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S. 382--THE FEDERAL ELECTION CAMPAIGN ACT OF 1971
"GUIDEBOOK" FOR CANDIDATES FOR THE U.S. CONGRESS

Approved on February 7, 1972 (Public Law 92-225)

By

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S. 382--The Federal Election Campaign Act of 1971
"Guidebook" For Candidates For the U.S. Congress

Both Houses of Congress have now passed and have sent to the President for his signature, a new Federal law regulating political campaign financing for Federal elective offices. *

This memorandum is in response to requests for a simple, guidebook type of discussion of the requirements which the proposed law will place upon candidates for the U.S. Congress. The discussion is therefore limited to a consideration of those provisions of the law which are considered to be especially significant to such candidates.

The following additional memoranda which are pertinent to changes in the Federal laws regulating campaign financing have been prepared: "Discussion Of House Of Representatives' Action On Amendments Offered To H.R. 11060, Campaign Financing Reform Bill, 92d Congress, 1st Session 1971" (AP 224); "Brief Summary Of The Major Provisions of S. 382 As Agreed To In The Senate-House Conference" (AP 216); "The Presidential Election Campaign Fund Act-- A Discussion Of Some Major Provisions Of The 1971 Federal Income Tax Checkoff Law To Fund Presidential Candidates" (AP 217); "Comparison Of Provisions Of Existing Federal Laws Regulating Political Campaign Financing And S. 382 As Passed By Congress . . ." (typed, dated January 31, 1972).

*It was approved by the President February 7, 1972 (Public Law 92-225).

(A) Title I--
Use For Political Purposes of
Communications Media Regulations

1. At what point in time does one become a "candidate" so as to trigger the requirements of title I of the proposed law?

(a) For purposes of the campaign spending limitations of the proposed law, a person becomes a "legally qualified candidate" when he "(A) meets the qualifications prescribed by the applicable laws to hold the federal elective office for which he is a candidate, and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors" (Sec. 102(4)).

(b) For purposes of the Equal Time provisions which remain unchanged by the proposed new law, (these provisions require that if a broadcasting station permits a candidate for U.S. Congress to use its facilities, the station must afford equal time to all other candidates for the same Congressional office), a person becomes a candidate when he has publicly announced his candidacy, if he has the qualifications for the office and who has either qualified for a place on the ballot or is a write-in or similar candidate who meets certain conditions. (The definition of when one becomes a candidate for Equal Time purposes is not in the Communications Act of 1934 but is defined in FCC regulations Sec. 73,120(a).)

[Note that for purposes of the contributions limitations and the other provisions in the Federal criminal code and for purposes of the disclosure reports to be filed, a person becomes a "candidate" subject to the provisions of the law when he has done either, or

both, of the following: (1) has taken the action necessary under the law of a State to qualify himself for nomination for election, or for election, or (2) has received contributions or made expenditures with a view to bringing about his nomination for election, or election, to the Congressional office he seeks (Secs. 201(b); 301(b)).]

(2) Are all items of campaign expenditures made by candidates for Congressional office subject to the spending limitations?

No, the candidate is limited in his campaign spending only with respect to the following five items:

- (1) Radio and television broadcasts
- (2) Newspaper space
- (3) Magazine space
- (4) Use of outdoor advertising facilities
- (5) The cost of telephones, paid telephonists, and automatic telephone equipment used by a candidate to communicate with potential voters, but does not include costs of telephones incurred by a volunteer for the use of telephones by him.

(Sec. 102(1))

(Note: A candidate for spending limitation purposes is one who is qualified for the office and eligible to be voted for under State law.)

(3) How much may the candidate spend for the above items?

The candidate may spend in each election in which he runs (whether it is a primary, runoff primary, general or special election)

for the aggregated expenditures for the five categories listed above, the greater of either (1) 10 cents times the voting age population of the congressional district which he desires to represent in the case of a candidate for U.S. Representative, or of the State in the case of a candidate for U.S. Senator, or (2) \$50,000 (Sec. 104(a)(1).)

