To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, Super PACs and other entities, and for other purposes.

A BILL

To amend the Federal Election Campaign Act of 1971 to provide for additional disclosure requirements for corporations, labor organizations, Super PACs and other entities, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Democracy Is Strengthened by Casting Light On Spending in Elections Act of 2018” or the “DISCLOSE Act of 2018”.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—REGULATION OF CERTAIN POLITICAL SPENDING

Sec. 101. Application of ban on contributions and expenditures by foreign nationals to domestic corporations that are foreign-controlled, foreign-influenced, and foreign-owned.

Sec. 102. Clarification of application of foreign money ban to certain disbursements and activities.

TITLE II—CAMPAIGN DISBURSEMENT REPORTING

Sec. 201. Campaign disbursement reporting.

Sec. 202. Effective date.

TITLE III—STAND BY YOUR AD

Sec. 301. Stand By Your Ad.

TITLE IV—USE OF FUNDS

Sec. 401. Repeal of restrictions on use of certain funds.

TITLE V—OTHER PROVISIONS

Sec. 501. Severability.
TITLE I—REGULATION OF CERTAIN POLITICAL SPENDING

SEC. 101. APPLICATION OF BAN ON CONTRIBUTIONS AND EXPENDITURES BY FOREIGN NATIONALS TO DOMESTIC CORPORATIONS THAT ARE FOREIGN-CONTROLLED, FOREIGN-INFLUENCED, AND FOREIGN-OWNED.

(a) APPLICATION OF BAN.—Section 319(b) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30121(b)) is amended—

(1) by striking “or” at the end of paragraph (1);

(2) by striking the period at the end of paragraph (2) and inserting “; or”; and

(3) by adding at the end the following new paragraph:

“(3) any corporation which is not a foreign national described in paragraph (1) and—

“(A) in which a foreign national described in paragraph (1) or (2) directly or indirectly owns or controls—

“(i) 5 percent or more of the voting shares, if the foreign national is a foreign country, a foreign government official, or a corporation principally owned or controlled
by a foreign country or foreign government official; or

“(ii) 20 percent or more of the voting shares, if the foreign national is not described in clause (i);

“(B) in which two or more foreign nationals described in paragraph (1) or (2), each of whom owns or controls at least 5 percent of the voting shares, directly or indirectly own or control 50 percent or more of the voting shares;

“(C) over which one or more foreign nationals described in paragraph (1) or (2) has the power to direct, dictate, or control the decisionmaking process of the corporation with respect to its interests in the United States; or

“(D) over which one or more foreign nationals described in paragraph (1) or (2) has the power to direct, dictate, or control the decisionmaking process of the corporation with respect to activities in connection with a Federal, State, or local election, including—

“(i) the making of a contribution, donation, expenditure, independent expenditure, or disbursement for an electioneering
communication (within the meaning of section 304(f)(3)); or

“(ii) the administration of a political committee established or maintained by the corporation.”.

(b) Certification of Compliance.—Section 319 of such Act (52 U.S.C. 30121) is amended by adding at the end the following new subsection:

“(c) Certification of Compliance Required Prior To Carrying Out Activity.—Prior to the making in connection with an election for Federal office of any contribution, donation, expenditure, independent expenditure, or disbursement for an electioneering communication by a corporation during a year, the chief executive officer of the corporation (or, if the corporation does not have a chief executive officer, the highest ranking official of the corporation), shall file a certification with the Commission, under penalty of perjury, that the corporation is not prohibited from carrying out such activity under subsection (b)(3), unless the chief executive officer has previously filed such a certification during that calendar year.”.

(c) Effective Date.—The amendments made by this section shall take effect upon the expiration of the 180-day period which begins on the date of the enactment of this Act, and shall take effect without regard to whether
or not the Federal Election Commission has promulgated regulations to carry out such amendments.

