

117TH CONGRESS
1ST SESSION

H. R. 2692

To amend the Federal Election Campaign Act of 1971 to limit the authority of corporations to establish and operate separate segregated funds utilized for political purposes, including the establishment or operation of a political committee, to nonprofit corporations, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 20, 2021

Mr. HARDER of California (for himself and Mr. GOLDEN) introduced the following bill; which was referred to the Committee on House Administration

A BILL

To amend the Federal Election Campaign Act of 1971 to limit the authority of corporations to establish and operate separate segregated funds utilized for political purposes, including the establishment or operation of a political committee, to nonprofit corporations, 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 “Ban Corporate PACs
5 Act”.

1 **SEC. 2. LIMITING AUTHORITY OF CORPORATIONS TO ES-**
2 **TABLISH OR OPERATE SEPARATE SEG-**
3 **REGATED FUNDS FOR POLITICAL PURPOSES**
4 **TO NONPROFIT CORPORATIONS.**

5 (a) LIMITATION.—

6 (1) IN GENERAL.—Section 316(b)(2)(C) of the
7 Federal Election Campaign Act of 1971 (52 U.S.C.
8 30118(b)(2)(C)) is amended by striking “a corpora-
9 tion” and inserting “a nonprofit corporation”.

10 (2) DEFINITION.—Section 316(b) of such Act
11 (52 U.S.C. 30118(b)) is amended by adding at the
12 end the following new paragraph:

13 “(8) For purposes of this section, the term ‘nonprofit
14 corporation’ means a corporation described in section
15 501(c) of the Internal Revenue Code of 1986 and exempt
16 from taxation under section 501(a) of such Code, other
17 than a corporation which is ineligible to be exempt from
18 taxation under section 501(a) of such Code if it establishes
19 a separate segregated fund under this subsection.”.

20 (b) PERMITTING SOLICITATION OF CONTRIBUTIONS
21 ONLY FROM EXECUTIVE AND ADMINISTRATIVE PER-
22 SONNEL.—Section 316(b) of such Act (52 U.S.C.
23 30118(b)) is amended—

24 (1) in paragraph (4)(A)(i), by striking “its
25 stockholders and their families and”;

26 (2) in paragraph (4)(B)—

1 (A) by striking “a corporation” the first
2 place it appears and inserting “a nonprofit cor-
3 poration”;

4 (B) by striking “any stockholder, executive
5 or administrative personnel,” and inserting
6 “any executive or administrative personnel”;
7 and

8 (C) by striking “stockholders, executive or
9 administrative personnel,” and inserting “exec-
10 utive or administrative personnel”;

11 (3) in paragraph (4)(D)—

12 (A) by striking “stockholders and”;

13 (B) by striking “such stockholders or per-
14 sonnel” and inserting “such personnel”; and

15 (C) by striking “such stockholders and
16 personnel” and inserting “such personnel”; and

17 (4) in paragraph (5), by striking “stockholders
18 and”.

19 (c) TREATMENT OF GOVERNMENT CONTRACTORS.—
20 Section 317(b) of such Act (52 U.S.C. 30119(b)) is
21 amended—

22 (1) by striking “any corporation” and inserting
23 “any nonprofit corporation”; and

24 (2) by striking “a corporation” and inserting “a
25 nonprofit corporation”.

1 **SEC. 3. EFFECTIVE DATE; TRANSITION FOR EXISTING**
2 **FUNDS AND COMMITTEES.**

3 (a) **EFFECTIVE DATE.**—The amendments made by
4 this Act shall take effect on the date of the enactment
5 of this Act.

6 (b) **TRANSITION FOR EXISTING FUNDS AND COMMIT-**
7 **TEES.**—In the case of a separate segregate fund estab-
8 lished and operating under section 316(b)(2)(C) of the
9 Federal Election Campaign Act of 1971 (52 U.S.C.
10 30118(b)(2)(C)) as of the date of the enactment of this
11 Act which is not a fund of a nonprofit corporation as de-
12 fined in section 316(b)(8) of such Act (as added by section
13 2(a)(2)), the fund shall terminate and disburse its entire
14 balance not later than 1 year after the date of the enact-
15 ment of this Act.

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