

Calendar No. 476

111TH CONGRESS
2^D SESSION

S. 3628

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 SENATE OF THE UNITED STATES

JULY 21, 2010

Mr. SCHUMER introduced the following bill; which was read the first time

JULY 22, 2010

Read the second time and placed on the calendar

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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Democracy is Strengthened by Casting Light on Spend-
 4 ing in Elections Act” or the “DISCLOSE Act”.

5 (b) TABLE OF CONTENTS.—The table of contents of
 6 this 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 communica-
 tions by government contractors.

Sec. 102. Application of ban on contributions and expenditures by foreign na-
 tionals to foreign-controlled domestic corporations.

Sec. 103. Treatment of payments for coordinated communications as contribu-
 tions.

Sec. 104. Treatment of political party communications made on behalf of can-
 didates.

Sec. 105. Restriction on internet communications treated as public communica-
 tions.

**TITLE II—PROMOTING EFFECTIVE DISCLOSURE OF CAMPAIGN-
 RELATED ACTIVITY**

**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 expendi-
 tures 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 disburse-
 ments by covered organizations.

Sec. 212. Rules regarding use of general treasury funds by covered organiza-
 tions for campaign-related activity.

Sec. 213. Optional use of separate account by covered organizations for cam-
 paign-related activity.

Sec. 214. Modification of rules relating to disclaimer statements required for
 certain communications.

Sec. 215. Indexing of certain amounts.

Subtitle C—Reporting Requirements for Registered Lobbyists

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

Subtitle D—Filing by Senate Candidates With Commission

Sec. 231. Filing by Senate candidates with Commission.

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. No effect on protections against threats, harassments, and reprisals.

Sec. 403. Severability.

Sec. 404. Effective date.

1 **SEC. 2. FINDINGS.**

2 (a) GENERAL FINDINGS.—Congress finds and de-
3 clares as follows:

4 (1) Throughout the history of the United
5 States, the American people have been rightly con-
6 cerned about the power of special interests to control
7 our democratic processes. That was true over 100
8 years ago when Congress first enacted legislation in-
9 tended to restrict corporate funds from being used
10 in Federal elections, legislation that Congress
11 amended in 1947 to expressly include independent
12 expenditures. The Supreme Court held such legisla-
13 tion to be constitutional in 1990 in *Austin v. Michi-*
14 *gan Chamber of Commerce* (494 U.S. 652) and
15 again in 2003 in *McConnell v. F.E.C.* (540 U.S.
16 93).

1 (2) The Supreme Court’s decision in *Citizens*
2 *United v. Federal Election Commission* on January
3 21, 2010, invalidated legislation restricting the abil-
4 ity of corporations and labor unions to spend funds
5 from their general treasury accounts to influence the
6 outcome of elections.

7 (b) FINDINGS RELATING TO GOVERNMENT CON-
8 TRACTORS.—Congress finds and declares as follows:

9 (1) Government contracting is an activity that
10 is particularly susceptible to improper influence, and
11 to the appearance of improper influence. Govern-
12 ment contracts must be awarded based on an objec-
13 tive evaluation of how well bidders or potential con-
14 tractors meet relevant statutory criteria.

15 (2) Independent expenditures and electioneering
16 communications that benefit particular candidates or
17 elected officials or disfavor their opponents can lead
18 to apparent and actual ingratiation, access, influ-
19 ence, and quid pro quo arrangements. Government
20 contracts should be awarded based on an objective
21 application of statutory criteria, not based on other
22 forms of inappropriate or corrupting influence.

23 (3) Prohibiting independent expenditures and
24 electioneering communications by persons negoti-
25 ating for or performing government contracts will

1 prevent government officials involved in or with in-
2 fluence over the contracting process from influencing
3 the contracting process based, consciously or other-
4 wise, on this kind of inappropriate or corrupting in-
5 fluence.

6 (4) Prohibiting independent expenditures and
7 electioneering communications by persons negoti-
8 ating for or performing government contracts will
9 likewise prevent such persons from feeling pressure,
10 whether actually exerted by government officials or
11 not, to make expenditures and to fund communica-
12 tions in order to maximize their chances of receiving
13 contracts, or to match similar expenditures and com-
14 munications made by their competitors.

15 (5) Furthermore, because government contracts
16 often involve large amounts of public money, it is
17 critical that the public perceive that the government
18 contracts are awarded strictly in accordance with
19 prescribed statutory standards, and not based on
20 other forms of inappropriate or corrupting influence.
21 The public's confidence in government is under-
22 mined when corporations that make significant ex-
23 penditures during Federal election campaigns later
24 receive government funds.

1 (6) Prohibiting independent expenditures and
2 electioneering communications by persons negoti-
3 ating for or performing government contracts will
4 prevent any appearance that government contracts
5 were awarded based in whole or in part on such ex-
6 penditures or communications, or based on the inap-
7 propriate or corrupting influence such expenditures
8 and communications can create and appear to cre-
9 ate.

10 (7) In these ways, prohibiting independent ex-
11 penditures and electioneering communications by
12 persons negotiating for or performing government
13 contracts will protect the actual and perceived integ-
14 rity of the government contracting process.

15 (8) Moreover, the risks of waste, fraud and
16 abuse, all resulting in economic losses to taxpayers,
17 are significant when would-be public contractors or
18 applicants for public funds make expenditures in
19 Federal election campaigns in order to affect elec-
20 toral outcomes.

21 (c) FINDINGS RELATING TO FOREIGN CORPORA-
22 TIONS.—Congress finds and declares as follows:

23 (1) The Supreme Court’s decision in the Citi-
24 zens United case has provided the means by which
25 United States corporations controlled by foreign en-

1 tities can freely spend money to influence United
2 States elections.

3 (2) Foreign corporations commonly own U.S.
4 corporations in whole or in part, and U.S. corporate
5 equity and debt are also held by foreign individuals,
6 sovereign wealth funds, and even foreign nations at
7 levels which permit effective control over those U.S.
8 entities.

9 (3) As recognized in many areas of the law, for-
10 eign ownership interests and influences are exerted
11 in a perceptible way even when the entity is not ma-
12 jority-foreign-owned.

13 (4) The Federal Government has broad con-
14 stitutional power to protect American interests and
15 sovereignty from foreign interference and intrusion.

16 (5) Congress has a clear interest in minimizing
17 foreign intervention, and the perception of foreign
18 intervention, in United States elections.

19 (d) FINDINGS RELATING TO COORDINATED EXPEND-
20 ITURES.—Congress finds and declares as follows:

21 (1) It has been the consistent view of Congress
22 and the courts that coordinated expenditures in
23 campaigns for election are no different in nature
24 from contributions.

1 (2) Existing rules still allow donors to evade
2 contribution limits by making campaign expendi-
3 tures which, while technically qualifying as inde-
4 pendent expenditures under law, are for all relevant
5 purposes coordinated with candidates and political
6 parties and thus raise the potential for corruption or
7 the appearance of corruption.

8 (3) Such arrangements have the potential to
9 give rise to the reality or appearance of corruption
10 to the same degree that direct contributions to a
11 candidate may give rise to the reality or appearance
12 of corruption. Moreover, expenditures which are in
13 fact made in coordination with a candidate or polit-
14 ical party have the potential to lessen the public's
15 trust and faith in the rules and the integrity of the
16 electoral process.

17 (4) The government therefore has a compelling
18 interest in making sure that expenditures that are
19 de facto coordinated with a candidate are treated as
20 such to prevent corruption, the appearance of cor-
21 ruption, or the perception that some participants are
22 circumventing the laws and regulations which govern
23 the financing of election campaigns.

24 (e) FINDINGS RELATING TO DISCLOSURES AND DIS-
25 CLAIMERS.—Congress finds and declares as follows:

1 (1) The American people have a compelling in-
2 terest in knowing who is funding independent ex-
3 penditures and electioneering communications to in-
4 fluence Federal elections, and the government has a
5 compelling interest in providing the public with that
6 information. Effective disclaimers and prompt disclo-
7 sure of expenditures, and the disclosure of the fund-
8 ing sources for these expenditures, can provide
9 shareholders, voters, and citizens with the informa-
10 tion needed to evaluate the actions by special inter-
11 ests seeking influence over the democratic process.
12 Transparency promotes accountability, increases the
13 fund of information available to the public con-
14 cerning the support given to candidates by special
15 interests, sheds the light of publicity on political
16 spending, and encourages the leaders of organiza-
17 tions to act only upon legitimate organizational pur-
18 poses.

19 (2) Protecting this compelling interest has be-
20 come particularly important to address the increase
21 in special interest spending on election-related com-
22 munications which Congress finds will result from
23 the Supreme Court's decision in the Citizens United
24 case. The current disclosure and disclaimer require-
25 ments were designed for a campaign finance system

1 in which such expenditures were subject to prohibi-
2 tions that no longer apply.

3 (3) More rigorous disclosure and disclaimer re-
4 quirements are necessary to protect against the eva-
5 sion of those current rules that were not the subject
6 of the Citizens United case. Organizations that en-
7 gage in election-related communications have used a
8 variety of methods to attempt to obscure their spon-
9 sorship of communications from the general public,
10 including multiple transfers of funds between dif-
11 ferent individuals and organizations. Robust, en-
12 hanced disclosure and disclaimer requirements are
13 necessary to ensure that the electorate is informed
14 about who is actually paying for particular election-
15 related communications, and that the shareholders
16 and members of organizations are aware of their or-
17 ganizations' election-related spending.

18 (4) Various factors, including the frequency of
19 political campaigns that effectively begin long before
20 election day, have also rendered the existing system
21 of disclosure and disclaimer requirements (including
22 the limited time periods during which some of those
23 requirements currently apply) inadequate to protect
24 fully the government's compelling interests. Those
25 interests include ensuring that the electorate is fully

1 informed about the sources of election-related spend-
2 ing, and that shareholders, voters and citizens alike
3 have the information they need to hold corporations
4 and elected officials accountable.

5 (5) The pervasive nature of campaign adver-
6 tising means that most Americans, even those who
7 might not be otherwise engaged in the political proc-
8 ess, will come into contact with campaign adver-
9 tising. Moreover, the lengthy nature of most modern
10 campaigns means that many Americans will be ex-
11 posed to campaign advertising for an extended pe-
12 riod of time prior to the actual election. Many of
13 these Americans may lack ready access to the infor-
14 mation provided through the existing disclosure re-
15 quirements. For this reason, disclaimers on the cam-
16 paign advertising itself are particularly important in
17 improving the knowledge of the American people
18 about who is funding independent expenditures and
19 electioneering communications to influence Federal
20 elections.

21 (6) Effective disclaimers enable the American
22 people to assess advertisements as they see or hear
23 them, making them aware of the sources of funding
24 behind advertisements, and enabling them to use
25 that information to help evaluate the persuasiveness

1 of the advertisements. Effective disclaimers can also
2 alert the electorate to connections between different
3 advertisements, such as when different advertise-
4 ments are supported by the same funding source. It
5 is thus particularly important that disclaimers on all
6 advertising be presented in a manner that can be
7 quickly and easily understood, and is likely to be ob-
8 served and retained, by those seeing or hearing the
9 advertisement.

10 (7) The current lack of accountability and
11 transparency with respect to special interest political
12 spending allows that spending to serve as a private
13 benefit for the officials of special interest organiza-
14 tions, to the detriment of those organizations and
15 their shareholders and members.

16 (8) Election-related communications by not-for-
17 profit charitable organizations raise certain addi-
18 tional, particularized issues. In the past, such orga-
19 nizations have sometimes been established in order
20 to permit the actual sponsors of election-related
21 communications to obscure their identities from vot-
22 ers and the general public. At the same time, other
23 such organizations are familiar, established associa-
24 tions of persons dedicated to a common and trans-
25 parent charitable, educational, or recreational pur-

1 pose. The importance of enhanced disclosures of the
2 sources of funding of a not-for-profit organization's
3 election-related communications is diminished where
4 certain conditions are met. If an organization is
5 long-established, the public is more likely to be fa-
6 miliar with the organization and its purposes, mak-
7 ing it less important to require disclosure of the or-
8 ganization's donors in order for the public to fairly
9 understand and evaluate its communications. Simi-
10 larly, national organizations with broad-based mem-
11 bership are likely to be better known, making en-
12 hanced disclosure of the organization's donors less
13 critical. Organizations that have a substantial mem-
14 bership, particularly a geographically dispersed and
15 long-standing membership, are less likely to serve as
16 conduits for a small number of donors who use the
17 organization to express their own personal views in
18 the guise of an organizational communication. Orga-
19 nizations that accept only limited funds from cor-
20 porations and do not use any corporate funds to
21 subsidize campaign-related activities are less likely
22 to be used to obscure corporate sources of political
23 communications. In rare cases where all of these
24 characteristics describe a particular non-profit orga-
25 nization, the existing disclosure and disclaimer re-

1 quirements will provide sufficient information to en-
2 able the public to understand who is actually speak-
3 ing.

4 (f) FINDINGS RELATING TO CAMPAIGN SPENDING BY
5 LOBBYISTS.—Congress finds and declares as follows:

6 (1) Lobbyists and lobbying organizations, and
7 through them, their clients, influence the public deci-
8 sion-making process in a variety of ways.

9 (2) In recent years, scandals involving undue
10 lobbyist influence have lowered public trust in gov-
11 ernment and jeopardized the willingness of voters to
12 take part in democratic governance.

13 (3) One way in which lobbyists may unduly in-
14 fluence Federal officials is through their clients
15 making independent expenditures or electioneering
16 communications targeting elected officials.

17 (4) Disclosure of such independent expenditures
18 and electioneering communications will allow the
19 public to examine connections between such spend-
20 ing and official actions, and will therefore limit the
21 ability of lobbyists to exert an undue influence on
22 elected officials.

1 **TITLE I—REGULATION OF**
 2 **CERTAIN POLITICAL SPENDING**

3 **SEC. 101. PROHIBITING INDEPENDENT EXPENDITURES AND**
 4 **ELECTIONEERING COMMUNICATIONS BY**
 5 **GOVERNMENT CONTRACTORS.**

6 (a) PROHIBITION APPLICABLE TO GOVERNMENT
 7 CONTRACTORS.—

8 (1) PROHIBITION.—

9 (A) IN GENERAL.—Section 317(a)(1) of
 10 the Federal Election Campaign Act of 1971 (2
 11 U.S.C. 441c(a)(1)) is amended by striking
 12 “purpose or use; or” and inserting the fol-
 13 lowing: “purpose or use, to make any inde-
 14 pendent expenditure, or to disburse any funds
 15 for an electioneering communication; or”.

