

104TH CONGRESS
2D SESSION

H. R. 3208

To amend the Federal Election Campaign Act of 1971 to strengthen certain provisions relating to independent expenditures, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 1996

Mr. BASS introduced the following bill; which was referred to the Committee on House Oversight

A BILL

To amend the Federal Election Campaign Act of 1971 to strengthen certain provisions relating to independent expenditures, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Congressional Cam-
5 paign Finance Reform Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this bill is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Equalization of multicandidate political committee candidate contribu-
tion limitation with limitation applicable to other persons.

Sec. 4. House of Representatives election limitation on contributions from sources other than in-State sources.

Sec. 5. House of Representatives election limitation on use of personal loans by candidates.

Sec. 6. Voluntary spending limits.

Sec. 7. Provisions relating to independent expenditures.

Sec. 8. Reporting requirements for certain independent expenditures.

Sec. 9. Official mass mailing allowance.

Sec. 10. Provisions relating to Members' official mail allowance.

Sec. 11. Limitation on contributions and expenditures by labor organizations.

Sec. 12. Campaign advertising amendments.

1 **SEC. 3. EQUALIZATION OF MULTICANDIDATE POLITICAL**
 2 **COMMITTEE CANDIDATE CONTRIBUTION**
 3 **LIMITATION WITH LIMITATION APPLICABLE**
 4 **TO OTHER PERSONS.**

5 Section 315(a)(2)(A) of the Federal Election Cam-
 6 paign Act of 1971 (2 U.S.C. 441a(a)(2)(A)) is amended
 7 by striking out “\$5,000” and inserting in lieu thereof
 8 “\$1,000 in the case of a nonparty multicandidate political
 9 committee and \$5,000 in the case of a multicandidate po-
 10 litical committee of a political party”.

11 **SEC. 4. HOUSE OF REPRESENTATIVES ELECTION LIMITA-**
 12 **TION ON CONTRIBUTIONS FROM SOURCES**
 13 **OTHER THAN IN-STATE SOURCES.**

14 Section 315 of the Federal Election Campaign Act
 15 of 1971 (2 U.S.C. 441a) is amended by adding at the end
 16 the following new subsection:

17 “(i)(1) A candidate for the office of Representative
 18 in, or Delegate or Resident Commissioner to, the Congress
 19 may not, with respect to an election, accept contributions
 20 from sources other than in-State sources totaling the same

1 as, or in excess of, the total of contributions accepted from
2 in-State sources.

3 “(2) As used in this subsection, the term ‘in-State
4 sources’ means an individual, multicandidate political
5 committee, or party political committee from the State in
6 which the congressional district involved is located.”.

7 **SEC. 5. HOUSE OF REPRESENTATIVES ELECTION LIMITA-**
8 **TION ON USE OF PERSONAL LOANS BY CAN-**
9 **DIDATES.**

10 Section 315 of the Federal Election Campaign Act
11 of 1971 (2 U.S.C. 441a), as amended by section 4, is fur-
12 ther amended by adding at the end the following new sub-
13 section:

14 “(j) A candidate for the office of Representative in,
15 or Delegate or Resident Commissioner to, the Congress
16 may not make loans to his campaign with respect to an
17 election in a total amount that exceeds the amount equal
18 to 25 percent of all expenditures by the candidate in the
19 election.”.

20 **SEC. 6. VOLUNTARY SPENDING LIMITS.**

21 Title III of the Federal Election Campaign Act of
22 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
23 end the following new sections:

1 “VOLUNTARY SPENDING LIMITS

2 “SEC. 323. (a)(1) Notwithstanding any other provi-
3 sion of this Act, each State shall, to the extent permitted
4 by State law, have authority to impose voluntary campaign
5 spending limits with respect to elections for Federal office.

6 “(2) Each State may, to the extent permitted by
7 State law, limit campaign spending by allowing any can-
8 didate to voluntarily agree to limit his campaign expendi-
9 tures and those of his immediate family on his behalf by
10 filing an affidavit with the Secretary of State or the State
11 official with primary jurisdiction over elections.