- (4) Is there any limit on how much a candidate may spend for any one of the five items listed above?
-

No more than 60% of the overall spending limit may be spent by a candidate for broadcast time. Apart from this restriction, the candidate may apportion his spending allowance in any way he deems best, spending all, or any part, of it for any of the other four items listed above.

- (5) May the candidate expend the full amount in a primary and another full allowance in the general election?
-

Yes, the spending allowance is computed separately for each election. The candidate may use a full allowance in a primary, another full allowance in a runoff primary and another full allowance in a general election (Sec. 104(2)(1)(2)).

- (6) What items must a candidate include when computing his media spending limit?
-

The candidate must include not only the direct charges of the media, but also agents' commissions allowed the agent by the media (Sec. 104(a)(7)).

(7) Are only the expenditures which are made by the candidate himself included in his spending limit?

No, in computing his spending limitations, the candidate must take into account not only the expenditures he himself makes, but also expenditures made by anyone else on his behalf.

Expenditures made by others must be aggregated with the candidate's own spending to determine when the limit has been reached.

Violations of these spending restrictions not only subject the offending candidate to penalties, but the communications media are also subject to penalties because they are not permitted to sell time for political campaign purposes to anyone (not just to the candidate) unless the candidate certifies in writing that the expenditures will not exceed his spending limit (Sec. 104(a)(7); (b); (c)).

Also, although not in the provisions of the bill, the Conferees stressed in their Report that expenditures urging the defeat of a candidate or derogating his stand on campaign issues may be considered to be campaign expenditures made on behalf of another candidate and so treated for purposes of the expenditure limitations of the other candidate. It is expected that the Comptroller General will prescribe regulations respecting this matter (see Conference Report, H. Rept. No. 92-752; S. Rept. No. 92-580, page 28).

- (8) If the cost of campaigning goes up appreciably in the future, will the candidate be limited to the formula established in this law or may he spend a larger amount?
-

There is a cost-of-living increase allowed to offset a rise in campaign costs (Sec. 104(a)(4)).

As explained in the Conference Report, supra, at page 25 this means that each communications media expenditure limitation computed under Sec. 104(a)(1)(A) would be increased in proportion to increases in the Consumer Price Index, with the base period being the calendar year 1970. The first year in which an increase could occur would be 1972. The example given in the Conference Report is as follows:

For example, since the Consumer Price Index for the base period (1970) is 100, if the Consumer Price Index for 1971 was 104.3, each limitation under section 104(a)(1)(A) would be increased by 4.3 percent. Thus, in a State which for 1971 had a voting age population of 400,000, the overall media expenditure limitation for senatorial candidates would be the greater of--

(A) \$41,720 (the product of $10\phi \times 400,000$, increased by 4.3 percent), or

(B) \$52,150 (\$50,000 increased by 4.3 percent).

The broadcast limitation in this example would be \$31,290 (60 percent of the \$52,150 overall limit). The primary election limits would be identical to the limits for the general election: \$52,150 for all media expenditures, and \$31,290 for broadcast expenditures.

- (9) Does the broadcaster have the right to refuse to sell a candidate for Congressional office any broadcast time?
-

No, the candidate has a right to buy and the licensee must sell to the candidate a "reasonable" amount of broadcast time (Sec. 103(a)(2)).

This right to buy broadcast time is in addition to the rights a candidate has under the Equal Time requirements, namely that if a broadcast station permits one candidate for an elective office to use its facilities, it must permit all candidates for the same office equal broadcast time.

- (10) Is a broadcast station free to charge a candidate any rate it desires for time to broadcast a political message?
-

No, there are two kinds of rate limitations.

One limitation is effective in the period 45 days before the primary and 60 days before a general or special election; the rate charged may not exceed the lowest unit charge of the station for the same class and amount of time for the same period. At all other times, the rate charged may not exceed the rates charged to others for comparable time (Sec. 103(a)(1)).

