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H.R. 5175 - Democracy Is Strengthened by Casting Light on Spending in Elections (DISCLOSE) Act

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

- First Amendment to the U.S. Constitution

On the Citizens United decision: "This is a defeat for arrogant elitists who wanted to carve out free speech as a privilege for themselves and deny it to the rest of us; and for those who believed that speech had a dollar value and should be treated and regulated like currency, and not a freedom. Today's decision reaffirms that the Bill of Rights was written for every American and it will amplify the voice of average citizens who want their voices heard."

- Wayne LaPierre, National Rifle Association

I hope it chills out all – not one side, all sides. I have no problem whatsoever keeping everybody out. If I could keep all outside entities out, I would.

- Congressman Michael Capuano (D-MA) at the mark-up, reported by the Center for Competitive Politics

The Arizona Democrat paraphrased the pitch from Speaker Nancy Pelosi (D-Calif.): "This is not perfect. We needed to carve it out in order to get the Blue Dogs. Otherwise we can't pass it. **If we don't pass it, the** consequences are dire for the party."

-Congressman Raul Grijalva (D-AZ) paraphrasing Nancy Pelosi, Roll Call article, June 24, 2010

Key Conservative Concerns

Take-Away Points

Partisan ploy to get Democrats elected to Congress. The bill, "coincidentally" sponsored by the chairman of the Democratic Congressional Campaign Committee in charge of electing Democrats to Congress, re-writes campaign finance laws in favor of Democrats right before elections. It was crafted behind closed doors with no input from Republican members of the House Administration Committee. The bill was designed by Democrats to silence their political opponents.

- Creates a special, narrow carve-out for specific organizations intended to sway votes toward passage of the bill. The National Rifle Association (NRA), the Sierra Club, AARP, and other organizations that meet certain criteria, are covered in a last minute deal that creates an exemption from the financial disclosure requirements in the bill. It is worth noting that the Sierra Club is still opposed to the bill. This carve out does nothing to protect the First Amendment rights of millions of Americans, including those represented by gun rights groups, who want to engage in the political process but will instead be deterred by this bill. As stated in a recent Wall Street Journal editorial, "Creating a special exception for the NRA, and thereby assuring the Democrats 'good grades' on Second Amendment rights, eases the way for the bill to be passed. A failing grade on First Amendment rights is somebody else's problem." The exemption is intended to make it easier for a bad bill to get the votes it needs to pass. The bill also prohibits independent expenditures or disbursing funds for electioneering communications by anyone with a government contract greater than \$10 million. Originally, the threshold was \$50,000, which was changed in mark-up. It was then changed to \$7 million and then to \$10 million because the NRA reportedly receives over \$7 million in government contracts.
- NRA will still be affected by significant portions of the bill. According to a legal analysis by renowned campaign finance lawyer, James Bopp, the NRA carveout does not exempt a qualifying organization from the expansion of the definitions of coordination, independent expenditure, and electioneering communications. As a result, the NRA (or any qualified organization that falls under the exemption) will still be subject to current reporting and disclosure/disclaimer requirements for more activities under the definitions in this bill. Other pro-Second Amendment 501(c)(4) organizations presumably not covered by the exemption will still be covered by the bill and thus, their ability to defend the Second Amendment will be weakened. Some of these groups include: National Shooting Sports Foundation, Citizens Committee for the Right to Keep and Bear Arms; Gun Owners Action League, Gun Owners of America; Second Amendment Sisters; Liberty Belles; and Law Enforcement Alliance of America.
- Favors unions over corporations. Current law already bans foreign nationals from contributing to elections. See the <u>RSC Policy Paper on Citizens United</u> for more details. DISCLOSE makes current law much more restrictive and bans independent expenditures on activity by <u>American</u> corporations with 20% or more foreign ownership. However, similar restrictions are not included for unions with foreign members or non-citizen members. As eight former Federal Election Commissioners stated in a recent *Wall Street Journal* article, "... Disclose does not ban foreign speech but speech by American citizen shareholders of U.S. companies that have some element of foreign ownership, even when those foreigners have no control over the decisions made by the Americans who run the company." Additionally, the new threshold for reporting (\$600 in donations for independent expenditures) will have little effect on unions whose members' annual dues average much lower than \$600. This would preclude unions from having to report.
- Even more union loopholes. The manager's amendment includes language that would allow unions to transfer money, without reporting it, from union to union through a loophole that does not apply to unions because of their dues-paying structure.

- Threatens organizations with lawsuits for non-compliance. The bill becomes effective 30 days after enactment, giving the Federal Election Commission no time to craft regulations relating to the implementation of the bill, which will certainly be complicated, and not to mention expensive, to execute. Organizations would have to operate without any guidance from the FEC and risk possible lawsuits.
- Onerous disclosure and reporting requirements will deter citizen engagement. The bill includes requirements that every incorporated entity engaged in independent campaign activity must list all donors of \$600 or more with the Federal Election Commission (FEC). The bill also requires CEOs of organizations to appear in the ads, and state their name and their organization two times. Additionally, the top five funders of the organization must be listed in the ad (and top two for radio), and if there is a top "significant" funder, he or she must identify himself or herself, his or her title, and state the name of the organization three times in the ad. These tedious and onerous requirements will have the effect of deterring organizations from getting involved in elections (and potentially take up most of the ad time).

