

116TH CONGRESS
1ST SESSION

S. 2232

To amend the Federal Election Campaign Act of 1971 to reduce the number of members of the Federal Election Commission from 6 to 5, to revise the method of selection and terms of service of members of the Commission, to distribute the powers of the Commission between the Chair and the remaining members, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2019

Ms. KLOBUCHAR 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 reduce the number of members of the Federal Election Commission from 6 to 5, to revise the method of selection and terms of service of members of the Commission, to distribute the powers of the Commission between the Chair and the remaining members, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Campaign Finance
5 Transparency Act”.

1 **SEC. 2. MEMBERSHIP OF FEDERAL ELECTION COMMIS-**
 2 **SION.**

3 (a) REDUCTION IN NUMBER OF MEMBERS; REMOVAL
 4 OF SECRETARY OF SENATE AND CLERK OF HOUSE AS
 5 EX OFFICIO MEMBERS.—

6 (1) IN GENERAL; QUORUM.—Section 306(a)(1)
 7 of the Federal Election Campaign Act of 1971 (52
 8 U.S.C. 30106(a)(1)) is amended—

9 (A) by striking “There is established” and
 10 inserting “(A) There is established”; and

11 (B) by striking the second and third sen-
 12 tences and inserting the following:

13 “(B) The Commission is composed of 5 mem-
 14 bers appointed by the President by and with the ad-
 15 vice and consent of the Senate, of whom—

16 “(i) no more than 2 may be affiliated with
 17 the same political party; and

18 “(ii) at least 1 shall not be affiliated
 19 with—

20 “(I) the political party with which the
 21 most members of the House of Representa-
 22 tives are affiliated; or

23 “(II) the political party with which
 24 the second most member of the House of
 25 Representatives are affiliated.

1 A member shall be treated as affiliated with a political
 2 party if the member was affiliated, including as
 3 a registered voter, employee, consultant, donor, officer,
 4 or attorney, with such political party or any of
 5 its candidates or elected public officials at any time
 6 during the 5-year period ending on the date on
 7 which such individual is nominated to be a member
 8 of the Commission.

9 “(C) Four members shall constitute a
 10 quorum.”.

11 (2) CONFORMING AMENDMENTS RELATING TO
 12 REDUCTION IN NUMBER OF MEMBERS.—(A) The
 13 second sentence of section 306(c) of such Act (52
 14 U.S.C. 30106(c)) is amended by striking “affirmative
 15 vote of 4 members of the Commission” and inserting
 16 “affirmative vote of a majority of the members
 17 of the Commission who are serving at the
 18 time”.

19 (B) Such Act is further amended by striking
 20 “affirmative vote of 4 of its members” and inserting
 21 “affirmative vote of a majority of the members of
 22 the Commission who are serving at the time” each
 23 place it appears in the following sections:

24 (i) Section 309(a)(2) (52 U.S.C.
 25 30109(a)(2)).

1 (ii) Section 309(a)(4)(A)(i) (52 U.S.C.
2 30109(a)(4)(A)(i)).

3 (iii) Section 309(a)(5)(C) (52 U.S.C.
4 30109(a)(5)(C)).

5 (iv) Section 309(a)(6)(A) (52 U.S.C.
6 30109(a)(6)(A)).

7 (v) Section 311(b) (52 U.S.C. 30111(b)).

8 (3) CONFORMING AMENDMENT RELATING TO
9 REMOVAL OF EX OFFICIO MEMBERS.—Section
10 306(a) of such Act (52 U.S.C. 30106(a)) is amend-
11 ed by striking “(other than the Secretary of the Sen-
12 ate and the Clerk of the House of Representatives)”
13 each place it appears in paragraphs (4) and (5).

14 (b) TERMS OF SERVICE.—Section 306(a)(2) of such
15 Act (52 U.S.C. 30106(a)(2)) is amended to read as fol-
16 lows:

17 “(2) TERMS OF SERVICE.—

18 “(A) IN GENERAL.—Each member of the
19 Commission shall serve for a single term of 6
20 years.

21 “(B) SPECIAL RULE FOR INITIAL APPOINT-
22 MENTS.—Of the members first appointed to
23 serve terms that begin in January 2022, the
24 President shall designate 2 to serve for 3-year
25 terms. The members selected under this sub-

1 paragraph shall not be affiliated with the same
2 political party.

3 “(C) NO REAPPOINTMENT PERMITTED.—

4 An individual who served a term as a member
5 of the Commission may not serve for an addi-
6 tional term, except that—

7 “(i) an individual who served a 3-year
8 term under subparagraph (B) may also be
9 appointed to serve a 6-year term under
10 subparagraph (A); and

11 “(ii) for purposes of this subpara-
12 graph, an individual who is appointed to
13 fill a vacancy under subparagraph (D)
14 shall not be considered to have served a
15 term if the portion of the unexpired term
16 the individual fills is less than 50 percent
17 of the period of the term.

18 “(D) VACANCIES.—Any vacancy occurring
19 in the membership of the Commission shall be
20 filled in the same manner as in the case of the
21 original appointment. Except as provided in
22 subparagraph (C), an individual appointed to
23 fill a vacancy occurring other than by the expi-
24 ration of a term of office shall be appointed

only for the unexpired term of the member he or she succeeds.

