

105TH CONGRESS  
1ST SESSION

# S. 179

To reform the financing of Federal elections, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JANUARY 22, 1997

Mrs. HUTCHISON introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

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## A BILL

To reform the financing of Federal elections, 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 “Campaign Finance Re-  
5       form and Disclosure Act of 1997”.

6       **SEC. 2. DEFINITIONS.**

7       Section 301 of the Federal Election Campaign Act  
8       of 1971 (2 U.S.C. 431) is amended by adding at the end  
9       the following:

10               “(20) ELECTION CYCLE.—The term ‘election  
11       cycle’ means—

“(A) in the case of a candidate or the authorized committees of a candidate, the period beginning on the day after the date of the most recent general election for the specific office or seat that the candidate seeks and ending on the date of the next general election for that office or seat; and

“(B) in the case of all other persons, the period beginning on the first day following the date of the last general election and ending on the date of the next general election.

“(21) SENATE CANDIDATE.—The term ‘Senate candidate’ means a candidate who seeks nomination for election, or election, to the Senate.

“(22) CAMPAIGN EXPENSE.—The term ‘campaign expense’ means an expense that is attributable solely to a bona fide campaign purpose.

“(23) INHERENTLY PERSONAL PURPOSE.—The term ‘inherently personal purpose’ means a purpose that, by its nature, confers a personal benefit on a candidate, including a home mortgage rent or utility payment, clothing purchase, noncampaign automobile expense, country club membership, vacation, or trip of a noncampaign nature, household food item, tuition payment, admission to a sporting event,

1 concert, theater, or other form of entertainment not  
 2 associated with a campaign, dues, fees, or contribu-  
 3 tion to a health club or recreational facility, and any  
 4 other inherently personal living expense as deter-  
 5 mined under a regulation issued under section  
 6 326.”.

7 **SEC. 3. PROHIBITION OF CONTRIBUTIONS TO FEDERAL**  
 8 **CANDIDATES BY NONCITIZENS.**

9 Section 319(b)(2) of the Federal Election Campaign  
 10 Act of 1971 (2 U.S.C. 441e(b)(2)) is amended by striking  
 11 “and who is not lawfully admitted for permanent resi-  
 12 dence, as defined by section 101(a)(20) of the Immigra-  
 13 tion and Nationality Act (8 U.S.C. 1101(a)(20))”.

14 **SEC. 4. LIMITATION ON ACCEPTANCE OF OUT-OF-STATE**  
 15 **CONTRIBUTIONS BY SENATE CANDIDATES.**

16 Title III of the Federal Election Campaign Act of  
 17 1971 (2 U.S.C. 431 et seq.) is amended by adding at the  
 18 end the following:

19 **“SEC. 324. LIMITATION ON ACCEPTANCE OF OUT-OF-STATE**  
 20 **CONTRIBUTIONS BY SENATE CANDIDATES.**

21 “A Senate candidate and the candidate’s authorized  
 22 committees shall not accept, during an election cycle, con-  
 23 tributions from persons other than individuals residing in  
 24 the candidate’s State in an amount exceeding 40 percent

1 of the total amount of contributions accepted during the  
 2 election cycle.”.

3 **SEC. 5. LIMITATION ON REIMBURSEMENT FROM CAM-**  
 4 **PAIGNS FOR CONTRIBUTIONS BY SENATE**  
 5 **CANDIDATES AND IMMEDIATE FAMILIES OF**  
 6 **SENATE CANDIDATES.**

7 Title III of the Federal Election Campaign Act of  
 8 1971 (2 U.S.C. 431 et seq.) (as amended by section 4)  
 9 is amended by adding at the end the following:

10 **“SEC. 325. LIMITATION ON REIMBURSEMENT FROM CAM-**  
 11 **PAIGNS FOR CONTRIBUTIONS BY SENATE**  
 12 **CANDIDATES AND IMMEDIATE FAMILIES OF**  
 13 **SENATE CANDIDATES.**

14 “(a) IN GENERAL.—The aggregate amount of con-  
 15 tributions made during an election cycle to an eligible Sen-  
 16 ate candidate or the candidate’s authorized committees  
 17 from the sources described in subsection (b) that may be  
 18 reimbursed to those sources shall not exceed \$250,000.