For more details on these and additional concerns, see the conservative concerns section below.

H.R. 5175 - Democracy is Strengthened by Casting Light on Spending in Elections (DISCLOSE) Act (Van Hollen, D-MD)

Order of Business: H.R. 5175 is scheduled to be considered on Thursday, June 24, 2010, under a structured rule (H.Res. 1468) that waives all points of order against consideration of the bill except for clause 9 of Rule XXI (earmarks) and clause 10 of Rule XXI (PAYGO) and makes in order 5 amendments (sent in a separate document). The rule provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on House Administration. The rule provides for one motion to recommit with or without instructions and five amendments. All amendments are debatable for 10 minutes, except for the Manager's Amendment, which will self-enact upon passage of the rule. A separate document will be sent out on the amendments.

The rules also provides for suspensions through Friday and for the same-day consideration of the rule for H.R. 4213, the deficit extenders bill, by simple majority.

<u>Summary</u>: On April 29, 2010, Congressman Chris Van Hollen (D-MD) introduced H.R. 5175, the Democracy is Strengthened by Casting Light on Spending in Elections (DISCLOSE) Act. The bill amends the Federal Election Campaign Act of 1971 to require that additional campaign-related spending information be reported to the Federal Election Commission (FEC) and creates new prohibitions on political spending by certain government contractors, Troubled Asset Relief Program (TARP) recipients, and companies with a 20% ownership by foreign nationals. To see recent changes to the bill from to the self-enacting manager's amendment, see the beginning of the Summary Section below.

The bill is a direct response to *Citizens United v. Federal Election Commission* – a First Amendment victory in which the Supreme Court overturned the prohibition on corporations and unions using treasury funds for independent expenditures supporting or opposing political candidates at any time of the year. Simply put, the DISCLOSE Act aims to limit (and even deter) the political speech that was protected and encouraged by *Citizens United*. As reported by the Center for Competitive Politics, Congressman Michael Capuano (D-MA) said at the mark-up, "I hope it chills out all – not one side, all sides. I have no problem whatsoever keeping everybody out. If I could keep all outside entities out, I would."

Due to a recent decision by the Democrats to exempt the National Rifle Association (NRA), among other groups such as the Sierra Club (which still opposes the bill), <u>Democrats have</u> found themselves in a bind over the last couple weeks trying to find the votes to pass the bill. Even GOP cosponsor, Congressman <u>Mike Castle has indicated that he is considering</u> withdrawing his support due to the exemption language. Since the compromise was reached, the NRA has removed its opposition to the bill, much to the chagrin of many Republicans who believe the bill is a direct affront on First Amendment rights (and therefore Second Amendment rights) for millions of Americans, regardless of whether or not the NRA is exempted from some (but clearly not all) provisions of the bill. At the same time, many anti-Second Amendment rights Democrats are angry that the carve-out will help the NRA. To read Cleta Mitchell's (campaign finance lawyer at Foley & Lardner and NRA Board Member) *Washington Post* op-ed on why the NRA exemption is a bad idea, <u>click here</u>.

Please note that all terms marked with an * have definitions at the bottom of the summary section.

Brady Manager's Amendment. The manager's amendment, which will be automatically added to the bill upon passage of the rule, does the following:

- Exempts certain 501(c)(4) organizations (Civic Leagues, Social Welfare Organizations, and Local Associations of Employees) from requirements of the bill if:
 - The organization has been in existence for 10 years;
 - The organization has at least 500,000 dues-paying members;
 - The members of the organization includes at least one person from every state (this includes the District of Columbia and Puerto Rico);
 - During the previous calendar year, the funds provided to the 501(c)(4) from corporations or labor organizations did not exceed 15 percent of the total funding received from all sources; and
 - The organization does not use any funds from corporations or labor organizations for campaign-related activity.
- Defines coordinated communication to exclude "a communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless such facilitates are owned or controlled by any political party, political committee, or candidate." The amendment also exempts candidate debate. It is unclear why the internet was not explicitly mention here.

- Prohibits independent expenditures* or disbursing funds for electioneering communications* by anyone with a government contract greater than \$10 million. Originally, the threshold was \$50,000, which was then changed to \$7 million in Committee markup.
- Provides that if a transfer of funds is made between affiliated entities and the funds are attributable to regularly paid dues, fees, or assessments paid by individuals based on a per-individual calculation, then the transfer amount is attributable to the individuals and not the organization and would not be reported unless the individual's share was over \$50,000. This would exempt unions which would be able to make transfers from union to union without having to report. The underlying bill excluded from reporting requirements transfers of funds between affiliated entities up to \$50,000. (See conservative concerns for more info).
- Treats Campaign Related Activity Accounts as separate segregated funds for purposes of the tax code.
- Adds a new Section 402 which states that the requirement to disclose information is waived if there is a "reasonable probability" (undefined) that the disclosure would subject the individual to threats, harassments, or reprisals.