SEC. 102. CLARIFICATION OF APPLICATION OF FOREIGN MONEY BAN TO CERTAIN DISBURSEMENTS AND ACTIVITIES.

(a) Application to Disbursements to Super PACs.—Section 319(a)(1)(A) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30121(a)(1)(A)) is amended by striking the semicolon and inserting the following: “including any disbursement to a political committee which accepts donations or contributions that do not comply with the limitations, prohibitions, and reporting requirements of this Act (or any disbursement to or on behalf of any account of a political committee which is established for the purpose of accepting such donations or contributions);”.

(b) Conditions Under Which Corporate PACs May Make Contributions and Expenditures.—Section 316(b) of such Act (52 U.S.C. 30118(b)) is amended by adding at the end the following new paragraph:

“(8) A separate segregated fund established by a corporation may not make a contribution or expenditure during a year unless the fund has certified to the Commission the following during the year:
“(A) Each individual who manages the fund, and who is responsible for exercising decisionmaking authority for the fund, is a citizen of the United States or is lawfully admitted for permanent residence in the United States.

“(B) No foreign national under section 319 participates in any way in the decisionmaking processes of the fund with regard to contributions or expenditures under this Act.

“(C) The fund does not solicit or accept recommendations from any foreign national under section 319 with respect to the contributions or expenditures made by the fund.

“(D) Any member of the board of directors of the corporation who is a foreign national under section 319 abstains from voting on matters concerning the fund or its activities.”.

TITLE II—CAMPAIGN DISBURSEMENT REPORTING

SEC. 201. CAMPAIGN DISBURSEMENT REPORTING.

(a) INFORMATION REQUIRED TO BE REPORTED.—

(1) TREATMENT OF FUNCTIONAL EQUIVALENT OF EXPRESS ADVOCACY AS INDEPENDENT EXPENDITURE.—Subparagraph (A) of section 301(17) of the
Federal Election Campaign Act of 1971 (52 U.S.C. 30101(17)) is amended to read as follows:

“(A) that expressly advocates the election or defeat of a clearly identified candidate, or is the functional equivalent of express advocacy because, when taken as a whole, it can be interpreted by a reasonable person only as advocating the election or defeat of a candidate, taking into account whether the communication involved mentions a candidacy, a political party, or a challenger to a candidate, or takes a position on a candidate’s character, qualifications, or fitness for office; and”.

(2) Expansion of period during which communications are treated as electioneering communications.—Section 304(f)(3)(A)(i) of such Act (52 U.S.C. 30104(f)(3)(A)(i)) is amended—

(A) by redesignating subclause (III) as subclause (IV); and

(B) by striking subclause (II) and inserting the following:

“(II) in the case of a communication which refers to a candidate for an office other than the President or Vice
President, is made during the period beginning on January 1 of the calendar year in which a general or runoff election is held and ending on the date of the general or runoff election (or in the case of a special election, during the period beginning on the date on which the announcement with respect to such election is made and ending on the date of the special election);

“(III) in the case of a communication which refers to a candidate for the office of President or Vice President, is made in any State during the period beginning 120 days before the first primary election, caucus, or preference election held for the selection of delegates to a national nominating convention of a political party is held in any State (or, if no such election or caucus is held in any State, the first convention or caucus of a political party which has the authority to nominate a candidate for
the office of President or Vice President) and ending on the date of the general election; and’’.

(3) Effective date; transition for electioneering communications made prior to enactment.—The amendment made by paragraph (2) shall apply with respect to communications made on or after January 1, 2019, except that no communication which is made prior to such date shall be treated as an electioneering communication under subclause (II) or (III) of section 304(f)(3)(A)(i) of the Federal Election Campaign Act of 1971 (as amended by paragraph (2)) unless the communication would be treated as an electioneering communication under such section if the amendment made by paragraph (2) did not apply.

