Union Calendar No. 280

111TH CONGRESS 2D SESSION

H. R. 5175

[Report No. 111-492, Part I]

To amend the Federal Election Campaign Act of 1971 to prohibit foreign influence in Federal elections, to prohibit government contractors from making expenditures with respect to such elections, and to establish additional disclosure requirements with respect to spending in such elections, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2010

Mr. Van Hollen (for himself, Mr. Castle, Mr. Brady of Pennsylvania, and Mr. Jones) introduced the following bill; which was referred to the Committee on House Administration, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

May 25, 2010

Additional sponsors: Mr. Heinrich, Mr. Clyburn, Mr. George Miller of California, Mr. Ellsworth, Mr. Shuler, Mr. Braley of Iowa, Mr. LARSON of Connecticut, Mr. Becerra, Ms. Delauro, Mr. Waxman, Mr. Conyers, Mr. Nadler of New York, Mr. Skelton, Mr. Bishop of New York, Mr. Larsen of Washington, Mr. Schiff, Mr. Deutch, Mr. McGovern, Mr. Hinchey, Mr. McDermott, Mr. Tonko, Ms. NORTON, Ms. EDWARDS of Maryland, Mr. Andrews, Ms. Hirono, Mr. STARK, Mrs. MALONEY, Mr. HOLT, Mr. WALZ, Mr. TEAGUE, Mr. BOS-WELL, Ms. MATSUI, Mr. FARR, Mr. GARAMENDI, Mr. KAGEN, Mr. Pallone, Ms. Zoe Lofgren of California, Mr. Loebsack, Mr. YARMUTH, Ms. HARMAN, Ms. CHU, Mr. ISRAEL, Mr. SCHAUER, Mrs. CAPPS, Ms. McCollum, Ms. Slaughter, Mr. Ellison, Mr. Patrick J. Murphy of Pennsylvania, Ms. Wasserman Schultz, Mr. Sarbanes, Mr. Salazar, Mr. Levin, Mr. Polis of Colorado, Mr. Rothman of New Jersey, Ms. Berkley, Ms. Giffords, Mr. Hare, Mr. Kissell, Mr. Hall of New York, Mr. Schrader, Mr. Arcuri, Ms. Shea-Porter, Mr. Kind, Ms. Kilroy, Mr. Jackson of Illinois, Mr. Perriello, Ms.

SUTTON, Mr. FOSTER, Mr. SERRANO, Mr. COURTNEY, Mr. COHEN, Mr. BOCCIERI, Ms. TITUS, Ms. WATERS, Mr. REYES, Mr. LUJÁN, Ms. ROYBAL-ALLARD, Mr. MOLLOHAN, Mr. PIERLUISI, Mr. FILNER, Mr. DINGELL, Mr. LIPINSKI, Mr. WELCH, Ms. LINDA T. SÁNCHEZ OF California, Mr. VISCLOSKY, Mr. SMITH OF WASHINGTON, Mr. CHANDLER, Mr. BLUMENAUER, Mr. POMEROY, Ms. LORETTA SANCHEZ OF California, Mr. HIMES, Mrs. DAVIS OF California, Ms. SPEIER, Mr. TIERNEY, Ms. SCHAKOWSKY, Mr. INSLEE, Mr. ETHERIDGE, Mr. MEEK OF Florida, Mr. ACKERMAN, Mr. PRICE OF North Carolina, Mr. HODES, Ms. CASTOR OF Florida, Mr. MORAN OF VIRGINIA, Mrs. McCarthy of New York, Mr. CARNAHAN, Ms. CLARKE, Ms. MOORE OF WISCONSIN, Mr. THOMPSON OF California, Mr. SHERMAN, Mr. LANGEVIN, and Ms. ESHOO

May 25, 2010

Reported from the Committee on House Administration with an amendment [Strike out all after the enacting clause and insert the part printed in italic]

May 25, 2010

Committee on the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed [For text of introduced bill, see copy of bill as introduced on April 29, 2010]

A BILL

To amend the Federal Election Campaign Act of 1971 to prohibit foreign influence in Federal elections, to prohibit government contractors from making expenditures with respect to such elections, and to establish additional disclosure requirements with respect to spending in such elections, and for other purposes.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the "De-
- 5 mocracy is Strengthened by Casting Light on Spending in
- 6 Elections Act" or the "DISCLOSE Act".
- 7 (b) Table of Contents of this
- 8 Act is as follows:
 - Sec. 1. Short title; table of contents.
 - Sec. 2. Findings.

TITLE I—REGULATION OF CERTAIN POLITICAL SPENDING

- Sec. 101. Prohibiting independent expenditures and electioneering communications by government contractors.
- Sec. 102. Application of ban on contributions and expenditures by foreign nationals to foreign-controlled domestic corporations.
- Sec. 103. Treatment of payments for coordinated communications as contributions.
- Sec. 104. Treatment of political party communications made on behalf of candidates.
- Sec. 105. Restriction on internet communications treated as public communications.

- Subtitle A—Treatment of Independent Expenditures and Electioneering Communications Made by All Persons
- Sec. 201. Independent expenditures.
- Sec. 202. Electioneering communications.
- Sec. 203. Mandatory electronic filing by persons making independent expenditures or electioneering communications exceeding \$10,000 at any time.
- Subtitle B—Expanded Requirements for Corporations and Other Organizations
- Sec. 211. Additional information required to be included in reports on disbursements by covered organizations.
- Sec. 212. Rules regarding use of general treasury funds by covered organizations for campaign-related activity.
- Sec. 213. Optional use of separate account by covered organizations for campaign-related activity.
- Sec. 214. Modification of rules relating to disclaimer statements required for certain communications.

Subtitle C—Reporting Requirements for Registered Lobbyists

Sec. 221. Requiring registered lobbyists to report information on independent expenditures and electioneering communications.

TITLE III—DISCLOSURE BY COVERED ORGANIZATIONS OF INFORMATION ON CAMPAIGN-RELATED ACTIVITY

Sec. 301. Requiring disclosure by covered organizations of information on campaign-related activity.

TITLE IV—OTHER PROVISIONS

Sec. 401. Judicial review.

Sec. 402. Severability.

Sec. 403. Effective date.

1 SEC. 2. FINDINGS.

- 2 (a) General Findings.—Congress finds and declares
- 3 as follows:
- 4 (1) Throughout the history of the United States,
- 5 the American people have been rightly concerned
- 6 about the power of special interests to control our
- 7 democratic processes. That was true over 100 years
- 8 ago when Congress first enacted legislation intended
- 9 to restrict corporate funds from being used in Federal
- 10 elections, legislation that Congress amended in 1947
- 11 to expressly include independent expenditures. The
- 12 Supreme Court held such legislation to be constitu-
- 13 tional in 1990 in Austin v. Michigan Chamber of
- 14 Commerce (494 U.S. 652) and again in 2003 in
- 15 McConnell v. F.E.C. (540 U.S. 93).
- 16 (2) The Supreme Court's decision in Citizens
- 17 United v. Federal Election Commission on January
- 18 21, 2010, invalidated legislation restricting the abil-

- ity of corporations and labor unions to spend funds
 from their general treasury accounts to influence the
 outcome of elections.
- 4 (b) FINDINGS RELATING TO GOVERNMENT CONTRAC-5 TORS.—Congress finds and declares as follows:
 - (1) Government contracting is an activity that is particularly susceptible to improper influence, and to the appearance of improper influence. Government contracts must be awarded based on an objective evaluation of how well bidders or potential contractors meet relevant statutory criteria.
 - (2) Independent expenditures and electioneering communications that benefit particular candidates or elected officials or disfavor their opponents can lead to apparent and actual ingratiation, access, influence, and quid pro quo arrangements. Government contracts should be awarded based on an objective application of statutory criteria, not based on other forms of inappropriate or corrupting influence.
 - (3) Prohibiting independent expenditures and electioneering communications by persons negotiating for or performing government contracts will prevent government officials involved in or with influence over the contracting process from influencing the con-

- tracting process based, consciously or otherwise, on
 this kind of inappropriate or corrupting influence.
 - (4) Prohibiting independent expenditures and electioneering communications by persons negotiating for or performing government contracts will likewise prevent such persons from feeling pressure, whether actually exerted by government officials or not, to make expenditures and to fund communications in order to maximize their chances of receiving contracts, or to match similar expenditures and communications made by their competitors.
 - (5) Furthermore, because government contracts often involve large amounts of public money, it is critical that the public perceive that the government contracts are awarded strictly in accordance with prescribed statutory standards, and not based on other forms of inappropriate or corrupting influence. The public's confidence in government is undermined when corporations that make significant expenditures during Federal election campaigns later receive government funds.
 - (6) Prohibiting independent expenditures and electioneering communications by persons negotiating for or performing government contracts will prevent any appearance that government contracts were

- awarded based in whole or in part on such expenditures or communications, or based on the inappropriate or corrupting influence such expenditures and communications can create and appear to create.
 - (7) In these ways, prohibiting independent expenditures and electioneering communications by persons negotiating for or performing government contracts will protect the actual and perceived integrity of the government contracting process.
- 10 (8) Moreover, the risks of waste, fraud and abuse, 11 all resulting in economic losses to taxpayers, are sig-12 nificant when would-be public contractors or appli-13 cants for public funds make expenditures in Federal 14 election campaigns in order to affect electoral out-15 comes.
- 16 (c) FINDINGS RELATING TO FOREIGN CORPORA-17 TIONS.—Congress finds and declares as follows:
 - (1) The Supreme Court's decision in the Citizens
 United case has provided the means by which United
 States corporations controlled by foreign entities can
 freely spend money to influence United States elections.
- (2) Foreign corporations commonly own U.S.
 corporations in whole or in part, and U.S. corporate
 equity and debt are also held by foreign individuals,

6

7

8

9

18

19

20

21

- sovereign wealth funds, and even foreign nations at 1 2 levels which permit effective control over those U.S. entities. 3
 - (3) As recognized in many areas of the law, foreign ownership interests and influences are exerted in a perceptible way even when the entity is not majority-foreign-owned.
 - (4) The Federal Government has broad constitutional power to protect American interests and sovereignty from foreign interference and intrusion.
 - (5) Congress has a clear interest in minimizing foreign intervention, and the perception of foreign intervention, in United States elections.
- 14 (d) Findings Relating to Coordinated Expendi-15 TURES.—Congress finds and declares as follows:
 - (1) It has been the consistent view of Congress and the courts that coordinated expenditures in campaigns for election are no different in nature from contributions.
- 20 (2) Existing rules still allow donors to evade contribution limits by making campaign expenditures 22 which, while technically qualifying as independent ex-23 penditures under law, are for all relevant purposes coordinated with candidates and political parties and 24

6

7

8

9

10

11

12

13

16

17

18

19

- thus raise the potential for corruption or the appearance of corruption.
 - (3) Such arrangements have the potential to give rise to the reality or appearance of corruption to the same degree that direct contributions to a candidate may give rise to the reality or appearance of corruption. Moreover, expenditures which are in fact made in coordination with a candidate or political party have the potential to lessen the public's trust and faith in the rules and the integrity of the electoral process.
 - (4) The government therefore has a compelling interest in making sure that expenditures that are defacto coordinated with a candidate are treated as such to prevent corruption, the appearance of corruption, or the perception that some participants are circumventing the laws and regulations which govern the financing of election campaigns.
- 19 (e) Findings Relating to Disclosures and Dis-20 Claimers.—Congress finds and declares as follows:
- 21 (1) The American people have a compelling in-22 terest in knowing who is funding independent expend-23 itures and electioneering communications to influence 24 Federal elections, and the government has a compel-25 ling interest in providing the public with that infor-

