

Upton	Watts (OK)	Wicker	Hutchinson	Ney	Simpson	Sanders	Thompson (CA)	Waxman
Velazquez	Waxman	Wilson	Hyde	Northup	Sisisky	Sawyer	Thompson (MS)	Weiner
Visclosky	Weiner	Wise	Inlee	Norwood	Skeen	Schakowsky	Thurman	Weldon (FL)
Vitter	Weldon (FL)	Wolf	Isakson	Nussle	Skelton	Scott	Tierney	Wexler
Walsh	Weldon (PA)	Woolsey	Istook	Oxley	Smith (MI)	Serrano	Towns	Weygand
Wamp	Weller	Wynn	Jenkins	Pallone	Smith (NJ)	Sherman	Udall (CO)	Wise
Waters	Wexler	Young (AK)	John	Paul	Smith (TX)	Slaughter	Udall (NM)	Wolf
Watkins	Weygand	Young (FL)	Johnson (CT)	Pease	Smith (WA)	Snyder	Velazquez	Woolsey
Watt (NC)	Whitfield		Johnson, Sam	Peterson (MN)	Souder	Spratt	Visclosky	Wu
			Jones (NC)	Peterson (PA)	Spence	Strickland	Waters	Wynn
			Kasich	Petri	Stabenow	Stupak	Watt (NC)	Young (FL)

NOES—33

Ballenger	Hill (MT)	Salmon
Burton	Hostettler	Sanford
Coble	Johnson, Sam	Schaffer
Coburn	Jones (NC)	Sensenbrenner
Cox	Miller, Gary	Shimkus
Cunningham	Paul	Souder
Doolittle	Pease	Sununu
Duncan	Pitts	Tancredo
Goss	Pombo	Toomey
Gutknecht	Rohrabacher	Walden
Hefley	Royce	Wu

NOT VOTING—8

Barcia	Markey	Stark
Cook	Martinez	Vento
Ganske	McIntosh	

□ 2305

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. RYUN OF KANSAS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Kansas (Mr. RYUN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 239, noes 187, not voting 8, as follows:

[Roll No. 340]

AYES—239

Abercrombie	Camp	Fossella
Aderholt	Campbell	Fowler
Andrews	Canady	Franks (NJ)
Archer	Cannon	Galgely
Armey	Castle	Gekas
Baca	Chabot	Gibbons
Bachus	Chambliss	Gilchrest
Baker	Chenoweth-Hage	Gillmor
Ballenger	Coble	Gilman
Barcia	Coburn	Goode
Barr	Collins	Goodlatte
Bartlett	Combest	Goodling
Barton	Cooksey	Gordon
Bass	Cox	Goss
Bateman	Crowley	Graham
Bereuter	Cubin	Granger
Berry	Cunningham	Green (WI)
Biggett	Danner	Greenwood
Bilbray	Davis (VA)	Gutknecht
Bilirakis	Deal	Hall (TX)
Blagojevich	DeFazio	Hansen
Bliley	DeLay	Hastings (WA)
Blunt	DeMint	Hayes
Boehlert	Diaz-Balart	Hayworth
Boehner	Dickey	Hefley
Bonilla	Doolittle	Heger
Bono	Dreier	Hill (MT)
Boswell	Duncan	Hilleary
Brady (TX)	Dunn	Hobson
Bryant	Ehrlich	Hoekstra
Burr	English	Horn
Burton	Everett	Hostettler
Buyer	Ewing	Houghton
Callahan	Fletcher	Hulshof
Calvert	Foley	Hunter

Hyde	Ney	Simpson	Sanders	Thompson (CA)	Waxman
Inlee	Northup	Sisisky	Sawyer	Thompson (MS)	Weiner
Isakson	Norwood	Skeen	Schakowsky	Thurman	Weldon (FL)
Istook	Nussle	Skelton	Scott	Tierney	Wexler
Jenkins	Oxley	Smith (MI)	Serrano	Towns	Weygand
John	Pallone	Smith (NJ)	Sherman	Udall (CO)	Wise
Johnson (CT)	Paul	Smith (TX)	Slaughter	Udall (NM)	Wolf
Johnson, Sam	Pease	Smith (WA)	Snyder	Velazquez	Woolsey
Jones (NC)	Peterson (MN)	Souder	Spratt	Visclosky	Wu
Kasich	Peterson (PA)	Spence	Strickland	Waters	Wynn
Kelly	Petri	Stabenow	Stupak	Watt (NC)	Young (FL)
Kildee	Pickering	Stearns			
Kingston	Pitts	Stenholm			
Kuykendall	Pombo	Stump			
LaHood	Porter	Sununu			
Largent	Portman	Sweeney			
Latham	Pryce (OH)	Talent			
LaTourette	Radanovich	Tancredo			
Lazio	Ramstad	Tanner			
Leach	Regula	Tauscher			
Lewis (CA)	Reynolds	Tauzin			
Lewis (KY)	Riley	Taylor (MS)			
Linder	Rogan	Taylor (NC)			
LoBiondo	Rogers	Terry			
Lofgren	Rohrabacher	Thomas			
Lucas (KY)	Ros-Lehtinen	Thornberry			
Lucas (OK)	Roukema	Thune			
Maloney (CT)	Royce	Tiahrt			
Manzullo	Ryan (WI)	Toomey			
McCormack	Ryun (KS)	Trafficant			
McCollum	Salmon	Turner			
McCreery	Sandlin	Upton			
McHugh	Sanford	Vitter			
McInnis	Saxton	Walden			
McKeon	Scarborough	Walsh			
McKinney	Schaffer	Wamp			
Metcalf	Sensenbrenner	Watkins			
Mica	Sessions	Watts (OK)			
Miller (FL)	Shadegg	Weldon (PA)			
Miller, Gary	Shaw	Weller			
Minge	Shays	Whitfield			
Moran (KS)	Sherwood	Wicker			
Myrick	Shimkus	Wilson			
Nethercutt	Shows	Young (AK)			
	Shuster				

NOES—187

Ackerman	Etheridge	Mascara
Allen	Evans	Matsui
Baird	Farr	McCarthy (MO)
Baldacci	Fattah	McCarthy (NY)
Baldwin	Filner	McDermott
Barrett (NE)	Forbes	McGovern
Barrett (WI)	Ford	McIntyre
Becerra	Frank (MA)	McNulty
Bentsen	Frelinghuysen	Meehan
Berkley	Frost	Meek (FL)
Berman	Gejdenson	Meeks (NY)
Bishop	Gephardt	Menendez
Blumenauer	Gonzalez	Millender-
Bonior	Green (TX)	McDonald
Borski	Gutierrez	Miller, George
Boucher	Hall (OH)	Mink
Boyd	Hastings (FL)	Moakley
Brady (PA)	Hill (IN)	Mollohan
Brown (FL)	Hilliard	Moore
Brown (OH)	Hinchee	Moran (VA)
Capps	Hinojosa	Morella
Capuano	Hoefel	Murtha
Cardin	Holden	Nadler
Carson	Holt	Napolitano
Clay	Hooley	Neal
Clayton	Hoyer	Oberstar
Clement	Jackson (IL)	Obey
Clyburn	Jackson-Lee	Olver
Condit	(TX)	Ortiz
Conyers	Jefferson	Ose
Costello	Johnson, E. B.	Owens
Coyne	Jones (OH)	Packard
Cramer	Kanjorski	Pascarell
Crane	Kaptur	Pastor
Cummings	Kennedy	Payne
Davis (FL)	Kilpatrick	Pelosi
Davis (IL)	Kind (WI)	Phelps
DeGette	King (NY)	Pickett
Delahunt	Klecza	Pomeroy
DeLauro	Klink	Price (NC)
Deutsch	Knollenberg	Quinn
Dicks	Kolbe	Rahall
Dingell	Kucinich	Rangel
Dixon	LaFalce	Reyes
Doggett	Lampson	Rivers
Dooley	Larson	Rodriguez
Doyle	Lee	Roemer
Edwards	Levin	Rothman
Ehlers	Lewis (GA)	Roybal-Allard
Emerson	Lipinski	Rush
Engel	Lowey	Sabo
Eshoo	Maloney (NY)	Sanchez

NOT VOTING—8

Cook	Markey	Stark
Ganske	Martinez	Vento
Lantos	McIntosh	

□ 2312

Mr. MEEHAN changed his vote from "aye" to "no."