12 “(3) Each State may, to the extent permitted by
13 State law, require the affidavit to state that the candidate
14 knows the voluntary expenditure limitations as set out by
15 State law and that he is voluntarily agreeing to limit his
16 expenditures and those made on his behalf by his commit-
17 tee or committees, his party, and his behalf by immediate
18 family to the amount set by State law. The affidavit may
19 further state that the candidate does not condone and
20 shall not solicit any independent expenditures made on be-
21 half of his candidacy. The affidavit shall be sworn and
22 subscribed to by the candidate and notarized.

23 “(4) Each State may, to the extent permitted by
24 State law, require that affidavits in compliance with this
25 section be filed within 3 days after the date on which a

1 candidate files his declaration of candidacy or his declara-
2 tion of intent, or is declared a write-in winner of a primary
3 election.

4 “(b) Each State may, to the extent permitted by
5 State law, set total expenditures by a candidate who volun-
6 tarily agrees to limit campaign expenditures as follows:

7 “(1) For the office of Senator, \$500,000 in a
8 primary election, and \$500,000 in a general election.

9 “(2) For the office of Representative in, or Del-
10 egate or Resident Commissioner to, the Congress,
11 \$250,000 in a primary election, and \$250,000 in a
12 general election.

13 “(c) If the expenditure limits prescribed in subsection
14 (b) are not considered appropriate, each State may, to the
15 extent permitted by State law, increase or decrease total
16 expenditures by a candidate who voluntarily agrees to
17 limit campaign expenditures as it deems appropriate.

18 “(d)(1) Each State may, to the extent permitted by
19 State law, establish a State advisory commission on cam-
20 paign finance to monitor the application of campaign fi-
21 nance statutes.

22 “(2) After the State has set the voluntary expendi-
23 ture limits, the Commission may study inflationary, mar-
24 ket, and other trends which may necessitate changes in
25 State campaign finance law. The Commission may submit

1 a report to the Governor and to the State assembly in No-
2 vember of each odd-numbered year preceding a State gen-
3 eral election.

4 “(3) Membership of the Commission shall be deter-
5 mined by State law, except the Governor shall appoint the
6 chairman and the membership shall be equally divided
7 among Republican and Democrat appointments and the
8 membership shall be equally divided among Federal and
9 State appointments.

10 “(e) Each State may, to the extent permitted by
11 State law, waive or refund filing fees for any candidate
12 who has filed an affidavit stating that the candidate agrees
13 to limit campaign expenditures set by State law.

14 “(f) Each State may, to the extent permitted by State
15 law, print on election ballots, next to or beneath the name
16 of the candidate, whether or not the candidate has agreed
17 to voluntarily limit campaign expenditures set by State
18 law. The passage printed on the ballot may read: ‘This
19 candidate has refused to voluntarily limit campaign spend-
20 ing pursuant to State law.’

21 “(g)(1) Each State may, to the extent permitted by
22 State law, impose penalties on any candidate who volun-
23 tarily agrees to limit campaign expenditures as provided
24 by State law and who exceeds the total political expendi-
25 ture limitations as provided by State law in running for

1 any Federal office in either a primary or general election,
2 or both.

3 “(2) Each State may, to the extent permitted by
4 State law, impose a fine schedule which is based on the
5 percentage by which the candidate exceeds permitted cam-
6 paign expenditures, so that the candidate shall pay a per-
7 centage of the excess campaign expenditures as follows:

8 “(A) Candidates for the office of Senator:

9 “(i) Under \$1,000—1 percent.

10 “(ii) \$1,000–\$5,000—10 percent.

11 “(iii) \$5,000–\$10,000—25 percent.

12 “(iv) \$10,000–\$50,000—50 percent.

13 “(v) Over \$50,000—100 percent.

14 “(B) Candidates for the office of Representative
15 in, or Delegate or Resident Commissioner to, the
16 Congress:

17 “(i) Under \$1,000—1 percent.

18 “(ii) \$1,000–\$5,000—10 percent.

19 “(iii) \$5,000–\$10,000—25 percent.

20 “(iv) \$10,000–\$25,000—50 percent.

21 “(v) Over \$25,000—100 percent.

22 “(3) Each State may, to the extent permitted by
23 State law, allow the Secretary of State or the State official
24 with primary jurisdiction over elections to waive fines if
25 the candidate’s opponent did not agree to limit spending.