- (11) Must a newspaper or magazine publisher sell a candidate space for political messages?
-

No, there is no requirement on the printed media similar to that imposed on the broadcast media to sell a candidate space.

- (12) Is a newspaper or magazine publisher limited in the rates he may charge for political messages?
-

Yes, while a publisher does not have a legally imposed duty to sell space to a candidate, if he does sell such space to a candidate for Federal elective office, he may not charge the candidate more than he would charge anyone else for comparable use of comparable space for other purposes (Sec. 103(b)).

(B) Title II--
Amendments to Federal Criminal Code

- (13) Are there general overall limits on the amount of contributions which an individual, or a partnership, or other form of unincorporated organization may make to Congressional candidates?
-

No, there are no general overall limits on how much an individual may contribute to any candidate. The \$5,000 limit formerly in the Federal law will be repealed by the new law.

There are however, limitations on the amount which a candidate, or a member of the candidate's immediate family, may contribute to his campaign.

- (14) What are the limitations placed on a candidate and his family in contributing to his campaign?
-

A candidate for U.S. Senator, and his relatives, are limited to spending no more than \$35,000 of their own funds in connection with the candidate's campaign for nomination or election.

A candidate for U.S. House of Representatives, and his relatives, are limited to \$25,000 of their personal funds in connection with the candidate's campaign for nomination or election (Sec. 203).

- (15) Who are included as members of the candidate's "immediate family" for contributions limitations purposes?
-

"Immediate family" includes the candidate's spouse, any child, parent, grandparent, brother, or sister of the candidate and the spouses of such persons (Sec. 203).

- (16) Who is penalized if the contributions limitations are exceeded?
-

Both the persons making the contributions and the candidates and political committees who knowingly accept them are subject to fine and/or imprisonment if the limitations on the use of personal funds are exceeded (Sec. 203).

- (17) Does the new law permit Congressional candidates to accept contributions from national banks, corporations and labor organizations?
-

Candidates may not accept contributions from the organizational funds of such organizations, that is, the funds of a labor organization obtained from dues exacted as a condition of membership in the labor organization, or as a condition of continued employment, or the funds of a corporation which were obtained from its commercial transactions.

Contributions may be accepted from separate, segregated funds maintained by such organizations to be utilized for political purposes provided that there was no physical force, job discrimination, or threat of financial reprisal used by the corporation or labor organization in collecting the contributions to such fund.

Corporations and labor organizations are also permitted to communicate directly with their stockholders and members and the families of their stockholders and members on political matters.

Such organizations are permitted to conduct nonpartisan registration and get-out-the-vote campaigns aimed at their stockholders and members of their families (Sec. 205).

(C) Title III--
Disclosure Requirements

(18) Who must file reports of campaign financing with the appropriate supervisory officer?

- (1) Each treasurer of a political committee supporting a candidate or candidates for Federal office
- (2) Each candidate for Federal elective office
- (3) Every person (other than a candidate or political committee) who makes a contribution or expenditure, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 in a calendar year

(Secs. 304(a); 305)

(19) Who is the appropriate supervisory officer with whom these reports must be filed?

Candidates for the Senate with the Secretary of the Senate

Candidates for the House with the Clerk of the House

Political committees with the "appropriate supervisory officer"

(Political committees involved in financing presidential conventions, file with the Comptroller General; as to other committees, regulations will probably be issued indicating with which supervisory officer other types of political committees will be required to file.)

Others file with the supervisory officer (Regulations will probably be issued indicating with which supervisory officer persons other than candidates or officers of committee will be required to file.)