“(E) LIMITATION ON SERVICE AFTER EXPIRATION OF TERM.—A member of the Commission may continue to serve on the Commission after the expiration of the member’s term for an additional period, but only until the earlier of—

“(i) the date on which the member’s successor has taken office as a member of the Commission; or

“(ii) the expiration of the 1-year period that begins on the last day of the member’s term.”.

(c) QUALIFICATIONS.—Section 306(a)(3) of such Act (52 U.S.C. 30106(a)(3)) is amended to read as follows:

“(3) QUALIFICATIONS.—

“(A) IN GENERAL.—The President may select an individual for service as a member of the Commission if the individual has experience in election law and has a demonstrated record of integrity, impartiality, and good judgment.

“(B) ASSISTANCE OF BLUE RIBBON ADVISORY PANEL.—

1 “(i) IN GENERAL.—Prior to the regu-
2 larly scheduled expiration of the term of a
3 member of the Commission and upon the
4 occurrence of a vacancy in the membership
5 of the Commission prior to the expiration
6 of a term, the President shall convene a
7 Blue Ribbon Advisory Panel consisting of
8 an odd number of individuals selected by
9 the President.

10 “(ii) COMPOSITION.—The Blue Rib-
11 bon Advisory Panel shall include individ-
12 uals representing each major political
13 party and individuals who are independent
14 of a political party and individuals with ex-
15 perience in election law, except that the
16 President may not select any individual to
17 serve on the panel who holds any public of-
18 fice at the time of selection. The President
19 shall make reasonable efforts to encourage
20 racial, ethnic, and gender diversity on the
21 panel.

22 “(iii) RECOMMENDATIONS.—With re-
23 spect to each member of the Commission
24 whose term is expiring or each vacancy in
25 the membership of the Commission (as the

1 case may be), the Blue Ribbon Advisory
2 Panel shall recommend to the President at
3 least one but not more than 3 individuals
4 for nomination for appointment as a mem-
5 ber of the Commission.

6 “(iv) PUBLICATION.—At the time the
7 President submits to the Senate the nomi-
8 nations for individuals to be appointed as
9 members of the Commission, the President
10 shall publish the Blue Ribbon Advisory
11 Panel’s recommendations for such nomina-
12 tions.

13 “(v) EXEMPTION FROM FEDERAL AD-
14 VISORY COMMITTEE ACT.—The Federal
15 Advisory Committee Act (5 U.S.C. App.)
16 does not apply to a Blue Ribbon Advisory
17 Panel convened under this subparagraph.

18 “(C) PROHIBITING ENGAGEMENT WITH
19 OTHER BUSINESS OR EMPLOYMENT DURING
20 SERVICE.—A member of the Commission shall
21 not engage in any other business, vocation, or
22 employment. Any individual who is engaging in
23 any other business, vocation, or employment at
24 the time of his or her appointment to the Com-
25 mission shall terminate or liquidate such activ-

1 ity no later than 90 days after such appoint-
2 ment.”.

3 **SEC. 3. ASSIGNMENT OF POWERS TO CHAIR OF FEDERAL**
4 **ELECTION COMMISSION.**

5 (a) APPOINTMENT OF CHAIR BY PRESIDENT.—

6 (1) IN GENERAL.—Section 306(a)(5) of the
7 Federal Election Campaign Act of 1971 (52 U.S.C.
8 30106(a)(5)) is amended to read as follows:

9 “(5) CHAIR.—

10 “(A) INITIAL APPOINTMENT.—Of the
11 members first appointed to serve terms that
12 begin in January 2022, one such member (as
13 designated by the President at the time the
14 President submits nominations to the Senate)
15 shall serve as Chair of the Commission.

16 “(B) SUBSEQUENT APPOINTMENTS.—Any
17 individual who is appointed to succeed the
18 member who serves as Chair of the Commission
19 for the term beginning in January 2022 (as
20 well as any individual who is appointed to fill
21 a vacancy if such member does not serve a full
22 term as Chair) shall serve as Chair of the Com-
23 mission.

24 “(C) VICE CHAIR.—The Commission shall
25 select, by majority vote of its members, one of

1 its members to serve as Vice Chair, who shall
 2 act as Chair in the absence or disability of the
 3 Chair or in the event of a vacancy in the posi-
 4 tion of Chair.”.

5 (2) CONFORMING AMENDMENT.—Section
 6 309(a)(2) of such Act (52 U.S.C. 30109(a)(2)) is
 7 amended by striking “through its chairman or vice
 8 chairman” and inserting “through the Chair”.

9 (b) POWERS.—

10 (1) ASSIGNMENT OF CERTAIN POWERS TO
 11 CHAIR.—Section 307(a) of such Act (52 U.S.C.
 12 30107(a)) is amended to read as follows:

13 “(a) DISTRIBUTION OF POWERS BETWEEN CHAIR
 14 AND COMMISSION.—

15 “(1) POWERS ASSIGNED TO CHAIR.—

16 “(A) ADMINISTRATIVE POWERS.—The
 17 Chair of the Commission shall be the chief ad-
 18 ministrative officer of the Commission and shall
 19 have the authority to administer the Commis-
 20 sion and its staff, and (in consultation with the
 21 other members of the Commission) shall have
 22 the power—

23 “(i) to appoint and remove the staff
 24 director of the Commission;

1 “(ii) to request the assistance (includ-
2 ing personnel and facilities) of other agen-
3 cies and departments of the United States,
4 whose heads may make such assistance
5 available to the Commission with or with-
6 out reimbursement; and

7 “(iii) to prepare and establish the
8 budget of the Commission and to make
9 budget requests to the President, the Di-
10 rector of the Office of Management and
11 Budget, and Congress.