Mr. BOEHLERT and Mr. ENGLISH changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. PACKARD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. BARRETT of Nebraska, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4733) making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes, had come to no resolution thereon.

AMENDING INTERNAL REVENUE CODE TO REQUIRE 527 ORGANIZATIONS TO DISCLOSE POLITICAL ACTIVITIES

Mr. HOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4762) to amend the Internal Revenue Code of 1986 to require 527 organizations to disclose their political activities.

The Clerk read as follows:

H.R. 4762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REQUIRED NOTIFICATION OF SECTION 527 STATUS.

(a) IN GENERAL.—Section 527 of the Internal Revenue Code of 1986 (relating to political organizations) is amended by adding at the end the following new subsection:

“(i) ORGANIZATIONS MUST NOTIFY SECRETARY THAT THEY ARE SECTION 527 ORGANIZATIONS.—

“(1) IN GENERAL.—Except as provided in paragraph (5), an organization shall not be treated as an organization described in this section—

“(A) unless it has given notice to the Secretary, electronically and in writing, that it is to be so treated, or

“(B) if the notice is given after the time required under paragraph (2), the organization shall not be so treated for any period before such notice is given.

“(2) TIME TO GIVE NOTICE.—The notice required under paragraph (1) shall be transmitted not later than 24 hours after the date on which the organization is established.

“(3) CONTENTS OF NOTICE.—The notice required under paragraph (1) shall include information regarding—

“(A) the name and address of the organization (including any business address, if different) and its electronic mailing address,

“(B) the purpose of the organization,

“(C) the names and addresses of its officers, highly compensated employees, contact person, custodian of records, and members of its Board of Directors,

“(D) the name and address of, and relationship to, any related entities (within the meaning of section 168(h)(4)), and

“(E) of such other information as the Secretary may require to carry out the internal revenue laws.

“(4) EFFECT OF FAILURE.—In the case of an organization failing to meet the requirements of paragraph (1) for any period, the taxable income of such organization shall be computed by taking into account any exempt function income (and any deductions directly connected with the production of such income).

“(5) EXCEPTIONS.—This subsection shall not apply to any organization—

“(A) to which this section applies solely by reason of subsection (f)(1), or

“(B) which reasonably anticipates that it will not have gross receipts of \$25,000 or more for any taxable year.

“(6) COORDINATION WITH OTHER REQUIREMENTS.—This subsection shall not apply to any person required (without regard to this subsection) to report under the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) as a political committee.”.

(b) DISCLOSURE REQUIREMENTS.—

(1) INSPECTION AT INTERNAL REVENUE SERVICE OFFICES.—

(A) IN GENERAL.—Section 6104(a)(1)(A) of the Internal Revenue Code of 1986 (relating to public inspection of applications) is amended—

(i) by inserting “or a political organization is exempt from taxation under section 527 for any taxable year” after “taxable year”,

(ii) by inserting “or notice of status filed by the organization under section 527(i)” before “, together”,

(iii) by inserting “or notice” after “such application” each place it appears,

(iv) by inserting “or notice” after “any application”,

(v) by inserting “for exemption from taxation under section 501(a)” after “any organization” in the last sentence, and

(vi) by inserting “OR 527” after “SECTION 501” in the heading.

(B) CONFORMING AMENDMENT.—The heading for section 6104(a) of such Code is amended by inserting “OR NOTICE OF STATUS” before the period.

(2) INSPECTION OF NOTICE ON INTERNET AND IN PERSON.—Section 6104(a) of such Code is amended by adding at the end the following new paragraph:

“(3) INFORMATION AVAILABLE ON INTERNET AND IN PERSON.—

“(A) IN GENERAL.—The Secretary shall make publicly available, on the Internet and at the offices of the Internal Revenue Service—

“(i) a list of all political organizations which file a notice with the Secretary under section 527(i), and

“(ii) the name, address, electronic mailing address, custodian of records, and contact person for such organization.

“(B) TIME TO MAKE INFORMATION AVAILABLE.—The Secretary shall make available the information required under subparagraph (A) not later than 5 business days after the Secretary receives a notice from a political organization under section 527(i).”.

(3) INSPECTION BY COMMITTEE OF CONGRESS.—Section 6104(a)(2) of such Code is amended by inserting “or notice of status of any political organization which is exempt

from taxation under section 527 for any taxable year” after “taxable year”.

(4) PUBLIC INSPECTION MADE AVAILABLE BY ORGANIZATION.—Section 6104(d) of such Code (relating to public inspection of certain annual returns and applications for exemption) is amended—

(A) by striking “AND APPLICATIONS FOR EXEMPTION” and inserting “, APPLICATIONS FOR EXEMPTION, AND NOTICES OF STATUS” in the heading,

(B) by inserting “or notice of status under section 527(i)” after “section 501” and by inserting “or any notice materials” after “materials” in paragraph (1)(A)(ii),

(C) by inserting or “or such notice materials” after “materials” in paragraph (1)(B), and

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

“(6) NOTICE MATERIALS.—For purposes of paragraph (1), the term ‘notice materials’ means the notice of status filed under section 527(i) and any papers submitted in support of such notice and any letter or other document issued by the Internal Revenue Service with respect to such notice.”.

(c) FAILURE TO MAKE PUBLIC.—Section 6652(c)(1)(D) of the Internal Revenue Code of 1986 (relating to public inspection of applications for exemption) is amended—

(1) by inserting “or notice materials (as defined in such section)” after “section”, and

(2) by inserting “AND NOTICE OF STATUS” after “EXEMPTION” in the heading.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall take effect on the date of the enactment of this section.

(2) ORGANIZATIONS ALREADY IN EXISTENCE.—In the case of an organization established before the date of the enactment of this section, the time to file the notice under section 527(i)(2) of the Internal Revenue Code of 1986, as added by this section, shall be 30 days after the date of the enactment of this section.

(3) INFORMATION AVAILABILITY.—The amendment made by subsection (b)(2) shall take effect on the date that is 45 days after the date of the enactment of this section.

SEC. 2. DISCLOSURES BY POLITICAL ORGANIZATIONS.

(a) REQUIRED DISCLOSURE OF 527 ORGANIZATIONS.—Section 527 of the Internal Revenue Code of 1986 (relating to political organizations), as amended by section 1(a), is amended by adding at the end the following new section:

“(j) REQUIRED DISCLOSURE OF EXPENDITURES AND CONTRIBUTIONS.—

“(1) PENALTY FOR FAILURE.—In the case of—

“(A) a failure to make the required disclosures under paragraph (2) at the time and in the manner prescribed therefor, or

“(B) a failure to include any of the information required to be shown by such disclosures or to show the correct information, there shall be paid by the organization an amount equal to the rate of tax specified in subsection (b)(1) multiplied by the amount to which the failure relates.

“(2) REQUIRED DISCLOSURE.—A political organization which accepts a contribution, or makes an expenditure, for an exempt function during any calendar year shall file with the Secretary either—

“(A)(i) in the case of a calendar year in which a regularly scheduled election is held—

“(I) quarterly reports, beginning with the first quarter of the calendar year in which a contribution is accepted or expenditure is made, which shall be filed not later than the 15th day after the last day of each calendar quarter, except that the report for the quar-

ter ending on December 31 of such calendar year shall be filed not later than January 31 of the following calendar year.

“(II) a pre-election report, which shall be filed not later than the 12th day before (or posted by registered or certified mail not later than the 15th day before) any election with respect to which the organization makes a contribution or expenditure, and which shall be complete as of the 20th day before the election, and

“(III) a post-general election report, which shall be filed not later than the 30th day after the general election and which shall be complete as of the 20th day after such general election, and

“(ii) in the case of any other calendar year, a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year, or

“(B) monthly reports for the calendar year, beginning with the first month of the calendar year in which a contribution is accepted or expenditure is made, which shall be filed not later than the 20th day after the last day of the month and shall be complete as if the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of any year in which a regularly scheduled general election is held, a pre-general election report shall be filed in accordance with subparagraph (A)(i)(II), a post-general election report shall be filed in accordance with subparagraph (A)(i)(III), and a year end report shall be filed not later than January 31 of the following calendar year.

“(3) CONTENTS OF REPORT.—A report required under paragraph (2) shall contain the following information:

“(A) The amount of each expenditure made to a person if the aggregate amount of expenditures to such person during the calendar year equals or exceeds \$500 and the name and address of the person (in the case of an individual, including the occupation and name of employer of such individual).