19 “(b) SOURCES.—A source is described in this sub-  
 20 section if the source is—

21 “(1) personal funds of the candidate and mem-  
 22 bers of the candidate’s immediate family; or

23 “(2) personal loans incurred by the candidate  
 24 and members of the candidate’s immediate family.

1       “(c) INDEXING.—The \$250,000 amount under sub-  
 2 section (a) shall be increased as of the beginning of each  
 3 calendar year based on the increase in the price index de-  
 4 termined under section 315(c), except that the base period  
 5 shall be calendar year 1996.”.

6 **SEC. 6. RESTRICTION ON USE OF CAMPAIGN FUNDS BY**  
 7 **SENATE CANDIDATES FOR PERSONAL PUR-**  
 8 **POSES.**

9       (a) RESTRICTION.—Title III of the Federal Election  
 10 Campaign Act of 1971 (2 U.S.C. 431 et seq.) (as amended  
 11 by section 5) is amended by adding at the end the follow-  
 12 ing:

13 **“SEC. 326. RESTRICTION ON USE OF CAMPAIGN FUNDS BY**  
 14 **SENATE CANDIDATES FOR PERSONAL PUR-**  
 15 **POSES.**

16       “(a) RESTRICTION.—A Senate candidate who accepts  
 17 a contribution—

18               “(1) shall use the contribution only to pay a le-  
 19 gitimate and verifiable campaign or politically relat-  
 20 ed expense; and

21               “(2) shall not use the contributions to pay any  
 22 inherently personal purpose.

23       “(b) REGULATION.—Not later than 90 days after the  
 24 date of enactment of this section, the Commission shall  
 25 issue a regulation implementing subsection (a).”.

1 (b) APPLICATION OF AMENDMENT.—The amendment  
 2 made by subsection (a) shall apply to all contributions pos-  
 3 sessed by a candidate on the date of enactment of this  
 4 Act and thereafter.

5 **SEC. 7. LIMIT ON CONGRESSIONAL USE OF THE FRANKING**  
 6 **PRIVILEGE.**

7 Section 3210(a)(6)(A) of title 39, United States  
 8 Code, is amended to read as follows:

9 “(A) A Member of Congress shall not mail  
 10 any mass mailing as franked mail during a year  
 11 in which there will be an election for the seat  
 12 held by the Member during the period between  
 13 January 1 of that year and the date of the gen-  
 14 eral election for that Office, unless the Member  
 15 has made a public announcement that the  
 16 Member will not be a candidate for election to  
 17 any Federal office in that year (including the  
 18 office held by the Member).”.

19 **SEC. 8. DECREASE IN PAC CONTRIBUTION LIMIT; INDEXING**  
 20 **OF LIMITS.**

21 Section 315(a) of the Federal Election Campaign Act  
 22 of 1971 (2 U.S.C. 441a(a)) is amended—

- 23 (1) in paragraph (2)(A) by striking “\$5,000”  
 24 and inserting “\$1,000”; and  
 25 (2) by adding at the end the following:

1           “(9) INDEXING.—The \$1,000 amounts under  
 2           paragraphs (1)(A) and (2)(A) shall be increased as  
 3           of the beginning of each calendar year based on the  
 4           increase in the price index determined under sub-  
 5           section (c), except that the base period shall be cal-  
 6           endar year 1996.”.

7   **SEC. 9. RESTRICTION ON ACCEPTANCE OF CONTRIBUTIONS**  
 8                           **BY POLITICAL PARTY COMMITTEES.**

9           Title III of the Federal Election Campaign Act of  
 10   1971 (2 U.S.C. 431 et seq.) (as amended by section 6)  
 11   is amended by adding at the end the following:

12   **“SEC. 327. RESTRICTION ON ACCEPTANCE OF CONTRIBU-**  
 13                           **TIONS BY POLITICAL PARTY COMMITTEES.**

14           “It shall be unlawful for a committee of a political  
 15   party to accept a contribution on the condition that the  
 16   contribution be used to make a contribution to or an ex-  
 17   penditure on behalf of a particular candidate.”.