(Secs. 304; 305; 307)

- (20) At what point must one who becomes a candidate for Congress start to keep records of campaign financing for disclosure purposes?
-

Records should be kept from whichever happens first: (1) the person publicly announces that he is a candidate, or (2) when he has paid the necessary state qualifying fees or taken other action required to qualify as a candidate, or (3) he has received contributions or made expenditures or has given his consent to anyone else to receive contributions or make expenditures with a view to bringing about his nomination or election to the House of Representatives or the Senate (Sec. 301(b)).

- (21) What is a "contribution" the acceptance of which makes one a "candidate" subject to the Criminal Code provisions of the new law?
-

A "contribution" includes the following:

(1) A gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or state bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election of the person to the U.S. Congress.

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

(3) A transfer of funds between political committees.

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

Not included are services provided without compensation by individuals volunteering a portion or all of their time on behalf of a candidate or political committee (Sec. 201(e)).

(22) What is an "expenditure" the payment of which makes one a "candidate" subject to the Criminal Code provisions of the new law?

An "expenditure" includes:

(1) A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations and in the ordinary course of business), made for the purpose of influencing the nomination for election, or election, of the person to the U.S. Congress.

(2) A contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure.

(3) A transfer of funds between political committees.

(Sec. 201(f))

(23) Are the terms "contribution" and "expenditure" defined in the same way for the disclosure of political financing requirements as they are for the Criminal Code provisions?

The definitions are the same except that the clause exempting, under certain conditions, bank loans made in the ordinary course of business which applies to the Criminal Code provisions does not appear in the disclosure title; therefore, the reporting of such bank loans is required in disclosure reports.

(24) How is the term "political committee" defined for disclosure requirement purposes?

A "political committee" means any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding \$1,000 (Sec. 301(d)).

(25) Do the definitions of "contribution" and "expenditure" referred to above in connection with the discussion of a "candidate" also pertain to committees?

Yes, the terms are defined the same but in addition, a transfer of funds between political committees is considered to be a contribution or expenditure (Sec. 301(e)(3); (f)(3)).

(26) Who is the appropriate supervisory officer to whom committees must report?

This is not entirely clear. Sec. 301(g) which defines a "supervisory officer" defines the term as meaning the Secretary of the Senate with respect to candidates for Senator, Clerk of the House of Representatives with respect to candidates for Representative, Delegate or Resident Commissioner in Congress and the Comptroller General of the United States "in any other case".

It seems clear that "any other case" was intended to include candidates for U.S. President and Vice President. This definition in the statute does not refer specifically to committees for candidates for House and Senate. It is arguable, however, that the intention was that committees supporting only a candidate or candidates for the House should report to the Clerk of the House, and committees supporting only a candidate or candidates for the Senate should file with the Secretary of the Senate.

It is anticipated that all the supervisory officers will issue regulations to clarify the responsibilities of political committees with respect to where they file under such conditions.

(27) What officers must a political committee have before it can operate as such?

A political committee must have a chairman and a treasurer and no contributions may be accepted or expenditures may be made if there is a vacancy in either of these offices.

No contribution may be accepted, or expenditure may be made, without the authorization of the committee chairman or their designated agents (Sec. 302a)).

(28) Apart from having certain officers, must a committee do anything else before it is qualified to handle campaign financing?

Yes, every political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding \$1,000 must register with the appropriate supervisory officer (Sec. 303(a)).

(29) What is the registration procedure?

Within 10 days after the committee is organized, or, if later, 10 days after the date on which it has information that it will receive or make expenditures in excess of \$1,000, the committee must file a statement of organization (Sec. 303(a)).

(30) What information must be given in the statement of organization for registration purposes?