“(B) The name and address (in the case of an individual, including the occupation and name of employer of such individual) of all contributors which contributed an aggregate amount of \$200 or more to the organization during the calendar year and the amount of the contribution.

Any expenditure or contribution disclosed in a previous reporting period is not required to be included in the current reporting period.

“(4) CONTRACTS TO SPEND OR CONTRIBUTE.—For purposes of this subsection, a person shall be treated as having made an expenditure or contribution if the person has contracted or is otherwise obligated to make the expenditure or contribution.

“(5) COORDINATION WITH OTHER REQUIREMENTS.—This subsection shall not apply—

“(A) to any person required (without regard to this subsection) to report under the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) as a political committee,

“(B) to any State or local committee of a political party or political committee of a State or local candidate,

“(C) to any organization which reasonably anticipates that it will not have gross receipts of \$25,000 or more for any taxable year,

“(D) to any organization to which this section applies solely by reason of subsection (f)(1), or

“(E) with respect to any expenditure which is an independent expenditure (as defined in section 301 of such Act).

“(6) ELECTION.—For purposes of this subsection, the term ‘election’ means—

“(A) a general, special, primary, or runoff election for a Federal office,

“(B) a convention or caucus of a political party which has authority to nominate a candidate for Federal office,

“(C) a primary election held for the selection of delegates to a national nominating convention of a political party, or

“(D) a primary election held for the expression of a preference for the nomination of individuals for election to the office of President.”.

(b) PUBLIC DISCLOSURE OF REPORTS.—

(1) IN GENERAL.—Section 6104(d) of the Internal Revenue Code of 1986 (relating to public inspection of certain annual returns and applications for exemption), as amended by section 1(b)(4), is amended—

(A) by inserting “REPORTS,” after “RETURNS,” in the heading,

(B) in paragraph (1)(A), by striking “and” at the end of clause (i), by inserting “and” at the end of clause (ii), and by inserting after clause (ii) the following new clause:

“(iii) the reports filed under section 527(j) (relating to required disclosure of expenditures and contributions) by such organization,” and

(C) in paragraph (1)(B), by inserting “, reports,” after “return”.

(2) DISCLOSURE OF CONTRIBUTORS ALLOWED.—Section 6104(d)(3)(A) of such Code (relating to nondisclosure of contributors, etc.) is amended by inserting “or a political organization exempt from taxation under section 527” after “509(a)”.

(3) DISCLOSURE BY INTERNAL REVENUE SERVICE.—Section 6104(d) of such Code is amended by adding at the end the following new paragraph:

“(6) DISCLOSURE OF REPORTS BY INTERNAL REVENUE SERVICE.—Any report filed by an organization under section 527(j) (relating to required disclosure of expenditures and contributions) shall be made available to the public at such times and in such places as the Secretary may prescribe.”.

(c) FAILURE TO MAKE PUBLIC.—Section 6652(c)(1)(C) of the Internal Revenue Code of 1986 (relating to public inspection of annual returns) is amended—

(1) by inserting “or report required under section 527(j)” after “filing”;

(2) by inserting “or report” after “1 return”, and

(3) by inserting “AND REPORTS” after “RETURNS” in the heading.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures made and contributions received after the date of enactment of this Act, except that such amendment shall not apply to expenditures made, or contributions received, after such date pursuant to a contract entered into on or before such date.

SEC. 3. RETURN REQUIREMENTS RELATING TO SECTION 527 ORGANIZATIONS.

(a) RETURN REQUIREMENTS.—

(1) ORGANIZATIONS REQUIRED TO FILE.—Section 6012(a)(6) of the Internal Revenue Code of 1986 (relating to political organizations required to make returns of income) is amended by inserting “or which has gross receipts of \$25,000 or more for the taxable year (other than an organization to which section 527 applies solely by reason of subsection (f)(1) of such section)” after “taxable year”.

(2) INFORMATION REQUIRED TO BE INCLUDED ON RETURN.—Section 6033 of such Code (relating to returns by exempt organizations) is amended by redesignating subsection (g) as subsection (h) and inserting after subsection (f) the following new subsection:

“(g) RETURNS REQUIRED BY POLITICAL ORGANIZATIONS.—In the case of a political organization required to file a return under section 6012(a)(6)—

“(1) such organization shall file a return—

“(A) containing the information required, and complying with the other requirements,

under subsection (a)(1) for organizations exempt from taxation under section 501(a), and

“(B) containing such other information as the Secretary deems necessary to carry out the provisions of this subsection, and

“(2) subsection (a)(2)(B) (relating to discretionary exceptions) shall apply with respect to such return.”.

(b) PUBLIC DISCLOSURE OF RETURNS.—

(1) RETURNS MADE AVAILABLE BY SECRETARY.—

(A) IN GENERAL.—Section 6104(b) of the Internal Revenue Code of 1986 (relating to inspection of annual information returns) is amended by inserting “6012(a)(6),” before “6033”.

(B) CONTRIBUTOR INFORMATION.—Section 6104(b) of such Code is amended by inserting “or a political organization exempt from taxation under section 527” after “509(a)”.

(2) RETURNS MADE AVAILABLE BY ORGANIZATIONS.—

(A) IN GENERAL.—Paragraph (1)(A)(i) of section 6104(d) of such Code (relating to public inspection of certain annual returns, reports, applications for exemption, and notices of status) is amended by inserting “or section 6012(a)(6) (relating to returns by political organizations)” after “organizations”.

(B) CONFORMING AMENDMENTS.—

(i) Section 6104(d)(1) of such Code is amended in the matter preceding subparagraph (A) by inserting “or an organization exempt from taxation under section 527(a)” after “501(a)”.

(ii) Section 6104(d)(2) of such Code is amended by inserting “or section 6012(a)(6)” after “section 6033”.

(c) FAILURE TO FILE RETURN.—Section 6652(c)(1) of the Internal Revenue Code of 1986 (relating to annual returns under section 6033) is amended—

(1) by inserting “or section 6012(a)(6) (relating to returns by political organizations)” after “organizations” in subparagraph (A)(i),

(2) by inserting “or section 6012(a)(6)” after “section 6033” in subparagraph (A)(ii),

(3) by inserting “or section 6012(a)(6)” after “section 6033” in the third sentence of subparagraph (A), and

(4) by inserting “OR 6012(a)(6)” after “SECTION 6033” in the heading.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for taxable years beginning after June 30, 2000.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. HOUGHTON) and the gentleman from New York (Mr. RANGEL) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. HOUGHTON).

GENERAL LEAVE

Mr. HOUGHTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 4762.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HOUGHTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the hour is late and it has been a long day, but I frankly thought I would be here tonight talking about another bill, H.R. 4717. It has a long title, the Full and Fair Political Activity Disclosure Act of 2000, but this is not the case.

As it turned out, it was not the right time, either. This is a fact, and we now move on to H.R. 4762, an entirely different bill.

Furthermore, it is the way our democratic process works. One shoots as high as they possibly can and ends up with something the majority feels is the best practical solution at the time.

Personally, I wanted to do two things. One is to get something done, which means produce the first piece of campaign reform legislation that will pass not only this House but also the Senate in years.

Secondly, to make it bipartisan this bill, 4762, is the base McCain-Feingold-Lieberman bill with strong inputs from the gentleman from Massachusetts (Mr. MEEHAN) and the gentleman from Texas (Mr. DOGGETT) and the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Delaware (Mr. CASTLE).

We changed the Senate sanction provision to apply 35 percent tax rate against nondisclosed amounts, and that is all. So I just have to feel that passing this bill on suspension will send a signal that, yes, that we can do something on campaign finance reform, just as the Senate did.

This is not the end. It is the first step and a big one; and we still need to move forward on better disclosure, but that will come. First, we must pass this legislation.

Mr. Speaker, I reserve the balance of my time.

□ 2320

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I know we all are anxious to vote, but this is such a great victory for Republicans and Democrats to do the right thing.

I would like to believe that many on the other side would really want to join with us, because I think that the voters are very concerned about how we got to where we are this evening.

Mr. Speaker, I want to compliment my friend, the gentleman from New York (Mr. HOUGHTON) and the gentleman from Connecticut (Mr. SHAYS), but I am afraid that I do them more harm than good by doing that, but it does show what happens when good people decide that they are going to do the right thing. We do not care what we will call the bill, but we are concerned that we do have a bill that we can move forward on a bipartisan basis.