(b) Disclosure Requirements for Corporations, Labor Organizations, and Certain Other Entities.—

(1) In general.—Section 324 of the Federal Election Campaign Act of 1971 (52 U.S.C. 30126) is amended to read as follows:

“SEC. 324. DISCLOSURE OF CAMPAIGN-RELATED DISBURSEMENTS BY COVERED ORGANIZATIONS. “(a) Disclosure Statement.—
“(1) IN GENERAL.—Any covered organization that makes campaign-related disbursements aggregating more than $10,000 in an election reporting cycle shall, not later than 24 hours after each disclosure date, file a statement with the Commission made under penalty of perjury that contains the information described in paragraph (2)—

“(A) in the case of the first statement filed under this subsection, for the period beginning on the first day of the election reporting cycle and ending on the first such disclosure date; and

“(B) in the case of any subsequent statement filed under this subsection, for the period beginning on the previous disclosure date and ending on such disclosure date.

“(2) INFORMATION DESCRIBED.—The information described in this paragraph is as follows:

“(A) The name of the covered organization and the principal place of business of such organization and, in the case of a covered organization that is a corporation (other than a business concern that is an issuer of a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l) or
that is required to file reports under section 15(d) of that Act (15 U.S.C. 78o(d))) or an entity described in subsection (e)(2), a list of the beneficial owners (as defined in paragraph (4)(A)) of the entity that—

“(i) identifies each beneficial owner by name and current residential or business street address; and

“(ii) if any beneficial owner exercises control over the entity through another legal entity, such as a corporation, partnership, limited liability company, or trust, identifies each such other legal entity and each such beneficial owner who will use that other entity to exercise control over the entity.

“(B) The amount of each campaign-related disbursement made by such organization during the period covered by the statement of more than $1,000, and the name and address of the person to whom the disbursement was made.

“(C) In the case of a campaign-related disbursement that is not a covered transfer, the election to which the campaign-related disbursement pertains and if the disbursement is made
for a public communication, the name of any candidate identified in such communication and whether such communication is in support of or in opposition to a candidate.

“(D) A certification by the chief executive officer or person who is the head of the covered organization that the campaign-related disbursement is not made in cooperation, consultation, or concert with or at the request or suggestion of a candidate, authorized committee, or agent of a candidate, political party, or agent of a political party.

“(E) If the covered organization makes campaign-related disbursements using exclusively funds in a segregated bank account consisting of funds that were paid directly to such account by persons other than the covered organization that controls the account, for each such payment to the account—

“(i) the name and address of each person who made such payment during the period covered by the statement;

“(ii) the date and amount of such payment; and
“(iii) the aggregate amount of all such payments made by the person during the period beginning on the first day of the election reporting cycle and ending on the disclosure date,

but only if such payment was made by a person who made payments to the account in an aggregate amount of $10,000 or more during the period beginning on the first day of the election reporting cycle and ending on the disclosure date.

“(F) If the covered organization makes campaign-related disbursements using funds other than funds in a segregated bank account described in subparagraph (E), for each payment to the covered organization—

“(i) the name and address of each person who made such payment during the period covered by the statement;

“(ii) the date and amount of such payment; and

“(iii) the aggregate amount of all such payments made by the person during the period beginning on the first day of the
election reporting cycle and ending on the
disclosure date,
but only if such payment was made by a person
who made payments to the covered organization
in an aggregate amount of $10,000 or more
during the period beginning on the first day of
the election reporting cycle and ending on the
disclosure date.

“(G) Such other information as required in
rules established by the Commission to promote
the purposes of this section.

“(3) EXCEPTIONS.—

“(A) Amounts received in ordinary
course of business.—The requirement to in-
clude in a statement filed under paragraph (1)
the information described in paragraph (2)
shall not apply to amounts received by the cov-
ered organization in commercial transactions in
the ordinary course of any trade or business
conducted by the covered organization or in the
form of investments (other than investments by
the principal shareholder in a limited liability
corporation) in the covered organization.