The statement shall include:

- (1) The name and address of the committee
- (2) The names, addresses, and relationships of affiliated or connected associations
- (3) The area, scope, or jurisdiction of the committee
- (4) The name, address, and position of the custodian of books and accounts
- (5) The name, address, and position of other principal officers, including officers and members of the finance committee, if any
- (6) The name, address, office sought, and party affiliation of (a) each candidate whom the committee is supporting and (b) any other individual, if any, whom the committee is supporting for nomination or election to any public office whatever or, if the committee is supporting the entire ticket of any party, the name of the party

- (7) A statement whether the committee is a continuing one
- (8) The disposition of residual funds which will be made in the event of dissolution
- (9) A listing of all banks, safety deposit boxes, or other depositories used
- (10) A statement of the reports required to be filed by the committee with State or local officers, and, if so, the names and addresses, and positions of such persons
- (11) Such other information as may be required by the supervisory officer.

(Sec. 303(b))

Any change in information previously reported must be reported to the supervisory officer within a 10 day period following the change.

(Sec. 303(c))

- (31) What are the duties of a political committee with respect to keeping committee funds segregated?
-

All funds of a political committee must be kept separate from, and may not be commingled with, any personal funds of officers or associates of such committee (Sec. 302(b)).

- (32) What kind of accounts must the treasurer of a political committee keep?
-

(A) The treasurer must keep detailed and exact account of--

- (1) All contributions made to or for such committee
- (2) The full name and mailing address (occupation and the principal place of business, if any) of every person making a contribution in excess of \$10 and the date and amount thereof

- (3) All expenditures made by or on behalf of such committee
 - (4) The full name and mailing address (occupation and the principal place of business, if any), of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by each candidate on whose behalf an expenditure was made.
- (B) The treasurer must also obtain and keep a receipted bill stating the particulars for every expenditure made by or on behalf of a political committee in excess of \$100, and for any expenditure in a lesser amount if the aggregate amount of such expenditures to the same person during a calendar year exceeds \$100.
- (33) How long must a treasurer preserve the above records which he is required to keep?

The treasurer shall preserve all receipted bills and accounts required to be kept by this law for the period of time determined by the supervisory officer. Regulations in this respect are expected to be issued (Sec. 302 (d)).

- (34) What are the duties of anyone who receives a contribution for a political committee?

Every person who receives a contribution in excess of \$10 for a political committee, shall on demand of the treasurer of the committee, and in any event within 5 days after receipt, render the treasurer a detailed account thereof, including the amount, the name and address (occupation and principal place of business, if any) of the person making such contribution and the date received (Sec. 302 (b)).

(35) Who must file disclosure reports and where?

Political committees and candidates must file 4 reports in non-election years and 6 reports in election years as follows:

(A) Each year must file a report on:

- (1) March 10
- (2) June 10
- (3) September 10
- (4) January 31

(B) In election years on:

- (5) 15th day and 5th days next preceding the date on which an election is held

(Sec. 304(a))

Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of \$100 within a calendar year shall file with the supervisory officer a statement containing the information required by Sec. 304. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

(Sec. 305)

(36) Will any political committees which support candidates for Federal office be exempt from having to file disclosure reports?

Yes, the supervisory officer may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with Sec. 304 if such committee (1) primarily

supports persons seeking State or local office, and does not substantially support candidates for Federal offices, and (2) does not operate in more than one State or on a Statewide basis.

(Sec. 306(c))

(37) What period is covered in the reports?

The reports shall be complete as of the date the supervisory officer prescribes which shall not be less than 5 days before the date of filing, except that any contribution of \$5,000 or more received after the last report is filed prior to the election shall be reported within 48 hours after its receipt.

(Sec. 304(a))

The reports shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward.

If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(Sec. 304(c))

(38) What must be disclosed in the reports on campaign financing made by candidates and committees?

(1) The amount of cash on hand at the beginning of the reporting period.

(2) The full name and mailing address (occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of \$100, together with the amount and date of such contributions.

(3) The total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under (2) above.

(4) The name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers.

(5) Each loan to or from any person within the calendar year in an aggregate amount or value in excess of \$100, together with the full names and mailing addresses (occupations and the principal places of business, if any) of the lender and endorsers, if any, and the date and amount of such loan.