Mr. Speaker, I would like to congratulate the gentleman from Texas (Mr. DOGGETT) for doggedly following through.

Mr. Speaker, in view of the overwhelming support on this side of the aisle, we can see whether the gentleman from Texas (Mr. DOGGETT) has earned it on the other side.

Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, since March, we have called on the House to come together to support in a bipartisan fashion a cleanup of some of the worst excesses in our campaign finance system, what one expert referred to as the most dangerous loophole that has ever come along, period, what Senator MCCAIN has rightly called this 527 political loophole, an egregious and obscene distortion of everything the American people believe in.

I think it is unfortunate that we have this sudden switch to the suspension calendar at this late hour, which will deny Members, both Republicans and Democrats, an opportunity to offer amendments to perfect the reform that has been advanced and to broaden it to be more comprehensive reform, and certainly its passage is imperiled by the two-thirds requirement.

Mr. Speaker, I did not pick the procedure. We have it, I think we should utilize it now to try to move forward in the most constructive way possible to approve a reform that will be significant, though modest, in addressing this abuse.

Mr. HOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Speaker, I thank the gentleman for yielding me the time, and I particularly appreciate his efforts to put together a bipartisan bill. This is one of the most contentious issues for all of us, because the Democrats say we have to have an advantage and the Republicans say we have to have an advantage. When we get into campaign finance reform, it is highly charged politically.

The gentleman from New York (Mr. HOUGHTON), I think, has done a tremendous job in trying to work through that; and I applaud him for that.

First, this bill does nothing but require disclosure. It does not change anything as to how much money can be given or how it can be used, any of those other substantive things in the law.

I am sad that we could not broaden it more. I think any tax exempt entity that is excused from paying any income tax under our law and engages in significant political activity should have to disclose and report. It should not be simply limited to one group, but, unfortunately, that was not going to be accepted on a bipartisan basis.

We are back now on what has been agreed to basically on the Senate side and by a large number of Members of the House of Representatives, and it is a disclosure bill.

Mr. Speaker, I support it, but I wish we had more significant campaign finance reform that was much broader in nature. I, again, applaud the gentleman from New York (Mr. HOUGHTON) for his work, and I do urge the passage of this bill.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to congratulate my distinguished chairman,

the gentleman from Texas (Mr. ARCHER), for the leadership that he has displayed on this most important piece of legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I would like to congratulate the gentleman from New York (Mr. HOUGHTON), the gentleman from Texas (Mr. DOGGETT), the gentleman from Connecticut (Mr. SHAYS), and the gentleman from Massachusetts (Mr. MEEHAN) for their excellent work on this bill.

Back in February, I filed the Campaign Integrity Act of 2000 which is required as to 527s only disclosure, I think that should be the bottom line, and that is where we are now. I am proud, even though this is not my bill, to support this bill, because it is what the American people demand, it is what the American people deserve. When I go home, I hear from my constituents, and I think a lot of my colleagues do, too, we are so tired of all the partisan bickering, the Democrats did this and the Republicans did that; what they wanted it us to do is come up here and do the people's agenda.

That is what we are doing tonight by just campaign finance reform bill is disclosure so people will know who is trying to influence their vote and who is trying to influence Federal elections. That is the bottom line. I invite all people of good will to vote for this bill tonight.

Mr. HOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Speaker, I thank the distinguished gentleman from New York (Mr. HOUGHTON) for yielding to me.

Mr. Speaker, I also credit the gentleman from New York (Mr. RANGEL) for the tremendous work which he did, along with other Members in the House of Representatives and in the United States Senate who have been involved with this.

Tonight the House of Representatives has the opportunity to ensure that meaningful campaign finance reform is passed in time for this year's election. H.R. 4762 is the campaign finance bill with the best chance to pass both Chambers and be signed into law that has reached the floor of this House in years.

Mr. Speaker, last week when I testified before the Committee on Ways and Means, I said that I would help lead the fight to pass legislation that would reign in the section 527 groups if the House could not pass more comprehensive disclosure legislation. I will do that tonight.

In this case, we cannot afford to make the perfect, the enemy of the good. Section 527 organizations set up under section 527 of the Tax Code are established to engage in political activities which influence our political process by funding an election-related communications without having to disclose their donors.

H.R. 4762 is needed because current campaign laws are wholly unable to adequately regulate the torrent of political advising by groups exploiting this loophole in both our taxation and election laws.

Huge sums of money are being spent to influence the election system. This is a troubling new trend in campaign-finance spending by groups operating under unique designations in our Tax Code such as section 527.

Mr. Speaker, while I would have liked to cover more groups engaging in electioneering communications, I am pleased that we will pass significant legislation that will tackle the 527 stealth political organization problem.

We explored many possible alternatives, and I believe we have laid the groundwork for further legislation in this area. Tonight we will vote on H.R. 4762 language taken from Senator JOHN MCCAIN's legislation which has already passed the Senate.

This legislation requires section 527 organizations that have gross receipts of more than \$25,000 to disclose their donors. Whether or not we agree with the message of any advertisement campaign, I hope we can agree that voters have the right to know who is paying for any campaign-related ad and who is trying to influence their vote.

The 2000 general election cycle is fast approaching, and section 527 political groups are expanding at a rapid pace that will be a dominant force in the 2000 election.

Mr. Speaker, I am convinced this bill will curb some of the most blatant abuses and will allow the public to know who is supporting these groups that are now operating behind a veil of secrecy.

I urge my colleagues to join us in supporting H.R. 4762 in an effort to restore integrity to our election process and return the election process to the American people. It is a real step forward, and we should take it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MEEHAN).

Mr. MEEHAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, let me thank the Republican Members, the gentleman from New York (Mr. HOUGHTON), who worked so hard to bring this here and the gentleman from Delaware (Mr. CASTLE), the gentleman from Connecticut (Mr. SHAYS), as well as Democratic Members.

□ 2330

Can any of us forget over the period of the last several months the efforts of the gentleman from Kansas (Mr. MOORE) and the gentleman from Texas (Mr. DOGGETT) to bring us to this point in time? And I congratulate both of them for that.

This is an important step, but it is a step. Let none of us forget the fact that this House passed a campaign finance reform bill by a wide bipartisan margin

that would have dealt with the problems in this bill. The problem is the bill went over to the United States Senate with 53 Members of that body, the majority of the Members, all of the Democrats and several Republicans, a majority of that body voted to pass that bill; and it could have gone to the President's desk for signature, but 60 Members of that other body were required to break a filibuster.

So let no Member in this body or no one in this country make the mistake of thinking this is comprehensive campaign finance reform, because it is not. We still have our work cut out for us, and we are going to try to push our colleagues in the other body to break that filibuster, and we are going to be back at it. If we cannot get this done before this session, then next session. It is an important step, and I congratulate my colleagues.

Mr. Speaker, it is very important that we reduce the influence of money in American politics. At every turn we have met with obstacles, but we will continue in this effort; we will push this effort until we break the filibuster in the other body and send a real campaign finance reform bill for the President's signature, because he is waiting to sign it.

Mr. HOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. BATEMAN).

Mr. BATEMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

I ask the indulgence of the House. This will not be a 1-minute filibuster, I assure my colleagues.

I am concerned about the process and how we got to where we are, as much as I congratulate my good friend, the gentleman from New York (Mr. HOUGHTON), and those who have labored with him.

I stand here with a perception that there are many, many Members of this body who would not like to have any form of campaign finance reform. I think there are many, many Members of this body who would buy into any form of campaign finance reform. I am not sure what we are buying into, because I know so little of what we are doing. But I do know that when we start limiting what people can do with their money to influence the outcome of the political process, we are treading on very serious constitutional ground. I choose not to tread there without knowing much more about where I tread.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I rise to support this bill, H.R. 4762. I want to commend the gentleman from Texas (Mr. DOGGETT) and the gentleman from New York (Mr. HOUGHTON), my good friends and colleagues, for their work on this important issue. We all know that it is time to fix our broken system of financing elections,

and this bill is a good and necessary first step.

Mr. Speaker, H.R. 4762 would close a huge loophole by requiring simple disclosure by these secret political organizations and groups. The American people have a right to know. They have a right to know who is funding political campaigns in this country. They have a right to know who is trying to influence their votes. The American people have a right to a free and open election process.