1 “(4) Each State may, to the extent permitted by
2 State law, require the Commission to include in its annual
3 report to the Governor and State assembly recommenda-
4 tions with respect to the fine schedule.

5 “(5) Each State may, to the extent permitted by
6 State law, require any fine assessed under the provisions
7 of this section to be deposited into the State general fund.

8 “(h) Each State may, to the extent permitted by
9 State law, require the Secretary of State or the State offi-
10 cial with primary jurisdiction over elections to give or send
11 by mail a copy of State campaign statutes and regulations
12 to each person whose name will be printed on a primary
13 or general election ballot within 5 days of the close of the
14 filing period.

15 “EFFECT OF MORE RESTRICTIVE STATE LAWS

16 “SEC. 324. Notwithstanding any other provision of
17 this Act, each State shall, to the extent permitted by State
18 law, have the authority to impose stricter limits on cam-
19 paign contributions as well as other requirements with re-
20 spect to Federal elections, if such limitations and require-
21 ments are more restrictive than the limitations and re-
22 quirements of this Act.”.

23 **SEC. 7. PROVISIONS RELATING TO INDEPENDENT EXPEND-**
24 **ITURES.**

25 (a) INDEPENDENT EXPENDITURE DEFINITION
26 AMENDMENT.—Section 301 of the Federal Election Cam-

1 paign Act of 1971 (2 U.S.C. 431) is amended by striking
2 out paragraphs (17) and (18) and inserting in lieu thereof
3 the following:

4 “(17)(A) The term ‘independent expenditure’ means
5 an expenditure that—

6 “(i) contains express advocacy; and

7 “(ii) is made without the participation or co-
8 operation of, or without the consultation of, a can-
9 didate or a candidate’s representative.

10 “(B) The following shall not be considered an inde-
11 pendent expenditure:

12 “(i) An expenditure made by—

13 “(I) an authorized committee of a can-
14 didate for Federal office, or

15 “(II) a political committee of a political
16 party.

17 “(ii) An expenditure if there is any arrange-
18 ment, coordination, or direction with respect to the
19 expenditure between the candidate or the candidate’s
20 agent and the person making the expenditure.

21 “(iii) An expenditure if, in the same election
22 cycle, the person making the expenditure is or has
23 been—

1 “(I) authorized to raise or expend funds on
2 behalf of the candidate or the candidate’s au-
3 thorized committees; or

4 “(II) serving as a member, employee, or
5 agent of the candidate’s authorized committees
6 in an executive or policymaking position.

7 “(iv) An expenditure if the person making the
8 expenditure has advised or counseled the candidate
9 or the candidate’s agents at any time on the can-
10 didate’s plans, projects, or needs relating to the can-
11 didate’s pursuit of nomination for election, or elec-
12 tion, to Federal office, in the same election cycle, in-
13 cluding any advice relating to the candidate’s deci-
14 sion to seek Federal office.

15 “(v) An expenditure if the person making the
16 expenditure retains the professional services of any
17 individual or other person also providing services in
18 the same election cycle to the candidate in connec-
19 tion with the candidate’s pursuit of nomination for
20 election, or election, to Federal office, including any
21 services relating to the candidate’s decision to seek
22 Federal office. For purposes of this clause, the term
23 ‘professional services’ shall include any services
24 (other than legal and accounting services solely for
25 purposes of ensuring compliance with any Federal

1 law) in support of any candidate’s or candidates’
2 pursuit of nomination for election, or election, to
3 Federal office.

4 For purposes of this subparagraph, the person making the
5 expenditure shall include any officer, director, employee,
6 or agent of such person.

7 “(18)(A) The term ‘express advocacy’ means, when
8 a communication is taken as a whole and with limited ref-
9 erence to external events, an expression of support for or
10 opposition to a specific candidate, to a specific group of
11 candidates, or to candidates of a particular political party.

12 “(B) The term ‘expression of support for or opposi-
13 tion to’ includes a suggestion to take action with respect
14 to an election, such as to vote for or against, make con-
15 tributions to, or participate in campaign activity, or to re-
16 frain from taking action.”.

