

104TH CONGRESS
2D SESSION

S. 1953

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

IN THE SENATE OF THE UNITED STATES

JULY 16, 1996

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Campaign Finance Re-
5 form and Disclosure Act of 1996”.

6 **SEC. 2. DEFINITIONS.**

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

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

1 “(A) in the case of a candidate or the au-
2 thorized committees of a candidate, the period
3 beginning on the day after the date of the most
4 recent general election for the specific office or
5 seat that the candidate seeks and ending on the
6 date of the next general election for that office
7 or seat; and

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

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

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

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

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

7 **SEC. 3. LIMITATION ON ACCEPTANCE OF OUT-OF-STATE**
8 **CONTRIBUTIONS BY SENATE CANDIDATES.**

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

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

14 “A Senate candidate and the candidate’s authorized
15 committees shall not accept, during an election cycle, con-
16 tributions from persons other than individuals residing in
17 the candidate’s State in an amount exceeding 40 percent
18 of the total amount of contributions accepted during the
19 election cycle.”.

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

5 Title III of the Federal Election Campaign Act of
 6 1971 (2 U.S.C. 431 et seq.) (as amended by section 3)
 7 is amended by adding at the end the following:

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

12 “(a) IN GENERAL.—The aggregate amount of con-
 13 tributions to an eligible Senate candidate or the can-
 14 didate’s authorized committees from the sources described
 15 in subsection (b) that may be reimbursed during an elec-
 16 tion cycle to the candidate or the candidate’s immediate
 17 family shall not exceed \$250,000.

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

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

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

24 “(c) INDEXING.—The \$250,000 amount under sub-
 25 section (a) shall be increased as of the beginning of each
 26 calendar year based on the increase in the price index de-

1 terminated under section 315(c), except that the base period
2 shall be calendar year 1996.”.

3 **SEC. 5. RESTRICTION ON USE OF CAMPAIGN FUNDS BY**
4 **SENATE CANDIDATES FOR PERSONAL PUR-**
5 **POSES.**

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

10 **“SEC. 326. RESTRICTION ON USE OF CAMPAIGN FUNDS BY**
11 **SENATE CANDIDATES FOR PERSONAL PUR-**
12 **POSES.**

13 “(a) RESTRICTION.—A Senate candidate who accepts
14 a contribution—

15 “(1) shall use the contribution only to pay a le-
16 gitimate and verifiable campaign expense; and

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

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

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

1 **SEC. 6. LIMIT ON CONGRESSIONAL USE OF THE FRANKING**
2 **PRIVILEGE.**

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

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

15 **SEC. 7. DECREASE IN PAC CONTRIBUTION LIMIT; INDEXING**
16 **OF LIMITS.**

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

19 (1) in paragraph (2)(A) by striking “\$5,000”
20 and inserting “\$1,000”; and

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

22 “(9) INDEXING.—The \$1,000 amounts under
23 paragraphs (1)(A) and (2)(A) shall be increased as
24 of the beginning of each calendar year based on the
25 increase in the price index determined under sub-

1 section (c), except that the base period shall be cal-
2 endar year 1996.”.

3 **SEC. 8. RESTRICTION ON ACCEPTANCE OF CONTRIBUTIONS**
4 **BY POLITICAL PARTY COMMITTEES.**

5 Title III of the Federal Election Campaign Act of
6 1971 (2 U.S.C. 431 et seq.) (as amended by section 5)
7 is amended by adding at the end the following:

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

10 “It shall be unlawful for a committee of a political
11 party to accept a contribution on the condition that the
12 contribution be used to make a contribution to or an ex-
13 penditure on behalf of a particular candidate.”.

14 **SEC. 9. UNLIMITED COMMUNICATIONS BETWEEN A POLITI-**
15 **CAL PARTY AND MEMBERS OF THE POLITI-**
16 **CAL PARTY.**

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

20 “(4)(A) For purposes of applying the limitations
21 under paragraphs (2) and (3), in determining the amount
22 of expenditures made by a national committee of a politi-
23 cal party or a State committee of a political party (includ-
24 ing any subordinate committee of a State committee),
25 there shall be excluded any amount spent by the commit-

1 tee for communications to the extent the communications
2 are made to members of the political party.