12 “(B) OTHER POWERS.—The Chair of the
13 Commission shall have the power—

14 “(i) to appoint and remove the gen-
15 eral counsel of the Commission;

16 “(ii) to appoint and remove the direc-
17 tor of enforcement of the Commission with
18 the concurrence of at least 2 other mem-
19 bers of the Commission who are not affili-
20 ated with the same political party as the
21 Chair;

22 “(iii) to require by special or general
23 orders, any person to submit, under oath,
24 such written reports and answers to ques-
25 tions as the Chair may prescribe;

1 “(iv) to administer oaths or affirma-
2 tions;

3 “(v) to require by subpoena, signed by
4 the Chair, the attendance and testimony of
5 witnesses and the production of all docu-
6 mentary evidence relating to the execution
7 of its duties;

8 “(vi) in any proceeding or investiga-
9 tion, to order testimony to be taken by
10 deposition before any person who is des-
11 ignated by the Chair, and shall have the
12 power to administer oaths and, in such in-
13 stances, to compel testimony and the pro-
14 duction of evidence in the same manner as
15 authorized under clause (iv); and

16 “(vii) to pay witnesses the same fees
17 and mileage as are paid in like cir-
18 cumstances in the courts of the United
19 States.

20 “(2) POWERS ASSIGNED TO COMMISSION.—The
21 Commission shall have the power—

22 “(A) to initiate (through civil actions for
23 injunctive, declaratory, or other appropriate re-
24 lief) any civil action in the name of the Com-
25 mission to enforce the provisions of this Act

1 and chapter 95 and chapter 96 of the Internal
2 Revenue Code of 1986, through its director of
3 enforcement;

4 “(B) to defend (in the case of any civil ac-
5 tion brought under section 309(a)(8) of this
6 Act) or appeal (including a proceeding before
7 the Supreme Court on certiorari) any civil ac-
8 tion in the name of the Commission to enforce
9 the provisions of this Act and chapter 95 and
10 chapter 96 of the Internal Revenue Code of
11 1986, through its general counsel;

12 “(C) to render advisory opinions under sec-
13 tion 308 of this Act;

14 “(D) to develop such prescribed forms and
15 to make, amend, and repeal such rules, pursu-
16 ant to the provisions of chapter 5 of title 5,
17 United States Code, as are necessary to carry
18 out the provisions of this Act and chapter 95
19 and chapter 96 of the Internal Revenue Code of
20 1986;

21 “(E) to oversee investigations conducted by
22 the director of enforcement;

23 “(F) to conduct hearings expeditiously, to
24 encourage voluntary compliance, and to report

1 apparent violations to the appropriate law en-
2 forcement authorities; and

3 “(G) to transmit to the President and Con-
4 gress not later than June 1 of each year a re-
5 port which states in detail the activities of the
6 Commission in carrying out its duties under
7 this Act, and which includes any recommenda-
8 tions for any legislative or other action the
9 Commission considers appropriate.

10 “(3) PERMITTING COMMISSION TO EXERCISE
11 OTHER POWERS OF CHAIR.—With respect to any in-
12 vestigation, action, or proceeding, the Commission,
13 by an affirmative vote of a majority of the members
14 who are serving at the time, may exercise any of the
15 powers of the Chair described in paragraph (1)(B).”.

16 (2) CONFORMING AMENDMENTS RELATING TO
17 PERSONNEL AUTHORITY.—Section 306(f) of such
18 Act (52 U.S.C. 30106(f)) is amended—

19 (A) by striking “the Commission” in the
20 first sentence of paragraph (1) and inserting
21 “the Chair of the Commission in consultation
22 with the other members”;

23 (B) in paragraph (2), by striking “With
24 the approval of the Commission” and inserting

1 “With the approval of the Chair of the Commis-
 2 sion”; and

3 (C) by striking paragraph (3).

4 (3) CONFORMING AMENDMENT RELATING TO
 5 BUDGET SUBMISSION.—Section 307(d)(1) of such
 6 Act (52 U.S.C. 30107(d)(1)) is amended by striking
 7 “the Commission submits any budget” and inserting
 8 “the Chair (or, pursuant to subsection (a)(3), the
 9 Commission) submits any budget”.

10 (4) OTHER CONFORMING AMENDMENTS.—Sec-
 11 tion 306(c) of such Act (52 U.S.C. 30106(c)) is
 12 amended by striking “All decisions” and inserting
 13 “Subject to section 307(a), all decisions”.

14 (5) TECHNICAL AMENDMENT.—The heading of
 15 section 307 of such Act (52 U.S.C. 30107) is
 16 amended by striking “THE COMMISSION” and insert-
 17 ing “THE CHAIR AND THE COMMISSION”.