“(B) Donor restriction on use of
funds.—The requirement to include in a state-
ment submitted under paragraph (1) the information described in subparagraph (F) of paragraph (2) shall not apply if—

“(i) the person described in such subparagraph prohibited, in writing, the use of the payment made by such person for campaign-related disbursements; and

“(ii) the covered organization agreed to follow the prohibition and deposited the payment in an account which is segregated from any account used to make campaign-related disbursements.

“(C) AMOUNTS RECEIVED FROM AFFILIATES.—The requirement to include in a statement submitted under paragraph (1) the information described in subparagraph (F) of paragraph (2) shall not apply to any amount which is described in subsection (f)(3)(A)(i).

“(4) OTHER DEFINITIONS.—For purposes of this section:

“(A) BENEFICIAL OWNER DEFINED.—

“(i) IN GENERAL.—Except as provided in clause (ii), the term ‘beneficial owner’ means, with respect to any entity,
a natural person who, directly or indirectly—

“(I) exercises substantial control over an entity through ownership, voting rights, agreement, or otherwise; or

“(II) has a substantial interest in or receives substantial economic benefits from the assets of an entity.

“(ii) EXCEPTIONS.—The term ‘beneficial owner’ shall not include—

“(I) a minor child;

“(II) a person acting as a nominee, intermediary, custodian, or agent on behalf of another person;

“(III) a person acting solely as an employee of an entity and whose control over or economic benefits from the entity derives solely from the employment status of the person;

“(IV) a person whose only interest in an entity is through a right of inheritance, unless the person also meets the requirements of clause (i); or
“(V) a creditor of an entity, unless the creditor also meets the requirements of clause (i).

“(iii) ANTI-ABUSE RULE.—The exceptions under clause (ii) shall not apply if used for the purpose of evading, circumventing, or abusing the provisions of clause (i) or paragraph (2)(A).

“(B) DISCLOSURE DATE.—The term ‘disclosure date’ means—

“(i) the first date during any election reporting cycle by which a person has made campaign-related disbursements aggregating more than $10,000; and

“(ii) any other date during such election reporting cycle by which a person has made campaign-related disbursements aggregating more than $10,000 since the most recent disclosure date for such election reporting cycle.

“(C) ELECTION REPORTING CYCLE.—The term ‘election reporting cycle’ means the 2-year period beginning on the date of the most recent general election for Federal office.
“(D) PAYMENT.—The term ‘payment’ includes any contribution, donation, transfer, payment of dues, or other payment.

“(b) COORDINATION WITH OTHER PROVISIONS.—

“(1) OTHER REPORTS FILED WITH THE COMMISSION.—Information included in a statement filed under this section may be excluded from statements and reports filed under section 304.

“(2) TREATMENT AS SEPARATE SEGREGATED FUND.—A segregated bank account referred to in subsection (a)(2)(E) may be treated as a separate segregated fund for purposes of section 527(f)(3) of the Internal Revenue Code of 1986.

“(c) FILING.—Statements required to be filed under subsection (a) shall be subject to the requirements of section 304(d) to the same extent and in the same manner as if such reports had been required under subsection (c) or (g) of section 304.

“(d) CAMPAIGN-RELATED DISBURSEMENT DEFINED.—

“(1) IN GENERAL.—In this section, the term ‘campaign-related disbursement’ means a disbursement by a covered organization for any of the following:
“(A) An independent expenditure consisting of a public communication.

“(B) An electioneering communication, as defined in section 304(f)(3).

“(C) A covered transfer.

“(2) Intent Not Required.—A disbursement for an item described in subparagraph (A), (B), or (C) of paragraph (1) shall be treated as a campaign-related disbursement regardless of the intent of the person making the disbursement.

“(e) Covered Organization Defined.—In this section, the term ‘covered organization’ means any of the following:

“(1) A corporation (other than an organization described in section 501(c)(3) of the Internal Revenue Code of 1986).