It is time to close this loophole. It is time to get rid of the secrecy; it is time to fix this mess. So tonight, I urge all of my colleagues to support this bill. It is the right thing to do. The time is always right to do right. Tonight is the first step down a long road toward political campaign finance reform.

Mr. HOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. KASICH).

Mr. KASICH. Mr. Speaker, I would like to say to the House that of course, 527 should have to disclose. But in the name of disclosure, it just should not be the political organizations that have to disclose; it should be any of the other organizations in this country, whether it be business organizations like the Chamber of Commerce, or whether it be labor organizations, whether it be the Christian right. It does not matter who it is, if they are engaging in blatant political activity, they ought to have to be forced to disclose so that the American people can understand where they get their money from. To limit this just to political organizations is worse than even half a loaf. Frankly, it does not matter which organization is electioneering. If they are electioneering, make them all report. Do my colleagues know why? Because with disclosure comes power to the ordinary citizen.

The fact is, some in this House believe that the way we fix election law and we give power to ordinary people is to restrict access to the political process, to shut them down. I despise that idea. But I will tell my colleagues what I do believe in. Give the ordinary citizen the right and the power to know who is behind all of these political organizations, all of them, and they will make the smart decision and they will use the real power in America, which is the power of the ballot box.

This is a debate tonight about one big thing. Do we want to restrict Americans and their ability to communicate, or do we want to let the sun shine in and let Americans decide for themselves who is behind these political activities.

Mr. Speaker, I vote for openness. Let the sun shine in. Freedom. And at the end of the day, the people will have their way, and they will make a decision.

Mr. Speaker, this bill is a sham when it comes to real campaign finance reform. We should have gone the whole way and forced anybody, from the right and the business community, to the

left and the labor community, to have to square with the American people about where they get their money and let the American people decide, and this will be a long ongoing fight.

Tonight, I am going to vote for 527, but I want to tell my colleagues, it is such a fig leaf, it is a shame. The House had a real chance at reform. We blew it.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

I want to thank the gentleman in the well for his vote for 527, and I hope we will see who is not voting for 527. But that was an eloquent statement against the bill; but I guess in the final analysis, it is the vote that really counts.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington, a member of the committee (Mr. MCDERMOTT).

(Mr. MCDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. MCDERMOTT. Mr. Speaker, I agree with the gentleman from Virginia (Mr. BATEMAN), I dislike the process by which we got here. We voted this bill down twice on this floor, and now suddenly we went to committee, and we passed a bill out of that committee, which is not the bill which we are voting on here on the floor. The gentleman from New York (Mr. Houghton), my good friend, has worked hard to work this problem; but it is pretty clear that this is being put out at 20 minutes to 12:00 so that disclosure is done in the middle of the night. It is kind of an irony, if one has that kind of mind, to look at the fact that we are bringing out a bill that nobody in a committee has actually looked at the words.

We passed another bill out of our committee, and obviously, we could not get the votes on the floor for that, so suddenly, miraculously, we have a bill at 12 minutes to 12:00. I understand all the rules and the way things work, but this process is not a good one.

I think the importance of campaign finance reform is very clear. It is not a Democrat issue, it is not a Republican issue, it is an issue about whether people are willing to participate in the elections.

□ 2340

It is expected that this election will be the least participation since 1924 because people are turned off, and they are turned off by all the money in the election. It is our job to clean that up and get the American people back involved. This is a very small step forward.

Mr. Speaker, I include for the RECORD the following statement:

[From the Office of Congressman Tom DeLay, June 27, 2000]

DELAY TO OPPOSE MCCAIN BILL

AN ATTACK ON OUR FIRST AMENDMENT RIGHTS
Washington, DC: Tom Delay (R-TX), the House Majority Whip, issued the following statement tonight on the vote in the House on the campaign finance reform.

Majority Whip Tom DeLay stated: "I am first and foremost a constitutionalist, and this bill is a clear violation of the First Amendment. Again and again, the courts have upheld the right of groups to participate in the political process while retaining privacy for their members. I am therefore confident that the courts will quickly and decisively strike down this legislation. How will the Democrats explain to their constituents that any American who supports these issue advocacy groups could find his or her names on a government list? This lack of privacy and free speech is chilling.

"This so-called 'reform' bill is in reality nothing more than a last ditch effort by the Democrats to protect their vulnerable incumbent Members from valid attacks on their positions and beliefs. The Left is trying to stamp out our right to free speech for their own political purposes while protecting their big labor friends and political contributors. The Democrats are the ultimate hypocrites and they must explain their double standard to the American people."

Mr. HOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mrs. ROUKEMA).

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of this legislation. These are stealth PACs. That is exactly what they are. They are completely operating in secret, and it is a dangerous loophole in the law that we have to close. We can close it tonight.

It is not everything we would like to do, but we cannot let the perfect be the enemy of the good. Let us deal with these stealth PACs, close this loophole, and restore democracy to our electoral process.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. BARRETT).

(Mr. BARRETT of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BARRETT of Wisconsin. Mr. Speaker, I rise in strong support of this bill. I thank the gentleman from Kansas (Mr. MOORE) for bringing it to my attention.

Mr. Speaker, I rise this evening in support of the measure before us.

Sincere advocates of campaign finance reform have named 527 organizations Public Enemy number One—and with good reason. 527s illustrate everything that has gone wrong in America's political campaign financing system.

We have all heard from our constituents how much they hate big money in politics. But the one thing that undermines public confidence in our electoral process more than the obvious influence of big monied special interests is the hidden, disingenuous influence of the big monied special interests. That, as we all know, is what 527s represent. The widely applied term "Stealth PAC" aptly describes these groups, because they operate 'under the radar' of public scrutiny and cloaked in a veil of secrecy.

527s wield vast power over American elections. They are authorized under present law to raise unlimited sums of money, and they do. They can spend their vast warchests to buy elections for favored candidates or ruin

opponents—and they do. The time has come to make 527 Stealth organizations accountable to the American people.

That is what the legislation before us would do. This bill would level the playing field, by applying the same public disclosure requirements to 527s as are applied to PACs under current law. It would give you and me a way to find out just who is running those ads encouraging everyone in a media market to 'Call For More Information About Congressman Whomever's Bad Record on Clean Air'. Most importantly, it would allow our constituents to find out just exactly which big monied special interest is trying to tell them what to think and how to vote.

This bill is not perfect. Some would prefer to apply similar disclosure requirements to labor unions and social welfare organizations, when they spend money to influence elections. Others would like to require corporations to do the same. These are both important points and deserve serious debate.

But the bill before us allows us take an important first step. It allows us to build on the momentum generated in the Senate, and it has been freed of poison pill provisions forced by opponents who sought to scuttle this important reform effort. This clean, consensus bill gives us a chance to restore a measure of fairness, candor, and accountability to America's political system.

I disagree with those opponents of reform who argue that, if we cannot do everything, we should do nothing. I encourage my colleagues to join me in voting to ground the Stealth campaign and in launching a new strike against secrecy and corruption in American electoral politics.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I feel that I may be betraying the Constitution. The Supreme Court just decided that a party has a right to settle its own disputes and non-members should not interfere. I find myself in the midst of an internal Republican dispute here tonight, but I have no choice, because that is the way the majority chose to bring it up.

I congratulate my Republican friends who have brought this bill forward. For those who think it is being brought up without adequate notice, they should know that it is essentially the bill they voted down when we had a motion to recommit a while ago, so this is not the first time Members are seeing this bill.

It does, I think, give some confidence in the political process because there has been a great transmogrification on the other side from people who did not like this bill a couple of weeks ago who have now found some merit in it. I think it is a good idea. I am delighted to see the wheel reinvented and campaign finance reform passed.

I would agree with the gentlemen who have complained about the procedure. We of course had no say in this procedure: bringing this bill up in a fashion that it cannot be amended, it has not had a chance to be studied, and at midnight, that was their choice.

I do think that the debate has been a little one-sided. For people who think I

may be being too partisan, I would say that we on our side deserve a lot of credit for the bill.

Let me quote a congressional leader: "This bill is in reality nothing more than a last-ditch effort by the Democrats," and I am quoting the majority whip, the gentleman from Texas (Mr. DeLay), who put out a statement giving us credit for the bill, although not too cheerfully.

Under the general leave, I do think that in the interests of full disclosure and full debate, and I do not see the majority Whip, he was apparently tied up somewhere, I knew he was eager to be here, but under the general leave that was gotten by the gentleman from New York, I include the majority whip's statement into the CONGRESSIONAL RECORD.