17 (b) CONTRIBUTION DEFINITION AMENDMENT.—Sec-
18 tion 301(8)(A) of the Federal Election Campaign Act of
19 1971 (2 U.S.C. 431(8)(A)) is amended—

20 (1) in clause (i), by striking out “or” after the
21 semicolon at the end;

22 (2) in clause (ii), by striking out the period at
23 the end and inserting in lieu thereof “; or”; and

24 (3) by adding at the end the following new
25 clause:

1 “(iii) any payment or other transaction referred
2 to in paragraph (17)(A)(i) that is not an independ-
3 ent expenditure under paragraph (17).”.

4 **SEC. 8. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
5 **PENDENT EXPENDITURES.**

6 Section 304(c) of the Federal Election Campaign Act
7 of 1971 (2 U.S.C. 434(c)) is amended—

8 (1) in paragraph (2), by striking the undesig-
9 nated matter after subparagraph (C);

10 (2) by redesignating paragraph (3) as para-
11 graph (7); and

12 (3) by inserting after paragraph (2), as amend-
13 ed by paragraph (1), the following new paragraphs:

14 “(3)(A) Any person (including a political com-
15 mittee) making independent expenditures as defined
16 in section 301(17) and (18) with respect to a can-
17 didate in an election aggregating \$1,000 or more
18 made after the 20th day, but more than 24 hours,
19 before the election shall file a report within 24 hours
20 after such independent expenditures are made. An
21 additional report shall be filed each time independ-
22 ent expenditures aggregating \$1,000 are made with
23 respect to the same candidate after the latest report
24 filed under this subparagraph.

1 “(B) Any person (including a political commit-
2 tee) making independent expenditures with respect
3 to a candidate in an election aggregating \$10,000 or
4 more made at any time up to and including the 20th
5 day before the election shall file a report within 48
6 hours after such independent expenditures are made.
7 An additional report shall be filed each time inde-
8 pendent expenditures aggregating \$10,000 are made
9 with respect to the same candidate after the latest
10 report filed under this paragraph.

11 “(C) A report under subparagraph (A) or (B)
12 shall be filed with the Commission and shall identify
13 each candidate whom the expenditure is actually in-
14 tended to support or to oppose. Not later than 2
15 business days after the Commission receives a re-
16 port, the Commission shall transmit a copy of the
17 report to each candidate seeking nomination or elec-
18 tion to that office.

19 “(D) For purposes of this section, an independ-
20 ent expenditure shall be considered to have been
21 made upon the making of any payment or the taking
22 of any action to incur an obligation for payment.

23 “(4) The Commission may, upon a request of a
24 candidate or on its own initiative, make its own de-
25 termination that a person, including a political com-

1 mittee, has made, or has incurred obligations to
2 make, independent expenditures with respect to any
3 candidate in any election which in the aggregate ex-
4 ceed the applicable amounts under paragraph (3).
5 The Commission shall notify each candidate in such
6 election of such determination made within 2 busi-
7 ness days after making it. Any determination made
8 at the request of a candidate shall be made within
9 48 hours of the request.

10 “(5) In the event that independent expenditures
11 totaling in the aggregate \$25,000 have been made in
12 the same election in favor of another candidate or
13 against an eligible House of Representatives can-
14 didate, the Commission shall, within 2 business
15 days, notify the eligible candidate that such can-
16 didate is entitled under section 502(g) to raise addi-
17 tional contributions equaling the amount of such
18 independent expenditures. At such time as the ag-
19 gregate amount the independent expenditures re-
20 ferred to in the preceding sentence, combined with
21 the expenditures of all other candidates in such elec-
22 tion equals 100 percent of the election cycle limit set
23 forth in section 502(b), the Commission shall, within
24 2 business days, notify the eligible candidate that
25 such candidate is entitled under section 502(g) to

1 make the expenditures provided for in section
2 502(g).

