

109TH CONGRESS
2^D SESSION

H. R. 4975

AN ACT

To provide greater transparency with respect to lobbying activities, to amend the Federal Election Campaign Act of 1971 to clarify when organizations described in section 527 of the Internal Revenue Code of 1986 must register as political committees, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
 5 “Lobbying Accountability and Transparency Act of 2006”
 6 and “527 Reform Act of 2006”.

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

Sec. 1. Short title; table of contents.

TITLE I—ENHANCING LOBBYING DISCLOSURE

Sec. 101. Quarterly filing of lobbying disclosure reports.

Sec. 102. Electronic filing of lobbying registrations and disclosure reports.

Sec. 103. Public database of lobbying disclosure information.

Sec. 104. Disclosure by registered lobbyists of past executive branch and con-
 gressional employment.

Sec. 105. Disclosure of lobbyist contributions and gifts.

Sec. 106. Increased penalty for failure to comply with lobbying disclosure re-
 quirements.

Sec. 107. Penalties for offering gifts.

TITLE II—SLOWING THE REVOLVING DOOR

Sec. 201. Notification of post-employment restrictions.

Sec. 202. Disclosure by Members of the House of Representatives of employ-
 ment negotiations.

Sec. 203. Wrongfully influencing, on a partisan basis, an entity’s employment
 decisions or practices.

TITLE III—SUSPENSION OF PRIVATELY-FUNDED TRAVEL;
 CURBING LOBBYIST GIFTS

Sec. 301. Pre-certification of privately funded travel.

Sec. 302. Recommendations from the Committee on Standards of Official Con-
 duct on gifts.

Sec. 303. Prohibiting registered lobbyists on corporate flights.

Sec. 304. Valuation of tickets to sporting and entertainment events.

TITLE IV—OVERSIGHT OF LOBBYING AND ENFORCEMENT

Sec. 401. Audits of lobbying reports by House Inspector General.

Sec. 402. House Inspector General review and annual reports.

TITLE V—INSTITUTIONAL REFORMS

Sec. 501. Earmarking reform.

Sec. 502. Mandatory ethics training for House employees.

Sec. 503. Biennial publication of ethics manual.

TITLE VI—FORFEITURE OF RETIREMENT BENEFITS

Sec. 601. Loss of pensions accrued during service as a Member of Congress for abusing the public trust.

TITLE VII—LEADERSHIP PACS

Sec. 701. Restrictions on disposition of funds by leadership PACS.

TITLE VIII—ETHICS TRAINING FOR LOBBYISTS

Sec. 801. Ethics training for lobbyists.

TITLE IX—MISCELLANEOUS PROVISIONS

Sec. 901. Bribery.

TITLE X—527 REFORM ACT OF 2006

Sec. 1001. Short title.

Sec. 1002. Treatment of section 527 organizations.

Sec. 1003. Rules for allocation of expenses between Federal and non-Federal activities.

Sec. 1004. Repeal of limit on amount of party expenditures on behalf of candidates in general elections.

Sec. 1005. Construction.

Sec. 1006. Judicial review.

Sec. 1007. Effective date.

1 **TITLE I—ENHANCING LOBBYING** 2 **DISCLOSURE**

3 **SEC. 101. QUARTERLY FILING OF LOBBYING DISCLOSURE** 4 **REPORTS.**

5 (a) QUARTERLY FILING REQUIRED.—Section 5 of
6 the Lobbying Disclosure Act of 1995 (in this title referred
7 to as the “Act”) (2 U.S.C. 1604) is amended—

8 (1) in subsection (a)—

9 (A) in the heading, by striking “SEMI-
10 ANNUAL” and inserting “QUARTERLY”;

11 (B) by striking “45” and inserting “20”;

1 (C) by striking “the semiannual period”
2 and all that follows through “July of each
3 year” and insert “the quarterly period begin-
4 ning on the first day of January, April, July,
5 and October of each year”; and

6 (D) by striking “such semiannual period”
7 and insert “such quarterly period”; and
8 (2) in subsection (b)—

9 (A) in the matter preceding paragraph (1),
10 by striking “semiannual report” and inserting
11 “quarterly report”;

12 (B) in paragraph (2), by striking “semi-
13 annual filing period” and inserting “quarterly
14 period”;

15 (C) in paragraph (3), by striking “semi-
16 annual period” and inserting “quarterly pe-
17 riod”; and

18 (D) in paragraph (4), by striking “semi-
19 annual filing period” and inserting “quarterly
20 period”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) DEFINITION.—Section 3(10) of the Act (2
23 U.S.C. 1602(10)) is amended by striking “six month
24 period” and inserting “3-month period”.

1 (2) REGISTRATION.—Section 4 of the Act (2
2 U.S.C. 1603) is amended—

3 (A) in subsection (a)(3)(A), by striking
4 “semiannual period” and inserting “quarterly
5 period”; and

6 (B) in subsection (b)(3)(A), by striking
7 “semiannual period” and inserting “quarterly
8 period”.

9 (3) ENFORCEMENT.—Section 6(6) of the Act (2
10 U.S.C. 1605(6)) is amended by striking “semiannual
11 period” and inserting “quarterly period”.

12 (4) ESTIMATES.—Section 15 of the Act (2
13 U.S.C. 1610) is amended—

14 (A) in subsection (a)(1), by striking “semi-
15 annual period” and inserting “quarterly pe-
16 riod”; and

17 (B) in subsection (b)(1), by striking “semi-
18 annual period” and inserting “quarterly pe-
19 riod”.

20 (5) DOLLAR AMOUNTS.—

21 (A) REGISTRATION.—Section 4 of the Act
22 (2 U.S.C. 1603) is amended—

23 (i) in subsection (a)(3)(A)(i), by strik-
24 ing “\$5,000” and inserting “\$2,500”;

(ii) in subsection (a)(3)(A)(ii), by striking “\$20,000” and inserting “\$10,000”;

(iii) in subsection (b)(3)(A), by striking “\$10,000” and inserting “\$5,000”; and

(iv) in subsection (b)(4), by striking “\$10,000” and inserting “\$5,000”.

(B) REPORTS.—Section 5(c) of the Act (2 U.S.C. 1604(c)) is amended—

(i) in paragraph (1), by striking “\$10,000” and “\$20,000” and inserting “\$5,000” and “\$1,000”, respectively; and

(ii) in paragraph (2), by striking “\$10,000” both places such term appears and inserting “\$5,000”.

SEC. 102. ELECTRONIC FILING OF LOBBYING REGISTRATIONS AND DISCLOSURE REPORTS.

(a) REGISTRATIONS.—Section 4 of the Act (2 U.S.C. 1603) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

1 “(d) ELECTRONIC FILING REQUIRED.—A registra-
 2 tion required to be filed under this section on or after the
 3 date of enactment of the Lobbying Accountability and
 4 Transparency Act of 2006 shall be filed in electronic form,
 5 in addition to any other form that may be required by
 6 the Secretary of the Senate or the Clerk of the House of
 7 Representatives. The due date for a registration filed in
 8 electronic form shall be no later than the due date for a
 9 registration filed in any other form.”.

10 (b) REPORTS.—Section 5 of the Act (2 U.S.C. 1604)
 11 is amended by adding at the end the following:

12 “(d) ELECTRONIC FILING REQUIRED.—

13 “(1) IN GENERAL.—A report required to be
 14 filed under this section shall be filed in electronic
 15 form, in addition to any other form that may be re-
 16 quired by the Secretary of the Senate or the Clerk
 17 of the House of Representatives. The due date for
 18 a report filed in electronic form shall be no later
 19 than the due date for a report filed in any other
 20 form, except as provided in paragraph (2).

21 “(2) EXTENSION OF TIME TO FILE IN ELEC-
 22 TRONIC FORM.—The Secretary of the Senate or the
 23 Clerk of the House of Representatives may establish
 24 a later due date for the filing of a report in elec-
 25 tronic form by a registrant, if and only if—

1 “(A) on or before the original due date, the
2 registrant—

3 “(i) timely files the report in every
4 form required, other than electronic form;
5 and

6 “(ii) makes a request for such a later
7 due date to the Secretary or the Clerk, as
8 the case may be; and

9 “(B) the request is supported by good
10 cause shown.”.