- mation. Effective disclaimers and prompt disclosure of expenditures, and the disclosure of the funding sources for these expenditures, can provide shareholders, voters, and citizens with the information needed to evaluate the actions by special interests seeking influence over the democratic process. Transparency promotes accountability, increases the fund of information available to the public concerning the support given to candidates by special interests, sheds the light of publicity on political spending, and encourages the leaders of organizations to act only upon legitimate organizational purposes.
 - (2) Protecting this compelling interest has become particularly important to address the anticipated increase in special interest spending on election-related communications which will result from the Supreme Court's decision in the Citizens United case. The current disclosure and disclaimer requirements were designed for a campaign finance system in which such expenditures were subject to prohibitions that no longer apply.
 - (3) More rigorous disclosure and disclaimer requirements are necessary to protect against the evasion of current rules. Organizations that engage in election-related communications have used a variety

- of methods to attempt to obscure their sponsorship of communications from the general public. Robust disclosure and disclaimer requirements are necessary to ensure that the electorate is informed about who is paying for particular election-related communications, and so that the shareholders and members of these organizations are aware of their organizations' election-related spending.
 - (4) The current lack of accountability and transparency allow special interest political spending to serve as a private benefit for the officials of special interest organizations, to the detriment of the organizations and their shareholders and members.
 - (5) Various factors, including the advent of the Internet, where particular communications can be circulated and remain available for viewing long after they are first broadcast, and the frequency of political campaigns that effectively begin long before election day, have also rendered the existing system of disclosure and disclaimer requirements (including the limited time periods during which some of those requirements currently apply) inadequate to protect fully the government's interest in ensuring that the electorate is fully informed about the sources of election-related spending, and that shareholders and citi-

- zens alike have the information they need to hold corporations and elected officials accountable for their
 positions and supporters.
 - (6) To serve the interests of accountability and transparency, it is also important that information about who is funding independent expenditures and electioneering communications be presented to the electorate in a manner that is readily accessible and that can be quickly and easily understood.
- 10 (f) Findings Relating to Campaign Spending by 11 Lobbyists.—Congress finds and declares as follows:
 - (1) Lobbyists and lobbying organizations, and through them, their clients, influence the public decision-making process in a variety of ways.
 - (2) In recent years, scandals involving undue lobbyist influence have lowered public trust in government and jeopardized the willingness of voters to take part in democratic governance.
 - (3) One way in which lobbyists may unduly influence Federal officials is through their or their clients making independent expenditures or electioneering communications targeting elected officials.
- 23 (4) Disclosure of such independent expenditures 24 and electioneering communications will allow the 25 public to examine connections between such spending

5

6

7

8

9

12

13

14

15

16

17

18

19

20

21

1	and official actions, and will therefore limit the abil-
2	ity of lobbyists to exert an undue influence on elected
3	officials.
4	TITLE I—REGULATION OF
5	CERTAIN POLITICAL SPENDING
6	SEC. 101. PROHIBITING INDEPENDENT EXPENDITURES AND
7	ELECTIONEERING COMMUNICATIONS BY GOV-
8	ERNMENT CONTRACTORS.
9	(a) Prohibition Applicable to Government Con-
10	TRACTORS.—
11	(1) Prohibition.—
12	(A) In General.—Section 317(a)(1) of the
13	Federal Election Campaign Act (2 U.S.C.
14	441c(a)(1)) is amended by striking "purpose or
15	use; or" and inserting the following: "purpose or
16	use, to make any independent expenditure, or to
17	disburse any funds for an electioneering commu-
18	nication; or".
19	(B) Conforming amendment.—The head-
20	ing of section 317 of such Act (2 U.S.C. 441c)
21	is amended by striking "CONTRIBUTIONS" and
22	inserting "Contributions, independent ex-
23	PENDITURES, AND ELECTIONEERING COMMUNICA-
24	TIONS".

I	(2) Threshold for application of ban.—
2	Section 317 of such Act (2 U.S.C. 441c) is amended—
3	(A) by redesignating subsections (b) and (c)
4	as subsections (c) and (d); and
5	(B) by inserting after subsection (a) the fol-
6	lowing new subsection:
7	"(b) To the extent that subsection (a)(1) prohibits a
8	person who enters into a contract described in such sub-
9	section from making any independent expenditure or dis-
10	bursing funds for an electioneering communication, such
11	subsection shall apply only if the value of the contract is
12	equal to or greater than \$7,000,000.".
13	(b) Application to Recipients of Assistance
14	Under Troubled Asset Program.—Section 317(a) of
15	such Act (2 U.S.C. 441c(a)) is amended—
16	(1) by striking "or" at the end of paragraph (1);
17	(2) by redesignating paragraph (2) as para-
18	graph (3); and
19	(3) by inserting after paragraph (1) the fol-
20	lowing new paragraph:
21	"(2) who enters into negotiations for financial
22	assistance under title I of the Emergency Economic
23	Stabilization Act of 2008 (12 U.S.C. 5211 et seq.) (re-
24	lating to the purchase of troubled assets by the Sec-
25	retary of the Treasury), during the period—

1	"(A) beginning on the later of the com-
2	mencement of the negotiations or the date of the
3	enactment of the Democracy is Strengthened by
4	Casting Light on Spending in Elections Act; and
5	"(B) ending with the later of the termi-
6	nation of such negotiations or the repayment of
7	such financial assistance;
8	directly or indirectly to make any contribution of
9	money or other things of value, or to promise ex-
10	pressly or impliedly to make any such contribution to
11	any political party, committee, or candidate for pub-
12	lic office or to any person for any political purpose
13	or use, to make any independent expenditure, or to
14	disburse any funds for an electioneering communica-
15	tion; or".
16	(c) Technical Amendment.—Section 317 of such Act
17	(2 U.S.C. 441c) is amended by striking "section 321" each
18	place it appears and inserting "section 316".
19	SEC. 102. APPLICATION OF BAN ON CONTRIBUTIONS AND
20	EXPENDITURES BY FOREIGN NATIONALS TO
21	FOREIGN-CONTROLLED DOMESTIC CORPORA-
22	TIONS.
23	(a) Application of Ban.—Section 319(b) of the Fed-
24	eral Election Campaign Act of 1971 (2 U.S.C. 441e(b)) is
25	amended—

1	(1) by striking "or" at the end of paragraph (1);
2	(2) by striking the period at the end of para-
3	graph (2) and inserting "; or"; and
4	(3) by adding at the end the following new para-
5	graph:
6	"(3) any corporation which is not a foreign na-
7	tional described in paragraph (1) and—
8	"(A) in which a foreign national described
9	in paragraph (1) or (2) directly or indirectly
10	owns 20 percent or more of the voting shares;
11	"(B) with respect to which the majority of
12	the members of the board of directors are foreign
13	nationals described in paragraph (1) or (2);
14	"(C) over which one or more foreign nation-
15	als described in paragraph (1) or (2) has the
16	power to direct, dictate, or control the decision-
17	making process of the corporation with respect to
18	its interests in the United States; or
19	"(D) over which one or more foreign nation-
20	als described in paragraph (1) or (2) has the
21	power to direct, dictate, or control the decision-
22	making process of the corporation with respect to
23	activities in connection with a Federal, State, or
24	local election, including—

1	"(i) the making of a contribution, do-
2	nation, expenditure, independent expendi-
3	ture, or disbursement for an electioneering
4	communication (within the meaning of sec-
5	$tion \ 304(f)(3)); \ or$
6	"(ii) the administration of a political
7	committee established or maintained by the
8	corporation.".
9	(b) Certification of Compliance.—Section 319 of
10	such Act (2 U.S.C. 441e) is amended by adding at the end
11	the following new subsection:
12	"(c) Certification of Compliance Required
13	Prior to Carrying Out Activity.—Prior to the making
14	in connection with an election for Federal office of any con-
15	tribution, donation, expenditure, independent expenditure,
16	or disbursement for an electioneering communication by a
17	corporation during a year, the chief executive officer of the
18	corporation (or, if the corporation does not have a chief ex-
19	ecutive officer, the highest ranking official of the corpora-
20	tion), shall file a certification with the Commission, under
21	penalty of perjury, that the corporation is not prohibited
22	$from\ carrying\ out\ such\ activity\ under\ subsection\ (b)(3),\ un-$
23	less the chief executive officer has previously filed such a
24	certification during the year. Nothing in this subsection
25	shall be construed to apply to any contribution, donation,

- 1 expenditure, independent expenditure, or disbursement
- 2 from a separate segregated fund established and adminis-
- 3 tered by a corporation under section 316(b)(2)(C).".
- 4 (c) No Effect on Separate Segregated Funds of
- 5 Domestic Corporations.—Section 319 of such Act (2
- 6 U.S.C. 441e), as amended by subsection (b), is further
- 7 amended by adding at the end the following new subsection:
- 8 "(d) No Effect on Separate Segregate Funds of
- 9 Domestic Corporations.—Nothing in this section shall
- 10 be construed to prohibit any corporation which is not a for-
- 11 eign national described in paragraph (1) of subsection (b)
- 12 from establishing, administering, and soliciting contribu-
- 13 tions to a separate segregated fund under section
- 14 316(b)(2)(C), so long as none of the amounts in the fund
- 15 are provided by any foreign national described in para-
- 16 graph (1) or (2) of subsection (b) and no foreign national
- 17 described in paragraph (1) or (2) of subsection (b) has the
- 18 power to direct, dictate, or control the establishment or ad-
- 19 ministration of the fund.".
- 20 (d) No Effect on Other Laws.—Section 319 of
- 21 such Act (2 U.S.C. 441e), as amended by subsections (b)
- 22 and (c), is further amended by adding at the end the fol-
- 23 lowing new subsection:
- 24 "(e) No Effect on Other Laws.—Nothing in this
- 25 section shall be construed to affect the determination of

1	whether a corporation is treated as a foreign national for
2	purposes of any law other than this Act.".
3	SEC. 103. TREATMENT OF PAYMENTS FOR COORDINATED
4	COMMUNICATIONS AS CONTRIBUTIONS.
5	(a) In General.—Section 301(8)(A) of the Federal
6	Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is
7	amended—
8	(1) by striking "or" at the end of clause (i);
9	(2) by striking the period at the end of clause
10	(ii) and inserting "; or"; and
11	(3) by adding at the end the following new
12	clause:
13	"(iii) any payment made by any person
14	(other than a candidate, an authorized com-
15	mittee of a candidate, or a political committee of
16	a political party) for a coordinated communica-
17	tion (as determined under section 324).".
18	(b) Coordinated Communications Described.—
19	Section 324 of such Act (2 U.S.C. 441k) is amended to read
20	as follows:
21	"SEC. 324. COORDINATED COMMUNICATIONS.
22	"(a) Coordinated Communications Defined.—For
23	purposes of this Act, the term 'coordinated communication'
24	means—