“(2) A limited liability corporation that is not otherwise treated as a corporation for purposes of this Act (other than an organization described in section 501(c)(3) of the Internal Revenue Code of 1986).

“(3) An organization described in section 501(e) of such Code and exempt from taxation under section 501(a) of such Code (other than an
organization described in section 501(c)(3) of such Code).

“(4) A labor organization (as defined in section 316(b)).

“(5) Any political organization under section 527 of the Internal Revenue Code of 1986, other than a political committee under this Act (except as provided in paragraph (6)).

“(6) A political committee with an account that accepts donations or contributions that do not comply with the contribution limits or source prohibitions under this Act, but only with respect to such accounts.

“(f) COVERED TRANSFER DEFINED.—

“(1) IN GENERAL.—In this section, the term ‘covered transfer’ means any transfer or payment of funds by a covered organization to another person if the covered organization—

“(A) designates, requests, or suggests that the amounts be used for—

“(i) campaign-related disbursements (other than covered transfers); or

“(ii) making a transfer to another person for the purpose of making or pay-
ing for such campaign-related disburse-
ments;

“(B) made such transfer or payment in re-
response to a solicitation or other request for a
donation or payment for—

“(i) the making of or paying for cam-
paign-related disbursements (other than
covered transfers); or

“(ii) making a transfer to another
person for the purpose of making or pay-
ing for such campaign-related disburse-
ments;

“(C) engaged in discussions with the re-
cipient of the transfer or payment regarding—

“(i) the making of or paying for cam-
paign-related disbursements (other than
covered transfers); or

“(ii) donating or transferring any
amount of such transfer or payment to an-
other person for the purpose of making or
paying for such campaign-related disburse-
ments;

“(D) made campaign-related disburse-
ments (other than a covered transfer) in an ag-
gregate amount of $50,000 or more during the
2-year period ending on the date of the transfer or payment, or knew or had reason to know that the person receiving the transfer or payment made such disbursements in such an aggregate amount during that 2-year period; or

“(E) knew or had reason to know that the person receiving the transfer or payment would make campaign-related disbursements in an aggregate amount of $50,000 or more during the 2-year period beginning on the date of the transfer or payment.

“(2) EXCLUSIONS.—The term ‘covered transfer’ does not include any of the following:

“(A) A disbursement made by a covered organization in a commercial transaction in the ordinary course of any trade or business conducted by the covered organization or in the form of investments made by the covered organization.

“(B) A disbursement made by a covered organization if—

“(i) the covered organization prohibited, in writing, the use of such disbursement for campaign-related disbursements; and
“(ii) the recipient of the disbursement agreed to follow the prohibition and deposited the disbursement in an account which is segregated from any account used to make campaign-related disbursements.

“(3) Exception for certain transfers among affiliates.—

“(A) Exception for certain transfers among affiliates.—

“(i) In general.—The term ‘covered transfer’ does not include an amount transferred by one covered organization to another covered organization if such transfer—

“(I) is not made directly into a separate segregated bank account described in subsection (a)(2)(E); and

“(II) is treated as a transfer between affiliates under subparagraph (B).

“(ii) Special rule.—If the aggregate amount of transfers described in clause (i) exceeds $50,000 in any election reporting cycle—
“(I) the covered organization which makes such transfers shall pro-
vide to the covered organization receiving such transfers the information
required under subsection (a)(2)(F) (applied by substituting ‘the period
beginning on the first day of the election reporting cycle and ending on the
date of the most recent transfer described in subsection (f)(3)(A)(i)’ for
‘the period covered by the statement’ in clause (i) thereof); and

“(II) the covered organization receiving such transfers shall report the
information described in subclause (I) on any statement filed under sub-
section (a)(1) as if any contribution, donation, or transfer to which such
information relates was made directly to the covered organization receiving
the transfer.