Underlying Bill.

Section 101.

- Prohibits independent expenditures* or disbursing funds for electioneering communications* by anyone with a government contract greater than \$10 million (changed in the manager's amendment). Originally, the threshold was \$50,000, which was then changed to \$7 million.
- Prohibits independent expenditures or disbursing any funds for electioneering communications by TARP recipients who have not repaid financial assistance.

Section 102.

- Applies the ban on contributions and expenditures by foreign nationals* to covered corporations* that have:
 - 20% ownership by foreign nationals (undefined as to when the 20% threshold would apply, since ownership can change);
 - A majority of the members of the board of directors who are foreign nationals;
 - At least one foreign national with the power to direct, dictate, or control the decision-making process of the corporation with respect to its U.S. interests; and
 - At least one foreign national with the power to direct, dictate, or control the decision-making process of the corporation with respect to elections and political activities.

Section 103.

Defines "coordinated communications" as: 1) a covered communication which is made in cooperation with a candidate, an authorized committee of a candidate, or a political committee of a political part and 2) any communication that republishes, disseminates, or distributes campaign material that is prepared by a candidate, an authorized committee of a candidate, or their agents.

- Defines "covered communication" as a publicly distributed communication that refers to a clearly identified candidate for federal office and is publicly distributed 90 days before House primaries and ending at the general election, and 120 days before a Presidential primary election and ending at the general election.
- The term "covered communication" *does not include* "a communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication…" (note that this does not include the internet). An exemption also exists for a communication which constitutes a candidate debate.

Section 201. Express Advocacy

- Expands the definition of independent expenditure* to include express advocacy* or its functional equivalent because it can be interpreted by a "reasonable person" (note that this is not defined in the bill) only as advocating the election or defeat of a candidate.
- Includes a 24-hour reporting requirement after the expenditure is made for persons making independent expenditures each time a person make an independent expenditure equal to or greater than the threshold amount. The threshold amount means: for contributions made up to the 20th day before an election, \$10,000; and for contributions made between the 19th day before an election to more than 24 hours before the date of the election, \$1,000.
- Becomes effective 30 days after enactment regardless of whether the FEC has promulgated regulations to carry out the section.

Section 202. Electioneering Communication

- Changes the definition of electioneering communications* from beginning 60 days before a general election to 120 days before.
- Adds a reporting requirement that any electioneering communication must be electronically filed and "is publicly available through the Commission website not later than 24 hours after receipt in a manner that is downloadable in bulk and machine readable."

Section 211. Expanded requirements for corporations and other organizations

- Requires that if donations to an organization are made for the purpose of campaign-related activity or in response to a solicitation for funds to be used for campaign-related activity, the organization must report donations or payments in an aggregate amount equal to or over \$600 for independent expenditure reports.
- Requires that if independent expenditures are not made from the organization's Campaign-Related Activity Account (the definition for such accounts in available in the next section), they must report all donations over \$600. If they are made from the Account, the organization must report all donations of \$6,000 or more.
- Requires that if donations to an organization are made for the purpose of campaign-related activity or in response to a solicitation for funds to be used for campaign-related activity, the organization must report donations or payments in an aggregate amount equal to or over \$1,000 for electioneering communications reports.

- Requires that if electioneering communications are not made from the organization's Campaign-Related Activity Account, they must report all donations over \$1,000. If they are made from the Account, the organization must report all donations of \$10,000 or more.
- States that transfers from an organization to any other person for the purpose of electioneering communication shall be reported as such.
- Defines covered organization as corporations, unions, 501(c)(4)s, 501(c)(5)s, 501(c)(6)s, and 527s.

Section 212.

- If a covered organization and a donor mutually agree that the donation will not be used for campaign-related activity, at the time of the donation, the organization does not need to report the donation to the FEC.
- The Chief Executive Officer of an organization must certify all disbursements for campaign-related activity using donor funds and file a statement with the Commission which contains various certifications listed in the bill (e.g. that none of the campaign-related activity was made in cooperation with any candidate or any authorized committee of the candidate, or political committee). The statement shall be filed no later than 15 days after the end of the quarter.
- Defines covered organization as corporations, unions, 501(c)(4)s, 501(c)(5)s, 501(c)(6)s, and 527s.

Section 213. Campaign-Related Activity Accounts

Allows organizations to make disbursements for campaign-related activity using amounts from an established bank account known as the Campaign-Related Activity Account. The Account shall be maintained separately from all other accounts of the organization and shall only consist of donations for campaign-related activity. Once the account is established, an organization must use it for all campaign-related activity.

Section 214.

- > Expands the "stand by your ad" requirements.
- Requires individual disclosure statements for each television and radio ad, where the head of an organization paying for an ad must state his or her name and title and the name of the organization twice.
- Any electioneering communication or an independent expenditure paid for by an organization for a campaign-related activity must list the top five funders on the screen for a television ad and the top two funders for a radio ad.
- Includes a significant funder disclosure statement which says that the top funder must state a disclaimer in the ad and mention the name of the organization three times.