1	"(1) a covered communication which, subject to
2	subsection (c), is made in cooperation, consultation
3	or concert with, or at the request or suggestion of, or
4	candidate, an authorized committee of a candidate, or
5	a political committee of a political party; or
6	"(2) any communication that republishes, dis-
7	seminates, or distributes, in whole or in part, any
8	broadcast or any written, graphic, or other form of
9	campaign material prepared by a candidate, an au
10	thorized committee of a candidate, or their agents.
11	"(b) Covered Communication Defined.—
12	"(1) In general.—Except as provided in para-
13	graph (4), for purposes of this subsection, the term
14	'covered communication' means, for purposes of the
15	applicable election period described in paragraph (2)
16	a public communication (as defined in section
17	301(22)) that refers to a clearly identified candidate
18	for Federal office and is publicly distributed or pub-
19	licly disseminated during such period.
20	"(2) Applicable election period.—For pur-
21	poses of paragraph (1), the 'applicable election period
22	with respect to a communication means—
23	"(A) in the case of a communication which
24	refers to a candidate for the office of President
25	or Vice President, the period—

1	"(i) beginning with the date that is
2	120 days before the date of the first primary
3	election, preference election, or nominating
4	convention for nomination for the office of
5	President which is held in any State; and
6	"(ii) ending with the date of the gen-
7	eral election for such office; or
8	"(B) in the case of a communication which
9	refers to a candidate for any other Federal office,
10	the period—
11	"(i) beginning with the date that is 90
12	days before the earliest of the primary elec-
13	tion, preference election, or nominating con-
14	vention with respect to the nomination for
15	the office that the candidate is seeking; and
16	"(ii) ending with the date of the gen-
17	eral election for such office.
18	"(3) Special rule for public distribution
19	OF COMMUNICATIONS INVOLVING CONGRESSIONAL CAN-
20	DIDATES.—For purposes of paragraph (1), in the case
21	of a communication involving a candidate for an of-
22	fice other than President or Vice President, the com-
23	munication shall be considered to be publicly distrib-
24	uted or publicly disseminated only if the dissemina-

1 tion or distribution occurs in the jurisdiction of the 2 office that the candidate is seeking. 3 "(4) Exception.—The term 'covered communication' does not include— 4 "(A) a communication appearing in a news 5 6 commentary, or editorial distributed story. 7 through the facilities of any broadcasting station, 8 newspaper, magazine, or other periodical publi-9 cation, unless such facilities are owned or con-10 trolled by any political party, political com-11 mittee, or candidate; or 12 "(B) a communication which constitutes a 13 candidate debate or forum conducted pursuant to 14 the regulations adopted by the Commission to 15 carry out section 304(f)(3)(B)(iii), or which sole-16 ly promotes such a debate or forum and is made 17 by or on behalf of the person sponsoring the de-18 bate or forum. 19 "(c) No Finding of Coordination Based Solely 20 ON SHARING OF INFORMATION REGARDING LEGISLATIVE 21 OR POLICY POSITION.—For purposes of subsection (a)(1), a covered communication may not be considered to be made 23 in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, an authorized committee of a candidate, or a political committee of a political party

- 1 solely on the grounds that a person provided information
- 2 to the candidate or committee regarding that person's posi-
- 3 tion on a legislative or policy matter (including urging the
- 4 candidate or party to adopt that person's position), so long
- 5 as there is no discussion between the person and the can-
- 6 didate or committee regarding the candidate's campaign for
- 7 election for Federal office.
- 8 "(d) Preservation of Certain Safe Harbors and
- 9 Firewalls.—Nothing in this section may be construed to
- 10 affect 11 CFR 109.21(g) or (h), as in effect on the date of
- 11 the enactment of the Democracy is Strengthened by Casting
- 12 Light on Spending in Elections Act.
- 13 "(e) Treatment of Coordination With Political
- 14 Parties for Communications Referring to Can-
- 15 didates.—For purposes of this section, if a communication
- 16 which refers to any clearly identified candidate or can-
- 17 didates of a political party or any opponent of such a can-
- 18 didate or candidates is determined to have been made in
- 19 cooperation, consultation, or concert with or at the request
- 20 or suggestion of a political committee of the political party
- 21 but not in cooperation, consultation, or concert with or at
- 22 the request or suggestion of such clearly identified candidate
- 23 or candidates, the communication shall be treated as having
- 24 been made in cooperation, consultation, or concert with or
- 25 at the request or suggestion of the political committee of

- 1 the political party but not with or at the request or sugges-
- 2 tion of such clearly identified candidate or candidates.".
- 3 (c) Effective Date.—

- 4 (1) IN GENERAL.—This section and the amend5 ments made by this section shall apply with respect
 6 to payments made on or after the expiration of the
 7 30-day period which begins on the date of the enact8 ment of this Act, without regard to whether or not the
 9 Federal Election Commission has promulgated regu10 lations to carry out such amendments.
 - (2) Transition rule for actions taken

 Prior to enactment.—No person shall be considered

 to have made a payment for a coordinated communication under section 324 of the Federal Election

 Campaign Act of 1971 (as amended by subsection (b))

 by reason of any action taken by the person prior to

 the date of the enactment of this Act. Nothing in the

 previous sentence shall be construed to affect any determination under any other provision of such Act

 which is in effect on the date of the enactment of this

 Act regarding whether a communication is made in

 cooperation, consultation, or concert with, or at the

 request or suggestion of, a candidate, an authorized

 committee of a candidate, or a political committee of

 a political party.

1	SEC. 104. TREATMENT OF POLITICAL PARTY COMMUNICA-
2	TIONS MADE ON BEHALF OF CANDIDATES.
3	(a) Treatment of Payment for Public Commu-
4	NICATION AS CONTRIBUTION IF MADE UNDER CONTROL OR
5	DIRECTION OF CANDIDATE.—Section 301(8)(A) of the Fed-
6	eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)),
7	as amended by section 103(a), is amended—
8	(1) by striking "or" at the end of clause (ii);
9	(2) by striking the period at the end of clause
10	(iii) and inserting "; or"; and
11	(3) by adding at the end the following new
12	clause:
13	"(iv) any payment by a political committee
14	of a political party for the direct costs of a pub-
15	lic communication (as defined in paragraph
16	(22)) made on behalf of a candidate for Federal
17	office who is affiliated with such party, but only
18	if the communication is controlled by, or made
19	at the direction of, the candidate or an author-
20	ized committee of the candidate.".
21	(b) Requiring Control or Direction by Can-
22	DIDATE FOR TREATMENT AS COORDINATED PARTY EX-
23	PENDITURE.—
24	(1) In General.—Paragraph (4) of section
25	315(d) of such Act (2 U.S.C. $441a(d)$) is amended to
26	read as follows:

- 1 "(4) Special Rule for Direct Costs of Commu-
- 2 NICATIONS.—The direct costs incurred by a political com-
- 3 mittee of a political party for a communication made in
- 4 connection with the campaign of a candidate for Federal
- 5 office shall not be subject to the limitations contained in
- 6 paragraphs (2) and (3) unless the communication is con-
- 7 trolled by, or made at the direction of, the candidate or
- 8 an authorized committee of the candidate.".
- 9 (2) Conforming amendment.—Paragraph (1)
- of section 315(d) of such Act (2 U.S.C. 441a(d)) is
- amended by striking "paragraphs (2), (3), and (4)"
- and inserting "paragraphs (2) and (3)".
- 13 (c) Effective Date.—This section and the amend-
- 14 ments made by this section shall apply with respect to pay-
- 15 ments made on or after the expiration of the 30-day period
- 16 which begins on the date of the enactment of this Act, with-
- 17 out regard to whether or not the Federal Election Commis-
- 18 sion has promulgated regulations to carry out such amend-
- 19 ments.
- 20 SEC. 105. RESTRICTION ON INTERNET COMMUNICATIONS
- 21 TREATED AS PUBLIC COMMUNICATIONS.
- 22 (a) In General.—Section 301(22) of the Federal
- 23 Election Campaign Act of 1971 (2 U.S.C. 431(22)) is
- 24 amended by adding at the end the following new sentence:
- 25 "A communication which is disseminated through the

1	Internet shall not be treated as a form of general public
2	political advertising under this paragraph unless the com-
3	munication was placed for a fee on another person's Web
4	site.".
5	(b) Effective Date.—The amendment made by sub-
6	section (a) shall take effect on the date of the enactment
7	of this Act.
8	TITLE II—PROMOTING EFFEC-
9	TIVE DISCLOSURE OF CAM-
10	PAIGN-RELATED ACTIVITY
11	Subtitle A—Treatment of Inde-
12	pendent Expenditures and Elec-
13	tioneering Communications
14	Made by All Persons
15	SEC. 201. INDEPENDENT EXPENDITURES.
16	(a) Revision of Definition.—Subparagraph (A) of
17	section 301(17) of the Federal Election Campaign Act of
18	1971 (2 U.S.C. 431(17)) is amended to read as follows:
19	"(A) that, when taken as a whole, expressly
20	advocates the election or defeat of a clearly iden-
21	tified candidate, or is the functional equivalent
22	of express advocacy because it can be interpreted
23	by a reasonable person only as advocating the
24	election or defeat of a candidate, taking into ac-
25	count whether the communication involved men-

1	tions a candidacy, a political party, or a chal-
2	lenger to a candidate, or takes a position on a
3	candidate's character, qualifications, or fitness
4	for office; and".
5	(b) Uniform 24-Hour Reporting For Persons
6	Making Independent Expenditures Exceeding
7	\$10,000 At Any Time.—Section 304(g) of such Act (2
8	U.S.C. 434(g)) is amended by striking paragraphs (1) and
9	(2) and inserting the following:
10	"(1) Independent expenditures exceeding
11	THRESHOLD AMOUNT.—
12	"(A) Initial report.—A person (including
13	a political committee) that makes or contracts to
14	make independent expenditures in an aggregate
15	amount equal to or greater than the threshold
16	amount described in paragraph (2) shall elec-
17	tronically file a report describing the expendi-
18	tures within 24 hours.
19	"(B) Additional reports.—After a per-
20	son files a report under subparagraph (A), the
21	person shall electronically file an additional re-
22	port within 24 hours after each time the person
23	makes or contracts to make independent expendi-
24	tures in an aggregate amount equal to or greater
25	than the threshold amount with respect to the

1	same election as that to which the initial report
2	relates.
3	"(2) Threshold amount described.—In
4	paragraph (1), the 'threshold amount' means—
5	"(A) during the period up to and including
6	the 20th day before the date of an election,
7	\$10,000; or
8	"(B) during the period after the 20th day,
9	but more than 24 hours, before the date of an
10	election, \$1,000.
11	"(3) Public Availability.—Notwithstanding
12	any other provision of this section, the Commission
13	shall ensure that the information required to be dis-
14	closed under this subsection is publicly available
15	through the Commission website not later than 24
16	hours after receipt in a manner that is downloadable
17	in bulk and machine readable.".
18	(c) Effective Date.—
19	(1) In General.—The amendment made by sub-
20	section (a) shall apply with respect to contributions
21	and expenditures made on or after the expiration of
22	the 30-day period which begins on the date of the en-
23	actment of this Act, without regard to whether or not
24	the Federal Election Commission has promulgated
25	regulations to carry out such amendments.

