

[Discussion Draft]

**AMENDMENT TO H.R. _____, AS
REPORTED
OFFERED BY M____.**

In section 541(b) of the Federal Election Campaign Act of 1971, as proposed to be added by section 5111 of the bill, strike paragraph (1) and insert the following:

1 “(1) ASSESSMENTS AGAINST FINES, SETTLE-
2 MENTS, AND PENALTIES.—Amounts transferred
3 under section 3015 of title 18, United States Code,
4 section 9707 of title 31, United States Code, and
5 section 6761 of the Internal Revenue Code of
6 1986.”.

Insert after section 5113 the following new sections
(and redesignate the succeeding section accordingly):

7 **SEC. 5114. ASSESSMENTS AGAINST FINES AND PENALTIES.**

8 (a) ASSESSMENTS RELATING TO CRIMINAL OF-
9 FENSES.—

10 (1) IN GENERAL.—Chapter 201 of title 18,
11 United States Code, is amended by adding at the
12 end the following new section:

1 **“§ 3015. Special assessments for Freedom From Influ-**
2 **ence Fund**

3 “(a) ASSESSMENTS.—

4 “(1) CONVICTIONS OF CRIMES.—In addition to
5 any assessment imposed under this chapter, the
6 court shall assess on any organizational defendant or
7 any defendant who is a corporate officer or person
8 with equivalent authority in any other organization
9 who is convicted of a criminal offense under Federal
10 law an amount equal to 2.75 percent of any fine im-
11 posed on that defendant in the sentence imposed for
12 that conviction.

13 “(2) SETTLEMENTS.—The court shall assess on
14 any organizational defendant or defendant who is a
15 corporate officer or person with equivalent authority
16 in any other organization who has entered into a
17 settlement agreement or consent decree with the
18 United States in satisfaction of any allegation that
19 the defendant committed a criminal offense under
20 Federal law an amount equal to 2.75 percent of the
21 amount of the settlement.

22 “(b) MANNER OF COLLECTION.—An amount as-
23 sessed under subsection (a) shall be collected in the man-
24 ner in which fines are collected in criminal cases.

25 “(c) TRANSFERS.—In a manner consistent with sec-
26 tion 3302(b) of title 31, there shall be transferred from

1 the General Fund of the Treasury to the Freedom From
2 Influence Fund under section 541 of the Federal Election
3 Campaign Act of 1971 an amount equal to the amount
4 of the assessments collected under this section.”.

5 (2) CLERICAL AMENDMENT.—The table of sec-
6 tions of chapter 201 of title 18, United States Code,
7 is amended by adding at the end the following:

“3015. Special assessments for Freedom From Influence Fund.”.

8 (b) ASSESSMENTS RELATING TO CIVIL PEN-
9 ALTIES.—

10 (1) IN GENERAL.—Chapter 97 of title 31,
11 United States Code, is amended by adding at the
12 end the following new section:

13 **“§ 9707. Special assessments for Freedom From Infl-**
14 **ence Fund**

15 “(a) ASSESSMENTS.—

16 “(1) CIVIL PENALTIES.—Any entity of the Fed-
17 eral Government which is authorized under any law,
18 rule, or regulation to impose a civil penalty shall as-
19 sess on each person, other than a natural person
20 who is not a corporate officer or person with equiva-
21 lent authority in any other organization, on whom
22 such a penalty is imposed an amount equal to 2.75
23 percent of the amount of the penalty.

24 “(2) ADMINISTRATIVE PENALTIES.—Any entity
25 of the Federal Government which is authorized

1 under any law, rule, or regulation to impose an ad-
2 ministrative penalty shall assess on each person,
3 other than a natural person who is not a corporate
4 officer or person with equivalent authority in any
5 other organization, on whom such a penalty is im-
6 posed an amount equal to 2.75 percent of the
7 amount of the penalty.

8 “(3) SETTLEMENTS.—Any entity of the Federal
9 Government which is authorized under any law, rule,
10 or regulation to enter into a settlement agreement or
11 consent decree with any person, other than a natural
12 person who is not a corporate officer or person with
13 equivalent authority in any other organization, in
14 satisfaction of any allegation of an action or omis-
15 sion by the person which would be subject to a civil
16 penalty or administrative penalty shall assess on
17 such person an amount equal to 2.75 percent of the
18 amount of the settlement.

19 “(b) MANNER OF COLLECTION.—An amount as-
20 sessed under subsection (a) shall be collected—

21 “(1) in the case of an amount assessed under
22 paragraph (1) of such subsection, in the manner in
23 which civil penalties are collected by the entity of the
24 Federal Government involved; and

1 “(2) in the case of an amount assessed under
2 paragraph (2) of such subsection, in the manner in
3 which administrative penalties are collected by the
4 entity of the Federal Government involved.