(6) The total amount of proceeds from:

- (a) the sale of tickets to each dinner, luncheon, rally, and other fundraising event
- (b) mass collections made at such events

(c) sales of items such as political campaign pins, buttons, badges, flag emblems, hats, banners, literature, and similar materials.

(7) Each contribution, rebate, refund, or other receipt in excess of \$100 not otherwise listed under items (2) through (6) above.

(8) The total sum of all receipts by or for such committee or candidate during the reporting period.

(9) The full name and mailing address (occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value in excess of \$100, the amount, date, and purpose of each such expenditure and the name and address of, and the office sought by, each candidate on whose behalf an expenditure was made.

(10) The full name and mailing address (occupation and the principal place of business, if any) of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of \$100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure.

(11) The total sum of expenditures made by such committee or candidate during the calendar year.

(12) The amount and nature of debts and obligations owed by or to the committee, in such form as the supervisory officer may prescribe and a continuous reporting of their debts and obligations

after the election at such periods as the supervisory officer may require until such debts and obligations are extinguished.

(13) Such other information as shall be required by the supervisory officer.

(Sec. 308(a))

(39) Will there be official disclosure forms?

Yes, forms for reporting will be prescribed or approved by the appropriate supervisory officer.

(Sec. 304(a))

The supervisory officer shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported.

Such regulations shall prescribe that they be reported in separate schedules.

In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

(Sec. 306(d))

(40) Must disclosure returns be made under oath?

Yes, a report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person

filing such report or statement, taken before any officer authorized to administer oaths.

(Sec. 306(a))

(41) How long must disclosure reports be preserved by the person filing them.

A copy of the report or statement shall be preserved by the person filing it for a period of time to be designated by the supervisory officer in a published regulation.

(Sec. 306(b))

(42) In addition to the disclosure reports, must the campaign material itself be marked with the names of those who distributed or are responsible for it?

Yes, the same notice that is now required by the Federal law will continue to be required, since the new law does not repeal 18 U.S.C. §612.

Sec. 612 provides that anyone who publishes or distributes in the mails or in interstate commerce any card, pamphlet, circular, poster, dodger, advertisement, writing or other statement relating to any person who has publicly declared his intention to seek an elective Federal office, in a primary, general, special election or convention of a political party, must place thereon the names of the associations, committees, or corporations responsible for the publication or distribution of the same.

In the case of associations, committees, or corporations, the literature must contain the names of the officers responsible for the publication.

(43) What additional notices on campaign literature does the new law require?

In addition to identifying the sponsors of campaign literature, the new law also requires that any political committee which solicits or receives contributions or makes expenditures on behalf of any candidate that is not authorized in writing by such candidate shall include on the face or front page of all literature and advertisements a notice that the committee is not authorized by the candidate and that the candidate is not responsible for the activities of the committee (Sec. 302(e)).

In addition, all political committees must include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report filed with the appropriate supervisory officer is (or will be) available for purchase from the Superintendent of Documents, United States Government Printing Office, Washington, D.C. 20402". (See 302(f)).

(44) How may a citizen or a citizens' group or another candidate file a complaint against a candidate or committee believed to be violating the disclosure requirements?

Anyone who believes that there has been a violation of the disclosure provisions may file a complaint with the supervisory officer.

(Sec. 308(d)(1))

(45) What legal steps may be taken if a complaint of violation is filed against a candidate or committee?

If the supervisory officer believes that a violation has occurred, he shall make an investigation. He shall afford those involved an opportunity for a hearing.

If thereafter the supervisory officer determines that there has been a violation, or there will be a violation, of any provision of Title III--the disclosure title--or any regulation or order issued thereunder, the U.S. Attorney General shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or other appropriate order in the U.S. District Court in the district where the person is found, resides, or transacts business.

Upon a proper showing that such person has engaged or is about to engage in such acts, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

(Sec. 308(d)(1))

In any such action, subpoenas for witnesses who are required to attend a U.S. District Court may run in to any other district.