1	(2) Reporting requirements.—The amend-
2	ment made by subsection (b) shall apply with respect
3	to reports required to be filed after the date of the en-
4	actment of this Act.
5	SEC. 202. ELECTIONEERING COMMUNICATIONS.
6	(a) Expansion of Period Covering General
7	Election.—Section $304(f)(3)(A)(i)(II)(aa)$ of the Federal
8	Election Campaign Act of 1971 (2 U.S.C.
9	434(f)(3)(A)(i)(II)(aa)) is amended by striking "60 days"
10	and inserting "120 days".
11	(b) Mandatory Electronic Filing.—Section
12	304(f)(1) of such Act (2 U.S.C. 434(f)(1)) is amended—
13	(1) by striking "file with" and inserting "elec-
14	tronically file with"; and
15	(2) by adding at the end the following new sen-
16	tence: "Notwithstanding any other provision of this
17	section, the Commission shall ensure that the infor-
18	mation required to be disclosed under this subsection
19	is publicly available through the Commission website
20	not later than 24 hours after receipt in a manner
21	that is downloadable in bulk and machine readable.".
22	(c) Effective Date; Transition for Communica-
23	TIONS MADE PRIOR TO ENACTMENT.—The amendment
24	made by subsection (a) shall apply with respect to commu-
25	nications made on or after the date of the enactment of this

1	Act, without regard to whether or not the Federal Election
2	Commission has promulgated regulations to carry out such
3	amendments, except that no communication which is made
4	prior to the date of the enactment of this Act shall be treated
5	as an electioneering communication under section
6	304(f)(3)(A)(i)(II) of the Federal Election Campaign Act
7	of 1971 (as amended by subsection (a)) unless the commu-
8	nication would be treated as an electioneering communica-
9	tion under such section if the amendment made by sub-
10	section (a) did not apply.
11	SEC. 203. MANDATORY ELECTRONIC FILING BY PERSONS
12	MAKING INDEPENDENT EXPENDITURES OR
13	ELECTIONEERING COMMUNICATIONS EX-
	ELECTIONEERING COMMUNICATIONS EX- CEEDING \$10,000 AT ANY TIME.
13 14 15	
14	CEEDING \$10,000 AT ANY TIME.
14 15	CEEDING \$10,000 AT ANY TIME. Section $304(d)(1)$ of the Federal Election Campaign
14 15 16	CEEDING \$10,000 AT ANY TIME. Section 304(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(1)) is amended—
14 15 16 17	CEEDING \$10,000 AT ANY TIME. Section 304(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(1)) is amended— (1) by striking "or (g)"; and
14 15 16 17	CEEDING \$10,000 AT ANY TIME. Section 304(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(1)) is amended— (1) by striking "or (g)"; and (2) by adding at the end the following: "Notwith-
114 115 116 117 118	CEEDING \$10,000 AT ANY TIME. Section 304(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(1)) is amended— (1) by striking "or (g)"; and (2) by adding at the end the following: "Notwithstanding any other provision of this section, any per-
14 15 16 17 18 19 20	CEEDING \$10,000 AT ANY TIME. Section 304(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(1)) is amended— (1) by striking "or (g)"; and (2) by adding at the end the following: "Notwithstanding any other provision of this section, any person who is required to file a statement under sub-
14 15 16 17 18 19 20 21	CEEDING \$10,000 AT ANY TIME. Section 304(d)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(d)(1)) is amended— (1) by striking "or (g)"; and (2) by adding at the end the following: "Notwithstanding any other provision of this section, any person who is required to file a statement under subsection (f) or subsection (g) shall file the statement in

1	Subtitle B—Expanded Require-
2	ments for Corporations and
3	Other Organizations
4	SEC. 211. ADDITIONAL INFORMATION REQUIRED TO BE IN-
5	CLUDED IN REPORTS ON DISBURSEMENTS BY
6	COVERED ORGANIZATIONS.
7	(a) Independent Expenditure Reports.—Section
8	304(g) of the Federal Election Campaign Act of 1971 (2
9	U.S.C. 434(g)) is amended by adding at the end the fol-
10	lowing new paragraph:
11	"(5) Disclosure of additional information
12	BY COVERED ORGANIZATIONS MAKING PAYMENTS FOR
13	PUBLIC INDEPENDENT EXPENDITURES.—
14	"(A) Additional information.—If a cov-
15	ered organization makes or contracts to make
16	public independent expenditures in an aggregate
17	amount equal to or exceeding \$10,000 in a cal-
18	endar year, the report filed by the organization
19	under this subsection shall include, in addition
20	to the information required under paragraph
21	(3), the following information:
22	"(i) If any person made a donation or
23	payment to the covered organization during
24	the covered organization reporting period
25	which was provided for the purpose of being

1	used for campaign-related activity or in re-
2	sponse to a solicitation for funds to be used
3	for campaign-related activity—
4	"(I) subject to subparagraph (C),
5	the identification of each person who
6	made such donations or payments in
7	an aggregate amount equal to or ex-
8	ceeding \$600 during such period, pre-
9	sented in the order of the aggregate
10	amount of donations or payments
11	made by such persons during such pe-
12	riod (with the identification of the per-
13	son making the largest donation or
14	payment appearing first); and
15	"(II) if any person identified
16	under subclause (I) designated that the
17	donation or payment be used for cam-
18	paign-related activity with respect to a
19	specific election or in support of a spe-
20	cific candidate, the name of the elec-
21	tion or candidate involved, and if any
22	such person designated that the dona-
23	tion or payment be used for a specific
24	public independent expenditure, a de-
25	scription of the expenditure.

1	"(ii) The identification of each person
2	who made unrestricted donor payments to
3	the organization during the covered organi-
4	zation reporting period—
5	"(I) in an aggregate amount
6	equal to or exceeding \$600 during such
7	period, if any of the disbursements
8	made by the organization for any of
9	the public independent expenditures
10	which are covered by the report were
11	not made from the organization's Cam-
12	paign-Related Activity Account under
13	section 326; or
14	"(II) in an aggregate amount
15	equal to or exceeding \$6,000 during
16	such period, if the disbursements made
17	by the organization for all of the public
18	independent expenditures which are
19	covered by the report were made exclu-
20	sively from the organization's Cam-
21	paign-Related Activity Account under
22	section 326 (but only if the organiza-
23	tion has made deposits described in
24	subparagraph (D) of section 326(a)(2)
25	into that Account during such period

1	in an aggregate amount equal to or
2	greater than \$10,000),
3	presented in the order of the aggregate
4	amount of payments made by such persons
5	during such period (with the identification
6	of the person making the largest payment
7	appearing first).
8	"(B) Treatment of transfers made to
9	OTHER PERSONS.—
10	"(i) In general.—For purposes of the
11	requirement to file reports under this sub-
12	section (including the requirement under
13	subparagraph (A) to include additional in-
14	formation in such reports), a covered orga-
15	nization which transfers amounts to another
16	person (other than the covered organization
17	itself) for the purpose of making a public
18	independent expenditure by that person or
19	by any other person, or (in accordance with
20	clause (ii)) which is deemed to have trans-
21	ferred amounts to another person (other
22	than the covered organization itself) for the
23	purpose of making a public independent ex-
24	penditure by that person or by any other

1	person, shall be considered to have made a
2	public independent expenditure.
3	"(ii) Rules for deeming transfers
4	MADE FOR PURPOSE OF MAKING EXPENDI-
5	Tures.—For purposes of clause (i), in de-
6	termining whether a covered organization
7	or any other person who transfers amounts
8	to another person shall be deemed to have
9	transferred the amounts for the purpose of
10	making a public independent expenditure,
11	the following rules apply:
12	"(I) The person shall be deemed to
13	have transferred the amounts for the
14	purpose of making a public inde-
15	pendent expenditure if—
16	"(aa) the person designates,
17	requests, or suggests that the
18	amounts be used for public inde-
19	pendent expenditures and the per-
20	son to whom the amounts were
21	transferred agrees to do so or does
22	80;
23	"(bb) the person making the
24	public independent expenditure or
25	another person acting on that per-

1	son's behalf expressly solicited the
2	person for a donation or payment
3	for making or paying for any
4	$public\ independent\ expenditures;$
5	"(cc) the person and the per-
6	son to whom the amounts were
7	transferred engaged in substantial
8	written or oral discussion regard-
9	ing the person either making, or
10	donating or paying for, any pub-
11	$lic\ independent\ expenditures;$
12	"(dd) the person or the per-
13	son to whom the amounts were
14	transferred knew or had reason to
15	know of the covered organization's
16	intent to make public independent
17	$expenditures;\ or$
18	"(ee) the person or the person
19	to whom the amounts were trans-
20	ferred made a public independent
21	expenditure during the 2-year pe-
22	riod which ends on the date on
23	which the amounts were trans-
24	ferred.

1	"(II) The person shall not be
2	deemed to have transferred the
3	amounts for the purpose of making a
4	public independent expenditure if the
5	transfer was a commercial transaction
6	occurring in the ordinary course of
7	business between the person and the
8	person to whom the amounts were
9	transferred, unless there is affirmative
10	evidence that the amounts were trans-
11	ferred for the purpose of making a pub-
12	lic independent expenditure.
13	"(C) Exclusion of amounts designated
14	FOR OTHER CAMPAIGN-RELATED ACTIVITY.—For
15	purposes of subparagraph (A)(i), in determining
16	the amount of a donation or payment made by
17	a person which was provided for the purpose of
18	being used for campaign-related activity or in
19	response to a solicitation for funds to be used for
20	campaign-related activity, there shall be excluded
21	any amount which was designated by the person
22	to be used—
23	"(i) for campaign-related activity de-
24	scribed in clause (i) of section $325(d)(2)(A)$
25	(relating to independent expenditures) with

1	respect to a different election, or with re-
2	spect to a candidate in a different election,
3	than an election which is the subject of any
4	of the public independent expenditures cov-
5	ered by the report involved; or
6	"(ii) for any campaign-related activity
7	described in clause (ii) of section
8	325(d)(2)(A) (relating to electioneering
9	communications).
10	"(D) Exclusion of amounts paid from
11	SEPARATE SEGREGATED FUND.—In determining
12	the amount of public independent expenditures
13	made by a covered organization for purposes of
14	this paragraph, there shall be excluded any
15	amounts paid from a separate segregated fund
16	established and administered by the organization
17	under section $316(b)(2)(C)$.
18	"(E) Covered organization reporting
19	PERIOD DESCRIBED.—In this paragraph, the
20	'covered organization reporting period' is, with
21	respect to a report filed by a covered organiza-
22	tion under this subsection—
23	"(i) in the case of the first report filed
24	by a covered organization under this sub-

1	section which includes information required
2	under this paragraph, the shorter of—
3	"(I) the period which begins on
4	the effective date of the Democracy is
5	Strengthened by Casting Light on
6	Spending in Elections Act and ends on
7	the last day covered by the report, or
8	"(II) the 12-month period ending
9	on the last day covered by the report;
10	and
11	"(ii) in the case of any subsequent re-
12	port filed by a covered organization under
13	this subsection which includes information
14	required under this paragraph, the period
15	occurring since the most recent report filed
16	by the organization which includes such in-
17	formation.
18	"(F) Covered organization defined.—
19	In this paragraph, the term 'covered organiza-
20	tion' means any of the following:
21	"(i) Any corporation which is subject
22	to section $316(a)$.
23	"(ii) Any labor organization (as de-
24	fined in section 316).