3 “(6)(A) A person who reserves broadcast time
4 the payment for which would constitute an inde-
5 pendent expenditure within the meaning of section
6 301(17) of this Act (2 U.S.C. 431(17)), shall at the
7 time of the reservation—

8 “(i) inform the broadcast licensee that pay-
9 ment for the broadcast time will constitute an
10 independent expenditure;

11 “(ii) inform the broadcast licensee of the
12 names of all candidates for the office to which
13 the proposed broadcast relates and state wheth-
14 er the message to be broadcast is intended to
15 be made in support of or in opposition to each
16 such candidate; and

17 “(iii) provide the broadcast licensee a copy
18 of the report described in paragraph (3).

19 “(B) For purposes of this paragraph, the term
20 ‘broadcast’ includes any cablecast.

21 “(C) A licensee who is informed as described in
22 subparagraph (A) shall—

23 “(i) notify each such candidate described
24 in subparagraph (A)(ii) of the proposed making
25 of the independent expenditure; and

1 “(ii) allow any such candidate (other than
2 a candidate for whose benefit the independent
3 expenditure is made) to purchase the same
4 amount of broadcast time immediately after the
5 broadcast time paid for by the independent ex-
6 penditure, at the cost specified in section
7 315(b) of the Communications Act of 1934.”.

8 **SEC. 9. OFFICIAL MASS MAILING ALLOWANCE.**

9 Section 311(f) of the Legislative Branch Appropria-
10 tions Act, 1991 (2 U.S.C. 59e(f)) is amended to read as
11 follows:

12 “(f)(1) There is established in the House of Rep-
13 resentatives an Official Mass Mailing Allowance for Mem-
14 bers of the House of Representatives.

15 “(2) The Official Mass Mailing Allowance of a Mem-
16 ber of the House of Representatives—

17 “(A) shall be available only for postage for any
18 mass mailing sent by such Member as franked mail;

19 “(B) shall be the sole source of funding for any
20 such postage; and

21 “(C) shall be available, in a session of Congress
22 (subject to paragraph (5)(A)(ii)), in an amount not
23 to exceed the total amount allocated to the Official
24 Mail Allowance of such Member in such session.

1 “(3) No amount may be transferred to or from the
2 Official Mass Mailing Allowance of a Member of the
3 House of Representatives (including as described in the
4 parenthetical matter in subsection (a)(2)(A)), except as
5 provided in subsection (e)(3)(B).

6 “(4) For purposes of subsection (b), the Official Mass
7 Mailing Allowance of (and any mass mailing sent by) a
8 Member of the House of Representatives shall be treated
9 separately from the Official Mail Allowance of (and any
10 other official mail sent by) such Member.

11 “(5)(A) Otherwise applicable provisions of law relat-
12 ing to mass mailings sent by a Member of (or Member-
13 elect to) the House of Representatives shall continue to
14 govern such mass mailings—

15 “(i) except that—

16 “(I) for purposes of carrying out those
17 other provisions of law, the term ‘mass mailing’
18 shall have the meaning given it under para-
19 graph (8); and

20 “(II) a mass mailing may not be sent by
21 a Member of (or a Member-elect to) the House
22 of Representatives if it would be postmarked
23 during the period beginning on the date on
24 which the Member of (or Member-elect to) the
25 House of Representatives becomes a candidate

1 under State law and ending on the date of the
2 election, subject to subparagraph (B); and

3 “(ii) except as otherwise provided in this sub-
4 section.

5 “(B) Nothing in subclause (II) of subparagraph
6 (A)(i) shall be considered to preclude the mailing of any
7 mail matter—

8 “(i) sent after the Tuesday next after the 1st
9 Monday in November of such year, and any mass
10 mailing described in section 3210(a)(6)(B) of title
11 39, United States Code; or

12 “(ii) which relates to an emergency or disaster
13 declared by the President, if—

14 “(I) the mailing is sent within 60 days
15 after the emergency or disaster is declared;

16 “(II) the recipients of the mailing are lo-
17 cated in a congressional district any portion of
18 which is within (or adjacent to) an area in-
19 cluded in the President’s declaration;

20 “(III) the mailing complies with clauses
21 (iii) and (iv) of paragraph (8)(C);

22 “(IV) the mailing complies with clauses (i)
23 and (ii)(II) of section 3210(a)(6)(A) of title 39,
24 United States Code; and

1 “(V) the mailing relates solely to the emer-
2 gency or disaster.

