by paragraphs (1) and (2) of this subsection shall apply separately with respect to each election, except that all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election.



"Political committee."
Post, p. 1276.

"(6) For purposes of the limitations imposed by this section, all contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the Commission and to the intended recipient.

"(c) (1) No candidate shall make expenditures in excess of—

"(A) \$10,000,000, in the case of a candidate for nomination for election to the office of President of the United States, except that the aggregate of expenditures under this subparagraph in any one State shall not exceed twice the expenditure limitation applicable in such State to a candidate for nomination for election to the office of Senator, Delegate, or Resident Commissioner, as the case may be;

"(B) \$20,000,000, in the case of a candidate for election to the office of President of the United States;

"(C) in the case of any campaign for nomination for election by a candidate for the office of Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 8 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$100,000;

"(D) in the case of any campaign for election by a candidate for the office of Senator or by a candidate for the office of Representative from a State which is entitled to only one Representative, the greater of—

"(i) 12 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

"(ii) \$150,000;

"(E) \$70,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Representative in any other State, Delegate from the District of Columbia, or Resident Commissioner; or

"(F) \$15,000, in the case of any campaign for nomination for election, or for election, by a candidate for the office of Delegate from Guam or the Virgin Islands.

"(2) For purposes of this subsection—

"(A) expenditures made by or on behalf of any candidate nominated by a political party for election to the office of Vice President of the United States shall be considered to be expenditures made by or on behalf of the candidate of such party for election to the office of President of the United States; and

"(B) an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(i) an authorized committee or any other agent of the candidate for the purposes of making any expenditure; or

"(ii) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate, to make the expenditure.

"(3) The limitations imposed by subparagraphs (C), (D), (E), and (F) of paragraph (1) of this subsection shall apply separately with respect to each election.

"(4) The Commission shall prescribe rules under which any expenditure by a candidate for Presidential nomination for use in 2 or more

States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(d) (1) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each limitation established by subsection (c) and subsection (f) shall be increased by such per centum difference. Each amount so increased shall be the amount in effect for such calendar year.

"(2) For purposes of paragraph (1)—

"(A) the term 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

"(B) the term 'base period' means the calendar year 1974.

"(e) (1) No person may make any expenditure (other than an expenditure made by or on behalf of a candidate within the meaning of subsection (c) (2) (B)) relative to a clearly identified candidate during a calendar year which, when added to all other expenditures made by such person during the year advocating the election or defeat of such candidate, exceeds \$1,000.

"(2) For purposes of paragraph (1)—

"(A) 'clearly identified' means—

"(i) the candidate's name appears;

"(ii) a photograph or drawing of the candidate appears; or

"(iii) the identity of the candidate is apparent by unambiguous reference; and

"(B) 'expenditure' does not include any payment made or incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610, would not constitute an expenditure by such corporation or labor organization.

"(f) (1) Notwithstanding any other provision of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committee of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) of this subsection.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President of the United States who is affiliated with such party which exceeds an amount equal to 2 cents multiplied by the voting age population of the United States (as certified under subsection (g)). Any expenditure under this paragraph shall be in addition to any expenditure by a national committee of a political party serving as the principal campaign committee of a candidate for the office of President of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committee of a State committee, may not make any expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with such party which exceeds—

Publication in
Federal Reg-
ister.

"Price index."

"Base period."

"Clearly
identified."

“(A) in the case of a candidate for election to the office of Senator, or of Representative from a State which is entitled to only one Representative, the greater of—

“(i) 2 cents multiplied by the voting age population of the State (as certified under subsection (g)); or

“(ii) \$20,000; and

“(B) in the case of a candidate for election to the office of Representative, Delegate, or Resident Commissioner in any other State, \$10,000.

“(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term ‘voting age population’ means resident population, 18 years of age or older.

“(h) No candidate or political committee shall knowingly accept any contribution or make any expenditure in violation of the provisions of this section. No officer or employee of a political committee shall knowingly accept a contribution made for the benefit or use of a candidate, or knowingly make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

“(i) Any person who violates any provision of this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.”

(b) (1) Section 608(a)(1) of title 18, United States Code, relating to limitations on contributions and expenditures, is amended to read as follows:

“(a) (1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaigns during any calendar year for nomination for election, or for election, to Federal office in excess of, in the aggregate—

“(A) \$50,000, in the case of a candidate for the office of President or Vice President of the United States;

“(B) \$35,000, in the case of a candidate for the office of Senator or for the office of Representative from a State which is entitled to only one Representative; or

“(C) \$25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner, in any other State.

For purposes of this paragraph, any expenditure made in a year other than the calendar year in which the election is held with respect to which such expenditure was made, is considered to be made during the calendar year in which such election is held.”

(2) Such section 608(a) is amended by adding at the end thereof the following new paragraphs:

“(3) No candidate or his immediate family may make loans or advances from their personal funds in connection with his campaign for nomination for election, or for election, to Federal office unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

“(4) For purposes of this subsection, any such loan or advance shall be included in computing the total amount of such expenditures only to the extent of the balance of such loan or advance outstanding and unpaid.”

(c) (1) Notwithstanding section 608(a)(1) of title 18, United States Code, relating to limitations on expenditures from personal funds, any individual may satisfy or discharge, out of his personal funds or the

personal funds of his immediate family, any debt or obligation which is outstanding on the date of the enactment of this Act and which was incurred by him or on his behalf by any political committee in connection with any campaign ending before the close of December 31, 1972, for election to Federal office.

(2) For purposes of this subsection—

(A) the terms “election”, “Federal office”, and “political committee” have the meanings given them by section 591 of title 18, United States Code; and

(B) the term “immediate family” has the meaning given it by section 608(a)(2) of title 18, United States Code.

(d) (1) The first paragraph of section 613 of title 18, United States Code, relating to contributions by certain foreign agents, is amended—

(A) by striking out “an agent of a foreign principal” and inserting in lieu thereof “a foreign national”; and

(B) by striking out “, either for or on behalf of such foreign principal or otherwise in his capacity as agent of such foreign principal,”.

(2) The second paragraph of such section 613 is amended by striking out “agent of a foreign principal or from such foreign principal” and inserting in lieu thereof “foreign national”.

(3) The fourth paragraph of such section 613 is amended to read as follows:

“As used in this section, the term ‘foreign national’ means—

“(1) a foreign principal, as such term is defined by section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)), except that the term ‘foreign national’ shall not include any individual who is a citizen of the United States; or

“(2) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined by section 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(20)).”

(4) (A) The heading of such section 613 is amended by striking out “agents of foreign principals” and inserting in lieu thereof “foreign nationals”.

(B) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 613 and inserting in lieu thereof the following:

“613. Contributions by foreign nationals.”.

(e) (1) The second paragraph of section 610 of title 18, United States Code, relating to penalties for violating prohibitions against contributions or expenditures by national banks, corporations, or labor organizations, is amended—

(A) by striking out “\$5,000” and inserting in lieu thereof “\$25,000”; and

(B) by striking out “\$10,000” and inserting in lieu thereof “\$50,000”.

(2) Section 611 of title 18, United States Code (as amended by section 103 of this Act), relating to contributions by firms or individuals contracting with the United States, is amended in the first paragraph thereof by striking out “\$5,000” and inserting in lieu thereof “\$25,000”.

(3) The third paragraph of section 613 of title 18, United States Code (as amended by subsection (d) of this section), relating to contributions by foreign nationals, is amended by striking out “\$5,000” and inserting in lieu thereof “\$25,000”.

(f) (1) Chapter 29 of title 18, United States Code, relating to elections and political activities, is amended by adding at the end thereof the following new sections:

Definitions.

Post, p. 1269.

“Foreign national.”

“§ 614. Prohibition of contributions in name of another

“(a) No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

“(b) Any person who violates this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.

“§ 615. Limitation on contributions of currency

“(a) No person shall make contributions of currency of the United States or currency of any foreign country to or for the benefit of any candidate which, in the aggregate, exceed \$100, with respect to any campaign of such candidate for nomination for election, or for election, to Federal office.

“(b) Any person who violates this section shall be fined not more than \$25,000 or imprisoned not more than one year, or both.

“§ 616. Acceptance of excessive honorariums

“Whoever, while an elected or appointed officer or employee of any branch of the Federal Government—

“(1) accepts any honorarium of more than \$1,000 (excluding amounts accepted for actual travel and subsistence expenses) for any appearance, speech, or article; or

“(2) accepts honorariums (not prohibited by paragraph (1) of this section) aggregating more than \$15,000 in any calendar year; shall be fined not less than \$1,000 nor more than \$5,000.

“§ 617. Fraudulent misrepresentation of campaign authority

“Whoever, being a candidate for Federal office or an employee or agent of such a candidate—

“(1) fraudulently misrepresents himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

“(2) willfully and knowingly participates in or conspires to participate in any plan, scheme, or design to violate paragraph (1);

shall, for each such offense, be fined not more than \$25,000 or imprisoned not more than one year, or both.”

(2) Section 591 of title 18, United States Code, relating to definitions, is amended by striking out the matter preceding paragraph (a) and inserting in lieu thereof the following:

“Except as otherwise specifically provided, when used in this section and in sections 597, 599, 600, 602, 608, 610, 611, 614, 615, and 617 of this title—”

(3) The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new items:

“614. Prohibition of contributions in name of another.

“615. Limitation on contributions of currency.

“616. Acceptance of excessive honorariums.

“617. Fraudulent misrepresentation of campaign authority.”

(4) Title III of the Federal Election Campaign Act of 1971 is amended by striking out section 310, relating to prohibition of contributions in the name of another.

CHANGES IN CRIMINAL CODE DEFINITIONS

SEC. 102. (a) Paragraph (a) of section 591 of title 18, United States Code, relating to the definition of election, is amended—

(1) by inserting “or” before “(4)”; and

(2) by striking out “, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States”.

(b) Paragraph (2) of such section 591, relating to the definition of political committee, is amended to read as follows:

“(d) ‘political committee’ means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000.”

(c) Paragraph (e) of such section 591, relating to the definition of contribution, is amended to read as follows:

“(e) ‘contribution’—

“(1) means a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business, which shall be considered a loan by each endorser or guarantor, in that proportion of the unpaid balance thereof that each endorser or guarantor bears to the total number of endorsers or guarantors), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

“(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

“(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

“(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; but

“(5) does not include—

“(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

“(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual’s residential premises for candidate-related activities;

“(C) the sale of any food or beverage by a vendor for use in a candidate’s campaign at a charge less than the normal comparable charge, if such charge for use in a candidate’s campaign is at least equal to the cost of such food or beverage to the vendor;

“(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate, or

Definitions.

USC prec. title 1.

"(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;"

(d) Paragraph (f) of such section 591, relating to the definition of expenditure, is amended to read as follows:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

"(3) means the transfer of funds by a political committee to another political committee; but

"(4) does not include—

"(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

"(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

"(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

"(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office;

"(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

"(H) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 608(c) of this title; or

"(I) any costs incurred by a political committee (as such term is defined by section 608(b)(2) of this title) with respect to the solicitation of contributions to such political committee or to any general political fund controlled by such political committee, except that this clause shall not apply to exempt costs incurred with respect to the solicitation of contributions to any such political committee made through broadcasting stations, newspapers, magazines, outdoor advertising facilities, and other similar types of general public political advertising;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (D) or (E) does not exceed \$500 with respect to any election;"

(e) Section 591 of title 18, United States Code, relating to definitions, is amended—

(1) by striking out "and" at the end of paragraph (g);

(2) by striking out the period at the end of paragraph (h) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(i) 'political party' means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization;

"(j) 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Federal Election Commission;

"(k) 'national committee' means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Federal Election Commission established under section 310(a) of the Federal Election Campaign Act of 1971; and

"(l) 'principal campaign committee' means the principal campaign committee designated by a candidate under section 302 (f) (1) of the Federal Election Campaign Act of 1971."

Ante, p. 1264.

Ante, p. 1263.

Definitions.

Post, p. 1280.

Post, p. 1275.

“(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

to the extent that the cumulative value of activities by any person on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;”.

Definitions. (d) Paragraph (f) of such section 591, relating to the definition
18 USC 591. of expenditure, is amended to read as follows:

“(f) ‘expenditure’—

“(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President of the United States;

“(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

“(3) means the transfer of funds by a political committee to another political committee; but

“(4) does not include—

“(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

“(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

“(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

“(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual’s residential premises for candidate-related activities;

“(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

“(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office;

“(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising;

“(H) any costs incurred by a candidate in connection with the solicitation of contributions by such candidate, except that this clause shall not apply with respect to costs incurred by a candidate in excess of an amount equal to 20 percent of the expenditure limitation applicable to such candidate under section 608(c) of this title; or

“(I) any costs incurred by a political committee (as such term is defined by section 608(b)(2) of this title) with respect to the solicitation of contributions to such political committee or to any general political fund controlled by such political committee, except that this clause shall not apply to exempt costs incurred with respect to the solicitation of contributions to any such political committee made through broadcasting stations, newspapers, magazines, outdoor advertising facilities, and other similar types of general public political advertising;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (D) or (E) does not exceed \$500 with respect to any election;”.

(e) Section 591 of title 18, United States Code, relating to definitions, is amended—

(1) by striking out “and” at the end of paragraph (g);

(2) by striking out the period at the end of paragraph (h) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

“(i) ‘political party’ means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of such association, committee, or organization;

“(j) ‘State committee’ means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Federal Election Commission;

“(k) ‘national committee’ means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Federal Election Commission established under section 310(a) of the Federal Election Campaign Act of 1971; and

“(l) ‘principal campaign committee’ means the principal campaign committee designated by a candidate under section 302 (f) (1) of the Federal Election Campaign Act of 1971.”.

Ante, p. 1264.

Ante, p. 1263.

Definitions.

Post, p. 1280.

Post, p. 1275.

POLITICAL FUNDS OF CORPORATIONS OR LABOR ORGANIZATIONS

SEC. 103. Section 611 of title 18, United States Code, relating to contributions by firms or individuals contracting with the United States, is amended by adding at the end thereof the following new paragraphs:

"This section does not prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, any separate segregated fund by any corporation or labor organization for the purpose of influencing the nomination for election, or election, of any person to Federal office, unless the provisions of section 610 of this title prohibit or make unlawful the establishment or administration of, or the solicitation of contributions to, such fund.

"For purposes of this section, the term 'labor organization' has the meaning given it by section 610 of this title."

EFFECT ON STATE LAW

SEC. 104. (a) The provisions of chapter 29 of title 18, United States Code, relating to elections and political activities, supersede and preempt any provision of State law with respect to election to Federal office.

(b) For purposes of this section, the terms "election", "Federal office", and "State" have the meanings given them by section 591 of title 18, United States Code.

TITLE II—AMENDMENTS TO FEDERAL ELECTION CAMPAIGN ACT OF 1971

CHANGES IN DEFINITIONS FOR REPORTING AND DISCLOSURE

SEC. 201. (a) Section 301 of the Federal Election Campaign Act of 1971, relating to definitions, is amended—

(1) by inserting "and title IV of this Act" after "title";

(2) by striking out " and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" in paragraph (a), and by inserting "and" before "(4)" in such paragraph;

(3) by amending paragraph (d) to read as follows:

"(d) 'political committee' means any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;"

(4) by amending paragraph (e) to read as follows:

"(e) 'contribution'—

"(1) means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of—

"(A) influencing the nomination for election, or election, of any person to Federal office or for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party, or

"(B) influencing the result of an election held for the expression of a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, expressed or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) means funds received by a political committee which are transferred to such committee from another political committee or other source;

"(4) means the payment, by any person other than a candidate or a political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; but

"(5) does not include—

"(A) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

"(B) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities;

"(C) the sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor;

"(D) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate;

"(E) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising; or

"(F) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization;

to the extent that the cumulative value of activities by any individual on behalf of any candidate under each of clauses (B), (C), and (D) does not exceed \$500 with respect to any election;"

(5) by striking out paragraph (f) and inserting in lieu thereof the following: 2 USC 431.

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of presidential and vice-presidential elector; or

"(B) influencing the results of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of

a preference for the nomination of persons for election to the office of President of the United States;

"(2) means a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure;

"(3) means the transfer of funds by a political committee to another political committee; but

"(4) does not include—

"(A) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilities are owned or controlled by any political party, political committee, or candidate;

"(B) nonpartisan activity designed to encourage individuals to register to vote or to vote;

"(C) any communication by any membership organization or corporation to its members or stockholders, if such membership organization or corporation is not organized primarily for the purpose of influencing the nomination for election, or election, of any person to Federal office;

"(D) the use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services on the individual's residential premises for candidate-related activities if the cumulative value of such activities by such individual on behalf of any candidate do not exceed \$500 with respect to any election;

"(E) any unreimbursed payment for travel expenses made by an individual who on his own behalf volunteers his personal services to a candidate if the cumulative amount for such individual incurred with respect to such candidate does not exceed \$500 with respect to any election;

"(F) any communication by any person which is not made for the purpose of influencing the nomination for election, or election, of any person to Federal office; or

"(G) the payment by a State or local committee of a political party of the costs of preparation, display, or mailing or other distribution incurred by such committee with respect to a printed slate card or sample ballot, or other printed listing, of 3 or more candidates for any public office for which an election is held in the State in which such committee is organized, except that this clause shall not apply in the case of costs incurred by such committee with respect to a display of any such listing made on broadcasting stations, or in newspapers, magazines or other similar types of general public political advertising; or

"(H) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by such corporation or labor organization;";

(6) by striking "and" at the end of paragraph (h);

(7) by striking the period at the end of paragraph (i) and inserting in lieu thereof a semicolon; and

(8) by adding at the end thereof the following new paragraphs:

2 USC 431.

"(j) 'identification' means—

"(1) in the case of an individual, his full name and the full address of his principal place of residence; and

"(2) in the case of any other person, the full name and address of such person;

"(k) 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level, as determined by the Commission;

"(l) 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level, as determined by the Commission;

"(m) 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office, whose name appears on the election ballot as the candidate of such association, committee, or organization; and

"(n) 'principal campaign committee' means the principal campaign committee designated by a candidate under section 302 (f) (1)."

(b) (1) Section 401 of the Federal Election Campaign Act of 1971, relating to extension of credit by regulated industries, is amended by striking out "(as such term is defined in section 301 (c) of the Federal Election Campaign Act of 1971)". ^{Infra.} 2 USC 451.

(2) Section 402 of the Federal Election Campaign Act of 1971, relating to prohibition against use of certain Federal funds for election activities, is amended by striking out the last sentence. 2 USC 431. 2 USC 452.

ORGANIZATION OF POLITICAL COMMITTEES; PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) (1) Section 302(b) of the Federal Election Campaign Act of 1971, relating to reports of contributions in excess of \$10, is amended by striking out "the name and address (occupation and principal place of business, if any)" and inserting in lieu thereof "of the contribution and the identification". 2 USC 432.

(2) Section 302(c) of such Act, relating to detailed accounts, is amended by striking out "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (2) and (4) and inserting in lieu thereof in each such paragraph "identification".

(3) Section 302(c) of such Act is further amended by striking out the semicolon at the end of paragraph (2) and inserting in lieu thereof "and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any);".

(b) Section 302(f) of such Act is amended to read as follows:

"(f) (1) Each individual who is a candidate for Federal office (other than the office of Vice President of the United States) shall designate a political committee to serve as his principal campaign committee. No political committee may be designated as the principal campaign committee of more than one candidate, except that the candidate for the office of President of the United States nominated by a political party may designate the national committee of such political party as his principal campaign committee. Except as provided in the preceding sentence, no political committee which supports more than one candidate may be designated as a principal campaign committee.

"(2) Notwithstanding any other provision of this title, each report or statement of contributions received or expenditures made by a political committee (other than a principal campaign committee) ^{Reports,} by a filing.

which is required to be filed with the Commission under this title shall be filed instead with the principal campaign committee for the candidate on whose behalf such contributions are accepted or such expenditures are made.

“(3) It shall be the duty of each principal campaign committee to receive all reports and statements required to be filed with it under paragraph (2) of this subsection and to compile and file such reports and statements, together with its own reports and statements, with the Commission in accordance with the provisions of this title.”.

REGISTRATION OF POLITICAL COMMITTEE; STATEMENTS

SEC. 203. Section 303 of the Federal Election Campaign Act of 1971, relating to registration of political committees and statements, is amended by adding at the end thereof the following new subsection:

“(e) In the case of a political committee which is not a principal campaign committee, reports and notifications required under this section to be filed with the Commission shall be filed instead with the appropriate principal campaign committee.”.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 204. (a) Section 304(a) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended—

(1) by striking out the second and third sentences and inserting in lieu thereof the following:

“The reports referred to in the preceding sentence shall be filed as follows:

“(A) (i) In any calendar year in which an individual is a candidate for Federal office and an election for such Federal office is held in such year, such reports shall be filed not later than the tenth day before the date on which such election is held and shall be complete as of the fifteenth day before the date of such election; except that any such report filed by registered or certified mail must be postmarked not later than the close of the twelfth day before the date of such election.

“(ii) Such reports shall be filed not later than the thirtieth day after the date of such election and shall be complete as of the twentieth day after the date of such election.

“(B) In any other calendar year in which an individual is a candidate for Federal office, such reports shall be filed after December 31 of such calendar year, but not later than January 31 of the following calendar year and shall be complete as of the close of the calendar year with respect to which the report is filed.

“(C) Such reports shall be filed not later than the tenth day following the close of any calendar quarter in which the candidate or political committee concerned received contributions in excess of \$1,000, or made expenditures in excess of \$1,000, and shall be complete as of the close of such calendar quarter: except that any such report required to be filed after December 31 of any calendar year with respect to which a report is required to be filed under subparagraph (B) shall be filed as provided in such subparagraph.

“(D) When the last day for filing any quarterly report required by subparagraph (C) occurs within 10 days of an election, the filing of such quarterly report shall be waived and superseded by the report required by subparagraph (A) (i).

Any contribution of \$1,000 or more received after the fifteenth day, but more than 48 hours, before any election shall be reported within 48 hours after its receipt.”; and

(2) by striking out “Each” at the beginning of the first sentence of such section 304(a) and inserting in lieu thereof “(1) Except as provided by paragraph (2), each”, and by adding at the end thereof the following new paragraphs:

“(2) Each treasurer of a political committee which is not a principal campaign committee shall file the reports required under this section with the appropriate principal campaign committee.

“(3) Upon a request made by a presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates set forth in paragraph (1) (other than the reporting date set forth in paragraph (1) (B)), and require instead that such candidate or political committee file reports not less frequently than monthly. The Commission may not require a presidential candidate or a political committee operating in more than one State to file more than 12 reports (not counting any report referred to in paragraph (1) (B)) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, such candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.”.

(b) (1) Section 304(b) (5) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by striking out “lender and endorsers” and inserting in lieu thereof “lender, endorsers, and guarantors”.

(2) Section 304(b) (8) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: “, together with total receipts less transfers between political committees which support the same candidate and which do not support more than one candidate”.

(3) Section 304(b) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by striking out “full name and mailing address (occupation and the principal place of business, if any)” in paragraphs (9) and (10) and inserting in lieu thereof in each such paragraph “identification”.

(4) Section 304(b) (11) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon at the end thereof the following: “, together with total expenditures less transfers between political committees which support the same candidate and which do not support more than one candidate”.

(5) Section 304(b) (12) of the Federal Election Campaign Act of 1971, relating to reports by political committees and candidates, is amended by inserting immediately before the semicolon a comma and the following: “, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor”.

(c) Such section 304 is amended by adding at the end thereof the following new subsections:

“(d) This section does not require a Member of the Congress to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him by the Senate Recording Studio, the House Recording Studio, or by an individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Rep-

2 USC 434.

Waiver.

5 USC 701.

Members of Congress, reporting exemption.

2 USC 433.

2 USC 434.

representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee. This subsection does not apply to such recording services furnished during the calendar year before the year in which the Member's term expires.

"(e) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the Commission a statement containing the information required by this section. Statements required by this subsection shall be filed on the dates on which reports by political committees are filed but need not be cumulative."

(d) The heading for such section 304 is amended to read as follows:

"REPORTS".

(e) Notwithstanding the amendment to section 304 of the Federal Election Campaign Act of 1971, relating to the time for filing reports, made by the foregoing provisions of this section, nothing in this Act shall be construed to waive the report required to be filed by the thirty-first day of January of 1975 under the provisions of such section 304, as in effect on the date of the enactment of this Act.

Savings provision. 2 USC 434 note.

CAMPAIGN ADVERTISEMENTS

SEC. 205. (a) Section 305 of the Federal Election Campaign Act of 1971, relating to reports by others than political committees, is amended to read as follows:

2 USC 435.

"REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

"SEC. 305. (a) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with such candidate's campaign, may charge any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

"(b) Each political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

"A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C."

(b) Title I of the Federal Election Campaign Act of 1971 is repealed.

Funds, solicitation, notice.

Repeal. 47 USC 801.

WAIVER OF REPORTING REQUIREMENTS

SEC. 206. Section 306(b) of the Federal Election Campaign Act of 1971 (as so redesignated by section 207 of this Act), relating to formal requirements respecting reports and statements, is amended to read as follows:

2 USC 436.

"(b) The Commission may, by a rule of general applicability which is published in the Federal Register not less than 30 days before its effective date, relieve--

"(1) any category of candidates of the obligation to comply personally with the reporting requirements of section 304, if it determines that such action is consistent with the purposes of this Act; and

Publication in Federal Register.

Ante, p. 1276.

"(2) any category of political committees of the obligation to comply with the reporting requirements of such section if such committees--

"(A) primarily support persons seeking State or local office; and

"(B) do not operate in more than one State or do not operate on a statewide basis."

FORMAL REQUIREMENTS FOR REPORTS AND STATEMENTS

SEC. 207. Section 306 of the Federal Election Campaign Act of 1971, relating to formal requirements respecting reports and statements, is amended by striking out subsection (a); by redesignating subsections (b), (c), and (d) as subsections (a), (b), and (c), respectively; and by adding at the end thereof the following new subsection:

2 USC 436.

"(d) If a report or statement required by section 303, 304(a)(1)(A)(ii), 304(a)(1)(B), 304(a)(1)(C), or 304(e) of this title to be filed by a treasurer of a political committee or by a candidate or by any other person, is delivered by registered or certified mail, to the Commission or principal campaign committee with which it is required to be filed, the United States postmark stamped on the cover of the envelope or other container in which such report or statement is so mailed shall be deemed to be the date of filing."

Ante, p. 1276.

REPORTS BY CERTAIN ORGANIZATIONS; FEDERAL ELECTION COMMISSION; CAMPAIGN DEPOSITORIES

SEC. 208. (a) Title III of the Federal Election Campaign Act of 1971, relating to disclosure of Federal campaign funds, is amended by redesignating sections 308 and 309 as sections 316 and 317, respectively; by redesignating section 311 as section 321; and by inserting immediately after section 307 the following new sections:

2 USC 438, 439.

"REPORTS BY CERTAIN PERSONS

"SEC. 308. Any person (other than an individual) who expends any funds or commits any act directed to the public for the purpose of influencing the outcome of an election, or who publishes or broadcasts to the public any material referring to a candidate (by name, description, or other reference) advocating the election or defeat of such candidate, setting forth the candidate's position on any public issue, his voting record, or other official acts (in the case of a candidate who holds or has held Federal office), or otherwise designed to influence individuals to cast their votes for or against such candidate or to withhold their votes from such candidate shall file reports with the Commission as if such person were a political committee. The reports filed by such person shall set forth the source of the funds used in carrying out any activity described in the preceding sentence in the same detail as if the funds were contributions within the meaning of section 301(e), and payments of such funds in the same detail as if they were expenditures within the meaning of section 301(f). The provisions of this section do not apply to any publication or broadcast of the United States Government or to any news story, commentary, or editorial distributed through the facilities of a broadcasting station or a bona fide newspaper, magazine, or other periodical publication. A news story, commentary, or editorial is not considered to be distributed through a bona fide newspaper, magazine, or other periodical publication if--

2 USC 437a.

Ante, p. 1272.

Ante, p. 1273.

"(1) such publication is primarily for distribution to individuals affiliated by membership or stock ownership with the person (other than an individual) distributing it or causing it to be distributed, and not primarily for purchase by the public at newsstands or by paid subscription; or

"(2) the news story, commentary, or editorial is distributed by a person (other than an individual) who devotes a substantial part of his activities to attempting to influence the outcome of elections, or to influence public opinion with respect to matters of national or State policy or concern.

"CAMPAIGN DEPOSITORIES

2 USC 437b.

"SEC. 309. (a) (1) Each candidate shall designate one or more national or State banks as his campaign depositories. The principal campaign committee of such candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a checking account at a depository designated by the candidate and shall deposit any contributions received by such committee into such account. A candidate shall deposit any payment received by him under chapter 95 or chapter 97 of the Internal Revenue Code of 1954 in the account maintained by his principal campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on such account, other than petty cash expenditures as provided in subsection (b).

26 USC 9001.

"(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more national or State banks as campaign depositories of such committee, and shall maintain a checking account for the committee at each such depository. All contributions received by such committee shall be deposited in such accounts. No expenditure may be made by such committee except by check drawn on such accounts, other than petty cash expenditures as provided in subsection (b).

"(b) A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.

"(c) A candidate for nomination for election, or for election, to the office of President of the United States may establish one such depository in each State, which shall be considered as his campaign depository for such State by his principal campaign committee and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in such State, under rules prescribed by the Commission. The campaign depository of the candidate of a political party for election to the office of Vice President of the United States shall be the campaign depository designated by the candidate of such party for election to the office of President of the United States.

"FEDERAL ELECTION COMMISSION *eff 11/75*

Establishment.
2 USC 437c.
Membership.

"SEC. 310. (a) (1) There is established a commission to be known as the Federal Election Commission. The Commission is composed of the Secretary of the Senate and the Clerk of the House of Representatives, ex officio and without the right to vote, and 6 members appointed as follows:

"(A) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President pro tempore of the Senate upon the recommendations of the majority leader of the Senate and the minority leader of the Senate;

"(B) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House; and

"(C) 2 shall be appointed, with the confirmation of a majority of both Houses of the Congress, by the President of the United States.

A member appointed under subparagraph (A), (B), or (C) shall not be affiliated with the same political party as the other member appointed under such paragraph.

"(2) Members of the Commission shall serve for terms of 6 years, except that of the members first appointed— Term.

"(A) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending on the April 30 first occurring more than 6 months after the date on which he is appointed;

"(B) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 1 year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

"(C) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 2 years thereafter;

"(D) one of the members appointed under paragraph (1) (A) shall be appointed for a term ending 3 years thereafter;

"(E) one of the members appointed under paragraph (1) (B) shall be appointed for a term ending 4 years thereafter; and

"(F) one of the members appointed under paragraph (1) (C) shall be appointed for a term ending 5 years thereafter.

An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the membership of the Commission shall be filled in the same manner as in the case of the original appointment. Vacancies.

"(3) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment and shall be chosen from among individuals who, at the time of their appointment, are not elected or appointed officers or employees in the executive, legislative, or judicial branch of the Government of the United States.

"(4) Members of the Commission (other than the Secretary of the Senate and the Clerk of the House of Representatives) shall receive compensation equivalent to the compensation paid at level IV of the Executive Schedule (5 U.S.C. 5315). Compensation.