1	"(iii) Any organization described in
2	paragraph (4), (5), or (6) of section 501(c)
3	of the Internal Revenue Code of 1986 and
4	exempt from tax under section 501(a) of
5	$such\ Code.$
6	"(iv) Any political organization under
7	section 527 of the Internal Revenue Code of
8	1986, other than a political committee
9	under this Act.
10	"(G) Other definitions.—In this para-
11	graph—
12	"(i) the terms 'campaign-related activ-
13	ity' and 'unrestricted donor payment' have
14	the meaning given such terms in section
15	325; and
16	"(ii) the term 'public independent ex-
17	penditure' means an independent expendi-
18	ture for a public communication (as defined
19	in section 301(22)).".
20	(b) Electioneering Communication Reports.—
21	(1) In General.—Section 304(f) of such Act (2
22	U.S.C. 434(f)) is amended—
23	(A) by redesignating paragraphs (6) and
24	(7) as paragraphs (7) and (8); and

1	(B) by inserting after paragraph (5) the
2	end the following new paragraph:
3	"(6) Disclosure of additional information
4	BY COVERED ORGANIZATIONS.—
5	"(A) Additional information.—If a cov-
6	ered organization files a statement under this
7	subsection, the statement shall include, in addi-
8	tion to the information required under para-
9	graph (2), the following information:
10	"(i) If any person made a donation or
11	payment to the covered organization during
12	the covered organization reporting period
13	which was provided for the purpose of being
14	used for campaign-related activity or in re-
15	sponse to a solicitation for funds to be used
16	for campaign-related activity—
17	"(I) subject to subparagraph (C),
18	the identification of each person who
19	made such donations or payments in
20	an aggregate amount equal to or ex-
21	ceeding \$1,000 during such period,
22	presented in the order of the aggregate
23	amount of donations or payments
24	made by such persons during such pe-
25	riod (with the identification of the per-

1	son making the largest donation or
2	payment appearing first); and
3	"(II) if any person identified
4	under subclause (I) designated that the
5	donation or payment be used for cam-
6	paign-related activity with respect to a
7	specific election or in support of a spe-
8	cific candidate, the name of the elec-
9	tion or candidate involved, and if any
10	such person designated that the dona-
11	tion or payment be used for a specific
12	electioneering communication, a de-
13	scription of the communication.
14	"(ii) The identification of each person
15	who made unrestricted donor payments to
16	the organization during the covered organi-
17	zation reporting period—
18	``(I) in an aggregate amount
19	equal to or exceeding \$1,000 during
20	such period, if any of the disburse-
21	ments made by the organization for
22	any of the electioneering communica-
23	tions which are covered by the state-
24	ment were not made from the organi-

1	zation's Campaign-Related Activity
2	Account under section 326; or
3	"(II) in an aggregate amount
4	equal to or exceeding \$10,000 during
5	such period, if the disbursements made
6	by the organization for all of the elec-
7	tioneering communications which are
8	covered by the statement were made ex-
9	clusively from the organization's Cam-
10	paign-Related Activity Account under
11	section 326 (but only if the organiza-
12	tion has made deposits described in
13	subparagraph (D) of section 326(a)(2)
14	into that Account during such period
15	in an aggregate amount equal to or
16	greater than \$10,000),
17	presented in the order of the aggregate
18	amount of payments made by such persons
19	during such period (with the identification
20	of the person making the largest payment
21	appearing first).
22	"(B) Treatment of transfers made to
23	OTHER PERSONS.—
24	"(i) In general.—For purposes of the
25	requirement to file statements under this

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

subsection (including the requirement under subparagraph (A) to include additional information in such statements), a covered organization which transfers amounts to another person (other than the covered organization itself) for the purpose of making an electioneering communication by that person or by any other person, or (in accordance with clause (ii)) which is deemed to have transferred amounts to another person (other than the covered organization itself) for the purpose of making an electioneering communication by that person or by any other person, shall be considered to have made a disbursement for an electioneering communication.

"(ii) Rules for deeming transfers

Made for purpose of making commuNICATIONS.—For purposes of clause (i), in
determining whether a covered organization
or any other person who transfers amounts
to another person shall be deemed to have
transferred the amounts for the purpose of
making an electioneering communication,
the following rules apply:

1	"(I) The person shall be deemed to
2	have transferred the amounts for the
3	purpose of making an electioneering
4	communication if—
5	"(aa) the person designates,
6	requests, or suggests that the
7	amounts be used for electioneering
8	communications and the person to
9	whom the amounts were trans-
10	ferred agrees to do so or does so;
11	"(bb) the person making the
12	electioneering communication or
13	another person acting on that per-
14	son's behalf expressly solicited the
15	person for a donation or payment
16	for making or paying for any
17	$election eering\ communications;$
18	"(cc) the person and the per-
19	son to whom the amounts were
20	transferred engaged in substantial
21	written or oral discussion regard-
22	ing the person either making, or
23	donating or paying for, any elec-
24	$tion eering\ communications;$

1	"(dd) the person or the per-
2	son to whom the amounts were
3	transferred knew or had reason to
4	know of the covered organization's
5	intent to make electioneering com-
6	$munications;\ or$
7	"(ee) the person or the person
8	to whom the amounts were trans-
9	ferred made an electioneering
10	communication during the 2-year
11	period which ends on the date on
12	which the amounts were trans-
13	ferred.
14	"(II) The person shall not be con-
15	sidered to have transferred the amounts
16	for the purpose of making an election-
17	eering communication if the transfer
18	was a commercial transaction occur-
19	ring in the ordinary course of business
20	between the person and the person to
21	whom the amounts were transferred,
22	unless there is affirmative evidence
23	that the amounts were transferred for
24	the purpose of making an election-
25	$eering\ communication.$

1	"(C) Exclusion of amounts designated
2	FOR OTHER CAMPAIGN-RELATED ACTIVITY.—For
3	purposes of subparagraph $(A)(i)$, in determining
4	the amount of a donation or payment made by
5	a person which was provided for the purpose of
6	being used for campaign-related activity or in
7	response to a solicitation for funds to be used for
8	campaign-related activity, there shall be excluded
9	any amount which was designated by the person
10	to be used—
11	"(i) for campaign-related activity de-
12	scribed in clause (ii) of section $325(d)(2)(A)$
13	(relating to electioneering communications)
14	with respect to a different election, or with
15	respect to a candidate in a different elec-
16	tion, than an election which is the subject of
17	any of the electioneering communications
18	covered by the statement involved; or
19	"(ii) for any campaign-related activity
20	described in clause (i) of section
21	325(d)(2)(A) (relating to independent ex-
22	penditures consisting of a public commu-
23	nication).
24	"(D) Covered organization reporting
25	PERIOD DESCRIBED.—In this paragraph, the

1	'covered organization reporting period' is, with
2	respect to a statement filed by a covered organi-
3	zation under this subsection—
4	"(i) in the case of the first statement
5	filed by a covered organization under this
6	subsection which includes information re-
7	quired under this paragraph, the shorter
8	of—
9	"(I) the period which begins on
10	the effective date of the Democracy is
11	Strengthened by Casting Light on
12	Spending in Elections Act and ends on
13	the disclosure date for the statement, or
14	"(II) the 12-month period ending
15	on the disclosure date for the state-
16	ment; and
17	"(ii) in the case of any subsequent
18	statement filed by a covered organization
19	under this subsection which includes infor-
20	mation required under this paragraph, the
21	period occurring since the most recent state-
22	ment filed by the organization which in-
23	cludes such information.

1	"(E) Covered organization defined.—
2	In this paragraph, the term 'covered organiza-
3	tion' means any of the following:
4	"(i) Any corporation which is subject
5	to section $316(a)$.
6	"(ii) Any labor organization (as de-
7	fined in section 316).
8	"(iii) Any organization described in
9	paragraph (4), (5), or (6) of section 501(c)
10	of the Internal Revenue Code of 1986 and
11	exempt from tax under section 501(a) of
12	such Code.
13	"(iv) Any political organization under
14	section 527 of the Internal Revenue Code of
15	1986, other than a political committee
16	under this Act.
17	"(F) Other definitions.—In this para-
18	graph, the terms 'campaign-related activity' and
19	'unrestricted donor payment' have the meaning
20	given such terms in section 325.".
21	(2) Conforming amendment.—Section 304(2)
22	of such Act (2 U.S.C. 434(f)(2)) is amended by strik-
23	ing "If the disbursements" each place it appears in
24	subparagraph (E) and (F) and inserting the fol-
25	lowing: "Except in the case of a statement which is

1	required to include additional information under
2	paragraph (6), if the disbursements".
3	SEC. 212. RULES REGARDING USE OF GENERAL TREASURY
4	FUNDS BY COVERED ORGANIZATIONS FOR
5	CAMPAIGN-RELATED ACTIVITY.
6	Title III of the Federal Election Campaign Act of 1971
7	(2 U.S.C. 431 et seq.) is amended by adding at the end
8	the following new section:
9	"SEC. 325. SPECIAL RULES FOR USE OF GENERAL TREAS-
10	URY FUNDS BY COVERED ORGANIZATIONS
11	FOR CAMPAIGN-RELATED ACTIVITY.
12	"(a) Use of Funds for Campaign-Related Activ-
13	ITY.—
14	"(1) In general.—Subject to any applicable re-
15	strictions and prohibitions under this Act, a covered
16	organization may make disbursements for campaign-
17	related activity using—
18	"(A) amounts paid or donated to the orga-
19	nization which are designated by the person pro-
20	viding the amounts to be used for campaign-re-
21	lated activity;
22	"(B) unrestricted donor payments made to
23	the organization; and
24	"(C) other funds of the organization, includ-
25	ing amounts received pursuant to commercial

- activities in the regular course of a covered orga nization's business.
- "(2) No effect on use of separate seg-REGATED FUND.—Nothing in this section shall be construed to affect the authority of a covered organitation to make disbursements from a separate segregated fund established and administered by the organization under section 316(b)(2)(C).
- 9 "(b) Mutually Agreed Restrictions on Use of 10 Funds for Campaign-Related Activity.—

"(1) AGREEMENT AND CERTIFICATION.—If a cov-11 12 ered organization and a person mutually agree, at the time the person makes a donation, payment, or trans-13 14 fer to the organization which would require the orga-15 nization to disclose the person's identification under 16 section 304(q)(5)(A)(ii) or section 304(f)(6)(A)(ii), 17 that the organization will not use the donation, pay-18 ment, or transfer for campaign-related activity, then 19 not later than 30 days after the organization receives 20 the donation, payment, or transfer the organization 21 shall transmit to the person a written certification by 22 the chief financial officer of the covered organization 23 (or, if the organization does not have a chief financial 24 officer, the highest ranking financial official of the or-25 *ganization*) that—

1	"(A) the organization will not use the dona-
2	tion, payment, or transfer for campaign-related
3	activity; and
4	"(B) the organization will not include any
5	information on the person in any report filed by
6	the organization under section 304 with respect
7	to independent expenditures or electioneering
8	communications, so that the person will not be
9	required to appear in a significant funder state-
10	ment or a Top 5 Funders list under section
11	318(e).
12	"(2) Exception for payments made pursu-
13	ANT TO COMMERCIAL ACTIVITIES.—Paragraph (1)
14	does not apply with respect to any payment or trans-
15	fer made pursuant to commercial activities in the reg-
16	ular course of a covered organization's business.
17	"(c) Certifications Regarding Disbursements
18	FOR CAMPAIGN-RELATED ACTIVITY.—
19	"(1) Certification by Chief executive offi-
20	CER.—If, at any time during a calendar quarter, a
21	covered organization makes a disbursement of funds
22	for campaign-related activity using funds described
23	in subsection (a)(1), the chief executive officer of the
24	covered organization or the chief executive officer's
25	designee (or, if the organization does not have a chief

1	executive officer, the highest ranking official of the or-
2	ganization or the highest ranking official's designee)
3	shall file a statement with the Commission which con-
4	tains the following certifications:
5	"(A) None of the campaign-related activity

- "(A) None of the campaign-related activity for which the organization disbursed the funds during the quarter was made in cooperation, consultation, or concert with, or at the request or suggestion of, any candidate or any authorized committee or agent of such candidate, or political committee of a political party or agent of any political party.
- "(B) The chief executive officer or highest ranking official of the covered organization (as the case may be) has reviewed and approved each statement and report filed by the organization under section 304 with respect to any such disbursement made during the quarter.
- "(C) Each statement and report filed by the organization under section 304 with respect to any such disbursement made during the quarter is complete and accurate.
- "(D) All such disbursements made during the quarter are in compliance with this Act.