The material referred to is as follows:

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AN ATTACK ON OUR FIRST AMENDMENT RIGHTS

Washington, DC: Tom DeLay (R-TX), the House Majority Whip, issued the following statement tonight on the vote in the House on the campaign finance reform.

Majority Whip Tom DeLay stated: "I am first and foremost a constitutionalist, and this bill is a clear violation of the First Amendment. Again and again, the courts have upheld the right of groups to participate in the political process while retaining privacy for their members. I am therefore confident that the courts will quickly and decisively strike down this legislation. How will the Democrats explain to their constituents that any American who supports these issue advocacy groups could find his or her names on a government list? This lack of privacy and free speech is chilling.

"This so-called 'reform' bill is in reality nothing more than a last ditch effort by the Democrats to protect their vulnerable incumbent Members from valid attacks on their positions and beliefs. The Left is trying to stamp out our right to free speech for their own political purposes while protecting their big labor friends and political contributors. The Democrats are the ultimate hypocrites and they must explain their double standard to the American people."

Mr. HOUGHTON. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. I thank the gentleman for yielding time to me, Mr. Speaker.

There is a gentleman at Rutgers University named Dr. Troy who has been studying spending in campaigns for 20 years. What he said is that in the last two cycles, 1996 and 1998, labor unions spent between \$400 million and \$600 million. If they are in our neighborhoods knocking on doors, they were paid by labor unions.

This bill does not touch that. This bill yields them all they want. They totally cover all that the Republican committees do combined, and there was an original bill that covered all the spending by all the groups, labor unions, right-to-life, political parties, and it was determined by a variety of folks, including our friend Senator MCCAIN, that this is a poison pill.

If we include labor unions, Democrats cannot vote for it, and therefore,

it is not bipartisan and we cannot pass that. Excuse me. If Members want to have disclosure, I think we should have total disclosure, including all that the unions spend all the rest spend.

I want to notify my friends, this is a suspension. One-third of the votes will kill this bill. We ought to do it.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. DOGGETT), the primary sponsor of this bill.

Mr. DOGGETT. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, briefly, this is in no way a substitute for comprehensive campaign finance reform of the type that the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) have so admirably led this House in pursuing.

But to those who have said they wanted a much broader bill, the first thing to point out is that 527s can be used by a union, they can be used by the trial lawyers, they can be used by right-to-life, by Planned Parenthood. This treats everyone who chooses to use a 527 in exactly the same way. It discriminates neither for nor in favor of anyone.

The second thing, however, is that in the committee, seven Republicans, led by the gentleman from Delaware (Mr. CASTLE), and six Democrats came to the committee and they said, why do we not take a Republican idea advanced by Senator SNOW and Senator JEFFORDS and add that onto the bill so we will cover more people.

And we Democrats on the committee said, yes, that is a good idea. We will do that. Republicans on the committee raised numerous objections that that just was not broad enough, so we said, well, we will do more than that. We will extend this. We will do more to be sure we are covering and ensuring fairness and equity. We will cover unions and their activities, we will cover business organizations and their activities. We will try to treat everyone fairly and comprehensively.

And both privately in our discussions with Members on the other side and publicly in the committee we sought to pursue this in a bipartisan way. Not one change, not the slightest change, were our Republican colleagues willing to even contemplate.

So what they produced was a bill that all Members have heard about. They have heard from right-to-life, they have heard, I believe, from at least 30 organizations, saying that it is blatantly unconstitutional, and they are absolutely right. The bill that came out of that committee was blatantly unconstitutional, and the woman that wrote it admitted she could not find the lawyer that would say it was constitutional.

It is unfortunate that such a bill should come out of the committee. I am very proud I voted against it, and so did every other Democrat, in urging a constructive alternative, in trying to negotiate a way to deal fairly with all these problems.

The problem all along has been that we are attacked from both directions. The bill is either too narrow or it is too broad. It is either too deep or it is too shallow. So it has been impossible to meet all of the conflicting objections that have been raised.

So we find ourselves back tonight where we started in March essentially, as my colleague, the gentleman from Massachusetts, said, voting on the same issue that the House has already voted on twice, but hopefully with a better outcome. I think we are moving forward with what is an important but obviously a small step to open up the secret organizations to sunshine.

For months while we have waited for this coming together on this approach there have been those who have obstructed reform that have been working as hard as they can to raise as much secret money as they can to fill our air waves with hate in the fall and our mailboxes with misinformation.

We are going to get a very narrow window now, a too narrow window, I must say, because of the way the effective date is constructed in this legislation, but a very narrow window to look at those stealth organizations with their secret stash. As they plan for the fall, we will at least be able to know who is launching the attack and identify the attackers.

Tonight I believe we must take a firm stance on the only action we can on this very constricted midnight debate that denies an opportunity for Republicans or Democrats to add and strengthen and expand and perfect this bill, but we should take the action that we are permitted to take because it is aimed directly at corruption in the American political system, where someone can come in and ask for a favor one day and deliver a contribution that is never disclosed on the next day.

Disclosure by the secret 527 political funds is the one modest reform that we can still put in place to affect a little bit of this year's election, and we ought to do it without any more delay. I believe that this represents one small triumph for democracy over secrecy.

□ 2350

Mr. HOUGHTON. Mr. Speaker, I yield 1½ minute to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, all is well that ends well; and at least we are moving forward in the right direction. I am in very strong support, and I hope this body is, of H.R. 4762. Again, I applaud the very hard work and dedication of my friends, particularly the gentleman from New York (Mr. HOUGHTON), the gentleman from Connecticut (Mr. SHAYS), and the gentleman from Delaware (Mr. CASTLE) and others on both sides of the aisle who have, indeed as we know, worked tirelessly around the clock to craft a meaningful, bipartisan and genuine step forward in campaign finance disclosure legislation, legislation that can and should become law.

The growing abuse of anonymous political advertising has reached such extremes that many of us in Congress who are strong supporters of campaign finance reform feel that at least disclosure of 527 organizations is something to which every voter is entitled. Our American principles stress the importance and the value of transparency in government; and this legislation, a small step, but a step forward, this legislation demonstrates that this Congress is sincere.

Mr. Speaker, I would like to stress sincerity. It is, in fact, a step that demonstrates that we do care, that we are sincere in our belief that we can restore the public's voice and the public's confidence in the Federal election system. This bill, H.R. 4762, moves us in that direction.

Mr. Speaker, I certainly urge this entire body's support of this legislation, and I thank the author for working so hard on it.

Mr. RANGEL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HOUGHTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to vote for this bill. I would just like to say one other thing. I am proud to be a Member here, and I am proud to have friends such as everyone. The Chamber badly needs to pull itself together, to work together, to craft legislation together and finally feel good about something they have done together.

So through this bill, H.R. 4762, I would like to feel we can reinforce that process.

If I believed half of what I have heard about the Full and Fair Political Activity Disclosure Act of 2000, I would have to vote against my own bill.

Some have said that the bill requires disclosure by too many organizations. Some say it should be expanded. Others have said that the bill is too narrow. Some say it is unfair to labor; others that it lets labor off the hook. Still others claim the bill is unconstitutional, but somehow would pass muster if its provisions applies 30 days before a primary and 60 days before a general election. Or 60 to 90 days. Take your pick.

It becomes difficult to separate the fact from fiction.

Fiction: This issue is so politically charged that Congress should simply require disclosure by Sec. 527 organizations, period.

Fact: Some of us feel we need the "disinfectant of sunshine" regardless of the specific section of the Internal Revenue Code that confers tax-exempt status on a group trying to influence an election. If we limit disclosure to Sec. 527 groups alone, the money will certainly flow to other tax-exempt groups. Section 501(c) organizations will become the new haven for those who wish to avoid scrutiny. Our approach is fairly straightforward: if you are tax-exempt and intervene meaningfully in an election, you disclose.

Fiction: The Houghton bill applies to lobbying.

Fact: This is a real red herring. The bill does not impact lobbying by anyone—unless an "issue ad" identifies a candidate for office, or

otherwise tries to influence the election of a person. The right to know your accuser is a basic element of American fairness. If your ad attacks a candidate, the public should know who's paying for it.

Fiction: The bill is too vague. It isn't clear what must be disclosed.