11 **SEC. 103. PUBLIC DATABASE OF LOBBYING DISCLOSURE IN-**
12 **FORMATION.**

13 (a) DATABASE REQUIRED.—Section 6 of the Act (2
14 U.S.C. 1605) is amended—

15 (1) in paragraph (7), by striking “and” at the
16 end;

17 (2) in paragraph (8), by striking the period and
18 inserting “; and”; and

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

20 “(9) maintain, and make available to the public
21 over the Internet, without a fee or other access
22 charge, in a searchable, sortable, and downloadable
23 manner, an electronic database that—

24 “(A) includes the information contained in
25 registrations and reports filed under this Act;

1 “(B) directly links the information it con-
2 tains to the information disclosed in reports
3 filed with the Federal Election Commission
4 under section 304 of the Federal Election Cam-
5 paign Act of 1971 (2 U.S.C. 434); and

6 “(C) is searchable and sortable, at a min-
7 imum, by each of the categories of information
8 described in sections 4(b) and 5(b).”.

9 (b) AVAILABILITY OF REPORTS.—Section 6(4) of the
10 Act is amended by inserting before the semicolon the fol-
11 lowing: “and, in the case of a registration filed in elec-
12 tronic form pursuant to section 4(d) or a report filed in
13 electronic form pursuant to section 5(d), shall make such
14 registration or report (as the case may be) available for
15 public inspection over the Internet not more than 48 hours
16 after the registration or report (as the case may be) is
17 approved as received by the Secretary of the Senate or
18 the Clerk of the House of Representatives (as the case
19 may be)”.

20 (c) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated such sums as may be
22 necessary to carry out paragraph (9) of section 6 of the
23 Act, as added by subsection (a) of this section.

1 **SEC. 104. DISCLOSURE BY REGISTERED LOBBYISTS OF**
2 **PAST EXECUTIVE BRANCH AND CONGRES-**
3 **SIONAL EMPLOYMENT.**

4 Section 4(b)(6) of the Act (2 U.S.C. 1603(b)(6)) is
5 amended by striking “2 years” and inserting “7 years”.

6 **SEC. 105. DISCLOSURE OF LOBBYIST CONTRIBUTIONS AND**
7 **GIFTS.**

8 (a) IN GENERAL.—Section 5(b) of the Act (2 U.S.C.
9 1604(b)) is amended—

10 (1) in paragraph (3), by striking “and” after
11 the semicolon;

12 (2) in paragraph (4), by striking the period and
13 inserting a semicolon; and

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

15 “(5) for each registrant (and for any political
16 committee, as defined in 301(4) of the Federal Elec-
17 tion Campaign Act of 1971 (2 U.S.C. 431(4)), affili-
18 ated with the registrant), and for each employee list-
19 ed as a lobbyist by the registrant under paragraph
20 (2)(C), the name of each Federal candidate or of-
21 ficeholder, and of each leadership PAC, political
22 party committee, or other political committee to
23 whom a contribution was made which is required to
24 be reported to the Federal Election Commission by
25 the recipient, and the date and amount of such con-
26 tribution;

1 “(6) the date, recipient, and amount of any gift
2 that under the Rules of the House of Representa-
3 tives counts towards the cumulative annual limit de-
4 scribed in such rules and is given to a covered legis-
5 lative branch official by the registrant or an em-
6 ployee listed as a lobbyist by the registrant under
7 paragraph (2)(C); and

8 “(7) the date, recipient, and amount of funds
9 contributed by the registrant or an employee listed
10 as a lobbyist by the registrant under paragraph
11 (2)(C)—

12 “(A) to, or on behalf of, an entity that is
13 named for a covered legislative branch official,
14 or to a person or entity in recognition of such
15 official; or

16 “(B) to an entity established, financed,
17 maintained, or controlled by a covered legisla-
18 tive branch official;

19 except that this paragraph shall not apply to any
20 payment or reimbursement made from funds re-
21 quired to be reported under section 304 of the Fed-
22 eral Election Campaign Act of 1971 (2 U.S.C.
23 434).”.

24 (b) FACTORS TO BE CONSIDERED TO DETERMINE
25 RELATIONSHIP BETWEEN OFFICIALS AND OTHER ENTI-

1 TIES.—Section 5 of the Act (2 U.S.C. 1604), as amended
2 by section 102(b) of this Act, is amended by adding at
3 the end the following new subsection:

4 “(e) FACTORS TO DETERMINE RELATIONSHIP BE-
5 TWEEN OFFICIALS AND OTHER ENTITIES.—

6 “(1) IN GENERAL.—In determining under sub-
7 section (b)(7)(B) whether a covered legislative
8 branch official directly or indirectly established, fi-
9 nances, maintains, or controls an entity, the factors
10 described in paragraph (2) shall be examined in the
11 context of the overall relationship between that cov-
12 ered official and the entity to determine whether the
13 presence of any such factor or factors is evidence
14 that the covered official directly or indirectly estab-
15 lished, finances, maintains, or controls the entity.

16 “(2) FACTORS.—The factors referred to in
17 paragraph (1) include, but are not limited to, the
18 following:

19 “(A) Whether the covered official, directly
20 or through its agent, owns a controlling interest
21 in the voting stock or securities of the entity.

22 “(B) Whether the covered official, directly
23 or through its agent, has the authority or abil-
24 ity to direct or participate in the governance of
25 the entity through provisions of constitutions,

1 bylaws, contracts, or other rules, or through
2 formal or informal practices or procedures.

3 “(C) Whether the covered official, directly
4 or through its agent, has the authority or abil-
5 ity to hire, appoint, demote, or otherwise con-
6 trol the officers or other decisionmaking em-
7 ployees or members of the entity.

8 “(D) Whether the covered official has a
9 common or overlapping membership with the
10 entity that indicates a formal or ongoing rela-
11 tionship between the covered official and the en-
12 tity.

13 “(E) Whether the covered official has com-
14 mon or overlapping officers or employees with
15 the entity that indicates a formal or ongoing re-
16 lationship between the covered official and the
17 entity.

18 “(F) Whether the covered official has any
19 members, officers, or employees who were mem-
20 bers, officers, or employees of the entity that in-
21 dicates a formal or ongoing relationship be-
22 tween the covered official and the entity, or
23 that indicates the creation of a successor entity.

24 “(G) Whether the covered official, directly
25 or through its agent, provides funds or goods in

1 a significant amount or on an ongoing basis to
2 the entity, such as through direct or indirect
3 payments for administrative, fundraising, or
4 other costs.

5 “(H) Whether the covered official, directly
6 or through its agent, causes or arranges for
7 funds in a significant amount or on an ongoing
8 basis to be provided to the entity.

9 “(I) Whether the covered official, directly
10 or through its agent, had an active or signifi-
11 cant role in the formation of the entity.

12 “(J) Whether the covered official and the
13 entity have similar patterns of receipts or dis-
14 bursements that indicate a formal or ongoing
15 relationship between the covered official and the
16 entity.”.

17 (c) CONFORMING AMENDMENT.—Section 3 of the
18 Act (2 U.S.C. 1602) is amended by adding at the end the
19 following new paragraphs:

20 “(17) GIFT.—The term ‘gift’ means a gratuity,
21 favor, discount, entertainment, hospitality, loan, for-
22 bearance, or other item having monetary value. The
23 term includes gifts of services, training, and meals,
24 whether provided in kind, by purchase of a ticket,

1 payment in advance, or reimbursement after the ex-
 2 pense has been incurred.

3 “(18) LEADERSHIP PAC.—The term ‘leader-
 4 ship PAC’ means, with respect to an individual hold-
 5 ing Federal office, an unauthorized political com-
 6 mittee (as defined in the Federal Election Campaign
 7 Act of 1971) which is associated with such indi-
 8 vidual.”.

9 **SEC. 106. INCREASED PENALTY FOR FAILURE TO COMPLY**
 10 **WITH LOBBYING DISCLOSURE REQUIRE-**
 11 **MENTS.**

12 Section 7 of the Act (2 U.S.C. 1606) is amended—

13 (1) by striking “Whoever” and inserting “(a)
 14 CIVIL PENALTY.—Whoever”;

15 (2) by striking “\$50,000” and inserting
 16 “\$100,000”; and

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

18 “(b) CRIMINAL PENALTY.—

19 “(1) IN GENERAL.—Whoever knowingly and
 20 willfully fails to comply with any provision of this
 21 Act shall be imprisoned not more than 3 years, or
 22 fined under title 18, United States Code, or both.