1	"(E) No portion of the amounts used to
2	make any such disbursements during the quarter
3	is attributable to funds received by the organiza-
4	tion that were restricted by the person who pro-
5	vided the funds from being used for campaign-
6	related activity pursuant to subsection (b).
7	"(2) Application of electronic filing
8	RULES.—Section $304(d)(1)$ shall apply with respect
9	to a statement required under this subsection in the
10	same manner as such section applies with respect to
11	a statement under subsection (c) or (g) of section 304.
12	"(3) Deadline.—The chief executive officer or
13	highest ranking official of a covered organization (as
14	the case may be) shall file the statement required
15	under this subsection with respect to a calendar quar-
16	ter not later than 15 days after the end of the quarter.
17	"(d) Definitions.—For purposes of this section, the
18	following definitions apply:
19	"(1) Covered organization.—The term 'cov-
20	ered organization' means any of the following:
21	"(A) Any corporation which is subject to
22	section $316(a)$.
23	"(B) Any labor organization (as defined in
24	section 316).

1	"(C) Any organization described in para-
2	graph (4), (5), or (6) of section 501(c) of the In-
3	ternal Revenue Code of 1986 and exempt from
4	tax under section 501(a) of such Code.
5	"(D) Any political organization under sec-
6	tion 527 of the Internal Revenue Code of 1986,
7	other than a political committee under this Act.
8	"(2) Campaign-related activity.—
9	"(A) In general.—The term 'campaign-re-
10	lated activity' means—
11	"(i) an independent expenditure con-
12	sisting of a public communication (as de-
13	fined in section 301(22)), a transfer of
14	funds to another person (other than the
15	transferor itself) for the purpose of making
16	such an independent expenditure by that
17	person or by any other person, or (in ac-
18	cordance with subparagraph (B)) a transfer
19	of funds to another person (other than the
20	transferor itself) which is deemed to have
21	been made for the purpose of making such
22	an independent expenditure by that person
23	or by any other person; or
24	"(ii) an electioneering communication,
25	a transfer of funds to another person (other

1	than the transferor itself) for the purpose of
2	making an electioneering communication by
3	that person or by any other person, or (in
4	accordance with subparagraph (B)) a trans-
5	fer of funds to another person (other than
6	the transferor itself) which is deemed to have
7	been made for the purpose of making an
8	electioneering communication by that per-
9	son or by any other person.
10	"(B) Rule for deeming transfers made
11	FOR PURPOSE OF CAMPAIGN-RELATED ACTIV-
12	ITY.—For purposes of subparagraph (A), in de-
13	termining whether a transfer of funds by one
14	person to another person shall be deemed to have
15	been made for the purpose of making an inde-
16	pendent expenditure consisting of a public com-
17	munication or an electioneering communication,
18	the following rules apply:
19	"(i) The transfer shall be deemed to
20	have been made for the purpose of making
21	such an independent expenditure or an elec-
22	tioneering communication if—
23	"(I) the person designates, re-
24	quests, or suggests that the amounts be
25	used for such independent expenditures

1	or electioneering communications and
2	the person to whom the amounts were
3	transferred agrees to do so or does so;
4	"(II) the person making such
5	independent expenditures or election-
6	eering communications or another per-
7	son acting on that person's behalf ex-
8	pressly solicited the person for a dona-
9	tion or payment for making or paying
10	for any such independent expenditure
11	$or\ election eering\ communication;$
12	"(III) the person and the person
13	to whom the amounts were transferred
14	engaged in substantial written or oral
15	discussion regarding the person either
16	making, or donating or paying for,
17	such independent expenditures or elec-
18	$tion eering\ communications;$
19	"(IV) the person or the person to
20	whom the amounts were transferred
21	knew or had reason to know of the cov-
22	ered organization's intent to disburse
23	funds for such independent expendi-
24	tures or electioneering communications;
25	or

"(V) the person or the person to
whom the amounts were transferred
made such an independent expenditure
or electioneering communication during the 2-year period which ends on
the date on which the amounts were
transferred.

"(ii) The transfer shall not be deemed to have been made for the purpose of making such an independent expenditure or an electioneering communication if the transfer was a commercial transaction occurring in the ordinary course of business between the person and the person to whom the amounts were transferred, unless there is affirmative evidence that the amounts were transferred for the purpose of making such an independent expenditure or electioneering communication.

"(3) Unrestricted donor payment' means a payment to a covered organization which consists of a donation or payment from a person other than the covered organization, except that such term does not include—

1	"(A) any payment made pursuant to com-
2	mercial activities in the regular course of a cov-
3	ered organization's business; or
4	"(B) any donation or payment which is
5	designated by the person making the donation or
6	payment to be used for campaign-related activity
7	or made in response to a solicitation for funds
8	to be used for campaign-related activity.".
9	SEC. 213. OPTIONAL USE OF SEPARATE ACCOUNT BY COV-
10	ERED ORGANIZATIONS FOR CAMPAIGN-RE-
11	LATED ACTIVITY.
12	Title III of the Federal Election Campaign Act of 1971
13	(2 U.S.C. 431 et seq.), as amended by section 212, is further
14	amended by adding at the end the following new section:
15	"SEC. 326. OPTIONAL USE OF SEPARATE ACCOUNT BY COV-
16	ERED ORGANIZATIONS FOR CAMPAIGN-RE-
17	LATED ACTIVITY.
18	"(a) Optional Use of Separate Account.—
19	"(1) Establishment of account.—
20	"(A) In general.—At its option, a covered
21	organization may make disbursements for cam-
22	paign-related activity using amounts from a
23	bank account established and controlled by the
24	organization to be known as the Campaign-Re-
25	lated Activity Account (hereafter in this section

1	referred to as the 'Account'), which shall be
2	maintained separately from all other accounts of
3	the organization and which shall consist exclu-
4	sively of the deposits described in paragraph (2).
5	"(B) Mandatory use of account after
6	ESTABLISHMENT.—If a covered organization es-
7	tablishes an Account under this section, it may
8	not make disbursements for campaign-related ac-
9	tivity from any source other than amounts from
10	$the\ Account.$
11	"(C) Exclusive use of account for
12	CAMPAIGN-RELATED ACTIVITY.—Amounts in the
13	Account shall be used exclusively for disburse-
14	ments by the covered organization for campaign-
15	related activity. After such disbursements are
16	made, information with respect to deposits made
17	to the Account shall be disclosed in accordance
18	with section $304(g)(5)$ or section $304(f)(6)$.
19	"(2) Deposits described.—The deposits de-
20	scribed in this paragraph are deposits of the following
21	amounts:
22	"(A) Amounts donated or paid to the cov-
23	ered organization by a person other than the or-
24	ganization for the purpose of being used for cam-

paign-related activity, and for which the person

25

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

providing the amounts has designated that the amounts be used for campaign-related activity with respect to a specific election or specific candidate.

- "(B) Amounts donated or paid to the covered organization by a person other than the organization for the purpose of being used for campaign-related activity, and for which the person providing the amounts has not designated that the amounts be used for campaign-related activity with respect to a specific election or specific candidate.
- "(C) Amounts donated or paid to the covered organization by a person other than the organization in response to a solicitation for funds to be used for campaign-related activity.
- "(D) Amounts transferred to the Account by the covered organization from other accounts of the organization, including from the organization's general treasury funds.
- "(3) NO TREATMENT AS POLITICAL COM-MITTEE.—The establishment and administration of an Account in accordance with this subsection shall not by itself be treated as the establishment or admin-

- 1 istration of a political committee for any purpose of
- 2 this Act.
- 3 "(b) Reduction in Amounts Otherwise Available
- 4 For Account in Response to Demand of General Do-
- 5 NORS.—
- 6 "(1) In General.—If a covered organization
- 7 which has established an Account obtains any reve-
- 8 nues during a year which are attributable to a dona-
- 9 tion or payment from a person other than the covered
- organization, and if any person who makes such a
- donation or payment to the organization notifies the
- organization in writing (at the time of making the
- donation or payment) that the organization may not
- 14 use the donation or payment for campaign-related ac-
- 15 tivity, the organization shall reduce the amount of its
- 16 revenues available for deposits to the Account which
- 17 are described in subsection (a)(3)(D) during the year
- by the amount of the donation or payment.
- 19 "(2) Exception.—Paragraph (1) does not apply
- 20 with respect to any payment made pursuant to com-
- 21 mercial activities in the regular course of a covered
- 22 organization's business.
- 23 "(c) Covered Organization Defined.—In this sec-
- 24 tion, the term 'covered organization' means any of the fol-
- 25 lowing:

1	(1) Any corporation which is subject to section
2	316(a).
3	"(2) Any labor organization (as defined in sec-
4	tion 316).
5	"(3) Any organization described in paragraph
6	(4), (5), or (6) of section 501(c) of the Internal Rev-
7	enue Code of 1986 and exempt from tax under section
8	501(a) of such Code.
9	"(4) Any political organization under section
10	527 of the Internal Revenue Code of 1986, other than
11	a political committee under this Act.
12	"(d) Campaign-Related Activity Defined.—In
13	this section, the term 'campaign-related activity' has the
14	meaning given such term in section 325.".
15	SEC. 214. MODIFICATION OF RULES RELATING TO DIS-
16	CLAIMER STATEMENTS REQUIRED FOR CER-
17	TAIN COMMUNICATIONS.
18	(a) Applying Requirements to All Independent
19	Expenditure Communications.—Section 318(a) of the
20	Federal Election Campaign Act of 1971 (2 U.S.C. 441d(a))
21	is amended by striking "for the purpose of financing com-
22	munications expressly advocating the election or defeat of
23	a clearly identified candidate" and inserting "for an inde-
24	pendent expenditure consisting of a public communica-
25	tion".

1	(b) Stand by Your Ad Requirements.—
2	(1) Maintenance of existing requirements
3	FOR COMMUNICATIONS BY POLITICAL PARTIES AND
4	OTHER POLITICAL COMMITTEES.—Section 318(d)(2)
5	of such Act (2 U.S.C. 441d(d)(2)) is amended—
6	(A) in the heading, by striking "OTHERS"
7	and inserting "POLITICAL COMMITTEES";
8	(B) by striking "subsection (a)" and insert-
9	ing "subsection (a) which is paid for by a polit-
10	ical committee (including a political committee
11	of a political party), other than a political com-
12	mittee which makes only electioneering commu-
13	nications or independent expenditures consisting
14	of public communications,"; and
15	(C) by striking "or other person" each place
16	it appears.
17	(2) Special disclaimer requirements for
18	CERTAIN COMMUNICATIONS.—Section 318 of such Act
19	(2 U.S.C. 441d) is amended by adding at the end the
20	following new subsection:
21	"(e) Communications by Others.—
22	"(1) In General.—Any communication de-
23	scribed in paragraph (3) of subsection (a) which is
24	transmitted through radio or television (other than a
25	communication to which subsection (d)(2) applies be-

cause the communication is paid for by a political committee, including a political committee of a political party, other than a political committee which makes only electioneering communications or independent expenditures consisting of public communications) shall include, in addition to the requirements of that paragraph, the following:

"(A) The individual disclosure statement described in paragraph (2) (if the person paying for the communication is an individual) or the organizational disclosure statement described in paragraph (3) (if the person paying for the communication is not an individual).