“(B) DESCRIPTION OF TRANSFERS BETWEEN AFFILIATES.—A transfer of amounts
from one covered organization to another cov-
ered organization shall be treated as a transfer between affiliates if—

“(i) one of the organizations is an affiliate of the other organization; or

“(ii) each of the organizations is an affiliate of the same organization,

except that the transfer shall not be treated as a transfer between affiliates if one of the organizations is established for the purpose of making campaign-related disbursements.

“(C) Determination of Affiliate Status.—For purposes of this paragraph, the following organizations shall be considered to be affiliated with each other:

“(i) A membership organization, including a trade or professional association, and the related State and local entities of that organization.

“(ii) A national or international labor organization and its State or local unions, or an organization of national or international unions and its State and local entities.

“(iii) A corporation and its wholly owned subsidiaries.
“(D) COVERAGE OF TRANSFERS TO AFFILIATED SECTION 501(e)(3) ORGANIZATIONS.—This paragraph shall apply with respect to an amount transferred by a covered organization to an organization described in paragraph (3) of section 501(e) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code in the same manner as this paragraph applies to an amount transferred by a covered organization to another covered organization.”.

(2) CONFORMING AMENDMENT.—Section 304(f)(6) of such Act (52 U.S.C. 30104) is amended by striking “Any requirement” and inserting “Except as provided in section 324(b), any requirement”.

(3) COORDINATION WITH FINCEN.—

(A) IN GENERAL.—The Director of the Financial Crimes Enforcement Network of the Department of the Treasury shall provide the Federal Election Commission with such information as necessary to assist in administering and enforcing section 324 of the Federal Election Campaign Act of 1971, as added by this subsection.
(B) Report.—Not later than 6 months after the date of the enactment of this Act, the Chairman of the Federal Election Commission, in consultation with the Director of the Financial Crimes Enforcement Network of the Department of the Treasury, shall submit to Congress a report with recommendations for providing further legislative authority to assist in the administration and enforcement of such section 324.

SEC. 202. EFFECTIVE DATE.

Except as provided in section 201(a)(3), the amendments made by this title shall apply with respect to disbursements made on or after January 1, 2019, and shall take effect without regard to whether or not the Federal Election Commission has promulgated regulations to carry out such amendments.

TITLE III—STAND BY YOUR AD

SEC. 301. STAND BY YOUR AD.

(a) Disclaimer Requirements for Campaign-Related Disbursements.—Section 318(a) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30120(a)) is amended by striking “for the purpose of financing communications expressly advocating the election or defeat of a clearly identified candidate” and inserting “for a cam-
campaign-related disbursement, as defined in section 324, consisting of a public communication”.

(b) Stand By Your Ad Requirements.—

(1) Maintenance of requirements for political parties and certain political committees.—Section 318(d)(2) of such Act (52 U.S.C. 30120(d)(2)) is amended—

(A) in the heading, by striking “OTHERS” and inserting “CERTAIN POLITICAL COMMITTEES”;

(B) by striking “Any communication” and inserting “(A) Any communication”;

(C) by inserting “which (except to the extent provided in the last sentence of this paragraph) is paid for by a political committee (including a political committee of a political party) and” after “subsection (a)”;

(D) by striking “or other person” each place it appears; and

(E) by adding at the end the following new subparagraph:

“(B) This paragraph does not apply to a communication paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324 and with respect to
which a covered organization files a statement under such section.”.

(2) MODIFICATION OF ADDITIONAL REQUIREMENTS FOR CERTAIN COMMUNICATIONS.—Section 318(d) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30120(d)) is amended—

(A) in paragraph (1)(A)—

(i) by striking “which is transmitted through radio” and inserting “which is in an audio format”; and

(ii) by striking “BY RADIO” in the heading and inserting “AUDIO FORMAT”; and

(B) in paragraph (1)(B)—

(i) by striking “which is transmitted through television” and inserting “which is in video format”; and

(ii) by striking “By television” in the heading and inserting “VIDEO FORMAT”; and

(C) in paragraph (2)—

(i) by striking “transmitted through radio or television” and inserting “made in audio or video format”; and
(ii) by striking “through television” in the second sentence and inserting “in video format”.