18 **SEC. 4. REVISION TO ENFORCEMENT PROCESS.**

19 (a) ESTABLISHMENT OF DIRECTOR OF ENFORCE-
 20 MENT.—Paragraph (1) of section 306(f) of the Federal
 21 Election Campaign Act of 1971 (52 U.S.C. 30109(f)(1))
 22 is amended to read as follows:

23 “(1) The Commission shall have the following:

24 “(A) A staff director who—

1 “(i) shall be appointed by the Chair of
2 the Commission in consultation with the
3 other members; and

4 “(ii) except as provided in subpara-
5 graph (C), may, with the approval of the
6 Chair of the Commission, appoint and fix
7 the pay of such additional personnel as he
8 or she considers desirable without regard
9 to the provisions of title 5, United States
10 Code, governing appointments in the com-
11 petitive service.

12 “(B) A general counsel who shall be ap-
13 pointed by the Chair of the Commission in con-
14 sultation with the other members.

15 “(C) A director of enforcement who—

16 “(i) shall be nominated by the Chair
17 and approved by a majority vote of the
18 members of the Commission who are serv-
19 ing at the time, including an affirmative
20 vote by at least 2 members who are not af-
21 filiated with the same political party as the
22 Chair;

23 “(ii) shall serve for a term of 4 years,
24 subject to renewal; and

1 “(iii) may, with the approval of the
 2 Chair of the Commission, appoint and fix
 3 the pay of such additional personnel to as-
 4 sist with the duties of the director as he or
 5 she considers desirable without regard to
 6 the provisions of title 5, United States
 7 Code, governing appointments in the com-
 8 petitive service.”.

9 (b) STANDARD FOR INITIATING INVESTIGATIONS AND
 10 DETERMINING WHETHER VIOLATIONS HAVE OC-
 11 CURRED.—

12 (1) REVISION OF STANDARDS.—Section 309(a)
 13 of the Federal Election Campaign Act of 1971 (52
 14 U.S.C. 30109(a)) is amended by striking paragraphs
 15 (2) and (3) and inserting the following:

16 “(2)(A) The director of enforcement, upon receiving
 17 a complaint filed with the Commission under paragraph
 18 (1) or upon the basis of information ascertained by the
 19 Commission in the normal course of carrying out its su-
 20 pervisory responsibilities, shall make a determination as
 21 to whether or not there is reason to believe that a person
 22 has committed, or is about to commit, a violation of this
 23 Act or chapter 95 or chapter 96 of the Internal Revenue
 24 Code of 1986, and as to whether or not the Commission
 25 should either initiate an investigation of the matter or that

1 the complaint should be dismissed. The director of en-
2 forcement shall promptly provide notification to the Com-
3 mission of such determination and the reasons therefore,
4 together with any written response submitted under para-
5 graph (1) by the person alleged to have committed the
6 violation. Upon the expiration of the 30-day period which
7 begins on the date the director of enforcement provides
8 such notification, the director's determination shall take
9 effect, unless during such 30-day period the Commission,
10 by vote of a majority of the members of the Commission
11 who are serving at the time, overrules the director's deter-
12 mination. If the determination by the director of enforce-
13 ment that the Commission should investigate the matter
14 takes effect, or if the determination by the director of en-
15 forcement that the complaint should be dismissed is over-
16 ruled as provided under the previous sentence, the director
17 of enforcement shall initiate an investigation of the matter
18 on behalf of the Commission.

19 “(B) If the Commission initiates an investigation
20 pursuant to subparagraph (A), the Commission, through
21 the Chair, shall notify the subject of the investigation of
22 the alleged violation. Such notification shall set forth the
23 factual basis for such alleged violation. The Commission
24 shall make an investigation of such alleged violation, which
25 may include a field investigation or audit, in accordance

1 with the provisions of this section. The director of enforce-
2 ment shall provide notification to the Commission of any
3 intent to issue a subpoena or conduct any other form of
4 discovery pursuant to the investigation. Upon the expira-
5 tion of the 15-day period which begins on the date the
6 director of enforcement provides such notification, the di-
7 rector of enforcement may issue the subpoena or conduct
8 the discovery, unless during such 15-day period the Com-
9 mission, by vote of a majority of the members of the Com-
10 mission who are serving at the time, prohibits the director
11 of enforcement from issuing the subpoena or conducting
12 the discovery.

13 “(3)(A) Upon completion of an investigation under
14 paragraph (2), the director of enforcement shall promptly
15 submit to the Commission the director’s recommendation
16 that the Commission find either that there is probable
17 cause or that there is not probable cause to believe that
18 a person has committed, or is about to commit, a violation
19 of this Act or chapter 95 or chapter 96 of the Internal
20 Revenue Code of 1986, and shall include with the rec-
21 ommendation a brief stating the position of the director
22 of enforcement on the legal and factual issues of the case.

23 “(B) At the time the director of enforcement submits
24 to the Commission the recommendation under subpara-
25 graph (A), the director of enforcement shall simulta-

1 neously notify the respondent of such recommendation and
2 the reasons therefore, shall provide the respondent with
3 an opportunity to submit a brief within 30 days stating
4 the position of the respondent on the legal and factual
5 issues of the case and replying to the brief of the director
6 of enforcement. The director of enforcement and shall
7 promptly submit such brief to the Commission upon re-
8 ceipt.