Section 221.

- Requires registered lobbyists to report information on independent expenditures and electioneering communications.
- Lobbyists must report the amount of any independent expenditure equal to or greater than \$1,000 made, along with the name of each candidate being supported or opposed and the amount spent supporting or opposing the candidate.

Lobbyists must report the amount of any electioneering communication equal to or greater than \$1,000 made by such person or organization, and the name of the candidate and how much was spent.

Section 301.

- Requires that a covered organization which submits regular reports to its shareholders, members, or donors on its finances shall include, in each report, information with respect to disbursements made by the organization for campaign-related activity.
- The information required to be disclosed by an organization must be posted via hyperlink on their internet site. The organization must post it no later than 24 hours after the Commission posts the information on their website.

Section 401.

- Provides for judicial review on challenging the constitutionality of the bill through the US District Court for DC, and an appeal to the Court of Appeals for the DC Circuit, and then to the Supreme Court.
- Any member of the House or Senate may intervene either in support or opposition to the position of a party to the case regarding the constitutionality of the provision of the bill.
- Any Member of the House or the Senate may bring an action for declaratory or injunctive relief to challenge the constitutionality of any provision of the bill.

Section 402. (Section 403 after passage of the rule)

Contains a severability clause stating that if any provision of the bill is found unconstitutional, the remainder of the bill shall not be affected by the holding.

Section 403. (Section 404 after passage of the rule)

The bill shall take effect 30 days after enactment, "without regard to whether or not the Federal Election Commission has promulgated regulations to carry out such amendments."

Definitions.

- Covered Corporation: Applies to corporations, unions, 501(c)(4)s, 501(c)(5)s, 501(c)(6)s and 527s (defined below).
 - 501(c)(4) Civic Leagues, Social Welfare Organizations, and Local Associations of Employees
 - \circ 501(c)(5) Labor, Agricultural, and Horticultural Organizations
 - 501(c)(6) Business Leagues, Chambers of Commerce, Real Estate Boards, etc.
 - A 527 is a political organization (a party, committee, association, fund, or other organization) organized and operated primarily for the purpose of directly or indirectly accepting contributions or making expenditures, or both, for influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors.

- Electioneering Communication: "Any broadcast, cable, or satellite communication that: Refers to a clearly identified candidate for Federal office" and "Is publicly distributed within 60 days before a general election...or within 30 days before a primary..." (2 U.S.C. 434(f)(3)) (This is changed in Section 202 of DISCLOSE)
- Independent Expenditure: An expenditure by a person (A) expressly advocating the election or defeat of a clearly identified candidate; and(B) that is not made in concert or cooperation with or at the request or suggestion of such candidate, the candidate's authorized political committee, or their agents, or a political party committee or its agents.(2 U.S.C. 431) Also of note is Justice Kennedy's explanation in his opinion in *Citizens United* "...an independent expenditure is political speech presented to the electorate that is not coordinated with a candidate." (Opinion of the Court, Justice Kennedy)
- Foreign Principal (national): "A government of a foreign country and a foreign political party; a person outside of the United States... and a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country." (22 U.S.C. 611)
- Express Advocacy: Explicit words or activities calling for the election or defeat of a clearly identified candidate.

Possible Conservative Concerns:

- Partisan ploy to get Democrats elected to Congress. The bill, "coincidentally" sponsored by the chairman of the Democratic Congressional Campaign Committee in charge of electing Democrats to Congress, re-writes campaign finance laws in favor of Democrats right before elections. It was crafted behind closed doors with no input from Republican members of the House Administration Committee. The bill was designed by Democrats to silence their political opponents.
- > Creates a special, narrow carve-out for specific organizations intended to sway votes toward passage of the bill. The National Rifle Association (NRA), the Sierra Club, AARP, and other organizations that meet certain criteria, are covered in a last minute deal that creates an exemption from the financial disclosure requirements in the bill. It is worth noting that the Sierra Club is still opposed to the bill. This carve out does nothing to protect the First Amendment rights of millions of Americans, including those represented by gun rights groups, who want to engage in the political process but will instead be deterred by this bill. As stated in a recent Wall Street Journal editorial, "Creating a special exception for the NRA, and thereby assuring the Democrats 'good grades' on Second Amendment rights, eases the way for the bill to be passed. A failing grade on First Amendment rights is somebody else's problem." The exemption is intended to make it easier for a *bad bill* to get the votes it needs to pass. The bill also prohibits independent expenditures or disbursing funds for electioneering communications by anyone with a government contract greater than \$10 million. Originally, the threshold was \$50,000, which was changed in mark-up. It was then changed to \$7 million and then to \$10 million because the NRA reportedly receives over \$7 million in government contracts.
- NRA will still be affected by significant portions of the bill. According to a legal analysis by renowned campaign finance lawyer, James Bopp, the NRA carveout does

not exempt a qualifying organization from the expansion of the definitions of coordination, independent expenditure, and electioneering communications. As a result, **the NRA (or any qualified organization that falls under the exemption) will still be subject to current reporting and disclosure/disclaimer requirements for more activities under the definitions in this bill.** Other pro-Second Amendment 501(c)(4) organizations presumably not covered by the exemption will still be weakened. Some of these groups include: National Shooting Sports Foundation, Citizens Committee for the Right to Keep and Bear Arms; Gun Owners Action League, Gun Owners of America; Second Amendment Sisters; Liberty Belles; and Law Enforcement Alliance of America.