"(5) The Commission shall elect a chairman and a vice chairman from among its members (other than the Secretary of the Senate and the Clerk of the House of Representatives) for a term of one year. No member may serve as chairman more often than once during any term of office to which he is appointed. The chairman and the vice chairman shall not be affiliated with the same political party. The vice chairman shall act as chairman in the absence or disability of the chairman, or in the event of a vacancy in such office. 83 Stat. 863. Chairman and vice chairman.

"(b) The Commission shall administer, seek to obtain compliance with, and formulate policy with respect to this Act and sections 608, 610, 611, 613, 614, 615, 616, and 617 of title 18, United States Code. The Commission has primary jurisdiction with respect to the civil enforcement of such provisions. Ante, pp. 1263, 1268. Jurisdiction.

Meetings.

Rules.
Seal.

Staff director
and general
counsel.

83 Stat. 863.

5 USC 5332
note.

2 USC 437d.

"(c) All decisions of the Commission with respect to the exercise of its duties and powers under the provisions of this title shall be made by a majority vote of the members of the Commission. A member of the Commission may not delegate to any person his vote or any decisionmaking authority or duty vested in the Commission by the provisions of this title.

"(d) The Commission shall meet at least once each month and also at the call of any member.

"(e) The Commission shall prepare written rules for the conduct of its activities, shall have an official seal which shall be judicially noticed, and shall have its principal office in or near the District of Columbia (but it may meet or exercise any of its powers anywhere in the United States).

"(f) (1) The Commission shall have a staff director and a general counsel who shall be appointed by the Commission. The staff director shall be paid at a rate not to exceed the rate of basic pay in effect for level IV of the Executive Schedule (5 U.S.C. 5315). The general counsel shall be paid at a rate not to exceed the rate of basic pay in effect for level V of the Executive Schedule (5 U.S.C. 5316). With the approval of the Commission, the staff director may appoint and fix the pay of such additional personnel as he considers desirable.

"(2) With the approval of the Commission, the staff director may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS-15 of the General Schedule (5 U.S.C. 5332).

"(3) In carrying out its responsibilities under this Act, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of other agencies and departments of the United States Government. The heads of such agencies and departments may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"POWERS OF COMMISSION

"SEC. 311. (a) The Commission has the power—

"(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submission shall be made within such a reasonable period of time and under oath or otherwise as the Commission may determine;

"(2) to administer oaths or affirmations;

"(3) to require by subpoena, signed by the chairman or the vice chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation, to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil proceedings for injunctive, declaratory, or other appropriate relief), defend, or appeal any civil action in the name of the Commission for the purpose of

enforcing the provisions of this Act, through its general counsel;

"(7) to render advisory opinions under section 313;

"(8) to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act;

"(9) to formulate general policy with respect to the administration of this Act and sections 608, 610, 611, 613, 614, 615, 616, and 617 of title 18, United States Code;

"(10) to develop prescribed forms under section 311(a)(1); and

"(11) to conduct investigations and hearings expeditiously, to encourage voluntary compliance, and to report apparent violations to the appropriate law enforcement authorities.

"(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpoena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) (1) Whenever the Commission submits any budget estimate or request to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy of such estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation, requested by the Congress or by any Member of the Congress, to the President of the United States or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"REPORTS

"SEC. 312. The Commission shall transmit reports to the President of the United States and to each House of the Congress no later than March 31 of each year. Each such report shall contain a detailed statement with respect to the activities of the Commission in carrying out its duties under this title, together with recommendations for such legislative or other action as the Commission considers appropriate.

"ADVISORY OPINIONS

"SEC. 313. (a) Upon written request to the Commission by any individual holding Federal office, any candidate for Federal office, or any political committee, the Commission shall render an advisory opinion, in writing, within a reasonable time with respect to whether any specific transaction or activity by such individual, candidate, or political committee would constitute a violation of this Act, of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code.

"(b) Notwithstanding any other provision of law, any person with respect to whom an advisory opinion is rendered under subsection (a) who acts in good faith in accordance with the provisions and findings

Infra.

5 USC 500.

Ante, pp. 1263,
1268.

Budget estimates or requests, copies, transmittal to Congress.

Reports to President and Congress.
2 USC 437e.

2 USC 437f.

26 USC 9001,
9021.

26 USC 9001, 9021.

Ante, pp. 1263, 1268.

Complaints, filing. 2 USC 437g.

Hearing.

Civil action for relief.

18 USC 591.

of such advisory opinion shall be presumed to be in compliance with the provision of this Act, of chapter 95 or chapter 96 of the Internal Revenue Code of 1954, or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, with respect to which such advisory opinion is rendered.

“(c) Any request made under subsection (a) shall be made public by the Commission. The Commission shall, before rendering an advisory opinion with respect to such request, provide any interested party with an opportunity to transmit written comments to the Commission with respect to such request.

“ENFORCEMENT

“SEC. 314. (a) (1) (A) Any person who believes a violation of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, has occurred may file a complaint with the Commission.

“(B) In any case in which the Clerk of the House of Representatives or the Secretary of the Senate (who receive reports and statements as custodian for the Commission) has reason to believe a violation of this Act or section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, has occurred, he shall refer such apparent violation to the Commission.

“(2) The Commission, upon receiving any complaint under paragraph (1) (A), or a referral under paragraph (1) (B), or if it has reason to believe that any person has committed a violation of any such provision, shall notify the person involved of such apparent violation and shall—

“(A) report such apparent violation to the Attorney General;

or

“(B) make an investigation of such apparent violation.

“(3) Any investigation under paragraph (2) (B) shall be conducted expeditiously and shall include an investigation of reports and statements filed by any complainant under this title, if such complainant is a candidate. Any notification or investigation made under paragraph (2) shall not be made public by the Commission or by any other person without the written consent of the person receiving such notification or the person with respect to whom such investigation is made.

“(4) The Commission shall, at the request of any person who receives notice of an apparent violation under paragraph (2), conduct a hearing with respect to such apparent violation.

“(5) If the Commission determines, after investigation, that there is reason to believe that any person has engaged, or is about to engage in any acts or practices which constitute or will constitute a violation of this Act, it may endeavor to correct such violation by informal methods of conference, conciliation, and persuasion. If the Commission fails to correct the violation through informal methods, it may institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person against whom such action is brought is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, the court shall grant a permanent or temporary injunction, restraining order, or other order.

“(6) The Commission shall refer apparent violations to the appropriate law enforcement authorities to the extent that violations of provisions of chapter 29 of title 18, United States Code, are involved, or if the Commission is unable to correct apparent violations of this Act under the authority given it by paragraph (5), or if the Commission determines that any such referral is appropriate.

“(7) Whenever in the judgment of the Commission, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, upon request by the Commission the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

“(8) In any action brought under paragraph (5) or (7) of this subsection, subpoenas for witnesses who are required to attend a United States district court may run into any other district.

“(9) Any party aggrieved by an order granted under paragraph (5) or (7) of this subsection may, at any time within 60 days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such order was issued for judicial review of such order.

“(10) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

“(11) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection or under section 315).

“(b) In any case in which the Commission refers an apparent violation to the Attorney General, the Attorney General shall respond by report to the Commission with respect to any action taken by the Attorney General regarding such apparent violation. Each report shall be transmitted no later than 60 days after the date the Commission refers any apparent violation, and at the close of every 30-day period thereafter until there is final disposition of such apparent violation. The Commission may from time to time prepare and publish reports on the status of such referrals.

“JUDICIAL REVIEW

“SEC. 315. (a) The Commission, the national committee of any political party, or any individual eligible to vote in any election for the office of President of the United States may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of any provision of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code. The district court immediately shall certify all questions of constitutionality of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

“(b) Notwithstanding any other provision of law, any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought no later than 20 days after the decision of the court of appeals.

Ante, pp. 1263, 1268.

Subpoenas.

Petition for judicial review.

Report to Commission.

2 USC 437h.

"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under subsection (a)."

2 USC 437c
note.

(b) Until the appointment and qualification of all the members of the Federal Election Commission and its general counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as such titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its general counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within 30 days after the date on which all such members and the general counsel are appointed, of copies of all appropriate records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 and chapter 95 of the Internal Revenue Code of 1954.

47 USC 801
note,
Ante, p. 1272.

26 USC 9001.

(c) Title III of the Federal Election Campaign Act of 1971 is amended—

2 USC 431.

(1) by amending section 301(g), relating to definitions, to read as follows:

2 USC 432.

"(g) 'Commission' means the Federal Election Commission;";

2 USC 433.

(2) by striking out "supervisory officer" in section 302(d) and inserting in lieu thereof "Commission";

(3) by amending section 303, relating to registration of political committees; statements—

2 USC 434.

(A) by striking out "supervisory officer" each time it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "he" in the second sentence of subsection (a) of such section and inserting in lieu thereof "it";

(4) by amending section 304, relating to reports by political committees and candidates—

2 USC 436.

(A) by striking out "appropriate supervisory officer" and "him" in the first sentence thereof and inserting in lieu thereof "Commission" and "it", respectively; and

2 USC 437.

(B) by striking out "supervisory officer" where it appears in paragraphs (12) and (13) of subsection (b) and inserting in lieu thereof "Commission";

(5) by striking out "supervisory officer" each place it appears in section 306, relating to formal requirements respecting reports and statements, and inserting in lieu thereof "Commission";

2 USC 438.

(6) by striking out "Comptroller General of the United States" and "he" in section 307, relating to reports on convention financing, and inserting in lieu thereof "Federal Election Commission" and "it", respectively;

(7) by amending the heading for section 316 (as redesignated by subsection (a) of this section), relating to duties of the supervisory officer, to read as follows: "DUTIES";

(8) by striking out "supervisory officer" in section 316(a) (as redesignated by subsection (a) of this section) the first time it appears and inserting in lieu thereof "Commission";

(9) by amending section 316(a) (as redesignated by subsection (a) of this section)—

(A) by striking out "him" in paragraph (1) and inserting in lieu thereof "it"; and

(B) by striking out "him" in paragraph (4) and inserting in lieu thereof "it"; and

(10) by amending subsection (c) of section 316 (as redesignated by subsection (a) of this section)—

2 USC 438.

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission" and striking out "his" in the second sentence of such subsection and inserting in lieu thereof "its"; and

(B) by striking out the last sentence thereof; and

(11) by striking out "a supervisory officer" in section 317(a) of such Act (as redesignated by subsection (a) of this Act) and inserting in lieu thereof "the Commission".

2 USC 439.

DUTIES AND REGULATIONS

SEC. 209. (a) (1) Section 316(a) of the Federal Election Campaign Act of 1971 (as redesignated and amended by section 208(a) of this Act), relating to duties of the Commission, is amended by striking out paragraphs (6), (7), (8), (9), and (10), and by redesignating paragraphs (11), (12), and (13) as paragraphs (8), (9), and (10), respectively, and by inserting immediately after paragraph (5) the following new paragraphs:

"(6) to compile and maintain a cumulative index of reports and statements filed with it, which shall be published in the Federal Register at regular intervals and which shall be available for purchase directly or by mail for a reasonable price;

Index of reports and statements. Publication in Federal Register.

"(7) to prepare and publish from time to time special reports listing those candidates for whom reports were filed as required by this title and those candidates for whom such reports were not filed as so required;";

Special reports, publication.

(2) Notwithstanding section 308(a)(7) of the Federal Election Campaign Act of 1971 (relating to an annual report by the supervisory officer), as in effect on the day before the effective date of the amendments made by paragraph (1) of this subsection, no such annual report shall be required with respect to any calendar year beginning after December 31, 1972.

2 USC 438 note.

(b) (1) Section 316(a)(10) of the Federal Election Campaign Act of 1971 (as so redesignated by subsection (a) of this section), relating to the prescription of rules and regulations, is amended by inserting before the period at the end thereof the following: ", in accordance with the provisions of subsection (c)".

(2) Such section 316 is amended—

(A) by striking out subsection (b) and subsection (d); by redesignating subsection (c) as subsection (b); and

(B) by adding at the end thereof the following new subsections:

"(c) (1) The Commission, before prescribing any rule or regulation under this section, shall transmit a statement with respect to such rule or regulation to the Senate or the House of Representatives, as the case may be, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

Proposed rules or regulations, statement, transmittal to Congress.

"(2) If the appropriate body of the Congress which receives a statement from the Commission under this subsection does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. In the case of any rule or regulation proposed to deal with reports or

Presidential elections.

Senatorial
elections.

statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such a candidate both the Senate and the House of Representatives shall have the power to disapprove such proposed rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved under this paragraph.

“(3) If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, it shall transmit such statement to the Senate. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of Representative, Delegate, or Resident Commissioner, and by political committees supporting such candidate, it shall transmit such statement to the House of Representatives. If the Commission proposes to prescribe any rule or regulation dealing with reports or statements required to be filed under this title by a candidate for the office of President of the United States, and by political committees supporting such candidate it shall transmit such statement to the House of Representatives and the Senate.

“(4) For purposes of this subsection, the term ‘legislative days’ does not include, with respect to statements transmitted to the Senate, any calendar day on which the Senate is not in session, and with respect to statements transmitted to the House of Representatives, any calendar day on which the House of Representatives is not in session, and with respect to statements transmitted to both such bodies, any calendar day on which both Houses of the Congress are not in session.

Rules and
regulations.

“(d) (1) The Commission shall prescribe suitable rules and regulations to carry out the provisions of this title, including such rules and regulations as may be necessary to require that—

“(A) reports and statements required to be filed under this title by a candidate for the office of Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, and by political committees supporting such candidate, shall be received by the Clerk of the House of Representatives as custodian for the Commission;

“(B) reports and statements required to be filed under this title by a candidate for the office of Senator, and by political committees supporting such candidate, shall be received by the Secretary of the Senate as custodian for the Commission; and

“(C) the Clerk of the House of Representatives and the Secretary of the Senate, as custodians for the Commission, each shall make the reports and statements received by him available for public inspection and copying in accordance with paragraph (4) of subsection (a), and preserve such reports and statements in accordance with paragraph (5) of subsection (a).

Congressional
cooperation.

“(2) It shall be the duty of the Clerk of the House of Representatives and the Secretary of the Senate to cooperate with the Commission in carrying out its duties under this Act and to furnish such services and facilities as may be required in accordance with this section.”

MISCELLANEOUS PROVISIONS

Ante, p. 1279.

SEC. 210. Title III of the Federal Election Campaign Act of 1971 is amended by inserting immediately after section 317 (as so redesignated by section 208(a) of this Act) the following new sections:

“USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

“SEC. 318. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures, and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by such candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954, or may be used for any other lawful purpose. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to prescribe such rules as may be necessary to carry out the provisions of this section. 2 USC 439a. 26 USC 170. Rules.

“PROHIBITION OF FRANKED SOLICITATIONS

“SEC. 319. No Senator, Representative, Resident Commissioner, or Delegate shall make any solicitations of funds by a mailing under the frank under section 3210 of title 39, United States Code. 2 USC 439b.

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 320. There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this Act, and under chapters 95 and 96 of the Internal Revenue Code of 1954, not to exceed \$5,000,000 for the fiscal year ending June 30, 1975.” 2 USC 439c.

TITLE III—GENERAL PROVISIONS

EFFECT ON STATE LAW

SEC. 301. Section 403 of the Federal Election Campaign Act of 1971, relating to effect on State law, is amended to read as follows: 2 USC 453.

“EFFECT ON STATE LAW

“SEC. 403. The provisions of this Act, and of rules prescribed under this Act, supersede and preempt any provision of State law with respect to election to Federal office.”

PERIOD OF LIMITATIONS; ENFORCEMENT

SEC. 302. Title IV of the Federal Election Campaign Act of 1971, relating to general provisions, is amended by redesignating section 406 as section 408 and by inserting immediately after section 405 the following new sections: 2 USC 431 note.

“PERIOD OF LIMITATIONS

“SEC. 406. (a) No person shall be prosecuted, tried, or punished for any violation of title III of this Act or of section 608, 610, 611, 613, 614, 615, 616, or 617 of title 18, United States Code, unless the indictment is found or the information is instituted within 3 years after the date of the violation. 2 USC 455. Ante, pp. 1263, 1268.

“(b) Notwithstanding any other provision of law—

“(1) the period of limitations referred to in subsection (a) shall apply with respect to violations referred to in such subsection committed before, on, or after the effective date of this section; and

“(2) no criminal proceeding shall be instituted against any person for any act or omission which was a violation of any provision of title III of this Act, or section 608, 610, 611, or 613 of title 18, United States Code, as in effect on December 31, 1974, if such act or omission does not constitute a violation of any such provision, as amended by the Federal Election Campaign Act Amendments of 1974.

Nothing in this subsection shall affect any proceeding pending in any court of the United States on the effective date of this section.

“ADDITIONAL ENFORCEMENT AUTHORITY

2 USC 456.

“SEC. 407. (a) In any case in which the Commission, after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code, makes a finding that a person who, while a candidate for Federal office, failed to file a report required by title III of this Act, and such finding is made before the expiration of the time within which the failure to file such report may be prosecuted as a violation of such title III, such person shall be disqualified from becoming a candidate in any future election for Federal office for a period of time beginning on the date of such finding and ending one year after the expiration of the term of the Federal office for which such person was a candidate.

“(b) Any finding by the Commission under subsection (a) shall be subject to judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.”

5 USC 701.

TITLE IV—AMENDMENTS TO OTHER LAWS;
EFFECTIVE DATES

POLITICAL ACTIVITIES BY STATE AND LOCAL OFFICERS AND EMPLOYEES

SEC. 401. (a) Section 1502(a)(3) of title 5, United States Code (relating to influencing elections, taking part in political campaigns, prohibitions, exceptions), is amended to read as follows:

“(3) be a candidate for elective office.”

(b) (1) Section 1503 of title 5, United States Code, relating to non-partisan political activity, is amended to read as follows:

“§ 1503. Nonpartisan candidacies permitted

“Section 1502(a)(3) of this title does not prohibit any State or local officer or employee from being a candidate in any election if none of the candidates is to be nominated or elected at such election as representing a party any of whose candidates for Presidential elector received votes in the last preceding election at which Presidential electors were selected.”

(2) The table of sections for chapter 15 of title 5, United States Code, is amended by striking out the item relating to section 1503 and inserting in lieu thereof the following new item:

“1503. Nonpartisan candidacies permitted.”

(c) Section 1501 of title 5, United States Code, relating to definitions, is amended—

(1) by striking out paragraph (5);

(2) in paragraph (3) thereof, by inserting “and” immediately after “Federal Reserve System;” and

(3) in paragraph (4) thereof, by striking out “; and” and inserting in lieu thereof a period.

REPEAL OF COMMUNICATIONS MEDIA EXPENDITURE LIMITATIONS

SEC. 402. (a) Section 315 of the Communications Act of 1934 47 USC 315. (relating to candidates for public office; facilities; rules) is amended by striking out subsections (c), (d), and (e), and by redesignating subsections (f) and (g) as subsections (c) and (d), respectively.

(b) Section 315(c) of such Act (as so redesignated by subsection (a) of this section), relating to definitions, is amended to read as follows: Definitions.

“(c) For purposes of this section—

“(1) the term ‘broadcasting station’ includes a community antenna television system; and

“(2) the terms ‘licensee’ and ‘station licensee’ when used with respect to a community antenna television system mean the operator of such system.”

APPROPRIATIONS TO CAMPAIGN FUND

SEC. 403. (a) Section 9006(a) of the Internal Revenue Code of 1954 26 USC 9006. (relating to establishment of campaign fund) is amended—

(1) by striking out “as provided by appropriation Acts” and inserting in lieu thereof “from time to time”; and

(2) by adding at the end thereof the following new sentence: “There is appropriated to the fund for each fiscal year, out of amounts in the general fund of the Treasury not otherwise appropriated, an amount equal to the amounts so designated during each fiscal year, which shall remain available to the fund without fiscal year limitation.”

(b) In addition to the amounts appropriated to the Presidential Election Campaign Fund established under section 9006 of the Internal Revenue Code of 1954 (relating to payments to eligible candidates) by the last sentence of subsection (a) of such section (as amended by subsection (a) of this section), there is appropriated to such fund an amount equal to the sum of the amounts designated for payment under section 6096 of such Code (relating to designation by individuals to the Presidential Election Campaign Fund) before January 1, 1975, not otherwise taken into account under the provisions of such section 9006, as amended by this section. 26 USC 9006 note.

ENTITLEMENTS OF ELIGIBLE CANDIDATES TO PAYMENTS FROM
PRESIDENTIAL ELECTION CAMPAIGN FUND

SEC. 404. (a) Subsection (a)(1) of section 9004 of the Internal Revenue Code of 1954 (relating to entitlement of eligible candidates to payments) is amended to read as follows: 26 USC 9004.

“(1) The eligible candidates of each major party in a presidential election shall be entitled to equal payments under section 9006 in an amount which, in the aggregate, shall not exceed the expenditure limitations applicable to such candidates under section 608(c)(1)(B) of title 18, United States Code.”

(b) (1) Subsection (a)(2)(A) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out “computed” and inserting in lieu thereof “allowed”.

26 USC 9004. (2) The first sentence of subsection (a) (3) of section 9004 of such Code (relating to entitlement of eligible candidates to payments) is amended by striking out "computed" and inserting in lieu thereof "allowed".

26 USC 9002. (c) (1) Section 9002(3) of the Internal Revenue Code of 1954 (relating to the definition of "Comptroller General") is amended to read as follows:

Ante, p. 1280. "(3) The term 'Commission' means the Federal Election Commission established by section 310(a) (1) of the Federal Election Campaign Act of 1971."

(2) Section 9002(1) of such Code (relating to the definition of "authorized committee") is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(3) The third sentence of section 9002(11) of such Code (relating to the definition of "qualified campaign expense") is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

26 USC 9003. (4) Section 9003(a) of such Code (relating to condition for eligibility for payments) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "he" each place it appears therein and inserting in lieu thereof "it".

(5) Section 9003(b) of such Code (relating to major parties) and section 9003(c) of such Code (relating to minor and new parties) each are amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

26 USC 9005. (6) The heading for section 9005 of such Code (relating to certification by Comptroller General) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".

(7) Section 9005(b) of such Code (relating to finality of certifications and determinations) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "him" and inserting in lieu thereof "it".

26 USC 9006. (8) Section 9006(c) of such Code (relating to payments from the fund) and section 9006(d) of such Code (relating to insufficient amounts in fund) each are amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

26 USC 9007. (9) Section 9007(a) of such Code (relating to examinations and audits) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(10) Section 9007(b) of such Code (relating to repayments) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "he" each place it appears therein and inserting in lieu thereof "it".

(11) Section 9007(c) of such Code (relating to notification) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

26 USC 9009. (12) Section 9009(a) of such Code (relating to reports) is amended—

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "him" and inserting in lieu thereof "it".

(13) Section 9009(b) of such Code (relating to regulations, etc.) is amended—

(A) by striking out "Comptroller General" and inserting in lieu thereof "Commission";

(B) by striking out "he" and inserting in lieu thereof "it"; and

(C) by striking out "him" and inserting in lieu thereof "it".

(14) The heading for section 9010 of such Code (relating to participation by Comptroller General in judicial proceedings) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".

26 USC 9010.

(15) Section 9010(a) of such Code (relating to appearance by counsel) is amended—

(A) by striking out "Comptroller General" and inserting in lieu thereof "Commission";

(B) by striking out "his" and inserting in lieu thereof "its"; and

(C) by striking out "he" each place it appears therein and inserting in lieu thereof "it".

(16) Section 9010(b) of such Code (relating to recovery of certain payments) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(17) Section 9010(c) of such Code (relating to declaratory and injunctive relief) is amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

(18) Section 9010(d) of such Code (relating to appeal) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission" and by striking out "he" and inserting in lieu thereof "it".

(19) The heading for subsection (a) of section 9011 of such Code (relating to review of certification, determination, or other action by the Comptroller General) is amended by striking out "COMPTROLLER GENERAL" and inserting in lieu thereof "COMMISSION".

26 USC 9011.

(20) Section 9011(a) of such Code, as amended by paragraph (19) (relating to review of certification, determination, or other action by the Commission) is amended by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission".

(21) Section 9011(b) of such Code, (relating to suits to implement chapter) is amended by striking out "Comptroller General" and inserting in lieu thereof "Commission".

(22) Section 9012(d) (1) of such Code (relating to false statements, etc.) is amended—

26 USC 9012.

(A) by striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission"; and

(B) by striking out "him" and inserting in lieu thereof "it".

CERTIFICATION FOR PAYMENT BY COMMISSION

SEC. 405. (a) Section 9005(a) of the Internal Revenue Code of 1954 (relating to initial certifications for eligibility for payments) is amended to read as follows:

26 USC 9005.

"(a) INITIAL CERTIFICATIONS.—Not later than 10 days after the candidates of a political party for President and Vice President of the United States have met all applicable conditions for eligibility to receive payments under this chapter set forth in section 9003, the Commission shall certify to the Secretary for payment to such eligible candidates under section 9006 payment in full of amounts to which such candidates are entitled under section 9004."

Ante, p. 1292.

Ante, p. 1291.

26 USC 9003.

(b) Section 9003(a) of such Code (relating to general conditions for eligibility for payments) is amended—

(1) by striking out “with respect to which payment is sought” in paragraph (1) and inserting in lieu thereof “of such candidates”;

(2) by inserting “and” at the end of paragraph (2);

(3) by striking out “, and” at the end of paragraph (3) and inserting in lieu thereof a period; and

(4) by striking out paragraph (4).

FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS

26 USC 9008.

SEC. 406. (a) Chapter 95 of subtitle H of the Internal Revenue Code of 1954 (relating to the presidential election campaign fund) is amended by striking out section 9008 (relating to information on proposed expenses) and inserting in lieu thereof the following new section:

“SEC. 9008. PAYMENTS FOR PRESIDENTIAL NOMINATING CONVENTIONS.

Ante, p. 1291.

“(a) ESTABLISHMENT OF ACCOUNTS.—The Secretary shall maintain in the fund, in addition to any account which he maintains under section 9006(a), a separate account for the national committee of each major party and minor party. The Secretary shall deposit in each such account an amount equal to the amount which each such committee may receive under subsection (b). Such deposits shall be drawn from amounts designated by individuals under section 6096 and shall be made before any transfer is made to any account for any eligible candidate under section 9006(a).

26 USC 6096.

“(b) ENTITLEMENT TO PAYMENTS FROM THE FUND.—

“(1) MAJOR PARTIES.—Subject to the provisions of this section, the national committee of a major party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed \$2,000,000.

“(2) MINOR PARTIES.—Subject to the provisions of this section, the national committee of a minor party shall be entitled to payments under paragraph (3), with respect to any presidential nominating convention, in amounts which, in the aggregate, shall not exceed an amount which bears the same ratio to the amount the national committee of a major party is entitled to receive under paragraph (1) as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the United States of the major parties in the preceding presidential election.

“(3) PAYMENTS.—Upon receipt of certification from the Commission under subsection (g), the Secretary shall make payments from the appropriate account maintained under subsection (a) to the national committee of a major party or minor party which elects to receive its entitlement under this subsection. Such payments shall be available for use by such committee in accordance with the provisions of subsection (c).

“(4) LIMITATION.—Payments to the national committee of a major party or minor party under this subsection from the account designated for such committee shall be limited to the amounts in such account at the time of payment.

“(5) ADJUSTMENT OF ENTITLEMENTS.—The entitlements established by this subsection shall be adjusted in the same manner as expenditure limitations established by section 608(c) and section 608(f) of title 18, United States Code, are adjusted pursuant to the provisions of section 608(d) of such title.

Ante, pp. 1264, 1265.

“(c) USE OF FUNDS.—No part of any payment made under subsection (b) shall be used to defray the expenses of any candidate or delegate who is participating in any presidential nominating convention. Such payments shall be used only—

“(1) to defray expenses incurred with respect to a presidential nominating convention (including the payment of deposits) by or on behalf of the national committee receiving such payments; or

“(2) to repay loans the proceeds of which were used to defray such expenses, or otherwise to restore funds (other than contributions to defray such expenses received by such committee) used to defray such expenses.

“(d) LIMITATION OF EXPENDITURES.—

“(1) MAJOR PARTIES.—Except as provided by paragraph (3), the national committee of a major party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of payments to which such committee is entitled under subsection (b) (1).

“(2) MINOR PARTIES.—Except as provided by paragraph (3), the national committee of a minor party may not make expenditures with respect to a presidential nominating convention which, in the aggregate, exceed the amount of the entitlement of the national committee of a major party under subsection (b) (1).

“(3) EXCEPTION.—The Commission may authorize the national committee of a major party or minor party to make expenditures which, in the aggregate, exceed the limitation established by paragraph (1) or paragraph (2) of this subsection. Such authorization shall be based upon a determination by the Commission that, due to extraordinary and unforeseen circumstances, such expenditures are necessary to assure the effective operation of the presidential nominating convention by such committee.

“(e) AVAILABILITY OF PAYMENTS.—The national committee of a major party or minor party may receive payments under subsection (b) (3) beginning on July 1 of the calendar year immediately preceding the calendar year in which a presidential nominating convention of the political party involved is held.

“(f) TRANSFER TO THE FUND.—If, after the close of a presidential nominating convention and after the national committee of the political party involved has been paid the amount which it is entitled to receive under this section, there are moneys remaining in the account of such national committee, the Secretary shall transfer the moneys so remaining to the fund.

“(g) CERTIFICATION BY COMMISSION.—Any major party or minor party may file a statement with the Commission in such form and manner and at such times as it may require, designating the national committee of such party. Such statement shall include the information required by section 303(b) of the Federal Election Campaign Act of 1971, together with such additional information as the Commission may require. Upon receipt of a statement filed under the preceding sentences, the Commission promptly shall verify such statement according to such procedures and criteria as it may establish and shall certify to the Secretary for payment in full to any such committee of amounts to which such committee may be entitled under subsection (b). Such certifications shall be subject to an examination and audit which the Commission shall conduct no later than December 31 of the calen-

2 USC 433.

Examination and audit.

dar year in which the presidential nominating convention involved is held.

“(h) REPAYMENTS.—The Commission shall have the same authority to require repayments from the national committee of a major party or a minor party as it has with respect to repayments from any eligible candidate under section 9007(b). The provisions of section 9007(c) and section 9007(d) shall apply with respect to any repayment required by the Commission under this subsection.”

(b)(1) Section 9009(a) of such Code (relating to reports) is amended by striking out “and” in paragraph (2) thereof; by striking out the period at the end of paragraph (3) thereof and inserting in lieu thereof “; and”; and by adding at the end thereof the following new paragraphs:

“(4) the expenses incurred by the national committee of a major party or minor party with respect to a presidential nominating convention;

“(5) the amounts certified by it under section 9008(g) for payment to each such committee; and

“(6) the amount of payments, if any, required from such committees under section 9008(h), and the reasons for each such payment.”

(2) The heading for section 9012(a) of such Code (relating to excess campaign expenses) is amended by striking out “CAMPAIGN”.

(3) Section 9012(a)(1) by such Code (relating to excess expenses) is amended by adding at the end thereof the following new sentence: “It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to incur expenses with respect to a presidential nominating convention in excess of the expenditure limitation applicable with respect to such committee under section 9008(d), unless the incurring of such expenses is authorized by the Commission under section 9008(d)(3).”

(4) Section 9012(c) of such Code (relating to unlawful use of payments) is amended by redesignating paragraph (2) as paragraph (3) and by inserting immediately after paragraph (1) the following new paragraph:

“(2) It shall be unlawful for the national committee of a major party or minor party which receives any payment under section 9008(b)(3) to use, or authorize the use of, such payment for any purpose other than a purpose authorized by section 9008(c).”