9 “(C) Not later than 30 days after the director of en-
10 forcement submits the recommendation to the Commission
11 under subparagraph (A) (or, if the respondent submits a
12 brief under subparagraph (B), not later than 30 days after
13 the director of enforcement submits the respondent’s brief
14 to the Commission under such subparagraph), the Com-
15 mission shall approve or disapprove the recommendation
16 by vote of a majority of the members of the Commission
17 who are serving at the time. In the case of a tie vote,
18 the Commission shall be considered to have adopted the
19 recommendation.”.

20 (2) CONFORMING AMENDMENT RELATING TO
21 INITIAL RESPONSE TO FILING OF COMPLAINT.—Sec-
22 tion 309(a)(1) of such Act (52 U.S.C. 30109(a)(1))
23 is amended—

1 (A) in the third sentence, by striking “the
2 Commission” and inserting “the director of en-
3 forcement”; and

4 (B) by amending the fourth sentence to
5 read as follows: “Not later than 15 days after
6 receiving notice from the director of enforce-
7 ment under the previous sentence, the person
8 may provide the director of enforcement with a
9 written response that no action should be taken
10 against such person on the basis of the com-
11 plaint.”.

12 (c) REVISION OF STANDARD FOR REVIEW OF DIS-
13 MISSAL OF COMPLAINTS.—

14 (1) IN GENERAL.—Section 309(a)(8) of such
15 Act (52 U.S.C. 30109(a)(8)) is amended to read as
16 follows:

17 “(8)(A)(i) Any party aggrieved by an action of the
18 Commission (including a determination of the director of
19 enforcement which is not overruled by the Commission)
20 dismissing a complaint filed by such party after finding
21 either no reason to believe a violation has occurred or no
22 probable cause a violation has occurred may file a petition
23 with the United States District Court for the District of
24 Columbia. Any petition under this subparagraph shall be

1 filed within 60 days after the date on which the party re-
2 ceived notice of the dismissal of the complaint.

3 “(ii) In any proceeding under this subparagraph, the
4 court shall determine by de novo review whether the dis-
5 missal of the complaint is contrary to law. In any matter
6 in which the penalty for the alleged violation is greater
7 than \$50,000, the court should disregard any claim or de-
8 fense by the Commission of prosecutorial discretion as a
9 basis for dismissing the complaint.

10 “(B)(i) Any party who has filed a complaint with the
11 Commission and who is aggrieved by a failure of the Com-
12 mission, within one year after the filing of the complaint,
13 to either dismiss the complaint or to find reason to believe
14 a violation has occurred or is about to occur, may file a
15 petition with the United States District Court for the Dis-
16 trict of Columbia.

17 “(ii) The Commission may submit under seal an ex
18 parte request for a temporary stay of any proceeding initi-
19 ated under clause (i), and the court may grant such re-
20 quest if it determines that the investigation of the com-
21 plaint by the Commission is being held in abeyance on a
22 reasonable basis.

23 “(iii) In any proceeding under this subparagraph, ex-
24 cept in the case of a stay granted under clause (ii), the
25 court shall treat the failure to act on the complaint as

1 a dismissal of the complaint, and shall determine by de
 2 novo review whether the agency's failure to act on the
 3 complaint is contrary to law.

4 “(C) In any proceeding under this paragraph the
 5 court may declare that the dismissal of the complaint or
 6 the failure to act is contrary to law, and may direct the
 7 Commission to conform with such declaration within 30
 8 days, failing which the complainant may bring, in the
 9 name of such complainant, a civil action to remedy the
 10 violation involved in the original complaint.”.

11 (2) EFFECTIVE DATE.—The amendments made
 12 by paragraph (1) shall apply—

13 (A) in the case of complaints which are
 14 dismissed by the Federal Election Commission,
 15 with respect to complaints which are dismissed
 16 on or after the date of the enactment of this
 17 Act; and

18 (B) in the case of complaints upon which
 19 the Federal Election Commission failed to act,
 20 with respect to complaints which were filed on
 21 or after the date of the enactment of this Act.

1 **SEC. 5. RESTORING THE COMMISSION'S RANDOM AUDIT**

2 **AUTHORITY.**

3 Section 311(b) of the Federal Election Campaign Act
4 of 1971 (52 U.S.C. 30111(a)) is amended to read as fol-
5 lows:

6 “(b) AUDITS.—

7 “(1) IN GENERAL.—The Commission shall con-
8 duct audits and field investigations of not less than
9 10 percent of political committees required to file a
10 report under section 304 of this Act. Such audits
11 and field investigations shall be conducted propor-
12 tionally among—

13 “(A) authorized committees of candidates;

14 “(B) political committees established and
15 maintained by political parties;

16 “(C) political committees not described in
17 subparagraph (A) or (B) that accepts donations
18 or contributions that do not comply with the
19 limitations, prohibitions, and reporting require-
20 ments of this Act; and

21 “(D) political committees not described in
22 subparagraph (A), (B), or (C).

23 “(2) PRIORITY.—All audits and field investiga-
24 tions concerning the verification for, and receipt and
25 use of, any payments received by a candidate or

1 committee under chapter 95 or chapter 96 of the In-
 2 ternal Revenue Code of 1986 shall be given priority.

