

105TH CONGRESS
1ST SESSION

H. R. 2573

To amend the Federal Election Campaign Act of 1971 to require that a majority of the funds raised by a candidate for election to the Senate or the House of Representatives come from individuals residing in the State the candidate seeks to represent, to require labor organizations to provide their members with information on the use of member dues for political purposes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 1997

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

A BILL

To amend the Federal Election Campaign Act of 1971 to require that a majority of the funds raised by a candidate for election to the Senate or the House of Representatives come from individuals residing in the State the candidate seeks to represent, to require labor organizations to provide their members with information on the use of member dues for political purposes, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Election Reform in
3 Campaigns Act”.

4 **SEC. 2. REQUIRING MAJORITY OF HOUSE OF REPRESENTA-**
5 **TIVES CANDIDATE FUNDS TO COME FROM IN-**
6 **DIVIDUALS RESIDING IN DISTRICT.**

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

10 “(i) A candidate for the office of Senator or the office
11 of Representative in, or Delegate or Resident Commis-
12 sioner to, the Congress may not accept contributions with
13 respect to an election cycle from persons other than indi-
14 viduals who reside in the State involved in excess of the
15 total of contributions accepted from individuals who reside
16 in the State involved.”.

17 **SEC. 3. WORKER RIGHT TO KNOW.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (b)(5)(A), (b)(6)(A), (b)(6)(B)(iii), (b)(6)(B)(v), and
2 (c)(2)(C) and inserting “\$1”; and

3 (2) in subsection (c)(1), by striking “\$250” and
4 inserting “\$1”.

5 **SEC. 5. EQUALIZATION OF LIMITS ON CONTRIBUTIONS TO**
6 **CANDIDATES BY INDIVIDUALS AND PACS.**

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

9 (1) in paragraph (1)(A), by striking “\$1,000”
10 and inserting “\$2,500”; and

11 (2) in paragraph (2)(A), by striking “\$5,000”
12 and inserting “\$2,500”.

13 **SEC. 6. INDEXING OF AMOUNT OF LIMITATION ON AGGRE-**
14 **GATE ANNUAL INDIVIDUAL CONTRIBUTIONS.**

15 Section 315(a)(3) of the Federal Election Campaign
16 Act of 1971 (2 U.S.C. 441a(a)(3)) is amended—

17 (1) by striking “(3)” and inserting “(3)(A)”;
18 and

19 (2) by adding at the end the following new sub-
20 paragraph:

21 “(B) For calendar years beginning with 1999, the
22 amount in effect under this paragraph shall be equal to
23 the amount in effect in the previous calendar year, in-
24 creased (in a compounded manner) by the percentage in-
25 crease in the price index (as defined in subsection (c)(2))

1 for the previous calendar year. In the case of any amount
2 adjusted under this subparagraph which is not a multiple
3 of \$100, the amount shall be rounded to the nearest high-
4 est multiple of \$100.”.

5 **SEC. 7. REQUIRING FEC TO MAKE REPORTS AVAILABLE ON**
6 **INTERNET WITHIN 48 HOURS OF RECEIPT.**

7 Section 311(a)(4) of the Federal Election Campaign
8 Act of 1971 (2 U.S.C. 438(a)(4)) is amended by striking
9 “make them available for public inspection,” and inserting
10 “post them on the Internet and otherwise make them
11 available for public inspection,”.

12 **SEC. 8. EFFECTIVE DATE.**

13 Except as otherwise provided, the amendments made
14 by this Act shall apply with respect to election occurring
15 after January 1999.

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