(5) Section 9012(e)(1) of such Code (relating to kickbacks and illegal payments) is amended by adding at the end thereof the following new sentence: “It shall be unlawful for the national committee of a major party or minor party knowingly and willfully to give or accept any kickback or any illegal payment in connection with any expense incurred by such committee with respect to a presidential nominating convention.”

(6) Section 9012(e)(3) of such Code (relating to kickbacks and illegal payments) is amended by inserting immediately after “their authorized committees” the following: “, or in connection with any expense incurred by the national committee of a major party or minor party with respect to a presidential nominating convention.”

(c) The table of sections for chapter 95 of subtitle H of such Code (relating to the presidential election campaign fund) is amended by striking out the item relating to section 9008 and inserting in lieu thereof the following new item:

“Sec. 9008. Payments for presidential nominating conventions.”

(d) Section 276 of such Code (relating to certain indirect contributions to political parties) is amended by striking out subsection (c) and by redesignating subsection (d) as subsection (c).

26 USC 9007.

Reports to Congress.
26 USC 9009.

Ante, p. 1294.

26 USC 9012.

Excess expenses.

Unlawful use of payments.

Kickbacks and illegal payments.

26 USC 276.

TAX RETURNS BY POLITICAL COMMITTEES

SEC. 407. Section 6012(a) of the Internal Revenue Code of 1954 (relating to persons required to make returns of income) is amended by adding at the end thereof the following new sentence: “The Secretary or his delegate shall, by regulation, exempt from the requirement of making returns under this section any political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971) having no gross income for the taxable year.”

26 USC 6012.

Ante, p. 1272.

PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

SEC. 408. (a) The analysis of subtitles at the beginning of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following:

“Subtitle H. Financing of Presidential election campaigns.”

(b) The analysis of chapters at the beginning of subtitle H of such Code is amended by striking out the item relating to chapter 96 and inserting in lieu thereof the following:

“Chapter 96. Presidential Primary Matching Payment Account.”

(c) Subtitle H of such Code is amended by striking out chapter 96, relating to Presidential Election Campaign Fund Advisory Board, and inserting in lieu thereof the following new chapter:

26 USC 9021.

“CHAPTER 96—PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT

Presidential Primary Matching Payment Account Act.

“Sec. 9031. Short title.

“Sec. 9032. Definitions.

“Sec. 9033. Eligibility for payments.

“Sec. 9034. Entitlement of eligible candidates to payments.

“Sec. 9035. Qualified campaign expense limitation.

“Sec. 9036. Certification by Commission.

“Sec. 9037. Payments to eligible candidates.

“Sec. 9038. Examinations and audits; repayments.

“Sec. 9039. Reports to Congress; regulations.

“Sec. 9040. Participation by Commission in judicial proceedings.

“Sec. 9041. Judicial review.

“Sec. 9042. Criminal penalties.

“SEC. 9031. SHORT TITLE

“This chapter may be cited as the ‘Presidential Primary Matching Payment Account Act’.

“SEC. 9032. DEFINITIONS.

“FOR PURPOSES OF THIS CHAPTER—

“(1) The term ‘authorized committee’ means, with respect to the candidates of a political party for President and Vice President of the United States, any political committee which is authorized in writing by such candidates to incur expenses to further the election of such candidates. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidates with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

“(2) The term ‘candidate’ means an individual who seeks nomination for election to be President of the United States. For purposes of this paragraph, an individual shall be considered to

seek nomination for election if he (A) takes the action necessary under the law of a State to qualify himself for nomination for election, (B) receives contributions or incurs qualified campaign expenses, or (C) gives his consent for any other person to receive contributions or to incur qualified campaign expenses on his behalf.

"(3) The term 'Commission' means the Federal Election Commission established by section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(4) Except as provided by section 9034(a), the term 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money, or anything of value, the payment of which was made on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such gift, subscription, loan, advance, or deposit of money, or anything of value, is made, for the purpose of influencing the result of a primary election,

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose,

"(C) means funds received by a political committee which are transferred to that committee from another committee, and

"(D) means the payment by any person other than a candidate, or his authorized committee, of compensation for the personal services of another person which are rendered to the candidate or committee without charge, but

"(E) does not include—

"(i) except as provided in subparagraph (D), the value of personal services rendered to or for the benefit of a candidate by an individual who receives no compensation for rendering such service to or for the benefit of the candidate, or

"(ii) payments under section 9037.

"(5) The term 'matching payment account' means the Presidential Primary Matching Payment Account established under section 9037(a).

"(6) The term 'matching payment period' means the period beginning with the beginning of the calendar year in which a general election for the office of President of the United States will be held and ending on the date on which the national convention of the party whose nomination a candidate seeks nominates its candidate for the office of President of the United States, or, in the case of a party which does not make such nomination by national convention, ending on the earlier of (A) the date such party nominates its candidate for the office of President of the United States, or (B) the last day of the last national convention held by a major party during such calendar year.

"(7) The term 'primary election' means an election, including a runoff election or a nominating convention or caucus held by a political party, for the selection of delegates to a national nominating convention of a political party, or for the expression of a preference for the nomination of persons for election to the office of President of the United States.

"(8) The term 'political committee' means any individual, committee, association, or organization (whether or not incorporated) which accepts contributions or incurs qualified campaign expenses for the purpose of influencing, or attempting to influence, the

Ante, p. 1280.

Post, p. 1299.

Post, p. 1300.

nomination of any person for election to the office of President of the United States.

"(9) The term 'qualified campaign expense' means a purchase, payment, distribution, loan, advance, deposit, or gift of money or of anything of value—

"(A) incurred by a candidate, or by his authorized committee, in connection with his campaign for nomination for election, and

"(B) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which the expense is incurred or paid.

For purposes of this paragraph, an expense is incurred by a candidate or by an authorized committee if it is incurred by a person specifically authorized in writing by the candidate or committee, as the case may be, to incur such expense on behalf of the candidate or the committee.

"(10) The term 'State' means each State of the United States and the District of Columbia.

"SEC. 9033. ELIGIBILITY FOR PAYMENTS.

"(a) CONDITIONS.—To be eligible to receive payments under section 9037, a candidate shall, in writing—

"(1) agree to obtain and furnish to the Commission any evidence it may request of qualified campaign expenses,

"(2) agree to keep and furnish to the Commission any records, books, and other information it may request, and

"(3) agree to an audit and examination by the Commission under section 9038 and to pay any amounts required to be paid under such section.

"(b) EXPENSE LIMITATION; DECLARATION OF INTENT; MINIMUM CONTRIBUTIONS.—To be eligible to receive payments under section 9037, a candidate shall certify to the Commission that—

"(1) the candidate and his authorized committees will not incur qualified campaign expenses in excess of the limitation on such expenses under section 9035,

"(2) the candidate is seeking nomination by a political party for election to the office of President of the United States,

"(3) the candidate has received matching contributions which in the aggregate, exceed \$5,000 in contributions from residents of each of at least 20 States, and

"(4) the aggregate of contributions certified with respect to any person under paragraph (3) does not exceed \$250.

"SEC. 9034. ENTITLEMENT OF ELIGIBLE CANDIDATES TO PAYMENTS.

"(a) IN GENERAL.—Every candidate who is eligible to receive payments under section 9033 is entitled to payments under section 9037 in an amount equal to the amount of each contribution received by such candidate on or after the beginning of the calendar year immediately preceding the calendar year of the presidential election with respect to which such candidate is seeking nomination, or by his authorized committees, disregarding any amount of contributions from any person to the extent that the total of the amounts contributed by such person on or after the beginning of such preceding calendar year exceeds \$250. For purposes of this subsection and section 9033(b), the term 'contribution' means a gift of money made by a written instrument which identifies the person making the contribution by full name and mailing address, but does not include a subscription, loan, advance, or deposit of money, or anything of value or anything described in subparagraph (B), (C), or (D) of section 9032(4).

Post, p. 1300.

"Contribution."

"(b) **LIMITATIONS.**—The total amount of payments to which a candidate is entitled under subsection (a) shall not exceed 50 percent of the expenditure limitation applicable under section 608(c)(1)(A) of title 18, United States Code.

"SEC. 9035. QUALIFIED CAMPAIGN EXPENSE LIMITATION.

"No candidate shall knowingly incur qualified campaign expenses in excess of the expenditure limitation applicable under section 608(c)(1)(A) of title 18, United States Code.

"SEC. 9036. CERTIFICATION BY COMMISSION.

"(a) **INITIAL CERTIFICATIONS.**—Not later than 10 days after a candidate establishes his eligibility under section 9033 to receive payments under section 9037, the Commission shall certify to the Secretary for payment to such candidate under section 9037 payment in full of amounts to which such candidate is entitled under section 9034. The Commission shall make such additional certifications as may be necessary to permit candidates to receive payments for contributions under section 9037.

"(b) **FINALITY OF DETERMINATIONS.**—Initial certifications by the Commission under subsection (a), and all determinations made by it under this chapter, are final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 9038 and judicial review under section 9041.

"SEC. 9037. PAYMENTS TO ELIGIBLE CANDIDATES.

"(a) **ESTABLISHMENT OF ACCOUNT.**—The Secretary shall maintain in the Presidential Election Campaign Fund established by section 9006(a), in addition to any account which he maintains under such section, a separate account to be known as the Presidential Primary Matching Payment Account. The Secretary shall deposit into the matching payment account, for use by the candidate of any political party who is eligible to receive payments under section 9033, the amount available after the Secretary determines that amounts for payments under section 9006(c) and for payments under section 9008(b)(3) are available for such payments.

"(b) **PAYMENTS FROM THE MATCHING PAYMENT ACCOUNT.**—Upon receipt of a certification from the Commission under section 9036, but not before the beginning of the matching payment period, the Secretary or his delegate shall promptly transfer the amount certified by the Commission from the matching payment account to the candidate. In making such transfers to candidates of the same political party, the Secretary or his delegate shall seek to achieve an equitable distribution of funds available under subsection (a), and the Secretary or his delegate shall take into account, in seeking to achieve an equitable distribution, the sequence in which such certifications are received.

"SEC. 9038. EXAMINATIONS AND AUDITS; REPAYMENTS.

"(a) **EXAMINATIONS AND AUDITS.**—After each matching payment period, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees who received payments under section 9037.

"(b) **REPAYMENTS.**—

"(1) If the Commission determines that any portion of the payments made to a candidate from the matching payment account was in excess of the aggregate amount of payments to which such candidate was entitled under section 9034, it shall notify the candidate, and the candidate shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

Ante, p. 1291.

26 USC 9006.
Ante, p. 1294.

Supra.

"(2) If the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than—

"(A) to defray the qualified campaign expenses with respect to which such payment was made, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses,

it shall notify such candidate of the amount so used, and the candidate shall pay to the Secretary or his delegate an amount equal to such amount.

"(3) Amounts received by a candidate from the matching payment account may be retained for the liquidation of all obligations to pay qualified campaign expenses incurred for a period not exceeding 6 months after the end of the matching payment period. After all obligations have been liquidated, that portion of any unexpended balance remaining in the candidate's accounts which bears the same ratio to the total unexpended balance as the total amount received from the matching payment account bears to the total of all deposits made into the candidate's accounts shall be promptly repaid to the matching payment account.

"(c) **NOTIFICATION.**—No notification shall be made by the Commission under subsection (b) with respect to a matching payment period more than 3 years after the end of such period.

"(d) **DEPOSIT OF REPAYMENTS.**—All payments received by the Secretary or his delegate under subsection (b) shall be deposited by him in the matching payment account.

"SEC. 9039. REPORTS TO CONGRESS; REGULATIONS.

"(a) **REPORTS.**—The Commission shall, as soon as practicable after each matching payment period, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the candidates of each political party and their authorized committees,

"(2) the amounts certified by it under section 9036 for payment to each eligible candidate, and

"(3) the amount of payments, if any, required from candidates under section 9038, and the reasons for each payment required. Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) **REGULATIONS, ETC.**—The Commission is authorized to prescribe rules and regulations in accordance with the provisions of subsection (c), to conduct examinations and audits (in addition to the examinations and audits required by section 9038(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information, which it determines to be necessary to carry out its responsibilities under this chapter.

"(c) **REVIEW OF REGULATIONS.**—

"(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

Audits.

"(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' does not include any calendar day on which both Houses of the Congress are not in session.

"SEC. 9040. PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS.

"(a) **APPEARANCE BY COUNSEL.**—The Commission is authorized to appear in and defend against any action instituted under this section, either by attorneys employed in its office or by counsel whom it may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation it may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.

"(b) **RECOVERY OF CERTAIN PAYMENTS.**—The Commission is authorized, through attorneys and counsel described in subsection (a), to institute actions in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary or his delegate as a result of an examination and audit made pursuant to section 9038.

"(c) **INJUNCTIVE RELIEF.**—The Commission is authorized, through attorneys and counsel described in subsection (a), to petition the courts of the United States for such injunctive relief as is appropriate to implement any provision of this chapter.

"(d) **APPEAL.**—The Commission is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which it appears pursuant to the authority provided in this section.

"SEC. 9041. JUDICIAL REVIEW.

"(a) **REVIEW OF AGENCY ACTION BY THE COMMISSION.**—Any agency action by the Commission made under the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court within 30 days after the agency action by the Commission for which review is sought.

"(b) **REVIEW PROCEDURES.**—The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551(13) of title 5, United States Code, by the Commission.

"SEC. 9042. CRIMINAL PENALTIES.

"(a) **EXCESS CAMPAIGN EXPENSES.**—Any person who violates the provisions of section 9035 shall be fined not more than \$25,000, or imprisoned not more than 5 years, or both. Any officer or member of any political committee who knowingly consents to any expenditure in violation of the provisions of section 9035 shall be fined not more than \$25,000, or imprisoned not more than 5 years, or both.

"(b) **UNLAWFUL USE OF PAYMENTS.**—

"(1) It is unlawful for any person who receives any payment under section 9037, or to whom any portion of any such payment is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(c) **FALSE STATEMENTS, ETC.**—

"(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Commission or an examination and audit by the Commission under this chapter, or

"(B) to fail to furnish to the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(d) **KICKBACKS AND ILLEGAL PAYMENTS.**—

"(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, who receives payments under section 9037.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both.

"(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate or his authorized committees shall pay to the Secretary for deposit in the matching payment account, an amount equal to 125 percent of the kickback or payment received."

REVIEW OF REGULATIONS

SEC. 409. (a) Section 9009 of the Internal Revenue Code of 1954 26 USC 9009. (relating to reports to Congress; regulations) is amended by adding at the end thereof the following new subsection:

"(c) **REVIEW OF REGULATIONS.**—

"(1) The Commission, before prescribing any rule or regulation under subsection (b), shall transmit a statement with respect to such rule or regulation to the Senate and to the House of Representatives, in accordance with the provisions of this subsection. Such statement shall set forth the proposed rule or regulation and shall contain a detailed explanation and justification of such rule or regulation.

"(2) If either such House does not, through appropriate action, disapprove the proposed rule or regulation set forth in such statement no later than 30 legislative days after receipt of such statement, then the Commission may prescribe such rule or regulation. The Commission may not prescribe any rule or regulation which is disapproved by either such House under this paragraph.

"(3) For purposes of this subsection, the term 'legislative days' "Legislative days."

does not include any calendar day on which both Houses of the Congress are not in session.”

26 USC 9009.

(b) Section 9009(b) of such Code (relating to regulations, etc.) is amended by inserting “in accordance with the provisions of subsection (c)” immediately after “regulations”.

EFFECTIVE DATES

2 USC 431
note.

SEC. 410. (a) Except as provided by subsection (b) and subsection (c), the foregoing provisions of this Act shall become effective January 1, 1975.

Ante, p. 1272.

(b) Section 104 and the amendment made by section 301 shall become effective on the date of the enactment of this Act.

Ante, pp.
1291-1294,
1297, 1303.

(c) (1) The amendments made by sections 403(a), 404, 405, 406, 408, and 409 shall apply with respect to taxable years beginning after December 31, 1974.

Ante, p. 1297.

(2) The amendment made by section 407 shall apply with respect to taxable years beginning after December 31, 1971.

Approved October 15, 1974.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 93-1239 accompanying H.R. 16090 (Comm. on House Administration) and No. 93-1438 (Comm. of Conference).

SENATE REPORTS: No. 93-689 (Comm. on Rules and Administration) and No. 93-1237 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 120 (1974):

Mar. 26, 27, 29, Apr. 1-5, 8-11, considered and passed Senate.

Aug. 7, 8, considered and passed House, amended, in lieu of H.R. 16090.

Oct. 8, Senate agreed to conference report.

Oct. 10, House agreed to conference report.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 10, No. 42:

Oct. 15, Presidential statement.

FEDERAL ELECTION CAMPAIGN ACT
AMENDMENTS OF 1974

REPORT

OF THE

COMMITTEE ON

RULES AND ADMINISTRATION

(TOGETHER WITH ADDITIONAL VIEWS)

TO ACCOMPANY

S. 3044

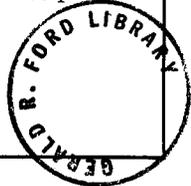
TO AMEND THE FEDERAL ELECTION CAMPAIGN ACT OF 1971 TO PROVIDE FOR PUBLIC FINANCING OF PRIMARY AND GENERAL ELECTION CAMPAIGNS FOR FEDERAL ELECTIVE OFFICE, AND TO AMEND CERTAIN OTHER PROVISIONS OF LAW RELATING TO THE FINANCING AND CONDUCT OF SUCH CAMPAIGNS



FEBRUARY 21 (legislative day, FEBRUARY 19), 1974.—Ordered to be printed

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CONTENTS

COMMITTEE ON RULES AND ADMINISTRATION

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(II)

	Page
Purpose of the bill.....	1
Need for and argument favoring public financing.....	4
Public financing is necessary for effective campaign reform.....	4
Formula grants for qualified general election candidates.....	5
Matching grants for qualified primary candidates.....	6
Strengthening political parties.....	7
Preventing proliferation of splinter parties.....	8
Fair opportunity for minor parties.....	8
Preventing Federal interference with a candidate's campaign.....	9
Public financing will not provide an unfair advantage to incumbent officials.....	10
Public financing provisions:	
Primary elections.....	10
General elections.....	12
Post-election payments.....	13
Source of public funding.....	14
Additional tax incentives.....	15
Role of political parties.....	15
Campaign reform.....	15
Political broadcasting.....	16
Reporting and disclosure.....	16
Criminal Code amendments.....	17
Limits on "independent expenditures".....	18
Examples of the application of the public financing provisions to Federal elections:	
Presidential general elections.....	22
Senate elections.....	22
Illustrative examples supplied by the General Accounting Office.....	26
Cost estimates pursuant to section 252(a) of the Legislative Reorganization Act of 1970.....	27
Results of dollar checkoff.....	28
Senate campaign fund limitations under Rules Committee bill.....	29
Presidential primary.....	30
U.S. Senate.....	33
Changes in existing law.....	39
Rollcall votes in committee.....	87

ADDITIONAL VIEWS

Additional views of Mr. Pell.....	89
Additional views of Mr. Griffin.....	89

(III)

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

FEBRUARY 21 (legislative day, FEBRUARY 19), 1974.—Ordered to be printed

Mr. CANNON, from the Committee on Rules and Administration,
submitted the following

REPORT

[To accompany S. 3044]

The Committee on Rules and Administration, having considered an original bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, reports favorably thereon, and recommends that the bill do pass.

PURPOSE OF THE BILL

This recommended legislation is a comprehensive and far-reaching measure, designed to bring together various laws already enacted or passed by the Senate, for the purpose of providing complete control over and disclosure of campaign contributions and expenditures in campaigns for Federal elective office, including all public funds which any candidate may be entitled to receive prior to or after the date of any election.

During the 92nd Congress (1971-1972) a major new law was enacted to provide sweeping and thorough control over, and public disclosure of, receipts and expenditures in both Federal primary elections and general elections. The new Act, the Federal Election Campaign Act of 1971 (P.L. 92-225), applies to all elections, all candidates seeking nomination for election or election to Federal office, and all political committees raising or spending in excess of \$1,000 during a calendar year for the purpose of influencing or attempting to influence the results of those elections. Also, it requires candidates and political committees to file periodic statements and reports of receipts and expenditures with appropriate supervisory officers charged with responsibility to enforce compliance with the provisions of the Act.

The Act of 1971 was predicated upon the principle of public disclosure, that timely and complete disclosure of receipts and expenditures would result in the exercise of prudence by candidates and their committees and that excessive expenditures would incur the displeasure of the electorate who would or could demonstrate indignation at the polls. Except for the use of the media—radio, television, newspapers, magazines, outdoor advertising facilities, and banks of telephones—no limitations were imposed upon expenditures by candidates or their committees, and no limitation was set upon contributions to candidates or committees.

It was unfortunate that the new Act did not become effective until April 7, 1972, because the scramble to raise political funds prior to that date, and thus to avoid the disclosure provisions of the law, resulted in broad and grave dissatisfaction with the Act and led to a demand for new and more comprehensive controls.

At the beginning of the 93rd Congress, many bills were introduced providing strict limitations upon contributions and expenditures. S. 372, the Federal Election Campaign Act Amendments of 1973, was reported to the Senate after public hearings and study, and following substantial debate in the Senate, was passed by a vote of 82 to 8, as an amendment to the Act of 1971. S. 372 was referred to the House of Representatives for further consideration, but as of the date of this report, no action has been taken by that body.

Further, with the introduction of specific limitations upon contributions and expenditures, concern developed that major political parties and well-known individuals, including incumbent officeholders, would have greater access and appeal to donors than would minor parties and unknown individuals who desired to enter the political arena. Therefore, a movement for the public financing of Federal elections evolved in the Senate.

Public hearings were held by the Subcommittee on Privileges and Elections, chaired by Senator Claiborne Pell, on the 18th, 19th, 20th, and 21st of September, 1973. Over 40 witnesses appeared to testify in person and to submit lengthy statements in support of public financing. A few witnesses appeared in opposition, but the greater preponderance of testimony was favorable to the concept.

Senator Cranston, from the State of California, speaking for a bipartisan group of more than a third of the Senate membership, submitted a set of principles, eight in number, which they considered to be essential tenets of any legislation to provide public financing in Federal elections. The principles were built upon the existing Presidential checkoff plan, which passed the Senate in 1971 under the leadership of Senators Russell Long, from Louisiana, and John Pastore, from Rhode Island.

Those eight principles are as follows:

1. Extension of the Presidential checkoff concept adopted in 1971 to provide Treasury financing of qualified candidates that will enable a candidate to mount an effective campaign without the need to seek large private contributions; the amount must be sufficient to allow nonincumbents to campaign against better-known incumbents; and there must be adequate safeguards to insure full and easy public accountability for the use of private funds.

2. Full funding for major party candidates; funding for minor party, new party, and independent candidates—up to full funding—based upon their performance in the last election or their showing in the present election.

3. Extension of public funding for qualified primary candidates once they have demonstrated broad public support through some means, which might include raising a special number of petition signatures asking that the candidate be given Federal funding for his campaign.

4. Establishing of an overall expenditure limit for both general and primary elections.

5. Permitting candidates to raise a limited amount of private funds in very small contributions.

6. Provision of a role for political parties which would allow them to serve as a legitimate pooling mechanism for private contributions to candidates in general elections.

7. Requirement of a central financial reporting and record-keeping check point in each candidate's campaign for effective monitoring.

8. Administration of campaign financial reporting and disclosure laws and regulations by an independent elections commission with enforcement powers.

On November 16, 1973, Senator Pell, Chairman of the Subcommittee on Privileges and Elections, introduced S. 2718, the Federal Election Finance Act, which was then referred to the Committee on Rules and Administration. At that time the Senate was considering the debt ceiling bill and a public financing proposal which had been offered as an amendment to that bill by a bipartisan group of nine Senators. The amendment was adopted by a majority of the Senate. Subsequently, when the Senate was required to recede from its action to add public financing amendments to the debt ceiling bill, a commitment was made by the Committee on Rules and Administration, through its chairman, Senator Cannon, and other Members, to report to the Senate a bill providing for the public financing of Federal elections within approximately 30 days following the reconvening of the Senate on January 21, 1974.

The Pell bill provided the fundamentals, which the Committee considered during the course of its deliberations and mark-up sessions. The original bill here reported to the Senate meets the objectives of the previously mentioned eight principles, and of last year's amendment to the debt ceiling bill. Also, in order to present a comprehensive coverage of private and public financing, limitations of contributions and expenditures, and public disclosure of and supervision over the whole spectrum of Federal election campaigns, the bill incorporates the following:

Title I—Financing of Federal Campaigns;

Title II—Changes in Campaign Communications Law and in Reporting and Disclosure Provisions of the Federal Election Campaign Act of 1971;

Title III—Crimes Relating to Elections and Political Activities;

Title IV—Disclosure of Financial Interests by Certain Federal Officers and Employees; and

Title V—Related Internal Revenue Code Amendments.

Therefore, if enacted, this Committee bill will renew and reemphasize the disclosure provisions of the Federal Election Campaign Act of 1971, as amended in the Senate by the bill S. 372, the Federal Election Campaign Act Amendments of 1973. Moreover, the limitations set by S. 372 upon contributions and expenditures and the creation in that bill of an independent Federal Election Commission with primary civil and criminal prosecutorial powers, as carried over in this bill, will help to ensure careful compliance with all provisions.

The use of a modified dollar check-off as an inducement to taxpayers to designate \$2 of their tax liability for the Federal Election Campaign Fund, and carry-over of the tax credit or tax deduction incentives, will serve to encourage broader citizen participation in the elective process. The doubling of tax credit/tax deduction provisions of existing law should also increase citizen support of candidates and parties of their choice.

NEED FOR AND ARGUMENT FAVORING PUBLIC FINANCING

The bill provides an integrated comprehensive program of campaign reform, Title I dealing with public financing assistance for federal elections is the only portion of the bill which has not previously been considered and approved by the Senate.

The Committee recognizes that the issue of public financing has been a controversial one for several years, and that our colleagues may have a variety of questions regarding the impact and implications of these proposals. While the Committee has built upon the principles already adopted by Congress in the Presidential Campaign Fund of the 1971 Revenue Act, the present bill extends these principles to other parts of the electoral process for federal office.

Before proceeding with a detailed discussion of the provisions in this Title, therefore, it will be useful to indicate the Committee's thinking in regard to the major issues and contentions which were raised at the hearings.

Public financing is necessary for effective campaign reform

There is no question that the public appreciates the pervasive evils of our present system for campaign financing. The potentials for abuse are all too clear. Americans are looking to Congress for comprehensive, effective reform, not for halfway measures that only reach a small part of the problem—or which may make some present problems even worse.

The Committee is aware of the position, advanced by opponents of public financing, that reporting and disclosure rules combined with limits on contributions provide sufficient reform and make it unnecessary to extend public campaign financing beyond existing law. The Committee does not agree.

In light of the record made before this Committee during its consideration of S. 372, and the hearings on the present legislation, it is clear to us that contribution and expenditure limits which would check excessive influence of great wealth cannot be effectively and fairly implemented without a comprehensive system of public campaign financing.

Congress has already recognized the desirability of public financing for Presidential elections. This bill extends this recognition to Con-

gressional general elections and to primary elections for both Congress and the presidency.

The only way in which Congress can eliminate reliance on large private contributions and still ensure adequate presentation to the electorate of opposing viewpoints of competing candidates is through comprehensive public financing.

Modern campaigns are increasingly expensive and the necessary fundraising is a great drain on the time and energies of the candidates. Low contribution limits alone will compound that problem. Many candidates—incumbent and challenger alike—will find it exceedingly difficult to finance an adequate campaign to carry their message to the voters. Drastically reducing the amounts which may be expended by the candidate would ease this burden, but at the cost of increasing the present disadvantage for non-incumbent challengers and endangering the whole process of political competition.

Moreover, even those candidates who could raise adequate funds under restricted contribution limits would benefit from public financing. The committee bill would enable them to rely less heavily on those relatively few individuals capable of contributing the maximum amount permitted by law.

Nor does the Committee agree with the argument that public financing would be an unwise waste of public monies at a time when control of the federal budget is essential. The Committee believes the American voter has now had ample demonstration that the modest cost per citizen of public financing for federal elections will be as wise an investment of tax dollars as a democracy can make.

The election of federal officials is not a private affair. It is the foundation of our government. As Senator Mansfield recently observed, it is now clear that “we shall not finally come to grips with the problems except as we are prepared to *pay for the public business of elections with public funds*. (State of the Congress Address, February 6, 1974.)

Formula grants for qualified general election candidates

The bill provides nominees of major parties with public financing equal to the full amount of expenditures permitted to be made in a campaign.

Alternative approaches to financing general election campaigns were noted by the Committee, but none provided a satisfactory substitute for the provisions of the committee bill.

Some suggestions, such as increased mail privileges for both incumbent and challenger, or free radio and television time, are complementary to this bill. These suggestions have merit and deserve careful consideration by the appropriate Congressional committees. If they are enacted, such programs would obviously reduce the remaining expenditures a candidate faces. If the cost of the campaign is cut down, then the amounts of direct public funds which the bill provides for may then be proportionately reduced. But the many complex questions raised by proposals for free services and other in-kind assistance, need not delay enactment of a comprehensive approach to campaign financing.

Other alternatives considered and rejected by the Committee for reform of *general election campaign financing* include a system of

matching payments in response to private contributions or a minimum floor of public assistance with the bulk of campaign costs raised privately.

The Committee bill embodies the sounder principle that once someone becomes an unquestionably serious candidate, by virtue of his being a major party nominee, he should be assured of adequate financing to run a fully informative and effective campaign. The use of matching payments is appropriate in the primary phase, as noted below, when it is not yet clear who may be the serious candidates and who may be frivolous ones. But such a scheme, or partial public funding, in the general election would require candidates who have established their legitimacy to devote too much time to endless fund raising at the expense of providing competitive debate of the issues for the electorate. This would be especially true in view of the \$3,000 limit which the Senate has imposed on individual contributions and which is carried forward in the bill.

Matching grants for qualified primary candidates

If public financing is made available in general elections, the question remains whether it should also be extended to primary election candidates. Devising fair criteria for eligibility is harder in primary elections since no single candidate has won his party's nomination. The difficulty lies in screening out frivolous candidates who might be encouraged to enter by the prospect of a large subsidy, while still providing some assistance to serious candidates with potential for developing significant support.

In light of this issue, some witnesses suggested that any public financing be limited to general elections. After reviewing these suggestions, your Committee concluded that meaningful reform of our campaign financing practices requires inclusion of primary elections.

Unless primary election candidates can be relieved of their excessive dependence on large amounts of private money, a system of public financing in general elections will only move the evils it seeks to remedy upstream to the primary phase of the electoral process.

It will be difficult to justify the expenditure of public money to help purify that process, if candidates must still raise the full cost of expensive campaigns from private contributors, in order to win the nomination in the first place.

If a reasonable portion of these costs are defrayed by public assistance, candidates for nomination will be able to raise the remainder on a truly "grass roots" basis without relying so heavily on those who are wealthy enough to give the maximum contributions permitted each person under this act.