3 “(3) DETERMINATION OF VIOLATIONS.—The
 4 Commission shall establish materiality thresholds
 5 with respect to the enforcement of a violation of any
 6 provision of this Act which is discovered during an
 7 audit conducted under this subsection.”.

8 **SEC. 6. PERMANENT EXTENSION OF ADMINISTRATIVE PEN-**
 9 **ALTY AUTHORITY.**

10 (a) EXTENSION OF AUTHORITY.—Section
 11 309(a)(4)(C)(v) of the Federal Election Campaign Act of
 12 1971 (52 U.S.C. 30109(a)(4)(C)(v)) is amended by strik-
 13 ing “, and that end on or before December 31, 2023”.

14 (b) EFFECTIVE DATE.—The amendment made by
 15 subsection (a) shall take effect on December 31, 2019.

16 **SEC. 7. PERMITTING APPEARANCE AT HEARINGS ON RE-**
 17 **QUESTS FOR ADVISORY OPINIONS BY PER-**
 18 **SONS OPPOSING THE REQUESTS.**

19 (a) IN GENERAL.—Section 308 of such Act (52
 20 U.S.C. 30108) is amended by adding at the end the fol-
 21 lowing new subsection:

22 “(e) To the extent that the Commission provides an
 23 opportunity for a person requesting an advisory opinion
 24 under this section (or counsel for such person) to appear
 25 before the Commission to present testimony in support of

1 the request, and the person (or counsel) accepts such op-
 2 portunity, the Commission shall provide a reasonable op-
 3 portunity for an interested party who submitted written
 4 comments under subsection (d) in response to the request
 5 (or counsel for such interested party) to appear before the
 6 Commission to present testimony in response to the re-
 7 quest.”.

8 (b) EFFECTIVE DATE.—The amendment made by
 9 subsection (a) shall apply with respect to requests for advi-
 10 sory opinions under section 308 of the Federal Election
 11 Campaign Act of 1971 which are made on or after the
 12 date of the enactment of this Act.

13 **SEC. 8. REVISING PROHIBITIONS ON FRAUDULENT MIS-**
 14 **REPRESENTATION OF CAMPAIGN AUTHOR-**
 15 **ITY.**

16 Section 322 of the Federal Election Campaign Act
 17 of 1971 (52 U.S.C. 30124) is amended—

18 (1) in subsection (a)—

19 (A) by striking “who is a candidate for
 20 Federal office or an employee or agent of such
 21 a candidate” in the matter preceding paragraph
 22 (1);

23 (B) by striking “other candidate or polit-
 24 ical party or employee or agent thereof on a
 25 matter which is damaging to such other can-

1 didate or political party or employee or agent
 2 thereof” and inserting “candidate, political
 3 party, other real or fictitious political committee
 4 or organization, or employee or agent or any of
 5 the foregoing,”; and

6 (2) in subsection (b)(1), by striking “candidate
 7 or political party or employee or agent thereof” and
 8 inserting “candidate, political party, other real or
 9 fictitious committee or organization, or employee or
 10 agent of any of the foregoing”.

11 **SEC. 9. PROHIBITING FRAUDULENT PAC PRACTICES.**

12 (a) IN GENERAL.—

13 (1) PROHIBITION.—Section 313 of the Federal
 14 Election Campaign Act of 1971 (52 U.S.C. 30114)
 15 is amended by adding at the end the following new
 16 subsection:

17 “(d) PROHIBITED USES BY OTHER POLITICAL COM-
 18 MITTEES.—

19 “(1) IN GENERAL.—A contribution or donation
 20 that is made to a political committee and is not de-
 21 scribed in subsection (a) shall not be converted to
 22 personal use (including any use described in sub-
 23 paragraphs (A) through (I) of subsection (b)(2)).

24 “(2) SELF-DEALING.—

1 “(A) IN GENERAL.—For purposes of para-
 2 graph (1), a contribution or donation shall be
 3 presumed to be converted to personal use if the
 4 contribution or donation is used to make a sig-
 5 nificant disbursement to a controlling person.

6 “(B) REBUTTAL.—The presumption in
 7 subparagraph (A) may be rebutted only upon a
 8 showing that—

9 “(i) the significant disbursement to
 10 the controlling person is a bona fide pay-
 11 ment for goods or services at no greater
 12 than fair market value;

13 “(ii) the significant disbursement was
 14 negotiated at arms’ length by and ap-
 15 proved by an agent of the committee
 16 who—

17 “(I) was neither the controlling
 18 person nor in an employment relation-
 19 ship directly or indirectly subject to
 20 the direction or control of the control-
 21 ling person;

22 “(II) relied upon appropriate
 23 data as to fair market value prior to
 24 approving the disbursement; and

1 “(III) documented the basis for
2 the approval determination concu-
3 rently with making that determina-
4 tion; and

5 “(iii) at the time the significant dis-
6 bursement was made, the aggregate total
7 of itemized contributions to the committee
8 during the election cycle exceeded the ag-
9 gregate total of disbursements to control-
10 ling persons by the committee during the
11 election cycle.