(Sec. 308(d)(2))

Any party aggrieved by an order may, at any time within 60 days after the date of entry thereof, file a petition with the

U.S. Court of Appeals for the circuit in which such person is found, resides, or transacts business, for judicial review of such order.

(Sec. 308(d)(3))

The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the U.S. Supreme Court upon certiorari.

(Sec. 308(d)(4))

(46) Does the new Federal law require candidates to file disclosure reports with state officials as well as with Federal officials?

Yes, a copy of each statement required to be filed with a supervisory officer under the disclosure provisions shall be filed with the Secretary of State, or if the State does not have such an officer, then with the equivalent State officer of the appropriate State.

(Sec. 309(a))

For purposes of these requirements, the term "appropriate State" means--

For reports relating to expenditures and contributions in connection with the nomination or election of a candidate for U.S. Senator, Representative, Delegate or Resident Commissioner, the State in which he seeks election.

(Sec. 309(a)(2))

- (47) Will it be necessary under the new law for political committees that operate only in the District of Columbia to file disclosure reports?
-

Yes, political committees in the District of Columbia which contribute to the political campaign of a candidate for any Federal elective office must file disclosure reports. The definition of the term "State" in the new law includes the District of Columbia and it is clear that the intention of the new law is to close the loophole in the 1925 Corrupt Practices Act which exempted District of Columbia committees from reporting requirements.

- (48) Must persons contribute only in their own names?
-

Yes, no person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(Sec. 310)

- (49) What are the penalties for violating the disclosure requirements?
-

Any person who violates any of the provisions of this title shall be fined not more than \$1,000 and/or imprisoned not more than 1 year.

(Sec. 311(a))

In case of any conviction under this title, where the punishment inflicted does not include imprisonment, the conviction shall be deemed a misdemeanor only.

(Sec. 311(b))

(50) What are the new restrictions on extending unsecured credit to candidates?

The Civil Aeronautics Board, the Federal Communications Commission, and the Interstate Commerce Commission shall each promulgate within 90 days after enactment, its own regulations with respect to the extension of credit without security, by any person regulated by such Board or Commission, to any candidate for a Federal office, or to any person on behalf of such candidate, for goods furnished or services rendered in connection with the campaign for nomination or election to such office.

(Sec. 401)

(51) May candidates be assisted in their campaigns by OEO Workers?

No part of any funds used to carry out the Economic Opportunity Act of 1964 shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity, or to pay the salary of any officer or employee of the Office of Economic Opportunity who, in his official capacity of such officer or employee, engages in any such activity.

(Sec. 402)

(52) How will the new Federal law affect State laws regulating campaign financing?

Nothing in this Act shall be deemed to invalidate or make inapplicable any provision of any State law, except where

compliance with such provision of law would violate a provision of this Act.

(Sec. 403(a))

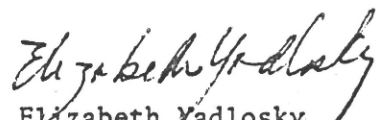
No provision of State law shall be construed to prohibit any person from taking any action authorized by this Act or from making any expenditure (as such term is defined in Sec. 301(f) of this Act) which he could lawfully make under this Act.

(Sec. 403(b))

(53) Does the proposed new election financing law contain provisions authorizing tax credits or tax deductions for political contributions?

No, but such provisions were included in a law enacted in 1971, the Revenue Act of 1971, P.L. 92-178.

The new tax law allows an annual Federal income tax credit of not more than \$12.50 for an individual and \$25 for a married couple filing a joint return, or in the alternative, an annual Federal income tax deduction of not more than \$50 for a single person, or \$100 for a married couple filing a joint return. The provisions relating to Federal income tax credits or deductions are effective only as to taxable years ending on or after December 31, 1972.


Elizabeth Yadosky
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February 3, 1972
Ext. 6006