23 “(2) CORRUPTLY.—Whoever knowingly, will-
 24 fully, and corruptly fails to comply with any provi-
 25 sion of this Act shall be imprisoned not more than

1 5 years, or fined under title 18, United States Code,
2 or both.”.

3 **SEC. 107. PENALTIES FOR OFFERING GIFTS.**

4 Section 7 of the Act (2 U.S.C. 1606), as amended
5 by section 106, is amended by adding at the end the fol-
6 lowing:

7 “(c) PENALTIES FOR OFFERING GIFTS.—

8 “(1) IN GENERAL.—Any person who is—

9 “(A) a lobbyist registered under this Act,

10 “(B) a lobbyist who is an employee of an
11 organization registered under this Act, or

12 “(C) the client of any such lobbyist or or-
13 ganization,

14 and who offers to a covered legislative branch official
15 of the House of Representatives any gift, knowing
16 that such gift violates the rules of the House of Rep-
17 resentatives, shall, upon proof thereof by a prepon-
18 derance of the evidence, be subject to a civil fine of
19 not more than \$50,000.

20 “(2) DEFINITION.—In this subsection, the term
21 ‘covered legislative branch official of the House of
22 Representatives’ means—

23 “(A) a Representative in, or Delegate or
24 Resident Commissioner to, the Congress; and

“(B) an employee of, or any other individual functioning in the capacity of an employee of—

“(i) an individual described in subparagraph (A);

“(ii) a committee of the House of Representatives;

“(iii) the leadership staff of the House of Representatives;

“(iv) a joint committee of Congress; or

“(v) a working group or caucus organized to provide legislative services to individuals described in subparagraph (A).”.

TITLE II—SLOWING THE REVOLVING DOOR

SEC. 201. NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.

Section 207(e) of title 18, United States Code, is amended by adding at the end the following new paragraph:

“(8) NOTIFICATION OF POST-EMPLOYMENT RESTRICTIONS.—After a Member of the House of Representatives or an elected officer of the House of Representatives leaves office, or after the termi-

1 nation of employment with the House of Representa-
 2 tives of an employee of the House of Representatives
 3 covered under paragraph (2), (3), or (4), the Clerk
 4 of the House of Representatives, after consultation
 5 with the Committee on Standards of Official Con-
 6 duct, shall inform the Member, officer, or employee
 7 of the beginning and ending date of the prohibitions
 8 that apply to the Member, officer, or employee under
 9 this subsection, and also inform each office of the
 10 House of Representatives with respect to which such
 11 prohibitions apply of those dates.”.

12 **SEC. 202. DISCLOSURE BY MEMBERS OF THE HOUSE OF**
 13 **REPRESENTATIVES OF EMPLOYMENT NEGO-**
 14 **TIATIONS.**

15 The Code of Official Conduct set forth in rule XXIII
 16 of the Rules of the House of Representatives is amended
 17 by redesignating clause 14 as clause 15 and by inserting
 18 after clause 13 the following new clause:

19 “14. (a) A Member, Delegate, or Resident Com-
 20 missioner shall file with the Committee on Stand-
 21 ards of Official Conduct a statement that he or she
 22 is negotiating compensation for prospective employ-
 23 ment or has any arrangement concerning prospective
 24 employment if a conflict of interest or the appear-
 25 ance of a conflict of interest may exist. Such state-

ment shall be made within 5 days (other than Saturdays, Sundays, or public holidays) after commencing the negotiation for compensation or entering into the arrangement.

“(b) A Member, Delegate, or Resident Commissioner should refrain from voting on any legislative measure pending before the House or any committee thereof if the negotiation described in subparagraph (a) may create a conflict of interest.”.

SEC. 203. WRONGFULLY INFLUENCING, ON A PARTISAN BASIS, AN ENTITY’S EMPLOYMENT DECISIONS OR PRACTICES.

The Code of Official Conduct set forth in rule XXIII of the Rules of the House of Representatives (as amended by section 202) is further amended by redesignating clause 15 as clause 16 and by inserting after clause 14 the following new clause:

“15. A Member, Delegate, Resident Commissioner, officer, or employee of the House may not, with the intent to influence on the basis of political party affiliation an employment decision or employment practice of any private or public entity (except for the Congress)—

“(a) take or withhold, or offer or threaten to take or withhold, an official act; or

1 “(b) influence, or offer or threaten to in-
 2 fluence, the official act of another.”.

3 **TITLE III—SUSPENSION OF PRI-**
 4 **VATELY-FUNDED TRAVEL;**
 5 **CURBING LOBBYIST GIFTS**

6 **SEC. 301 PRE-CERTIFICATION OF PRIVATELY FUNDED**
 7 **TRAVEL.**

8 (a) ACCEPTANCE OF PRIVATELY FUNDED TRAV-
 9 EL.—Notwithstanding clause 5 of rule XXV of the Rules
 10 of the House of Representatives, no Member, Delegate,
 11 Resident Commissioner, officer, or employee of the House
 12 may accept a gift of travel related to his official duties
 13 (including any transportation, lodging, and meals during
 14 such travel) from any private source unless the private
 15 source first obtains a certification in writing from the
 16 Committee on Standards of Official Conduct that the gift
 17 of travel complies with all House rules and standards of
 18 conduct.

19 (b) REVIEW AND RECOMMENDATIONS.—(1) The
 20 Committee on Standards of Official Conduct may not
 21 issue any such certification until it reports its rec-
 22 ommendations on changes to rule XXV to the Committee
 23 on Rules unless two-thirds of the Members of the Com-
 24 mittee, present and voting in the affirmative, vote to issue
 25 such certification. The Committee on Standards of Official

1 Conduct shall report its recommendations to the Com-
2 mittee on Rules not later than June 15, 2006.

3 (2) In developing such recommendations, the Com-
4 mittee on Standards of Official Conduct shall—

5 (A) survey public reports of registered lobbyist
6 and registered foreign agent-related private travel,
7 as well as public reports of late or inaccurate disclo-
8 sure of private travel; and

9 (B) consider—

10 (i) The ability of the current provisions of
11 rule XXV regarding travel to protect the
12 House, its Members, officers, and employees,
13 from the appearance of impropriety.

14 (ii) With respect to the allowance for pri-
15 vately-funded travel contained in clause 5(b) of
16 rule XXV—

17 (I) the degree to which the privately-
18 funded travel meets the representational
19 needs of the House, its Members, officers,
20 and employees;

21 (II) whether certain entities should or
22 should not be permitted to fund the travel
23 of the Members, officers, and employees of
24 the House, what sources of funding may be

1 permissible, and what other individuals
 2 may participate in that travel; and
 3 (III) the adequacy of the current sys-
 4 tem of approval and disclosure of such
 5 travel.

6 **SEC. 302 RECOMMENDATIONS FROM THE COMMITTEE ON**
 7 **STANDARDS OF OFFICIAL CONDUCT ON**
 8 **GIFTS.**

9 The Committee on Standards of Official Conduct
 10 shall report its recommendations on changes to rule XXV
 11 of the Rules of the House of Representatives regarding
 12 the exceptions to the limitation on the acceptance of gifts
 13 contained in clause 5(a) of that rule to the Committee on
 14 Rules. In developing its recommendations, the Committee
 15 on Standards of Official Conduct shall consider the fol-
 16 lowing:

17 **SEC. 303. PROHIBITING REGISTERED LOBBYISTS ON COR-**
 18 **PORATE FLIGHTS.**

19 The Lobbying Disclosure Act of 1995 is amended by
 20 inserting after section 5 the following new section:

21 **“SEC. 5A. PROHIBITING REGISTERED LOBBYISTS ON COR-**
 22 **PORATE FLIGHTS.**

23 “If a Representative in, or Delegate or Resident
 24 Commissioner to, the Congress, or an officer or employee
 25 of the House of Representatives, is a passenger or crew

1 member on a flight of an aircraft that is not licensed by
 2 the Federal Aviation Administration to operate for com-
 3 pensation or hire and that is owned or operated by a per-
 4 son who is the client of a lobbyist or a lobbying firm, then
 5 such lobbyist may not be a passenger or crew member on
 6 that flight.”.