- Favors unions over corporations. Current law already bans foreign nationals from contributing to elections. See the <u>RSC Policy Paper on Citizens United</u> for more details. DISCLOSE makes current law much more restrictive and bans independent expenditures on activity by <u>American</u> corporations with 20% or more foreign ownership. However, similar restrictions are not included for unions with foreign members or non-citizen members. As eight former Federal Election Commissioners stated in a recent *Wall Street Journal* article, "... Disclose does not ban foreign speech but speech by American citizen shareholders of U.S. companies that have some element of foreign ownership, even when those foreigners have no control over the decisions made by the Americans who run the company." Additionally, the new threshold for reporting (\$600 in donations for independent expenditures) will have little effect on unions whose members' annual dues average much lower than \$600. This would preclude unions from having to report.
- Even more union loopholes. The manager's amendment includes language that would allow unions to transfer money, without reporting it, from union to union through a loophole that does not apply to unions because of their dues-paying structure.
- Threatens organizations with lawsuits for non-compliance. The bill becomes effective 30 days after enactment, giving the Federal Election Commission no time to craft regulations relating to the implementation of the bill, which will certainly be complicated, and not to mention expensive, to execute. Organizations would have to operate without any guidance from the FEC and risk possible lawsuits.
- Onerous disclosure and reporting requirements will deter citizen engagement. The bill includes requirements that every incorporated entity engaged in independent campaign activity must list all donors of \$600 or more with the Federal Election Commission (FEC). The bill also requires CEOs of organizations to appear in the ads, and state their name and their organization two times. Additionally, the top five funders of the organization must be listed in the ad (and top two for radio), and if there is a top "significant" funder, he or she must identify himself or herself, his or her title, and state the name of the organization three times in the ad. These tedious and onerous requirements will have the effect of deterring organizations from getting involved in elections (and potentially take up most of the ad time).
- High Costs. The complex reporting requirements would come with huge costs to small businesses which will need to comply. The requirements are complicated and will be virtually impossible for small corporations or citizens organizations to manage. It will have the effect of silencing grassroots organizations who cannot easily comply.

Bloggers might be harmed. Despite RSC staff consultations with renowned campaigns and elections lawyers, it remains unclear to them and us the extent to which bloggers might be harmed by this legislation. Although the bill does include a provision exempting Internet communications from provisions regarding "general public political advertising," the exemption from coordinated communications affects news stories, commentaries, and editorials. Those are not general public political ads. And since the coordinated communications exception does not mention the Internet, it could open up bloggers who refer to a clearly identified federal candidate during a certain timeframe from coming under the coordinated communication definition—and thus under onerous federal regulations and prohibitions.

Democrat Inconsistency Alert!

Favoring Unions over Corporations: Quote from bill sponsor Van Hollen: "The ban on political expenditures by federal contractors, for example, includes any entity that has a contract with the federal government, *whether it is a corporation or a labor union* (emphasis added)." vs. a quote from Josh Goldstein, a spokesman for the AFL-CIO: "We do agree that *the final bill should treat corporations different than democratic organizations such as unions*. We hold the position that, among other things, the legislation should counter the excessive and disproportionate influence by big business and guarantee effective disclosure of who is paying for what." For more quotes, see yesterday's article from The Hill: <u>Chamber:</u> Citizens United 'Fix' gives unions upper hand.

Groups Opposed: An * denotes that a group who has provided a letter indicating that it will score a vote against the bill.

*Associated Builders and Contractors *Associated Equipment Distributors Associated General Contractors (reserves the right to key vote) *Chamber of Commerce *Christian Coalition *Citizenlink (Formerly Focus on the Family Action) *Club for Growth *Concerned Women for America *Eagle Forum *Family Research Council Action *FreedomWorks *Gun Owners of America *Independent Electrical Contractors *International Franchise Association National Association of Manufacturers (may key vote the bill) * National Association of Wholesaler-Distributors *National Federation of Independent Businesses *National Right to Life Committee *National Taxpayers Union ("will be significantly weighted" in annual Rating of Congress)

Other groups opposed:

60 Plus Association Affiliated Chambers & Business Organizations of Hawaii Agricultural Retailers Association Airforwarders Association Albany Area (GA) Chamber of Commerce Albany Area (OR) Chamber of Commerce Alexander City Chamber of Commerce Alliance for Justice American Apparel & Footwear Association American Architectural Manufacturers Association American Association of Exporters and Importers American Association of Suicidology American Bakers Association American Chamber of Commerce Executives American Chemistry Council American Civil Liberties Union The American Civil Rights Union The American Conservative Union American Council for Health Care Reform American Council of Engineering Companies American Farm Bureau Federation American Feed Industry Association The American Financial Services Association American Foundry Society American Frozen Food Institute American Gas Association American Grassroots Coalition American Hotel and Lodging Association American Insurance Association American Lighting Association American Meat Association American Moving & Storage Association American Petroleum Institute The American Society for the Defense of Tradition, Family and Property American Soybean Association American Target Advertising, Inc. American Trucking Associations American Watch Association Americans for Limited Government Americans for Tax Reform Anaheim Chamber of Commerce Arizona Bridge to Independent Living Arizona Chamber of Commerce & Industry Arizona-New Mexico Cable Communications Association Arizonans for Gun Safety Arkansas State Chamber of Commerce/Associated Industries of Arkansas Associated Builders and Contractors, Inc. Associated Builders & Contractors of Western Washington Associated Equipment Distributors Associated Food Stores. Inc. Associated General Contractors Associated General Contractors of California (AGC) Associated Industries of Massachusetts Associated Oregon Industries Associated Wire Rope Fabricators Association Benefits Corporation Association of Commerce & Industry of New Mexico Association of the Nonwoven Fabrics Industry Association of Washington Business Automotive Parts Remanufacturers Association Backbone Campaign Barrington Area Chamber of Commerce

Bismarck Mandan Chamber of Commerce Boise Metro Chamber of Commerce Brady Campaign to Prevent Gun Violence Brawley Chamber of Commerce Brea Chamber of Commerce Brick Industry Association Buckeye Valley Chamber of Commerce Buffalo Niagara Partnership Builders Exchange, Inc. Building Owners and Managers Association International Bullhead Area Chamber of Commerce Business Coalition for Fair Competition Business Council of Alabama The Business Council of New York State, Inc. The Business Council of Westchester **Business Roundtable** Cabarrus Regional Chamber of Commerce California Chamber of Commerce California League of Conservation Voters California Retailers Association Camarillo Chamber of Commerce Campaign for Community Change Canandaigua Chamber of Commerce CatholicVote.org Catoosa County Chamber of Commerce Ceasefire New Jersey Ceasefire Oregon Cedar City Area Chamber of Commerce Center for Competitive Politics Center for Individual Freedom Center for Urban Renewal and Education Center for Science in the Public Interest Center-Right Coalition of Florida CenTex Chapter IEC Central Alabama Chapter IEC Central Indiana IEC Central Louisiana Chamber of Commerce Central Missouri IEC Central Ohio AEC/IEC Central Pennsylvania Chapter IEC Central Washington IEC Central Ohio Chapter of Associated Builders & Contractors, Inc. Centre County IEC Cerritos Regional Chamber of Commerce The Chamber of Commerce of West Alabama The Chamber of Commerce serving Middletown, Monroe, and Trenton (OH) The Chamber of Commerce of Medford/Jackson County Change Congress Citizen Link Citizens for a Safer Minnesota Citizens for Limited Taxation Citizens United ClearWord Communications Group Clovis Chamber of Commerce Club for Growth Coalition for a Fair Judiciary Coalition to Stop Gun Violence The Colorado Association of Commerce and Industry Columbus Area Chamber of Commerce Committee for Justice Competitive Enterprise Institute Concerned Women for America

ConservativeHQ.com Construction Industry Round Table (CIRT) Consumer Action **Consumer Electronics Association** Council for America Council for Citizens Against Government Waste **CREDO** Action Crop Protection Association of North Carolina DC for Democracy Defenders of Wildlife Action Fund Defending Dissent Foundation Destination Marketing Association International Direct Marketing Association Draper Area (UT) Chamber of Commerce Eagle Forum East Tennessee IEC Eastern Washington Chapter, IEC Eau Claire Area Chamber of Commerce Edison Electric Institute Education Voters of America El Centro Chamber of Commerce & Visitors Bureau Equal Justice Society Equipment Marketing & Distribution Association Faith and Freedom Coalition Family Research Council Action The Farm Animal Welfare Coalition Federation of American Hospitals Flagstaff Chamber of Commerce Florida Chamber of Commerce Florida Fertilizer & Agrichemical Association Foundry Association of Michigan Free Speech Coalition Freedom Action Fremont Area Chamber of Commerce Friends of the Earth Fullerton Chamber of Commerce Fuse Washington Futures Industry Association Gateway Chambers Alliance Georgia Industry Association Georgia Mining Association Gillette Chamber of Commerce Global Justice Ministry Greater Durham Area Chamber of Commerce Greater Effingham Chamber of Commerce & Industry The Greater Elkhart Chamber of Commerce Greater Fresno Area Chamber of Commerce Greater Irving-Las Colinas Chamber of Commerce Greater Montana IEC Greater New Haven Chamber of Commerce Greater Phoenix Chamber of Commerce Greater Springfield Chamber of Commerce The Greater York Region Chamber of Commerce Green Bay Area Chamber of Commerce Gun Owners of America GunFreeKids.org Gwinnett Chamber of Commerce Hampton Roads Chamber of Commerce HARDI - Heating, Airconditioning & Refrigeration Distributors International Heeding God's Call Henderson Chamber of Commerce Hilton Head Island - Bluffton Chamber of Commerce