The bill provides significant public financing for primary candidates, up to one-half the total expenditures they are permitted. Such assistance is limited to those who demonstrate they are serious candidates by raising a threshold eligibility fund in small amounts from many contributors. No more than \$100 from the contribution of any person may be counted. The Committee believes the use of small contributions is the best practicable test for such support. This fund will establish the candidate's initial credibility and qualify him for federal assistance. But this test does not determine the total amount of federal funding he will actually receive.

The threshold fund may merely represent a small nucleus of supporters and not reflect enough widespread support to warrant sizeable federal grants. Therefore, unlike the formula grants available to party nominees in the general election, primary candidates are only entitled to federal assistance which matches, dollar for dollar, whatever private funds they are able to raise.

Moreover, as in the case of the threshold fund, only \$100 of each person's contribution can be matched with federal funds. This limitation encourages a candidate to involve large numbers of voters in the fundraising process. It also ensures that larger amounts of public assistance will only go to candidates who continue to demonstrate widespread support as the campaign develops.

The Committee believes this scheme for financing primary campaigns is a sound, balanced approach which avoids constitutional difficulties. Candidates are not barred from entering any primary merely because they have not raised the threshold eligibility fund. They can still run in the primary and finance their campaign privately. But Congress is not required to fund every candidate, no matter how frivolous, who exercises his constitutional right to enter a party primary. It may set a reasonable test of minimum support before it commits public moneys to assist a campaign.

The States have a recognized "interest, if not a duty, to protect the integrity of its political processes from frivolous or fraudulent candidacies." *Bullock v. Carter* 405 U.S. 134, 145 (1971). Surely Congress has an equal interest, if not a duty, to ensure that large sums of public moneys are not expended on the campaigns of such frivolous candidacies.

Several other concerns have been raised in regard to the enactment of comprehensive public financing legislation for Federal elections. These are discussed briefly below.

Strengthening political parties

The Committee was cautioned by several witnesses to examine the relationship between campaign finance legislation and political parties. Your Committee agrees that a vigorous party system is vital to American politics and has given this matter careful study.

Under the Committee bill, parties will retain their essential non-financial responsibilities in electoral politics. More important, the bill retains the role of political parties in private financing for federal candidates.

Public grants will go directly to candidates in the manner Congress has already established for the Presidential Campaign Fund of the 1971 Tax Act. This also reflects the present pattern of private fundraising, since candidates receive the bulk of their contributions directly from the public, rather than from parties.

However, the Committee recognizes that pooling resources from many small contributors is a legitimate function and an integral part of party politics. Accordingly, the bill includes a special provision for private funding by political parties. In a general election, candidates may not accept direct contributions if they accept the full level of public assistance. But they may receive substantial private funding, in addition to the public grant, in the form of expenditures by state and national party committees.

The bill insures that such party assistance actually represents the involvement of many voters and not merely the influence of a wealthy few. It prevents evasion of the individual contribution limits by persons funneling large gifts through party committees; each person's donation to party funds used to assist federal candidates under this special provision must not exceed the maximum amount he could give directly to a candidate.

Thus, parties will play an increased role in building strong coalitions of voters and in keeping candidates responsible to the electorate through the party organization.

In addition, parties will continue to perform crucial functions in the election apart from fundraising, such as registration and voter turnout campaigns, providing speakers, organizing volunteer workers and publicizing issues. Indeed, the combination of substantial public financing with limits on private gifts to candidates will release large sums presently committed to individual campaigns and make them available for donation to the parties, themselves. As a result, our financially hard-pressed parties will have increased resources not only to conduct party-wide election efforts, but also to sustain important party operations in between elections.

Preventing proliferation of splinter parties

The bill also provides a balanced approach to the difficult issues posed by minor parties.

On the one hand, the Committee bill would not stimulate a proliferation of splinter parties or independent candidates. Such a proliferation would undermine the stability provided by a strong two-party system and could polarize voters on the basis of a single volatile issue.

All but fringe candidates would have an incentive to seek a major party nomination, rather than run as a minor party candidate, so as to be eligible for the full level of public assistance in the general election. The bill would thereby have a cohesive effect, encouraging different factions to compete and work out coalitions within the framework of a basic two-party system.

If a candidate's supporters clearly constitute a mere fringe group, with no prospect of appealing to a large mass of voters, then he may choose to run as a minor party candidate. But it is unlikely he would raise many matchable contributions, in the event his party had a primary. And in the general election, he will only be eligible for a grant based on his party's prior voting record.

Fair opportunity for minor parties

At the same time, minor parties with significant support are eligible to receive a fair share of public assistance commensurate with their proven political strength.

Under the bill the subsidy for minor parties would only be a fraction of the amount available to major party nominees, determined by the ratio of the minor party's showing in the previous election to that of the major parties. This formula follows the Presidential election check-off of the 1971 Tax Act.

This smaller subsidy would, however, be offset by two provisions, which serve as safety valves to ensure fair opportunity for minor parties without unduly promoting their proliferation or inducing entry into contests which otherwise would not have been made.

First, minor candidates may raise proportionately more private funds than may a major party nominee receiving greater federal assistance. Therefore, the total amount which each candidate would be permitted to spend would remain equal. Second, if the minor party's tally in the election is better than past performances, the candidate would receive a post-election entitlement increasing his federal grant to reflect the actual level of support indicated at the polls. This supplement could be used to pay outstanding campaign obligations or to reimburse loans and contributions.

Both of these provisions, too, follow the principles established by Congress in the 1971 Tax Act for Presidential election financing.

In short, minor parties will retain their present opportunity—one constitutionally required—to grow into a major political force if their support is widespread and not a transient phenomenon. As the United States Supreme Court has noted, the legitimate interest in preserving the benefits of two major parties does not justify laws which would choke off competition by other parties with potential appeal to the electorate.

The bill complies with this requirement. It does not prevent minor parties from placing candidates on the ballot or from organizing resources to support them. It does not freeze the political status quo. Compare *Williams v. Rhodes* 393 U.S. 23 (1968), with *Jeness v. Fortson* 403 U.S. 431 (1971).

The Supreme Court has recognized and approved reasonable differences in the treatment of major and lesser parties based on their demonstrated relative strength, observing:

"Sometimes the grossest discrimination can lie in treating things that are different as though they were exactly alike. . . ." (*Jeness v. Fortson*, *supra* 403 U.S. at 442.)

The Committee believes the reasonable difference in assistance available to major and minor parties, in conjunction with other provision to provide a fair opportunity for minor parties to demonstrate their strength and to increase it, provide a responsible scheme for public financing of all parties which is constitutional.

Preventing Federal interference with a candidate's campaign

When other arguments fail, opponents of any program to subsidize a private activity vital to the public interest have always raised the specter of "federal control." Predictably, some opponents of campaign reform have followed suit, arguing that public campaign financing will lead to bureaucrats in Washington telling candidates how to run their campaigns.

This objection is unfounded. The bill makes clear that candidates are permitted full flexibility and discretion in their election efforts, subject only to limitation on the dollar amounts of expenditures and contributions.

In the first place, candidates for the Senate or House of Representatives are free to use all or some or none of the public campaign funds to which they are entitled. If a candidate elects to accept less than the full grant to which he is entitled in the general election, he is free to raise privately the difference between the federal aid he does accept and his overall expenditure limit.

Equally important, the Committee has resisted any suggestion that those who accept federal campaign funds be obligated to conduct their campaign in particular ways, or to use the federal moneys for specific purposes that some may think are most useful to the electorate. Whether they qualify for public assistance and accept it, or not, all candidates are free to "do their own thing": to decide how they will conduct their campaign and employ their financial resources.

Since public assistance will be granted in accordance with automatic formulas—on either a matching or cent-per-voter basis—the statute requires uniform treatment and prevents discriminatory funding in favor of any candidate or party. The actual disbursement and audit of public campaign funds would be overseen by the Independent Elections Commission, which itself is subject to judicial review of alleged discrimination.

Public financing will not provide an unfair advantage to incumbent officials

Opponents of comprehensive campaign reform have even suggested that campaign finance legislation would aggravate any inherent advantages which incumbent elected officials now hold over their election opponents. While some schemes involving public financing may be envisaged for which this is true, this is clearly not such a bill.

Indeed, an incumbent concerned with preserving his obvious advantages over nonincumbent challengers might vote against the Committee bill since it will increase the chance of meaningful competition between the candidates.

As indicated above, lower limits on campaign contributions, by themselves, would serve to increase the advantages incumbents presently have in fundraising. However, the bill provides sufficient public funds for both nominees so that this problem is eliminated.

PUBLIC FINANCING PROVISIONS

Primary elections

Title I of the bill affords an equal and fair opportunity to candidates of major, minor, or other parties, to obtain a certain amount of public financing from the Treasury of the United States if they can demonstrate a reasonable amount of support from the electorate in any geographic area in which an election is held and in which they intend to run for nomination for election or for election to Federal office. Any candidate who has a bona fide following who will make contributions to him or his authorized political committees sufficient to meet the base amounts set by the title, is entitled to receive matching payments from the government. Further, those contributions, under the bill, are eligible for matching payments only up to certain limits.

Any candidate who participates in, or who qualifies under State law to participate in, a Presidential Preference Primary and who desires to receive public financing from the Federal Government, must raise a threshold or "earnest money" fund before becoming eligible for the receipt of any public assistance.

The threshold amount is \$250,000. While contributions may be received up to \$3,000—which is the limit allowed by S. 372 on contribu-

tions by individuals or others—only the first \$250 of any such contribution would be counted toward the base or threshold fund required.

The threshold fund would be required to be raised by a Presidential candidate only once—the first primary entered.

While the use of loans in the campaign process is accepted, in accordance with the provisions of existing law, including the disclosure of any loans made to or on behalf of any candidate, the Committee believes that no loan should be counted in determining whether a candidate has raised his threshold amount.

To demonstrate a genuine appeal to the electorate the candidate must raise his threshold from committed gifts, instead of mere loans which could be repaid from public funds after the threshold is raised. If the threshold could be raised from loans, in whole or in part, the spirit of the law would be violated.

Loans have their place and may be used for any other purpose during the entire period of election campaigning except for the raising of the "seed money" or threshold fund required to be raised by each candidate who desires to receive matching Federal funds in primary elections for Federal office.

Once having met the required threshold, the candidate would be eligible to receive an equal or matching amount from the Treasury. And, thereafter, each dollar contribution up to \$250 would qualify the candidate to receive equal matching funds from the government until he reaches the limit set for the amount he may spend in any primary election. That limit, as provided by the bill S. 372, and incorporated in this bill, is 10 cents multiplied by the voting age population of the geographic area in which an election is to be held, *except*, that in the case of Presidential Primary Elections, the limit is doubled for any given State. That is, the Presidential Preference Primary candidate may spend for any primary election in a particular State twice the amount that a candidate running for nomination to the Senate in that State may spend. (See table on page 30.)

The reason for allowing Presidential Preference Primary candidates to exceed the limit set for any particular State, in contrast to the limit set for candidates for the Senate nomination or Representative at Large nomination, is to give an unknown individual the opportunity to compete with one who enjoys a national identity or who is well known in a particular area of the nation.

However, the bill S. 372 set an aggregate or overall limit on the amount which could be spent for the entire nominating process by a candidate seeking nomination to the office of President of the United States, and that overall limit is retained for that purpose in this bill, i.e. 10 cents times the voting age population of the United States for the entire nomination period.

In calculating and auditing expenditures made from contributions received from private donors, every contribution up to and including \$3,000 would be counted for the purpose of determining the total spending limitation. But, for the purpose of determining eligibility to receive public financing, only those private contributions up to \$250 would be counted.

Any candidate who qualifies, under the law of the State in which he seeks nomination, to seek nomination for election for the office of United States Senator, Delegate, Resident Commissioner, or Repre-

sentative from a State having only one Representative must also raise a threshold or earnest-money base fund in order to be eligible to receive Federal matching funds.

Such a candidate would be required to raise an amount equal to the lesser of 20 percent of the maximum amount he may spend in his primary election, or \$125,000. S. 372 set the limitation upon the amount which a candidate for nomination for election to the Senate may spend. It is the amount to be obtained by multiplying 10 cents times the voting age population for the geographic area (the State), but not less than \$125,000. The \$125,000 base was established as a reasonable minimum for expenditures by candidates of those States having small populations.

Therefore, the 20 percent threshold amount would begin with the \$125,000 base and rise to the maximum, but for those States having very large populations, i.e., California, New York, etc., the maximum threshold figure would be \$125,000. So, a candidate for nomination to the Senate would be required to raise an amount not less than 20 percent of the base (\$125,000), or \$25,000, but not more than the maximum for eligibility, or \$125,000. (See table on page 33.)

For the Senate, as for the House of Representatives, only those individual contributions not in excess of \$100 would qualify for public matching funds.

Once having met the threshold, all additional dollar contributions not in excess of \$100 would qualify for matching Federal payments up to the limitation which a candidate for nomination to the Senate may spend in any State.

A candidate for nomination for election to the House of Representatives must raise a threshold amount of \$10,000. The threshold is the same for all candidates seeking nomination for election to the House, except for those running in the States having only one Representative, or in the District of Columbia. The \$100 limit on contributions eligible for matching payments applies as it does for the Senate.

Where separate run-off elections must be held to determine nominees for the Senate or the House of Representatives, the same provisions shall apply.

All candidates seeking nomination for election to the offices of President, Senator, or Representative, have the option of soliciting all private contributions up to the limitation on spending if they so choose, or seeking both private and public matching funds. Total public financing of primary elections is not provided.

General elections

Candidates participating in general election campaigns are treated differently depending upon whether they are the nominees of major or minor parties having previous voting records, or of minor parties having no previous voting records.

A major party is defined as one whose candidates for President and Vice President in the preceding election received at least 25 percent of the total number of popular votes cast in the United States for all candidates for such offices.

A candidate nominated by a major party would be eligible to receive full public funding in his campaign for election up to the limit set by the bill S. 372 (15 cents times the voting age population of the geo-

graphic area in which the election is to be held), as carried over into this public financing bill.

A minor party is defined to mean any political party whose candidates for President and Vice President in the preceding election received at least 5 percent but less than 25 percent of the total number of popular votes cast in the United States for all candidates for such offices.

A candidate nominated by a minor party would be eligible for public funding up to an amount which is in the same ratio as the average number of popular votes cast for all the candidates of the major party bears to the total number of popular votes cast for the candidate of the minor party.

Where only one political party qualifies as a major party, then that party whose candidate for election to a particular office at the preceding general election received the next greatest number of votes (but not less than 15 percent of the total number of votes cast) shall be treated as a major party and entitled to receive full public funding as such for the current election. There are States in which one political party or the candidate of a political party is so popular or dominant as to render, in fact, all other parties minor parties, whether Democratic or Republican. Therefore, this provision will help to ensure the equal entitlement of the Democratic and Republican parties, except in very rare instances where one of those parties would rank third.

The bill also takes into consideration the candidate who ran at the preceding election as a Democrat or Republican and received more than 25 percent of the votes cast and who then runs at the following election as an independent. When such a candidate switches from one party to another he does not carry with him the "track record", i.e. votes cast at the last general election, when he runs under another party label. He would be entitled to payments as an independent only if he receives at least 5 percent of the votes at the current election and his payments would be in reimbursements after the election, not before.

If that candidate runs again as an independent at the succeeding general election, and if he received more than 25 percent of the vote as an independent at the preceding general election, then he would be eligible for full public funding.

If a candidate of a minor party whose candidate for election to a given Federal office at the preceding general election received at least 5 percent of the votes cast for all candidates for that office, he will be entitled to receive public funds on a pro rata basis, and if at the current election that candidate receives more than 5 percent of the total votes cast, then he will be entitled to receive additional payments, as reimbursements to reflect the additional voter support.

In the general election, candidates may choose to receive all private contributions and no public funding, a blend of private and public funding within the limitations on expenditures for general elections as set forth in the bill, or, in the case of major party candidates exclusively public funding.

Post-election payments

Post-election payments are available to candidates in 2 situations.

First, if a minor party candidate or an independent candidate who is entitled to payments before the election in an amount which is less

than the amount payable to the candidate of a major party before the election receives a greater percentage of the votes than the candidate of his party received in the last election (when compared to the average percentage received by a major party candidate in that election), he is entitled to receive an additional amount after the election. For example, if the average percentage of the votes received by a major party candidate in the preceding election was 30 percent and the minor party candidate received 15 percent of the votes in that election, the candidate of the minor party in the current election is entitled to a pre-election payment of half the amount to which a major party candidate is entitled. If the minor party candidate in the current election receives 40 percent of the vote and the average percentage received by the major party candidates is still 30 percent, the minor party candidate is entitled to a post-election payment equal to the amount of the pre-election payment to which the major party candidates were each entitled, reduced by the amount of any payments he received before the election and the amount of any contributions he received for use in his campaign. If his pre-election payment and his contributions, added together, equal the spending limitation for that race the amount of his post-election payment is zero. If the sum of his pre-election payment and the contributions equals 90 percent of the spending limitation, his post-election payment is 10 percent of the spending limitation.

Second, a candidate who is not the nominee of a major or minor party and who did not receive more than 5 percent of the votes in the most recent general election for the same office, is not entitled to receive any pre-election payments. If he takes the same steps before the election to become eligible for payments that other candidates must take in order to receive pre-election payments, then, if he receives 5 percent or more of the votes in the current election he is entitled to a payment after the election which bears the same ratio to the maximum payment (equal to the spending limitation) as the number of votes he receives bears to the average number of votes a major party candidate receives. The post-election payment is reduced by the amount of contributions he receives for use in his campaign.

The rules under which the post-election payment may be used are basically these:

- (1) The candidate cannot incur campaign expenditures in excess of the amount of his limitation under proposed section 504. The limitation there is the same as the limitation that would apply if he were receiving pre-election public financing of his campaign.
- (2) The post-election payment may be used only to pay outstanding campaign debts.
- (3) The candidate is regarded as having no outstanding campaign debts until he has spent all the amounts he received as contributions.
- (4) Any part of the post-election payment which is left after paying his campaign debts must be returned to the Treasury for deposit back into the fund.

SOURCE OF PUBLIC FUNDING

Appropriations may be made by the Congress based on the amounts taxpayers have designated for the fund under the checkoff system.

Authority is provided for the appropriation of additional amounts if necessary.

The Internal Revenue Code of 1954 is amended to provide for the automatic designation of \$2 of income tax liability of every individual whose income tax liability is \$2 or more for the taxable year to the Federal Election Campaign Fund, unless the individual elects not to make such a designation. In the case of a joint return of a husband and wife having an income tax liability of \$4 or more, each spouse is considered to have designated that \$2 shall be paid over to the fund unless he elects not to make such a designation.

If the taxpayer designations of \$2 per individual of tax liability result in a sufficient total fund to meet the requirements of all candidates entitled to receive public financing, then the Congress may appropriate that amount for distribution by the Secretary of the Treasury. If the amounts of designated tax payments to the fund do not result in a sufficient total amount to fulfill the entitlements of all qualified candidates, then the Congress may appropriate such additional sums as may be necessary to make up any deficit.

In the event that insufficient funds are available to meet the entitlements of candidates, and the Congress had not acted to appropriate amounts necessary to meet the entitlements of candidates, then such candidates may receive private contributions.

Any private contribution received would be limited to the ceilings established by the bill upon contributions from individuals or political committees and subject further to the amount of public financing, if any, that the candidate is entitled or elects to receive.

ADDITIONAL TAX INCENTIVES

The Internal Revenue Code would be amended so as to allow an individual who has made a political contribution to a candidate or political committee or political party during a calendar year to claim in his tax return for that year a tax credit or a tax deduction.

The tax credit is limited to one half of the amount of the contribution made and to \$25 per individual, or \$50 on a joint return.

The tax deduction is limited to \$100 per individual.

Thus these tax incentives would double the provisions set forth in the existing law as they were enacted in the Revenue Act of 1971.

ROLE OF POLITICAL PARTIES

Emphasis in this bill is placed upon candidates. But, to preserve the place of political parties in the elective process the bill provides that the National Committee of a political party may spend for political purposes an amount not in excess of the amount to be obtained by multiplying 2 cents by the voting age population of the United States.

A State Committee of a political party may spend an amount to be obtained by multiplying 2 cents by the voting age population of the State in which it functions.

CAMPAIGN REFORM

Title II of the bill contains in part the text of S. 372 (the Federal Election Campaign Act of 1973) which was passed by the Senate on July 30, 1973.

The Committee amendments to S. 372 do not affect any of the substantive provisions relating to limitations upon contributions or limitations upon expenditures in primary or general elections. The amendments, instead, are intended to remove from the text only those matters which were considered nonessential or which duplicated other provisions of the bill, or which were changed by subsequent action of the Congress. For example, the section prohibiting mass mailing of newsletters, etc., within 60 days prior to the date of any election, was made unnecessary by the enactment of Public Law 93-191, December 18, 1973, regulating the use of the frank.

Title II, in general contains provisions—
relating to political broadcasting, and
revising title III of the Federal Election Campaign Act of 1971 (relating to reporting and disclosure).

POLITICAL BROADCASTING

The bill includes also the provisions of S. 372 which repeal the Campaign Communications Act, imposing limitations on amounts spent by candidates for Federal office for the use of broadcast and printed media in their campaigns. It also amends the Communications Act of 1934—

(1) to remove Federal candidates from the equal time requirements of section 315 of that Act.

(2) to require broadcasters to demand a certification by any Federal candidate, before charging him for broadcast time, indicating that the payment of charges for that time will not exceed his expenditure limit under title 18, United States Code, and to apply this provision to State and local candidates wherever similar limits are imposed on them by State law; and

(3) to require broadcasters to make certain announcements and keep certain records in connection with political broadcasts.

REPORTING AND DISCLOSURE

Title II of the bill is concerned with a general revision of title III of the Federal Election Campaign Act of 1971 (relating to the disclosure of Federal campaign funds).

The bill establishes an independent Federal Election Commission within the executive branch to enforce the reporting and disclosure requirements of the 1971 Act and to enforce certain provisions of chapter 29 of title 18, United States Code (relating to crimes related to political activity). The Commission is given broad powers of enforcement, including the power to make presentations to Federal grand juries and to prosecute criminal cases.

In addition to a number of changes in the details of the reporting and disclosure requirements of the 1971 Act, Title II—

(1) requires a candidate for Federal office to designate a central campaign committee to serve as his central reporting and disclosure agent, and to designate campaign depositories into which all contributions and any public financing payments must be deposited and out of which all campaign expenditures (other than petty cash) must be made;

(2) increases penalties for violations of reporting and disclosure requirements to a maximum of \$100,000 and five years imprisonment for a knowing violation;

(3) requires that no expenditure in excess of \$1,000 can be made in connection with a Presidential campaign unless that expenditure has been approved by the Chairman of the national committee of the political party or his delegate; and

(4) provides that excess campaign contributions may be used by a person elected to Federal office to defray expenses incurred in connection with that office or as a contribution to a charity.

CRIMINAL CODE AMENDMENTS

Chapter 29 of title 18, United States Code (relating to political activities), is amended by Title II of the bill—

(1) to make certain minor changes in the definitions of "election", "political committee", "contribution", and "expenditure";

(2) to revise the provisions of section 608 (relating to limitations on contributions and expenditures by a Federal candidate from his own funds and his family's funds) by making the dollar limitations applicable to total campaign expenditures during a calendar year, requiring loans or advances by the candidate or his family to be evidenced by a written instrument, including only the outstanding balances of such loans or advances in the computation of the limitation, and increasing the penalty for violations to a maximum of \$25,000 fine and five years imprisonment;

(3) to amend section 611 (relating to contributions by Government contractors) to permit Government contractors to maintain separate segregated funds for voluntary contributions in the same manner as a non-Government corporate contractor may;

(4) to limit Federal campaign expenditures to the limits established for candidates who elect to receive public financing, i.e.—

(A) in the case of primary election campaigns, the greater of—

(i) 10 cents multiplied by the voting age population of the State or Congressional district, or

(ii) \$125,000 (in the case of a candidate for Senator, Resident Commissioner, Delegate, or sole Representative), or \$90,000 (in the case of a candidate for Representative from a State entitled to 2 or more Representatives);

(B) in the case of general election campaigns, the greater of—

(i) 15 cents multiplied by the appropriate voting age population, or

(ii) \$175,000 (in the case of a candidate for Senator, Resident Commissioner, Delegate, or sole Representative), or \$90,000 (in the case of a candidate for Representative from a State entitled to 2 or more Representatives); and

(C) in the case of a candidate for nomination as a Presidential candidate, or for election as President, the amount allowable in each State in which he campaigns is twice the

amount which would be allowable to a candidate for nomination for election to the Senate from that State subject to an overall limitation for expenditures throughout the United States of 10 cents multiplied by the voting age;

(5) to limit political contributions by individuals to Federal candidates to a yearly maximum of—

(A) \$3,000 for each primary and general election campaign of any particular candidate, and

(B) \$25,000, in the aggregate, for all contributions to Federal candidates and to political committees that support them;

(6) to limit independent political expenditures by anyone (other than the national committee or State committee of a political party, or one of the Congressional campaign committees) to \$1,000 per year for each candidate;

(7) to limit general election expenditures by a political party to 2 cents multiplied by the voting age population of the United States, in the case of a national committee of a political party, or in the State, in the case of a State committee.

(8) to prohibit contributions in excess of \$100 other than by a written instrument identifying the contributor; and

(9) to prohibit the embezzlement or conversion of political contributions.

LIMITS ON "INDEPENDENT EXPENDITURES"

The bill retains the limits on independent expenditures already adopted by the Senate in S. 372. The Committee finds these limits are both necessary and constitutional. "Independent expenditures" refer to sums expended on behalf of a candidate without his authorization, as distinct from contributions of money, goods or services put at the disposal of his campaign organization.

For example, a person might purchase billboard advertisements endorsing a candidate. If he does so completely on his own, and not at the request or suggestion of the candidate or his agent's that would constitute an "independent expenditure on behalf of a candidate" under section 614(c) of the bill. The person making the expenditure would have to report it as such.

However, if the advertisement was placed in cooperation with the candidate's campaign organization, then the amount would constitute a gift by the supporter and an expenditure by the candidate—just as if there had been a direct contribution enabling the candidate to place the advertisement, himself. It would be so reported by both.

While independent expenditures pose a difficult question, it should be emphasized that *the need to control them does not arise from public financing*. Whether campaigns are funded privately or publicly such controls are imperative if Congress is to enact meaningful limits on direct contributions. Otherwise, wealthy individuals limited to a \$3,000 direct contribution could also purchase one hundred thousand dollars' worth of advertisements for a favored candidate. Such a loophole would render direct contribution limits virtually meaningless.

Admittedly, expenditures made directly by an individual to urge support of a candidate pose First Amendment issues more vividly than

do financial contributions to a campaign fund. Nevertheless, to prohibit a \$60,000 direct contribution to be used for a TV spot commercial but then to permit the would-be contributor to purchase the time himself, and place a commercial endorsing the candidate, would exalt constitutional form over substance. Your Committee does not believe the First Amendment requires such a wooden construction.

If Congress may, consistent with the First Amendment, limit contributions to preserve the integrity of the electoral process, then it also can constitutionally limit independent expenditures in order to make the contribution limits effective.

At the same time, the bill avoids some of the constitutional issues in this area encountered by previous legislation. The 1971 Federal Election Campaign Act deals with such independent efforts by requiring candidate approval before the media may accept advertisements from any source which promote his candidacy. See *ACLU v. Jennings*, CA. No. 1967-72 (Three-judge court, D.C. Dist. Col.) In contrast, the Committee bill does not require this candidate "sign off." Nor does it include unauthorized expenditures in the total spending limit imposed on the candidate.

Limiting the amount of independent expenditure someone may make in support of a candidate, *but not counting* such amounts for purposes of the overall spending limit of the candidate, is the best compromise of competing interests in free speech and effective campaign regulation.

It controls undue influence by a group or individual. Yet it avoids the dilemma of either giving candidates a veto over such independent expression or subjecting the candidate to the independent decisions of his supporters, even if he prefers using his permitted expenditure in other ways.

Thus, the bill preserves to everyone some right of political expression, which they can undertake *regardless* of whether the candidate has already used up his permitted expenditures *and regardless* of whether the expression they wish to make on the candidate's behalf "fits in" with his campaign plan.

Finally, your Committee has been careful to preserve inviolate every citizen's ability to communicate to anyone his views on political issues. Expenditures made by a person or group to communicate such views, if the communication does not advocate specific candidates, count neither as direct contributions, nor as independent expenditures on behalf of a candidate.

EXAMPLES OF THE APPLICATION OF THE PUBLIC FINANCING PROVISIONS TO FEDERAL ELECTIONS

There are elections which do not present the conventional situation of a choice between 2 major party candidates. It is also true that, from time to time, a candidate changes his political party affiliation. The following examples illustrate the application of the provisions of the bill to such elections and candidates.

Example No. 1

In a 1984 election for the Senate, Mr. Apple is the candidate of political party A, political party B, and political party C. His opponent, Mr. Orange, is the candidate of political party D. When the

votes are counted, Mr. Apple has received 55 percent of the total number of votes. He received 20 percent of the vote as the candidate of party A, 20 percent of the vote as the candidate of party B, and 15 percent of the vote as the candidate of party C. Mr. Orange, as the candidate of party D, received 45 percent of the vote.

In the 1990 contest for Mr. Apple's seat, parties A, B, and D are treated as major parties. (Under section 501(8) of the proposed new title of the Federal Election Campaign Act of 1971, a major party is a political party whose candidate received, as the candidate of that party, 25 percent or more of the votes cast in the most recent election for the same office. However, if only one party qualifies as a major party under that rule, any political party whose candidate received the second highest number of votes in that election is also treated as a major party if he received at least 15 percent of the votes.) In this example Apple received 20 percent of the vote as the candidate of party A. Since the candidate of party A did not receive 25 percent or more of the votes, party A will be treated in the 1990 election as a major party only because its candidate received the second highest number of votes in the 1984 election, and because he received more than 15 percent of the votes. Mr. Apple also received 20 percent of the votes as the candidate of party B, so that party will also be treated as a major party in the 1990 election. Party D is a major party in the 1990 election because its candidate in 1984, Mr. Orange, received more than 25 percent of the votes. Party C is a minor party in the 1990 election because its candidate, in 1984, Mr. Apple, neither received more than 25 percent of the vote as the candidate of that party nor the second highest number of votes as the candidates of that party.

The provisions of the bill apply to the 1990 contest for Mr. Apple's seat in the following ways:

VARIATION A

Mr. Apple is again the nominee of party A, party B, and party C. Since party A and party B are each treated as a major party, their candidates are entitled to payments equal in amount to the spending limitation (assume the applicable limitation is \$200,000). The candidate of party C in 1990 is entitled to a payment which bears the same ratio to the amount a major party candidate may receive (\$200,000) as the number of votes received by the candidate of that party in the preceding general election bears to the average number of votes received by a major party candidate in that election. Mr. Apple, as the candidate of party C in 1984, received 15 percent of the votes and the average number of votes received by the candidates of party A, party B, and Party D was 28.3 percent of the total. The party C candidate in 1984 is entitled to approximately fifteen twenty-eighths of \$200,000, which equals about \$107,175. Although Mr. Apple is the candidate of party A, party B, party C in 1990, he is not entitled to a combined payment of \$507,175. The provisions of proposed section 503(c) limit the amount of the maximum payment any candidate can receive to the amount he can spend. Mr. Apple's spending limit is \$200,000, so he would receive payments totaling \$200,000. Whether he would receive the full amount as the candidate of party A (or of party B) and nothing as the candidate of the other 2 parties, or whether he would

receive part of the amount as the candidate of each party would depend upon the circumstances under which he certified his candidacy and upon the arrangements he made with each party.