"(B) If the communication is an electioneering communication or an independent expenditure consisting of a public communication
and is paid for in whole or in part with a payment which is treated as a disbursement by a
covered organization for campaign-related activity under section 325, the significant funder disclosure statement described in paragraph (4) (if
applicable), unless, on the basis of criteria established in regulations promulgated by the Commission, the communication is of such short duration that including the statement in the com-

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

munication would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the communication's content to consist of the statement.

"(C) If the communication is an electioneering communication or an independent expenditure consisting of a public communication and is paid for in whole or in part with a payment which is treated as a disbursement by a covered organization for campaign-related activity under section 325, the Top Five Funders list described in paragraph (5) (if applicable), unless, on the basis of criteria established in regulations promulgated by the Commission, the communication is of such short duration that including the Top Five Funders list in the communication would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the communication's content to consist of the Top Five Funders list. "(2) Individual disclosure statement de-SCRIBED.—The individual disclosure statement described in this paragraph is the following: 'I am

, and I approve this message.', with

1	the blank filled in with the name of the applicable in-
2	dividual.
3	"(3) Organizational disclosure statement
4	$DESCRIBED. — The\ organizational\ disclosure\ statement$
5	described in this paragraph is the following: I am
6	, the of
7	, and approves
8	this message.', with—
9	"(A) the first blank to be filled in with the
10	name of the applicable individual;
11	"(B) the second blank to be filled in with
12	the title of the applicable individual; and
13	"(C) the third and fourth blank each to be
14	filled in with the name of the organization or
15	other person paying for the communication.
16	"(4) Significant funder disclosure state-
17	MENT DESCRIBED.—
18	"(A) Statement if significant funder
19	IS AN INDIVIDUAL.—If the significant funder of
20	a communication paid for in whole or in part
21	with a payment which is treated as a disburse-
22	ment by a covered organization for campaign-re-
23	lated activity under section 325 is an indi-
24	vidual, the significant funder disclosure state-
25	ment described in this paragraph is the fol-

1	lowing: 'I am I helped to pay
2	for this message, and I approve it.', with the
3	blank filled in with the name of the applicable
4	individual.
5	"(B) Statement if significant funder
6	IS NOT AN INDIVIDUAL.—If the significant
7	funder of a communication paid for in whole or
8	in part with a payment which is treated as a
9	disbursement by a covered organization for cam-
10	paign-related activity under section 325 is not
11	an individual, the significant funder disclosure
12	statement described in this paragraph is the fol-
13	lowing: 'I am, the
14	
15	helped to pay for this message,
16	and approves it.', with—
17	"(i) the first blank to be filled in with
18	the name of the applicable individual;
19	"(ii) the second blank to be filled in
20	with the title of the applicable individual,
21	and
22	"(iii) the third, fourth, and fifth blank
23	each to be filled in with the name of the sig-
24	nificant funder of the communication.
25	"(C) Significant funder defined.—

1	"(i) Independent expenditures.—
2	For purposes of this paragraph, the 'signifi-
3	cant funder' with respect to an independent
4	expenditure consisting of a public commu-
5	nication paid for in whole or in part with
6	a payment which is treated as a disburse-
7	ment by a covered organization for cam-
8	paign-related activity under section 325
9	shall be determined as follows:
10	"(I) If any report filed by any or-
11	ganization with respect to the inde-
12	pendent expenditure under section 304
13	includes information on any person
14	who made a payment to the organiza-
15	tion in an amount equal to or exceed-
16	ing \$100,000 which was designated by
17	the person to be used for campaign-re-
18	lated activity consisting of that specific
19	independent expenditure (as required
20	to be included in the report under sec-
21	tion $304(g)(5)(A)(i)$, the person who is
22	identified among all such reports as
23	making the largest such payment.
24	"(II) If any report filed by any
25	organization with respect to the inde-

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

pendent expenditure under section 304 includes information on any person who made a payment to the organization in an amount equal to or exceeding \$100,000 which was designated by the person to be used for campaign-related activity with respect to the same election or in support of the same candidate (as required to be included in thereportundersection 304(g)(5)(A)(i)) but subclause (I) does not apply, the person who is identified among all such reports as making the largest such payment.

"(III) If any report filed by any organization with respect to the independent expenditure under section 304 includes information on any person who made a payment to the organization which was provided for the purpose of being used for campaign-related activity or in response to a solicitation for funds to be used for campaign-related activity (as required to be included in the report under section

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

304(g)(5)(A)(i)) but subclause (I) or subclause (II) does not apply, the person who is identified among all such reports as making the largest such payment.

"(IV) If none of the reports filed by any organization with respect to the independent expenditure under section 304 includes information on any person (other than the organization) who made a payment to the organization which was provided for the purpose of being used for campaign-related activity or in response to a solicitation for funds to be used for campaign-related activity, but any of such reports includes information on any person who made an unrestricted donor payment to the organization (as required to be included in the report under section 304(q)(5)(A)(ii), the person who is identified among all such reports as making the largest such unrestricted donor payment.

1	"(ii) Electioneering communica-
2	TIONS.—For purposes of this paragraph, the
3	'significant funder' with respect to an elec-
4	tioneering communication paid for in whole
5	or in part with a payment which is treated
6	as a disbursement by a covered organization
7	for campaign-related activity under section
8	325, shall be determined as follows:
9	"(I) If any report filed by any or-
10	ganization with respect to the election-
11	eering communication under section
12	304 includes information on any per-
13	son who made a payment to the orga-
14	nization in an amount equal to or ex-
15	ceeding \$100,000 which was designated
16	by the person to be used for campaign-
17	related activity consisting of that spe-
18	cific electioneering communication (as
19	required to be included in the report
20	under section $304(f)(6)(A)(i)$, the per-
21	son who is identified among all such
22	reports as making the largest such pay-
23	ment.
24	"(II) If any report filed by any
25	organization with respect to the elec-

tioneering communication under section 304 includes information on any person who made a payment to the organization in an amount equal to or exceeding \$100,000 which was designated by the person to be used for campaign-related activity with respect to the same election or in support of the same candidate (as required to be included in the report under section 304(f)(6)(A)(i)) but subclause (I) does not apply, the person who is identified among all such reports as making the largest such payment.

"(III) If any report filed by any organization with respect to the electioneering communication under section 304 includes information on any person who made a payment to the organization which was provided for the purpose of being used for campaign-related activity or in response to a solicitation for funds to be used for campaign-related activity (as required to be included in the report under section

1	304(f)(6)(A)(i)) but subclause (I) or
2	subclause (II) does not apply, the per-
3	son who is identified among all such
4	reports as making the largest such pay-
5	ment.
6	"(IV) If none of the reports filed
7	by any organization with respect to the
8	electioneering communication under
9	section 304 includes information on
10	any person who made a payment to
11	the organization which was provided
12	for the purpose of being used for cam-
13	paign-related activity or in response to
14	a solicitation for funds to be used for
15	campaign-related activity, but any of
16	such reports includes information on
17	any person who made an unrestricted
18	donor payment to the organization (as
19	required to be included in the report
20	under section $304(f)(6)(A)(ii)$, the per-
21	son who is identified among all such
22	reports as making the largest such un-
23	restricted donor payment.
24	"(5) Top 5 funders list described.—With
25	respect to a communication paid for in whole or in

part with a payment which is treated as a disbursement by a covered organization for campaign-related activity under section 325, the Top 5 Funders list described in this paragraph is—

"(A) in the case of a disbursement for an independent expenditure consisting of a public communication, a list of the 5 persons (or, in the case of a communication transmitted through radio, the 2 persons) who provided the largest payments of any type which are required under section 304(g)(5)(A) to be included in the reports filed by any organization with respect to that independent expenditure under section 304, together with the amount of the payments each such person provided; or

"(B) in the case of a disbursement for an electioneering communication, a list of the 5 persons (or, in the case of a communication transmitted through radio, the 2 persons) who provided the largest payments of any type which are required under section 304(f)(6)(A) to be included in the reports filed by any organization with respect to that electioneering communication under section 304, together with the amount of the payments each such person provided.

1	"(6) Method of conveyance of state-
2	MENT.—
3	"(A) Communications transmitted
4	THROUGH RADIO.—In the case of a communica-
5	tion to which this subsection applies which is
6	transmitted through radio, the disclosure state-
7	ments required under paragraph (1) shall be
8	made by audio by the applicable individual in
9	a clearly spoken manner.
10	"(B) Communications transmitted
11	THROUGH TELEVISION.—In the case of a commu-
12	nication to which this subsection applies which
13	is transmitted through television, the informa-
14	tion required under paragraph (1)—
15	"(i) shall appear in writing at the end
16	of the communication in a clearly readable
17	manner, with a reasonable degree of color
18	contrast between the background and the
19	printed statement, for a period of at least 6
20	seconds; and
21	"(ii) except in the case of a Top 5
22	Funders list described in paragraph (5),
23	shall also be conveyed by an unobscured,
24	full-screen view of the applicable individual,
25	or by the applicable individual making the

1	statement in voice-over accompanied by a
2	clearly identifiable photograph or similar
3	image of the individual.
4	"(7) Applicable individual defined.—In this
5	subsection, the term 'applicable individual' means,
6	with respect to a communication to which this para-
7	graph applies—
8	"(A) if the communication is paid for by an
9	individual or if the significant funder of the
10	communication under paragraph (4) is an indi-
11	vidual, the individual involved;
12	"(B) if the communication is paid for by a
13	corporation or if the significant funder of the
14	communication under paragraph (4) is a cor-
15	poration, the chief executive officer of the cor-
16	poration (or, if the corporation does not have a
17	chief executive officer, the highest ranking official
18	of the corporation);
19	"(C) if the communication is paid for by a
20	labor organization or if the significant funder of
21	the communication under paragraph (4) is a
22	labor organization, the highest ranking officer of
23	the labor organization; or
24	"(D) if the communication is paid for by
25	any other person or if the significant funder of

1	the communication under paragraph (4) is any
2	other person, the highest ranking official of such
3	person.
4	"(8) Covered organization defined.—In this
5	subsection, the term 'covered organization' means any
6	of the following:
7	"(A) Any corporation which is subject to
8	section $316(a)$.
9	"(B) Any labor organization (as defined in
10	section 316).
11	"(C) Any organization described in para-
12	graph (4), (5), or (6) of section 501(c) of the In-
13	ternal Revenue Code of 1986 and exempt from
14	tax under section 501(a) of such Code.
15	"(D) Any political organization under sec-
16	tion 527 of the Internal Revenue Code of 1986,
17	other than a political committee under this Act.
18	"(9) Other definitions.—In this subsection,
19	the terms 'campaign-related activity' and 'unre-
20	stricted donor payment' have the meaning given such
21	terms in section 325.".
22	(3) Application to certain mass mailings.—
23	Section 318(a)(3) of such Act (2 U.S.C. 441d(a)(3))
24	is amended to read as follows:

