

**DISCUSSION DRAFT**

OCTOBER 25, 2019

116TH CONGRESS  
1ST SESSION**H. R.** \_\_\_\_\_

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.

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**IN THE HOUSE OF REPRESENTATIVES**

Mr. ROSE of New York introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**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—