Since Mr. Orange, as the candidate of party D, received 45 percent of the votes in the 1984 contest, the candidate of party D in the 1990 contest is entitled to receive a payment of \$200,000 as the candidate of a major party.

VARIATION B

Mr. Apple decides not to seek re-election. For the reasons set forth above, the candidates of parties A, B, and D would each be entitled to receive payments under the proposed new title of \$200,000 each for use in the 1990 general election campaign. The candidate of party C would be entitled to receive \$107,175.

VARIATION C

Mr. Apple decides to seek re-election only as the candidate of party A. Mr. Apple is entitled to a payment of \$200,000, the candidates of parties B and D are each entitled to receive a payment of \$200,000, and the candidate of party C is entitled to a payment of \$107,175.

VARIATION D

Regardless of what Mr. Apple does, Mr. Orange decides to try again for the seat, but this time he chooses to run as an independent candidate rather than as the candidate of party D. Mr. Orange is not entitled to receive one penny in public funds until after the election is over. If he receives more than 5 percent of the votes cast, then he is entitled to receive payments in reimbursement of his campaign expenses based on the percentage of votes he receives as compared to the average number of votes received by major party candidates in that election.

Example No. 2

In a 1984 election for the House the candidate of political party A is an individual who has been elected to the House from that district for over 80 years, so party B doesn't bother to nominate a candidate. The incumbent retires before his term is up and a special election is called for 1985. In the special election, the new candidate of party A is entitled to a payment equal to his expenditure limitation. Assume that the applicable limitation is \$100,000. Party B nominates a candidate, but, since the party had no candidate in the preceding general election for the office, he is not entitled to any payment before the election. In the 1985 election, the candidate of party A receives 45 percent of the votes; the candidate of party B receives 55 percent of the votes. The candidate of party B is then entitled to a payment after the election which bears the same ratio to the pre-election payment made to the candidate of party A as the number of votes received by the candidate of party B bears to the number of votes received by the candidate of party A. Since the candidate of party B received more votes than the candidate of party A, his post-election payment is equal to the pre-election payment received by the candidate of party A (it does not exceed that payment because of the application of the limitation in proposed section 503(c)).

Example No. 3

In the 1984 election mentioned in example number 2, party B decides that the incumbent is to be their nominee as well. Sixty-five percent of the votes he receives come from the members of party A and the remaining 35 percent come from the members of party B. In the special election of 1985, both party A and party B are major parties because their candidate in 1984, the now retired incumbent, received more than 25 percent of the vote in the preceding general election as the candidate of each party. The candidate of party A and the candidate of party B in the 1985 election are each entitled to a pre-election payment of \$100,000.

Presidential general elections

The Committee bill makes no basic change in existing law in the application of the dollar checkoff to the entitlement of candidates to public funds in Presidential elections.

In general, a candidate qualifies for full public funding if he is the candidate of a "major" party—a party that received 25 percent or more of the popular votes cast in the preceding election. He qualifies for partial public funding if he is the candidate of a "minor" party—a party that received 5 percent or more, but less than 25 percent, of the popular votes cast in the preceding election; the amount of public funds for a minor party candidate is based on the proportion of the popular vote he received in the preceding election.

In addition, a candidate may also qualify for public funds retroactively, on the basis of his showing in the current election. In such a case, a candidate who receives public funds after the election may use the funds to reimburse private contributors.

In the 1972 Presidential election, President Nixon received 60.2 percent of the vote as the candidate of the Republican Party. Senator McGovern received 37.2 percent of the vote as the candidate of the Democratic Party. Representative Schmitz received 1.3 percent of the vote as the candidate of the American Independent Party or under other party designations.

In 1976 the Republican Party and the Democratic Party qualify as major parties on the basis of the 1972 election, and their candidates will be entitled to full public funding. Since no other party qualifies as a major or minor party on the basis of the 1972 election, no other candidates will be entitled to public funds in advance of the 1976 election. However, if a candidate of a third party runs in 1976 and receives more than 5 percent of the vote, he will qualify retroactively for public funds, based on his showing in the 1976 election.

The application of the public financing provision to Presidential elections is also illustrated by the following section, showing its application to Senate elections.

Senate elections

Some of the following examples are adapted from actual Senate elections in recent years. Most of the examples are designed to illustrate the application of the dollar checkoff to Senate elections involving relatively unusual situations. The dollar checkoff, already appli-

cable to Presidential general elections under existing law, was enacted in 1971 with close attention to its impact on potential third party presidential candidacies. As the examples demonstrate, the formula in existing law for Presidential elections is easily applied to Senate elections, as provided by the Committee bill.

Typically, however, minor party candidates have not been a significant factor in the vast majority of recent Senate elections.

In the past three Congressional election years, there have been a total of 103 Senate elections. In 42 of these elections—14 of the 34 races in 1972, 12 of the 35 races in 1970, and 16 of the 34 races in 1968—only two candidates were entered—Democratic and Republican. In the other 61 races, additional candidates representing some 30 other parties were also on the ballot in those years in various states. But, in those 61 races, there were only seven races in which the third candidate received more than 5 percent of the vote—Louisiana in 1972; Connecticut and New York in 1970; and Alabama, Alaska, Maryland and New York in 1968. In those seven races—seven out of 103 races in all—the third candidate would have qualified for partial public funding as a "minor" party candidate in the following election. In none of those seven races did the third candidate receive more than 25 percent of the vote; therefore, no third candidate would have qualified as a "major" party candidate entitled to full public funding in the following election.

The examples follow:

1. In the 1968 Senate election, Candidate A of the Democratic Party defeated Candidate B of the Republican Party by 50 percent to 48 percent, and Candidate C of Party X received 2 percent of the vote.

When the Senate seat is up again in 1974, the Democratic Party and the Republican Party are "major" parties. Their candidates are each entitled to public funds in the amount of 15 cents per vote, based on the voting age population of the State. Since Candidate C failed to reach the 5 percent cutoff in the 1968 election, Party X does not qualify for public funds in 1974.

2. Same as example (1) for 1968. In the 1974 election, Candidate A of the Democratic Party defeats Candidate B of the Republican Party by 46 percent to 44 percent, and Candidate D of Party X receives 10 percent of the vote.

Candidate D qualifies as a "minor" party candidate on the basis of his showing in the current election (1974), since he received more than 5 percent of the vote. He is therefore entitled to public funds on a retroactive reimbursement basis, even though he did not qualify for public funds in advance of the election because Party X failed to receive 5 percent of the vote in 1968. Candidate D would be entitled to 10/45 or 22 percent of the amount of public funds given to each major party candidate, A and B. The amount is based on Candidate D's proportional share of the average vote of the two major party candidates, and is calculated as follows: $10\% \div (46\% + 44\%) / 2 = 10/45 = 22\%$. Candidate C may use these public funds to reimburse private contributors to his campaign in 1974.

3. In 1968, Candidate A of the Republican Party defeated Candidate B of the Democratic Party by 46 percent to 44 percent, and Candidate C of Party X won 10 percent of the vote.

In 1974, the candidates of the Democratic Party and the Republican Party are "major" party candidates and qualify for full public funds (15 cents per vote). The candidate of Party X is a "minor" party candidate and qualifies for partial public funds in 1974, in the amount of 22 percent of the entitlement of each major party candidate.

4. In the 1974 Senate election, Candidate A of the Democratic Party defeats Candidate B of the Republican Party by 46 percent to 44 percent. Candidate C runs as an Independent and receives 10 percent of the vote.

Candidate C qualifies retroactively for public funds on the same basis as if he were the candidate of a party. He receives 22 percent of the amount of public funds given to each major party candidate.

5. A received 4 percent of the vote as the candidate of Party X and 3 percent of the vote as the candidate of Party Y in 1968.

In 1974, A qualifies for public funds as a minor party candidate. His entitlement to public funds is based on 7 percent of the 1968 vote, since the bill permits a candidate to accumulate his votes from the preceding election, if he received 5 percent or more but less than 25 percent of the votes in that election.

6. In the 1968 election, Candidate A of the Democratic Party defeated Candidate B of the Republican Party by 54 percent to 37 percent. In the 1974 election, Senator A runs as an Independent, B runs as an Independent, C runs as the Candidate of the Republican Party, and D runs as the candidate of the Democratic Party. (Based on a recent Virginia Senate election.)

Candidate C of the Republican Party and Candidate D of the Democratic Party are each entitled to full public funding in 1974, since they are candidates of a major party on the basis of the 1968 election. Senator A is also entitled to full public funding, based on his own showing as a winning major party candidate in 1974. B does not qualify for public funds, since the Committee bill does not offer public funds to an independent candidate who was a defeated major party candidate in the preceding election.

7. Senator A ran as an Independent in 1968 and won the election with 54 percent of the vote. The candidate of the Democratic Party received 31 percent of the vote and the candidate of the Republican Party received 15 percent of the vote. (Based on a recent Virginia Senate election.)

If Senator A runs again as an Independent in 1974, he is entitled to full public funds (15 cents per vote), based on his 1968 showing as an Independent. The candidate of the Democratic Party in 1974 is also entitled to full public funds, because Party A qualifies as a "major" party on the basis of its 1968 showing. However, the candidate of the Republican Party in 1974 will qualify only for partial public funds, since it is a "minor" party based on its 1968 showing, even though it was a "major" party based on the 1962 election. In 1974, the Republican candidate is entitled to $15/(54+31)/2$, or 35% of the amount given to Senator A and to the Democratic candidate.

If the Republican candidate receives more than 25 percent of the vote in 1974 he qualifies retroactively as a "major" party candidate and is entitled to full public funds.

8. In 1968, candidate A of the Republican Party defeated Independent Candidate B by 50.7 percent to 49.3 percent, and there was no

candidate of the Democratic Party (adapted from the Virginia Governor's election in 1973).

If Candidate B runs again as an Independent in 1974, he is entitled to full public funds. Senator A of the Republican Party will also be entitled to full public funds. If there is a candidate of the Democratic Party, he will not qualify for public funds unless he does so retroactively on the basis of his showing in the 1974 election. If Candidate B runs as the candidate of the Democratic Party in 1974, he qualifies for full public funds—not because he is the Democratic Candidate, but because of his personal showing as an Independent in 1968.

9. In 1968, Candidate A of the Democratic Party defeated Candidate B of the Republican Party by 78 percent to 22 percent (based on a recent West Virginia Senate election).

In 1974 since the Democratic Party is the only "major" party on the basis of the 1968 results, the Republican Party will also qualify as a "major" party under the bill. It is the party with the next highest showing in the preceding election, even though its candidate in 1968 won less than 25 percent of the vote and would not ordinarily qualify as a "major" party.

10. In 1968, Candidate A defeated Candidate B by 60 percent to 40 percent. Candidate A received 45 percent of his vote as the candidate of the Democratic Party, and 15 percent of his vote as the candidate of the Liberal Party. Candidate B received 26 percent of his vote as the candidate of the Republican Party, and 14 percent of his vote as the candidate of the Conservative Party. (Adapted from recent New York Senate elections.)

In 1974, the Democratic and Republican candidates qualify as "major" party candidates. The candidates of the Liberal and Conservative Parties each qualify as "minor" party candidates. In addition, if B runs as the Conservative Party candidate, but not as the Republican Party Candidate, in 1974, he qualifies only as a "minor" party candidate, because the bill does not allow a defeated major party candidate to run as a minor party candidate in the next election and carry over his status as a major party candidate.

9. In 1968, Candidate A of the Democratic Party won the election with 55% of the vote. Candidate B of the Republican Party won 19% of the vote and Independent Candidate C won 23% of the vote. (Based on a recent Louisiana Senate election.)

In 1974, since the Democratic Party is the only "major" party on the basis of the 1968 results, the bill, as noted in example (9), operates to allow the Republican Party to qualify as a "major" party, even though it received less than 25% of the vote in 1968, and even though Independent Candidate C made a better showing in 1968. If Candidate C runs again as an Independent in 1974, he qualifies for partial public funds as a "minor" party candidate. But the bill does not benefit an Independent by allowing him to receive full public funding as if he were a major party candidate. As example (7) makes clear, if both an Independent candidate and the Democratic Party candidate qualify for full public funds on the basis of the preceding election, the bill does not operate to allow the Republican candidate to qualify for full public funds. In other words, the bill does not operate to create full public funding for a third candidate, where two candidates already qualify for full public funds on the basis of their showing in the preceding election.

Illustrative examples of public financing under Senate Rules Committee print No. 4, as revised

(Supplied by the General Accounting Office)

1. *1976 Presidential Primary Elections.*—Assume four Democrats and four Republicans raise a campaign fund of at least \$250,000 each from contributions of not more than \$250 each. Each candidate would be entitled to matching funds of \$250,000, plus one dollar for each additional dollar of qualifying contributions (under \$250) raised. In each primary election or convention to select national convention delegates, each candidate could spend up to twice the amount permitted a Senate primary candidate. For example, in the 1976 Wisconsin presidential primary each candidate could spend up to 20¢ times voting age population (\$606,600 based on current population) and could receive up to one-half of that amount in public funds.

2. *1976 Presidential General Election.*—Both the Democratic and the Republican candidates represent a major party (over 25% of the popular vote in 1972). Both are entitled to optional full public financing up to the spending limit of 15 cents times voting age population (\$21,250,000 based on current population). The spending limit applies to all candidates whether or not they choose public financing. No other candidate is qualified for public funds based on 1972 results, but if another candidate receives over 5% of the 1976 vote, he would be entitled after the election to a proportionate share to reimburse campaign expenditures.

Assume the two major party candidates receive 41 percent and 39 percent of the 1976 popular vote, respectively, and assume Candidate C of the National Party receives 10 percent. Candidate C will be entitled to a post-election payment based on the ratio of his vote to the average of the major parties' vote; i.e. 10/40 of \$21,250,000. Candidate C would receive up to \$5,312,500. In the 1980 general election for President, the Democrats and Republicans would be major parties and the National Party would be a minor party whose candidate is entitled to pre-election payments in the same ratio. If Candidate C runs as an independent in 1980, he would also be entitled to payments based on the votes he received in 1976.

3. *Senate Primary Election.*—Candidate A is opposed in the primary by Candidate B and both raise the required threshold campaign fund from contributions of \$100 or less. Each candidate is entitled to matching funds on a dollar for dollar basis. If either candidate doesn't raise the minimum amount from private sources, he will not receive any public funds.

4. *Senate Nominating Convention.*—Same result as in preceding example because the term "primary election" in the bill includes a convention or caucus of a political party held to nominate a candidate.

5. *Senate General Election.*—Assume Candidates A and B are nominated by the major parties and Candidate C represents a minor party; and the voting age population of the state is 4 million. Candidates A and B are each entitled to \$600,000 (15¢ times voting age population) for their general election campaign. If the minor party received 1/3 of the average vote of the major parties in the preceding election, Candidate C is entitled to \$200,000.

6. *House Primary Election.*—In a congressional district in a multi-district state, four candidates for major party nomination qualify for matching funds by raising more than \$10,000 in contributions of \$100 or less. Each is entitled to spend up to \$90,000 and is entitled to matching funds for each dollar raised.

7. *House General Election.*—The nominated candidate of a major party is entitled to full public payment of \$90,000 in the general election. If the State has only one district, the primary limit is increased to \$125,000 and the general election limit is increased to \$175,000.

COST ESTIMATES PURSUANT TO SECTION 252(a) OF THE LEGISLATIVE REORGANIZATION ACT OF 1970

Section 252(a) of the Legislative Reorganization Act of 1970 requires that any committee reporting a bill of a public character shall include in its accompanying report an estimate of the costs which would be incurred in effecting such legislation, or a statement of the reasons compliance with this requirement is impracticable.

Accordingly, the Committee on Rules and Administration estimates the annual cost to the United States Government to an average of \$89,391,693. This average estimate is based upon the supposition that all seats in the House of Representatives will be contested every two years; that one third of all Senate seats will be contested every two years; and that, of course, there will be a quadrennial election for President and Vice President. The costs are predicated upon total estimated public funds paid to eligible candidates for nomination for election, or election to Federal office.

The Committee is not aware of any estimates of costs made by any Federal agency which are different from those made by the committee.

COST ESTIMATES

President (every 4 years) :	<i>4-year total</i>
Primary elections, not including State conventions (21 States) ..	\$42, 010, 800
General	47, 218, 194
Total, President	<u>89, 228, 994</u>
Senate (33 campaigns every 2 years) :	
Primary (33 States) including conventions	10, 170, 900
General (33 States)	23, 929, 900
Total, Senate	<u>34, 100, 800</u>
Multiplied by 2	<u>68, 201, 600</u>
House (every 2 years) :	
Primary (435 seats) including conventions	31, 245, 100
General (435 seats)	69, 062, 888
Total, House	<u>100, 307, 988</u>
Multiplied by 2	<u>200, 615, 976</u>
Total, 4-year cost	<u>358, 046, 570</u>
Average annual cost	89, 511, 643

ADDITIONAL COST ESTIMATES

The Internal Revenue Service furnished the following information, based upon 1971 figures, demonstrating the cost to the government if

all taxpayers were to designate one dollar of tax liability to the Presidential Campaign fund:

Total returns joint.....\$42, 770, 000
Total individual returns..... 31, 830, 000

Total returns..... 74, 600, 000

If all returns, individual and joint, should take full advantage of the *one dollar check off* the total cost would be \$117,370,000.

If, all returns should take full advantage of a *two dollar check off* the cost would be \$234,740,000.

RESULTS OF DOLLAR CHECKOFF

	Returns using checkoff for 1973			Total returns filed
	Number	Percent	Amount	
1973 returns filed in 1974:				
Through Jan. 18.....	43, 198	10. 7	\$60, 066	-----
Week of:				
Jan. 25.....	120, 202	14. 0	171, 984	-----
Feb. 1.....	251, 312	14. 7	365, 777	-----
Feb. 8.....	396, 287	14. 3	585, 519	-----
Feb. 15.....	553, 806	14. 1	820, 986	-----
Cumulative:				
Jan. 25.....	163, 400	13. 0	232, 050	-----
Feb. 1.....	414, 712	14. 0	597, 827	-----
Feb. 8.....	810, 999	14. 1	1, 183, 346	15, 940, 000
Feb. 15.....	1, 364, 805	14. 1	2, 004, 332	23, 492, 000
	Returns using checkoff for 1972			Total returns filed
	Number	Percent	Amount	
1973 returns filed in 1974:				
Through Jan. 18.....	21, 580	5. 3	\$30, 461	-----
Week of:				
Jan. 25.....	59, 360	6. 9	85, 998	-----
Feb. 1.....	120, 088	7. 0	177, 418	-----
Feb. 8.....	186, 534	6. 7	280, 093	-----
Feb. 15.....	258, 172	6. 6	390, 459	-----
Cumulative:				
Jan. 25.....	80, 940	6. 4	116, 459	-----
Feb. 1.....	201, 028	6. 8	293, 877	-----
Feb. 8.....	387, 562	6. 8	573, 970	-----
Feb. 15.....	645, 734	6. 7	964, 429	-----

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON INTERNAL REVENUE TAXATION
LONGWORTH HOUSE OFFICE BUILDING,
Washington, D.C., February 21, 1974.

MR. JAMES H. DUFFY,
Chief Counsel, Subcommittee on Privileges and Elections, Rules and Administration Committee, U.S. Senate, Washington, D.C.

DEAR MR. DUFFY: This is in reference to your telephone request of February 20 for the estimated decrease in Federal individual income tax liability which would result from doubling from \$50 (\$100 for joint returns) to \$100 (\$200 for joint returns) the maximum deduction for political contributions and doubling from \$12.50 (\$25 for joint returns) to \$25 (\$50 for joint returns) the maximum tax credit for political contributions.

Based on estimated 1972 levels of political contributions under the proposal as derived from the levels of contributions reflected in tax returns filed for 1972, we estimate that the proposed doubling of the maximum deduction and the maximum credit would decrease Federal individual income tax liability by about \$26 million of which \$15 million is ascribable to the doubling of the maximum deduction and \$11 million is ascribable to the doubling of the maximum credit.

Sincerely yours,

LAURENCE N. WOODWORTH.

SENATE CAMPAIGN FUND LIMITATIONS UNDER RULES COMMITTEE BILL

State	1973 voting age population (VAP) for 1974 elections	Primary threshold matching fund ¹	Primary spending limit—10 cents times VAP or \$125, 000	General spending limit—15 cents times VAP or \$175, 000
Alabama.....	2, 338, 000	\$46, 760	\$233, 800	\$350, 700
Alaska.....	200, 000	25, 000	125, 000	175, 000
Arizona.....	1, 345, 000	26, 900	134, 500	201, 750
Arkansas.....	1, 374, 000	27, 480	137, 400	206, 100
California.....	14, 143, 000	125, 000	1, 414, 300	2, 121, 450
Colorado.....	1, 631, 000	32, 620	163, 100	244, 650
Connecticut.....	2, 101, 000	42, 020	210, 000	315, 000
Delaware.....	382, 000	25, 000	125, 000	175, 000
Florida.....	5, 427, 000	108, 540	542, 700	814, 050
Georgia.....	3, 140, 000	62, 800	314, 000	471, 000
Hawaii.....	549, 000	25, 000	125, 000	175, 000
Idaho.....	501, 000	25, 000	125, 000	175, 000
Illinois.....	7, 558, 000	125, 000	1, 335, 200	1, 935, 200
Indiana.....	3, 550, 000	70, 600	353, 000	529, 500
Iowa.....	1, 957, 000	39, 140	195, 700	293, 550
Kansas.....	1, 570, 000	31, 400	157, 000	235, 500
Kentucky.....	2, 235, 000	44, 700	223, 500	335, 250
Louisiana.....	2, 399, 000	47, 980	239, 900	359, 850
Maine.....	689, 000	25, 000	125, 000	175, 000
Maryland.....	2, 720, 000	54, 400	272, 000	408, 000
Massachusetts.....	4, 006, 000	80, 120	400, 600	600, 900
Michigan.....	5, 922, 000	118, 440	592, 200	888, 300
Minnesota.....	2, 575, 000	51, 500	257, 500	386, 250
Mississippi.....	1, 453, 000	29, 060	145, 300	217, 950
Missouri.....	3, 251, 000	65, 020	325, 100	487, 650
Montana.....	474, 000	25, 000	125, 000	175, 000
Nebraska.....	1, 042, 000	25, 000	125, 000	175, 000
Nevada.....	365, 000	25, 000	125, 000	175, 000
New Hampshire.....	531, 000	25, 000	125, 000	175, 000
New Jersey.....	5, 030, 000	100, 600	503, 000	754, 500
New Mexico.....	691, 000	25, 000	125, 000	175, 000
New York.....	12, 665, 000	125, 000	1, 266, 500	1, 899, 750
North Carolina.....	3, 541, 000	70, 820	354, 100	531, 150
North Dakota.....	421, 000	25, 000	125, 000	175, 000
Ohio.....	7, 175, 000	125, 000	717, 500	1, 076, 250
Oklahoma.....	1, 832, 000	70, 820	183, 020	274, 800
Oregon.....	1, 532, 000	30, 640	153, 200	229, 800
Pennsylvania.....	8, 240, 000	125, 000	824, 000	1, 236, 000
Rhode Island.....	677, 000	25, 000	125, 000	175, 000
South Carolina.....	1, 775, 000	35, 100	177, 500	266, 250
South Dakota.....	454, 000	25, 000	125, 000	175, 000
Tennessee.....	2, 799, 000	55, 980	279, 900	419, 850
Texas.....	7, 785, 000	125, 000	778, 500	1, 167, 750
Utah.....	715, 000	25, 000	125, 000	175, 000
Vermont.....	309, 000	25, 000	125, 000	175, 000
Virginia.....	3, 243, 000	64, 860	324, 300	486, 450
Washington.....	2, 329, 000	46, 580	232, 900	349, 350
West Virginia.....	1, 228, 000	25, 000	125, 000	184, 200
Wisconsin.....	3, 033, 000	60, 660	303, 300	454, 950
Wyoming.....	234, 000	25, 000	125, 000	175, 000

¹ Figures in this column represent 20 percent of the applicable primary spending limit except for a maximum threshold of \$125,000 and a minimum threshold of \$25,000.

PRESIDENTIAL PRIMARY

(Based on 1972)

- Assumptions: 1) Candidates qualify by raising \$250,000
2) Apply 1972 qualifiers to primaries actually run
- Requirements: 1) To qualify candidates must raise \$250,000
- Formula: 1) Match \$1 for \$1 raised by those qualifying up to spending limit
2) Spending limit is 2 times the Senate formula which is the greater of 10¢ x state VAP or \$125,000
- 1) New Hampshire - 4 candidates in primary raised \$250,000
spending limit: 10¢ x 531,000 = \$53,100 x 2 = \$106,200 or \$250,000
government cost: \$125,000 x 4 candidates = \$500,000
 - 2) Florida - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 5,427,000 = \$542,700 x 2 = \$1,085,400
government cost: \$542,700 x 8 candidates = \$4,341,600
 - 3) Illinois - 1 candidate in primary raised \$250,000
spending limit: 10¢ x 7,568,000 = \$756,800 x 2 = \$1,513,600
government cost: \$756,800 x 1 candidate = \$756,800
 - 4) Wisconsin - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 3,033,000 = \$303,300 x 2 = \$606,600
government cost: \$303,300 x 8 candidate = \$2,426,400
 - 5) Massachusetts - 7 candidates in primary raised \$250,000
spending limit: 10¢ x 4,006,000 = \$400,600 x 2 = \$801,200
government cost: \$400,600 x 7 candidates = \$2,804,200
 - 6) Pennsylvania - 5 candidates in primary raised \$250,000
spending limit: 10¢ x 8,240,000 = \$824,000 x 2 = \$1,648,000
government cost: \$824,000 x 5 candidates = \$4,120,000
 - 7) District of Columbia - 1 candidate in primary raised \$250,000
spending limit: 10¢ x 529,000 = \$52,900 x 2 = \$105,800 or \$250,000
government cost: \$125,000 x 1 candidate = \$125,000
 - 8) Indiana - 4 candidates in primary raised \$250,000
spending limit: 10¢ x 3,530,000 = \$353,000 x 2 = \$706,000
government cost: \$353,000 x 4 candidates = \$1,412,000
 - 9) Tennessee - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 2,799,000 = \$279,900 x 2 = \$559,800
government cost: \$279,900 x 8 candidates = \$2,239,200
 - 10) Ohio - 5 candidates in primary raised \$250,000
spending limit: 10¢ x 7,175,000 = \$717,500 x 2 = \$1,435,000
government cost: \$717,500 x 5 candidates = \$3,587,500
 - 11) North Carolina - 5 candidates in primary raised \$250,000
spending limit: 10¢ x 3,541,000 = \$354,100 x 2 = \$708,200
government cost: \$354,100 x 5 candidates = \$1,770,500

- 12) Nebraska - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 1,042,000 = \$104,200 x 2 = \$208,400
government cost: \$104,200 x 8 candidates = \$833,600
- 13) West Virginia - 2 candidates in primary raised \$250,000
spending limit: 10¢ x 1,228,000 = \$122,800 x 2 = \$245,600
government cost: \$122,800 x 2 candidates = \$245,600
- 14) Maryland - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 2,720,000 = \$272,000 x 2 = \$544,000
government cost: \$272,000 x 8 candidates = \$2,176,000
- 15) Michigan - 5 candidates in primary raised \$250,000
spending limit: 10¢ x 5,922,000 = \$592,200 x 2 = \$1,184,400
government cost: \$592,200 x 5 candidates = \$2,961,000
- 16) Oregon - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 1,532,000 = \$153,200 x 2 = \$306,400
government cost: \$153,200 x 8 candidates = \$1,225,600
- 17) Rhode Island - 8 candidates in primary raised \$250,000
spending limit: 10¢ x 677,000 = \$67,700 x 2 = \$135,400 or \$250,000
government cost: \$125,000 x 8 candidates = \$1,000,000
- 18) California - 6 candidates in primary raised \$250,000
spending limit: 10¢ x 14,143,000 = \$1,414,300 x 2 = \$2,828,600
government cost: \$1,414,300 x 6 candidates = \$8,485,800
- 19) New Jersey - No candidates in primary raised \$250,000
- 20) New Mexico - 6 candidates in primary raised \$250,000
spending limit: 10¢ x 691,000 = \$69,100 x 2 = \$138,200 or \$250,000
government cost: \$125,000 x 6 candidates = \$750,000
- 21) South Dakota - 2 candidates in primary raised \$250,000
spending limit: 10¢ x 454,000 = \$45,400 x 2 = \$90,800 or \$250,000
government cost: \$125,000 x 2 candidates = \$250,000

Total primary cost to government = \$42,010,800

- Requirements: 1) Major parties (25% or more vote) receive full Federal funding up to spending limit.
2) Minor parties (5-25% of vote) receive proportionate share.