7 **SEC. 304. VALUATION OF TICKETS TO SPORTING AND EN-**
 8 **TERAINMENT EVENTS.**

9 Clause 5(a)(2)(A) of rule XXV of the Rules of the
 10 House of Representatives is amended by—

11 (1) inserting “(i)” after “(A)”; and

12 (2) adding at the end the following:

13 “(ii) A gift of a ticket to a sporting or entertainment
 14 event shall be valued at the face value of the ticket, pro-
 15 vided that in the case of a ticket without a face value,
 16 the ticket shall be valued at the highest cost of a ticket
 17 with a face value for the event.”.

18 **TITLE IV—OVERSIGHT OF**
 19 **LOBBYING AND ENFORCEMENT**

20 **SEC. 401. AUDITS OF LOBBYING REPORTS BY HOUSE IN-**
 21 **SPECTOR GENERAL.**

22 (a) ACCESS TO LOBBYING REPORTS.—The Office of
 23 Inspector General of the House of Representatives shall
 24 have access to all lobbyists’ disclosure information received
 25 by the Clerk of the House of Representatives under the

1 Lobbying Disclosure Act of 1995 and shall conduct ran-
2 dom audits of lobbyists' disclosure information as nec-
3 essary to ensure compliance with that Act.

4 (b) REFERRAL AUTHORITY.—The Office of the In-
5 spector General of the House of Representatives may refer
6 potential violations by lobbyists of the Lobbying Dislo-
7 sure Act of 1995 to the Department of Justice for discipli-
8 nary action.

9 **SEC. 402. HOUSE INSPECTOR GENERAL REVIEW AND AN-**
10 **NUAL REPORTS.**

11 (a) ONGOING REVIEW REQUIRED.—The Inspector
12 General of the House of Representatives shall review on
13 an ongoing basis the activities carried out by the Clerk
14 of the House of Representatives under section 6 of the
15 Lobbying Disclosure Act of 1995 (2 U.S.C. 1605). The
16 review shall emphasize—

17 (1) the effectiveness of those activities in secur-
18 ing the compliance by lobbyists with the require-
19 ments of that Act; and

20 (2) whether the Clerk has the resources and au-
21 thorities needed for effective oversight and enforce-
22 ment of that Act.

23 (b) ANNUAL REPORTS.—Not later than December 31
24 of each year, the Inspector General of the House of Rep-
25 resentatives shall submit to the House of Representatives

1 a report on the review required by subsection (a). The re-
2 port shall include the Inspector General's assessment of
3 the matters required to be emphasized by that subsection
4 and any recommendations of the Inspector General to—

5 (1) improve the compliance by lobbyists with
6 the requirements of the Lobbying Disclosure Act of
7 1995; and

8 (2) provide the Clerk of the House of Rep-
9 resentatives with the resources and authorities need-
10 ed for effective oversight and enforcement of that
11 Act.

12 **TITLE V—INSTITUTIONAL** 13 **REFORMS**

14 **SEC. 501. EARMARKING REFORM.**

15 (a) In the House of Representatives, it shall not be
16 in order to consider—

17 (1) a general appropriation bill reported by the
18 Committee on Appropriations unless the report in-
19 cludes a list of earmarks in the bill or in the report
20 (and the names of Members who submitted requests
21 to the Committee on Appropriations for earmarks
22 included in such list); or

23 (2) a conference report to accompany a general
24 appropriation bill unless the joint explanatory state-
25 ment prepared by the managers on the part of the

1 House and the managers on the part of the Senate
2 includes a list of earmarks in the conference report
3 or joint statement (and the names of Members who
4 submitted requests to the Committee on Appropria-
5 tions for earmarks included in such list) that were—

6 (A) not committed to the conference com-
7 mittee by either House;

8 (B) not in the report specified in para-
9 graph (1); and

10 (C) not in a report of a committee of the
11 Senate on a companion measure.

12 (b) In the House of Representatives, it shall not be
13 in order to consider a rule or order that waives the appli-
14 cation of subsection (a)(2).

15 (c)(1) A point of order raised under subsection (a)(1)
16 may be based only on the failure of a report of the Com-
17 mittee on Appropriations to include the list required by
18 subsection (a)(1).

19 (2) As disposition of a point of order under
20 subsection (a), the Chair shall put the question of
21 consideration with respect to the proposition that is
22 the subject of the point of order.

23 (3) As disposition of a point of order under
24 subsection (b) with respect to a rule or order relat-
25 ing to a conference report, the Chair shall put the

1 question of consideration as follows: “Shall the
2 House now consider the resolution notwithstanding
3 the assertion of [the maker of the point of order]
4 that the object of the resolution introduces a new
5 earmark or new earmarks?”.

6 (4) The question of consideration under this
7 subsection shall be debatable for 15 minutes by the
8 Member initiating the point of order and for 15 min-
9 utes by an opponent, but shall otherwise be decided
10 without intervening motion except one that the
11 House adjourn.

12 (d)(1) For the purpose of this resolution, the term
13 “earmark” means a provision in a bill or conference re-
14 port, or language in an accompanying committee report
15 or joint statement of managers, providing or recom-
16 mending a specific amount of discretionary budget author-
17 ity to a non-Federal entity, if such entity is specifically
18 identified in the report or bill; or if the discretionary budg-
19 et authority is allocated outside of the normal formula-
20 driven or competitive bidding process and is targeted or
21 directed to an identifiable person, specific State, or con-
22 gressional district.

23 (2) For the purpose of subsection (a), government-
24 sponsored enterprises, Federal facilities, and Federal
25 lands shall be considered Federal entities.

1 (3) For the purpose of subsection (a), to the extent
 2 that the non-Federal entity is a State or territory, an In-
 3 dian tribe, a foreign government or an intergovernmental
 4 international organization, the provision or language shall
 5 not be considered an earmark unless the provision or lan-
 6 guage also specifies the specific purpose for which the des-
 7 ignated budget authority is to be expended.

8 **SEC. 502. MANDATORY ETHICS TRAINING FOR HOUSE EM-**
 9 **PLOYEES.**

10 (a) MANDATORY ETHICS TRAINING FOR HOUSE EM-
 11 PLOYEES.—

12 (1) CHIEF ADMINISTRATIVE OFFICER.—Clause
 13 4 of rule II of the Rules of the House of Representa-
 14 tives is amended by inserting the following new
 15 paragraph at the end:

16 “(d) The Chief Administrative Officer may not pay
 17 any compensation to any employee of the House with re-
 18 spect to any pay period during which the employee, as de-
 19 termined by the Committee on Standards of Official Con-
 20 duct, is not in compliance with the applicable requirements
 21 of regulations promulgated pursuant to clause 3(r) of Rule
 22 XI.”.

23 (2) MANDATORY ETHICS TRAINING PROGRAM.—
 24 Clause 3 of rule XI of the Rules of the House of

1 Representatives is amended by adding at the end the
2 following:

3 “(r) The committee shall establish a program of reg-
4 ular ethics training for employees of the House and pro-
5 mulgate regulations providing for the following:

6 “(1)(A) Except as otherwise provided, all em-
7 ployees of the House are required to complete ethics
8 training offered by the committee at least once dur-
9 ing each congress. Any employee who is hired after
10 the date of adoption of such rules is required to
11 complete such training within 30 days of being
12 hired.

13 “(B) Any employee of the House who works in
14 a Member’s district office shall not be required to
15 complete such ethics training until 30 days after the
16 district office has received a notice from the Com-
17 mittee on Standards of Official Conduct that the re-
18 quired ethics training program is available on the
19 Internet.

20 “(2) After any employee of the House com-
21 pletes such ethics training, that employee shall file
22 a written certification with the committee that he is
23 familiar with the contents of any pertinent publica-
24 tions that are so designated by the committee and
25 has completed the required ethics training.

1 “(3) As used in this paragraph, the term ‘em-
2 ployee of the House’ refers to any individual whose
3 compensation is disbursed by the Chief Administra-
4 tive Officer, including any staff assigned to a Mem-
5 ber’s personal office, any staff of a committee or
6 leadership office, or any employee of the Office of
7 the Clerk, of the Office of the Chief Administrative
8 Officer, or of the Sergeant-at-Arms, but does not in-
9 clude a Member, Delegate, or Resident Commis-
10 sioner.”.

11 (b) ETHICS TRAINING FOR MEMBERS, DELEGATES,
12 AND THE RESIDENT COMMISSIONER.—Clause 3 of rule XI
13 of the Rules of the House of Representatives is amended
14 by inserting at the end:

15 “(s)(1) The committee shall establish a program of
16 regular ethics training for Members, Delegates, and the
17 Resident Commissioner similar to the program established
18 in paragraph (r).