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

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

8 “(ii) there is a public record that the individual
9 voted in the primary election of the political party in
10 the most recent primary election; or

11 “(iii) the individual has indicated in writing
12 that the individual is a member of the political
13 party.”.

14 **SEC. 10. PROMOTION OF STATE AND LOCAL PARTY ACTIV-**
15 **ITY.**

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

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

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

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

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

1 “(I) the listing of the slate of the political
2 party’s candidates, including the communication
3 of the slate to the public;

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

10 “(III) conducting a telephone bank for or
11 on behalf of specific candidates staffed by vol-
12 unteers; or

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

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

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

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

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

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

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

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

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

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

20 (c) CONFORMING AMENDMENTS.—(1) Section
21 301(8)(B)(x) of the Federal Election Campaign Act of
22 1971 (2 U.S.C. 431(8)(B)(x)) is amended by striking “in
23 connection with volunteer activities on behalf of nominees
24 of such party” and inserting “in connection with State or

1 local activities, other than any payment described in clause
2 (xv)”.

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

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

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

18 **SEC. 12. RIGHTS OF EMPLOYEES RELATING TO THE PAY-**
19 **MENT AND USE OF LABOR ORGANIZATION**
20 **DUES.**

21 (a) PAYMENT OF DUES.—

22 (1) RIGHTS OF EMPLOYEES.—Section 7 of the
23 National Labor Relations Act (29 U.S.C. 157) is
24 amended by striking “membership” and all that fol-
25 lows and inserting the following: “the payment to a

1 labor organization of dues or fees related to collec-
2 tive bargaining, contract administration, or griev-
3 ance adjustment necessary to performing the duties
4 of exclusive representation as a condition of employ-
5 ment as authorized in section 8(a)(3).”.

6 (2) UNFAIR LABOR PRACTICES.—Section
7 8(a)(3) of the National Labor Relations Act (29
8 U.S.C. 158(a)(3)) is amended by striking “member-
9 ship therein” and inserting “the payment to such
10 labor organization of dues or fees related to collec-
11 tive bargaining, contract administration, or griev-
12 ance adjustment necessary to performing the duties
13 of exclusive representation”.

14 (b) REQUIREMENTS FOR USE OF DUES FOR CERTAIN
15 PURPOSES.—

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

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

1 essary to performing the duties of exclusive representation
2 unless the employee has agreed to pay such dues or fees
3 in a signed written agreement that shall be renewed be-
4 tween the first day of September and the first day of Octo-
5 ber of each year.

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

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

21 (c) NOTICE TO EMPLOYEES RELATING TO THE PAY-
22 MENT AND USE OF DUES.—Section 8 of the National
23 Labor Relations Act (29 U.S.C. 158) (as amended by sub-
24 section (b)(1)) is amended by adding at the end the follow-
25 ing:

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

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

19 (d) EMPLOYEE PARTICIPATION IN THE AFFAIRS OF
20 A LABOR ORGANIZATION.—Section 8(b)(1) of the Na-
21 tional Labor Relations Act (29 U.S.C. 158(b)(1)) is
22 amended by striking “therein;” and inserting the follow-
23 ing: “therein, except that, an employee who is subject to
24 an agreement between an employer and a labor organiza-
25 tion requiring as a condition of employment the payment

1 of dues or fees to such organization as authorized in sub-
2 section (a)(3) and who pays such dues or fees shall have
3 the same right to participate in the affairs of the organiza-
4 tion related to collective bargaining, contract administra-
5 tion, or grievance adjustment as any member of the orga-
6 nization;”.

7 (e) DISCLOSURE TO EMPLOYEES.—

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

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

1 (A) by inserting “and employees required
2 to pay any dues or fees to such organization”
3 after “members”;

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

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

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

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

21 **SEC. 13. EXPEDITED JUDICIAL REVIEW.**

22 (a) CIVIL ACTION.—The Federal Election Commis-
23 sion, a political committee under title III of the Federal
24 Election Campaign Act of 1971, or any individual eligible
25 to vote in any election for the office of President of the

1 United States may bring a civil action in United States
2 district court to determine the constitutionality of any pro-
3 vision of this Act or any amendment made by this Act.

4 (b) HEARING BY 3-JUDGE COURT.—Immediately
5 upon commencement of a civil action under subsection (a),
6 a district court of 3 judges shall be convened to decide
7 the action pursuant to section 2284 of title 28, United
8 States Code.

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

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

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