3 “(6) A Member of the House of Representatives
4 shall—

5 “(A) before making any mass mailing, submit a
6 sample of the mail matter involved to the House
7 Commission on Congressional Mailing Standards for
8 an advisory opinion as to whether such proposed
9 mailing is in compliance with applicable provisions of
10 law, rule, or regulation;

11 “(B) before making any mailing of substantially
12 identical mail which totals 250 pieces or less (but
13 more than 50) in the same session, and which in
14 every other respect meets the definition of a mass
15 mailing (determined disregarding the exclusion
16 under subclause (II) of paragraph (8)(A)(i)), submit
17 a sample of the mail matter involved to such Com-
18 mission; and

19 “(C) before making any mailing of substantially
20 identical mail, in the nature of a town meeting no-
21 tice, which totals more than 50 pieces in the same
22 session, and which in every other respect (aside from
23 such nature and number) meets the definition of a
24 mass mailing, submit a sample of the mail matter
25 involved to such Commission.

1 “(7)(A) The regulations prescribed in connection with
2 subsection (a)(3) shall be amended to require, in addition
3 to the information otherwise required to be included in the
4 quarterly report referred to therein, a statement of—

5 “(i) costs charged against the Official Mass
6 Mailing Allowance of each Member; and

7 “(ii) the number of pieces of mail in any mass
8 mailing sent by a Member.

9 “(B)(i) The House Commission on Congressional
10 Mailing Standards shall by regulation establish procedures
11 under which there shall be made available to the public
12 for review and copying any matter submitted to the Com-
13 mission under paragraph (6). Any copying under the pre-
14 ceding sentence shall be at the expense of the person who
15 requests the copying.

16 “(ii) Under the regulations, mail matter shall be
17 made available within 2 weeks after the date on which it
18 is requested in accordance with applicable procedures.

19 “(8) For the purpose of this subsection—

20 “(A) the term ‘mass mailing’ means, with re-
21 spect to a session of Congress, any mailing of news-
22 letters or other pieces of mail with substantially
23 identical content (whether such mail is deposited sin-
24 gly or in bulk, or at the same time or different

1 times), totaling more than 250 pieces in that ses-
2 sion, except that such term does not include—

3 “(i)(I) any mailing of matter in direct re-
4 sponse to a communication from a person to
5 whom the matter is mailed; or

6 “(II) a single follow-up to any such direct
7 response, if it is made before the end of the
8 Congress in which the direct response was
9 made, it occurs within 6 weeks after any signifi-
10 cant congressional action (as defined by the
11 House Commission on Congressional Mailing
12 Standards) on the subject matter involved, and
13 it complies with any requirements which would
14 be applicable to it under clause (i) or (ii)(II) of
15 section 3210(a)(6)(A) of title 39, United States
16 Code, if it were a mass mailing;

17 “(ii) any mailing from a Member of Con-
18 gress to other Members of Congress, or to Fed-
19 eral, State, or local government officials;

20 “(iii) any mailing of a news release to the
21 communications media; or

22 “(iv) any mailing described in clause (iv)
23 or (v) of section 6(b)(1)(B) of the Legislative
24 Branch Appropriations Act, 1995 (39 U.S.C.
25 3210 note), subject to the same restriction as

1 specified in such clause (iv) with respect to a
2 Member of the Senate;

3 “(B) the term ‘franked mail’ has the meaning
4 given such term by section 3201(4) of title 39,
5 United States Code; and

6 “(C) the term ‘town meeting notice’ means (in-
7 cluding for purposes of subparagraph (A)(iv)) any
8 mailing which—

9 “(i) relates solely to a notice of the time
10 and place at which a Member of the House of
11 Representatives or 1 or more members of the
12 Member’s staff will be available to meet con-
13 stituents regarding legislative issues or prob-
14 lems with Federal programs;

15 “(ii) appears on a mailing 5½” x 8” or
16 smaller;

17 “(iii) includes not more than 3 references
18 to the Member (excluding any reference appear-
19 ing as the frank, consisting of the signature
20 and name at the end of the mailing, or other-
21 wise specified in regulations of the House Com-
22 mission on Congressional Mailing Standards);
23 and

24 “(iv) does not include any picture, sketch,
25 or other likeness of the Member.”.