16 (B) CONFORMING AMENDMENT.—The
 17 heading of section 317 of such Act (2 U.S.C.
 18 441c) is amended by striking “CONTRIBU-
 19 TIONS” and inserting “CONTRIBUTIONS, INDE-
 20 PENDENT EXPENDITURES, AND ELECTION-
 21 EERING COMMUNICATIONS”.

22 (2) THRESHOLD FOR APPLICATION OF BAN.—

23 Section 317 of such Act (2 U.S.C. 441c) is amend-
 24 ed—

1 (A) by redesignating subsections (b) and
 2 (c) as subsections (c) and (d); and

3 (B) by inserting after subsection (a) the
 4 following new subsection:

5 “(b) To the extent that subsection (a)(1) prohibits
 6 a person who enters into a contract described in such sub-
 7 section from making any independent expenditure or dis-
 8 bursing funds for an electioneering communication, such
 9 subsection shall apply only if the value of the contract is
 10 equal to or greater than \$10,000,000.”.

11 (b) APPLICATION TO RECIPIENTS OF ASSISTANCE
 12 UNDER TROUBLED ASSET PROGRAM.—Section 317(a) of
 13 such Act (2 U.S.C. 441c(a)) is amended—

14 (1) by striking “or” at the end of paragraph
 15 (1);

16 (2) by redesignating paragraph (2) as para-
 17 graph (3); and

18 (3) by inserting after paragraph (1) the fol-
 19 lowing new paragraph:

20 “(2) who enters into negotiations for financial
 21 assistance under title I of the Emergency Economic
 22 Stabilization Act of 2008 (12 U.S.C. 5211 et seq.)
 23 (relating to the purchase of troubled assets by the
 24 Secretary of the Treasury), during the period—

1 “(A) beginning on the later of the com-
2 mencement of the negotiations or the date of
3 the enactment of the Democracy is Strength-
4 ened by Casting Light on Spending in Elections
5 Act; and

6 “(B) ending with the later of the termi-
7 nation of such negotiations or the repayment of
8 such financial assistance;
9 directly or indirectly to make any contribution of
10 money or other things of value, or to promise ex-
11 pressly or impliedly to make any such contribution
12 to any political party, committee, or candidate for
13 public office or to any person for any political pur-
14 pose or use, to make any independent expenditure,
15 or to disburse any funds for an electioneering com-
16 munication; or”.

17 (c) TECHNICAL AMENDMENT.—Section 317 of such
18 Act (2 U.S.C. 441c) is amended by striking “section 321”
19 each place it appears and inserting “section 316”.

1 **SEC. 102. APPLICATION OF BAN ON CONTRIBUTIONS AND**
 2 **EXPENDITURES BY FOREIGN NATIONALS TO**
 3 **FOREIGN-CONTROLLED DOMESTIC COR-**
 4 **PORATIONS.**

5 (a) APPLICATION OF BAN.—Section 319(b) of the
 6 Federal Election Campaign Act of 1971 (2 U.S.C.
 7 441e(b)) is amended—

8 (1) by striking “or” at the end of paragraph
 9 (1);

10 (2) by striking the period at the end of para-
 11 graph (2) and inserting “; or”; and

12 (3) by adding at the end the following new
 13 paragraph:

14 “(3) any corporation which is not a foreign na-
 15 tional described in paragraph (1) and—

16 “(A) in which a foreign national described
 17 in paragraph (1) or (2) directly or indirectly
 18 owns or controls—

19 “(i) 5 percent or more of the voting
 20 shares, if the foreign national is a foreign
 21 country, a foreign government official, or a
 22 corporation principally owned or controlled
 23 by a foreign country or foreign government
 24 official; or

1 “(ii) 20 percent or more of the voting
2 shares, if the foreign national is not de-
3 scribed in clause (i);

4 “(B) in which two or more foreign nation-
5 als described in paragraph (1) or (2), each of
6 whom owns or controls at least 5 percent of the
7 voting shares, directly or indirectly own or con-
8 trol 50 percent or more of the voting shares;

9 “(C) with respect to which the majority of
10 the members of the board of directors are for-
11 eign nationals described in paragraph (1) or
12 (2);

13 “(D) over which one or more foreign na-
14 tionals described in paragraph (1) or (2) has
15 the power to direct, dictate, or control the deci-
16 sion-making process of the corporation with re-
17 spect to its interests in the United States; or

18 “(E) over which one or more foreign na-
19 tionals described in paragraph (1) or (2) has
20 the power to direct, dictate, or control the deci-
21 sion-making process of the corporation with re-
22 spect to activities in connection with a Federal,
23 State, or local election, including—

24 “(i) the making of a contribution, do-
25 nation, expenditure, independent expendi-

1 ture, or disbursement for an electioneering
 2 communication (within the meaning of sec-
 3 tion 304(f)(3)); or
 4 “(ii) the administration of a political
 5 committee established or maintained by the
 6 corporation.”.

7 (b) CERTIFICATION OF COMPLIANCE.—Section 319
 8 of such Act (2 U.S.C. 441e) is amended by adding at the
 9 end the following new subsection:

10 “(c) CERTIFICATION OF COMPLIANCE REQUIRED
 11 PRIOR TO CARRYING OUT ACTIVITY.—Prior to the mak-
 12 ing in connection with an election for Federal office of any
 13 contribution, donation, expenditure, independent expendi-
 14 ture, or disbursement for an electioneering communication
 15 by a corporation during a year, the chief executive officer
 16 of the corporation (or, if the corporation does not have
 17 a chief executive officer, the highest ranking official of the
 18 corporation), shall file a certification with the Commission,
 19 under penalty of perjury, that the corporation is not pro-
 20 hibited from carrying out such activity under subsection
 21 (b)(3), unless the chief executive officer has previously
 22 filed such a certification during the year. Nothing in this
 23 subsection shall be construed to apply to any contribution,
 24 donation, expenditure, independent expenditure, or dis-
 25 bursement from a separate segregated fund established

1 and administered by a corporation under section
2 316(b)(2)(C).”.

3 (c) NO EFFECT ON CERTAIN ACTIVITIES OF DOMES-
4 TIC CORPORATIONS.—Section 319 of such Act (2 U.S.C.
5 441e), as amended by subsection (b), is further amended
6 by adding at the end the following new subsection:

7 “(d) NO EFFECT ON CERTAIN ACTIVITIES OF DO-
8 MESTIC CORPORATIONS.—

9 “(1) SEPARATE SEGREGATED FUNDS.—Nothing
10 in this section shall be construed to prohibit any cor-
11 poration which is not a foreign national described in
12 paragraph (1) of subsection (b) from establishing,
13 administering, and soliciting contributions to a sepa-
14 rate segregated fund under section 316(b)(2)(C), so
15 long as none of the amounts in the fund are pro-
16 vided by any foreign national described in paragraph
17 (1) or (2) of subsection (b) and no foreign national
18 described in paragraph (1) or (2) of subsection (b)
19 has the power to direct, dictate, or control the estab-
20 lishment or administration of the fund.

21 “(2) STATE AND LOCAL ELECTIONS.—Nothing
22 in this section shall be construed to prohibit any cor-
23 poration which is not a foreign national described in
24 paragraph (1) of subsection (b) from making a con-
25 tribution or donation in connection with a State or

1 local election to the extent permitted under State or
 2 local law, so long as no foreign national described in
 3 paragraph (1) or (2) of subsection (b) has the power
 4 to direct, dictate, or control such contribution or do-
 5 nation.

6 “(3) OTHER PERMISSIBLE CORPORATE CON-
 7 TRIBUTIONS AND EXPENDITURES.—Nothing in this
 8 section shall be construed to prohibit any corpora-
 9 tion which is not a foreign national described in
 10 paragraph (1) of subsection (b) from carrying out
 11 any activity described in subparagraph (A) or (B) of
 12 section 316(b)(2), so long as none of the amounts
 13 used to carry out the activity are provided by any
 14 foreign national described in paragraph (1) or (2) of
 15 subsection (b) and no foreign national described in
 16 paragraph (1) or (2) of subsection (b) has the power
 17 to direct, dictate, or control such activity.”.

18 (d) NO EFFECT ON OTHER LAWS.—Section 319 of
 19 such Act (2 U.S.C. 441e), as amended by subsections (b)
 20 and (c), is further amended by adding at the end the fol-
 21 lowing new subsection:

22 “(e) NO EFFECT ON OTHER LAWS.—Nothing in this
 23 section shall be construed to affect the determination of
 24 whether a corporation is treated as a foreign national for
 25 purposes of any law other than this Act.”.

1 **SEC. 103. TREATMENT OF PAYMENTS FOR COORDINATED**
 2 **COMMUNICATIONS AS CONTRIBUTIONS.**

3 (a) IN GENERAL.—Section 301(8)(A) of the Federal
 4 Election Campaign Act of 1971 (2 U.S.C. 431(8)(A)) is
 5 amended—

6 (1) by striking “or” at the end of clause (i);

7 (2) by striking the period at the end of clause
 8 (ii) and inserting “; or”; and

9 (3) by adding at the end the following new
 10 clause:

11 “(iii) any payment made by any person
 12 (other than a candidate, an authorized com-
 13 mittee of a candidate, or a political committee
 14 of a political party) for a coordinated commu-
 15 nication (as determined under section 324).”.

16 (b) COORDINATED COMMUNICATIONS DESCRIBED.—
 17 Section 324 of such Act (2 U.S.C. 441k) is amended to
 18 read as follows:

19 **“SEC. 324. COORDINATED COMMUNICATIONS.**

20 **“(a) COORDINATED COMMUNICATIONS DEFINED.—**

21 **“(1) IN GENERAL.—**For purposes of this Act,
 22 the term ‘coordinated communication’ means—

23 **“(A)** a covered communication which, sub-
 24 ject to subsection (c), is made in cooperation,
 25 consultation, or concert with, or at the request
 26 or suggestion of, a candidate, an authorized

1 committee of a candidate, or a political com-
 2 mittee of a political party; or

3 “(B) any communication that republishes,
 4 disseminates, or distributes, in whole or in part,
 5 any broadcast or any written, graphic, or other
 6 form of campaign material prepared by a can-
 7 didate, an authorized committee of a candidate,
 8 or their agents.

9 “(2) EXCEPTION.—The term ‘coordinated com-
 10 munication’ does not include—

11 “(A) a communication appearing in a news
 12 story, commentary, or editorial distributed
 13 through the facilities of any broadcasting sta-
 14 tion, newspaper, magazine, or other periodical
 15 publication, unless such facilities are owned or
 16 controlled by any political party, political com-
 17 mittee, or candidate; or

18 “(B) a communication which constitutes a
 19 candidate debate or forum conducted pursuant
 20 to the regulations adopted by the Commission
 21 to carry out section 304(f)(3)(B)(iii), or which
 22 solely promotes such a debate or forum and is
 23 made by or on behalf of the person sponsoring
 24 the debate or forum.

25 “(b) COVERED COMMUNICATION DEFINED.—

1 “(1) IN GENERAL.—Except as provided in para-
 2 graph (4), for purposes of this subsection, the term
 3 ‘covered communication’ means, for purposes of the
 4 applicable election period described in paragraph (2)
 5 and with respect to the coordinated communication
 6 involved, a public communication (as defined in sec-
 7 tion 301(22)) that refers to the candidate described
 8 in subsection (a)(1)(A) or an opponent of such can-
 9 didate and is publicly distributed or publicly dissemi-
 10 nated during such period.

11 “(2) APPLICABLE ELECTION PERIOD.—For
 12 purposes of paragraph (1), the ‘applicable election
 13 period’ with respect to a communication means—

14 “(A) in the case of a communication which
 15 refers to a candidate for the office of President
 16 or Vice President, the period—

17 “(i) beginning with the date that is
 18 120 days before the date of the first pri-
 19 mary election, preference election, or nomi-
 20 nating convention for nomination for the
 21 office of President which is held in any
 22 State; and

23 “(ii) ending with the date of the gen-
 24 eral election for such office; or

1 “(B) in the case of a communication which
2 refers to a candidate for any other Federal of-
3 fice, the period—

4 “(i) beginning with the date that is 90
5 days before the earliest of the primary
6 election, preference election, or nominating
7 convention with respect to the nomination
8 for the office that the candidate is seeking;
9 and

10 “(ii) ending with the date of the gen-
11 eral election for such office.

12 “(3) SPECIAL RULE FOR PUBLIC DISTRIBUTION
13 OF COMMUNICATIONS INVOLVING CONGRESSIONAL
14 CANDIDATES.—For purposes of paragraph (1), in
15 the case of a communication involving a candidate
16 for an office other than President or Vice President,
17 the communication shall be considered to be publicly
18 distributed or publicly disseminated only if the dis-
19 semination or distribution occurs in the jurisdiction
20 of the office that the candidate is seeking.

21 “(c) NO FINDING OF COORDINATION BASED SOLELY
22 ON SHARING OF INFORMATION REGARDING LEGISLATIVE
23 OR POLICY POSITION.—For purposes of subsection (a)(1),
24 a covered communication shall not be considered to be
25 made in cooperation, consultation, or concert with, or at

1 the request or suggestion of, a candidate, an authorized
 2 committee of a candidate, or a political committee of a
 3 political party solely on the grounds that a person or an
 4 agent thereof engaged in discussions with to the candidate
 5 or committee regarding that person's position on a legisla-
 6 tive or policy matter (including urging the candidate or
 7 party to adopt that person's position), so long as there
 8 is no discussion between the person and the candidate or
 9 committee regarding the candidate's campaign plans,
 10 projects, activities, or needs.

11 “(d) PRESERVATION OF CERTAIN SAFE HARBORS
 12 AND FIREWALLS.—Nothing in this section may be con-
 13 strued to affect section 109.21(g) or (h) of title 11, Code
 14 of Federal Regulations, as in effect on the date of the en-
 15 actment of the Democracy is Strengthened by Casting
 16 Light on Spending in Elections Act.

17 “(e) TREATMENT OF COORDINATION WITH POLIT-
 18 ICAL PARTIES FOR COMMUNICATIONS REFERRING TO
 19 CANDIDATES.—For purposes of this section, if a commu-
 20 nication which refers to any clearly identified candidate
 21 or candidates of a political party or any opponent of such
 22 a candidate or candidates is determined to have been made
 23 in cooperation, consultation, or concert with or at the re-
 24 quest or suggestion of a political committee of the political
 25 party but not in cooperation, consultation, or concert with

1 or at the request or suggestion of such clearly identified
 2 candidate or candidates, the communication shall be treat-
 3 ed as having been made in cooperation, consultation, or
 4 concert with or at the request or suggestion of the political
 5 committee of the political party but not with or at the
 6 request or suggestion of such clearly identified candidate
 7 or candidates.”.

8 (c) EFFECTIVE DATE.—

9 (1) IN GENERAL.—This section and the amend-
 10 ments made by this section shall apply with respect
 11 to payments made on or after the expiration of the
 12 30-day period which begins on the date of the enact-
 13 ment of this Act, without regard to whether or not
 14 the Federal Election Commission has promulgated
 15 regulations to carry out such amendments.

16 (2) TRANSITION RULE FOR ACTIONS TAKEN
 17 PRIOR TO ENACTMENT.—No person shall be consid-
 18 ered to have made a payment for a coordinated com-
 19 munication under section 324 of the Federal Elec-
 20 tion Campaign Act of 1971 (as amended by sub-
 21 section (b)) by reason of any action taken by the
 22 person prior to the date of the enactment of this
 23 Act. Nothing in the previous sentence shall be con-
 24 strued to affect any determination under any other
 25 provision of such Act which is in effect on the date

1 of the enactment of this Act regarding whether a
 2 communication is made in cooperation, consultation,
 3 or concert with, or at the request or suggestion of,
 4 a candidate, an authorized committee of a candidate,
 5 or a political committee of a political party.

6 **SEC. 104. TREATMENT OF POLITICAL PARTY COMMUNICA-**
 7 **TIONS MADE ON BEHALF OF CANDIDATES.**

8 (a) TREATMENT OF PAYMENT FOR PUBLIC COMMU-
 9 NICATION AS CONTRIBUTION IF MADE UNDER CONTROL
 10 OR DIRECTION OF CANDIDATE.—Section 301(8)(A) of the
 11 Federal Election Campaign Act of 1971 (2 U.S.C.
 12 431(8)(A)), as amended by section 103(a), is amended—

13 (1) by striking “or” at the end of clause (ii);

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

15 (iii) and inserting “; or”; and

16 (3) by adding at the end the following new
 17 clause:

18 “(iv) any payment by a political committee
 19 of a political party for the direct costs of a pub-
 20 lic communication (as defined in paragraph
 21 (22)) made on behalf of a candidate for Federal
 22 office who is affiliated with such party, but only
 23 if the communication is controlled by, or made
 24 at the direction of, the candidate or an author-
 25 ized committee of the candidate.”.

1 (b) REQUIRING CONTROL OR DIRECTION BY CAN-
 2 DIDATE FOR TREATMENT AS COORDINATED PARTY EX-
 3 PENDITURE.—

4 (1) IN GENERAL.—Paragraph (4) of section
 5 315(d) of such Act (2 U.S.C. 441a(d)) is amended
 6 to read as follows:

7 “(4) SPECIAL RULE FOR DIRECT COSTS OF COMMU-
 8 NICATIONS.—The direct costs incurred by a political com-
 9 mittee of a political party for a communication made in
 10 connection with the campaign of a candidate for Federal
 11 office shall not be subject to the limitations contained in
 12 paragraphs (2) and (3) unless the communication is con-
 13 trolled by, or made at the direction of, the candidate or
 14 an authorized committee of the candidate.”.

15 (2) CONFORMING AMENDMENT.—Paragraph (1)
 16 of section 315(d) of such Act (2 U.S.C. 441a(d)) is
 17 amended by striking “paragraphs (2), (3), and (4)”
 18 and inserting “paragraphs (2) and (3)”.

19 (c) EFFECTIVE DATE.—This section and the amend-
 20 ments made by this section shall apply with respect to pay-
 21 ments made on or after the expiration of the 30-day period
 22 which begins on the date of the enactment of this Act,
 23 without regard to whether or not the Federal Election
 24 Commission has promulgated regulations to carry out
 25 such amendments.

1 **SEC. 105. RESTRICTION ON INTERNET COMMUNICATIONS**
 2 **TREATED AS PUBLIC COMMUNICATIONS.**

3 (a) IN GENERAL.—Section 301(22) of the Federal
 4 Election Campaign Act of 1971 (2 U.S.C. 431(22)) is
 5 amended by adding at the end the following new sentence:
 6 “A communication which is disseminated through the
 7 Internet shall not be treated as a form of general public
 8 political advertising under this paragraph unless the com-
 9 munication was placed for a fee on another person’s Web
 10 site.”.

11 (b) EFFECTIVE DATE.—The amendment made by
 12 subsection (a) shall take effect on the date of the enact-
 13 ment of this Act.

14 **TITLE II—PROMOTING EFFEC-**
 15 **TIVE DISCLOSURE OF CAM-**
 16 **PAIGN-RELATED ACTIVITY**
 17 **Subtitle A—Treatment of Inde-**
 18 **pendent Expenditures and Elec-**
 19 **tioneering Communications**
 20 **Made by All Persons**

21 **SEC. 201. INDEPENDENT EXPENDITURES.**

22 (a) REVISION OF DEFINITION.—Subparagraph (A) of
 23 section 301(17) of the Federal Election Campaign Act of
 24 1971 (2 U.S.C. 431(17)) is amended to read as follows:

25 “(A) that, when taken as a whole, ex-
 26 pressly advocates the election or defeat of a

clearly identified candidate, or is the functional equivalent of express advocacy because it can be interpreted by a reasonable person only as advocating the election or defeat of a candidate, taking into account whether the communication involved mentions a candidacy, a political party, or a challenger to a candidate, or takes a position on a candidate's character, qualifications, or fitness for office; and".

(b) UNIFORM 24-HOUR REPORTING FOR PERSONS MAKING INDEPENDENT EXPENDITURES EXCEEDING \$10,000 AT ANY TIME.—Section 304(g) of such Act (2 U.S.C. 434(g)) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) INDEPENDENT EXPENDITURES EXCEEDING THRESHOLD AMOUNT.—

“(A) INITIAL REPORT.—A person (including a political committee) that makes or contracts to make independent expenditures in an aggregate amount equal to or greater than the threshold amount described in subparagraph (C) shall electronically file a report describing the expenditures within 24 hours.

“(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the

1 person shall electronically file an additional re-
 2 port within 24 hours after each time the person
 3 makes or contracts to make independent ex-
 4 penditures in an aggregate amount equal to or
 5 greater than the threshold amount with respect
 6 to the same election as that to which the initial
 7 report relates.

8 “(C) THRESHOLD AMOUNT DESCRIBED.—

9 In this paragraph, the ‘threshold amount’
 10 means—

11 “(i) during the period up to and in-
 12 cluding the 20th day before the date of an
 13 election, \$10,000; or

14 “(ii) during the period after the 20th
 15 day, but more than 24 hours, before the
 16 date of an election, \$1,000.

17 “(2) PUBLIC AVAILABILITY.—Notwithstanding
 18 any other provision of this section, the Commission
 19 shall ensure that the information required to be dis-
 20 closed under this subsection is publicly available
 21 through the Commission website not later than 24
 22 hours after receipt in a manner that is downloadable
 23 in bulk and machine readable.”.

24 (c) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendment made by
 2 subsection (a) shall apply with respect to contribu-
 3 tions and expenditures made on or after the expira-
 4 tion of the 30-day period which begins on the date
 5 of the enactment of this Act, without regard to
 6 whether or not the Federal Election Commission has
 7 promulgated regulations to carry out such amend-
 8 ments.

9 (2) REPORTING REQUIREMENTS.—The amend-
 10 ment made by subsection (b) shall apply with re-
 11 spect to reports required to be filed after the date
 12 of the enactment of this Act.

13 **SEC. 202. ELECTIONEERING COMMUNICATIONS.**

14 (a) EXPANSION OF PERIOD COVERING GENERAL
 15 ELECTION.—Section 304(f)(3)(A)(i)(II)(aa) of the Fed-
 16 eral Election Campaign Act of 1971 (2 U.S.C.
 17 434(f)(3)(A)(i)(II)(aa)) is amended by striking “60 days”
 18 and inserting “120 days”.

19 (b) EFFECTIVE DATE; TRANSITION FOR COMMU-
 20 NICATIONS MADE PRIOR TO ENACTMENT.—The amend-
 21 ment made by subsection (a) shall apply with respect to
 22 communications made on or after the date of the enact-
 23 ment of this Act, without regard to whether or not the
 24 Federal Election Commission has promulgated regulations
 25 to carry out such amendments, except that no communica-

tion which is made prior to the date of the enactment of this Act shall be treated as an electioneering communication under section 304(f)(3)(A)(i)(II) of the Federal Election Campaign Act of 1971 (as amended by subsection (a)) unless the communication would be treated as an electioneering communication under such section if the amendment made by subsection (a) did not apply.

**SEC. 203. MANDATORY ELECTRONIC FILING BY PERSONS
MAKING INDEPENDENT EXPENDITURES OR
ELECTIONEERING COMMUNICATIONS EX-
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 electronic form accessible by computers, in a manner which ensures that the information provided is searchable, sortable, and downloadable.”.

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.—Sec-
 8 tion 304(g) of the Federal Election Campaign Act of 1971
 9 (2 U.S.C. 434(g)) is amended by adding at the end the
 10 following new paragraph:

11 “(5) DISCLOSURE OF ADDITIONAL INFORMA-
 12 TION BY COVERED ORGANIZATIONS MAKING PAY-
 13 MENTS FOR PUBLIC INDEPENDENT EXPENDI-
 14 TURES.—

15 “(A) ADDITIONAL INFORMATION.—If a
 16 covered organization makes or contracts to
 17 make public independent expenditures in an ag-
 18 gregate amount equal to or exceeding \$10,000
 19 in a calendar year, the report filed by the orga-
 20 nization under this subsection shall include, in
 21 addition to the information required under
 22 paragraph (3), the following information (sub-
 23 ject to subparagraph (B)(iv)):

24 “(i) If any person made a donation or
 25 payment to the covered organization dur-

1 ing the covered organization reporting pe-
2 riod which was provided for the purpose of
3 being used for campaign-related activity or
4 in response to a solicitation for funds to be
5 used for campaign-related activity—

6 “(I) subject to subparagraph (C),
7 the identification of each person who
8 made such donations or payments in
9 an aggregate amount equal to or ex-
10 ceeding \$600 during such period, pre-
11 sented in the order of the aggregate
12 amount of donations or payments
13 made by such persons during such pe-
14 riod (with the identification of the
15 person making the largest donation or
16 payment appearing first); and

17 “(II) if any person identified
18 under subclause (I) designated that
19 the donation or payment be used for
20 campaign-related activity with respect
21 to a specific election or in support of
22 a specific candidate, the name of the
23 election or candidate involved, and if
24 any such person designated that the
25 donation or payment be used for a

1 specific public independent expendi-
2 ture, a description of the expenditure.

3 “(ii) The identification of each person
4 who made unrestricted donor payments to
5 the organization during the covered organi-
6 zation reporting period—

7 “(I) in an aggregate amount
8 equal to or exceeding \$600 during
9 such period, if any of the disburse-
10 ments made by the organization for
11 any of the public independent expendi-
12 tures which are covered by the report
13 were not made from the organization’s
14 Campaign-Related Activity Account
15 under section 326; or

16 “(II) in an aggregate amount
17 equal to or exceeding \$6,000 during
18 such period, if the disbursements
19 made by the organization for all of
20 the public independent expenditures
21 which are covered by the report were
22 made exclusively from the organiza-
23 tion’s Campaign-Related Activity Ac-
24 count under section 326 (but only if
25 the organization has made deposits

1 described in subparagraph (D) of sec-
 2 tion 326(a)(2) into that Account dur-
 3 ing such period in an aggregate
 4 amount equal to or greater than
 5 \$10,000),
 6 presented in the order of the aggregate
 7 amount of payments made by such persons
 8 during such period (with the identification
 9 of the person making the largest payment
 10 appearing first).

11 “(B) TREATMENT OF TRANSFERS MADE
 12 TO OTHER PERSONS.—

13 “(i) IN GENERAL.—Subject to clause
 14 (iii), for purposes of the requirement to file
 15 reports under this subsection (including
 16 the requirement under subparagraph (A)
 17 to include additional information in such
 18 reports), a covered organization which
 19 transfers amounts to another person (other
 20 than the covered organization itself) for
 21 the purpose of making a public inde-
 22 pendent expenditure by that person or by
 23 any other person, or (in accordance with
 24 clause (ii)) which is deemed to have trans-
 25 ferred amounts to another person (other

than the covered organization itself) for the purpose of making a public independent expenditure by that person or by any other person, shall be considered to have made a public independent expenditure.

“(ii) RULES FOR DEEMING TRANSFERS MADE FOR PURPOSE OF MAKING EXPENDITURES.—For purposes of clause (i), in determining whether a covered organization which transfers amounts to another person shall be deemed to have transferred the amounts for the purpose of making a public independent expenditure, the following rules apply:

“(I) The covered organization shall be deemed to have transferred the amounts for the purpose of making a public independent expenditure if—

“(aa) the covered organization designates, requests, or suggests that the amounts be used for public independent expenditures and the person to whom

1 the amounts were transferred
2 agrees to do so;

3 “(bb) the person making the
4 public independent expenditure
5 or another person acting on that
6 person’s behalf expressly solicited
7 the covered organization for a do-
8 nation or payment for making or
9 paying for any public inde-
10 pendent expenditures;

11 “(cc) the covered organiza-
12 tion and the person to whom the
13 amounts were transferred en-
14 gaged in written or oral discus-
15 sion regarding the person either
16 making, or paying for, any public
17 independent expenditure, or do-
18 nating or transferring the
19 amounts to another person for
20 that purpose;

21 “(dd) the covered organiza-
22 tion which transferred the funds
23 knew or had reason to know that
24 the person to whom the amounts
25 were transferred intended to

1 make public independent expendi-
2 tures; or

3 “(ee) the covered organiza-
4 tion which transferred the funds
5 or the person to whom the
6 amounts were transferred made
7 one or more public independent
8 expenditures in an aggregate
9 amount of \$50,000 or more dur-
10 ing the 2-year period which ends
11 on the date on which the
12 amounts were transferred.

13 “(II) The covered organization
14 shall not be deemed to have trans-
15 ferred the amounts for the purpose of
16 making a public independent expendi-
17 ture if—

18 “(aa) the transfer was a
19 commercial transaction occurring
20 in the ordinary course of business
21 between the covered organization
22 and the person to whom the
23 amounts were transferred, unless
24 there is affirmative evidence that
25 the amounts were transferred for

the purpose of making a public independent expenditure; or

“(bb) the covered organization and the person to whom the amounts were transferred mutually agreed (as provided in section 325(b)(1)) that the person will not use the amounts for campaign-related activity.

“(iii) SPECIAL RULE REGARDING TRANSFERS AMONG AFFILIATES.—

“(I) SPECIAL RULE.—

“(aa) IN GENERAL.—Clause (i) and (ii) shall not apply in the case of an amount transferred by one covered organization to another covered organization which is treated as a transfer between affiliates under subclause (II).

“(bb) REPORTING BY TRANSFEREE.—In the case of any such transfer or transfers between affiliates in an aggregate amount equal to or greater than \$50,000 in a calendar year, any

1 report filed under subparagraph
2 (A) by the covered organization
3 that receives the transferred
4 funds shall include the informa-
5 tion required under that subpara-
6 graph relating to donations or
7 payments made—

8 “(AA) to the affiliate
9 which transferred the funds
10 where such donations or
11 payments were made to the
12 affiliate in the 12-month pe-
13 riod prior to the transfer,
14 and

15 “(BB) to any affiliate
16 which transferred an aggre-
17 gate amount equal to or
18 greater than \$50,000 to any
19 affiliate described in subitem
20 (AA) in the 12-month period
21 prior to the transfer.

22 “(II) DESCRIPTION OF TRANS-
23 FERS BETWEEN AFFILIATES.—A
24 transfer of amounts from one covered
25 organization to another covered orga-

1 nization shall be treated as a transfer
2 between affiliates if—

3 “(aa) one of the organiza-
4 tions is an affiliate of the other
5 organization; or

6 “(bb) each of the organiza-
7 tions is an affiliate of the same
8 organization,

9 except that the transfer shall not be
10 treated as a transfer between affiliates
11 if one of the organizations is estab-
12 lished for the purpose of disbursing
13 funds for campaign-related activity.

14 “(III) DETERMINATION OF AF-
15 FILLATE STATUS.—For purposes of
16 subclause (II), the following covered
17 organizations are considered to be af-
18 filiates of each other—

19 “(aa) a membership organi-
20 zation (including trade or profes-
21 sional associations) and the re-
22 lated State and local entities of
23 that organization or group;

24 “(bb) a national or inter-
25 national labor organization and

its local unions, or an organization of national or international unions and its State and local central bodies.

“(cc) a corporation and its wholly owned subsidiaries.

“(IV) COVERAGE OF TRANSFERS TO AFFILIATED SECTION 501(C)(3) ORGANIZATIONS.—This clause shall apply with respect to an amount transferred by a covered organization to an organization described in paragraph (3) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code in the same manner as this clause applies to an amount transferred by a covered organization to another covered organization.

“(iv) SPECIAL THRESHOLD FOR DISCLOSURE OF DONORS.—Notwithstanding clause (i) or (ii) of subparagraph (A), if a covered organization is required to include the identification of a person described in such clause in a report filed under this

1 subsection because the covered organiza-
2 tion is deemed (in accordance with clause
3 (ii)) to have transferred amounts for the
4 purpose of making a public independent
5 expenditure or because clause (iii)(I)(bb)
6 applies to such covered organization, the
7 organization shall include the identification
8 of the person only if the person made do-
9 nations or payments (in the case of a per-
10 son described in clause (i)(I) of subpara-
11 graph (A)) or unrestricted donor payments
12 (in the case of a person described in clause
13 (ii) of subparagraph (A)) to the covered or-
14 ganization during the covered organization
15 reporting period involved in an aggregate
16 amount equal to or exceeding \$10,000.

17 “(C) EXCLUSION OF AMOUNTS DES-
18 IGNATED FOR OTHER CAMPAIGN-RELATED AC-
19 TIVITY.—For purposes of subparagraph (A)(i),
20 in determining the amount of a donation or
21 payment made by a person which was provided
22 for the purpose of being used for campaign-re-
23 lated activity or in response to a solicitation for
24 funds to be used for campaign-related activity,

there shall be excluded any amount which was designated by the person to be used—

“(i) for campaign-related activity described in clause (i) of section 325(d)(2)(A) (relating to independent expenditures) with respect to a different election, or with respect to a candidate in a different election, than an election which is the subject of any of the public independent expenditures covered by the report involved; or

“(ii) for any campaign-related activity described in clause (ii) of section 325(d)(2)(A) (relating to electioneering communications).

“(D) EXCLUSION OF AMOUNTS PAID FROM SEPARATE SEGREGATED FUND.—In determining the amount of public independent expenditures made by a covered organization for purposes of this paragraph, there shall be excluded any amounts paid from a separate segregated fund established and administered by the organization under section 316(b)(2)(C).

“(E) COVERED ORGANIZATION REPORTING PERIOD DESCRIBED.—In this paragraph, the

1 ‘covered organization reporting period’ is, with
2 respect to a report filed by a covered organiza-
3 tion under this subsection—

4 “(i) in the case of the first report filed
5 by a covered organization under this sub-
6 section which includes information required
7 under this paragraph, the shorter of—

8 “(I) the period which begins on
9 the effective date of the Democracy is
10 Strengthened by Casting Light on
11 Spending in Elections Act and ends
12 on the last day covered by the report,
13 or

14 “(II) the 12-month period ending
15 on the last day covered by the report;
16 and

17 “(ii) in the case of any subsequent re-
18 port filed by a covered organization under
19 this subsection which includes information
20 required under this paragraph, the period
21 occurring since the most recent report filed
22 by the organization which includes such in-
23 formation.

“(F) COVERED ORGANIZATION DEFINED.—

In this paragraph, the term ‘covered organization’ means any of the following:

“(i) Any corporation which is subject to section 316(a), other than a corporation which is an organization described in paragraph (3) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code.

“(ii) Any labor organization (as defined in section 316).

“(iii) 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, other than an exempt section 501(c)(4) organization (as defined in section 301(27)).

“(iv) Any political organization under section 527 of the Internal Revenue Code of 1986, other than a political committee under this Act.

“(G) OTHER DEFINITIONS.—In this paragraph—

“(i) the terms ‘campaign-related activity’ and ‘unrestricted donor payment’ have the meaning given such terms in section 325; and

“(ii) the term ‘public independent expenditure’ means an independent expenditure for a public communication (as defined in section 301(22)).”.

(b) ELECTIONEERING COMMUNICATION REPORTS.—

(1) IN GENERAL.—Section 304(f) of such Act (2 U.S.C. 434(f)) is amended—

(A) by redesignating paragraphs (6) and (7) as paragraphs (7) and (8); and

(B) by inserting after paragraph (5) the following new paragraph:

“(6) DISCLOSURE OF ADDITIONAL INFORMATION BY COVERED ORGANIZATIONS.—

“(A) ADDITIONAL INFORMATION.—If a covered organization files a statement under this subsection, the statement shall include, in addition to the information required under paragraph (2), the following information (subject to subparagraph (B)(iv)):

“(i) If any person made a donation or payment to the covered organization dur-

1 ing the covered organization reporting pe-
2 riod which was provided for the purpose of
3 being used for campaign-related activity or
4 in response to a solicitation for funds to be
5 used for campaign-related activity—

6 “(I) subject to subparagraph (C),
7 the identification of each person who
8 made such donations or payments in
9 an aggregate amount equal to or ex-
10 ceeding \$1,000 during such period,
11 presented in the order of the aggre-
12 gate amount of donations or payments
13 made by such persons during such pe-
14 riod (with the identification of the
15 person making the largest donation or
16 payment appearing first); and

17 “(II) if any person identified
18 under subclause (I) designated that
19 the donation or payment be used for
20 campaign-related activity with respect
21 to a specific election or in support of
22 a specific candidate, the name of the
23 election or candidate involved, and if
24 any such person designated that the
25 donation or payment be used for a

1 specific electioneering communication,
2 a description of the communication.

3 “(ii) The identification of each person
4 who made unrestricted donor payments to
5 the organization during the covered organi-
6 zation reporting period—

7 “(I) in an aggregate amount
8 equal to or exceeding \$1,000 during
9 such period, if the organization made
10 any of the disbursements which are
11 described in subclause (II) from a
12 source other than the organization’s
13 Campaign-Related Activity Account
14 under section 326; or

15 “(II) in an aggregate amount
16 equal to or exceeding \$10,000 during
17 such period, if the organization made
18 from its Campaign-Related Activity
19 Account under section 326 all of its
20 disbursements for electioneering com-
21 munications during such period which
22 are, on the basis of a reasonable belief
23 by the organization, subject to treat-
24 ment as disbursements for an exempt
25 function for purposes of section 527(f)

1 of the Internal Revenue Code of 1986
2 (but only if the organization has made
3 deposits described in subparagraph
4 (D) of section 326(a)(2) into that Ac-
5 count during such period in an aggre-
6 gate amount equal to or greater than
7 \$10,000),
8 presented in the order of the aggregate
9 amount of payments made by such persons
10 during such period (with the identification
11 of the person making the largest payment
12 appearing first).

13 “(B) TREATMENT OF TRANSFERS MADE
14 TO OTHER PERSONS.—

15 “(i) IN GENERAL.—Subject to clause
16 (iii), for purposes of the requirement to file
17 statements under this subsection (including
18 the requirement under subparagraph (A)
19 to include additional information in such
20 statements), a covered organization which
21 transfers amounts to another person (other
22 than the covered organization itself) for
23 the purpose of making an electioneering
24 communication by that person or by any
25 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 which 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:

“(I) The covered organization shall be deemed to have transferred the amounts for the purpose of making an electioneering communication if—

“(aa) the covered organization designates, requests, or suggests that the amounts be used

1 for electioneering communica-
2 tions and the person to whom the
3 amounts were transferred agrees
4 to do so;

5 “(bb) the person making the
6 electioneering communication or
7 another person acting on that
8 person’s behalf expressly solicited
9 the covered organization for a do-
10 nation or payment for making or
11 paying for any electioneering
12 communications;

13 “(cc) the covered organiza-
14 tion and the person to whom the
15 amounts were transferred en-
16 gaged in written or oral discus-
17 sion regarding the person either
18 making, or paying for, any elec-
19 tioneering communication, or do-
20 nating or transferring the
21 amounts to another person for
22 that purpose;

23 “(dd) the covered organiza-
24 tion which transferred the funds
25 knew or had reason to know that

1 the person to whom the amounts
2 were transferred intended to
3 make electioneering communica-
4 tions; or

5 “(ee) the covered organiza-
6 tion which transferred the funds
7 or the person to whom the
8 amounts were transferred made
9 one or more electioneering com-
10 munications in an aggregate
11 amount of \$50,000 or more dur-
12 ing the 2-year period which ends
13 on the date on which the
14 amounts were transferred.

15 “(II) The covered organization
16 shall not be deemed to have trans-
17 ferred the amounts for the purpose of
18 making an electioneering communica-
19 tion if—

20 “(aa) the transfer was a
21 commercial transaction occurring
22 in the ordinary course of business
23 between the covered organization
24 and the person to whom the
25 amounts were transferred, unless

1 there is affirmative evidence that
 2 the amounts were transferred for
 3 the purpose of making an elec-
 4 tioneering communication; or

5 “(bb) the covered organiza-
 6 tion and the person to whom the
 7 amounts were transferred mutu-
 8 ally agreed (as provided in sec-
 9 tion 325(b)(1)) that the person
 10 will not use the amounts for cam-
 11 paign-related activity.

12 “(iii) SPECIAL RULE REGARDING
 13 TRANSFERS AMONG AFFILIATES.—

14 “(I) SPECIAL RULE.—

15 “(aa) IN GENERAL.—Clause
 16 (i) and (ii) shall not apply in the
 17 case of an amount transferred by
 18 one covered organization to an-
 19 other covered organization which
 20 is treated as a transfer between
 21 affiliates under subclause (II).

22 “(bb) REPORTING BY
 23 TRANSFEREE.—In the case of
 24 any such transfer or transfers be-
 25 tween affiliates in an aggregate

1 amount equal to or greater than
2 \$50,000 in a calendar year, any
3 report filed under subparagraph
4 (A) by the covered organization
5 that receives the transferred
6 funds shall include the informa-
7 tion required under that subpara-
8 graph relating to donations or
9 payments made—

10 “(AA) to the affiliate
11 which transferred the funds
12 where such donations or
13 payments were made to the
14 affiliate in the 12-month pe-
15 riod prior to the transfer,
16 and

17 “(BB) to any affiliate
18 which transferred an aggre-
19 gate amount equal to or
20 greater than \$50,000 to any
21 affiliate described in subitem
22 (AA) in the 12-month period
23 prior to the transfer.

24 “(II) DESCRIPTION OF TRANS-
25 FERS BETWEEN AFFILIATES.—A

1 transfer of amounts from one covered
2 organization to another covered orga-
3 nization shall be treated as a transfer
4 between affiliates if—

5 “(aa) one of the organiza-
6 tions is an affiliate of the other
7 organization; or

8 “(bb) each of the organiza-
9 tions is an affiliate of the same
10 organization,

11 except that the transfer shall not be
12 treated as a transfer between affiliates
13 if one of the organizations is estab-
14 lished for the purpose of disbursing
15 funds for campaign-related activity.

16 “(III) DETERMINATION OF AF-
17 FILIATE STATUS.—For purposes of
18 subclause (II), the following covered
19 organizations are considered to be af-
20 filiates of each other—

21 “(aa) a membership organi-
22 zation (including trade or profes-
23 sional associations) and the re-
24 lated State and local entities of
25 that organization or group;

“(bb) a national or international labor organization and its local unions, or an organization of national or international unions and its State and local central bodies.

“(cc) a corporation and its wholly owned subsidiaries.

“(IV) COVERAGE OF TRANSFERS TO AFFILIATED SECTION 501(C)(3) ORGANIZATIONS.—This clause shall apply with respect to an amount transferred by a covered organization to an organization described in paragraph (3) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code in the same manner as this clause applies to an amount transferred by a covered organization to another covered organization.

“(iv) SPECIAL THRESHOLD FOR DISCLOSURE OF DONORS.—Notwithstanding clause (i) or (ii) of subparagraph (A), if a covered organization is required to include

1 the identification of a person described in
2 such clause in a statement filed under this
3 subsection because the covered organiza-
4 tion is deemed (in accordance with clause
5 (ii)) to have transferred amounts for the
6 purpose of making an electioneering com-
7 munication, the organization shall include
8 the identification of the person only if the
9 person made donations or payments (in the
10 case of a person described in clause (i)(I)
11 of subparagraph (A)) or unrestricted donor
12 payments (in the case of a person de-
13 scribed in clause (ii) of subparagraph (A))
14 to the covered organization during the cov-
15 ered organization reporting period involved
16 in an aggregate amount equal to or exceed-
17 ing \$10,000.

18 “(C) EXCLUSION OF AMOUNTS DES-
19 IGNATED FOR OTHER CAMPAIGN-RELATED AC-
20 TIVITY.—For purposes of subparagraph (A)(i),
21 in determining the amount of a donation or
22 payment made by a person which was provided
23 for the purpose of being used for campaign-re-
24 lated activity or in response to a solicitation for
25 funds to be used for campaign-related activity,

1 there shall be excluded any amount which was
2 designated by the person to be used—

3 “(i) for campaign-related activity de-
4 scribed in clause (i) of section
5 325(d)(2)(A) (relating to independent ex-
6 penditures) with respect to a different elec-
7 tion, or with respect to a candidate in a
8 different election, than an election which is
9 the subject of any of the public inde-
10 pendent expenditures covered by the report
11 involved; or

12 “(ii) for any campaign-related activity
13 described in clause (ii) of section
14 325(d)(2)(A) (relating to electioneering
15 communications).

16 “(D) COVERED ORGANIZATION REPORTING
17 PERIOD DESCRIBED.—In this paragraph, the
18 ‘covered organization reporting period’ is, with
19 respect to a statement filed by a covered orga-
20 nization under this subsection—

21 “(i) in the case of the first statement
22 filed by a covered organization under this
23 subsection which includes information re-
24 quired under this paragraph, the shorter
25 of—

1 “(I) the period which begins on
 2 the effective date of the Democracy is
 3 Strengthened by Casting Light on
 4 Spending in Elections Act and ends
 5 on the disclosure date for the state-
 6 ment, or

7 “(II) the 12-month period ending
 8 on the disclosure date for the state-
 9 ment; and

10 “(ii) in the case of any subsequent
 11 statement filed by a covered organization
 12 under this subsection which includes infor-
 13 mation required under this paragraph, the
 14 period occurring since the most recent
 15 statement filed by the organization which
 16 includes such information.

17 “(E) COVERED ORGANIZATION DE-
 18 FINED.—In this paragraph, the term ‘covered
 19 organization’ means any of the following:

20 “(i) Any corporation which is subject
 21 to section 316(a), other than a corporation
 22 which is an organization described in para-
 23 graph (3) of section 501(c) of the Internal
 24 Revenue Code of 1986 and exempt from
 25 tax under section 501(a) of such Code.

1 “(ii) Any labor organization (as de-
2 fined in section 316).

3 “(iii) Any organization described in
4 paragraph (4), (5), or (6) of section 501(c)
5 of the Internal Revenue Code of 1986 and
6 exempt from tax under section 501(a) of
7 such Code, other than an exempt section
8 501(c)(4) organization (as defined in sec-
9 tion 301(27)).

10 “(iv) Any political organization under
11 section 527 of the Internal Revenue Code
12 of 1986, other than a political committee
13 under this Act.

14 “(F) OTHER DEFINITIONS.—In this para-
15 graph, the terms ‘campaign-related activity’ and
16 ‘unrestricted donor payment’ have the meaning
17 given such terms in section 325.”.

18 (2) CONFORMING AMENDMENT.—Section
19 304(f)(2) of such Act (2 U.S.C. 434(f)(2)) is
20 amended by striking “If the disbursements” each
21 place it appears in subparagraph (E) and (F) and
22 inserting the following: “Except in the case of a
23 statement which is required to include additional in-
24 formation under paragraph (6), if the disburse-
25 ments”.

1 (c) EXEMPTION OF CERTAIN SECTION 501(C)(4) OR-
 2 GANIZATIONS.—Section 301 of such Act (2 U.S.C. 431)
 3 is amended by adding at the end the following:

4 “(27) EXEMPT SECTION 501(C)(4) ORGANIZA-
 5 TION.—The term ‘exempt section 501(c)(4) organi-
 6 zation’ means, with respect to disbursements made
 7 by an organization during a calendar year, an orga-
 8 nization for which the chief executive officer of the
 9 organization certifies to the Commission (prior to
 10 the first disbursement made by the organization dur-
 11 ing the year) that each of the following applies:

12 “(A) The organization is described in para-
 13 graph (4) of section 501(c) of the Internal Rev-
 14 enue Code of 1986 and exempt from tax under
 15 section 501(a) of such Code, and was so de-
 16 scribed and so exempt during each of the 10
 17 previous calendar years.

18 “(B) The organization has at least
 19 500,000 individuals who paid membership dues
 20 during the previous calendar year (determined
 21 as of the last day of that year).

22 “(C) The dues-paying membership of the
 23 organization includes at least one individual
 24 from each State. For purposes of this subpara-
 25 graph, the term ‘State’ means each of the sev-

1 eral States, the District of Columbia, and the
2 Commonwealth of Puerto Rico.

3 “(D) During the previous calendar year,
4 the portion of funds provided to the organiza-
5 tion by corporations (as described in section
6 316) or labor organizations (as defined in sec-
7 tion 316), other than funds provided pursuant
8 to commercial transactions occurring in the or-
9 dinary course of business, did not exceed 15
10 percent of the total amount of all funds pro-
11 vided to the organization from all sources.

12 “(E) The organization does not use any of
13 the funds provided to the organization by cor-
14 porations (as described in section 316) or labor
15 organizations (as defined in section 316) for
16 campaign-related activity (as defined in section
17 325).”.

18 **SEC. 212. RULES REGARDING USE OF GENERAL TREASURY**
19 **FUNDS BY COVERED ORGANIZATIONS FOR**
20 **CAMPAIGN-RELATED ACTIVITY.**

21 Title III of the Federal Election Campaign Act of
22 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
23 end the following new section:

1 **“SEC. 325. SPECIAL RULES FOR USE OF GENERAL TREAS-**
2 **URY FUNDS BY COVERED ORGANIZATIONS**
3 **FOR CAMPAIGN-RELATED ACTIVITY.**

4 “(a) USE OF FUNDS FOR CAMPAIGN-RELATED AC-
5 TIVITY.—

6 “(1) IN GENERAL.—Subject to any applicable
7 restrictions and prohibitions under this Act, a cov-
8 ered organization may make disbursements for cam-
9 paign-related activity using—

10 “(A) amounts paid or donated to the orga-
11 nization which are designated by the person
12 providing the amounts to be used for campaign-
13 related activity;

14 “(B) unrestricted donor payments made to
15 the organization; and

16 “(C) other funds of the organization, in-
17 cluding amounts received pursuant to commer-
18 cial activities in the regular course of a covered
19 organization’s business.

20 “(2) NO EFFECT ON USE OF SEPARATE SEG-
21 REGATED FUND.—Nothing in this section shall be
22 construed to affect the authority of a covered organi-
23 zation to make disbursements from a separate seg-
24 regated fund established and administered by the or-
25 ganization under section 316(b)(2)(C).

1 “(b) MUTUALLY AGREED RESTRICTIONS ON USE OF
2 FUNDS FOR CAMPAIGN-RELATED ACTIVITY.—

3 “(1) AGREEMENT AND CERTIFICATION.—If a
4 covered organization and a person mutually agree,
5 at the time the person makes a donation, payment,
6 or transfer to the organization which would require
7 the organization to disclose the person’s identifica-
8 tion under section 304(g)(5)(A)(ii) or section
9 304(f)(6)(A)(ii), that the organization will not use
10 the donation, payment, or transfer for campaign-re-
11 lated activity, then not later than 30 days after the
12 organization receives the donation, payment, or
13 transfer the organization shall transmit to the per-
14 son a written certification by the chief financial offi-
15 cer of the covered organization (or, if the organiza-
16 tion does not have a chief financial officer, the high-
17 est ranking financial official of the organization)
18 that—

19 “(A) the organization will not use the do-
20 nation, payment, or transfer for campaign-re-
21 lated activity; and

22 “(B) the organization will not include any
23 information on the person in any report filed by
24 the organization under section 304 with respect
25 to independent expenditures or electioneering

1 communications, so that the person will not be
 2 required to appear in a significant funder state-
 3 ment or a Top 5 Funders list under section
 4 318(e).

5 “(2) EXCEPTION FOR PAYMENTS MADE PURSU-
 6 ANT TO COMMERCIAL ACTIVITIES.—Paragraph (1)
 7 does not apply with respect to any payment or trans-
 8 fer made pursuant to commercial activities in the
 9 regular course of a covered organization’s business.
 10 “(c) CERTIFICATIONS REGARDING DISBURSEMENTS
 11 FOR CAMPAIGN-RELATED ACTIVITY.—

12 “(1) CERTIFICATION BY CHIEF EXECUTIVE OF-
 13 FICER.—If, at any time during a calendar quarter,
 14 a covered organization makes a disbursement of
 15 funds for campaign-related activity using funds de-
 16 scribed in subsection (a)(1), the chief executive offi-
 17 cer of the covered organization or the chief executive
 18 officer’s designee (or, if the organization does not
 19 have a chief executive officer, the highest ranking of-
 20 ficial of the organization or the highest ranking offi-
 21 cial’s designee) shall file a statement with the Com-
 22 mission which contains the following certifications:

23 “(A) None of the campaign-related activity
 24 for which the organization disbursed the funds
 25 during the quarter was made in cooperation,

1 consultation, or concert with, or at the request
2 or suggestion of, any candidate or any author-
3 ized committee or agent of such candidate, or
4 political committee of a political party or agent
5 of any political party.

6 “(B) The chief executive officer or highest
7 ranking official of the covered organization (as
8 the case may be) has reviewed and approved
9 each statement and report filed by the organi-
10 zation under section 304 with respect to any
11 such disbursement made during the quarter.

12 “(C) Each statement and report filed by
13 the organization under section 304 with respect
14 to any such disbursement made during the
15 quarter is complete and accurate.

16 “(D) All such disbursements made during
17 the quarter are in compliance with this Act.

18 “(E) No portion of the amounts used to
19 make any such disbursements during the quar-
20 ter is attributable to funds received by the orga-
21 nization that were subject to a mutual agree-
22 ment (as provided in subsection (b)(1)) that the
23 organization will not use the funds for cam-
24 paign-related activity by the person who pro-

1 vided the funds from being used for campaign-
2 related activity pursuant to subsection (b).

3 “(2) APPLICATION OF ELECTRONIC FILING
4 RULES.—Section 304(d)(1) shall apply with respect
5 to a statement required under this subsection in the
6 same manner as such section applies with respect to
7 a statement under subsection (c) or (g) of section
8 304.

9 “(3) DEADLINE.—The chief executive officer or
10 highest ranking official of a covered organization (as
11 the case may be) shall file the statement required
12 under this subsection with respect to a calendar
13 quarter not later than 15 days after the end of the
14 quarter.

15 “(d) DEFINITIONS.—For purposes of this section, the
16 following definitions apply:

17 “(1) COVERED ORGANIZATION.—The term ‘cov-
18 ered organization’ means any of the following:

19 “(A) Any corporation which is subject to
20 section 316(a), other than a corporation which
21 is an organization described in paragraph (3) of
22 section 501(c) of the Internal Revenue Code of
23 1986 and exempt from tax under section 501(a)
24 of such Code.

1 “(B) Any labor organization (as defined in
2 section 316).

3 “(C) Any organization described in para-
4 graph (4), (5), or (6) of section 501(c) of the
5 Internal Revenue Code of 1986 and exempt
6 from tax under section 501(a) of such Code,
7 other than an exempt section 501(c)(4) organi-
8 zation (as defined in section 301(27)).

9 “(D) Any political organization under sec-
10 tion 527 of the Internal Revenue Code of 1986,
11 other than a political committee under this Act.

12 “(2) CAMPAIGN-RELATED ACTIVITY.—

13 “(A) IN GENERAL.—The term ‘campaign-
14 related activity’ means—

15 “(i) an independent expenditure con-
16 sisting of a public communication (as de-
17 fined in section 301(22)), a transfer of
18 funds to another person (other than the
19 transferor itself) for the purpose of making
20 such an independent expenditure by that
21 person or by any other person (subject to
22 subparagraph (C)), or (in accordance with
23 subparagraph (B) and subject to subpara-
24 graph (C)) a transfer of funds to another
25 person (other than the transferor itself)

1 which is deemed to have been made for the
2 purpose of making such an independent ex-
3 penditure by that person or by any other
4 person; or

5 “(ii) an electioneering communication,
6 a transfer of funds to another person
7 (other than the transferor itself) for the
8 purpose of making an electioneering com-
9 munication by that person or by any other
10 person (subject to subparagraph (C)), or
11 (in accordance with subparagraph (B) and
12 subject to subparagraph (C)) a transfer of
13 funds to another person (other than the
14 transferor itself) which is deemed to have
15 been made for the purpose of making an
16 electioneering communication by that per-
17 son or by any other person.

18 “(B) RULE FOR DEEMING TRANSFERS
19 MADE FOR PURPOSE OF CAMPAIGN-RELATED
20 ACTIVITY.—For purposes of subparagraph (A),
21 in determining whether a transfer of funds by
22 a covered organization to another person shall
23 be deemed to have been made for the purpose
24 of making an independent expenditure con-
25 sisting of a public communication or an elec-

1 tioneering communication, the following rules
2 apply:

3 “(i) The transfer shall be deemed to
4 have been made for the purpose of making
5 such an independent expenditure or an
6 electioneering communication if—

7 “(I) the covered organization des-
8 ignates, requests, or suggests that the
9 amounts be used for such independent
10 expenditures or electioneering commu-
11 nications and the person to whom the
12 amounts were transferred agrees to do
13 so;

14 “(II) the person making such
15 independent expenditures or election-
16 eering communications or another
17 person acting on that person’s behalf
18 expressly solicited the covered organi-
19 zation for a donation or payment for
20 making or paying for any such inde-
21 pendent expenditure or electioneering
22 communication;

23 “(III) the covered organization
24 and the person to whom the amounts
25 were transferred engaged in written or

1 oral discussion regarding the person
2 either making, or paying for, such
3 independent expenditures or election-
4 eering communications, or donating or
5 transferring the amounts to another
6 person for that purpose;

7 “(IV) the covered organization
8 which transferred the funds knew or
9 had reason to know that the person to
10 whom the amounts were transferred
11 intended to make such independent
12 expenditures or electioneering commu-
13 nications; or

14 “(V) the covered organization
15 which transferred the funds or the
16 person to whom the amounts were
17 transferred made one or more such
18 independent expenditures or election-
19 eering communications in an aggre-
20 gate amount of \$50,000 or more dur-
21 ing the 2-year period which ends on
22 the date on which the amounts were
23 transferred.

24 “(ii) The transfer shall not be deemed
25 to have been made for the purpose of mak-

ing such an independent expenditure or an
electioneering communication if—

“(I) the transfer was a commercial transaction occurring in the ordinary course of business between the covered organization 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; or

“(II) the covered organization and the person to whom the amounts were transferred mutually agreed (as provided in subsection (b)(1)) that the person will not use the amounts for campaign-related activity.

“(C) SPECIAL RULE REGARDING TRANSFERS AMONG AFFILIATES.—

“(i) SPECIAL RULE.—

“(I) IN GENERAL.—Subparagraph (A) and (B) shall not apply in the case of an amount transferred by one covered organization to another

1 covered organization which is treated
2 as a transfer between affiliates under
3 clause (ii).

4 “(II) REPORTING BY TRANS-
5 FEREES.—In the case of any such
6 transfer or transfers between affiliates
7 in an aggregate amount equal to or
8 greater than \$50,000 in a calendar
9 year, any report filed under subpara-
10 graph (A) by the covered organization
11 that receives the transferred funds
12 shall include the information required
13 under that subparagraph relating to
14 donations or payments made—

15 “(aa) to the affiliate which
16 transferred the funds where such
17 donations or payments were
18 made to the affiliate in the 12-
19 month period prior to the trans-
20 fer, and

21 “(bb) to any affiliate which
22 transferred an aggregate amount
23 equal to or greater than \$50,000
24 to any affiliate described in item

1 (aa) in the 12-month period prior
2 to the transfer.

3 “(ii) DESCRIPTION OF TRANSFERS
4 BETWEEN AFFILIATES.—A transfer of
5 amounts from one covered organization to
6 another covered organization shall be
7 treated as a transfer between affiliates if—

8 “(I) one of the organizations is
9 an affiliate of the other organization;
10 or

11 “(II) each of the organizations is
12 an affiliate of the same organization,
13 except that the transfer shall not be treat-
14 ed as a transfer between affiliates if one of
15 the organizations is established for the
16 purpose of disbursing funds for campaign-
17 related activity.

18 “(iii) DETERMINATION OF AFFILIATE
19 STATUS.—For purposes of clause (ii), the
20 following covered organizations are consid-
21 ered to be affiliates of each other—

22 “(I) a membership organization
23 (including trade or professional asso-
24 ciations) and the related State and

1 local entities of that organization or
2 group;

3 “(II) a national or international
4 labor organization and its local
5 unions, or an organization of national
6 or international unions and its State
7 and local central bodies.

8 “(III) a corporation and its whol-
9 ly owned subsidiaries.

10 “(iv) COVERAGE OF TRANSFERS TO
11 AFFILIATED SECTION 501(C)(3) ORGANIZA-
12 TIONS.—This subparagraph shall apply
13 with respect to an amount transferred by
14 a covered organization to an organization
15 described in paragraph (3) of section
16 501(c) of the Internal Revenue Code of
17 1986 and exempt from tax under section
18 501(a) of such Code in the same manner
19 as this subparagraph applies to an amount
20 transferred by a covered organization to
21 another covered organization.

22 “(3) UNRESTRICTED DONOR PAYMENT.—The
23 term ‘unrestricted donor payment’ means a payment
24 to a covered organization which consists of a dona-
25 tion or payment from a person other than the cov-

1 ered organization, except that such term does not in-
2 clude—

3 “(A) any payment made pursuant to com-
4 mercial activities in the regular course of a cov-
5 ered organization’s business; or

6 “(B) any donation or payment which is
7 designated by the person making the donation
8 or payment to be used for campaign-related ac-
9 tivity or made in response to a solicitation for
10 funds to be used for campaign-related activ-
11 ity.”.

12 **SEC. 213. OPTIONAL USE OF SEPARATE ACCOUNT BY COV-**
13 **ERED ORGANIZATIONS FOR CAMPAIGN-RE-**
14 **LATED ACTIVITY.**

15 (a) IN GENERAL.—Title III of the Federal Election
16 Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended
17 by section 212, is further amended by adding at the end
18 the following new section:

19 **“SEC. 326. OPTIONAL USE OF SEPARATE ACCOUNT BY COV-**
20 **ERED ORGANIZATIONS FOR CAMPAIGN-RE-**
21 **LATED ACTIVITY.**

22 “(a) OPTIONAL USE OF SEPARATE ACCOUNT.—

23 “(1) ESTABLISHMENT OF ACCOUNT.—

24 “(A) IN GENERAL.—At its option, a cov-
25 ered organization may make disbursements for

1 campaign-related activity using amounts from a
2 bank account established and controlled by the
3 organization to be known as the Campaign-Related
4 Activity Account (hereafter in this section
5 referred to as the ‘Account’), which shall be
6 maintained separately from all other accounts
7 of the organization and which shall consist exclusively
8 of the deposits described in paragraph
9 (2).

10 “(B) MANDATORY USE OF ACCOUNT
11 AFTER ESTABLISHMENT.—If a covered organization
12 establishes an Account under this section,
13 it may not make disbursements for campaign-related
14 activity from any source other than amounts from the
15 Account, other than disbursements for campaign-related
16 activity which, on the basis of a reasonable belief by the
17 organization, would not be treated as disbursements
18 for an exempt function for purposes of section
19 527(f) of the Internal Revenue Code of 1986.

21 “(C) EXCLUSIVE USE OF ACCOUNT FOR
22 CAMPAIGN-RELATED ACTIVITY.—Amounts in
23 the Account shall be used exclusively for disbursements
24 by the covered organization for campaign-related
25 activity. After such disburse-

1 ments are made, information with respect to de-
2 posits made to the Account shall be disclosed in
3 accordance with section 304(g)(5) or section
4 304(f)(6).

5 “(2) DEPOSITS DESCRIBED.—The deposits de-
6 scribed in this paragraph are deposits of the fol-
7 lowing amounts:

8 “(A) Amounts donated or paid to the cov-
9 ered organization by a person other than the
10 organization for the purpose of being used for
11 campaign-related activity, and for which the
12 person providing the amounts has designated
13 that the amounts be used for campaign-related
14 activity with respect to a specific election or
15 specific candidate.

16 “(B) Amounts donated or paid to the cov-
17 ered organization by a person other than the
18 organization for the purpose of being used for
19 campaign-related activity, and for which the
20 person providing the amounts has not des-
21 ignated that the amounts be used for campaign-
22 related activity with respect to a specific elec-
23 tion or specific candidate.

24 “(C) Amounts donated or paid to the cov-
25 ered organization by a person other than the

1 organization in response to a solicitation for
 2 funds to be used for campaign-related activity.

3 “(D) Amounts transferred to the Account
 4 by the covered organization from other accounts
 5 of the organization, including from the organi-
 6 zation’s general treasury funds.

7 “(3) NO TREATMENT AS POLITICAL COM-
 8 MITTEE.—The establishment and administration of
 9 an Account in accordance with this subsection shall
 10 not by itself be treated as the establishment or ad-
 11 ministration of a political committee for any purpose
 12 of this Act.

13 “(b) REDUCTION IN AMOUNTS OTHERWISE AVAIL-
 14 ABLE FOR ACCOUNT IN RESPONSE TO DEMAND OF GEN-
 15 ERAL DONORS.—

16 “(1) IN GENERAL.—If a covered organization
 17 which has established an Account obtains any reve-
 18 nues during a year which are attributable to a dona-
 19 tion or payment from a person other than the cov-
 20 ered organization, and if the organization and any
 21 such person have mutually agreed (as provided in
 22 section 325(b)(1)) that the organization will not use
 23 the person’s donation, payment, or transfer for cam-
 24 paign-related activity, the organization shall reduce
 25 the amount of its revenues available for deposits to

1 the Account which are described in subsection
2 (a)(3)(D) during the year by the amount of the do-
3 nation or payment which is subject to the mutual
4 agreement.

5 “(2) EXCEPTION.—Paragraph (1) does not
6 apply with respect to any payment made pursuant to
7 commercial activities in the regular course of a cov-
8 ered organization’s business.

9 “(c) COVERED ORGANIZATION DEFINED.—In this
10 section, the term ‘covered organization’ means any of the
11 following:

12 “(1) Any corporation which is subject to section
13 316(a), other than a corporation which is an organi-
14 zation described in paragraph (3) of section 501(c)
15 of the Internal Revenue Code of 1986 and exempt
16 from tax under section 501(a) of such Code.

17 “(2) Any labor organization (as defined in sec-
18 tion 316).

19 “(3) Any organization described in paragraph
20 (4), (5), or (6) of section 501(c) of the Internal Rev-
21 enue Code of 1986 and exempt from tax under sec-
22 tion 501(a) of such Code, other than an exempt sec-
23 tion 501(c)(4) organization (as defined in section
24 301(27)).

1 “(4) Any political organization under section
2 527 of the Internal Revenue Code of 1986, other
3 than a political committee under this Act.

4 “(d) CAMPAIGN-RELATED ACTIVITY DEFINED.—In
5 this section, the term ‘campaign-related activity’ has the
6 meaning given such term in section 325.”.

7 (b) CLARIFICATION OF TREATMENT AS SEPARATE
8 SEGREGATED FUND.—A Campaign-Related Activity Ac-
9 count (within the meaning of section 326 of the Federal
10 Election Campaign Act of 1971, as added by subsection
11 (a)) may be treated as a separate segregated fund for pur-
12 poses of section 527(f)(3) of the Internal Revenue Code
13 of 1986.

14 **SEC. 214. MODIFICATION OF RULES RELATING TO DIS-**
15 **CLAIMER STATEMENTS REQUIRED FOR CER-**
16 **TAIN COMMUNICATIONS.**

17 (a) APPLYING REQUIREMENTS TO ALL INDE-
18 PENDENT EXPENDITURE COMMUNICATIONS.—Section
19 318(a) of the Federal Election Campaign Act of 1971 (2
20 U.S.C. 441d(a)) is amended by striking “for the purpose
21 of financing communications expressly advocating the
22 election or defeat of a clearly identified candidate” and
23 inserting “for an independent expenditure consisting of a
24 public communication”.

25 (b) STAND BY YOUR AD REQUIREMENTS.—

1 (1) MAINTENANCE OF EXISTING REQUIRE-
 2 MENTS FOR COMMUNICATIONS BY POLITICAL PAR-
 3 TIES AND OTHER POLITICAL COMMITTEES.—Section
 4 318(d)(2) of such Act (2 U.S.C. 441d(d)(2)) is
 5 amended—

6 (A) in the heading, by striking “OTHERS”
 7 and inserting “POLITICAL COMMITTEES”;

8 (B) by striking “subsection (a)” and in-
 9 serting “subsection (a) which is paid for by a
 10 political committee (including a political com-
 11 mittee of a political party), other than a polit-
 12 ical committee which is described in subsection
 13 (e)(7)(B),”; and

14 (C) by striking “or other person” each
 15 place it appears.

16 (2) SPECIAL DISCLAIMER REQUIREMENTS FOR
 17 CERTAIN COMMUNICATIONS.—Section 318 of such
 18 Act (2 U.S.C. 441d) is amended by adding at the
 19 end the following new subsection:

20 “(e) COMMUNICATIONS BY OTHERS.—

21 “(1) IN GENERAL.—Any communication de-
 22 scribed in paragraph (3) of subsection (a) which is
 23 transmitted through radio or television (other than
 24 a communication to which subsection (d)(2) applies
 25 because the communication is paid for by a political

1 committee, including a political committee of a polit-
2 ical party) shall include, in addition to the require-
3 ments of that paragraph, the following:

4 “(A) The individual disclosure statement
5 described in paragraph (2) (if the person pay-
6 ing for the communication is an individual) or
7 the organizational disclosure statement de-
8 scribed in paragraph (3) (if the person paying
9 for the communication is not an individual).

10 “(B) If the communication is an election-
11 eering communication or an independent ex-
12 penditure consisting of a public communication
13 and is paid for in whole or in part with a pay-
14 ment which is treated as a disbursement by a
15 covered organization for campaign-related activ-
16 ity under section 325, the significant funder
17 disclosure statement described in paragraph (4)
18 (if applicable), unless, on the basis of criteria
19 established in regulations promulgated by the
20 Commission, the communication is of such
21 short duration that including the statement in
22 the communication would constitute a hardship
23 to the person paying for the communication by
24 requiring a disproportionate amount of the

1 communication's content to consist of the state-
2 ment.

3 “(C) If the communication is an election-
4 eering communication or an independent ex-
5 penditure consisting of a public communication
6 and is paid for in whole or in part with a pay-
7 ment which is treated as a disbursement by a
8 covered organization for campaign-related activ-
9 ity under section 325, the Top Five Funders
10 list described in paragraph (5) (if applicable),
11 unless, on the basis of criteria established in
12 regulations promulgated by the Commission,
13 the communication is of such short duration
14 that including the Top Five Funders list in the
15 communication would constitute a hardship to
16 the person paying for the communication by re-
17 quiring a disproportionate amount of the com-
18 munication's content to consist of the Top Five
19 Funders list.

20 “(2) INDIVIDUAL DISCLOSURE STATEMENT DE-
21 SCRIBED.—The individual disclosure statement de-
22 scribed in this paragraph is the following: ‘I am
23 _____, and I approve this message.’, with
24 the blank filled in with the name of the applicable
25 individual.

1 “(3) ORGANIZATIONAL DISCLOSURE STATE-
 2 MENT DESCRIBED.—The organizational disclosure
 3 statement described in this paragraph is the fol-
 4 lowing: ‘I am _____, the _____
 5 of _____, and _____ approves
 6 this message.’, with—

7 “(A) the first blank to be filled in with the
 8 name of the applicable individual;

9 “(B) the second blank to be filled in with
 10 the title of the applicable individual; and

11 “(C) the third and fourth blank each to be
 12 filled in with the name of the organization or
 13 other person paying for the communication.

14 “(4) SIGNIFICANT FUNDER DISCLOSURE STATE-
 15 MENT DESCRIBED.—

16 “(A) STATEMENT IF SIGNIFICANT FUNDER
 17 IS AN INDIVIDUAL.—If the significant funder of
 18 a communication paid for in whole or in part
 19 with a payment which is treated as a disburse-
 20 ment by a covered organization for campaign-
 21 related activity under section 325 is an indi-
 22 vidual, the significant funder disclosure state-
 23 ment described in this paragraph is the fol-
 24 lowing: ‘I am _____. I helped to pay
 25 for this message, and I approve it.’, with the

1 blank filled in with the name of the applicable
 2 individual.

3 “(B) STATEMENT IF SIGNIFICANT FUNDER
 4 IS NOT AN INDIVIDUAL.—If the significant
 5 funder of a communication paid for in whole or
 6 in part with a payment which is treated as a
 7 disbursement by a covered organization for
 8 campaign-related activity under section 325 is
 9 not an individual, the significant funder disclo-
 10 sure statement described in this paragraph is
 11 the following: ‘I am _____, the
 12 _____ of _____.
 13 _____ helped to pay for this mes-
 14 sage, and _____ approves it.’, with—

15 “(i) the first blank to be filled in with
 16 the name of the applicable individual;

17 “(ii) the second blank to be filled in
 18 with the title of the applicable individual;
 19 and

20 “(iii) the third, fourth, and fifth blank
 21 each to be filled in with the name of the
 22 significant funder of the communication.

23 “(C) SIGNIFICANT FUNDER DEFINED.—

24 “(i) INDEPENDENT EXPENDITURES.—

25 For purposes of this paragraph, the ‘sig-

1 nificant funder’ with respect to an inde-
2 pendent expenditure consisting of a public
3 communication paid for in whole or in part
4 with a payment which is treated as a dis-
5 bursement by a covered organization for
6 campaign-related activity under section
7 325 shall be determined as follows:

8 “(I) If any report filed by any or-
9 ganization with respect to the inde-
10 pendent expenditure under section
11 304 during the 12-month period
12 which ends on the date of the dis-
13 bursement includes information on
14 any person who made a payment to
15 the organization in an amount equal
16 to or exceeding \$100,000 which was
17 designated by the person to be used
18 for campaign-related activity con-
19 sisting of that specific independent ex-
20 penditure (as required to be included
21 in the report under section
22 304(g)(5)(A)(i)), the person who is
23 identified among all such reports as
24 making the largest such payment.

1 “(II) If any report filed by any
2 organization with respect to the inde-
3 pendent expenditure under section
4 304 during the 12-month period
5 which ends on the date of the dis-
6 bursement includes information on
7 any person who made a payment to
8 the organization in an amount equal
9 to or exceeding \$100,000 which was
10 designated by the person to be used
11 for campaign-related activity with re-
12 spect to the same election or in sup-
13 port of the same candidate (as re-
14 quired to be included in the report
15 under section 304(g)(5)(A)(i)) but
16 subclause (I) does not apply, the per-
17 son who is identified among all such
18 reports as making the largest such
19 payment.

20 “(III) If any report filed by any
21 organization with respect to the inde-
22 pendent expenditure under section
23 304 during the 12-month period
24 which ends on the date of the dis-
25 bursement includes information on

1 any person who made a payment to
2 the organization in an amount equal
3 to or exceeding \$10,000 which was
4 provided for the purpose of being used
5 for campaign-related activity or in re-
6 sponse to a solicitation for funds to be
7 used for campaign-related activity (as
8 required to be included in the report
9 under section 304(g)(5)(A)(i)) but
10 subclause (I) or subclause (II) does
11 not apply, the person who is identified
12 among all such reports as making the
13 largest such payment.

14 “(IV) If none of the reports filed
15 by any organization with respect to
16 the independent expenditure under
17 section 304 during the 12-month pe-
18 riod which ends on the date of the dis-
19 bursement includes information on
20 any person (other than the organiza-
21 tion) who made a payment to the or-
22 ganization in an amount equal to or
23 exceeding \$10,000 which was provided
24 for the purpose of being used for cam-
25 paign-related activity or in response to

1 a solicitation for funds to be used for
2 campaign-related activity, but any of
3 such reports includes information on
4 any person who made an unrestricted
5 donor payment to the organization (as
6 required to be included in the report
7 under section 304(g)(5)(A)(ii)) in an
8 amount equal to or exceeding
9 \$10,000, the person who is identified
10 among all such reports as making the
11 largest such unrestricted donor pay-
12 ment.

13 “(ii) ELECTIONEERING COMMUNICA-
14 TIONS.—For purposes of this paragraph,
15 the ‘significant funder’ with respect to an
16 electioneering communication paid for in
17 whole or in part with a payment which is
18 treated as a disbursement by a covered or-
19 ganization for campaign-related activity
20 under section 325, shall be determined as
21 follows:

22 “(I) If any report filed by any or-
23 ganization with respect to the elec-
24 tioneering communication under sec-
25 tion 304 during the 12-month period

1 which ends on the date of the dis-
2 bursement includes information on
3 any person who made a payment to
4 the organization in an amount equal
5 to or exceeding \$100,000 which was
6 designated by the person to be used
7 for campaign-related activity con-
8 sisting of that specific electioneering
9 communication (as required to be in-
10 cluded in the report under section
11 304(f)(6)(A)(i)), the person who is
12 identified among all such reports as
13 making the largest such payment.

14 “(II) If any report filed by any
15 organization with respect to the elec-
16 tioneering communication under sec-
17 tion 304 during the 12-month period
18 which ends on the date of the dis-
19 bursement includes information on
20 any person who made a payment to
21 the organization in an amount equal
22 to or exceeding \$100,000 which was
23 designated by the person to be used
24 for campaign-related activity with re-
25 spect to the same election or in sup-

1 port of the same candidate (as re-
2 quired to be included in the report
3 under section 304(f)(6)(A)(i)) but
4 subclause (I) does not apply, the per-
5 son who is identified among all such
6 reports as making the largest such
7 payment.

8 “(III) If any report filed by any
9 organization with respect to the elec-
10 tioneering communication under sec-
11 tion 304 during the 12-month period
12 which ends on the date of the dis-
13 bursement includes information on
14 any person who made a payment to
15 the organization in an amount equal
16 to or exceeding \$10,000 which was
17 provided for the purpose of being used
18 for campaign-related activity or in re-
19 sponse to a solicitation for funds to be
20 used for campaign-related activity (as
21 required to be included in the report
22 under section 304(f)(6)(A)(i)) but
23 subclause (I) or subclause (II) does
24 not apply, the person who is identified

1 among all such reports as making the
2 largest such payment.

3 “(IV) If none of the reports filed
4 by any organization with respect to
5 the electioneering communication
6 under section 304 during the 12-
7 month period which ends on the date
8 of the disbursement includes informa-
9 tion on any person who made a pay-
10 ment to the organization in an
11 amount equal to or exceeding \$10,000
12 which was provided for the purpose of
13 being used for campaign-related activ-
14 ity or in response to a solicitation for
15 funds to be used for campaign-related
16 activity, but any of such reports in-
17 cludes information on any person who
18 made an unrestricted donor payment
19 to the organization (as required to be
20 included in the report under section
21 304(f)(6)(A)(ii)) in an amount equal
22 to or exceeding \$10,000, the person
23 who is identified among all such re-
24 ports as making the largest such un-
25 restricted donor payment.

1 “(5) TOP 5 FUNDERS LIST DESCRIBED.—With
2 respect to a communication paid for in whole or in
3 part with a payment which is treated as a disburse-
4 ment by a covered organization for campaign-related
5 activity under section 325, the Top 5 Funders list
6 described in this paragraph is—

7 “(A) in the case of a disbursement for an
8 independent expenditure consisting of a public
9 communication, a list of the 5 persons who pro-
10 vided the largest payments of any type in an
11 aggregate amount equal to or exceeding
12 \$10,000 which are required under section
13 304(g)(5)(A) to be included in the reports filed
14 by any organization with respect to that inde-
15 pendent expenditure under section 304 during
16 the 12-month period which ends on the date of
17 the disbursement, together with the amount of
18 the payments each such person provided; or

19 “(B) in the case of a disbursement for an
20 electioneering communication, a list of the 5
21 persons who provided the largest payments of
22 any type in an aggregate amount equal to or
23 exceeding \$10,000 which are required under
24 section 304(f)(6)(A) to be included in the re-
25 ports filed by any organization with respect to

1 that electioneering communication under section
2 304 during the 12-month period which ends on
3 the date of the disbursement, together with the
4 amount of the payments each such person pro-
5 vided.

6 “(6) METHOD OF CONVEYANCE OF STATE-
7 MENT.—

8 “(A) COMMUNICATIONS TRANSMITTED
9 THROUGH RADIO.—In the case of a communica-
10 tion to which this subsection applies which is
11 transmitted through radio, the disclosure state-
12 ments required under paragraph (1) shall be
13 made by audio by the applicable individual in a
14 clearly spoken manner.

15 “(B) COMMUNICATIONS TRANSMITTED
16 THROUGH TELEVISION.—In the case of a com-
17 munication to which this subsection applies
18 which is transmitted through television, the in-
19 formation required under paragraph (1)—

20 “(i) shall appear in writing at the end
21 of the communication in a clearly readable
22 manner, with a reasonable degree of color
23 contrast between the background and the
24 printed statement, for a period of at least
25 6 seconds; and

1 “(ii) except in the case of a Top 5
2 Funders list described in paragraph (5),
3 shall also be conveyed by an unobscured,
4 full-screen view of the applicable indi-
5 vidual, or by the applicable individual mak-
6 ing the statement in voice-over accom-
7 panied by a clearly identifiable photograph
8 or similar image of the individual.

9 “(7) APPLICABLE INDIVIDUAL DEFINED.—In
10 this subsection, the term ‘applicable individual’
11 means, with respect to a communication to which
12 this paragraph applies—

13 “(A) if the communication is paid for by
14 an individual or if the significant funder of the
15 communication under paragraph (4) is an indi-
16 vidual, the individual involved;

17 “(B) if the communication is paid for by a
18 corporation or if the significant funder of the
19 communication under paragraph (4) is a cor-
20 poration, the chief executive officer of the cor-
21 poration (or, if the corporation does not have a
22 chief executive officer, the highest ranking offi-
23 cial of the corporation);

24 “(C) if the communication is paid for by a
25 labor organization or if the significant funder of

1 the communication under paragraph (4) is a
2 labor organization, the highest ranking officer
3 of the labor organization; or

4 “(D) if the communication is paid for by
5 any other person or if the significant funder of
6 the communication under paragraph (4) is any
7 other person, the highest ranking official of
8 such person.

9 “(8) COVERED ORGANIZATION DEFINED.—In
10 this subsection, the term ‘covered organization’
11 means any of the following:

12 “(A) Any corporation which is subject to
13 section 316(a), other than a corporation which
14 is an organization described in paragraph (3) of
15 section 501(c) of the Internal Revenue Code of
16 1986 and exempt from tax under section 501(a)
17 of such Code.

18 “(B) Any labor organization (as defined in
19 section 316).

20 “(C) Any organization described in para-
21 graph (4), (5), or (6) of section 501(c) of the
22 Internal Revenue Code of 1986 and exempt
23 from tax under section 501(a) of such Code,
24 other than an exempt section 501(c)(4) organi-
25 zation (as defined in section 301(27)).

1 “(D) Any political organization under sec-
 2 tion 527 of the Internal Revenue Code of 1986,
 3 other than a political committee under this Act.

4 “(9) OTHER DEFINITIONS.—In this subsection,
 5 the terms ‘campaign-related activity’ and ‘unre-
 6 stricted donor payment’ have the meaning given
 7 such terms in section 325.”.

8 (3) APPLICATION TO CERTAIN MASS MAIL-
 9 INGS.—Section 318(a)(3) of such Act (2 U.S.C.
 10 441d(a)(3)) is amended to read as follows:

11 “(3) if not authorized by a candidate, an au-
 12 thorized political committee of a candidate, or its
 13 agents, shall clearly state—

14 “(A) the name and permanent street ad-
 15 dress, telephone number, or World Wide Web
 16 address of the person who paid for the commu-
 17 nication;

18 “(B) if the communication is an inde-
 19 pendent expenditure consisting of a mass mail-
 20 ing (as defined in section 301(23)) which is
 21 paid for in whole or in part with a payment
 22 which is treated as a disbursement by a covered
 23 organization for campaign-related activity under
 24 section 325, or which is paid for in whole or in
 25 part by a political committee described in sub-

1 section (e)(7)(B), the name and permanent
 2 street address, telephone number, or World
 3 Wide Web address of—

4 “(i) the significant funder of the com-
 5 munication, if any (as determined in ac-
 6 cordance with subsection (e)(4)(C)(i) or
 7 (e)(7)(A)(i); and

8 “(ii) each person who would be in-
 9 cluded in the Top 5 Funders list which
 10 would be submitted with respect to the
 11 communication if the communication were
 12 transmitted through television, if any (as
 13 determined in accordance with subsection
 14 (e)(5) or (e)(7)(A)(ii)); and

15 “(C) that the communication is not au-
 16 thorized by any candidate or candidate’s com-
 17 mittee.”.

18 (4) APPLICATION TO POLITICAL ROBOCALLS.—

19 Section 318 of such Act (2 U.S.C. 441d), as amend-
 20 ed by paragraph (2), is further amended by adding
 21 at the end the following new subsection:

22 “(f) SPECIAL RULES FOR POLITICAL ROBOCALLS.—

23 “(1) REQUIRING COMMUNICATIONS TO INCLUDE
 24 CERTAIN DISCLAIMER STATEMENTS.—Any commu-
 25 nication consisting of a political robocall which

1 would be subject to the requirements of subsection
2 (e) if the communication were transmitted through
3 radio or television shall include the following:

4 “(A) The individual disclosure statement
5 described in subsection (e)(2) (if the person
6 paying for the communication is an individual)
7 or the organizational disclosure statement de-
8 scribed in subsection (e)(3) (if the person pay-
9 ing for the communication is not an individual).

10 “(B) If the communication is an election-
11 eering communication or an independent ex-
12 penditure consisting of a public communication
13 and is paid for in whole or in part with a pay-
14 ment which is treated as a disbursement by a
15 covered organization for campaign-related activ-
16 ity under section 325, or which is paid for in
17 whole or in part by a political committee de-
18 scribed in subsection (e)(7)(B), the significant
19 funder disclosure statement described in sub-
20 section (e)(4) or (e)(7) (if applicable).

21 “(2) TIMING OF CERTAIN STATEMENT.—The
22 statements required to be included under paragraph
23 (1) shall be made at the beginning of the political
24 robocall, unless, on the basis of criteria established
25 in regulations promulgated by the Commission, the

1 communication is of such short duration that includ-
 2 ing the statement in the communication would con-
 3 stitute a hardship to the person paying for the com-
 4 munication by requiring a disproportionate amount
 5 of the communication’s content to consist of the
 6 statement.

7 “(3) POLITICAL ROBOCALL DEFINED.—In this
 8 subsection, the term ‘political robocall’ means any
 9 outbound telephone call—

10 “(A) in which a person is not available to
 11 speak with the person answering the call, and
 12 the call instead plays a recorded message; and

13 “(B) which promotes, supports, attacks, or
 14 opposes a candidate for election for Federal of-
 15 fice.”.

16 **SEC. 215. INDEXING OF CERTAIN AMOUNTS.**

17 Title III of the Federal Election Campaign Act of
 18 1971, as amended by section 213, is amended by adding
 19 at the end the following new section:

20 **“SEC. 327. INDEXING OF CERTAIN AMOUNTS.**

21 “(a) INDEXING.—In any calendar year after 2010—

22 “(1) each of the amounts referred to in sub-
 23 section (b) shall be increased by the percent dif-
 24 ference determined under subparagraph (A) of sec-
 25 tion 315(c)(1), except that for purposes of this para-

1 graph, such percent difference shall be determined
2 as if the base year referred to in such subparagraph
3 were 2009;

4 “(2) each amount so increased shall remain in
5 effect for the calendar year; and

6 “(3) if any amount after adjustment under
7 paragraph (1) is not a multiple of \$100, such
8 amount shall be rounded to the nearest multiple of
9 \$100.

10 “(b) AMOUNTS DESCRIBED.—The amounts referred
11 to in this subsection are as follows:

12 “(1) The amount referred to in section
13 304(g)(5)(A)(i)(I).

14 “(2) The amount referred to in section
15 304(g)(5)(A)(ii)(I).

16 “(3) Each of the amounts referred to in section
17 304(g)(5)(A)(ii)(II).

18 “(4) The amount referred to in section
19 304(g)(5)(B)(ii)(I)(ee).

20 “(5) Each amount referred to in section
21 304(g)(5)(B)(iii)(I)(bb).

22 “(6) The amount referred to in section
23 304(f)(6)(A)(i)(I).

24 “(7) The amount referred to in section
25 304(f)(6)(A)(ii)(I).

1 “(8) Each of the amounts referred to in section
2 304(f)(6)(A)(ii)(II).

3 “(9) The amount referred to in section
4 304(f)(6)(B)(ii)(I)(ee).

5 “(10) Each amount referred to in section
6 304(f)(6)(B)(iii)(I)(bb).

7 “(11) The amount referred to in section 317(b).

8 “(12) Each of the amounts referred to in sec-
9 tion 318(e)(4)(C).

10 “(13) The amount referred to in section
11 325(d)(2)(B)(i)(V).

12 “(14) Each amount referred to in section
13 325(d)(2)(C)(i)(II).”.

14 **Subtitle C—Reporting Require-** 15 **ments for Registered Lobbyists**

16 **SEC. 221. REQUIRING REGISTERED LOBBYISTS TO REPORT** 17 **INFORMATION ON INDEPENDENT EXPENDI-** 18 **TURES AND ELECTIONEERING COMMUNICA-** 19 **TIONS.**

20 (a) IN GENERAL.—Section 5(d)(1) of the Lobbying
21 Disclosure Act of 1995 (2 U.S.C. 1604(d)(1)) is amend-
22 ed—

23 (1) by striking “and” at the end of subpara-
24 graph (F);

1 (2) by redesignating subparagraph (G) as sub-
2 paragraph (I); and

3 (3) by inserting after subparagraph (F) the fol-
4 lowing new subparagraphs:

5 “(G) the amount of any independent ex-
6 penditure (as defined in section 301(17) of the
7 Federal Election Campaign Act of 1971 (2
8 U.S.C. 431(17)) equal to or greater than
9 \$1,000 made by such person or organization,
10 and for each such expenditure the name of each
11 candidate being supported or opposed and the
12 amount spent supporting or opposing each such
13 candidate;

14 “(H) the amount of any electioneering
15 communication (as defined in section 304(f)(3)
16 of such Act (2 U.S.C. 434(f)(3)) equal to or
17 greater than \$1,000 made by such person or or-
18 ganization, and for each such communication
19 the name of the candidate referred to in the
20 communication; and”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply with respect to reports for semi-
23 annual periods described in section 5(d)(1) of the Lob-
24 bing Disclosure Act of 1995 that begin after the date
25 of the enactment of this Act.

1 **Subtitle D—Filing by Senate**
 2 **Candidates With Commission**

3 **SEC. 231. FILING BY SENATE CANDIDATES WITH COMMIS-**
 4 **SION.**

5 Section 302(g) of the Federal Election Campaign Act
 6 of 1971 (2 U.S.C. 432(g)) is amended to read as follows:

7 “(g) FILING WITH THE COMMISSION.—All des-
 8 ignations, statements, and reports required to be
 9 filed under this Act shall be filed with the Commis-
 10 sion.”.

11 **TITLE III—DISCLOSURE BY COV-**
 12 **ERED ORGANIZATIONS OF IN-**
 13 **FORMATION ON CAMPAIGN-**
 14 **RELATED ACTIVITY**

15 **SEC. 301. REQUIRING DISCLOSURE BY COVERED ORGANI-**
 16 **ZATIONS OF INFORMATION ON CAMPAIGN-**
 17 **RELATED ACTIVITY.**

18 Title III of the Federal Election Campaign Act of
 19 1971 (2 U.S.C. 431 et seq.), as amended by section 215,
 20 is amended by adding at the end the following new section:

1 **“SEC. 328. DISCLOSURES BY COVERED ORGANIZATIONS TO**
2 **SHAREHOLDERS, MEMBERS, AND DONORS OF**
3 **INFORMATION ON DISBURSEMENTS FOR**
4 **CAMPAIGN-RELATED ACTIVITY.**

5 “(a) INCLUDING INFORMATION IN REGULAR PERI-
6 ODIC 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 ac-
10 tivities shall include in each such report, in a clear
11 and conspicuous manner, the information described
12 in paragraph (2) with respect to the disbursements
13 made by the organization for campaign-related activ-
14 ity during the period covered by the report.

15 “(2) INFORMATION DESCRIBED.—The informa-
16 tion described in this paragraph is, for each dis-
17bursement for campaign-related activity—

18 “(A) the date of the independent expendi-
19 ture or electioneering communication involved;

20 “(B) the amount of the independent ex-
21 penditure or electioneering communication in-
22 volved;

23 “(C) the name of the candidate identified
24 in the independent expenditure or electioneering
25 communication involved and the office sought
26 by the candidate;

1 “(D) in the case of a transfer of funds to
2 another person, the information required by
3 subparagraphs (A) through (C), as well as the
4 name of the recipient of the funds and the date
5 and amount of the funds transferred;

6 “(E) the source of such funds; and

7 “(F) such other information as the Com-
8 mission determines is appropriate to further the
9 purposes of this subsection.

10 “(b) POSTING OF OR HYPERLINK TO INFORMATION
11 INCLUDED IN REPORTS FILED WITH COMMISSION.—

12 “(1) REQUIRING POSTING OF OR HYPERLINK
13 TO CERTAIN INFORMATION.—If a covered organiza-
14 tion maintains an Internet site, the organization
15 shall—

16 “(A) post on such Internet site, in a ma-
17 chine readable, searchable, sortable, and
18 downloadable manner and through a direct link
19 from the homepage of the organization, the in-
20 formation described in paragraph (2); or

21 “(B) post on such Internet site a hyperlink
22 from its homepage to the location on the Inter-
23 net site of the Commission which contains the
24 information described in paragraph (2).

1 “(2) INFORMATION DESCRIBED.—The following
2 information is described in this paragraph:

3 “(A) The information the organization is
4 required to report under section 304(g)(5)(A)
5 with respect to public independent expenditures.

6 “(B) The information the organization is
7 required to include in a statement of disburse-
8 ments for electioneering communications under
9 section 304(f)(6).

10 “(3) DEADLINE; DURATION OF POSTING.—The
11 covered organization shall post the information or
12 the hyperlink described in paragraph (1) not later
13 than 24 hours after the Commission posts the infor-
14 mation described in paragraph (2) on the Internet
15 site of the Commission, and shall ensure that the in-
16 formation or the hyperlink remains on the Internet
17 site of the covered organization until the expiration
18 of the 1-year period which begins on the date of the
19 election with respect to which the public independent
20 expenditures or electioneering communications are
21 made.

22 “(c) COVERED ORGANIZATION DEFINED.—In this
23 section, the term ‘covered organization’ means any of the
24 following:

1 “(1) Any corporation which is subject to section
 2 316(a), other than a corporation which is an organi-
 3 zation described in paragraph (3) of section 501(c)
 4 of the Internal Revenue Code of 1986 and exempt
 5 from tax under section 501(a) of such Code.

6 “(2) Any labor organization (as defined in sec-
 7 tion 316).

8 “(3) Any organization described in paragraph
 9 (4), (5), or (6) of section 501(c) of the Internal Rev-
 10 enue Code of 1986 and exempt from tax under sec-
 11 tion 501(a) of such Code, other than an exempt sec-
 12 tion 501(c)(4) organization (as defined in section
 13 301(27)).

14 “(4) Any political organization under section
 15 527 of the Internal Revenue Code of 1986, other
 16 than a political committee under this Act.”.

17 **TITLE IV—OTHER PROVISIONS**

18 **SEC. 401. JUDICIAL REVIEW.**

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

24 (1) The action shall be filed in the United
 25 States District Court for the District of Columbia,

1 and an appeal from a decision of the District Court
2 may be taken to the Court of Appeals for the Dis-
3 trict of Columbia Circuit.

4 (2) A copy of the complaint shall be delivered
5 promptly to the Clerk of the House of Representa-
6 tives and the Secretary of the Senate.

7 (b) INTERVENTION BY MEMBERS OF CONGRESS.—In
8 any action in which the constitutionality of any provision
9 of this Act or any amendment made by this Act is raised,
10 any member of the House of Representatives (including
11 a Delegate or Resident Commissioner to the Congress) or
12 Senate who satisfies the requirements for standing under
13 article III of the Constitution shall have the right to inter-
14 vene either in support of or opposition to the position of
15 a party to the case regarding the constitutionality of the
16 provision or amendment. To avoid duplication of efforts
17 and reduce the burdens placed on the parties to the action,
18 the court in any such action may make such orders as
19 it considers necessary, including orders to require interve-
20 nors taking similar positions to file joint papers or to be
21 represented by a single attorney at oral argument.

22 (c) CHALLENGE BY MEMBERS OF CONGRESS.—Any
23 Member of the House of Representatives (including a Del-
24 egate or Resident Commissioner to the Congress) or Sen-
25 ate may bring an action, subject to the special rules de-

1 scribed in subsection (a), for declaratory or injunctive re-
2 lief to challenge the constitutionality of any provision of
3 this Act or any amendment made by this Act.

4 **SEC. 402. NO EFFECT ON PROTECTIONS AGAINST THREATS,**
5 **HARASSMENTS, AND REPRISALS.**

6 Nothing in this Act or in any amendment made by
7 this Act shall be construed to affect any provision of law
8 or any rule or regulation which waives a requirement to
9 disclose information relating to any person in any case in
10 which there is a reasonable probability that the disclosure
11 of the information would subject the person to threats,
12 harassments, or reprisals.

13 **SEC. 403. SEVERABILITY.**

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

21 **SEC. 404. EFFECTIVE DATE.**

22 Except as otherwise provided, this Act and the
23 amendments made by this Act shall take effect upon the
24 expiration of the 30-day period which begins on the date
25 of the enactment of this Act, and shall take effect without

1 regard to whether or not the Federal Election Commission
2 has promulgated regulations to carry out such amend-
3 ments.

Calendar No. 476

11TH CONGRESS
2^D Session

S. 3628

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.

JULY 22, 2010

Read the second time and placed on the calendar