(3) SPECIAL DISCLAIMER REQUIREMENTS FOR CERTAIN COMMUNICATIONS.—Section 318 of such Act (52 U.S.C. 30120) is amended by adding at the end the following new subsection:

“(e) COMMUNICATIONS BY OTHERS.—

“(1) IN GENERAL.—Any communication described in paragraph (3) of subsection (a) which is transmitted in audio or video format (other than a communication to which subsection (d)(2) applies) shall include, in addition to the requirements of such paragraph, the following:

“(A) The individual disclosure statement described in paragraph (2)(A) (if the person paying for the communication is an individual) or the organizational disclosure statement described in paragraph (2)(B) (if the person paying for the communication is not an individual).

“(B) If the communication is transmitted in video format and is paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, the Top Five Funders list (if applicable), un-
less, on the basis of criteria established in regulations issued by the Commission, the communication is of such short duration that including the Top Five Funders list in the communication would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the content of the communication to consist of the Top Five Funders list.

“(C) If the communication is transmitted in audio format and is paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, the Top Two Funders list (if applicable), unless, on the basis of criteria established in regulations issued by the Commission, the communication is of such short duration that including the Top Two Funders list in the communication would constitute a hardship to the person paying for the communication by requiring a disproportionate amount of the content of the communication to consist of the Top Two Funders list.

“(2) DISCLOSURE STATEMENTS DESCRIBED.—
“(A) Individual disclosure statements.—The individual disclosure statement described in this subparagraph is the following: ‘I am ______________, and I approve this message.’, with the blank filled in with the name of the applicable individual.

“(B) Organizational disclosure statements.—The organizational disclosure statement described in this subparagraph is the following: ‘I am ______________, the ______________ of ______________, and ______________ approves this message.’, with—

“(i) the first blank to be filled in with the name of the applicable individual;

“(ii) the second blank to be filled in with the title of the applicable individual; and

“(iii) the third and fourth blank each to be filled in with the name of the organization or other person paying for the communication.

“(3) Method of conveyance of statement.—
“(A) Communications in audio format.—In the case of a communication to which this subsection applies which is transmitted in audio format, the disclosure statements required under paragraph (1) shall be made by audio by the applicable individual in a clearly spoken manner.

“(B) Communications transmitted in video format.—In the case of a communication to which this subsection applies which is transmitted in video format, the information required under paragraph (1)—

“(i) shall appear in writing at the end of the communication or in a crawl along the bottom of the communication in a clearly readable manner, with a reasonable degree of color contrast between the background and the printed statement, for a period of at least 6 seconds; and

“(ii) shall also be conveyed by an unobscured, full-screen view of the applicable individual or by the applicable individual making the statement in voice-over accompanied by a clearly identifiable photograph or similar image of the individual,
except in the case of a Top Five Funders list.

“(4) DEFINITIONS.—In this subsection:

“(A) APPLICABLE INDIVIDUAL.—The term ‘applicable individual’ means, with respect to a communication to which this subsection applies—

“(i) if the communication is paid for by an individual, the individual involved;

“(ii) if the communication is paid for by a corporation, the chief executive officer of the corporation (or, if the corporation does not have a chief executive officer, the highest ranking official of the corporation); and

“(iii) if the communication is paid for by a labor organization, trade association, or any other organization, the highest ranking officer or official of the organization.

“(B) COVERED ORGANIZATION AND CAMPAIGN-RELATED DISBURSEMENT.—The terms ‘campaign-related disbursement’ and ‘covered organization’ have the meaning given such terms in section 324.
“(C) Top Five Funders list.—The term ‘Top Five Funders list’ means, with respect to a communication paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, a list of the five persons who provided the largest payments of any type in an aggregate amount equal to or exceeding $10,000 which are required under section 324(a) to be included in the reports filed by a covered organization with respect to such communication during the 12-month period ending on the date of the disbursement and the amount of the payments each such person provided. If two or more people provided the fifth largest of such payments, the covered organization involved shall select one of those persons to be included on the Top Five Funders list.