19 “(2) The committee shall publish a list of Members
20 who have and have not completed such ethics training
21 within the first one hundred calendar days after being
22 sworn-in during each Congress. The committee shall up-
23 date this list with the names of Members who complete
24 the training after the deadline with the date on which the
25 training was completed.

1 “(3) Publication of the list of Members who have and
2 have not completed the ethics training shall be made avail-
3 able on the official website of the committee and published
4 in the Congressional Record.”.

5 **SEC. 503. BIENNIAL PUBLICATION OF ETHICS MANUAL.**

6 Within 120 days after the date of enactment of this
7 Act and during each Congress thereafter, the Committee
8 on Standards of Official Conduct shall publish an up-to-
9 date ethics manual for Members, officers, and employees
10 of the House of Representatives and make such manual
11 available to all such individuals. The committee has a duty
12 to keep all Members, Delegates, the Resident Commis-
13 sioner, officers, and employees of the House of Represent-
14 atives apprised of current rulings or advisory opinions
15 when potentially constituting changes to or interpretations
16 of existing policies.

17 **TITLE VI—FORFEITURE OF**
18 **RETIREMENT BENEFITS**

19 **SEC. 601. LOSS OF PENSIONS ACCRUED DURING SERVICE**
20 **AS A MEMBER OF CONGRESS FOR ABUSING**
21 **THE PUBLIC TRUST.**

22 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Section
23 8332 of title 5, United States Code, is amended by adding
24 at the end the following:

1 “(o)(1) Notwithstanding any other provision of this
2 subchapter, the service of an individual finally convicted
3 of an offense described in paragraph (2) shall not be taken
4 into account for purposes of this subchapter, except that
5 this sentence applies only to service rendered as a Member
6 (irrespective of when rendered). Any such individual (or
7 other person determined under section 8342(c), if applica-
8 ble) shall be entitled to be paid so much of such individ-
9 ual’s lump-sum credit as is attributable to service to which
10 the preceding sentence applies.

11 “(2)(A) An offense described in this paragraph is any
12 offense described in subparagraph (B) for which the fol-
13 lowing apply:

14 “(i) Every act or omission of the individual (re-
15 ferred to in paragraph (1)) that is needed to satisfy
16 the elements of the offense occurs while the indi-
17 vidual is a Member.

18 “(ii) Every act or omission of the individual
19 that is needed to satisfy the elements of the offense
20 directly relates to the performance of the individual’s
21 official duties as a Member.

22 “(iii) The offense is committed after the date of
23 enactment of this subsection.

1 “(B) An offense described in this subparagraph is
2 only the following, and only to the extent that the offense
3 is a felony under title 18:

4 “(i) An offense under section 201 of title 18
5 (bribery of public officials and witnesses).

6 “(ii) An offense under section 219 of title 18
7 (officers and employees acting as agents of foreign
8 principals).

9 “(iii) An offense under section 371 of title 18
10 (conspiracy to commit offense or to defraud United
11 States) to the extent of any conspiracy to commit an
12 act which constitutes an offense under clause (i) or
13 (ii).

14 “(3) An individual convicted of an offense described
15 in paragraph (2) shall not, after the date of the final con-
16 viction, be eligible to participate in the retirement system
17 under this subchapter or chapter 84 while serving as a
18 Member.

19 “(4) The Office of Personnel Management shall pre-
20 scribe any regulations necessary to carry out this sub-
21 section. Such regulations shall include—

22 “(A) provisions under which interest on any
23 lump-sum payment under the second sentence of
24 paragraph (1) shall be limited in a manner similar

1 to that specified in the last sentence of section
2 8316(b); and

3 “(B) provisions under which the Office may
4 provide for—

5 “(i) the payment, to the spouse or children
6 of any individual referred to in the first sen-
7 tence of paragraph (1), of any amounts which
8 (but for this clause) would otherwise have been
9 nonpayable by reason of such first sentence, but
10 only to the extent that the application of this
11 clause is considered necessary given the totality
12 of the circumstances; and

13 “(ii) an appropriate adjustment in the
14 amount of any lump-sum payment under the
15 second sentence of paragraph (1) to reflect the
16 application of clause (i).

17 “(5) For purposes of this subsection—

18 “(A) the term ‘Member’ has the meaning given
19 such term by section 2106, notwithstanding section
20 8331(2); and

21 “(B) the term ‘child’ has the meaning given
22 such term by section 8341.”.

23 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—
24 Section 8411 of title 5, United States Code, is amended
25 by adding at the end the following:

1 “(l)(1) Notwithstanding any other provision of this
2 chapter, the service of an individual finally convicted of
3 an offense described in paragraph (2) shall not be taken
4 into account for purposes of this chapter, except that this
5 sentence applies only to service rendered as a Member (ir-
6 respective of when rendered). Any such individual (or
7 other person determined under section 8424(d), if applica-
8 ble) shall be entitled to be paid so much of such individ-
9 ual’s lump-sum credit as is attributable to service to which
10 the preceding sentence applies.

11 “(2) An offense described in this paragraph is any
12 offense described in section 8332(o)(2)(B) for which the
13 following apply:

14 “(A) Every act or omission of the individual
15 (referred to in paragraph (1)) that is needed to sat-
16 isfy the elements of the offense occurs while the in-
17 dividual is a Member.

18 “(B) Every act or omission of the individual
19 that is needed to satisfy the elements of the offense
20 directly relates to the performance of the individual’s
21 official duties as a Member.

22 “(C) The offense is committed after the date of
23 enactment of this subsection.

24 “(3) An individual finally convicted of an offense de-
25 scribed in paragraph (2) shall not, after the date of the

1 conviction, be eligible to participate in the retirement sys-
2 tem under this chapter while serving as a Member.

3 “(4) The Office of Personnel Management shall pre-
4 scribe any regulations necessary to carry out this sub-
5 section. Such regulations shall include—

6 “(A) provisions under which interest on any
7 lump-sum payment under the second sentence of
8 paragraph (1) shall be limited in a manner similar
9 to that specified in the last sentence of section
10 8316(b); and

11 “(B) provisions under which the Office may
12 provide for—

13 “(i) the payment, to the spouse or children
14 of any individual referred to in the first sen-
15 tence of paragraph (1), of any amounts which
16 (but for this clause) would otherwise have been
17 nonpayable by reason of such first sentence, but
18 only to the extent that the application of this
19 clause is considered necessary given the totality
20 of the circumstances; and

21 “(ii) an appropriate adjustment in the
22 amount of any lump-sum payment under the
23 second sentence of paragraph (1) to reflect the
24 application of clause (i).

25 “(5) For purposes of this subsection—

1 “(A) the term ‘Member’ has the meaning given
 2 such term by section 2106, notwithstanding section
 3 8401(20); and

4 “(B) the term ‘child’ has the meaning given
 5 such term by section 8341.”.

6 **TITLE VII—LEADERSHIP PACS**

7 **SEC. 701. RESTRICTIONS ON DISPOSITION OF FUNDS BY** 8 **LEADERSHIP PACS.**

9 (a) RESTRICTIONS.—Section 313 of the Federal
 10 Election Campaign Act of 1971 (2 U.S.C. 439a) is amend-
 11 ed—

12 (1) by redesignating subsection (b) as sub-
 13 section (c); and

14 (2) by inserting after subsection (a) the fol-
 15 lowing new subsection:

16 “(b) USE OF FUNDS BY LEADERSHIP PACS.—

17 “(1) USES PERMITTED.—The funds of a leader-
 18 ship PAC may be used by the leadership PAC—

19 “(A) for otherwise authorized expenditures
 20 in connection with campaigns for election for
 21 Federal office;

22 “(B) for charitable contributions described
 23 in section 170(c) of the Internal Revenue Code
 24 of 1986; or

1 “(C) for transfers to a national, State, or
 2 local committee of a political party (subject to
 3 the applicable limitations of this Act).

4 “(2) LEADERSHIP PAC DEFINED.—In this sub-
 5 section, the term ‘leadership PAC’ means a political
 6 committee which is directly or indirectly established,
 7 maintained, or controlled by a candidate for election
 8 for Federal office or an individual holding Federal
 9 office but is not an authorized committee of the can-
 10 didate or individual, except that such term does not
 11 include any political committee of a political party.”.