1 **SEC. 10. PROVISIONS RELATING TO MEMBERS' OFFICIAL**
2 **MAIL ALLOWANCE.**

3 (a) REDUCTION IN MAXIMUM ALLOCATION.—Section
4 311(e)(2)(B)(i) of the Legislative Branch Appropriations
5 Act, 1991 (2 U.S.C. 59e(e)(2)(B)(i)) is amended by strik-
6 ing “3” and inserting “0.5”.

7 (b) LIMITATION ON TRANSFERS.—Paragraph (3) of
8 section 311(e) of such Act is amended to read as follows:

9 “(3)(A) Except as provided in subparagraph (B), no
10 amount may be transferred to or from the Official Mail
11 Allowance of a Member of the House of Representatives.

12 “(B) A Member of the House of Representatives may
13 transfer amounts from the Official Mass Mailing Allow-
14 ance of the Member to the Official Mail Allowance of the
15 Member.”.

16 **SEC. 11. LIMITATION ON CONTRIBUTIONS AND EXPENDI-**
17 **TURES BY LABOR ORGANIZATIONS.**

18 (a) CONTRIBUTIONS TO ALL POLITICAL COMMIT-
19 TEES INCLUDED.—Paragraph (2) of section 316(b) of the
20 Federal Election Campaign Act of 1971 (2 U.S.C.
21 441b(b)(2)) is amended by inserting “political commit-
22 tee,” after “campaign committee,”.

23 (b) APPLICABILITY OF REQUIREMENTS TO LABOR
24 ORGANIZATIONS.—Section 316(b) of the Federal Election
25 Campaign Act of 1971 (2 U.S.C. 441b(b)) is amended by
26 adding at the end the following new paragraph:

1 “(8)(A) Subparagraphs (A), (B), and (C) of para-
2 graph (2) shall not apply to a labor organization unless
3 the organization meets the requirements of subparagraphs
4 (B), (C), and (D).

5 “(B) The requirements of this subparagraph are met
6 only if the labor organization provides, at least once annu-
7 ally, to all employees within the labor organization’s bar-
8 gaining unit or units (and to new employees within 30
9 days after commencement of their employment) written
10 notification presented in a manner to inform any such em-
11 ployee—

12 “(i) that an employee cannot be obligated to
13 pay, through union dues or any other mandatory
14 payment to a labor organization, for the political ac-
15 tivities of the labor organization, including, but not
16 limited to, the maintenance and operation of, or so-
17 licitation of contributions to, a political committee,
18 political communications to members, and voter reg-
19 istration and get-out-the-vote campaigns;

20 “(ii) that no employee may be required actually
21 to join any labor organization, but if a collective bar-
22 gaining agreement covering an employee purports to
23 require membership or payment of dues or other
24 fees to a labor organization as a condition of em-

1 employment, the employee may elect instead to pay an
2 agency fee to the labor organization;

3 “(iii) that the amount of the agency fee shall be
4 limited to the employee’s pro rata share of the cost
5 of the labor organization’s exclusive representation
6 services to the employee’s collective bargaining unit,
7 including collective bargaining, contract administra-
8 tion, and grievance adjustment;

9 “(iv) that an employee who elects to be a full
10 member of the labor organization and pay member-
11 ship dues is entitled to a reduction of those dues by
12 the employee’s pro rata share of the total spending
13 by the labor organization for political activities;

14 “(v) that the cost of the labor organization’s ex-
15 clusive representation services, and the amount of
16 spending by such organization for political activities,
17 shall be computed on the basis of such cost and
18 spending for the immediately preceding fiscal year of
19 such organization; and

20 “(vi) of the amount of the labor organization’s
21 full membership dues, initiation fees, and assess-
22 ments for the current year; the amount of the re-
23 duced membership dues, subtracting the employee’s
24 pro rata share of the organization’s spending for po-

1 litical activities, for the current year; and the
2 amount of the agency fee for the current year.

3 “(C) The requirements of this subparagraph are met
4 only if the labor organization provides all represented em-
5 ployees an annual examination by an independent certified
6 public accountant of financial statements supplied by such
7 organization which attests that the expenditures which the
8 union claimed it made for certain expenses were actually
9 made for those expenses. Such examination shall be con-
10 ducted in accordance with generally accepted auditing
11 standards.