Formula: 1) Spending limit is $15\phi \times \text{VAP}$. (\$21,248,400)

- Assumption 1) Two major parties
2) One minor party gets 10% of vote

VAP = 141,656,000
 spending limit: $15\phi \times 141,656,000 = \$21,248,400$
 government cost: $\$21,248,400 \times 2 \text{ candidates} = \$42,496,800$
 + minor party = $\frac{4,721,394}{\$47,218,194}$

$\$42,010,800$
 $\frac{47,218,194}{89,228,994}$

U.S. SENATE

(Based on 1972)

- Assumptions: 1) Primary opposed-- 2 candidates qualified and spent maximum
2) Primary unopposed-- candidates did not raise qualifying amount
3) General-- major candidates raised qualifying amounts

- Formula: 1) Qualifying amount-- lesser of 20% of primary spending amount or \$125,000
2) Primary spending amount-- greater of $10\phi \times \text{VAP}$ or \$125,000
3) General spending amount-- greater of $15\phi \times \text{VAP}$ or \$175,000
4) Matching in primary-- 1 for 1
5) Full amount in general

- 1) Alabama: Qualify (lesser of 20% of \$233,800 or \$125,000) = \$46,760
 Primary: spending limit = $10\phi \times 2,338,000 = \$233,800$
 4 candidates qualified - matching
 government cost = $\$233,800 \times 2 \times 4 = \$467,600$
 General: spending limit = $15\phi \times 2,338,000 = \$350,700$
 2 candidates qualified - full amount
 government cost = $\$350,700 \times 2 = \$701,400$
- 2) Alaska: Qualify (20% of \$125,000) = \$25,000
 Primary: spending limit = $10\phi \times 200,000 = \$20,000$ or \$125,000
 no candidates qualified
 government cost = 0
 General: spending list = $15\phi \times 200,000 = \$30,000$ or \$175,000
 2 candidates qualified - full amount
 government cost = $\$75,000 \times 2 = \$350,000$
- 3) Arkansas: Qualifying (lesser of 20% of 137,400 or \$125,000) = \$27,480
 Primary: spending limit = $10\phi \times 1,374,000 = \$137,400$
 2 candidates qualified - matching
 government cost = $\$137,400 \times 2 = \$274,400$
 General: spending limit = $15\phi \times 1,374,000 = \$206,100$
 2 candidates qualified - full amount
 government cost = $\$206,100 \times 2 = \$412,200$
- 4) Colorado: Qualifying (Lesser of 20% of \$163,100 or \$125,000) = \$32,620
 Primary: spending limit = $10\phi \times \$1,631,000 = \$163,100$
 2 candidates qualified - matching
 government cost = $\$163,100 \times 2 + 2 = \$163,100$
 General: spending limit = $15\phi \times 1,631,000 = \$244,650$
 2 candidates qualified - full amount
 government cost = $\$244,650 \times 2 = \$489,300$

- 5) Delaware: Qualifying (lesser of 20% of \$38,200 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 382,000 = \$38,200 or \$125,000
 no candidate qualified
 government cost = 0
 General: spending limit = 15¢ x 382,000 or 175,000 = \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 6) Georgia: Qualifying (lesser of 20% of \$314,000 or \$125,000) = \$62,800
 Primary: spending limit = 10¢ x 3,140,000 = \$314,000
 4 candidates qualified - matching
 government cost = \$314,000 + 2 x 4 = \$628,000
 General: spending limit = 15¢ x 3,140,000 = \$471,000
 2 candidates qualified - full amount
 government cost = \$471,000 x 2 = \$942,000
- 7) Idaho: Qualifying (lesser of 20% of \$50,100 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 501,000 = \$50,100 or \$125,000
 4 candidates qualified - matching
 government cost = \$125,000 + 2 x 4 = \$250,000
 General: spending limit = 15¢ x 501,000 = \$75,105 or \$175,000
 = \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 8) Illinois: Qualifying (lesser of 20% of \$756,800 or \$125,000) = \$125,000
 Primary: spending limit = 10¢ x 7,568,000 = \$756,800
 2 candidates qualified - matching
 government cost = \$756,800 x 2 + 2 = \$756,800
 General: spending limit = 15¢ x 7,568,000 = \$1,135,200
 2 candidates qualified - full amount
 government cost = \$1,135,200 x 2 = \$2,270,400
- 9) Iowa: Qualifying (lesser of 20% of \$195,700 or \$125,000) = \$39,140
 Primary: spending limit = 10¢ x 1,957,000 = \$195,700
 2 candidates qualified - matching
 government cost = \$195,700 x 2 + 2 = \$195,700
 General: spending limit = 15¢ x 1,957,000 = \$293,550
 2 candidates qualified - full amount
 government cost = \$293,550 x 2 = \$587,100
- 10) Kansas: Qualifying (lesser of 20% of \$157,000 or \$125,000) = \$31,400
 Primary: spending limit = 10¢ x 1,570,000 = \$157,000
 2 candidates qualified - matching
 government cost = 157,000 x 2 + 2 = \$157,000
 General: spending limit = 15¢ x 1,570,000 = \$235,500
 2 candidates qualified - full amount
 government cost = \$235,500 x 2 = \$471,000
- 11) Kentucky - Qualifying (lesser of 20% of \$223,500 or \$125,000) = \$44,700
 Primary: spending limit = 10¢ x 2,235,000 = \$223,500
 4 candidates qualified - matching
 government cost = \$223,500 + 2 x 4 = \$447,000

- 11) Kentucky (cont'd) General: spending limit = 15¢ x 2,235,000 = \$335,250
 2 candidates qualified - full amount
 government cost = \$335,250 x 2 = \$670,500
- 12) Louisiana: Qualifying (lesser of 20% of \$239,900 or \$125,000) = \$47,980
 Primary: spending limit = 10¢ x 2,399,000 = \$239,900
 2 candidates qualified - matching
 government cost = \$239,900 + 2 x 4 = \$479,800
 General: spending limit = 15¢ x 2,399,000 = \$359,850
 2 candidates qualified - full amount
 government cost = \$359,850 x 2 = \$719,700
- 13) Maine: Qualifying (lesser of 20% of \$68,900 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 689,000 = \$68,900
 4 candidates qualified - matching
 government cost = \$125,000 + 2 x 4 = \$250,000
 General: spending limit = 15¢ x 689,000 = \$103,350 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 14) Massachusetts: Qualifying (lesser of 20% of \$400,600 or \$125,000) = \$80,120
 Primary: spending limit = 10¢ x 4,006,000 = \$400,600
 2 candidates qualified - matching
 Government cost = \$400,600 x 2 + 2 = \$400,600
 General: spending limit = 15¢ x 4,006,000 = \$600,900
 2 candidates qualified - full amount
 government cost \$600,900 x 2 = \$1,201,800
- 15) Michigan: Qualifying (lesser of 20% of \$592,200 or \$125,000) = \$118,440
 Primary: spending limit = 10¢ x 5,922,000 = \$592,200
 no candidates qualified
 government cost = 0
 General: spending limit = 15¢ x 5,922,000 = \$888,300
 2 candidates qualified - full amount
 government cost = \$888,300 x 2 = \$1,776,600
- 16) Minnesota: Qualifying (lesser of 20% of \$257,500 or \$125,000) = \$51,500
 Primary: spending limit = 10¢ x \$2,575,000 = \$257,500
 2 candidates qualified - full amount
 government cost = \$257,500 + 2 x 2 = 257,500
 General: spending limit = 15¢ x 2,575,000 = \$386,250
 2 candidates qualified - full amount
 government cost = \$386,250 x 2 = \$772,500
- 17) Mississippi: Qualifying (less of 20% of \$145,300 or \$125,000) = \$29,060
 Primary: spending limit = 10¢ x 1,453,000 = \$145,300
 4 candidates qualified - matching
 government cost \$145,300 + 2 x 4 = \$290,600
 General: spending limit = 15¢ x 1,453,000 = \$217,950
 2 candidates qualified - full amount
 government cost = \$217,950 x 2 = \$435,900

- 18) Montana: Qualifying (lesser of 20% of \$47,400 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 474,000 = \$47,400 or \$125,000
 4 candidates qualified - matching
 government cost = \$125,000 + 2 x 4 = \$250,000
 General: spending limit = 15¢ x 474,000 = \$71,100 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 19) Nebraska: Qualifying (lesser of 20% of 104,200 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 1,042,000 = \$104,200 or \$125,000
 4 candidates qualified - matching
 government cost = \$125,000 + 2 x 4 = \$250,000
 General: spending limit = 15¢ x 1,042,000 = \$156,300 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 20) New Hampshire: Qualifying (lesser of 20% of \$53,100 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 531,000 = \$53,100 or \$125,000
 2 candidates qualified - matching
 government cost = \$125,000 + 2 x 2 = \$125,000
 General: spending limit: 15¢ x 531,000 = \$79,650 or \$175,000
 2 candidates qualified - full amount
 government cost \$175,000 x 2 = \$350,000
- 21) New Jersey: Qualifying (lesser of 20% of \$503,000 or \$125,000) = \$100,600
 Primary: spending limit = 10¢ x \$5,030,000 = \$503,000
 4 candidates qualified - matching
 government cost = \$503,000 + 2 x 4 = \$1,006,000
 General: spending limit = 15¢ x 5,030,000 = \$754,500
 2 candidates qualified - full amount
 government cost \$754,500 x 2 = \$1,509,000
- 22) New Mexico: Qualifying (lesser of 20% of \$69,100 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 691,000 = \$69,100 or \$125,000
 4 candidates qualified - matching
 government cost = \$125,000 + 2 x 4 = \$250,000
 General: spending limit = 15¢ x 691,000 = \$103,650 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 23) North Carolina: Qualifying (lesser of 20% of \$354,100 or \$125,000) = \$70,820
 Primary: spending limit = 10¢ x 3,541,000 = \$354,100
 4 candidates qualified - matching
 government cost = \$354,100 + 2 x 4 = \$708,200
 General: spending limit = 15¢ x 3,541,000 = \$531,150
 2 candidates qualified - full amount
 government cost = 531,150 x 2 = \$1,062,300

- 24) Oklahoma: Qualifying (lesser of 20% of \$183,200 or \$125,000) = \$36,640
 Primary: spending limit = 10¢ x 1,832,000 = \$183,200
 4 candidates qualified - matching
 government cost = \$183,200 + 2 x 4 = \$366,400
 General: spending limit = 15¢ x 1,832,000 = \$274,800
 2 candidates qualified - full amount
 government cost = \$274,800 x 2 = \$549,600
- 25) Oregon: Qualifying (lesser of 20% of \$153,200 or \$125,000) = \$30,640
 Primary: spending limit = 10¢ x 1,532,000 = \$153,200
 4 candidates qualified - matching
 government cost = \$153,200 + 2 x 4 = \$306,400
 General: spending limit = 15¢ x 1,532,000 = \$229,800
 2 candidates qualified - full amount
 government cost = \$229,800 x 2 = \$459,600
- 26) Rhode Island: Qualifying (lesser of 20% of \$67,700 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x \$677,000 = \$67,700 or \$125,000
 no candidates qualified
 government cost = 0
 General: spending limit = 15¢ x \$677,000 = \$101,550 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 27) South Carolina: Qualifying (lesser of 20% of \$177,500 or \$125,000) = \$35,500
 Primary: spending limit = 10¢ x 1,775,000 = \$177,500
 2 candidates qualified - matching
 government cost = \$177,500 + 2 x 2 = \$177,500
 General: spending limit = 15¢ x 1,775,000 = \$266,250
 2 candidates qualified - full amount
 government cost = \$266,250 x 2 = \$532,500
- 28) South Dakota: Qualifying (lesser of 20% of \$45,400 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 454,000 = \$45,400 or \$125,000
 4 candidates qualified - matching
 government cost = \$125,000 + 2 x 4 = \$250,000
 General: spending limit = 15¢ x 454,000 = \$68,100 or 175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000
- 29) Tennessee: Qualifying (lesser of 20% of 279,900 or \$125,000) = \$55,980
 Primary: spending limit = 10¢ x 2,799,000 = \$279,900
 4 candidates qualified - matching
 government cost = \$279,900 + 2 x 4 = \$559,800
 General: spending limit = 15¢ x 2,799,000 = \$419,850
 2 candidates qualified - full amount
 government cost = \$419,850 x 2 = \$839,700
- 30) Texas: Qualifying (lesser of 20% of \$778,500 or \$125,000) = \$125,000
 Primary: spending limit = 10¢ x 7,785,000 = \$778,500
 2 candidates qualified - matching
 government cost = 778,500 x 2 + 2 = \$778,500
 General: spending limit = 15¢ x 7,785,000 = \$1,167,750
 2 candidates qualified - full amount
 government cost = \$1,167,750 x 2 = \$2,335,500

- 31) Virginia: Qualifying (lesser of 20% of 324,300 or \$125,000) = \$64,860
 Primary: spending limit = 10¢ x 3,243,000 = \$324,300
 no candidates qualified
 government cost = 0
 General: spending limit = 15¢ x 3,243,000 = \$486,450
 2 candidates qualified - full amount
 government cost = \$486,450 x 2 = \$972,900
- 32) West Virginia: Qualifying (lesser of 20% of \$122,800 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 1,228,000 = \$122,800 or \$125,000
 no candidates qualified
 government cost = 0
 General: spending limit = 15¢ x 1,228,000 = \$184,200
 2 candidates qualified - full amount
 government cost = \$184,200 x 2 = \$368,400
- 33) Wyoming: Qualifying (lesser of 20% of \$23,400 or \$125,000) = \$25,000
 Primary: spending limit 10¢ x 234,000 = \$23,400 or \$125,000
 2 candidates qualified - matching
 government cost = \$125,000 + 2 x 2 = \$125,000
 General: spending limit = 15¢ x 234,000 = \$35,100 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000

TOTAL PRIMARY	\$10,170,900
TOTAL GENERAL	23,929,900
GRAND TOTAL SENATE	<u>\$34,100,800</u>

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill S. 3044 as reported by the Committee on Rules and Administration, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

COMMUNICATIONS ACT OF 1934

(47 U.S.C. 315, 317)

§ 315. Candidates for public office; facilities; rules

(a) If any licensee shall permit any person who is a legally qualified candidate for any public office, *other than Federal elective office (including the office of Vice President)*, to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is imposed upon any licensee to allow the use of its station by any such candidate. Appearance by a legally qualified candidate on any—

(1) bona fide newscast,

(2) bona fide news interview,

(3) bona fide documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary), or

(4) on-the-spot coverage of bona fide news events (including but not limited to political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection. Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this chapter to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

(b) The charges made for the use of any broadcasting station [by any person] *by or on behalf of any person* who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election, to such office shall not exceed—

(1) during the forty-five days preceding the date of a primary or primary runoff election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the same class and amount of time for the same period; and

(2) at any other time, the charges made for comparable use of such station by other users thereof.

(c) No station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) unless such candidate

- 31) Virginia: Qualifying (lesser of 20% of 324,300 or \$125,000) = \$64,860
 Primary: spending limit = 10¢ x 3,243,000 = \$324,300
 no candidates qualified
 government cost = 0
 General: spending limit = 15¢ x 3,243,000 = \$486,450
 2 candidates qualified - full amount
 government cost = \$486,450 x 2 = \$972,900
- 32) West Virginia: Qualifying (lesser of 20% of \$122,800 or \$125,000) = \$25,000
 Primary: spending limit = 10¢ x 1,228,000 = \$122,800 or \$125,000
 no candidates qualified
 government cost = 0
 General: spending limit = 15¢ x 1,228,000 = \$184,200
 2 candidates qualified - full amount
 government cost = \$184,200 x 2 = \$368,400
- 33) Wyoming: Qualifying (lesser of 20% of \$23,400 or \$125,000) = \$25,000
 Primary: spending limit 10¢ x 234,000 = \$23,400 or \$125,000
 2 candidates qualified - matching
 government cost = \$125,000 + 2 x 2 = \$125,000
 General: spending limit = 15¢ x 234,000 = \$35,100 or \$175,000
 2 candidates qualified - full amount
 government cost = \$175,000 x 2 = \$350,000

TOTAL PRIMARY	\$10,170,900
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(1) bona fide newscast,

(2) bona fide news interview,

(3) bona fide documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary), or

(4) on-the-spot coverage of bona fide news events (including but not limited to political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection. Nothing in the foregoing sentence shall be construed as relieving broadcasters, in connection with the presentation of newscasts, news interviews, news documentaries, and on-the-spot coverage of news events, from the obligation imposed upon them under this chapter to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance.

(b) The charges made for the use of any broadcasting station [by any person] *by or on behalf of any person* who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election, to such office shall not exceed—

(1) during the forty-five days preceding the date of a primary or primary runoff election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the same class and amount of time for the same period; and

(2) at any other time, the charges made for comparable use of such station by other users thereof.

(c) No station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) unless such candidate

(or a person specifically authorized by such candidate in writing to do so) certifies to such licensee in writing that the payment of such charge will not violate any limitation specified in paragraph (1), (2), or (3) of section 104(a) of the Campaign Communications Reform Act, whichever paragraph is applicable.]

(c) No station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate for nomination for election, or for election, to Federal elective office unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies to such licensee in writing that the payment of such charge will not exceed the limit on expenditures applicable to that candidate under section 504 of the Federal Election Campaign Act of 1971, or under section 614 of title 18, United States Code.

[(d) a State by law and expressly—

[(1) has provided that a primary or other election for any office of such State or of a political subdivision thereof is subject to this subsection,

[(2) has specified a limitation upon total expenditures for the use of broadcasting stations on behalf of the candidacy of each legally qualified candidate in such election,

[(3) has provided in any such law an unequivocal expression of intent to be bound by the provisions of this subsection, and

[(4) has stipulated that the amount of such limitation shall not exceed the amount which would be determined for such election under section 104(a)(1)(B) or 104(a)(2)(B) (whichever is applicable) of the Campaign Communications Reform Act had such election been an election for a Federal elective office or nomination thereto;

[then no station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate in such election unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies to such licensee in writing that the payment of such charge will not violate such State limitation.]

(d) If a State by law imposes a limitation upon the amount which a legally qualified candidate for nomination for election, or for election, to public office (other than Federal elective office) within that State may spend in connection with his campaign for such nomination or his campaign for election, then no station licensee may make any charge for the use of such station by or on behalf of such candidate unless such candidate (or a person specifically authorized in writing by him to do so) certifies to such licensee in writing that the payment of such charge will not violate that limitation.

(e) Whoever willfully and knowingly violates the provisions of subsection (c) or (d) of this section shall be punished by a fine not to exceed \$5,000 or imprisonment for a period not to exceed five years, or both. The provisions of sections 501 through 503 of this Act shall not apply to violators of either such subsection.

(f) For the purposes of this section:

(A) The term "broadcasting station" includes a community antenna television system.

(B) The term "licensee" and "station licensee" when used with respect to a community antenna television system, means the operator of such system.

(C) The term "Federal elective office" means the office of President of the United States, or of Senator or Representative in, or Resident Commissioner or Delegate to, the Congress of the United States.

(2) For purposes of subsections (c) and (d), the term "legally qualified candidate" means any person who (A) meets the qualifications prescribed by the applicable laws to hold the office for which he is a candidate and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors.

(g) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

§ 317. Announcement of payment for broadcast

(a)(1) All matter broadcast by any radio station for which any money, service or other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such [person: *Provided, That*] person. *If such matter is a political advertisement soliciting funds for a candidate or a political committee, there shall be announced at the time of such broadcast a statement that a copy of reports filed by that person with the Federal Election Commission is available from the Federal Election Commission, Washington, D.C., and the licensee shall not make any charge for any part of the costs of making the announcement. The term "service or other valuable consideration" shall not include any service or property furnished without charge or at a nominal charge for use on, or in connection with, a broadcast unless it is so furnished in consideration for an identification in a broadcast of any person, product, service, trademark, or brand name beyond an identification which is reasonably related to the use of such service or property on the broadcast.*

(2) Nothing in this section shall preclude the Commission from requiring that an appropriate announcement shall be made at the time of the broadcast in the case of any political program or any program involving the discussion of any controversial issue for which any films, records, transcriptions, talent, scripts, or other material or service of any kind have been furnished, without charge or at a nominal charge, directly or indirectly, as inducement to the broadcast of such program.

(b) In any case where a report has been made to a radio station, as required by section 508 of this title, of circumstances which would have required an announcement under this section had the consideration been received by such radio station, an appropriate announcement shall be made by such radio station.

(c) The licensee of each radio station shall exercise reasonable diligence to obtain from its employees, and from other persons with whom it deals directly in connection with any program or program matter for broadcast, information to enable such licensee to make the announcement required by this section.

(d) The Commission may waive the requirement of an announcement as provided in this section in any case or class of cases with respect to which it determines that the public interest, convenience, or necessity does not require the broadcasting of such announcement.

(e) Each station licensee shall maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast, for a period of two years. The record shall be available for public inspection at reasonable hours.

[e] (f) The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this section.

CAMPAIGN COMMUNICATIONS REFORM ACT

[TITLE I—CAMPAIGN COMMUNICATIONS

[SHORT TITLE

[SEC. 101. This title may be cited as the "Campaign Communications Reform Act".

[DEFINITIONS

[SEC. 102. For purposes of this title:

[(1) The term "communications media" means broadcasting stations, newspapers, magazines, outdoor advertising facilities, and telephones; but, with respect to telephones, spending or an expenditure shall be deemed to be spending or an expenditure for the use of communications media only if such spending or expenditure is for the costs of telephones, paid telephonists, and automatic telephone equipment, used by a candidate for Federal elective office to communicate with potential voters (excluding any costs of telephones incurred by a volunteer for use of telephones by him).

[(2) The term "broadcasting station" has the same meaning as such term has under section 315 (f) of the Communications Act of 1934.

[(3) The term "Federal elective office" means the office of President of the United States, or of Senator or Representative in, or Resident Commissioner or Delegate to, the Congress of the United States (and for purposes of section 103 (b) such term includes the office of Vice President).

[(4) The term "legally qualified candidate" means any person who (A) meets the qualifications prescribed by the applicable laws to hold the Federal elective office for which he is a candidate, and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors.

[(5) The term "voting age population" means resident population, eighteen years of age and older.

[(6) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

[MEDIA RATE AND RELATED REQUIREMENTS

[SEC. 103. Note: Subsection (a) amended the Communications Act of 1934, which is not affected by repeal of the Campaign Communications Reform Act.

[(b) To the extent that any person sells space in any newspaper or magazine to a legally qualified candidate for Federal elective office, or nomination thereto, in connection with such candidate's campaign for

nomination for, or election to, such office, the charges made for the use of such space in connection with his campaign shall not exceed the charges made for comparable use of such space for other purposes.

[LIMITATIONS OF EXPENDITURES FOR USE OF COMMUNICATIONS MEDIA

[SEC. 104. (a) (1) Subject to paragraph (4), no legally qualified candidate in an election (other than a primary or primary runoff election) for a Federal elective office may—

[(A) spend for the use of communications media on behalf of his candidacy in such election a total amount in excess of the greater of—

[(i) 10 cents multiplied by the voting age population (as certified under paragraph (5)) of the geographical area in which the election for such office is held, or

[(ii) \$50,000 or

[(B) spend for the use of broadcast stations on behalf of his candidacy in such election a total amount in excess of 60 per centum of the account determined under subparagraph (A) with respect to such election.

[(2) No legally qualified candidate in a primary election for nomination to a Federal elective office, other than President, may spend—

[(A) for the use of communications media, or

[(B) for the use of broadcast stations,

on behalf of his candidacy in such election a total amount in excess of the amounts determined under paragraph (1) (A) or (B), respectively, with respect to the general election for such office. For purposes of this subsection a primary runoff election shall be treated as a separate primary election.

[(3) (A) No person who is a candidate for presidential nomination may spend—

[(i) for the use in a State of communications media, or

[(ii) for the use in a State of broadcast stations,

on behalf of his candidacy for presidential nomination a total amount in excess of the amounts which would have been determined under paragraph (1) (A) or (B), respectively, had he been a candidate for election for the office of Senator from such State (or for the office of Delegate or Resident Commissioner in the case of the District of Columbia or the Commonwealth of Puerto Rico).

[(B) For purposes of this paragraph (3), a person is a candidate for presidential nomination if he makes (or any other person makes on his behalf) an expenditure for the use of any communications medium on behalf of his candidacy for any political party's nomination for election to the office of President. He shall be considered to be such a candidate during the period—

[(i) beginning on the date on which he (or such other person) first makes such an expenditure (or, if later, January 1 of the year in which the election for the office of President is held), and

[(ii) ending on the date on which such political party nominates a candidate for the office of President.

[For purposes of this title and of section 315 of the Communications Act of 1934, a candidate for presidential nomination shall be considered a legally qualified candidate for public office.

[(C) The Comptroller General shall prescribe regulations under which any expenditure by a candidate for presidential nomination for the use in two or more States of a communications medium shall be attributed to such candidate's expenditure limitation in each such State, based on the number of persons in such State who can reasonably be expected to be reached by such communications medium.

[(4) (A) For purposes of subparagraph (B) :

[(i) The term "price index" means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

[(ii) The term "base period" means the calendar year 1970.

[(B) At the beginning of each calendar year (commencing in 1972), as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Comptroller General and publish in the Federal Register the per centum difference between the price index for the 12 months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under paragraph (1)(A) (i) and (ii) shall be increased by such per centum difference. Each amount so increased shall be the amount in effect for such calendar year.

[(5) Within 60 days after the date of enactment of this Act, and during the first week of January in 1973 and every subsequent year, the Secretary of Commerce shall certify to the Comptroller General and publish in the Federal Register an estimate of the voting age population of each State and congressional district for the last calendar year ending before the date of certification.

[(6) Amounts spent for the use of communications media on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) shall, for the purposes of this subsection, be deemed to have been spent by such candidate. Amounts spent for the use of communications media by or on behalf of any legally qualified candidate for the office of Vice President of the United States shall, for the purposes of this section, be deemed to have been spent by the candidate for the office of President of the United States with whom he is running.

[(7) For purposes of this section and section 315(c) of the Communications Act of 1934—

[(A) spending and charges for the use of communications media include not only the direct charges of the media but also agents' commissions allowed the agent by the media, and

[(B) any expenditure for the use of any communications medium by or on behalf of the candidacy of a candidate for Federal elective office (or nomination thereto) shall be charged against the expenditure limitation under this subsection applicable to the election in which such medium is used.

[(b) No person may make any charge for the use by or on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) of any newspaper, magazine, or outdoor advertising facility, unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies in writing to the person making such charge that the payment of such charge will not violate paragraph (1), (2), or (3) of subsection (a), whichever is applicable.]

NOTE: Subsection (c) amended the Communications Act of 1934, which is not affected by the repeal of this section.

[REGULATIONS

[SEC. 105. The Comptroller General shall prescribe such regulations as may be necessary or appropriate to carry out sections 102, 103 (b), 104 (a), and 104 (b) of this Act.

[PENALTIES

[SEC. 106. Whoever willfully and knowingly violates any provision of section 103 (b), 104 (a), or 104 (b) or any regulation under section 105 shall be punished by a fine of not more than \$5,000 or by imprisonment of not more than five years, or both.]

THE FEDERAL ELECTION CAMPAIGN ACT OF 1971

* * * * *

TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

DEFINITIONS

SEC. 301. When used in this title—

(a) "election" means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, and (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President [], and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States];

(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(c) "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

[(d) "political committee" means any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;]

(d) "political committee" means—

(1) any committee, club, association, or other group of persons which receives any contributions or makes expendi-

tures during a calendar year in an aggregate amount exceeding \$1,000;

(2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State central committee of a political party; and

(3) any committee, association, or organization engaged in the administration of a separate segregated fund described in section 610 of title 18, United States Code;

(e) "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, [or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States] or for the purpose of financing any operations of a political committee (other than a payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute a contribution by that corporation or labor union), or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office;

[(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

[(3) a transfer between political committees;]

(3) funds received by a political committee which are transferred to that committee from another political committee;

[(4)] (3) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose; and

[(5)] (4) notwithstanding the foregoing meanings of "contribution", the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee;

[(f) "expenditure" means—

[(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential and vice-presidential elector, or for the purpose of influencing the

result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

[(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure, and

[(3) a transfer of funds between political committees;]

(f) "expenditure"—

(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of presidential and vice-presidential elector;

(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

(C) financing any operations of a political committee;

or

(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office;

(2) means the transfer of funds by a political committee to another political committee; but

(3) does not include—

(A) the value of services rendered by individuals who volunteer to work without compensation on behalf of a candidate; or

(B) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization;

[(g) "supervisory officer" means the Secretary of the Senate with respect to candidates for Senator; the Clerk of the House of Representatives with respect to candidates for Representatives in, or Delegate or Resident Commissioner to, the Congress of the United States; and the Comptroller General of the United States in any other case;]

(g) "Commission" means the Federal Election Commission;

(h) "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons; [and]

(i) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States[.];

(j) "identification" means—

(1) in the case of an individual, his full name and the full address of his principal place of residence; and

(2) in the case of any other person, the full name and address of that person;

(k) "national committee" means the duly constituted organization which, by virtue of the bylaws of a political party is responsible for the day-to-day operation of that political party at the national level, as determined by the Commission; and

(l) "political party" means an association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of that association, committee, or organization.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution in excess of \$10 for a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, render to the treasurer a detailed account thereof, including the amount [, the name and address (occupation and the principal place of business, if any)] of the contribution and the identification of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) all contributions made to or for such committee;

(2) the [full name and mailing address (occupation and the principal place of business, if any)] identification of every person making a contribution in excess of \$10, and the date and amount thereof [;] and, if a person's contributions aggregate more than \$100, the account shall include occupation, and the principal place of business (if any);

(3) all expenditures made by or on behalf of such committee; and

(4) the [full name and mailing address (occupation and the principal place of business, if any)] identification of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of \$100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds

\$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the [supervisory officer.] Commission.

(e) Any political committee which solicits or receives contributions or makes expenditures on behalf of any candidate that is not authorized in writing by such candidate to do so shall include a notice on the face or front page of all literature and advertisements published in connection with such candidate's campaign by such committee or on its behalf stating that the committee is not authorized by such candidate and that such candidate is not responsible for the activities of such committee.

[(f) (1) Any political committee shall include on the face or front page of all literature and advertisements soliciting funds the following notice:

["A copy of our report filed with the appropriate supervisory officer is (or will be) available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402."]

[(2) (A) The supervisory officer shall compile and furnish to the Public Printer, not later than the last day of March of each year, an annual report for each political committee which has filed a report with him under this title during the period from March 10 of the preceding calendar year through January 31 of the year in which such annual report is made available to the Public Printer. Each such annual report shall contain—

[(i) a copy of the statement of organization of the political committee required under section 303, together with any amendments thereto; and

[(ii) a copy of each report filed by such committee under section 304 from March 10 of the preceding year through January 31 of the year in which the annual report is so furnished to the Public Printer.

[(B) The Public Printer shall make copies of such annual reports available for sale to the public by the Superintendent of Documents as soon as practicable after they are received from the supervisory officer.]

REGISTRATION OF CANDIDATES AND POLITICAL COMMITTEES: STATEMENTS

SEC. 303. (a) Each candidate shall, within ten days after the date on which he has qualified under State law as a candidate, or on which he, or any person authorized by him to do so, has received a contribution or made an expenditure in connection with his campaign or for the purpose of preparing to undertake his campaign, file with the Commission a registration statement in such form as the Commission may prescribe. The statement shall include—

(1) the identification of the candidate, and any individual, political committee, or other person he has authorized to receive contributions or make expenditures on his behalf in connection with his campaign;

(2) the identification of his campaign depositories, together with the title and number of each account at each such depository which is to be used in connection with his campaign, and safety

deposit box to be used in connection therewith, and the identification of each individual authorized by him to make any expenditure or withdrawal from such account or box; and

(3) such additional relevant information as the Commission may require.

[(a)] (b) [Each political committee which anticipates receiving contributions or making expenditures during the calendar years in an aggregate amount exceeding \$1,000 shall file with the supervisory officer a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of \$1,000.] *The treasurer of each political committee shall file with the Commission a statement of organization within ten days after the date on which the committee is organized.* Each such committee in existence at the date of enactment of [this Act] *the Federal Election Campaign Act Amendments of 1974* shall file a statement of organization with the [supervisory officer] *Commission* at such time as [he] *it* prescribes.

[(b)] (c) The statement of organization shall be in such form as the Commission shall prescribe, and shall include—

(1) the name and address of the committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

[(3) the area, scope, or jurisdiction of the committee;]

(3) *the geographic area or political jurisdiction within which the committee will operate, and a general description of the committee's authority and activities;*

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliate of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

[(9) a listing of all banks, safety deposit boxes, or other repositories used;]

(9) *the name and address of the campaign depositories used by that committee, together with the title and number of each account and safety deposit box used by that committee at each depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box;*

(10) a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and

(11) such other information as shall be required by the [supervisory officer.] *Commission.*

[(c)] (d) Any change in information previously submitted in a statement of organization shall be reported to the [supervisory officer] *Commission* within a ten-day period following the change.

