

118TH CONGRESS
1ST SESSION

H. R. 5941

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

OCTOBER 12, 2023

Mr. HARDER of California (for himself and Mr. GOLDEN of Maine) introduced the following bill

OCTOBER 25, 2023

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Ban Corporate PACs
3 Act”.

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

8 (a) LIMITATION.—

9 (1) IN GENERAL.—Section 316(b)(2)(C) of the
10 Federal Election Campaign Act of 1971 (52 U.S.C.
11 30118(b)(2)(C)) is amended by striking “a corpora-
12 tion” and inserting “a nonprofit corporation”.

13 (2) DEFINITION.—Section 316(b) of such Act
14 (52 U.S.C. 30118(b)) is amended by adding at the
15 end the following new paragraph:

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

23 (b) PERMITTING SOLICITATION OF CONTRIBUTIONS
24 ONLY FROM EXECUTIVE AND ADMINISTRATIVE PER-
25 SONNEL.—Section 316(b) of such Act (52 U.S.C.
26 30118(b)) is amended—

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

3 (2) in paragraph (4)(B)—

4 (A) by striking “a corporation” the first
5 place it appears and inserting “a nonprofit cor-
6 poration”;

7 (B) by striking “any stockholder, executive
8 or administrative personnel,” and inserting
9 “any executive or administrative personnel”;
10 and

11 (C) by striking “stockholders, executive or
12 administrative personnel,” and inserting “exec-
13 utive or administrative personnel”;

14 (3) in paragraph (4)(D)—

15 (A) by striking “stockholders and”;

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

18 (C) by striking “such stockholders and
19 personnel” and inserting “such personnel”; and

20 (4) in paragraph (5), by striking “stockholders
21 and”.

22 (c) TREATMENT OF GOVERNMENT CONTRACTORS.—

23 Section 317(b) of such Act (52 U.S.C. 30119(b)) is
24 amended—

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

3 (2) by striking “a corporation” and inserting “a
4 nonprofit corporation”.

5 **SEC. 3. EFFECTIVE DATE; TRANSITION FOR EXISTING**
6 **FUNDS AND COMMITTEES.**

7 (a) **EFFECTIVE DATE.**—The amendments made by
8 this Act shall take effect on the date of the enactment
9 of this Act.

10 (b) **TRANSITION FOR EXISTING FUNDS AND COMMIT-**
11 **TEES.**—In the case of a separate segregate fund estab-
12 lished and operating under section 316(b)(2)(C) of the
13 Federal Election Campaign Act of 1971 (52 U.S.C.
14 30118(b)(2)(C)) as of the date of the enactment of this
15 Act which is not a fund of a nonprofit corporation as de-
16 fined in section 316(b)(8) of such Act (as added by section
17 2(a)(2)), the fund shall terminate and disburse its entire
18 balance not later than 1 year after the date of the enact-
19 ment of this Act.

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