“(D) Top Two Funders list.—The term ‘Top Two Funders list’ means, with respect to a communication paid for in whole or in part with a payment which is treated as a campaign-related disbursement under section 324, a list of the persons who provided the largest and the second largest payments of any type in an ag-
aggregate amount equal to or exceeding $10,000 which are required under section 324(a) to be included in the reports filed by a covered organization with respect to such communication during the 12-month period ending on the date of the disbursement and the amount of the payments each such person provided. If two or more persons provided the second largest of such payments, the covered organization involved shall select one of those persons to be included on the Top Two Funders list.”.

(4) **Clarification Related to Internet Communications.**—Section 318 of such Act (52 U.S.C. 30120), as amended by paragraph (3), is amended by adding at the end the following new subsection:

“(f) **Audio and Video Formats.**—For purposes of this section, any reference to a communication transmitted in audio format or video format shall include a reference to a communication transmitted over the Internet in such format.”.

(c) **Disclosure Requirements for Campaign Communications Made Through Prerecorded Telephone Calls.**—
(1) Application of Requirements.—Section 318(a) of the Federal Election Campaign Act of 1971 (52 U.S.C. 30120(a)) is amended by inserting after “mailing,” each place it appears the following: “telephone call which consists in substantial part of a prerecorded audio message.”

(2) Treatment as Audio Communication.—

(A) Communications by Candidates or Authorized Persons.—Section 318(d)(1) of such Act (52 U.S.C. 30120(d)(1)) is amended by adding at the end the following new subparagraph:

“(C) Prerecorded Telephone Calls.—Any communication described in paragraph (1) or (2) of subsection (a) which is a telephone call which consists in substantial part of a prerecorded audio message shall meet the requirements applicable under subparagraph (A) to communications transmitted in an audio format, except that the statement required under such subparagraph shall be made at the beginning of the telephone call.”

(B) Communications by Others.—

(i) In General.—Section 318(d)(2) of such Act (52 U.S.C. 30120(d)(2)), as
amended by subsection (b)(1), is further amended—

(I) by redesignating subparagraph (B) as subparagraph (C); and

(II) by inserting after subparagraph (A) the following new subparagraph:

“(B) Any communication described in paragraph (3) of subsection (a) which is a telephone call which consists in substantial part of a prerecorded audio message shall meet the requirements applicable under this paragraph to communications transmitted in an audio format, except that the statement required shall be made at the beginning of the telephone call.”.

(ii) APPLICATION OF SPECIAL PERSONAL DISCLOSURE RULES FOR CERTAIN COMMUNICATIONS.—Section 318(e) of such Act, as added by subsection (b)(3), is amended—

(I) in paragraph (1) in the matter preceding subparagraph (A), by striking “audio or video format” and inserting “audio or video format, or which is a telephone call which con-
(II) in paragraph (3), by adding at the end the following new subpara-

graph:

“(C) Communications made through prerecorded telephone calls.—Any com-
munication to which this paragraph applies which is a telephone call which consists in sub-
stantial part of a prerecorded audio message shall meet the requirements applicable under this paragraph to communications transmitted in audio format.”.

(d) Effective Date.—The amendments made by this section shall apply with respect to disbursements made on or after January 1, 2019.

TITLE IV—USE OF FUNDS

SEC. 401. REPEAL OF RESTRICTIONS ON USE OF CERTAIN FUNDS.

The following provisions of the Consolidated Appropriations Act, 2018 are repealed:

(1) Section 125 of Division E.

(2) Section 631 of Division E.

(3) Section 735 of Division E.
TITLE V—OTHER PROVISIONS

SEC. 501. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.