[(d)] (e) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding \$1,000 shall so notify the [supervisory officer.] *Commission.*

REPORTS [BY POLITICAL COMMITTEES AND CANDIDATES]

SEC. 304. (a) (1) Each treasurer of a political committee supporting a candidate or candidates [for election] *for nomination for election, or for election*, to Federal office, and each candidate [for election] *for nomination for election, or for election*, to such office, shall file with the [appropriate supervisory officer] *Commission* reports of receipts and expenditures on forms to be prescribed or approved by [him.] *it.* [Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January.] *Such reports shall be filed on the tenth day of April, July, and October of each year, on the tenth day preceding an election, and on the last day of January of each year. Notwithstanding the preceding sentence, the reports required by that sentence to be filed during April, July, and October by or relating to a candidate during a year in which no Federal election is held in which he is a candidate, may be filed on the twentieth day of each month.* Such reports shall be complete as of such date as the [supervisory officer] *Commission* may prescribe, which shall not be less than five days before the date of filing[, except that any contribution of \$5,000 or more received after the last report is filed prior to the election shall be reported within forty-eight hours after its receipt.] *If the person making any anonymous contribution is subsequently identified, the identification of the contributor shall be reported to the Commission within the reporting period within which he is identified.*

(2) *Upon a request made by a Presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates (other than January 31) set forth in paragraph (1), and require instead that such candidates or political committees file reports not less frequently than monthly. The Commission may not require a Presidential candidate or a political committee operating in more than one State to file more than eleven reports (not counting any report to be filed on January 31) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, that candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.*

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (occupation and the principal place of business, if any) of each person who has made

one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of \$100, together with the full names and mailing addresses (occupations and the principal place of business, if any) of the [lender and endorers,] lender, endorers, and guarantors, if any, and the date and amount of such loans;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of \$100 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the [full name and mailing address (occupation and the principal place of business, if any)] identification of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the [full name and mailing address (occupation and the principal place of business, if any)] identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the [supervisory officer] Commission may prescribe and a continuous reporting of their debts and obligations after the election at such periods as the [supervisory officer] Commission may require until such debts and obligations are extinguished, together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor; [and]

(13) such information as the Commission may require for the disclosure of the nature, amount, source, and designated recipient

of any ear-marked, encumbered, or restricted contribution or other special fund; and

[13] (14) such other information as shall be required by the [supervisory officer.] Commission.

(c) [The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.] The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, and during such additional periods of time as the Commission may require. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) This section does not require a Member of Congress to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him before the first day of January of the year preceding the year in which his term of office expires if those services were furnished to him by the Senate Recording Studio, the House Recording Studio, or by any individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

(e) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the Commission a statement containing the information required by this section. Statements required by this subsection shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

[REPORTS BY OTHER THAN POLITICAL COMMITTEES

[SEC. 305. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the supervisory officer a statement containing the information required by section 304. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.]

REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

SEC. 305. (a) No person shall cause any political advertisement to be published unless he furnishes to the publisher of the advertisement his identification in writing, together with the identification of any person authorizing him to cause such publication.

(b) Any published political advertisement shall contain a statement, in such form as the Commission may prescribe, of the identification of the person authorizing the publication of that advertisement.

(c) Any publisher who publishes any political advertisement shall maintain such records as the Commission may prescribe for a period of two years after the date of publication setting forth such advertisement and any material relating to identification furnished to him in connection therewith, and shall permit the public to inspect and copy those records at reasonable hours.

(d) To the extent that any person sells space in any newspaper or magazine to a candidate for Federal office, or nomination thereto, in connection with such candidate's campaign for nomination for, or election to, such office, the charges made for the use of such space in connection with his campaign shall not exceed the charges made for comparable use of such space for other purposes.

(e) Any political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

"A copy of our report filed with the Federal Election Commission is available for purchase from the Federal Election Commission, Washington, D.C."

(f) As used in this section, the term—

(1) "political advertisements" means any matter advocating the election or defeat of any candidate or otherwise seeking to influence the outcome of any election, but does not include any bona fide news story (including interviews, commentaries, or other works prepared for and published by any newspaper, magazine, or other periodical publication the publication of which work is not paid for by any candidate, political committee, or agent thereof or by any other person); and

(2) "published" means publication in a newspaper, magazine, or other periodical publication, distribution of printed leaflets, pamphlets, or other documents, or display through the use of any outdoor advertising facility, and such other use of printed media as the Commission shall prescribe.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

Sec. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the [supervisory officer] Commission in a published regulation.

[(c) The supervisory officer may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with section 304 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates, and (2) does not operate in more than one State or on a statewide basis.]

(c) The Commission may, by published regulation of general applicability, relieve—

(1) any category of candidates of the obligation to comply personally with the requirements of section 304, if it determines

that such action will not have any adverse effect on the purposes of this title, and

(2) any category of political committees of the obligation to comply with such if such committees—

(A) primarily support persons seeking State or local office, and

(B) do not operate in more than one State or do not operate on a statewide basis.

(d) The [supervisory officer] Commission shall, by published regulations of General applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

REPORTS ON CONVENTION FINANCING

Sec. 307. Each committee or other organization which—

(1) represents a State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President.

shall, within sixty days following the end of the convention (but not later than twenty days prior to the date on which presidential and vice-presidential electors are chosen), file with the [Comptroller General of the United States] Federal Election Commission a full and complete financial statement, in such form and detail as [he] it may prescribe, of the sources from which it derived its funds, and the purposes for which such funds were expended.

FEDERAL ELECTION COMMISSION

Sec. 308. (a) (1) There is hereby established, as an independent establishment of the executive branch of the Government of the United States, a commission to be known as the Federal Election Commission.

(2) The Commission shall be composed of the Comptroller General, who shall serve without the right to vote, and seven members who shall be appointed by the President, by and with the advice and consent of the Senate. Of the seven members of the Commission—

(A) two shall be chosen from among individuals recommended by the President pro tempore of the Senate, upon the recommendations of the majority leader of the Senate and the minority leader of the Senate; and

(B) two shall be chosen from among individuals recommended by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House.

The two members appointed under subparagraph (A) shall not be affiliated with the same political party; nor shall the two members

appointed under subparagraph (B). Of the members not appointed under such subparagraphs, not more than two shall be affiliated with the same political party.

(3) Members of the Commission, other than the Comptroller General, shall serve for terms of seven years, except that, of the members first appointed—

(A) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending on the April thirtieth first occurring more than six months after the date on which he is appointed;

(B) one of the members appointed under paragraph (2) (A) shall be appointed for a term ending one year after the April thirtieth on which the term of the member referred to in subparagraph (A) of this paragraph ends;

(C) one of the members appointed under paragraph (2) (B) shall be appointed for a term ending two years thereafter;

(D) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending three years thereafter;

(E) one of the members appointed under paragraph (2) (A) shall be appointed for a term ending four years thereafter;

(F) one of the members appointed under paragraph (2) (B) shall be appointed for a term ending five years thereafter; and

(G) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending six years thereafter.

(4) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. A member may be reappointed to the Commission only once.

(5) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the office of member of the Commission shall be filled in the manner in which that office was originally filled.

(6) The Commission shall elect a Chairman and a Vice Chairman from among its members for a term of two years. The Chairman and the Vice Chairman shall not be affiliated with the same political party. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and four members thereof shall constitute a quorum.

(c) The Commission shall have an official seal which shall be judicially noticed.

(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

(e) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all its powers in any State.

(f) The Commission shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Commission. The General Counsel shall be the chief legal officer of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission. However, the Commission shall not delegate the making of regulations regarding elections to the Executive Director.

(g) The Chairman of the Commission shall appoint and fix the compensation of such personnel as may be necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code.

(h) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

(i) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General are authorized to make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

(j) The provisions of section 7324 of title 5, United States Code, shall apply to members of the Commission notwithstanding the provisions of subsection (d) (3) of such section.

(k) (1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation requested by the Congress or by any Member of Congress to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

POWERS OF THE COMMISSION

SEC. 309. (a) The Commission shall have the power—

(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submissions shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

(2) to administer oaths;

(3) to require by subpoena, signed by the Chairman or the Vice Chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

(6) to initiate (through civil proceedings for injunctive relief and through presentations to Federal grand juries), prosecute, defend, or appeal any civil or criminal action in the name of the Commission for the purpose of enforcing the provisions of this title and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, and 617 of title 18, United States Code, through its General Counsel;

(7) to delegate any of its functions or powers, other than the power to issue subpoenas under paragraph (3), to any officer or employee of the Commission; and

(8) to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act.

(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpoena or order of the Commission issued under section (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

(d) Notwithstanding any other provision of law, the Commission shall be the primary civil and criminal enforcement agency for violations of the provisions of this title, and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, and 617 of title 18, United States Code. Any violation of any such provision shall be prosecuted by the Attorney General or Department of Justice personnel only after consultation with, and with the consent of, the Commission.

(e) (1) Any person who violates any provision of this Act, or of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, or 617 of title 18, United States Code, may be assessed a civil penalty by the Commission under paragraph (2) of this subsection of not more than \$10,000 for each such violation. Each occurrence of a violation of this title and each day of noncompliance with a disclosure requirement of this title or an order of the Commission issued under this section shall constitute a separate offense. In determining the amount of the penalty the Commission shall consider the person's history of previous violations, the appropriateness of such penalty to the financial resources of the person charged, the gravity of the violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of a violation.

(2) A civil penalty shall be assessed by the Commission by order only after the person charged with a violation has been given an opportunity for a hearing and the Commission has determined, by decision incorporating its findings of fact therein, that a violation

did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with section 554 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Commission shall file a petition for enforcement of its order assessing the penalty in any appropriate district court of the United States. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall forthwith be sent by registered or certified mail to the respondent and his attorney of record, and thereupon the Commission shall certify and file in such court the record upon which such order sought to be forced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and decision of the Commission or it may remand the proceedings to the Commission for such further action as it may direct. The court may determine de novo all issues of law but the Commission's findings of fact, if supported by substantial evidence, shall be conclusive.

CENTRAL CAMPAIGN COMMITTEES

SEC. 310. (a) Each candidate shall designate one political committee as his central campaign committee. A candidate for nomination for election, or for election, to the office of President, may also designate one political committee in each State in which he is a candidate as his State campaign committee for that State. The designation shall be made in writing, and a copy of the designation, together with such information as the Commission may require, shall be furnished to the Commission upon the designation of any such committee.

(b) No political committee may be designated as the central campaign committee of more than one candidate. The central campaign committee, and each State campaign committee, designated by a candidate nominated by a political party for election to the office of President shall be the central campaign committee and the State campaign committee of the candidate nominated by that party for election to the office of Vice President.

(c) (1) Any political committee authorized by a candidate to accept contributions or make expenditures in connection with his campaign for nomination for election, or for election, which is not a central campaign committee or a State campaign committee, shall furnish each report required of it under section 304 (other than reports required under the last sentence of section 304(a) and 311(b) to that candidate's central campaign committee at the time it would, but for this subsection, be required to furnish that report to the Commission. Any report properly furnished to a central campaign committee under this subsection shall be, for purposes of this title, held and considered to have been furnished to the Commission at the time at which it was furnished to such central campaign committee.

(2) The Commission may, by regulation, require any political committee receiving contributions or making expenditures in a State on behalf of a candidate who, under subsection (a), has designated a State campaign committee for that State to furnish its reports to that State campaign committee instead of furnishing reports to the central campaign committee of that candidate.

(3) *The Commission may require any political committee to furnish any report directly to the Commission.*

(d) *Each political committee which is a central campaign committee or a State campaign committee shall receive all reports filed with or furnished to it by other political committees, and consolidate and furnish the reports to the Commission, together with its own reports, in accordance with the provisions of this title and regulations prescribed by the Commission.*

CAMPAIGN DEPOSITORIES

SEC. 311. (a) (1) *Each candidate shall designate one or more National or State banks as his campaign depositories. The central campaign committee of that candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a checking account at a depository so designated by the candidate and shall deposit any contributions received by that committee into that account. A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on that account, other than petty cash expenditures as provided in subsection (b).*

(2) *The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more National or State banks as campaign depositories of that committee, and shall maintain a checking account for the committee at each such depository. All contributions received by that committee shall be deposited in such an account. No expenditure may be made by that committee except by check drawn on that account, other than petty cash expenditures as provided in subsection (b).*

(b) *A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of \$100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.*

(c) *A candidate for nomination for election, or for election, to the office of President may establish one such depository in each State, which shall be considered by his State campaign committee for that State and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in that State, under regulations prescribed by the Commission, as his single campaign depository. The campaign depository of the candidate of a political party for election to the office of Vice President shall be the campaign depository designated by the candidate of that party for election to the office of President.*

DUTIES OF THE [SUPERVISORY OFFICER] COMMISSION

SEC. [308.] 312. (a) *It shall be the duty of the [supervisory officer] Commission—*

(1) *to develop and furnish to the person required by the provisions of this Act prescribed forms for the making of the reports and statements required to be filed with [him] it under this title;*

(2) *to prepare, publish, and furnish to the person required to file such reports and statements a manual setting forth recommended uniform methods of bookkeeping and reporting;*

(3) *to develop a filing, coding, and cross-indexing system consonant with the purposes of this title;*

(4) *to make the reports and statements filed with [him] it available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person: Provided, That any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;*

(5) *to preserve such reports and statements for a period of ten years from the date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;*

[(6) *to compile and maintain a current list of all statements or parts of statements pertaining to each candidate;*]

(6) *to compile and maintain a cumulative index listing all statements and reports filed with the Commission during each calendar year by political committees and candidates, which the Commission shall cause to be published in the Federal Register no less frequently than monthly during even-numbered years and quarterly in odd-numbered years and which shall be in such form and shall include such information as may be prescribed by the Commission to permit easy identification of each statement, report, candidate, and committee listed, at least as to their names, the dates of the statements and reports, and the number of pages in each, and the Commission shall make copies of statements and reports listed in the index available for sale, direct or by mail, at a price determined by the Commission to be reasonable to the purchaser;*

(7) *to prepare and publish an annual report including compilations of (A) total reported contributions and expenditures for all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as [he] it shall determine and broken down into candidate, party, and nonparty expenditures on the national, State, and local levels; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as [he] it shall determine and broken down into contributions on the national, State, and local level for candidates and political committees; and (E) aggregate amounts contributed by any contributor shown to have contributed in excess of \$100;*

(8) *to prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;*

(9) *to prepare and publish such other reports as [he] it may deem appropriate;*

(10) to assure wide dissemination of statistics, summaries, and reports prepared under this title;

(11) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title;

(12) to report apparent violations of law to the appropriate law enforcement authorities; and

(13) to prescribe suitable rules and regulations to carry out the provisions of this title.

(b) The [supervisory officer] *Commission* shall encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements.

(c) It shall be the duty of the [Comptroller General] *Commission* to serve as a national clearinghouse for information in respect to the administration of elections. In carrying out [his] *its* duties under this subsection, the [Comptroller General] *Commission* shall enter into contracts for the purpose of conducting independent studies of the administration of elections. Such studies shall include, but shall not be limited to, studies of—

(1) the method of selection of, and the type of duties assigned to, officials and personnel working on boards of elections;

(2) practices relating to the registration of voters; and

(3) voting and counting methods.

Studies made under this subsection shall be published by the [Comptroller General] *Commission* and copies thereof shall be made available to the general public upon the payment of the cost thereof. [Nothing in this subsection shall be construed to authorize the Comptroller General to require inclusion of any comment or recommendation of the Comptroller General in any such study.]

(d)(1) Any person who believes a violation of this title has occurred may file a complaint with the [supervisory officer] *Commission*. If the [supervisory officer] *Commission* determines there is substantial reason to believe such a violation has occurred [he] *it* shall expeditiously make an investigation, which shall also include an investigation of reports and statements filed by the complainant if he is a candidate, of the matter complained of. Whenever in the judgment of the [supervisory officer] *Commission*, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title or any regulation or order issued thereunder, [the Attorney General on behalf of the United States] *the Commission* shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

(2) In any action brought under paragraph (1) of this subsection, subpoenas for witnesses who are required to attend a United States district court may run into any other district.

(3) Any party aggrieved by an order granted under paragraph (1) of this subsection may, at any time within sixty days after the date of entry thereof, file a petition with the United States court of appeals for the circuit in which such person is found, resides, or transacts business, for judicial review of such order.

(4) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(5) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection).

JUDICIAL REVIEW

SEC. 313. (a) Any agency action by the Commissioner made under the provisions of this Act shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after the agency action by the Commission for which review is sought.

(b) The Commission, the national committee of any political party, and individuals eligible to vote in an election for Federal office, are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement any provision of this Act.

(c) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 of title 5, United States Code, by the Commission.

STATEMENTS FILED WITH STATE OFFICERS

SEC. [309.] 314. (a) A copy of each statement required to be filed with [a supervisory officer] *the Commission* by this title shall be filed with the Secretary of State (or, if there is no office of Secretary of State, the equivalent State officer) of the appropriate State. For purposes of this subsection, the term "appropriate State" means—

(1) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of President or Vice President of the United States, each State [in which an expenditure is made by him or on his behalf,] *in which he is a candidate or in which substantial expenditures are made by him or on his behalf;* and

(2) for reports relating to expenditures and contributions in connection with the campaign for nomination for election, or election, of a candidate to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States, the State in which he seeks election.

(b) It shall be the duty of the Secretary of State, or the equivalent State officer, under subsection (a)—

(1) to receive and maintain in an orderly manner all reports and statements required by this title to be filed with him;

(2) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, requested by any person, at the expense of such person; and

(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

(c) *There is authorized to be appropriated to the Commission in each fiscal year the sum of \$500,000, to be made available in such amounts as the Commission deems appropriate to the States for the purpose of assisting them in complying with their duties as set forth in this section.*

PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

SEC. [310.] 315. No person shall make a contribution in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person.

[PENALTY FOR VIOLATIONS

[SEC. 311. (a) Any person who violates any of the provisions of this title shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

[(b) In case of any conviction under this title, where the punishment inflicted does not include imprisonment, such conviction shall be deemed a misdemeanor conviction only.]

• APPROVAL OF PRESIDENTIAL CAMPAIGN EXPENDITURES BY NATIONAL COMMITTEE

SEC. 316. (a) *No expenditure in excess of \$1,000 shall be made by or on behalf of any candidate who has received the nomination of his political party for President or Vice President unless such expenditure has been specifically approved by the chairman or treasurer of that political party's national committee or the designated representative of that national committee in the State where the funds are to be expended.*

(b) *Each national committee approving expenditures under subsection (a) shall register under section 303 as a political committee and report each expenditure it approves as if it had made that expenditure, together with the identification of the person seeking approval and making the expenditure.*

(c) *No political party shall have more than one national committee.*

USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

SEC. 317. *Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his campaign expenses (after the application of section 507 (b) (1) of this Act), and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by that candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, or may be contributed by him to any organization described in section 170 (c) of the Internal Revenue Code of 1954. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with regulations promulgated by the Commission. The Commission is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.*

AUTHORIZATION OF APPROPRIATIONS

SEC. 318. *There are authorized to be appropriated to the Commission, for the purpose of carrying out its functions under this title, title V, and under chapter 29 of title 18, United States Code, not to exceed \$5,000,000 for the fiscal year ending June 30, 1974, and not to exceed \$5,000,000 for each fiscal year thereafter.*

PENALTY FOR VIOLATIONS

SEC. 319. (a) *Violation of any provision of this title is a misdemeanor punishable by a fine of not more than \$10,000, imprisonment for not more than one year, or both.*

(b) *Violation of any provision of this title with knowledge or reason to know that the action committed or omitted is a violation of this title is punishable by a fine of not more than \$100,000, imprisonment for not more than five years, or both.*

TITLE IV—GENERAL PROVISIONS

* * * * *

[EFFECT ON STATE LAW

[SEC. 403. (a) Nothing in this Act shall be deemed to invalidate or make inapplicable any provision of any State law, except where compliance with such provision of law would result in a violation of a provision of this Act.

[(b) Notwithstanding subsection (a), no provision of State law shall be construed to prohibit any person from taking any action authorized by this Act or from making any expenditure (as such term is defined in section 301 (f) of this Act) which he could lawfully make under this Act.]

EFFECT ON STATE LAW

SEC. 403. *The provisions of this Act, and of regulations promulgated under this Act, preempt any provision of State law with re-*

spect to campaigns for nomination for election, or for election, to Federal office (as such term is defined in section 301(c)).

* * * * *

SECTIONS 5314 AND 5315 OF TITLE 5,
UNITED STATES CODE

§ 5314. Positions at level III

Level III of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is \$40,000:

* * * * *

(60) *Members (other than the Comptroller General), Federal Election Commission (7).*

§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is \$38,000:

* * * * *

(98) *General Counsel, Federal Election Commission.*
(99) *Executive Director, Federal Election Commission.*

CHAPTER 29 OF TITLE 18, UNITED STATES CODE

Sec.

591. Definitions.

* * * * *

608. Limitations on contributions and expenditures out of candidates' personal and family funds.

* * * * *

614. *Limitation on expenditures generally.*

615. *Limitation on contributions.*

616. *Form of contributions.*

617. *Embezzlement or conversion of political contributions.*

§ 591. Definitions

When used in sections 597, 599, 600, 602, 608, 610, [and 611] 611, 614, 615, 616, and 617 of this title—

(a) "election" means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, or (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, [and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States];

(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, and individual shall be deemed to seek nomination for election, or election, to Federal office,

if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(c) "Federal office" means the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

[(d) "political committee" means any individual, committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;]

(d) "political committee" means—

(1) any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000;

(2) any national committee, association, or organization of a political party, and State affiliate or subsidiary of a national political party, and any State central committee of a political party; and

(3) any committee, association, or organization engaged in the administration of a separate segregated fund described in section 610;

(e) "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election of any person to Federal office, for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, [or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States] or for the purpose of financing any operations of a political committee, or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office;

[(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

[(3) a transfer of funds between political committees;]

(2) funds received by a political committee which are transferred to that committee from another political;

[(4)] (3) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose; and

[(5)](4) notwithstanding the foregoing meanings of "contribution", the word shall not be construed to include services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee;

[(f) "expenditure" means—

[(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

[(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

[(3) a transfer of funds between political committees;]

(f) "expenditure" means—

(1) a purchase, payment, distribution, loan (except a loan of money by a National or State bank made in accordance with the applicable banking laws and regulations, and in the ordinary course of business), advance, deposit, or gift of money or anything of value, made for the purpose of—

(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of presidential and vice-presidential elector;

(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

(C) financing any operations of a political committee; or

(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office; and

(2) the transfer of funds by a political committee to another political committee; but

(3) does not include the value of service rendered by individuals who volunteer to work without compensation on behalf of a candidate.

(g) "person" and "whoever" mean an individual, partnership, committee, association, corporation, or any other organization or group of persons; [and]

(h) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United [States.] States;

(i) "political party" means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of that association, committee, or organization; and

(j) "national committee" means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of that political party at the national level as determined by the Federal Election Commission under section 301(k) of the Federal Election Campaign Act of 1971.

* * * * *

§ 608. Limitations on contributions and expenditures out of candidates' personal and family funds

[(a) (1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaign for nomination for election, or election, to Federal office in excess of—

[(A) \$50,000, in the case of a candidate for the office of President or Vice President;

[(B) \$35,000, in the case of a candidate for the office of Senator; or

[(C) \$25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner to the Congress.]

(a) (1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaigns for nominations for election, and for election, to Federal office in excess, in the aggregate of—

(A) \$50,000 in the case of a candidate for the office of President or Vice President;

(B) \$35,000 in the case of a candidate for the office of Senator; or

(C) \$25,000 in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner to the Congress.

(2) For purposes of this subsection, "immediate family" means a candidate's spouse, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses of such persons.

(3) No candidate or his immediate family may make loans or advances from their personal funds in connection with his campaign for nomination for election, or election, to Federal office unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

(4) For purposes of this subsection, any such loan or advance shall be included in computing the total amount of such expenditures only to the extent of the balance of such loan or advance outstanding and unpaid.

(b) No candidate or political committee shall knowingly accept any contribution or authorize any expenditure in violation of the provisions of this section.

(c) Violation of the provisions of this section is punishable by a fine not to exceed [\$1,000] \$25,000, imprisonment for not to exceed [one year] five years, or both.

* * * * *

§ 611. Contributions by Government contractors

Whoever—

(a) entering into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (1) the completion of performance under, or (2) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land or buildings, directly or indirectly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

(b) knowingly solicits any such contribution from any such person for any such purpose during any such period; shall be fined not more than \$5,000 or imprisoned not more than five years, or both.

It shall not constitute a violation of the provisions of this section for a corporation or a labor organization to establish, administer, or solicit contributions to a separate segregated fund to be utilized for political purposes by that corporation or labor organization if the establishment and administration of, and solicitation of contributions to, such fund do not constitute a violation of section 610.

* * * * *

§ 614. Limitation on expenditures generally

(a) (1) *No candidate may make expenditures in connection with his campaign for nomination for election, or for election, to Federal office in excess of the amount to which he would be limited under section 504 of the Federal Election Campaign Act of 1971 if he were receiving payments under title V of that Act.*

(2) *Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.*

(3) *Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.*

(4) *For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—*

(A) *an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or*

(B) *any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.*

(5) *The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for Presidential nomina-*

tion for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

(b) *The national committee of a political party may not make any expenditure during any calendar year in connection with the general election campaign of any candidate for Federal office who is affiliated with that party which, when added to the sum of all other expenditures made by that national committee during that year in connection with the general election campaigns of all candidates affiliated with that party, exceeds an amount equal to 2 cents multiplied by the voting age population of the United States. The State committee of a political party, including any subordinate committees of the State committee, may not make any expenditure during the calendar year in connection with the general election campaign of a candidate for Federal office in such State who is affiliated with that party which, when added to all other expenditures made by that State committee during that year in connection with the general election campaigns of candidates affiliated with that party, exceeds an amount equal to 2 cents multiplied by the voting age population of that State. For purposes of this subsection—*

(1) *the term "voting age population" means voting age population certified for the year under section 504(g) of the Federal Election Campaign Act of 1971; and*

(2) *the approval by the national committee of a political party of an expenditure by or on behalf of the presidential candidate of that party as required by section 316 of that Act is not considered an expenditure by that national committee.*

(c) (1) *No person may make any expenditure (other than an expenditure made on behalf of a candidate under the provisions of subsection (a) (4)) advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds \$1,000.*

(2) *For purposes of paragraph (1)—*

(A) *"clearly identified" means—*

(i) *the candidate's name appears;*

(ii) *a photograph or drawing of the candidate appears;*

or

(iii) *the identity of the candidate is apparent by unambiguous reference;*

(B) *"person" does not include the National or State committee of a political party; and*

(C) *"expenditure" does not include any payment made or incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization.*

(D) *Any person who knowingly or willfully violates the provisions of this section, other than subsection (a) (5), shall be punishable by a fine of \$25,000, imprisonment for a period of not more than five years, or both. If any candidate is convicted of violating the provisions of this section because of any expenditure made on his behalf (as deter-*

mined under subsection (a) (4) by a political committee, the treasurer of that committee, or any other person authorizing such expenditure, shall be punishable by a fine of not to exceed \$25,000, imprisonment for not to exceed five years, or both, if such person knew, or had reason to know, that such expenditure was in excess of the limitation applicable to such candidate under this section.

§ 615. Limitations on contributions

(a) No person may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for nomination for election, or election, which, when added to the sum of all other contributions made by that person for that campaign, exceeds \$3,000.

(b) (1) No candidate may knowingly accept a contribution for his campaign from any person which, when added to the sum of all other contributions received from that person for that campaign, exceeds \$3,000.

(2) No officer or employee of a political committee or of a political party may knowingly accept any contribution made for the benefit or use of a candidate which that candidate could not accept under paragraph (1).

(c) (1) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

(2) Contributions made to, or for the benefit of, a candidate nominated by a political party for election to the office of Vice President shall be considered, for purposes of this section, to be made to, or for the benefit of, a candidate nominated by that party for election to the office of President.

(3) The limitations imposed by subsections (a) and (b) shall apply separately to each primary, primary runoff, general, and special election in which a candidate participates.

(d) (1) No individual may make a contribution during any calendar year which, when added to the sum of all other contributions made by that individual during that year, exceeds \$25,000.

(2) Any contribution made for a campaign in a year, other than the calendar year in which the election is held to which that campaign relates, is, for purposes of this section, considered to be made during that calendar year in which that election is held.

(e) Violation of the provisions of this section is punishable by a fine of not to exceed \$25,000, imprisonment for not to exceed five years, or both.

§ 616. Form of contributions

"No person may make a contribution to, or for the benefit of, any candidate or political committee in excess, in the aggregate during any calendar year, of \$100 unless such contributions is made by a written instrument identifying the person making the contribution. Violation of the provisions of this section is punishable by a fine of not to exceed \$1,000, imprisonment for not to exceed one year, or both.

§ 617. Embezzlement or conversion of political contributions

(a) No candidate, officer, employee, or agent of a political committee, or person acting on behalf of any candidate or political committee, shall embezzle, knowingly convert to his own use or the use of another, or deposit in any place or in any manner except as authorized by law, any contributions or campaign funds entrusted to him or under his possession, custody, or control, or use any campaign funds to pay or defray the costs of attorney fees for the defense of any person or persons charged with the commission of a crime; or receive, conceal, or retain the same with intent to convert it to this personal use or gain, knowing it to have been embezzled or converted.

(b) Violation of the provisions of the section is punishable by a fine of not more than \$25,000, imprisonment for not more than ten years, or both; but if the value of such property does not exceed the sum of \$100, the fine shall not exceed \$1,000 and the imprisonment shall not exceed one year. Notwithstanding the provisions of this section, any surplus or unexpended campaign funds may be contributed to a national or State political party for political purposes, or to educational or charitable organizations, or may be preserved for use in future campaigns for elective office, or for any other lawful purpose.

INTERNAL REVENUE CODE OF 1954

Sec. 41. Contributions to candidates for public office.

(a) GENERAL RULE.—In the case of an individual, there shall be allowed, subject to the limitations of subsection (b), as a credit against the tax imposed by this chapter for the taxable year, an amount equal to one-half of all political contributions, payment of which is made by the taxpayer within the taxable year.

(b) LIMITATIONS.—

[(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall be limited to \$12.50 (\$25 in the case of a joint return under section 6013).]

(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed \$25 (\$50 in the case of a joint return under section 6013).

(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under section 33 (relating to foreign tax credit), section 35 (relating to partially tax-exempt interest), section 37 (relating to retirement income), and section 38 (relating to investment in certain depreciable property).

(3) VERIFICATION.—The credit allowed by subsection (a) shall be allowed, with respect to any political contribution, only if such political contribution is verified in such manner as the Secretary or his delegate shall prescribe by regulations.

* * * * *

Sec. 218. Contributions to candidates for public office.

(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction any political contribution (as defined

in section 41(c)(1)) payment of which is made by such individual within the taxable year.

(b) LIMITATIONS.—

[(1) AMOUNT.—The deduction under subsection (a) shall not exceed \$50 (\$100 in the case of a joint return under section 6013).]

(1) AMOUNT.—*The deduction under subsection (a) shall not exceed \$100 (\$200 in the case of a joint return under section 6013).*

(2) VERIFICATION.—The deduction under subsection (a) shall be allowed, with respect to any political contribution, only if such political contribution is verified in such manner as the Secretary or his delegate shall prescribe by regulations.

* * * * *

CHAPTER 61—INFORMATION AND RETURNS

Subchapter A. Returns and records.
Subchapter B. Miscellaneous provisions.

SUBCHAPTER A—RETURNS AND RECORDS

- Part I. Records, statements, and special returns.
- Part II. Tax returns or statements.
- Part III. Information returns.
- Part IV. Signing and verifying of returns and other documents.
- Part V. Time for filing returns and other documents.
- Part VI. Extension of time for filing returns.
- Part VII. Place for filing returns or other documents.
- [Part VIII. Designation of income tax payments to Presidential Election Campaign Fund.]