18   **SEC. 10. UNLIMITED COMMUNICATIONS BETWEEN A POLIT-**  
 19                           **ICAL PARTY AND MEMBERS OF THE POLITI-**  
 20                           **CAL PARTY.**

21           Section 315(d) of the Federal Election Campaign Act  
 22   of 1971 (2 U.S.C. 441a(d)) is amended by adding at the  
 23   end the following:

24           “(4)(A) For purposes of applying the limitations  
 25   under paragraphs (2) and (3), in determining the amount

1 of expenditures made by a national committee of a politi-  
 2 cal party or a State committee of a political party (includ-  
 3 ing any subordinate committee of a State committee),  
 4 there shall be excluded any amount spent by the commit-  
 5 tee for communications to the extent the communications  
 6 are made to members of the political party.

7 “(B) For purposes of subparagraph (A), an individ-  
 8 ual shall be considered to be a ‘member’ of a political  
 9 party if—

10 “(i) the individual is registered to vote as a  
 11 member of the party;

12 “(ii) there is a public record that the individual  
 13 voted in the primary election of the political party in  
 14 the most recent primary election; or

15 “(iii) the individual has indicated in writing  
 16 that the individual is a member of the political  
 17 party.”.

18 **SEC. 11. PROMOTION OF STATE AND LOCAL PARTY ACTIV-**  
 19 **ITY.**

20 (a) CONTRIBUTIONS.—Section 301(8)(B) of the Fed-  
 21 eral Election Campaign Act of 1971 (2 U.S.C. 431(8)(B))  
 22 is amended—

23 (1) in clause (xiii) by striking “and” at the end;

24 (2) in clause (xiv) by striking the period at the  
 25 end and inserting “; and”; and



1 (3) by adding at the end the following:

2 “(xv) the payment by a State or local commit-  
3 tee of a political party for—

4 “(I) the listing of the slate of the political  
5 party’s candidates, including the communication  
6 of the slate to the public;

7 “(II) the mailing of materials for or on be-  
8 half of specific candidates by volunteers (includ-  
9 ing labeling envelopes or affixing postage or  
10 other indicia to particular pieces of mail), other  
11 than the mailing of materials to a commercial  
12 list;

13 “(III) conducting a telephone bank for or  
14 on behalf of specific candidates staffed by vol-  
15 unteers; or

16 “(IV) the distribution of collateral mate-  
17 rials (such as pins, bumper stickers, handbills,  
18 brochures, posters, party tabloids, and yard  
19 signs) for or on behalf of specific candidates  
20 (whether by volunteers or otherwise).”.

21 (b) EXPENDITURES.—Section 301(9)(B) of the Fed-  
22 eral Election Campaign Act of 1971 (2 U.S.C. 431(9)(B))  
23 is amended—

24 (1) in clause (ix) by striking “and” at the end;

1           (2) in clause (x) by striking the period at the  
2           end and inserting “; and”; and

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

4           “(xi) the payment by a State or local committee  
5           of a political party for—

6                   “(I) the listing of the slate of the political  
7                   party’s candidates, including the communication  
8                   of the slate to the public;

9                   “(II) the mailing of materials for or on be-  
10                  half of specific candidates by volunteers (includ-  
11                  ing labeling envelopes or affixing postage or  
12                  other indicia to particular pieces of mail), other  
13                  than the mailing of materials to a commercial  
14                  list;

15                  “(III) conducting a telephone bank for or  
16                  on behalf of specific candidates staffed by vol-  
17                  unteers; or

18                  “(IV) the distribution of collateral mate-  
19                  rials (such as pins, bumper stickers, handbills,  
20                  brochures, posters, party tabloids, and yard  
21                  signs) for or on behalf of specific candidates  
22                  (whether by volunteers or otherwise).”.

23           (c) CONFORMING AMENDMENTS.—(1) Section  
24 301(8)(B)(x) of the Federal Election Campaign Act of  
25 1971 (2 U.S.C. 431(8)(B)(x)) is amended by striking “in

1 connection with volunteer activities on behalf of nominees  
 2 of such party” and inserting “in connection with State or  
 3 local activities, other than any payment described in clause  
 4 (xv)”.

5 (2) Section 301(9)(B)(viii) of the Federal Election  
 6 Campaign Act of 1971 (2 U.S.C. 431(9)(B)(viii)) is  
 7 amended by striking “in connection with volunteer activi-  
 8 ties on behalf of nominees of such party” and inserting  
 9 “in connection with State or local activities, other than  
 10 any payment described in clause (xi)”.