12 “(D) The requirements of this subparagraph are met
13 only if the labor organization—

14 “(i) maintains procedures to promptly deter-
15 mine the costs that may properly be charged to
16 agency fee payors as costs of exclusive representa-
17 tion, and explains such procedures in the written no-
18 tification required under subparagraph (B); and

19 “(ii) if any person challenges the costs which
20 may be properly charged as costs of exclusive rep-
21 resentation—

22 “(I) provides a mutually selected impartial
23 decisionmaker to hear and decide such chal-
24 lenge pursuant to rules of discovery and evi-
25 dence and subject to de novo review by the Na-

1 tional Labor Relations Board or an applicable
2 court; and

3 “(II) places in escrow amounts reasonably
4 in dispute pending the outcome of the chal-
5 lenge.

6 “(E)(i) A labor organization that does not satisfy the
7 requirements of subparagraphs (B), (C), and (D) shall fi-
8 nance any expenditures specified in subparagraphs (A),
9 (B), or (C) of paragraph (2) only with funds legally col-
10 lected under this Act for its separate segregated fund.

11 “(ii) For purposes of this paragraph, subparagraph
12 (A) of paragraph (2) shall apply only with respect to com-
13 munications expressly advocating the election or defeat of
14 any clearly identified candidate for elective public office.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 subsections (a) and (b) shall apply to contributions and
17 expenditures made after the date of the enactment of this
18 Act.

19 **SEC. 12. CAMPAIGN ADVERTISING AMENDMENTS.**

20 Section 318 of the Federal Election Campaign Act
21 of 1971 (2 U.S.C. 441d) is amended—

22 (1) in subsection (a)—

23 (A) in the matter preceding paragraph

24 (1)—

1 (i) by striking “Whenever” and insert-
2 ing “Whenever a political committee makes
3 a disbursement for the purpose of financ-
4 ing any communication through any broad-
5 casting station, newspaper, magazine, out-
6 door advertising facility, mailing, phone
7 bank or any other type of general public
8 political advertising, or whenever”;

9 (ii) by striking “an expenditure” and
10 inserting “a disbursement”; and

11 (iii) by striking “direct”; and

12 (B) in paragraph (3), by inserting “and
13 permanent street address” after “name”; and

14 (2) by adding at the end the following new sub-
15 sections:

16 “(c) Any printed communication described in sub-
17 section (a) shall be—

18 “(1) of sufficient type size to be clearly read-
19 able by the recipient of the communication;

20 “(2) contained in a printed box set apart from
21 the other contents of the communication; and

22 “(3) consist of a reasonable degree of color con-
23 trast between the background and the printed state-
24 ment.

1 “(d)(1) Any broadcast or cablecast communication
2 described in subsection (a)(1) or subsection (a)(2) shall
3 include, in addition to the requirements of those sub-
4 sections, an audio statement by the candidate that identi-
5 fies the candidate and states that the candidate is respon-
6 sible for the content of the advertisement.

7 “(2) If a broadcast or cablecast communication de-
8 scribed in paragraph (1) is broadcast or cablecast by
9 means of television, the communication shall include, in
10 addition to the audio statement under paragraph (1), a
11 written statement which—

12 “(A) appears at the end of the communication
13 in a clearly readable manner with a reasonable de-
14 gree of color contrast between the background and
15 the printed statement, for a period of at least 4 sec-
16 onds; and

17 “(B) is accompanied by a clearly identifiable
18 photographic or similar image of the candidate.

19 “(e) Any broadcast or cablecast communication de-
20 scribed in subsection (a)(3) shall include, in addition to
21 the requirements of those subsections, in a clearly spoken
22 manner, the following statement: ‘ is
23 responsible for the content of this advertisement.’ (with
24 the blank to be filled in with the name of the political
25 committee or other person paying for the communication

1 and the name of any connected organization of the payor).
2 If broadcast or cablecast by means of television, the state-
3 ment shall also appear in a clearly readable manner with
4 a reasonable degree of color contrast between the back-
5 ground and the printed statement, for a period of at least
6 4 seconds.”.

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