12 (b) CONFORMING AMENDMENT REGARDING CONVER-
 13 SION OF FUNDS TO PERSONAL USE.—Section 313(c) of
 14 such Act (2 U.S.C. 439a(c)), as redesignated by sub-
 15 section (a), is amended by inserting after “subsection (a)”
 16 the following: “or funds of a leadership PAC described in
 17 subsection (b)”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply with respect to elections occurring
 20 after December 2006.

21 **TITLE VIII—ETHICS TRAINING** 22 **FOR LOBBYISTS**

23 **SEC. 801. ETHICS TRAINING FOR LOBBYISTS.**

24 (a) TRAINING COURSE.—During each Congress, the
 25 Committee on Standards of Official Conduct of the House

1 of Representatives shall provide an 8-hour ethics training
 2 course to persons registered as lobbyists under the Lob-
 3 bying Disclosure Act of 1995.

4 (b) CONTENTS OF COURSE.—Training under sub-
 5 section (a) shall cover information on the code of conduct
 6 and disclosure requirements applicable to Members, offi-
 7 cers, and employees of the House of Representatives, in-
 8 cluding rules relating to acceptance of gifts (including
 9 travel and meals), and financial disclosure requirements
 10 under the Ethics in Government Act of 1978.

11 (c) PENALTIES FOR FAILURE TO COMPLETE TRAIN-
 12 ING.—Any person who is registered or required to register
 13 as a lobbyist under the Lobbying Disclosure Act of 1995
 14 and who fails to complete the training course under sub-
 15 section (a) at least once during each Congress shall be
 16 subject to the penalties under section 7 of that Act to the
 17 same extent as a failure to comply with any provision of
 18 that Act.

19 **TITLE IX—MISCELLANEOUS** 20 **PROVISIONS**

21 **SEC. 901. BRIBERY.**

22 Section 201(a)(3) of title 18, United States Code, is
 23 amended by inserting “including an earmark as defined
 24 in section 501(d) of the Lobbying Accountability and
 25 Transparency Act of 2006,” after “controversy,”.

1 **TITLE X—527 REFORM ACT OF**
2 **2006**

3 **SEC. 1001. SHORT TITLE.**

4 This title may be cited as the “527 Reform Act of
5 2006”.

6 **SEC. 1002. TREATMENT OF SECTION 527 ORGANIZATIONS.**

7 (a) DEFINITION OF POLITICAL COMMITTEE.—Sec-
8 tion 301(4) of the Federal Election Campaign Act of 1971
9 (2 U.S.C. 431(4)) is amended—

10 (1) by striking the period at the end of sub-
11 paragraph (C) and inserting “; or”; and

12 (2) by adding at the end the following:

13 “(D) any applicable 527 organization.”.

14 (b) DEFINITION OF APPLICABLE 527 ORGANIZA-
15 TION.—Section 301 of such Act (2 U.S.C. 431) is amend-
16 ed by adding at the end the following new paragraph:

17 “(27) APPLICABLE 527 ORGANIZATION.—

18 “(A) IN GENERAL.—For purposes of paragraph
19 (4)(D), the term ‘applicable 527 organization’ means
20 a committee, club, association, or group of persons
21 that—

22 “(i) has given notice to the Secretary of
23 the Treasury under section 527(i) of the Inter-
24 nal Revenue Code of 1986 that it is to be treat-

1 ed as an organization described in section 527
2 of such Code; and

3 “(ii) is not described in subparagraph (B).

4 “(B) EXCEPTED ORGANIZATIONS.—A com-
5 mittee, club, association, or other group of persons
6 described in this subparagraph is—

7 “(i) an organization described in section
8 527(i)(5) of the Internal Revenue Code of
9 1986;

10 “(ii) an organization which is a committee,
11 club, association or other group of persons that
12 is organized, operated, and makes disburse-
13 ments exclusively for paying expenses described
14 in the last sentence of section 527(e)(2) of the
15 Internal Revenue Code of 1986 or expenses of
16 a newsletter fund described in section 527(g) of
17 such Code;

18 “(iii) an organization which is a com-
19 mittee, club, association, or other group that
20 consists solely of candidates for State or local
21 office, individuals holding State or local office,
22 or any combination of either, but only if the or-
23 ganization refers only to one or more non-Fed-
24 eral candidates or applicable State or local
25 issues in all of its voter drive activities and does

1 not refer to a Federal candidate or a political
2 party in any of its voter drive activities; or

3 “(iv) an organization described in subpara-
4 graph (C).

5 “(C) APPLICABLE ORGANIZATION.—For pur-
6 poses of subparagraph (B)(iv), an organization de-
7 scribed in this subparagraph is a committee, club,
8 association, or other group of persons whose election
9 or nomination activities relate exclusively to—

10 “(i) elections where no candidate for Fed-
11 eral office appears on the ballot; or

12 “(ii) one or more of the following purposes:

13 “(I) Influencing the selection, nomina-
14 tion, election, or appointment of one or
15 more candidates to non-Federal offices.

16 “(II) Influencing one or more applica-
17 ble State or local issues.

18 “(III) Influencing the selection, ap-
19 pointment, nomination, or confirmation of
20 one or more individuals to non-elected of-
21 fices.

22 “(D) EXCLUSIVITY TEST.—A committee, club,
23 association, or other group of persons shall not be
24 treated as meeting the exclusivity requirement of

1 subparagraph (C) if it makes disbursements aggre-
2 gating more than \$1,000 for any of the following:

3 “(i) A public communication that pro-
4 motes, supports, attacks, or opposes a clearly
5 identified candidate for Federal office during
6 the 1-year period ending on the date of the gen-
7 eral election for the office sought by the clearly
8 identified candidate (or, if a runoff election is
9 held with respect to such general election, on
10 the date of the runoff election).

11 “(ii) Any voter drive activity during a cal-
12 endar year, except that no disbursements for
13 any voter drive activity shall be taken into ac-
14 count under this subparagraph if the com-
15 mittee, club, association, or other group of per-
16 sons during such calendar year—

17 “(I) makes disbursements for voter
18 drive activities with respect to elections in
19 only 1 State and complies with all applica-
20 ble election laws of that State, including
21 laws related to registration and reporting
22 requirements and contribution limitations;

23 “(II) refers to one or more non-Fed-
24 eral candidates or applicable State or local
25 issues in all of its voter drive activities and

1 does not refer to any Federal candidate or
2 any political party in any of its voter drive
3 activities;

4 “(III) does not have a candidate for
5 Federal office, an individual who holds any
6 Federal office, a national political party, or
7 an agent of any of the foregoing, control or
8 materially participate in the direction of
9 the organization, solicit contributions to
10 the organization (other than funds which
11 are described under clauses (i) and (ii) of
12 section 323(e)(1)(B)), or direct disburse-
13 ments, in whole or in part, by the organi-
14 zation; and

15 “(IV) makes no contributions to Fed-
16 eral candidates.

17 “(E) CERTAIN REFERENCES TO FEDERAL CAN-
18 DIDATES NOT TAKEN INTO ACCOUNT.—For purposes
19 of subparagraphs (B)(iii) and (D)(ii)(II), a voter
20 drive activity shall not be treated as referring to a
21 clearly identified Federal candidate if the only ref-
22 erence to the candidate in the activity is—

23 “(i) a reference in connection with an elec-
24 tion for a non-Federal office in which such Fed-

1 eral candidate is also a candidate for such non-
2 Federal office; or

3 “(ii) a reference to the fact that the can-
4 didate has endorsed a non-Federal candidate or
5 has taken a position on an applicable State or
6 local issue, including a reference that con-
7 stitutes the endorsement or position itself.

8 “(F) CERTAIN REFERENCES TO POLITICAL
9 PARTIES NOT TAKEN INTO ACCOUNT.—For purposes
10 of subparagraphs (B)(iii) and (D)(ii)(II), a voter
11 drive activity shall not be treated as referring to a
12 political party if the only reference to the party in
13 the activity is—

14 “(i) a reference for the purpose of identi-
15 fying a non-Federal candidate;

16 “(ii) a reference for the purpose of identi-
17 fying the entity making the public communica-
18 tion or carrying out the voter drive activity; or

19 “(iii) a reference in a manner or context
20 that does not reflect support for or opposition
21 to a Federal candidate or candidates and does
22 reflect support for or opposition to a State or
23 local candidate or candidates or an applicable
24 State or local issue.

