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

Mr. Rose of New York introduced the following bill; which was referred to the Committee on ________________

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.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE.

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

SEC. 2. LIMITING AUTHORITY OF CORPORATIONS TO ESTABLISH OR OPERATE SEPARATE SEGREGATED FUNDS FOR POLITICAL PURPOSES TO NONPROFIT CORPORATIONS.

(a) Limitation.—

(1) In General.—Section 316(b)(2)(C) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30118(b)(2)(C)) is amended by striking “a corporation” and inserting “a nonprofit corporation”.

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

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

(b) Permitting Solicitation of Contributions Only From Executive and Administrative Personnel.—Section 316(b) of such Act (52 U.S.C. 30118(b)) is amended—
(1) in paragraph (4)(A)(i), by striking “its
stockholders and their families and”;

(2) in paragraph (4)(B)—

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

(B) by striking “any stockholder, executive
or administrative personnel,” and inserting
“any executive or administrative personnel”,
and

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

(3) in paragraph (4)(D)—

(A) by striking “stockholders and”,

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

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

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

(c) TREATMENT OF GOVERNMENT CONTRACTORS.—

Section 317(b) of such Act (52 U.S.C. 30119(b)) is
amended—
(1) by striking “any corporation” and inserting “any nonprofit corporation”; and
(2) by striking “a corporation” and inserting “a nonprofit corporation”.

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

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

(b) TRANSITION FOR EXISTING FUNDS AND COMMITTEES.—In the case of a separate segregate fund established and operating under section 316(b)(2)(C) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30118(b)(2)(C)) as of the date of the enactment of this Act which is not a fund of a nonprofit corporation as defined in section 316(b)(8) of such Act (as added by section 2(a)(2)), the fund shall terminate and disburse its entire balance not later than 1 year after the date of the enactment of this Act.