12 “(C) DEFINITIONS.—For purposes of this
13 paragraph:

14 “(i) CONTROLLING PERSON.—The
15 term ‘controlling person’ means any person
16 who has authority or ability to direct or
17 control the committee’s disbursements, any
18 family member or business partner of such
19 person, and any corporation (whether for-
20 profit or not-for-profit, but not including
21 publicly traded corporations), limited liabil-
22 ity company, partnership, trust, bank or fi-
23 nancial account, or other entity owned or
24 controlled in whole or in part by such per-
25 son, family member, or business partner.

1 “(ii) SIGNIFICANT DISBURSEMENT.—

2 The term ‘significant disbursement’ means
3 any disbursement to a person if—

4 “(I) such disbursement exceeds
5 \$1,000; or

6 “(II) such disbursement, when
7 aggregated with all other disburse-
8 ments by the committee to the person
9 within the calendar year, exceeds
10 \$5,000.”.

11 (2) CONFORMING AMENDMENT.—The heading
12 for subsection (b) of section 313 of such Act (52
13 U.S.C. 30114) is amended by inserting “BY CAN-
14 DIDATES AND OFFICE HOLDERS” after “PROHIB-
15 ITED USES”.

16 (b) REPORTING.—Section 304(b)(6)(B) of the Fed-
17 eral Election Campaign Act of 1971 (52 U.S.C.
18 30104(b)(6)(B)) is amended by striking “and” at the end
19 of clause (iv), by inserting “and” at the end of clause (v),
20 and by adding at the end the following new clause:

21 “(vi) person who during the reporting
22 period received a disbursement that con-
23 stituted a significant disbursement to a
24 controlling person within the meaning of
25 section 313(b)(2), together with the date,

1 amount, and purpose of the significant dis-
2 bursement and a sworn statement dem-
3 onstrating that the requirements of
4 313(b)(2)(B) were satisfied;”.

5 (c) STUDY ON ADDITIONAL MEASURES.—Not later
6 than 120 days after the enactment of this Act, the Chair-
7 man of the Federal Trade Commission and the Chairman
8 of the Federal Election Commission shall jointly submit
9 to Congress a report on measures that should be taken
10 by Congress or the Federal Election Commission to limit
11 fraudulent solicitations by political committees.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to disbursements made after the
14 date of the enactment of this Act.

15 **SEC. 10. PROHIBITION ON AIDING OR ABETTING THE MAK-**
16 **ING OF CONTRIBUTIONS IN THE NAME OF AN-**
17 **OTHER.**

18 Section 320 of the Federal Election Campaign Act
19 of 1971 (52 U.S.C. 30122) is amended—

20 (1) by striking “No person” and inserting the
21 following:

22 “(a) IN GENERAL.—No person”; and

23 (2) by adding at the end the following:

1 “(b) AIDING OR ABETTING.—No person shall know-
 2 ingly direct, help, or assist any person in making a con-
 3 tribution in the name of another.”.

4 **SEC. 11. RULES RELATING TO CONVERSION OF CAMPAIGN**
 5 **FUNDS.**

6 Section 313(b) of the Federal Election Campaign Act
 7 of 1971 (52 U.S.C. 30114(b)) is amended—

8 (1) in paragraph (1), by inserting “and any
 9 other contribution or donation accepted by a political
 10 committee” after “subsection (a)”; and

11 (2) in paragraph (2)—

12 (A) by inserting “, in the case of a con-
 13 tribution or donation described in subsection
 14 (a),” after “if”;

15 (B) by striking “including” and inserting “
 16 and, in the case of any other contribution or do-
 17 nation accepted by a political committee, the
 18 contribution or amount is used to fulfill any
 19 commitment, obligation, or expense of a person
 20 that would exist irrespective of such political
 21 committee’s political activities. Conversion to
 22 personal use shall include”;

23 (C) by striking subparagraph (C) and in-
 24 serting the following:

1 “(C) an automobile expense that is not re-
 2 lated to a campaign or the political activities of
 3 the committee;”;

4 (D) in subparagraph (E), by striking
 5 “non-campaign-related trip” and inserting “trip
 6 not related to a campaign or the political activi-
 7 ties of the committee”; and

8 (E) in subparagraph (H), by inserting “or
 9 the political activities of the committee” after
 10 “election campaign”.

11 **SEC. 12. INCREASING AND INDEXING FOR INFLATION REG-**
 12 **ISTRATION AND REPORTING THRESHOLDS.**

13 (a) **REGISTRATION THRESHOLDS.**—Section 301(4) of
 14 the Federal Election Campaign Act of 1971 (52 U.S.C.
 15 30101(4)) is amended—

16 (1) in subparagraph (A), by striking “\$1,000”
 17 each place it appears and inserting “\$5,000”;

18 (2) in subparagraph (C)—

19 (A) by striking “receives contributions ag-
 20 gregating in excess of \$5,000 during a calendar
 21 year, or”;

22 (B) by striking “, or makes contributions
 23 in excess of \$1,000” and inserting “or makes
 24 contributions in excess of \$5,000”; and

1 (C) by striking “or makes expenditures ag-
 2 gregating in excess of \$1,000 during a calendar
 3 year”; and

4 (3) by adding at the end the following new
 5 flush sentence:

6 “In any calendar year after 2020, section
 7 315(c)(1)(B) shall apply to each amount described
 8 in subparagraphs (A) and (C) of this paragraph in
 9 the same manner as such section applies to the limi-
 10 tations established under subsections (a)(1)(A),
 11 (a)(1)(B), (a)(3), and (h) of such section, except
 12 that for purposes of applying such section to the
 13 amounts described in subparagraphs (A) and (C) of
 14 this paragraph, the ‘base period’ shall be 2020.”.