Hispanic Leadership Fund Home School Legal Defense Association Howard County Chamber of Commerce Huntington Regional Chamber of Commerce Huron County Chamber of Commerce IEC Atlanta Chapter IEC Chesapeake IEC Dakotas, Inc. IEC Dallas Chapter IEC Florida West Coast IEC Fort Worth/Tarrant County IEC Georgia Chapter IEC Greater St. Louis IEC Hampton Roads Chapter IEC National IEC NCAEC IEC New England IEC Southern Arizona IEC Southern Colorado Chapter IEC Southern Indiana Chapter-Evansville IEC Texas Gulf Coast Chapter IEC Western Reserve Chapter IEC of Arkansas IEC of East Texas IEC of Greater Cincinnati IEC of Idaho IEC of Illinois IEC of Kansas City IEC of Northwest Pennsylvania IEC of Oregon IEC of Southeast Missouri IEC of Texoma IEC of the Bluegrass IEC of the Texas Panhandle IEC of Utah IEC, Inc. El Paso Chapter IEC, Inc. Lubbock Chapter IEC, Inc. San Antonio Chapter IEC, South Florida Chapter, Inc. IECA Kentucky & S Indiana Chapter IECA of Arizona IECA of Nashville IECA of Southern California, Inc. IEC-OKC, Inc. Independent Electrical Contractors, Inc. Indiana Cast Metals Association Indiana Chamber of Commerce Inland Pacific Chapter of Associated Builders & Contractors International Association of Amusement Parks and Attractions International Dairy Foods Association International Foodservice Distributors Association International Franchise Association International Housewares Association ISSA - The Worldwide Cleaning Industry Association The John Birch Society Johnson City Chamber of Commerce Johnson City-Jonesborough-Washington County Chamber of Commerce Kailua Chamber of Commerce Kankakee Regional Chamber of Commerce Kansas Chamber of Commerce Kansas Food Dealers Association Kentucky Chamber of Commerce

Keystone Progress Kingdom Chamber of Commerce Lake Havasu Chamber of Commerce Laredo Chamber of Commerce League of Conservation Voters Legal Momentum Legal Voice Let Freedom Ring Liberty Counsel Liberty Guard Little Rock Regional Chamber of Commerce Livestock Marketing Association The Lodi District Chamber of Commerce Los Angeles Area Chamber of Commerce Louisiana Association of Business and Industry Lubbock Chamber of Commerce Lynchburg (VA) Regional Chamber of Commerce Management Association for Private Photogrammetric Surveyors (MAPPS) Marine Retailers Association of America Maryland Center-Right Coalition Maryland Chamber of Commerce McLean County (IL) Chamber of Commerce MEC IEC of Dayton Media Matters Action Network Metals Service Center Institute Michigan Chamber of Commerce Mid-Oregon Chapter IEC Mid-South Chapter IEC Middle Tennessee Chapter - Associated Builders and Contractors, Inc. Midwest IEC Mississippi Chapter - Associated Builders and Contractors, Inc. Missouri Chamber of Commerce & Industry Mobile Area Chamber of Commerce Modesto Chamber of Commerce Montana Chamber of Commerce Montana IEC Montgomery Area Chamber of Commerce (AL) Montgomery County (PA) Chamber of Commerce Morgan, Meredith & Associates Morrisville Chamber of Commerce Mount Vernon-Lee Chamber of Commerce National Association of Chemical Distributors National Association of Home Builders National Association of Manufacturers National Association of Mutual Insurance Companies National Association of Printing Ink Manufacturers, Inc. National Association of Realtors National Association of Wholesaler-Distributors National Consumers League National Federation of Independent Business National Grain and Feed Association National Marine Distributors Association National Marine Manufacturers Association National Milk Producers Federation National Mining Association National Paper Trade Association National Pork Producers Council National Poultry & Food Distributors Association National Ready Mixed Concrete Association National Renderers Association National Restaurant Association National Retail Federation