Fact: For 25 years, Sec. 527 of the Internal Revenue Code has provided the definition of political activity for tax law purposes. That's the same definition in our bill as well as the Doggett bill. Tax-exempt social welfare organizations (sec. 501(c)(4)), labor unions and agricultural organizations (sec. 501(c)(5)) trade associations, and chambers of commerce (sec. 501(c)(6)) have been interpreting and complying with this law for 25 years.

Fiction: The bill's disclosure requirements are overly broad. Less disclosure should be required of 501(c) organizations.

Fact: Our basic approach here is what's good for the goose If we have a strict set of rules for Sec. 527 organizations and a loophole-ridden set of rules for other tax-exempt organizations, it isn't too hard to figure out where the money and the activity will go.

Fiction: The bill is unconstitutional.

Fact: Because we have no way of knowing how the courts will rule on any legislation we consider in Congress, this is always the perfect excuse for doing nothing. Some of the bill's critics believe its provisions are constitutional on some days, but not on others, depending on proximity to an election. I'm not a lawyer but it is clear that no group has a constitutional right to tax-exempt status. There is no question that Congress has the right to impose conditions on such privileged status. And our bill is severable; if one part is found unconstitutional, the rest will stand. It's that simple.

Fiction: (1) The bill is unfair to organized labor. (2) The bill gives labor an unfair advantage.

Fact: Presumably, these claims are mutually exclusive. Apparently, some would prefer to shield a number of labor's political activities from sunshine while others would like to impose unreasonable disclosure requirements on unions. Let me be clear: the bill imposes exactly the same disclosure requirements on organized labor as it does on Sec. 527 political organizations, social welfare organizations, and chambers of commerce and trade associations.

Fiction: The bill will have a chilling effect on participation in the political process.

Fact: The bill simply requires disclosure, nothing more, by tax-exempt organizations which attempt to influence the outcome of an election. The bill should not have a chilling effect unless someone has something to hide. Public Citizen, Common Cause, the League of Women Voters, Public Campaign and PIRG have lobbied Congress to pass Sec. 527 disclosure. If disclosure is good for one group, why not all?

Fact: This is not a perfect bill. There is no perfect bill. But this bill, I hope, strikes a difficult balance of promoting meaningful disclosure without creating unwarranted burdens for people who want to participate in the political process. Senator JOHN McCAIN is absolutely right. We cannot let the perfect be the enemy of the good.

Mr. SMITH of Michigan. Mr. Speaker, I support this legislation to require disclosure of political activities by section 527 organizations.

The legislation is identical to the McCain amendment which passed the Senate.

This is an excellent step forward in campaign finance reform.

The bill will require section 527 organizations to disclose their contributions and expenditures on political campaigns.

While the bill does not address the campaign activities of other 501 © organizations, coverage of the 527s will address the fastest growing problem in campaign advertising— independent groups that can spend millions of dollars to influence a campaign—without disclosing their contributors.

Eventually we must have total disclosure of all groups that try to influence voting. If the American people know where the money is coming from and can measure the significance of the special interest bias they will ultimately make the best decision.

Mr. COYNE. Mr. Speaker, I rise in support of campaign finance reform—and in particular the elimination of secret political slush funds. With that in mind, I am pleased to support this legislation, and I want to commend Chairman HOUGHTON for his leadership and his earnest efforts at bipartisanship.

Legislation addressing the abuse of section 527's operate in total secrecy outside the view of the public. These organizations do not apply for tax-exempt status with the Internal Revenue Service nor file annual returns with the IRS describing their activities and contributors.

This bill is essentially identical to the legislation introduced by Representative LLOYD DOGGETT. It is very similar to the legislation that House Democrats have been trying to pass for several months now. But this is not some bill designed to score partisan points. Rather, it reflects the priorities identified by a bipartisan group of witnesses who testified before the Oversight Subcommittee last week in advance of the full Committee markup—witnesses like Senators MCCAIN and LIEBERMAN and Representatives CASTLE and DOGGETT.

I urge my colleagues to support this important legislation. If we can't pass comprehensive campaign finance legislation this year, let's at least subject the activities of these organizations to public scrutiny. It is essential in a democracy that the voters know who is spending money to influence elections.

Mr. HOUGHTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. HOUGHTON) that the House suspend the rules and pass the bill, H.R. 4762.

The question was taken.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 385, noes 39, not voting 11, as follows:

[Roll No. 341]

AYES—385

Abercrombie	Bachus	Barrett (WI)	Berry	Gejdenson	McCollum
Ackerman	Baird	Bartlett	Biggert	Gekas	McCrery
Aderholt	Baker	Bass	Billbray	Gephardt	McDermott
Allen	Baldacci	Becerra	Billirakis	Gibbons	McGovern
Andrews	Baldwin	Bentsen	Bishop	Gilchrist	McHugh
Archer	Ballenger	Bereuter	Blagojevich	Gillmor	McInnis
Armey	Barcia	Berkley	Bliley	Gilman	McIntyre
Baca	Barrett (NE)	Berman	Blumenauer	Gonzalez	McKeon
			Blunt	Goode	McKinney
			Boehlert	Goodlatte	Metcalfe
			Boehner	Goodling	McNulty
			Bonior	Gordon	Meehan
			Bono	Goss	Meek (FL)
			Borski	Graham	Meeks (NY)
			Boswell	Granger	Menendez
			Boucher	Green (TX)	Metcalfe
			Boyd	Green (WI)	Millender-
			Brady (PA)	Greenwood	McDonald
			Brady (TX)	Gutierrez	Miller (FL)
			Brown (FL)	Gutknecht	Miller, Gary
			Brown (OH)	Hall (OH)	Miller, George
			Bryant	Hall (TX)	Minge
			Burr	Hansen	Mink
			Buyer	Hastert	Moakley
			Callahan	Hastings (FL)	Mollohan
			Calvert	Hastings (WA)	Moore
			Camp	Hayes	Moran (KS)
			Campbell	Hill (IN)	Moran (VA)
			Cannon	Hill (MT)	Morella
			Capps	Hilleary	Murtha
			Capuano	Hilliard	Nadler
			Cardin	Hinches	Napolitano
			Carson	Hinojosa	Neal
			Castle	Hobson	Nethercutt
			Chabot	Hoefel	Ney
			Chambliss	Hoekstra	Norwood
			Clay	Holden	Nussle
			Clayton	Holt	Obey
			Clement	Hoolley	Olver
			Clyburn	Horn	Ortiz
			Coble	Houghton	Ose
			Collins	Hoyer	Owens
			Condit	Hulshof	Packard
			Conyers	Hunter	Pallone
			Costello	Hutchinson	Pascrell
			Cox	Hyde	Pastor
			Coyne	Inslee	Payne
			Cramer	Isakson	Pease
			Crowley	Istook	Pelosi
			Cubin	Jackson (IL)	Peterson (MN)
			Cummings	Jackson-Lee	Petri
			Cunningham	(TX)	Phelps
			Danner	Jefferson	Pickering
			Davis (FL)	John	Pickett
			Davis (IL)	Johnson (CT)	Pomeroy
			Davis (VA)	Johnson, E.B.	Porter
			Deal	Jones (NC)	Portman
			DeFazio	Jones (OH)	Price (NC)
			DeGette	Kanjorski	Pryce (OH)
			Delahunt	Kaptur	Quinn
			DeLauro	Kasich	Rahall
			DeMint	Kelly	Ramstad
			Deutsch	Kennedy	Rangel
			Diaz-Balart	Kildee	Regula
			Dicks	Kilpatrick	Reyes
			Dingell	Kind (WI)	Reynolds
			Dixon	King (NY)	Riley
			Doggett	Klecza	Rivers
			Dooley	Klink	Rodriguez
			Doyle	Knollenberg	Roemer
			Dreier	Kolbe	Rogan
			Duncan	Kucinich	Rogers
			Dunn	Kuykendall	Rohrabacher
			Edwards	LaFalce	Ros-Lehtinen
			Ehlers	LaHood	Rothman
			Ehrlich	Lampson	Roukema
			Emerson	Lantos	Roybal-Allard
			Engel	Largent	Royce
			English	Larson	Rush
			Eshoo	Latham	Ryan (WI)
			Etheridge	LaTourette	Sabo
			Evans	Lazio	Salmon
			Everett	Leach	Sanchez
			Ewing	Lee	Sanders
			Farr	Levin	Sandlin
			Fattah	Lewis (GA)	Sanford
			Filner	Lewis (KY)	Sawyer
			Fletcher	Lipinski	Saxton
			Foley	LoBiondo	Scarborough
			Forbes	Lofgren	Schakowsky
			Ford	Lowey	Scott
			Fossella	Lucas (KY)	Sensenbrenner
			Fowler	Lucas (OK)	Serrano
			Frank (MA)	Luther	Sessions
			Franks (NJ)	Maloney (CT)	Shadegg
			Frelinghuysen	Maloney (NY)	Shaw
			Frost	Mascara	Shays
			Galleghy	Matsui	Sherman
			Ganske	McCarthy (NY)	Sherwood
					Shimkus