15 (b) REPORTING THRESHOLDS.—

16 (1) MODIFICATION OF INDEPENDENT EXPENDI-
 17 TURE REPORTING THRESHOLD.—Section 304(c)(1)
 18 of the Federal Election Campaign Act of 1971 (52
 19 U.S.C. 30104(c)(1)) is amended by striking “\$250”
 20 in paragraph (1) and inserting “\$1,000”.

21 (2) INFLATION ADJUSTMENT.—Section 304 of
 22 such Act (52 U.S.C. 30104) is amended by adding
 23 at the end the following new subsection:

24 “(j) INFLATION ADJUSTMENTS.—

1 “(1) IN GENERAL.—In any odd-numbered cal-
2 endar year after 2020—

3 “(A) each of the dollar amounts described
4 in paragraph (2) shall be increased by the per-
5 cent difference determined under section
6 315(c)(1)(A) (applied as if the base period was
7 calendar year 2020);

8 “(B) each amount so increased shall re-
9 main in effect for the 2-year period beginning
10 on the first day following the date of the last
11 general election in the year preceding the year
12 in which the amount is increased and ending on
13 the date of the next general election; and

14 “(C) if any amount after adjustment under
15 subparagraph (A) is not a multiple of \$100,
16 such amount shall be rounded to the nearest
17 multiple of \$100.

18 “(2) DOLLAR AMOUNTS DESCRIBED.—The dol-
19 lar amounts described in this paragraph are the fol-
20 lowing:

21 “(A) Each of the \$100,000 amounts in
22 clauses (i) and (iii) of subsection (a)(3)(A).

23 “(B) The \$1,000 amount in subsection
24 (a)(6)(A).

1 “(C) Each of the \$200 amounts in sub-
2 paragraphs (A), (F), and (G) of subsection
3 (b)(3).

4 “(D) The \$200 amount in subsection
5 (b)(5)(A).

6 “(E) Each of the \$200 amounts in sub-
7 paragraphs (A), (B)(iii), and (B)(v) of sub-
8 section (b)(6).

9 “(F) The \$1,000 amount in subsection
10 (c)(1).

11 “(G) The \$200 amount in subsection
12 (c)(2)(C).

13 “(H) The \$5,000 amount in subsection
14 (e)(2)(A).

15 “(I) The \$200 amount in subsection
16 (e)(3).

17 “(J) Each of the \$10,000 amounts in
18 paragraphs (1), (4)(A) and (4)(B) of subsection
19 (f).

20 “(K) The \$200 amount in subsection
21 (f)(2)(C).

22 “(L) Each of the \$1,000 amounts in sub-
23 paragraphs (E) and (F) of subsection (f)(2)(C).

24 “(M) Each of the \$1,000 amounts in sub-
25 paragraphs (A) and (B) of subsection (g)(1).

1 “(N) Each of the \$10,000 amounts in sub-
 2 paragraphs (A) and (B) of subsection (g)(2).”.

3 (c) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to calendar years beginning after
 5 December 31, 2019.

6 **SEC. 13. PERMITTING POLITICAL COMMITTEES TO MAKE**
 7 **DISBURSEMENTS BY METHODS OTHER THAN**
 8 **CHECK.**

9 Section 302(h)(1) of the Federal Election Campaign
 10 Act of 1971 (52 U.S.C. 30102(h)(1)) is amended by strik-
 11 ing the last sentence and inserting the following: “No dis-
 12 bursements may be made (other than petty cash disburse-
 13 ments under paragraph (2)) by such committee except
 14 from such accounts.”.

15 **SEC. 14. ELECTRONIC FILING OF ELECTIONEERING COM-**
 16 **MUNICATION REPORTS.**

17 Section 304(a)(11)(A)(i) of the Federal Election
 18 Campaign Act of 1971 (52 U.S.C. 30104(a)(11)(A)(i)) is
 19 amended by striking “or expenditures” and inserting “,
 20 expenditures, or disbursements for electioneering commu-
 21 nications”.

22 **SEC. 15. EFFECTIVE DATE; TRANSITION.**

23 (a) IN GENERAL.—Except as otherwise provided, the
 24 amendments made by this Act shall apply beginning Janu-
 25 ary 1, 2022.

1 (b) TRANSITION.—

2 (1) TERMINATION OF SERVICE OF CURRENT
3 MEMBERS.—Notwithstanding any provision of the
4 Federal Election Campaign Act of 1971, the term of
5 any individual serving as a member of the Federal
6 Election Commission as of December 31, 2021, shall
7 expire on that date.

8 (2) NO EFFECT ON EXISTING CASES OR PRO-
9 CEEDINGS.—Nothing in this Act or in any amend-
10 ment made by this Act shall affect any of the powers
11 exercised by the Federal Election Commission prior
12 to December 31, 2021, including any investigation
13 initiated by the Commission prior to such date or
14 any proceeding (including any enforcement action)
15 pending as of such date.

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