1 “(G) APPLICABLE STATE OR LOCAL ISSUE.—

2 For purposes of this paragraph, the term ‘applicable
3 State or local issue’ means any State or local ballot
4 initiative, State or local referendum, State or local
5 constitutional amendment, State or local bond issue,
6 or other State or local ballot issue.”.

7 (c) DEFINITION OF VOTER DRIVE ACTIVITY.—Sec-
8 tion 301 of such Act (2 U.S.C. 431), as amended by sub-
9 section (b), is further amended by adding at the end the
10 following new paragraph:

11 “(28) VOTER DRIVE ACTIVITY.—The term ‘voter
12 drive activity’ means any of the following activities con-
13 ducted in connection with an election in which a candidate
14 for Federal office appears on the ballot (regardless of
15 whether a candidate for State or local office also appears
16 on the ballot):

17 “(A) Voter registration activity.

18 “(B) Voter identification.

19 “(C) Get-out-the-vote activity.

20 “(D) Generic campaign activity.

21 “(E) Any public communication related to ac-
22 tivities described in subparagraphs (A) through (D).
23 Such term shall not include any activity described in sub-
24 paragraph (A) or (B) of section 316(b)(2).”.

1 **SEC. 1003. RULES FOR ALLOCATION OF EXPENSES BE-**
2 **TWEEN FEDERAL AND NON-FEDERAL ACTIVI-**
3 **TIES.**

4 (a) IN GENERAL.—Title III of the Federal Election
5 Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended
6 by adding at the end the following:

7 **“SEC. 325. ALLOCATION AND FUNDING RULES FOR CER-**
8 **TAIN EXPENSES RELATING TO FEDERAL AND**
9 **NON-FEDERAL ACTIVITIES.**

10 “(a) IN GENERAL.—In the case of any disbursements
11 by any political committee that is a separate segregated
12 fund or nonconnected committee for which allocation rules
13 are provided under subsection (b)—

14 “(1) the disbursements shall be allocated be-
15 tween Federal and non-Federal accounts in accord-
16 ance with this section and regulations prescribed by
17 the Commission; and

18 “(2) in the case of disbursements allocated to
19 non-Federal accounts, may be paid only from a
20 qualified non-Federal account.

21 “(b) COSTS TO BE ALLOCATED AND ALLOCATION
22 RULES.—

23 “(1) IN GENERAL.—Disbursements by any sep-
24 arate segregated fund or nonconnected committee,
25 other than an organization described in section

1 323(b)(1), for any of the following categories of ac-
2 tivity shall be allocated as follows:

3 “(A) 100 percent of the expenses for public
4 communications or voter drive activities that
5 refer to one or more clearly identified Federal
6 candidates, but do not refer to any clearly iden-
7 tified non-Federal candidates, shall be paid with
8 funds from a Federal account, without regard
9 to whether the communication refers to a polit-
10 ical party.

11 “(B) At least 50 percent, or a greater per-
12 centage if the Commission so determines by
13 regulation, of the expenses for public commu-
14 nications and voter drive activities that refer to
15 one or more clearly identified candidates for
16 Federal office and one or more clearly identified
17 non-Federal candidates shall be paid with funds
18 from a Federal account, without regard to
19 whether the communication refers to a political
20 party.

21 “(C) At least 50 percent, or a greater per-
22 centage if the Commission so determines by
23 regulation, of the expenses for public commu-
24 nications or voter drive activities that refer to
25 a political party, but do not refer to any clearly

1 identified Federal or non-Federal candidate,
2 shall be paid with funds from a Federal ac-
3 count, except that this paragraph shall not
4 apply to communications or activities that re-
5 late exclusively to elections where no candidate
6 for Federal office appears on the ballot.

7 “(D) At least 50 percent, or a greater per-
8 centage if the Commission so determines by
9 regulation, of the expenses for public commu-
10 nications or voter drive activities that refer to
11 a political party and refer to one or more clear-
12 ly identified non-Federal candidates, but do not
13 refer to any clearly identified Federal can-
14 didates, shall be paid with funds from a Federal
15 account, except that this paragraph shall not
16 apply to communications or activities that re-
17 late exclusively to elections where no candidate
18 for Federal office appears on the ballot.

19 “(E) Unless otherwise determined by the
20 Commission in its regulations, at least 50 per-
21 cent of any administrative expenses, including
22 rent, utilities, office supplies, and salaries not
23 attributable to a clearly identified candidate,
24 shall be paid with funds from a Federal ac-
25 count, except that for a separate segregated

1 fund such expenses may be paid instead by its
2 connected organization.

3 “(F) At least 50 percent, or a greater per-
4 centage if the Commission so determines by
5 regulation, of the direct costs of a fundraising
6 program or event, including disbursements for
7 solicitation of funds and for planning and ad-
8 ministration of actual fundraising events, where
9 Federal and non-Federal funds are collected
10 through such program or event shall be paid
11 with funds from a Federal account, except that
12 for a separate segregated fund such costs may
13 be paid instead by its connected organization.
14 This paragraph shall not apply to any fund-
15 raising solicitations or any other activity that
16 constitutes a public communication.

17 “(2) CERTAIN REFERENCES TO FEDERAL CAN-
18 DIDATES NOT TAKEN INTO ACCOUNT.—For purposes
19 of paragraph (1), a public communication or voter
20 drive activity shall not be treated as referring to a
21 clearly identified Federal candidate if the only ref-
22 erence to the candidate in the communication or ac-
23 tivity is—

24 “(A) a reference in connection with an
25 election for a non-Federal office in which such

1 Federal candidate is also a candidate for such
2 non-Federal office; or

3 “(B) a reference to the fact that the can-
4 didate has endorsed a non-Federal candidate or
5 has taken a position on an applicable State or
6 local issue (as defined in section 301(27)(G)),
7 including a reference that constitutes the en-
8 dorsement or position itself.

9 “(3) CERTAIN REFERENCES TO POLITICAL PAR-
10 TIES NOT TAKEN INTO ACCOUNT.—For purposes of
11 paragraph (1), a public communication or voter
12 drive activity shall not be treated as referring to a
13 political party if the only reference to the party in
14 the communication or activity is—

15 “(A) a reference for the purpose of identi-
16 fying a non-Federal candidate;

17 “(B) a reference for the purpose of identi-
18 fying the entity making the public communica-
19 tion or carrying out the voter drive activity; or

20 “(C) a reference in a manner or context
21 that does not reflect support for or opposition
22 to a Federal candidate or candidates and does
23 reflect support for or opposition to a State or
24 local candidate or candidates or an applicable
25 State or local issue.

1 “(c) QUALIFIED NON-FEDERAL ACCOUNT.—

2 “(1) IN GENERAL.—For purposes of this sec-
3 tion, the term ‘qualified non-Federal account’ means
4 an account which consists solely of amounts—

5 “(A) that, subject to the limitations of
6 paragraphs (2) and (3), are raised by the sepa-
7 rate segregated fund or nonconnected com-
8 mittee only from individuals, and

9 “(B) with respect to which all require-
10 ments of Federal, State, or local law (including
11 any law relating to contribution limits) are met.

12 “(2) LIMITATION ON INDIVIDUAL DONA-
13 TIONS.—

14 “(A) IN GENERAL.—A separate segregated
15 fund or nonconnected committee may not ac-
16 cept more than \$25,000 in funds for its quali-
17 fied non-Federal account from any one indi-
18 vidual in any calendar year.

19 “(B) AFFILIATION.—For purposes of this
20 paragraph, all qualified non-Federal accounts of
21 separate segregated funds or nonconnected
22 committees which are directly or indirectly es-
23 tablished, financed, maintained, or controlled by
24 the same person or persons shall be treated as
25 one account.

1 “(3) FUNDRAISING LIMITATION.—

2 “(A) IN GENERAL.—No donation to a
3 qualified non-Federal account may be solicited,
4 received, directed, transferred, or spent by or in
5 the name of any person described in subsection
6 (a) or (e) of section 323.

7 “(B) FUNDS NOT TREATED AS SUBJECT
8 TO ACT.—Except as provided in subsection
9 (a)(2) and this subsection, any funds raised for
10 a qualified non-Federal account in accordance
11 with the requirements of this section shall not
12 be considered funds subject to the limitations,
13 prohibitions, and reporting requirements of this
14 Act for any purpose (including for purposes of
15 subsection (a) or (e) of section 323 or sub-
16 section (d)(1) of this section).