Part VIII. Designation of income tax payments to Federal Election Campaign Fund

* * * * *

[Part VIII—Designation of Income Tax Payments to Presidential Election Campaign Fund]

Part VIII.—Designation of income tax payments to Federal election campaign fund

Sec. 6096. Designation by individuals

[(a) In General.—Every individual (other than a nonresident alien) whose income tax liability for the taxable year is \$1 or more may designate that \$1 shall be paid over to the Presidential Election Campaign Fund in accordance with the provisions of section 9006(a). In the case of a joint return of husband and wife having an income tax liability of \$2 or more, each spouse may designate that \$1 shall be paid to the fund.]

(a) IN GENERAL.—*Every individual whose income tax liability for the taxable year is \$2 or more is considered to have designated that \$2 shall be paid over to the Federal Election Campaign Fund established under section 506 of the Federal Election Campaign Act of 1971 unless he elects not to make that designation. In the case of a joint return of a husband and wife having an income tax liability of \$4 or more, each spouse shall be considered to have designated that \$2 shall be paid over to such fund unless he elects not to make such designation.*

(b) Income Tax Liability.—For purposes of subsection (a), the income tax liability of any individual for any taxable year is the amount

of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown in his return) allowable under sections 33, 37, 38, 40, and 41.

(c) Manner and Time of [Designation.—A designation] Election.—*An election under subsection (a) may be made with respect to any taxable year—*

(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate.

Such [designation] election shall be made in such manner as the Secretary or his delegate prescribes by regulations except that, if such [designation] election is made at the time of filing the return of the tax imposed by chapter 1 for such taxable year, such [designation] election shall be made either on the first page of the return or on the page bearing the taxpayer's signature.

* * * * *

[SUBTITLE H—FINANCING OF A PRESIDENTIAL ELECTION
CAMPAIGNS

[Chapter 95. Presidential election campaign fund.
Chapter 96. Presidential election campaign fund advisory board.

[CHAPTER 95—PRESIDENTIAL ELECTION CAMPAIGN FUND

- [Sec. 9001. Short title.
- [Sec. 9002. Definitions.
- [Sec. 9003. Condition for eligibility for payments.
- [Sec. 9004. Entitlement of eligible candidates to payments.
- [Sec. 9005. Certification by Comptroller General.
- [Sec. 9006. Payments to eligible candidates.
- [Sec. 9007. Examinations and audits; repayments.
- [Sec. 9008. Information on proposed expenses.
- [Sec. 9009. Reports to Congress; regulations.
- [Sec. 9010. Participation by Comptroller General in judicial proceedings.
- [Sec. 9011. Judicial review.
- [Sec. 9012. Criminal penalties.
- [Sec. 9013. Effective date of chapter.

[Sec. 9001. Short title.

[This chapter may be cited as the "Presidential Election Campaign Fund Act".

[Sec. 9002. Definitions.

[For purposes of this chapter—

[(1) The term "authorized committee" means, with respect to the candidates of a political party for President and Vice President of the United States, any political committee which is authorized in writing by such candidates to incur expenses to further the election of such candidates. Such authorization shall be addressed to the chairman of such political committee, and a copy of such authorization shall be filed by such candidates with the Comptroller General. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

[(2) The term "candidate" means, with respect to any presidential election, an individual who (A) has been nominated for election to the office of President of the United States or the office of Vice President of the United States by a major party, or (B) has qualified to have his name on the election ballot (or to have the names of electors pledged to him on the election ballot) as the candidate of a political party for election to either such office in 10 or more States. For purposes of paragraphs (6) and (7) of this section and purposes of section 9004(a)(2), the term "candidate" means, with respect to any preceding presidential election, an individual who received popular votes for the office of President in such election.

[(3) The term "Comptroller General" means the Comptroller General of the United States.

[(4) The term "eligible candidates" means the candidates of a political party for President and Vice President of the United States who have met all applicable conditions for eligibility to receive payments under this chapter set forth in section 9003.

[(5) The term "fund" means the Presidential Election Campaign Fund established by section 9006(a).

[(6) The term "major party" means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 25 percent or more of the total number of popular votes received by all candidates for such office.

[(7) The term "minor party" means, with respect to any presidential election, a political party whose candidate for the office of President in the preceding presidential election received, as the candidate of such party, 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office.

[(8) The term "new party" means, with respect to any presidential election, a political party which is neither a major party nor a minor party.

[(9) The term "political committee" means any committee, association, or organization (whether or not incorporated) which accepts contributions or makes expenditures for the purpose of influencing, or attempting to influence, the nomination or election of one or more individuals to Federal, State, or local elective public office.

[(10) The term "presidential election" means the election of presidential and vice-presidential electors.

[(11) The term "qualified campaign expense" means an expense—

[(A) incurred (i) by the candidate of a political party for the office of President to further his election to such office or to further the election of the candidate of such political party for the office of Vice President, or both (ii) by the candidate of a political party for the office of Vice President to further his election to such office or to further the election of the candidate of such political party for the office of President, or both, or (iii) by an authorized committee of the candidates of a political party for the offices of President and Vice President to further the election of either or both of such candidates to such offices,

[(B) incurred within the expenditure report period (as defined in paragraph (12)), or incurred before the beginning of

such period to the extent such expense is for property, services, or facilities used during such period, and

[(C) neither the incurring nor payment of which constitutes a violation of any law of the United States or of the State in which such expense is incurred or paid.

[An expense shall be considered as incurred by a candidate or an authorized committee if it is incurred by a person authorized by such candidate or such committee, as the case may be, to incur such expense on behalf of such candidate or such committee. If an authorized committee of the candidates of a political party for President and Vice President of the United States also incurs expenses to further the election of one or more other individuals to Federal, State, or local elective public office, expenses incurred by such committee which are not specifically to further the election of such other individual or individuals shall be considered as incurred to further the election of such candidates for President and Vice President in such proportion as the Comptroller General prescribes by rules or regulations.

[(12) The term "expenditure report period" with respect to any presidential election means—

[(A) in the case of a major party, the period beginning with the first day of September before the election, or, if earlier, with the date on which such major party at its national convention nominated its candidate for election to the office of President of the United States, and ending 30 days after the date of the presidential election; and

[(B) in the case of a party which is not a major party, the same period as the expenditure report period of the major party which has the shortest expenditure report period for such presidential election under subparagraph (A).]

[Sec. 9003. Condition for eligibility for payments.

[(a) IN GENERAL.—In order to be eligible to receive any payments under section 9006, the candidates of a political party in a presidential election shall, in writing—

[(1) agree to obtain and furnish to the Comptroller General such evidence as he may request of the qualified campaign expenses with respect to which payment is sought,

[(2) agree to keep and furnish to the Comptroller General such records, books, and other information as he may request,

[(3) agree to an audit and examination by the Comptroller General under section 9007 and to pay any amounts required to be paid under such section, and

[(4) agree to furnish statements of qualified campaign expenses and proposed qualified campaign expenses required under section 9008.

[(b) *Major Parties.*—In order to be eligible to receive any payments under section 9006, the candidates of a major party in a presidential election shall certify to the Comptroller General, under penalty of perjury, that—

[(1) such candidates and their authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which they will be entitled under section 9004, and

[(2) no contributions to defray qualified campaign expenses have been or will be accepted by such candidates or any of their authorized committees except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006(d), and no contributions to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11) have been or will be accepted by such candidates or any of their authorized committees.

[Such certification shall be made within such time prior to the day of the presidential election as the Comptroller General shall prescribe by rules or regulations.]

[(c) Minor and New Parties.—In order to be eligible to receive any payments under section 9006, the candidates of a minor or new party in a presidential election shall certify to the Comptroller General, under penalty of perjury, that—

[(1) such candidates and their authorized committees will not incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party are entitled under section 9004, and

[(2) such candidates and their authorized committees will accept and expend or retain contributions to defray qualified campaign expenses only to the extent that the qualified campaign expenses incurred by such candidates and their authorized committees certified to under paragraph (1) exceed the aggregate payments received by such candidates out of the fund pursuant to section 9006.

[Such certification shall be made within such time prior to the day of the presidential election as the Comptroller General shall prescribe by rules or regulations.]

[Sec. 9004. Entitlement of eligible candidates to payments.

[(a) IN GENERAL.—Subject to the provisions of this chapter—

[(1) The eligible candidates of a major party in a presidential election shall be entitled to payments under section 9006 equal in the aggregate to 15 cents multiplied by the total number of residents within the United States who have attained the age of 18, as determined by the Bureau of the Census, as of the first day of June of the year preceding the year of the presidential election.

[(2) (A) The eligible candidates of a minor party in a presidential election shall be entitled to payments under section 9006 equal in the aggregate to an amount which bears the same ratio to the amount computed under paragraph (1) for a major party as the number of popular votes received by the candidate for President of the minor party, as such candidate, in the preceding presidential election bears to the average number of popular votes received by the candidates for President of the major parties in the preceding presidential election.

[(B) If the candidate of one or more political parties (not including a major party) for the office of President was a candidate for such office in the preceding presidential election and received 5 percent or more but less than 25 percent of the total number of popular votes received by all candidates for such office, such candidate and his running mate for the office of Vice Presi-

dent, upon compliance with the provisions of section 9003(a) and (c), shall be treated as eligible candidates entitled to payments under section 9006 in an amount computed as provided in subparagraph (A) by taking into account all the popular votes received by such candidate for the office of President in the preceding presidential election. If eligible candidates of a minor party are entitled to payments under this subparagraph, such entitlement shall be reduced by the amount of the entitlement allowed under subparagraph (A).

[(3) The eligible candidates of a minor party or a new party in a presidential election whose candidate for President in such election receives, as such candidate, 5 percent or more of the total number of popular votes cast for the office of President in such election shall be entitled to payments under section 9006 equal in the aggregate to an amount which bears the same ratio to the amount computed under paragraph (1) for a major party as the number of popular votes received by such candidate in such election bears to the average number of popular votes received in such election by the candidates for President of the major parties. In the case of eligible candidates entitled to payments under paragraph (2), the amount allowable under this paragraph shall be limited to the amount, if any, by which the entitlement under the preceding sentence exceeds the amount of the entitlement under paragraph (2).

[(b) LIMITATIONS.—The aggregate payments to which the eligible candidates of a political party shall be entitled under subsections (a) (2) and (3) with respect to a presidential election shall not exceed an amount equal to the lower of—

[(1) the amount of qualified campaign expenses incurred by such eligible candidates and their authorized committees, reduced by the amount of contributions to defray qualified campaign expenses received and expended or retained by such eligible candidates and such committees, or

[(2) the aggregate payments to which the eligible candidates of a major party are entitled under subsection (a) (1), reduced by the amount of contributions described in paragraph (1) of this subsection.

[(c) RESTRICTIONS.—The eligible candidates of a political party shall be entitled to payments under subsection (a) only—

[(1) to defray qualified campaign expenses incurred by such eligible candidates or their authorized committees, or

[(2) to repay loans the proceeds of which were used to defray such qualified campaign expenses, or otherwise to restore funds (other than contributions to defray qualified campaign expenses received and expended by such candidates or such committees) used to defray such qualified campaign expenses.]

[Sec. 9005. Certification by Comptroller General.

[(a) Initial Certification.—On the basis of the evidence, books, records, and information furnished by the eligible candidates of a political party and prior to examination and audit under section 9007, the Comptroller General shall certify from time to time to the Secretary for payment to such candidates under section 9006 the payments to which such candidates are entitled under section 9004.

[(b) Finality of Certifications and Determinations.—Initial certifications by the Comptroller General under subsection (a), and all determinations made by him under this chapter, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Comptroller General under section 9007 and judicial review under section 9011.]

[Sec. 9006. Payments to eligible candidates.

[(a) Establishment of Campaign Fund.—There is hereby established on the books of the Treasury of the United States a special fund to be known as the “Presidential Election Campaign Fund”. The Secretary shall, as provided by appropriation Acts, transfer to the fund an amount not in excess of the sum of the amounts designated (subsequent to the previous Presidential election) to the fund by individuals under section 6096.

[(b) Transfer to the General Fund.—If, after a Presidential election and after all eligible candidates have been paid the amount which they are entitled to receive under this chapter, there are moneys remaining in the fund, the Secretary shall transfer the moneys so remaining to the general fund of the Treasury.

[(c) Payments From the Fund.—Upon receipt of a certification from the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary shall pay to such candidates out of the fund the amount certified by the Comptroller General. Amounts paid to any such candidates shall be under the control of such candidates.

[(d) Insufficient amounts in Funds.—If at the time of a certification by the Comptroller General under section 9005 for payment to the eligible candidates of a political party, the Secretary or his delegate determines that the moneys in the fund are not, or may not be, sufficient to satisfy the full entitlements of the eligible candidates of all political parties, he shall withhold from such payment such amount as he determines to be necessary to assure that the eligible candidates of each political party will receive their pro rata share of their full entitlement. Amounts withheld by reason of the preceding sentence shall be paid when the Secretary or his delegate determines that there are sufficient moneys in the fund to pay such amounts, or portions thereof, to all eligible candidates from whom amounts have been withheld, but, if there are not sufficient moneys in the fund to satisfy the full entitlement of the eligible candidates of all political parties, the amounts so withheld shall be paid in such manner that the eligible candidates of each political party receive their pro rata share of their full entitlement.]

[Sec. 9007. Examinations and audits; repayments.

[(a) Examinations and Audits.—After each presidential election the Comptroller General shall conduct a thorough examination and audit of the qualified campaign expenses of the candidates of each political party for President and Vice President.

[(b) Repayments.—

[(1) If the Comptroller General determines that any portion of the payments made to the eligible candidates of a political party under section 9006 was in excess of the aggregate payments to

which candidates were entitled under section 9004, he shall so notify such candidates, and such candidates shall pay to the Secretary an amount equal to such portion.

[(2) If the Comptroller General determines that the eligible candidates of a political party and their authorized committees incurred qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party were entitled under section 9004, he shall notify such candidates of the amount of such excess and such candidates shall pay to the Secretary an amount equal to such amount.

[(3) If the Comptroller General determines that the eligible candidates of a major party or any authorized committee of such candidates accepted contributions (other than contributions to make up deficiencies in payments out of the fund on account of the application of section 9006(d)) to defray qualified campaign expenses (other than qualified campaign expenses with respect to which payment is required under paragraph (2)), he shall notify such candidates of the amount of the contributions so accepted, and such candidates shall pay to the Secretary an amount equal such amount.

[(4) If the Comptroller General determines that any amount of any payment made to the eligible candidates of a political party under section 9006 was used for any purpose other than—

[(A) to defray the qualified campaign expenses with respect to which such payment was made, or

[(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray such qualified campaign expenses.

he shall notify such candidates of the amount so used, and such candidates shall pay to the Secretary an amount equal to such amount.

[(5) No payment shall be required from the eligible candidates of a political party under this subsection to the extent that such payment, when added to other payments required from such candidates under this subsection, exceeds the amount of payments received by such candidates under section 9006.

[(c) Notification.—No notification shall be made by the Comptroller General under subsection (b) with respect to a presidential election more than 3 years after the day of such election.

[(d) Deposit or Repayments.—All payments received by the Secretary under subsection (b) shall be deposited by him in the general fund of the Treasury.

[(d) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary under subsection (b) shall be deposited by him in the general fund of the Treasury.]

[Sec. 9008. Information on proposed expenses.

[(a) REPORTS BY CANDIDATES.—The candidates of a political party for President and Vice President in a presidential election shall, from time to time as the Comptroller General may require, furnish to the

Comptroller General a detailed statement, in such form as the Comptroller General may prescribe, of—

[(1) the qualified campaign expenses incurred by them and their authorized committees prior to the date of such statement (whether or not evidence of such expenses has been furnished for purposes of section 9005), and

[(2) the qualified campaign expenses which they and their authorized committees propose to incur on or after the date of such statement.

[(The Comptroller General shall require a statement under this subsection from such candidates of each political party at least once each week during the second, third, and fourth weeks preceding the day of the presidential election and at least twice during the week preceding such day.)

[(b) PUBLICATION.—The Comptroller General shall, as soon as possible after he receives each statement under subsection (a), prepare and publish a summary of such statement, together with any other data or information which he deems advisable, in the Federal Register. Such summary shall not include any information which identifies any individual who made a designation under section 6096.]

[Sec. 9009. Reports to Congress; regulations.]

[(a) REPORTS.—The Comptroller General shall, as soon as practicable after each presidential election, submit a full report to the Senate and House of Representatives setting forth—

[(1) the qualified campaign expenses (shown in such detail as the Comptroller General determines necessary) incurred by the candidates of each political party and their authorized committees;

[(2) the amounts certified by him under section 9005 for payment to the eligible candidates of each political party; and

[(3) the amount of payments, if any, required from such candidates under section 9007, and the reasons for each payment required.]

[(Each report submitted pursuant to this section shall be printed as a Senate document.)

[(b) REGULATIONS, ETC.—The Comptroller General is authorized to prescribe such rules and regulations, to conduct such examinations and audits (in addition to the examinations and audits required by section 9007(a)), to conduct such investigations, and to require the keeping and submission of such books, records, and information, as he deems necessary to carry out the functions and duties imposed on him by this chapter.]

[Sec. 9010. Participation by Comptroller General in judicial proceedings.]

[(a) APPEARANCE BY COUNSEL.—The Comptroller General is authorized to appear in and defend against any action filed under section 9011, either by attorneys employed in his office or by counsel whom he may appoint without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and whose compensation he may fix without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title.]

[(b) RECOVERY OF CERTAIN PAYMENTS.—The Comptroller General is authorized through attorneys and counsel described in subsection (a) to appear in the district courts of the United States to seek recovery of any amounts determined to be payable to the Secretary as a result of examination and audit made pursuant to section 9007.]

[(c) DECLARATORY AND INJUNCTIVE RELIEF.—The Comptroller General is authorized through attorneys and counsel described in subsection (a) to petition the courts of the United States for declaratory or injunctive relief concerning any civil matter covered by the provisions of this subtitle or section 6096. Upon application of the Comptroller General, an action brought pursuant to this subsection shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.]

[(d) APPEAL.—The Comptroller General is authorized on behalf of the United States to appeal from, and to petition the Supreme Court for certiorari to review, judgments or decrees entered with respect to actions in which he appears pursuant to the authority provided in this section.]

[Sec. 9011. Judicial review.]

[(a) REVIEW OF CERTIFICATION, DETERMINATION, OR OTHER ACTION BY THE COMPTROLLER GENERAL.—Any certification, determination, or other action by the Comptroller General made or taken pursuant to the provisions of this chapter shall be subject to review by the United States Court of Appeals for the District of Columbia upon petition filed in such Court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after the certification, determination, or other action by the Comptroller General for which review is sought.]

[(b) SUITS TO IMPLEMENT CHAPTER.—

[(1) The Comptroller General, the national committee of any political party, and individuals eligible to vote for President are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this chapter.]

[(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this subsection and shall exercise the same without regard to whether a person asserting rights under provisions of this subsection shall have exhausted any administrative or other remedies that may be provided at law. Such proceedings shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28, United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the case to be in every way expedited.]

[Sec. 9012. Criminal penalties.**[(a) EXCESS CAMPAIGN EXPENSES.—**

[(1) It shall be unlawful for an eligible candidate of a political party for President and Vice President in a presidential election or any of his authorized committees knowingly and willfully to incur qualified campaign expenses in excess of the aggregate payments to which the eligible candidates of a major party are entitled under section 9004 with respect to such election.

[(2) Any person who violates paragraph (1) shall be fined not more than \$5,000, or imprisoned not more than one year or both. In the case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

[(b) CONTRIBUTIONS.—

[(1) It shall be unlawful for an eligible candidate of a major party in a presidential election or any of his authorized committees knowingly and willfully to accept any contribution to defray qualified campaign expenses, except to the extent necessary to make up any deficiency in payments received out of the fund on account of the application of section 9006(d), or to defray expenses which would be qualified campaign expenses but for subparagraph (C) of section 9002(11).

[(2) It shall be unlawful for an eligible candidate of a political party (other than a major party) in a presidential election or any of his authorized committees knowingly and willfully to accept and expend or retain contributions to defray qualified campaign expenses in an amount which exceeds the qualified campaign expenses incurred with respect to such election by such eligible candidate and his authorized committees.

[(3) Any person who violates paragraph (1) or (2) shall be fined not more than \$5,000, or imprisoned not more than one year, or both. In the case of a violation by an authorized committee, any officer or member of such committee who knowingly and willfully consents to such violation shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

[(c) UNLAWFUL USE OF PAYMENTS.—

[(1) It shall be unlawful for any person who receives any payment under section 9006, or to whom any portion of any payment received under such section is transferred, knowingly and willfully to use, or authorize the use of, such payment or such portion for any purpose other than—

[(A) to defray the qualified campaign expenses with respect to which such payment was made, or

[(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray such qualified campaign expenses.

[(2) Any person who violates paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than five years, or both.

[(d) FALSE STATEMENTS, ETC.—

[(1) It shall be unlawful for any person knowingly and willfully—

[(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Comptroller General under this subtitle, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to a certification by the Comptroller General or an examination and audit by the Comptroller General under this chapter; or

[(B) to fail to furnish to the Comptroller General any records, books, or information requested by him for purposes of this chapter.

[(2) Any person who violates paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than five years, or both.

[(e) KICKBACKS AND ILLEGAL PAYMENTS.—

[(1) It shall be unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any qualified campaign expense of eligible candidates or their authorized committees.

[(2) Any person who violates paragraph (1) shall be fined not more than \$10,000, or imprisoned not more than five years, or both.

[(3) In addition to the penalty provided by paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of eligible candidates or their authorized committees shall pay to the Secretary, for deposit in the general fund of the Treasury, an amount equal to 125 percent of the kickback or payment received.

[(f) UNAUTHORIZED EXPENDITURES AND CONTRIBUTIONS.—

[(1) Except as provided in paragraph (2), it shall be unlawful for any political committee which is not an authorized committee with respect to the eligible candidates of a political party for President and Vice President in a presidential election knowingly and willfully to incur expenditures to further the election of such candidates, which would constitute qualified campaign expenses if incurred by an authorized committee of such candidates, in an aggregate amount exceeding \$1,000.

[(2) This subsection shall not apply to (A) expenditures by a broadcaster regulated by the Federal Communications Commission, or by a periodical publication, in reporting the news or in taking editorial positions, or (B) expenditures by any organization described in section 501(c) which is exempt from tax under section 501(a) in communicating to its members the views of that organization.

[(3) Any political committee which violates paragraph (1) shall be fined not more than \$5,000, and any officer or member of such committee who knowingly and willfully consents to such violation and any other individual who knowingly and willfully violates paragraph (1) shall be fined not more than \$5,000, or imprisoned not more than one year, or both.

[(g) UNAUTHORIZED DISCLOSURE OF INFORMATION.—

[(1) It shall be unlawful for any individual to disclose any information obtained under the provisions of this chapter except as may be required by law.

[(2) Any person who violates paragraph (1) shall be fined not more than \$5,000, or imprisoned not more than one year, or both.]

[Sec. 9013. Effective date of chapter.

[The provisions of this chapter shall take effect on January 1, 1973.]

[CHAPTER 96. PRESIDENTIAL ELECTION CAMPAIGN FUND ADVISORY BOARD

[Sec. 9021. Establishment of Advisory Board.

[(a) ESTABLISHMENT OF BOARD.—There is hereby established an advisory board to be known as the Presidential Election Campaign Fund Advisory Board (hereinafter in this section referred to as the "Board"). It shall be the duty and function of the Board to counsel and assist the Comptroller General of the United States in the performance of the duties and functions imposed on him under the Presidential Election Campaign Fund Act.

[(b) COMPOSITION OF BOARD.—The Board shall be composed of the following members:

[(1) the majority leader and minority leader of the Senate and the Speaker and minority leader of the House of Representatives, who shall serve ex officio;

[(2) two members representing each political party which is a major party (as defined in section 9002(6)), which members shall be appointed by the Comptroller General from recommendations submitted by such political party; and

[(3) three members representing the general public, which members shall be selected by the members described in paragraphs (1) and (2).

[The terms of the first members of the Board described in paragraphs (2) and (3) shall expire on the sixtieth day after the date of the first presidential election following January 1, 1973, and the terms of subsequent members described in paragraphs (2) and (3) shall begin on the sixty-first day after the date of a presidential election and expire on the sixtieth day following the date of the subsequent presidential election. The Board shall elect a Chairman from its members.

[(c) COMPENSATION.—Members of the Board (other than members described in subsection (b)(1) shall receive compensation at the rate of \$75 a day for each day they are engaged in performing duties and functions as such members, including traveltime, and, while away from their homes or regular places of business, shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in the Government service employed intermittently.

[(d) STATUS.—Service by an individual as a member of the Board shall not, for purposes of any other law of the United States be considered as service as an officer or employee of the United States.]

ROLLCALL VOTES IN COMMITTEE

In compliance with sections 133 (b) and (d) of the Legislative Reorganization Act of 1946, as amended, the record of rollcall votes in the Committee on Rules and Administration during its consideration of the original bill (subsequently S. 3044) is as follows:

1. Motion by Senator Griffin to delete Title I and substitute therefor a proposal to provide candidates for Federal office in general elections with certain amounts of television time to be paid for from funds in the United States Treasury, and to prohibit such candidates from purchasing additional television time. Rejected: 3 yeas; 6 nays.

Yeas—3

Nays—6

Mr. Allen
Mr. Griffin
Mr. Hatfield¹

Mr. Cannon
Mr. Pell
Mr. Robert C. Byrd¹
Mr. Williams
Mr. Cook
Mr. Hugh Scott¹

2. Question posed by the Chairman: Shall the Committee approve Title I as contained in the draft bill (Committee Print No. 3)? Adopted: 7 yeas; 2 nays.

Yeas—7

Nays—2

Mr. Cannon
Mr. Pell
Mr. Robert C. Byrd¹
Mr. Williams
Mr. Cook
Mr. Hugh Scott¹
Mr. Hatfield¹

Mr. Allen
Mr. Griffin

3. Motion by Senator Griffin that the bill be reported to the Senate without recommendation (offered as a substitute for Senator Pell's motion, which follows). Rejected: 3 yeas; 6 nays.

Yeas—3

Nays—6

Mr. Allen
Mr. Griffin
Mr. Hatfield¹

Mr. Cannon
Mr. Pell
Mr. Robert C. Byrd¹
Mr. Williams
Mr. Cook
Mr. Hugh Scott¹

¹ Proxy.

4. Motion by Senator Pell that the draft bill be favorably reported to the Senate. Adopted: 8 yeas; 1 nay.

Yeas—8

Mr. Cannon
Mr. Pell
Mr. Robert C. Byrd¹
Mr. Williams
Mr. Cook
Mr. Hugh Scott¹
Mr. Griffin
Mr. Hatfield¹

Nays—1

Mr. Allen

¹ Proxy.

ADDITIONAL VIEWS OF MR. PELL

It is particularly gratifying to me as Chairman of the Subcommittee on Privileges and Elections that the Committee is reporting legislation in which public financing of elections is such a strong component.

The public financing features of the Federal Election Campaign Act Amendments of 1974 stem from comprehensive hearings before the subcommittee which I conducted on September 18, 19, 20 and 21, 1973. Many constructive recommendations emerged from these hearings. They were distilled into my own bill, S. 2718, which I introduced on November 16, which was reported to the Committee for consideration, and which formed the basis for our deliberations.

I am pleased that the legislation contains principles which I had advanced. Among these are: coverage of *all* Federal elections, primary and general; a threshold amount to be raised in small contributions by candidates in primary elections to ensure each candidate's seriousness of intent; and the concept of matching these small contributions with federal dollars.

I am also pleased that the legislation contains provisions which I recommended in Committee. Among these are: an accelerated reporting procedure by the Federal Election Commission to permit completion of examinations and audits of campaign expenditures at the earliest practicable time; a greater limitation on the amounts which an individual candidate may contribute to his or her own campaign; and a new method of implementing the dollar check-off, whereby this check-off becomes automatic unless the taxpayer indicates an objection.

The Committee is reporting to the Senate legislation of historic significance, in accord with those Jeffersonian principles which place abiding confidence in the wisdom of the individual and in the individual's fundamental role in the development of an enlightened democracy.

We have witnessed the tragic perversion of these principles—in terms of a misuse and corruption of power and a misguided dependence on the influence of large political contributors.

This legislation is deeply concerned with the ending of such abuses. It removes the temptation of seeking or of accepting the large compromising gift. It returns to our people, to our individual voters a rightful share and a rightful responsibility in the choosing of their candidates. And it can serve to establish that climate of public trust in elected officials which this country so earnestly desires.

CLAIBORNE PELL.

ADDITIONAL VIEWS OF MR. GRIFFIN

The astute political observer, David S. Broder, mixed a dash of homely wisdom with a reporter's cynicism when he wrote: "The only

thing more dangerous to democracy than corrupt politicians may be politicians hell-bent on reform."

In many minds, the idea of "public financing" has somehow become synonymous with "campaign reform." I am concerned that the reality may be very different.

Even though I have serious doubts about the public financing aspects of this bill, I joined in voting to report it because I believe the Senate as a whole should have an opportunity to debate and decide the issues raised by Title I. Furthermore, except for Title I, the bill contains many campaign financing reforms which are clearly meritorious.

For example, I strongly support such provisions as those in other titles of the bill to create an independent Federal Election Commission, to place strict dollar limits on the amount an individual can contribute to a candidate or to campaigns in any year, to limit the amount a candidate can contribute to his own campaign, to restrict the size of cash contributions; to impose ceilings on overall campaign expenditures; and to require each candidate to use a central campaign committee and depository.

Such provisions truly represent campaign financing reforms, and they should be enacted on their own merit.

Unfortunately, public understanding has not fully penetrated a facade of attractive slogans that has surrounded the promise of public financing for campaigns. As more and more light is focused on the approach of Title I in this bill, the more realization there will be that it does not really represent "reform" at all. That will be particularly true as the people learn that "public financing" means "taxpayer financing;" and when they see that Title I would actually *increase*, not decrease, the levels of campaign spending, particularly in races for the House of Representatives.

It should be noted also that a number of needed, real reforms have not been included in this bill. For example, I believe everyone—candidates and voters alike—would welcome steps to shorten the duration of campaigns.

ROBERT P. GRIFFIN.

FEDERAL ELECTION CAMPAIGN ACT
AMENDMENTS OF 1974



REPORT

OF THE

COMMITTEE ON HOUSE ADMINISTRATION
TOGETHER WITH MINORITY VIEWS, SEPARATE
VIEWS, SUPPLEMENTAL VIEWS, AND ADDITIONAL
VIEWS

TO ACCOMPANY

H.R. 16090

TO IMPOSE OVERALL LIMITATIONS ON CAMPAIGN EXPENDITURES AND POLITICAL CONTRIBUTIONS; TO PROVIDE THAT EACH CANDIDATE FOR FEDERAL OFFICE SHALL DESIGNATE A PRINCIPAL CAMPAIGN COMMITTEE; TO PROVIDE FOR A SINGLE REPORTING RESPONSIBILITY WITH RESPECT TO RECEIPTS AND EXPENDITURES BY CERTAIN POLITICAL COMMITTEES; TO CHANGE THE TIMES FOR THE FILING OF REPORTS REGARDING CAMPAIGN EXPENDITURES AND POLITICAL CONTRIBUTIONS; TO PROVIDE FOR PUBLIC FINANCING OF PRESIDENTIAL NOMINATING CONVENTIONS AND PRESIDENTIAL PRIMARY ELECTIONS; AND FOR OTHER PURPOSES



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