5 “(3) in the case of an amount assessed under
6 paragraph (3) of such subsection, in the manner in
7 which amounts are collected pursuant to settlement
8 agreements or consent decrees entered into by the
9 entity of the Federal Government involved;

10 “(c) TRANSFERS.—In a manner consistent with sec-
11 tion 3302(b) of this title, there shall be transferred from
12 the General Fund of the Treasury to the Freedom From
13 Influence Fund under section 541 of the Federal Election
14 Campaign Act of 1971 an amount equal to the amount
15 of the assessments collected under this section.

16 “(d) EXCEPTION FOR PENALTIES AND SETTLE-
17 MENTS UNDER AUTHORITY OF THE INTERNAL REVENUE
18 CODE OF 1986.—

19 “(1) IN GENERAL.—No assessment shall be
20 made under subsection (a) with respect to any civil
21 or administrative penalty imposed, or any settlement
22 agreement or consent decree entered into, under the
23 authority of the Internal Revenue Code of 1986.

24 “(2) CROSS REFERENCE.—For application of
25 special assessments for the Freedom From Influence

1 Fund with respect to certain penalties under the In-
2 ternal Revenue Code of 1986, see section 6761 of
3 the Internal Revenue Code of 1986.”.

4 (2) CLERICAL AMENDMENT.—The table of sec-
5 tions of chapter 97 of title 31, United States Code,
6 is amended by adding at the end the following:

“9707. Special assessments for Freedom From Influence Fund.”.

7 (c) ASSESSMENTS RELATING TO CERTAIN PEN-
8 ALTIES UNDER THE INTERNAL REVENUE CODE OF
9 1986.—

10 (1) IN GENERAL.—Chapter 68 of the Internal
11 Revenue Code of 1986 is amended by adding at the
12 end the following new subchapter:

13 **“Subchapter D—Special Assessments for**
14 **Freedom From Influence Fund**

15 **“SEC. 6761. SPECIAL ASSESSMENTS FOR FREEDOM FROM**
16 **INFLUENCE FUND.**

17 “(a) IN GENERAL.—Each person required to pay a
18 covered penalty shall pay an additional amount equal to
19 2.75 percent of the amount of such penalty.

20 “(b) COVERED PENALTY.—For purposes of this sec-
21 tion, the term ‘covered penalty’ means any addition to tax,
22 additional amount, penalty, or other liability provided
23 under subchapter A or B.

24 “(c) EXCEPTION FOR CERTAIN INDIVIDUALS.—

1 “(1) IN GENERAL.—In the case of a taxpayer
2 who is an individual, subsection (a) shall not apply
3 to any covered penalty if such taxpayer is an exempt
4 taxpayer for the taxable year for which such covered
5 penalty is assessed.

6 “(2) EXEMPT TAXPAYER.—For purposes of this
7 subsection, a taxpayer is an exempt taxpayer for any
8 taxable year if the taxable income of such taxpayer
9 for such taxable year does not exceed the dollar
10 amount at which begins the highest rate bracket in
11 effect under section 1 with respect to such taxpayer
12 for such taxable year.

13 “(d) APPLICATION OF CERTAIN RULES.—Except as
14 provided in subsection (e), the additional amount deter-
15 mined under subsection (a) shall be treated for purposes
16 of this title in the same manner as the covered penalty
17 to which such additional amount relates.

18 “(e) TRANSFER TO FREEDOM FROM INFLUENCE
19 FUND.—The Secretary shall deposit any additional
20 amount under subsection (a) in the General Fund of the
21 Treasury and shall transfer from such General Fund to
22 the Freedom From Influence Fund established under sec-
23 tion 541 of the Federal Election Campaign Act of 1971
24 an amount equal to the amounts so deposited (and, not-
25 withstanding subsection (d), such additional amount shall

1 not be the basis for any deposit, transfer, credit, appro-
2 priation, or any other payment, to any other trust fund
3 or account). Rules similar to the rules of section 9601
4 shall apply for purposes of this subsection.”.

5 (2) CLERICAL AMENDMENT.—The table of sub-
6 chapters for chapter 68 of such Code is amended by
7 adding at the end the following new item:

“SUBCHAPTER D—SPECIAL ASSESSMENTS FOR FREEDOM FROM INFLUENCE
FUND”.

8 (d) EFFECTIVE DATES.—

9 (1) IN GENERAL.—Except as provided in para-
10 graph (2), the amendments made by this section
11 shall apply with respect to convictions, agreements,
12 and penalties which occur on or after the date of the
13 enactment of this Act.

14 (2) ASSESSMENTS RELATING TO CERTAIN PEN-
15 ALTIES UNDER THE INTERNAL REVENUE CODE OF
16 1986.—The amendments made by subsection (c)
17 shall apply to covered penalties assessed after the
18 date of the enactment of this Act.

In section 5116(a) of the bill (as so redesignated),
strike “This part” and insert “Except as may otherwise
be provided in this part and in the amendments made by
this part, this part”.