National Right to Life Committee National Right to Work Committee National Roofing Contractors Association National Stone, Sand & Gravel Association National Tax Limitation Committee National Taxpayers Union Natural Resources Defense Council Nebraska Agri-Business Association NETWORK, A National Catholic Social Justice Lobby NetworkGeorgia LLC New Jersey IEC New Jersey Motor Truck Association New York Public Interest Research Group New Yorkers Against Gun Violence Niagara USA Chamber of Commerce North American Equipment Dealers Association North Carolinians Against Gun Violence North Dakota Chamber of Commerce North Las Vegas Chamber of Commerce Northern Kentucky Chamber of Commerce Northern New Mexico IEC Northern Ohio ECA NW Washington IEC Ocean State Action (Rhode Island) Ohio Cast Metals Association Ohio Coalition Against Gun Violence Oklahoma Agribusiness Retailers Association Oshkosh Chamber of Commerce Otsego County Chamber of Commerce Outdoor Power Equipment and Engine Service Association Oxnard Chamber of Commerce Palm Desert Chamber of Commerce Pennsylvania Chamber of Business and Industry Pennsylvania Foundry Association Perry Area Chamber of Commerce Petroleum Equipment Institute Planned Parenthood Action Fund Planned Parenthood Federation of America Plattsburgh-North County Chamber of Commerce **Pioneer Institute** Printing Industries of America Progress Florida Progress Michigan Progress Now Progress Now Colorado Progress Ohio Progressive Future Property Rights Alliance Protest Easy Guns Public Advocates Inc. Public Service Research Council Puerto Rico Chamber of Commerce Puget Sound Washington Chapter IEC Pullman Chamber of Commerce Regional Black Chamber of Commerce SFV The Remanufacturing Institute Renewing American Leadership Reno Sparks Chamber of Commerce Republican National Lawyers Association RepublicanPAC.com Retail Grocers Association of Greater Kansas City Retail Industry Leaders Association

Rhode Island Chamber of Commerce Coalition RightMarch.com **Rio Grande Valley IEC** Rocky Mountain Agribusiness Association Rocky Mountain Chapter - Associated Builders and Contractors, Inc. Rocky Mountain Chapter IEC Rome Area Chamber of Commerce Rowan County Chamber of Commerce Salisbury Area Chamber of Commerce San Jose Silicon Valley Chamber of Commerce Schuylkill Chamber of Commerce Scott County Housing Council Scottsdale Area of Chamber of Commerce (AZ) Sierra Club Small Business & Entrepreneurship Council Smart Business Hawaii Society of American Florists South Carolina Fertilizer & Agrichemicals Association Southern Crop Production Association Southern New Mexico IEC Southeast Pennsylvania Chapter - Associated Builders and Contractors, Inc. Southeast Texas Chapter - Associated Builders and Contractors, Inc. St. George Area Chamber of Commerce The State Chamber of Oklahoma States United to Prevent Gun Violence Students for Gun Free Schools Students for Gun Free Schools in Texas Students for Life of America Tea Party Express Tea Party WDC Tempe Chamber of Commerce Tennessee Chapter - Associated Builders and Contractors, Inc. Texarkana USA Chamber of Commerce Texas Association of Business Texas State IEC Textile Care Allied Trades Association Tides Advocacy Fund Traction Traction Action Fund Traditional Values Coalition Transportation Intermediaries Association Tri State IEC Tri-City Regional Chamber of Commerce Truck Renting and Leasing Association Tuscon Metropolitan Chamber of Commerce United Church of Christ United Egg Producers Association United Methodist Church, General Board of Church and Society USAction U.S. Chamber of Commerce U.S. Public Interest Research Group U.S. Travel Association Violence Policy Center Virginia Center for Public Safety Warren County Regional Chamber of Commerce Washington Automotive Wholesalers Association WECA IEC West Virginia Citizen Action Group Western Colorado IEC Wichita Chapter IEC Wilco Justice Alliance Winston-Salem Chamber of Commerce

Wisconsin Anti-Violence Effort Wisconsin Crop Production Association Women Against Gun Violence Women of Reform Judaism

Note: The Heritage Foundation also wrote this blog post listing concerns with the bill: http://blog.heritage.org/2010/05/25/impending-government-censorship/

<u>Committee Action</u>: The bill was introduced on April 29, 2010 and referred to the House Committee on House Administration and to the Committee on the Judiciary. The bill was marked up and reported out of Committee, as amended, by a vote of 5-3, on May 20, 2010.

Administration Position: See the Statement of Administration Policy supporting the bill here.

<u>Cost to Taxpayers</u>: CBO estimates that implementing H.R. 5175 would cost \$2 million in fiscal year 2011 and about \$10 million over the 2011-2015 period, subject to appropriation of the necessary funds.

Does the Bill Expand the Size and Scope of the Federal Government?: Yes. The bill would greatly expand the federal control over political speech by citizens associations.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector <u>Mandates?</u>: H.R. 5175 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

H.R. 5175 contains private-sector mandates, as defined in UMRA, on lobbyists, political organizations, and other entities or individuals that make political expenditures. Based on information from the FEC, CBO estimates that the aggregate cost to comply with the mandates would fall below the annual threshold established in UMRA for private-sector mandates (\$141 million in 2010, adjusted annually for inflation). <u>Many organizations would likely opt out of political speech, rather than try to comply.</u>

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax

Benefits/Limited Tariff Benefits?: According to the Committee Report, "Clause 9 of House rule XXI requires committee reports on public bills and resolutions to contain an identification of congressional 'earmarks,' limited tax benefits, limited tariff benefits, and the names of requesting Members. The bill as reported contains no such items."

<u>**Constitutional Authority</u>**: The Committee states that Article 1, Section 4 of the U.S. Constitution grants Congress the authority to make laws governing the time, place and manner of holding Federal elections. *Many conservatives may find this citation inaccurate in light of the First Amendment protection of free speech.*</u>

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