11 **SEC. 12. RELIEF OF SMALL PACS FROM REPORTING RE-**  
 12 **QUIREMENTS.**

13 Section 304(a)(1) of the Federal Election Campaign  
 14 Act of 1971 (2 U.S.C. 434(a)(1)) is amended by inserting  
 15 after “political committee” the following: “(except a multi-  
 16 candidate political committee or separate segregated fund  
 17 that has not, during an election cycle, as of any date with-  
 18 in the election cycle, accepted contributions or made ex-  
 19 penditures in an aggregate amount exceeding \$25,000)”.

20 **SEC. 13. RIGHTS OF EMPLOYEES RELATING TO THE PAY-**  
 21 **MENT AND USE OF LABOR ORGANIZATION**  
 22 **DUES.**

23 (a) PAYMENT OF DUES.—

24 (1) RIGHTS OF EMPLOYEES.—Section 7 of the  
 25 National Labor Relations Act (29 U.S.C. 157) is

1       amended by striking “membership” and all that fol-  
 2       lows and inserting the following: “the payment to a  
 3       labor organization of dues or fees related to collec-  
 4       tive bargaining, contract administration, or griev-  
 5       ance adjustment necessary to performing the duties  
 6       of exclusive representation as a condition of employ-  
 7       ment as authorized in section 8(a)(3).”.

8               (2)   UNFAIR   LABOR   PRACTICES.—Section  
 9       8(a)(3) of the National Labor Relations Act (29  
 10      U.S.C. 158(a)(3)) is amended by striking “member-  
 11      ship therein” and inserting “the payment to such  
 12      labor organization of dues or fees related to collec-  
 13      tive bargaining, contract administration, or griev-  
 14      ance adjustment necessary to performing the duties  
 15      of exclusive representation”.

16      (b) REQUIREMENTS FOR USE OF DUES FOR CERTAIN  
 17      PURPOSES.—

18               (1) WRITTEN AGREEMENT.—Section 8 of the  
 19      National Labor Relations Act (29 U.S.C. 158) is  
 20      amended by adding at the end the following:

21      “(h)(1) An employee subject to an agreement between  
 22      an employer and a labor organization requiring the pay-  
 23      ment of dues or fees to such organization as authorized  
 24      in subsection (a)(3) may not be required to pay to such  
 25      organization, nor may such organization accept payment

1 of, any dues or fees not related to collective bargaining,  
 2 contract administration, or grievance adjustment nec-  
 3 essary to performing the duties of exclusive representation  
 4 unless the employee has agreed to pay such dues or fees  
 5 in a signed written agreement that shall be renewed be-  
 6 tween the first day of September and the first day of Octo-  
 7 ber of each year.

8 “(2) Such signed written agreement shall include a  
 9 ratio, certified by an independent auditor, of the dues or  
 10 fees related to collective bargaining, contract administra-  
 11 tion, or grievance adjustment necessary to performing the  
 12 duties of exclusive representation and the dues or fees re-  
 13 lated to other purposes.”.

14 (2) WRITTEN ASSIGNMENT.—Section 302(c)(4)  
 15 of the Labor Management Relations Act, 1947 (29  
 16 U.S.C. 186) is amended by inserting before the  
 17 semicolon the following: “: *Provided further*, That no  
 18 amount may be deducted for dues unrelated to col-  
 19 lective bargaining, contract administration, or griev-  
 20 ance adjustment necessary to performing the duties  
 21 of exclusive representation unless a written assign-  
 22 ment authorizes such a deduction”.

23 (c) NOTICE TO EMPLOYEES RELATING TO THE PAY-  
 24 MENT AND USE OF DUES.—Section 8 of the National

1 Labor Relations Act (29 U.S.C. 158) (as amended by sub-  
 2 section (b)(1)) is amended by adding at the end the follow-  
 3 ing:

4 “(i)(1) An employer shall post a notice that informs  
 5 the employees of their rights under section 7 of this Act  
 6 and clarifies to such employees that an agreement requir-  
 7 ing the payment of dues or fees to a labor organization  
 8 as a condition of employment as authorized in subsection  
 9 (a)(3) may only require that employees pay to such organi-  
 10 zation any dues or fees related to collective bargaining,  
 11 contract administration, or grievance adjustment nec-  
 12 essary to performing the duties of exclusive representa-  
 13 tion. A copy of such notice shall be provided to each em-  
 14 ployee not later than 10 days after the first day of employ-  
 15 ment.