1	"(3) if not authorized by a candidate, an author-
2	ized political committee of a candidate, or its agents,
3	shall clearly state—
4	"(A) the name and permanent street ad-
5	dress, telephone number, or World Wide Web ad-
6	dress of the person who paid for the communica-
7	tion;
8	"(B) if the communication is an inde-
9	pendent expenditure consisting of a mass mail-
10	ing (as defined in section 301(23)) which is paid
11	for in whole or in part with a payment which
12	is treated as a disbursement by a covered organi-
13	zation for campaign-related activity under sec-
14	tion 325, the name and permanent street ad-
15	dress, telephone number, or World Wide Web ad-
16	dress of—
17	"(i) the significant funder of the com-
18	munication, if any (as determined in ac-
19	$cordance\ with\ subsection\ (e)(4)(C)(i));\ and$
20	"(ii) each person who would be in-
21	cluded in the Top 5 Funders list which
22	would be submitted with respect to the com-
23	munication if the communication were
24	transmitted through television, if any (as

1	determined in accordance with subsection
2	(e)(5)); and
3	"(C) that the communication is not author-
4	ized by any candidate or candidate's com-
5	mittee.".
6	(4) Application to political robocalls.—
7	Section 318 of such Act (2 U.S.C. 441d), as amended
8	by paragraph (2), is further amended by adding at
9	the end the following new subsection:
10	"(f) Special Rules for Political Robocalls.—
11	"(1) Requiring communications to include
12	CERTAIN DISCLAIMER STATEMENTS.—Any commu-
13	nication consisting of a political robocall which would
14	be subject to the requirements of subsection (e) if the
15	communication were transmitted through radio or tel-
16	evision shall include the following:
17	"(A) The individual disclosure statement
18	described in subsection (e)(2) (if the person pay-
19	ing for the communication is an individual) or
20	the organizational disclosure statement described
21	in subsection (e)(3) (if the person paying for the
22	communication is not an individual).
23	"(B) If the communication is an election-
24	eering communication or an independent ex-
25	penditure consisting of a public communication

1	and is paid for in whole or in part with a pay-
2	ment which is treated as a disbursement by a
3	covered organization for campaign-related activ-
4	ity under section 325, the significant funder dis-
5	closure $statement$ $described$ in $subsection$ $(e)(4)$
6	$(if\ applicable).$
7	"(2) Timing of Certain Statement.—The
8	statement required to be included under paragraph
9	(1)(A) shall be made at the beginning of the political
10	robocall.
11	"(3) Political robocall defined.—In this
12	subsection, the term 'political robocall' means any
13	outbound telephone call—
14	"(A) in which a person is not available to
15	speak with the person answering the call, and
16	the call instead plays a recorded message; and
17	"(B) which promotes, supports, attacks, or
18	opposes a candidate for election for Federal of-
19	fice.".

1	Subtitle C-	-Reporting	Require-
2	ments for	Registered L	obbyists
3	SEC. 221. REQUIRING	REGISTERED LOBBYI	ISTS TO REPORT
4	4 INFORMA	ATION ON INDEPEN	DENT EXPENDI-
5	5 TURES A	AND ELECTIONEERIN	NG COMMUNICA-
6	TIONS.		
7	7 (a) In General	Section 5(d)(1)	of the Lobbying
8	B Disclosure Act of 1995	6 (2 U.S.C. 1604(d)(1	()) is amended—
9	(1) by strik	ring "and" at the e	end of subpara-
10	graph(F);		
11	(2) by redes	signating subparagra	aph (G) as sub-
12	2 paragraph (I); ar	id	
13	3 (3) by inser	ting after subparagr	raph (F) the fol-
14	lowing new subpa	aragraphs:	
15	"(G) th	he amount of any	independent ex-
16	5 penditure (a	us defined in section	a 301(17) of the
17	7 Federal Ele	ection Campaign A	lct of 1971 (2
18	<i>U.S.C.</i> 431(2	17)) equal to or gree	ater than \$1,000
19	made by su	ch person or organ	ization, and for
20	each such e	expenditure the nam	ne of each can-
21	didate being	g supported or op	posed and the
22	2 amount sper	nt supporting or opp	posing each such
23	candidate;		
24	(H) th	ne amount of any ele	ctioneering com-
25	5 munication	(as defined in sect	$ion \ 304(f)(3) \ of$

1	such Act (2 U.S.C. $434(f)(3)$) equal to or greater
2	than \$1,000 made by such person or organiza-
3	tion, and for each such communication the name
4	of the candidate referred to in the communica-
5	tion and whether the communication involved
6	was in support of or in opposition to the can-
7	didate; and".
8	(b) Effective Date.—The amendments made by this
9	section shall apply with respect to reports for semiannual
10	periods described in section $5(d)(1)$ of the Lobbying Disclo-
11	sure Act of 1995 that begin after the date of the enactment
12	of this Act.
13	TITLE III—DISCLOSURE BY COV-
14	ERED ORGANIZATIONS OF IN-
15	FORMATION ON CAMPAIGN-
16	RELATED ACTIVITY
17	SEC. 301. REQUIRING DISCLOSURE BY COVERED ORGANIZA-
18	TIONS OF INFORMATION ON CAMPAIGN-RE-
19	LATED ACTIVITY.
20	Title III of the Federal Election Campaign Act of 1971
21	(2 U.S.C. 431 et seq.), as amended by section 213, is amend-
22	ed by adding at the end the following new section:

1	"SEC. 327. DISCLOSURES BY COVERED ORGANIZATIONS TO
2	SHAREHOLDERS, MEMBERS, AND DONORS OF
3	INFORMATION ON DISBURSEMENTS FOR CAM-
4	PAIGN-RELATED ACTIVITY.
5	"(a) Including Information in Regular Periodic
6	Reports.—
7	"(1) In General.—A covered organization
8	which submits regular, periodic reports to its share-
9	holders, members, or donors on its finances or activi-
10	ties shall include in each such report the information
11	described in paragraph (2) with respect to the dis-
12	bursements made by the organization for campaign-
13	related activity during the period covered by the re-
14	port.
15	"(2) Information described.—The informa-
16	tion described in this paragraph is, for each disburse-
17	ment for campaign-related activity—
18	"(A) the date of the independent expendi-
19	$ture\ or\ election eering\ communication\ involved;$
20	"(B) the amount of the independent expend-
21	iture or electioneering communication involved;
22	"(C) the name of the candidate identified in
23	the independent expenditure or electioneering
24	communication involved, the office sought by the
25	candidate, and (if applicable) whether the inde-
26	pendent expenditure or electioneering commu-

1	nication involved was in support of or in opposi-
2	tion to the candidate;
3	"(D) in the case of a transfer of funds to
4	another person, the information required by sub-
5	paragraphs (A) through (C), as well as the name
6	of the recipient of the funds and the date and
7	amount of the funds transferred;
8	"(E) the source of such funds; and
9	"(F) such other information as the Commis-
10	sion determines is appropriate to further the
11	purposes of this subsection.
12	"(b) Hyperlink to Information Included in Re-
13	PORTS FILED WITH COMMISSION.—
14	"(1) Requiring posting of hyperlink.—If a
15	covered organization maintains an Internet site, the
16	organization shall post on such Internet site a
17	hyperlink from its homepage to the location on the
18	Internet site of the Commission which contains the
19	following information:
20	"(A) The information the organization is
21	required to report under section $304(g)(5)(A)$
22	with respect to public independent expenditures.
23	"(B) The information the organization is
24	required to include in a statement of disburse-

- 1 ments for electioneering communications under 2 section 304(f)(6).
- 3 "(2) Deadline; duration of posting.—The 4 covered organization shall post the hyperlink de-5 scribed in paragraph (1) not later than 24 hours after 6 the Commission posts the information described in 7 such paragraph on the Internet site of the Commis-8 sion, and shall ensure that the hyperlink remains on 9 the Internet site of the covered organization until the 10 expiration of the 1-year period which begins on the 11 date of the election with respect to which the public 12 independent expenditures or electioneering commu-13 nications are made.
- "(c) Covered Organization Defined.—In this section, the term 'covered organization' means any of the following:
- 17 "(1) Any corporation which is subject to section 18 316(a).
- 19 "(2) Any labor organization (as defined in sec-20 tion 316).
- "(3) Any organization described in paragraph
 (4), (5), or (6) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section
 501(a) of such Code.

1	"(4) Any political organization under section				
2	527 of the Internal Revenue Code of 1986, other tha				
3	a political committee under this Act.".				
4	TITLE IV—OTHER PROVISIONS				
5	SEC. 401. JUDICIAL REVIEW.				
6	(a) Special Rules for Actions Brought on Co				
7	STITUTIONAL GROUNDS.—If any action is brought for e				
8	B claratory or injunctive relief to challenge the consti				
9	tionality of any provision of this Act or any amendm				
10	made by this Act, the following rules shall apply:				
11	(1) The action shall be filed in the United States				
12	District Court for the District of Columbia, and an				
13	appeal from a decision of the District Court may be				
14	taken to the Court of Appeals for the District of C				
15	lumbia Circuit.				
16	(2) A copy of the complaint shall be delivered				
17	promptly to the Clerk of the House of Representatives				
18	and the Secretary of the Senate.				
19	(3) It shall be the duty of the United States Dis-				
20	trict Court for the District of Columbia, the Court of				
21					
22	Supreme Court of the United States to advance on the				
23	docket and to expedite to the greatest possible extent				

 $the \ disposition \ of \ the \ action \ and \ appeal.$

24

- 1 (b) Intervention by Members of Congress.—In
- 2 any action in which the constitutionality of any provision
- 3 of this Act or any amendment made by this Act is raised,
- 4 any member of the House of Representatives (including a
- 5 Delegate or Resident Commissioner to the Congress) or Sen-
- 6 ate shall have the right to intervene either in support of
- 7 or opposition to the position of a party to the case regarding
- 8 the constitutionality of the provision or amendment. To
- 9 avoid duplication of efforts and reduce the burdens placed
- 10 on the parties to the action, the court in any such action
- 11 may make such orders as it considers necessary, including
- 12 orders to require intervenors taking similar positions to file
- 13 joint papers or to be represented by a single attorney at
- 14 oral argument.
- 15 (c) Challenge by Members of Congress.—Any
- 16 Member of the House of Representatives (including a Dele-
- 17 gate or Resident Commissioner to the Congress) or Senate
- 18 may bring an action, subject to the special rules described
- 19 in subsection (a), for declaratory or injunctive relief to chal-
- 20 lenge the constitutionality of any provision of this Act or
- 21 any amendment made by this Act.
- 22 SEC. 402. SEVERABILITY.
- 23 If any provision of this Act or amendment made by
- 24 this Act, or the application of a provision or amendment
- 25 to any person or circumstance, is held to be unconstitu-

- 1 tional, the remainder of this Act and amendments made
- 2 by this Act, and the application of the provisions and
- 3 amendment to any person or circumstance, shall not be af-
- 4 fected by the holding.

5 SEC. 403. EFFECTIVE DATE.

- 6 Except as otherwise provided, this Act and the amend-
- 7 ments made by this Act shall take effect upon the expiration
- 8 of the 30-day period which begins on the date of the enact-
- 9 ment of this Act, and shall take effect without regard to
- 10 whether or not the Federal Election Commission has pro-
- 11 mulgated regulations to carry out such amendments.

Union Calendar No. 280

111TH CONGRESS H. R. 5175

[Report No. 111-492, Part I]

To amend the Federal Election Campaign Act of 1971 to prohibit foreign influence in Federal elections, to prohibit government contractors from making expenditures with respect to such elections, and to establish additional disclosure requirements with respect to spending in such elections, and for other purposes.

May 25, 2010

Reported from the Committee on House Administration with an amendment

May 25, 2010

Committee on the Judiciary discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed