

115TH CONGRESS
1ST SESSION

S. 1585

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, Super PACs and other entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 19, 2017

Mr. WHITEHOUSE (for himself, Mr. SCHUMER, Mr. LEAHY, Mrs. FEINSTEIN, Mrs. MURRAY, Mr. DURBIN, Mr. REED, Mr. NELSON, Mr. CARPER, Ms. STABENOW, Mr. MENENDEZ, Mr. CARDIN, Mr. SANDERS, Mr. BROWN, Mr. CASEY, Mrs. McCASKILL, Ms. KLOBUCHAR, Mr. TESTER, Mr. UDALL, Mrs. SHAHEEN, Mr. MERKLEY, Mr. BENNET, Mrs. GILLIBRAND, Mr. FRANKEN, Mr. COONS, Mr. BLUMENTHAL, Mr. SCHATZ, Ms. BALDWIN, Mr. MURPHY, Ms. HIRONO, Mr. HEINRICH, Mr. KING, Mr. KAINE, Ms. WARREN, Ms. HEITKAMP, Mr. MARKEY, Mr. BOOKER, Mr. PETERS, Mr. VAN HOLLEN, Ms. DUCKWORTH, Ms. HASSAN, Ms. HARRIS, Ms. CORTEZ MASTO, and Ms. CANTWELL) introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

A BILL

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, Super PACs and other entities, 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 of 2017” or the “DISCLOSE Act
5 of 2017”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REGULATION OF CERTAIN POLITICAL SPENDING

Sec. 101. Application of ban on contributions and expenditures by foreign na-
tionals to domestic corporations that are foreign-controlled, for-
eign-influenced, and foreign-owned.

Sec. 102. Clarification of application of foreign money ban to certain disburse-
ments and activities.

TITLE II—CAMPAIGN DISBURSEMENT REPORTING

Sec. 201. Campaign disbursement reporting.

Sec. 202. Effective date.

TITLE III—OTHER PROVISIONS

Sec. 301. Severability.

8 **TITLE I—REGULATION OF**
9 **CERTAIN POLITICAL SPENDING**

10 **SEC. 101. APPLICATION OF BAN ON CONTRIBUTIONS AND**
11 **EXPENDITURES BY FOREIGN NATIONALS TO**
12 **DOMESTIC CORPORATIONS THAT ARE FOR-**
13 **EIGN-CONTROLLED, FOREIGN-INFLUENCED,**
14 **AND FOREIGN-OWNED.**

15 (a) APPLICATION OF BAN.—Section 319(b) of the
16 Federal Election Campaign Act of 1971 (52 U.S.C.
17 30121(b)) is amended—

1 (1) by striking “or” at the end of paragraph
2 (1);

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

5 (3) by adding at the end the following new
6 paragraph:

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

9 “(A) in which a foreign national described
10 in paragraph (1) or (2) directly or indirectly
11 owns or controls—

12 “(i) 5 percent or more of the voting
13 shares, if the foreign national is a foreign
14 country, a foreign government official, or a
15 corporation principally owned or controlled
16 by a foreign country or foreign government
17 official; or

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

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

1 “(C) over which one or more foreign na-
 2 tionals described in paragraph (1) or (2) has
 3 the power to direct, dictate, or control the deci-
 4 sionmaking process of the corporation with re-
 5 spect to its interests in the United States; or

6 “(D) over which one or more foreign na-
 7 tionals described in paragraph (1) or (2) has
 8 the power to direct, dictate, or control the deci-
 9 sionmaking process of the corporation with re-
 10 spect to activities in connection with a Federal,
 11 State, or local election, including—

12 “(i) the making of a contribution, do-
 13 nation, expenditure, independent expendi-
 14 ture, or disbursement for an electioneering
 15 communication (within the meaning of sec-
 16 tion 304(f)(3)); or

17 “(ii) the administration of a political
 18 committee established or maintained by the
 19 corporation.”.

20 (b) CERTIFICATION OF COMPLIANCE.—Section 319
 21 of such Act (52 U.S.C. 30121) is amended by adding at
 22 the end the following new subsection:

23 “(c) CERTIFICATION OF COMPLIANCE REQUIRED
 24 PRIOR TO CARRYING OUT ACTIVITY.—Prior to the mak-
 25 ing in connection with an election for Federal office of any

1 contribution, donation, expenditure, independent expendi-
 2 ture, or disbursement for an electioneering communication
 3 by a corporation during a year, the chief executive officer
 4 of the corporation (or, if the corporation does not have
 5 a chief executive officer, the highest ranking official of the
 6 corporation), shall file a certification with the Commission,
 7 under penalty of perjury, that the corporation is not pro-
 8 hibited from carrying out such activity under subsection
 9 (b)(3), unless the chief executive officer has previously
 10 filed such a certification during that calendar year.”.

11 (c) EFFECTIVE DATE.—The amendments made by
 12 this section shall take effect upon the expiration of the
 13 180-day period which begins on the date of the enactment
 14 of this Act, and shall take effect without regard to whether
 15 or not the Federal Election Commission has promulgated
 16 regulations to carry out such amendments.

17 **SEC. 102. CLARIFICATION OF APPLICATION OF FOREIGN**
 18 **MONEY BAN TO CERTAIN DISBURSEMENTS**
 19 **AND ACTIVITIES.**

20 (a) APPLICATION TO DISBURSEMENTS TO SUPER
 21 PACs.—Section 319(a)(1)(A) of the Federal Election
 22 Campaign Act of 1971 (52 U.S.C. 30121(a)(1)(A)) is
 23 amended by striking the semicolon and inserting the fol-
 24 lowing: “, including any disbursement to a political com-
 25 mittee which accepts donations or contributions that do

1 not comply with the limitations, prohibitions, and report-
 2 ing requirements of this Act (or any disbursement to or
 3 on behalf of any account of a political committee which
 4 is established for the purpose of accepting such donations
 5 or contributions);”.

6 (b) CONDITIONS UNDER WHICH CORPORATE PACS
 7 MAY MAKE CONTRIBUTIONS AND EXPENDITURES.—Sec-
 8 tion 316(b) of such Act (52 U.S.C. 30118(b)) is amended
 9 by adding at the end the following new paragraph:

10 “(8) A separate segregated fund established by a cor-
 11 poration may not make a contribution or expenditure dur-
 12 ing a year unless the fund has certified to the Commission
 13 the following during the year:

14 “(A) Each individual who manages the fund,
 15 and who is responsible for exercising decisionmaking
 16 authority for the fund, is a citizen of the United
 17 States or is lawfully admitted for permanent resi-
 18 dence in the United States.

19 “(B) No foreign national under section 319
 20 participates in any way in the decisionmaking proc-
 21 esses of the fund with regard to contributions or ex-
 22 penditures under this Act.

23 “(C) The fund does not solicit or accept rec-
 24 ommendations from any foreign national under sec-

tion 319 with respect to the contributions or expenditures made by the fund.

“(D) Any member of the board of directors of the corporation who is a foreign national under section 319 abstains from voting on matters concerning the fund or its activities.”.

TITLE II—CAMPAIGN DISBURSEMENT REPORTING

SEC. 201. CAMPAIGN DISBURSEMENT REPORTING.

(a) INFORMATION REQUIRED TO BE REPORTED.—

(1) TREATMENT OF FUNCTIONAL EQUIVALENT OF EXPRESS ADVOCACY AS INDEPENDENT EXPENDITURE.—Subparagraph (A) of section 301(17) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30101(17)) is amended to read as follows:

“(A) that expressly advocates the election or defeat of a clearly identified candidate, or is the functional equivalent of express advocacy because, when taken as a whole, 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 posi-

tion on a candidate’s character, qualifications,
or fitness for office; and”.

(2) EXPANSION OF PERIOD DURING WHICH
COMMUNICATIONS ARE TREATED AS ELECTION-
EERING COMMUNICATIONS.—Section 304(f)(3)(A)(i)
of such Act (52 U.S.C. 30104(f)(3)(A)(i)) is amend-
ed—

(A) by redesignating subclause (III) as
subclause (IV); and

(B) by striking subclause (II) and insert-
ing the following:

“(II) in the case of a communica-
tion which refers to a candidate for an
office other than the President or Vice
President, is made during the period
beginning on January 1 of the cal-
endar year in which a general or run-
off election is held and ending on the
date of the general or runoff election
(or in the case of a special election,
during the period beginning on the
date on which the announcement with
respect to such election is made and
ending on the date of the special elec-
tion);

1 “(III) in the case of a commu-
 2 nication which refers to a candidate
 3 for the office of President or Vice
 4 President, is made in any State dur-
 5 ing the period beginning 120 days be-
 6 fore the first primary election, caucus,
 7 or preference election held for the se-
 8 lection of delegates to a national
 9 nominating convention of a political
 10 party is held in any State (or, if no
 11 such election or caucus is held in any
 12 State, the first convention or caucus
 13 of a political party which has the au-
 14 thority to nominate a candidate for
 15 the office of President or Vice Presi-
 16 dent) and ending on the date of the
 17 general election; and”.

18 (3) EFFECTIVE DATE; TRANSITION FOR ELEC-
 19 TIONEERING COMMUNICATIONS MADE PRIOR TO EN-
 20 ACTMENT.—The amendment made by paragraph (2)
 21 shall apply with respect to communications made on
 22 or after January 1, 2018, except that no commu-
 23 nication which is made prior to such date shall be
 24 treated as an electioneering communication under
 25 subclause (II) or (III) of section 304(f)(3)(A)(i) of

1 the Federal Election Campaign Act of 1971 (as
 2 amended by paragraph (2)) unless the communica-
 3 tion would be treated as an electioneering commu-
 4 nication under such section if the amendment made
 5 by paragraph (2) did not apply.

6 (b) DISCLOSURE REQUIREMENTS FOR CORPORA-
 7 TIONS, LABOR ORGANIZATIONS, AND CERTAIN OTHER
 8 ENTITIES.—

9 (1) IN GENERAL.—Section 324 of the Federal
 10 Election Campaign Act of 1971 (52 U.S.C. 30126)
 11 is amended to read as follows:

12 **“SEC. 324. DISCLOSURE OF CAMPAIGN-RELATED DISBURSE-**
 13 **MENTS BY COVERED ORGANIZATIONS.**

14 **“(a) DISCLOSURE STATEMENT.—**

15 **“(1) IN GENERAL.—**Any covered organization
 16 that makes campaign-related disbursements aggre-
 17 gating more than \$10,000 in an election reporting
 18 cycle shall, not later than 24 hours after each disclo-
 19 sure date, file a statement with the Commission
 20 made under penalty of perjury that contains the in-
 21 formation described in paragraph (2)—

22 **“(A) in the case of the first statement filed**
 23 **under this subsection, for the period beginning**
 24 **on the first day of the election reporting cycle**

1 and ending on the first such disclosure date;
2 and

3 “(B) in the case of any subsequent state-
4 ment filed under this subsection, for the period
5 beginning on the previous disclosure date and
6 ending on such disclosure date.

7 “(2) INFORMATION DESCRIBED.—The informa-
8 tion described in this paragraph is as follows:

9 “(A) The name of the covered organization
10 and the principal place of business of such or-
11 ganization and, in the case of a covered organi-
12 zation that is a corporation (other than a busi-
13 ness concern that is an issuer of a class of secu-
14 rities registered under section 12 of the Securi-
15 ties Exchange Act of 1934 (15 U.S.C. 78l) or
16 that is required to file reports under section
17 15(d) of that Act (15 U.S.C. 78o(d))) or an en-
18 tity described in subsection (e)(2), a list of the
19 beneficial owners (as defined in paragraph
20 (4)(A)) of the entity that—

21 “(i) identifies each beneficial owner by
22 name and current residential or business
23 street address; and

24 “(ii) if any beneficial owner exercises
25 control over the entity through another

1 legal entity, such as a corporation, partner-
2 ship, limited liability company, or trust,
3 identifies each such other legal entity and
4 each such beneficial owner who will use
5 that other entity to exercise control over
6 the entity.

7 “(B) The amount of each campaign-related
8 disbursement made by such organization during
9 the period covered by the statement of more
10 than \$1,000, and the name and address of the
11 person to whom the disbursement was made.

12 “(C) In the case of a campaign-related dis-
13 bursement that is not a covered transfer, the
14 election to which the campaign-related disburse-
15 ment pertains and if the disbursement is made
16 for a public communication, the name of any
17 candidate identified in such communication and
18 whether such communication is in support of or
19 in opposition to a candidate.

20 “(D) A certification by the chief executive
21 officer or person who is the head of the covered
22 organization that the campaign-related dis-
23 bursement is not made in cooperation, consulta-
24 tion, or concert with or at the request or sug-
25 gestion of a candidate, authorized committee, or

1 agent of a candidate, political party, or agent of
2 a political party.

3 “(E) If the covered organization makes
4 campaign-related disbursements using exclu-
5 sively funds in a segregated bank account con-
6 sisting of funds that were paid directly to such
7 account by persons other than the covered orga-
8 nization that controls the account, for each
9 such payment to the account—

10 “(i) the name and address of each
11 person who made such payment during the
12 period covered by the statement;

13 “(ii) the date and amount of such
14 payment; and

15 “(iii) the aggregate amount of all such
16 payments made by the person during the
17 period beginning on the first day of the
18 election reporting cycle and ending on the
19 disclosure date,

20 but only if such payment was made by a person
21 who made payments to the account in an aggre-
22 gate amount of \$10,000 or more during the pe-
23 riod beginning on the first day of the election
24 reporting cycle and ending on the disclosure
25 date.

1 “(F) If the covered organization makes
2 campaign-related disbursements using funds
3 other than funds in a segregated bank account
4 described in subparagraph (E), for each pay-
5 ment to the covered organization—

6 “(i) the name and address of each
7 person who made such payment during the
8 period covered by the statement;

9 “(ii) the date and amount of such
10 payment; and

11 “(iii) the aggregate amount of all such
12 payments made by the person during the
13 period beginning on the first day of the
14 election reporting cycle and ending on the
15 disclosure date,

16 but only if such payment was made by a person
17 who made payments to the covered organization
18 in an aggregate amount of \$10,000 or more
19 during the period beginning on the first day of
20 the election reporting cycle and ending on the
21 disclosure date.

22 “(G) Such other information as required in
23 rules established by the Commission to promote
24 the purposes of this section.

25 “(3) EXCEPTIONS.—

“(A) AMOUNTS RECEIVED IN ORDINARY
COURSE OF BUSINESS.—The requirement to in-
clude in a statement filed under paragraph (1)
the information described in paragraph (2)
shall not apply to amounts received by the cov-
ered organization in commercial transactions in
the ordinary course of any trade or business
conducted by the covered organization or in the
form of investments (other than investments by
the principal shareholder in a limited liability
corporation) in the covered organization.

“(B) DONOR RESTRICTION ON USE OF
FUNDS.—The requirement to include in a state-
ment submitted under paragraph (1) the infor-
mation described in subparagraph (F) of para-
graph (2) shall not apply if—

“(i) the person described in such sub-
paragraph prohibited, in writing, the use of
the payment made by such person for cam-
paign-related disbursements; and

“(ii) the covered organization agreed
to follow the prohibition and deposited the
payment in an account which is segregated
from any account used to make campaign-
related disbursements.

1 “(C) AMOUNTS RECEIVED FROM AFFILI-
 2 ATES.—The requirement to include in a state-
 3 ment submitted under paragraph (1) the infor-
 4 mation described in subparagraph (F) of para-
 5 graph (2) shall not apply to any amount which
 6 is described in subsection (f)(3)(A)(i).

7 “(4) OTHER DEFINITIONS.—For purposes of
 8 this section:

9 “(A) BENEFICIAL OWNER DEFINED.—

10 “(i) IN GENERAL.—Except as pro-
 11 vided in clause (ii), the term ‘beneficial
 12 owner’ means, with respect to any entity,
 13 a natural person who, directly or indi-
 14 rectly—

15 “(I) exercises substantial control
 16 over an entity through ownership, vot-
 17 ing rights, agreement, or otherwise; or

18 “(II) has a substantial interest in
 19 or receives substantial economic bene-
 20 fits from the assets of an entity.

21 “(ii) EXCEPTIONS.—The term ‘bene-
 22 ficial owner’ shall not include—

23 “(I) a minor child;

1 “(II) a person acting as a nomi-
 2 nee, intermediary, custodian, or agent
 3 on behalf of another person;

4 “(III) a person acting solely as
 5 an employee of an entity and whose
 6 control over or economic benefits from
 7 the entity derives solely from the em-
 8 ployment status of the person;

9 “(IV) a person whose only inter-
 10 est in an entity is through a right of
 11 inheritance, unless the person also
 12 meets the requirements of clause (i);
 13 or

14 “(V) a creditor of an entity, un-
 15 less the creditor also meets the re-
 16 quirements of clause (i).

17 “(iii) ANTI-ABUSE RULE.—The excep-
 18 tions under clause (ii) shall not apply if
 19 used for the purpose of evading, circum-
 20 venting, or abusing the provisions of clause
 21 (i) or paragraph (2)(A).

22 “(B) DISCLOSURE DATE.—The term ‘dis-
 23 closure date’ means—

24 “(i) the first date during any election
 25 reporting cycle by which a person has

1 made campaign-related disbursements ag-
2 gregating more than \$10,000; and

3 “(ii) any other date during such elec-
4 tion reporting cycle by which a person has
5 made campaign-related disbursements ag-
6 gregating more than \$10,000 since the
7 most recent disclosure date for such elec-
8 tion reporting cycle.

9 “(C) ELECTION REPORTING CYCLE.—The
10 term ‘election reporting cycle’ means the 2-year
11 period beginning on the date of the most recent
12 general election for Federal office.

13 “(D) PAYMENT.—The term ‘payment’ in-
14 cludes any contribution, donation, transfer, pay-
15 ment of dues, or other payment.

16 “(b) COORDINATION WITH OTHER PROVISIONS.—

17 “(1) OTHER REPORTS FILED WITH THE COM-
18 MISSION.—Information included in a statement filed
19 under this section may be excluded from statements
20 and reports filed under section 304.

21 “(2) TREATMENT AS SEPARATE SEGREGATED
22 FUND.—A segregated bank account referred to in
23 subsection (a)(2)(E) may be treated as a separate
24 segregated fund for purposes of section 527(f)(3) of
25 the Internal Revenue Code of 1986.

1 “(c) FILING.—Statements required to be filed under
 2 subsection (a) shall be subject to the requirements of sec-
 3 tion 304(d) to the same extent and in the same manner
 4 as if such reports had been required under subsection (c)
 5 or (g) of section 304.

6 “(d) CAMPAIGN-RELATED DISBURSEMENT DE-
 7 FINED.—

8 “(1) IN GENERAL.—In this section, the term
 9 ‘campaign-related disbursement’ means a disburse-
 10 ment by a covered organization for any of the fol-
 11 lowing:

12 “(A) An independent expenditure con-
 13 sisting of a public communication.

14 “(B) An electioneering communication, as
 15 defined in section 304(f)(3).

16 “(C) A covered transfer.

17 “(2) INTENT NOT REQUIRED.—A disbursement
 18 for an item described in subparagraph (A), (B), or
 19 (C) of paragraph (1) shall be treated as a campaign-
 20 related disbursement regardless of the intent of the
 21 person making the disbursement.

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

1 “(1) A corporation (other than an organization
2 described in section 501(c)(3) of the Internal Rev-
3 enue Code of 1986).

4 “(2) A limited liability corporation that is not
5 otherwise treated as a corporation for purposes of
6 this Act (other than an organization described in
7 section 501(c)(3) of the Internal Revenue Code of
8 1986).

9 “(3) An organization described in section
10 501(c) of such Code and exempt from taxation
11 under section 501(a) of such Code (other than an
12 organization described in section 501(c)(3) of such
13 Code).

14 “(4) A labor organization (as defined in section
15 316(b)).

16 “(5) Any political organization under section
17 527 of the Internal Revenue Code of 1986, other
18 than a political committee under this Act (except as
19 provided in paragraph (6)).

20 “(6) A political committee with an account that
21 accepts donations or contributions that do not com-
22 ply with the contribution limits or source prohibi-
23 tions under this Act, but only with respect to such
24 accounts.

25 “(f) COVERED TRANSFER DEFINED.—

1 “(1) IN GENERAL.—In this section, the term
2 ‘covered transfer’ means any transfer or payment of
3 funds by a covered organization to another person if
4 the covered organization—

5 “(A) designates, requests, or suggests that
6 the amounts be used for—

7 “(i) campaign-related disbursements
8 (other than covered transfers); or

9 “(ii) making a transfer to another
10 person for the purpose of making or pay-
11 ing for such campaign-related disburse-
12 ments;

13 “(B) made such transfer or payment in re-
14 sponse to a solicitation or other request for a
15 donation or payment for—

16 “(i) the making of or paying for cam-
17 paign-related disbursements (other than
18 covered transfers); or

19 “(ii) making a transfer to another
20 person for the purpose of making or pay-
21 ing for such campaign-related disburse-
22 ments;

23 “(C) engaged in discussions with the re-
24 cipient of the transfer or payment regarding—

1 “(i) the making of or paying for cam-
2 paign-related disbursements (other than
3 covered transfers); or

4 “(ii) donating or transferring any
5 amount of such transfer or payment to an-
6 other person for the purpose of making or
7 paying for such campaign-related disburse-
8 ments;

9 “(D) made campaign-related disburse-
10 ments (other than a covered transfer) in an ag-
11 gregate amount of \$50,000 or more during the
12 2-year period ending on the date of the transfer
13 or payment, or knew or had reason to know
14 that the person receiving the transfer or pay-
15 ment made such disbursements in such an ag-
16 gregate amount during that 2-year period; or

17 “(E) knew or had reason to know that the
18 person receiving the transfer or payment would
19 make campaign-related disbursements in an ag-
20 gregate amount of \$50,000 or more during the
21 2-year period beginning on the date of the
22 transfer or payment.

23 “(2) EXCLUSIONS.—The term ‘covered transfer’
24 does not include any of the following:

1 “(A) A disbursement made by a covered
 2 organization in a commercial transaction in the
 3 ordinary course of any trade or business con-
 4 ducted by the covered organization or in the
 5 form of investments made by the covered orga-
 6 nization.

7 “(B) A disbursement made by a covered
 8 organization if—

9 “(i) the covered organization prohib-
 10 ited, in writing, the use of such disburse-
 11 ment for campaign-related disbursements;
 12 and

13 “(ii) the recipient of the disbursement
 14 agreed to follow the prohibition and depos-
 15 ited the disbursement in an account which
 16 is segregated from any account used to
 17 make campaign-related disbursements.

18 “(3) EXCEPTION FOR CERTAIN TRANSFERS
 19 AMONG AFFILIATES.—

20 “(A) EXCEPTION FOR CERTAIN TRANS-
 21 FERS AMONG AFFILIATES.—

22 “(i) IN GENERAL.—The term ‘covered
 23 transfer’ does not include an amount
 24 transferred by one covered organization to

1 another covered organization if such trans-
2 fer—

3 “(I) is not made directly into a
4 separate segregated bank account de-
5 scribed in subsection (a)(2)(E); and

6 “(II) is treated as a transfer be-
7 tween affiliates under subparagraph
8 (B).

9 “(ii) SPECIAL RULE.—If the aggre-
10 gate amount of transfers described in
11 clause (i) exceeds \$50,000 in any election
12 reporting cycle—

13 “(I) the covered organization
14 which makes such transfers shall pro-
15 vide to the covered organization re-
16 ceiving such transfers the information
17 required under subsection (a)(2)(F)
18 (applied by substituting ‘the period
19 beginning on the first day of the elec-
20 tion reporting cycle and ending on the
21 date of the most recent transfer de-
22 scribed in subsection (f)(3)(A)(i)’ for
23 ‘the period covered by the statement’
24 in clause (i) thereof); and

1 “(II) the covered organization re-
2 ceiving such transfers shall report the
3 information described in subclause (I)
4 on any statement filed under sub-
5 section (a)(1) as if any contribution,
6 donation, or transfer to which such
7 information relates was made directly
8 to the covered organization receiving
9 the transfer.

10 “(B) DESCRIPTION OF TRANSFERS BE-
11 TWEEN AFFILIATES.—A transfer of amounts
12 from one covered organization to another cov-
13 ered organization shall be treated as a transfer
14 between affiliates if—

15 “(i) one of the organizations is an af-
16 filiate of the other organization; or

17 “(ii) each of the organizations is an
18 affiliate of the same organization,

19 except that the transfer shall not be treated as
20 a transfer between affiliates if one of the orga-
21 nizations is established for the purpose of mak-
22 ing campaign-related disbursements.

23 “(C) DETERMINATION OF AFFILIATE STA-
24 TUS.—For purposes of this paragraph, the fol-

1 lowing organizations shall be considered to be
2 affiliated with each other:

3 “(i) A membership organization, in-
4 cluding a trade or professional association,
5 and the related State and local entities of
6 that organization.

7 “(ii) A national or international labor
8 organization and its State or local unions,
9 or an organization of national or inter-
10 national unions and its State and local en-
11 tities.

12 “(iii) A corporation and its wholly
13 owned subsidiaries.

14 “(D) COVERAGE OF TRANSFERS TO AF-
15 FILATED SECTION 501(c)(3) ORGANIZA-
16 TIONS.—This paragraph shall apply with re-
17 spect to an amount transferred by a covered or-
18 ganization to an organization described in para-
19 graph (3) of section 501(c) of the Internal Rev-
20 enue Code of 1986 and exempt from tax under
21 section 501(a) of such Code in the same man-
22 ner as this paragraph applies to an amount
23 transferred by a covered organization to an-
24 other covered organization.”.

1 (2) CONFORMING AMENDMENT.—Section
2 304(f)(6) of such Act (52 U.S.C. 30104) is amended
3 by striking “Any requirement” and inserting “Ex-
4 cept as provided in section 324(b), any require-
5 ment”.

6 (3) COORDINATION WITH FINCEN.—

7 (A) IN GENERAL.—The Director of the Fi-
8 nancial Crimes Enforcement Network of the
9 Department of the Treasury shall provide the
10 Federal Election Commission with such infor-
11 mation as necessary to assist in administering
12 and enforcing section 324 of the Federal Elec-
13 tion Campaign Act of 1971, as added by this
14 subsection.

15 (B) REPORT.—Not later than 6 months
16 after the date of the enactment of this Act, the
17 Chairman of the Federal Election Commission,
18 in consultation with the Director of the Finan-
19 cial Crimes Enforcement Network of the De-
20 partment of the Treasury, shall submit to Con-
21 gress a report with recommendations for pro-
22 viding further legislative authority to assist in
23 the administration and enforcement of such sec-
24 tion 324.

1 **SEC. 202. EFFECTIVE DATE.**

2 Except as provided in section 201(a)(3), the amend-
3 ments made by this title shall apply with respect to dis-
4 bursements made on or after January 1, 2018, and shall
5 take effect without regard to whether or not the Federal
6 Election Commission has promulgated regulations to carry
7 out such amendments.

8 **TITLE III—OTHER PROVISIONS**

9 **SEC. 301. SEVERABILITY.**

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

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