16 “(2) The notice described in paragraph (1) shall be  
 17 of such size and in such form as the Board shall prescribe  
 18 and shall be posted in conspicuous places in and about  
 19 the plants and offices of such employer, including all  
 20 places where notices to employees are customarily post-  
 21 ed.”.

22 (d) EMPLOYEE PARTICIPATION IN THE AFFAIRS OF  
 23 A LABOR ORGANIZATION.—Section 8(b)(1) of the Na-  
 24 tional Labor Relations Act (29 U.S.C. 158(b)(1)) is

1 amended by striking “therein;” and inserting the follow-  
2 ing: “therein, except that, an employee who is subject to  
3 an agreement between an employer and a labor organiza-  
4 tion requiring as a condition of employment the payment  
5 of dues or fees to such organization as authorized in sub-  
6 section (a)(3) and who pays such dues or fees shall have  
7 the same right to participate in the affairs of the organiza-  
8 tion related to collective bargaining, contract administra-  
9 tion, or grievance adjustment as any member of the orga-  
10 nization;”.

11 (e) DISCLOSURE TO EMPLOYEES.—

12 (1) EXPENSES REPORTING.—Section 201(b) of  
13 the Labor-Management Reporting and Disclosure  
14 Act of 1959 (29 U.S.C. 431(b)) is amended by add-  
15 ing at the end the following: “Every labor organiza-  
16 tion shall be required to attribute and report ex-  
17 penses by function classification in such detail as  
18 necessary to allow the members of such organization  
19 or the employees required to pay any dues or fees  
20 to such organization to determine whether such ex-  
21 penses were related to collective bargaining, contract  
22 administration, or grievance adjustment necessary to  
23 performing the duties of exclusive representation or  
24 were related to other purposes.”.

1           (2) REPORT INFORMATION.—Section 201(c) of  
2       the Labor-Management Reporting and Disclosure  
3       Act of 1959 (29 U.S.C. 431(c)) is amended—

4           (A) by inserting “and employees required  
5       to pay any dues or fees to such organization”  
6       after “members”;

7           (B) by striking “suit of any member of  
8       such organization” and inserting “suit of any  
9       member of such organization or employee re-  
10      quired to pay any dues or fees to such organiza-  
11      tion”; and

12          (C) by striking “such member” and insert-  
13      ing “such member or employee”.

14          (3) REGULATIONS.—The Secretary of Labor  
15      shall prescribe such regulations as are necessary to  
16      carry out the amendments made by this subsection  
17      not later than 120 days after the date of enactment  
18      of this Act.

19          (f) EFFECTIVE DATE.—This section shall take effect  
20      on the date of enactment of this Act, except that the re-  
21      quirements contained in the amendments made by sub-  
22      sections (b) and (c) shall take effect 60 days after the  
23      date of enactment of this Act.



1 **SEC. 14. EXPEDITED JUDICIAL REVIEW.**

2 (a) CIVIL ACTION.—The Federal Election Commis-  
3 sion, a political committee under title III of the Federal  
4 Election Campaign Act of 1971, or any individual eligible  
5 to vote in any election for the office of President of the  
6 United States may bring a civil action in United States  
7 district court to determine the constitutionality of any pro-  
8 vision of this Act or any amendment made by this Act.

9 (b) HEARING BY 3-JUDGE COURT.—Immediately  
10 upon commencement of a civil action under subsection (a),  
11 a district court of 3 judges shall be convened to decide  
12 the action pursuant to section 2284 of title 28, United  
13 States Code.

14 (c) DIRECT APPEAL TO SUPREME COURT.—An ap-  
15 peal of an interlocutory order or final judgment, decree,  
16 or order in a civil action under subsection (a) may be  
17 taken directly to the Supreme Court not later than 20  
18 days after the entry of the judgment, decree, or order.

19 (d) EXPEDITED REVIEW BY SUPREME COURT.—The  
20 Supreme Court shall accept jurisdiction over, advance on  
21 the docket, and expedite to the greatest extent possible  
22 an appeal under subsection (c).