Shows	Talent	Walden
Shuster	Tanner	Walsh
Simpson	Tauscher	Wamp
Sisisky	Tauzin	Watkins
Skeen	Taylor (MS)	Watt (NC)
Skelton	Taylor (NC)	Watts (OK)
Slaughter	Terry	Waxman
Smith (MI)	Thompson (CA)	Weiner
Smith (NJ)	Thompson (MS)	Weldon (FL)
Smith (TX)	Thune	Weldon (PA)
Smith (WA)	Thurman	Weller
Snyder	Tierney	Wexler
Spence	Toomey	Weygand
Spratt	Towns	Whitfield
Stabenow	Trafficant	Wicker
Stark	Turner	Wilson
Stearns	Udall (CO)	Wise
Stenholm	Udall (NM)	Wolf
Strickland	Upton	Woolsey
Stupak	Velazquez	Wu
Sununu	Visclosky	Wynn
Sweeney	Vitter	Young (FL)

NOES—39

Barr	Doolittle	Oxley
Barton	Hayworth	Paul
Bateman	Hefley	Peterson (PA)
Bonilla	Hergert	Pitts
Burton	Hostettler	Pombo
Canady	Jenkins	Radanovich
Chenoweth-Hage	Johnson, Sam	Ryun (KS)
Coburn	Kingston	Schroy
Combest	Lewis (CA)	Stump
Cooksey	Linder	Tancredo
Crane	Manzullo	Thomas
DeLay	Mica	Thornberry
Dickey	Myrick	Tiahrt

NOT VOTING—11

Cook	McIntosh	Vento
Markey	Northup	Waters
Martinez	Oberstar	Young (AK)
McCarthy (MO)	Schaffer	

□ 0007

So (two-thirds having voted to favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mrs. NORTHROP. Mr. Speaker, on rollcall No. 341, I was inadvertently detained. Had I been present, I would have voted "aye."

Ms. MCCARTHY of Missouri. Mr. Speaker, on rollcall No. 341, had I been present, I would have voted "aye".

Ms. WATERS. Mr. Speaker, on rollcall No. 341, I was detained on an emergency call in my office and was not present on the floor when rollcall 341 was voted.

Had I been present, I would have voted "aye."

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2001

The SPEAKER pro tempore (Mr. PEASE). Pursuant to House Resolution 532 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4733.

□ 0010

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4733) making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for

other purposes, with Mr. BARRETT of Nebraska in the chair.

The Clerk read the title of the bill. The CHAIRMAN. When the Committee of the Whole rose earlier today, the amendment of the gentleman from Kansas (Mr. RYUN) had been disposed of and the bill was open for amendment on page 39, line 19.

The Clerk will read the final lines of the bill.

The Clerk read as follows:

This Act may be cited as the "Energy and Water Development Appropriations Act, 2001".

Mr. VISCLOSKY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the hour is late because many hours ago we started the final energy and water bill under the guidance of the gentleman from California (Mr. PACKARD). As we all know in this Chamber, the gentleman from California (Mr. PACKARD) has served all of us, his country and his family well, both in the military service, local and Federal service. I think as we conclude consideration of a well-done work product, which we have come to expect from the gentleman from California (Mr. PACKARD) day in and day out, that we owe the gentleman from California (Mr. PACKARD) our appreciation and a round of applause.

The CHAIRMAN. Are there any other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having resumed the Chair, Mr. BARRETT of Nebraska, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4733) making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes, pursuant to House Resolution 532, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The CHAIRMAN. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Under clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 407, nays 19, not voting 8, as follows:

[Roll No. 342]

YEAS—407

Abercrombie	Aderholt	Archer
Ackerman	Allen	Army

Baca	Dunn	Kolbe
Bachus	Edwards	Kucinich
Baird	Ehlers	Kuykendall
Baker	Ehrlich	LaFalce
Baldacci	Emerson	Latham
Baldwin	Engel	LaHood
Ballenger	English	Lampson
Barcia	Eshoo	Lantos
Barr	Etheridge	Largent
Barrett (NE)	Evans	Larson
Barrett (WI)	Everett	Latham
Bartlett	Ewing	LaTourette
Barton	Farr	Lazio
Bass	Fattah	Leach
Bateman	Filmer	Lee
Becerra	Fletcher	Levin
Bentsen	Foley	Lewis (CA)
Bereuter	Forbes	Lewis (GA)
Berkley	Ford	Lewis (KY)
Berman	Fossella	Linder
Berry	Fowler	Lipinski
Biggert	Frank (MA)	LoBiondo
Bilbray	Franks (NJ)	Loftgren
Bilirakis	Frelinghuysen	Lowey
Bishop	Frost	Lucas (KY)
Blagojevich	Gallegly	Lucas (OK)
Bliley	Ganske	Maloney (CT)
Blumenauer	Gejdenson	Maloney (NY)
Blunt	Gekas	Manzullo
Boehlert	Gephardt	Mascara
Boehner	Gilchrist	Matsui
Bonilla	Gillmor	McCarthy (MO)
Bonior	Gilman	McCarthy (NY)
Bono	Gonzalez	McCollum
Borski	Goode	McCreery
Boswell	Goodling	McDermott
Boucher	Gordon	McGovern
Boyd	Goss	McHugh
Brady (PA)	Graham	McInnis
Brady (TX)	Granger	McIntyre
Brown (FL)	Green (TX)	McKeon
Brown (OH)	Green (WI)	McKinney
Bryant	Greenwood	McNulty
Burr	Gutierrez	Meehan
Burton	Gutknecht	Meek (FL)
Buyer	Hall (OH)	Meeks (NY)
Callahan	Hall (TX)	Menendez
Calvert	Hansen	Metcalfe
Camp	Hastings (FL)	Mica
Campbell	Hastings (WA)	Millender-
Canady	Hayes	McDonald
Cannon	Hayworth	Miller (FL)
Capps	Hefley	Miller, Gary
Capuano	Hergert	Miller, George
Cardin	Hill (IN)	Minge
Carson	Hill (MT)	Mink
Chabot	Hilleary	Moakley
Chambliss	Hilliard	Mollohan
Chenoweth-Hage	Hinchev	Moore
Clayton	Hinojosa	Moran (KS)
Clement	Hobson	Moran (VA)
Clyburn	Hoeffel	Morella
Coble	Hoekstra	Murtha
Coburn	Holden	Myrick
Collins	Holt	Nadler
Combest	Hoolley	Napolitano
Condit	Horn	Neal
Conyers	Hostettler	Nethercutt
Cooksey	Houghton	Ney
Costello	Hoyer	Northup
Cox	Hulshof	Norwood
Coyne	Hunter	Nussle
Cramer	Hutchinson	Oberstar
Crane	Hyde	Obey
Crowley	Isakson	Olver
Cubin	Istook	Ortiz
Cummings	Jackson (IL)	Ose
Cunningham	Jackson-Lee	Owens
Danner	(TX)	Oxley
Davis (FL)	Jefferson	Packard
Davis (IL)	Jenkins	Pallone
Davis (VA)	John	Pascarell
Deal	Johnson (CT)	Pastor
DeFazio	Johnson, Sam	Payne
DeGette	Jones (NC)	Pease
DeLauro	Jones (OH)	Pelosi
DeLay	Kanjorski	Peterson (PA)
DeMint	Kaptur	Petri
Deutsch	Kasich	Phelps
Diaz-Balart	Kelly	Pickering
Dickey	Kennedy	Pickett
Dicks	Kildee	Pitts
Dingell	Kilpatrick	Pombo
Dixon	Kind (WI)	Pomeroy
Dooley	King (NY)	Porter
Doolittle	Kleczka	Portman
Doyle	Klink	Price (NC)
Dreier	Knollenberg	Pryce (OH)
Duncan		Quinn
		Radanovich