17 “(d) DEFINITIONS.—

18 “(1) FEDERAL ACCOUNT.—The term ‘Federal
19 account’ means an account which consists solely of
20 contributions subject to the limitations, prohibitions,
21 and reporting requirements of this Act. Nothing in
22 this section or in section 323(b)(2)(B)(iii) shall be
23 construed to infer that a limit other than the limit
24 under section 315(a)(1)(C) applies to contributions
25 to the account.

1 “(2) NONCONNECTED COMMITTEE.—The term
2 ‘nonconnected committee’ shall not include a polit-
3 ical committee of a political party.

4 “(3) VOTER DRIVE ACTIVITY.—The term ‘voter
5 drive activity’ has the meaning given such term in
6 section 301(28).”.

7 (b) REPORTING REQUIREMENTS.—Section 304(e) of
8 the Federal Election Campaign Act of 1971 (2 U.S.C.
9 434(e)) is amended—

10 (1) by redesignating paragraphs (3) and (4) as
11 paragraphs (4) and (5); and

12 (2) by inserting after paragraph (2) the fol-
13 lowing new paragraph:

14 “(3) RECEIPTS AND DISBURSEMENTS FROM
15 QUALIFIED NON-FEDERAL ACCOUNTS.—In addition
16 to any other reporting requirement applicable under
17 this Act, a political committee to which section
18 325(a) applies shall report all receipts and disburse-
19 ments from a qualified non-Federal account (as de-
20 fined in section 325(c)).”.

1 **SEC. 1004. REPEAL OF LIMIT ON AMOUNT OF PARTY EX-**
2 **PENDITURES ON BEHALF OF CANDIDATES IN**
3 **GENERAL ELECTIONS.**

4 (a) REPEAL OF LIMIT.—Section 315(d) of the Fed-
5 eral Election Campaign Act of 1971 (2 U.S.C. 441a(d))
6 is amended—

7 (1) in paragraph (1)—

8 (A) by striking “(1) Notwithstanding any
9 other provision of law with respect to limita-
10 tions on expenditures or limitations on con-
11 tributions, the national committee” and insert-
12 ing “Notwithstanding any other provision of
13 law with respect to limitations on amounts of
14 expenditures or contributions, a national com-
15 mittee”,

16 (B) by striking “the general” and inserting
17 “any”, and

18 (C) by striking “Federal office, subject to
19 the limitations contained in paragraphs (2), (3),
20 and (4) of this subsection” and inserting “Fed-
21 eral office in any amount”; and

22 (2) by striking paragraphs (2), (3), and (4).

23 (b) CONFORMING AMENDMENTS.—

24 (1) INDEXING.—Section 315(c) of such Act (2
25 U.S.C. 441a(c)) is amended—

1 (A) in paragraph (1)(B)(i), by striking
 2 “(d),”; and

3 (B) in paragraph (2)(B)(i), by striking
 4 “subsections (b) and (d)” and inserting “sub-
 5 section (b)”.

6 (2) INCREASE IN LIMITS FOR SENATE CAN-
 7 DIDATES FACING WEALTHY OPPONENTS.—Section
 8 315(i) of such Act (2 U.S.C. 441a(i)(1)) is amend-
 9 ed—

10 (A) in paragraph (1)(C)(iii)—

11 (i) by adding “and” at the end of sub-
 12 clause (I),

13 (ii) in subclause (II), by striking “;
 14 and” and inserting a period, and

15 (iii) by striking subclause (III);

16 (B) in paragraph (2)(A) in the matter pre-
 17 ceding clause (i), by striking “, and a party
 18 committee shall not make any expenditure,”;

19 (C) in paragraph (2)(A)(ii), by striking
 20 “and party expenditures previously made”; and

21 (D) in paragraph (2)(B), by striking “and
 22 a party shall not make any expenditure”.

23 (3) INCREASE IN LIMITS FOR HOUSE CAN-
 24 DIDATES FACING WEALTHY OPPONENTS.—Section

1 315A(a) of such Act (2 U.S.C. 441a–1(a)) is amend-
2 ed—

3 (A) in paragraph (1)—

4 (i) by adding “and” at the end of sub-
5 paragraph (A),

6 (ii) in subparagraph (B), by striking
7 “; and” and inserting a period, and

8 (iii) by striking subparagraph (C);

9 (B) in paragraph (3)(A) in the matter pre-
10 ceding clause (i), by striking “, and a party
11 committee shall not make any expenditure,”;

12 (C) in paragraph (3)(A)(ii), by striking
13 “and party expenditures previously made”; and

14 (D) in paragraph (3)(B), by striking “and
15 a party shall not make any expenditure”.

16 **SEC. 1005. CONSTRUCTION.**

17 No provision of this title, or amendment made by this
18 title, shall be construed—

19 (1) as approving, ratifying, or endorsing a regu-
20 lation promulgated by the Federal Election Commis-
21 sion;

22 (2) as establishing, modifying, or otherwise af-
23 fecting the definition of political organization for
24 purposes of the Internal Revenue Code of 1986; or

1 (3) as affecting the determination of whether a
2 group organized under section 501(c) of the Internal
3 Revenue Code of 1986 is a political committee under
4 section 301(4) of the Federal Election Campaign
5 Act of 1971.

6 **SEC. 1006. JUDICIAL REVIEW.**

7 (a) SPECIAL RULES FOR ACTIONS BROUGHT ON
8 CONSTITUTIONAL GROUNDS.—If any action is brought for
9 declaratory or injunctive relief to challenge the constitu-
10 tionality of any provision of this title or any amendment
11 made by this title, the following rules shall apply:

12 (1) The action shall be filed in the United
13 States District Court for the District of Columbia
14 and shall be heard by a 3-judge court convened pur-
15 suant to section 2284 of title 28, United States
16 Code.

17 (2) A copy of the complaint shall be delivered
18 promptly to the Clerk of the House of Representa-
19 tives and the Secretary of the Senate.

20 (3) A final decision in the action shall be re-
21 viewable only by appeal directly to the Supreme
22 Court of the United States. Such appeal shall be
23 taken by the filing of a notice of appeal within 10
24 days, and the filing of a jurisdictional statement
25 within 30 days, of the entry of the final decision.

1 (4) It shall be the duty of the United States
2 District Court for the District of Columbia and the
3 Supreme Court of the United States to advance on
4 the docket and to expedite to the greatest possible
5 extent the disposition of the action and appeal.

6 (b) INTERVENTION BY MEMBERS OF CONGRESS.—In
7 any action in which the constitutionality of any provision
8 of this title or any amendment made by this title is raised
9 (including but not limited to an action described in sub-
10 section (a)), any Member of the House of Representatives
11 (including a Delegate or Resident Commissioner to Con-
12 gress) or Senate shall have the right to intervene either
13 in support of or opposition to the position of a party to
14 the case regarding the constitutionality of the provision
15 or amendment. To avoid duplication of efforts and reduce
16 the burdens placed on the parties to the action, the court
17 in any such action may make such orders as it considers
18 necessary, including orders to require intervenors taking
19 similar positions to file joint papers or to be represented
20 by a single attorney at oral argument.

21 (c) CHALLENGE BY MEMBERS OF CONGRESS.—Any
22 Member of Congress may bring an action, subject to the
23 special rules described in subsection (a), for declaratory
24 or injunctive relief to challenge the constitutionality of any
25 provision of this title or any amendment made by this title.

1 (d) APPLICABILITY.—

2 (1) INITIAL CLAIMS.—With respect to any ac-
3 tion initially filed on or before December 31, 2008,
4 the provisions of subsection (a) shall apply with re-
5 spect to each action described in such subsection.

6 (2) SUBSEQUENT ACTIONS.—With respect to
7 any action initially filed after December 31, 2008,
8 the provisions of subsection (a) shall not apply to
9 any action described in such subsection unless the
10 person filing such action elects such provisions to
11 apply to the action.

12 **SEC. 1007. EFFECTIVE DATE.**

13 The amendments made by this title shall take effect
14 on the date of the enactment of this Act.

Passed the House of Representatives May 3, 2006.

Attest:

Clerk.

109TH CONGRESS
2D SESSION

H. R. 4975

AN ACT

To provide greater transparency with respect to lobbying activities, to amend the Federal Election Campaign Act of 1971 to clarify when organizations described in section 527 of the Internal Revenue Code of 1986 must register as political committees, and for other purposes.