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93<sup>d</sup> CONGRESS }  
2<sup>d</sup> Session }

HOUSE OF REPRESENTATIVES

{ REPORT  
No. 93-1080

DISTRICT OF COLUMBIA CAMPAIGN  
FINANCE REFORM ACT

---

REPORT

BY THE

COMMITTEE ON THE  
DISTRICT OF COLUMBIA

TOGETHER WITH ADDITIONAL VIEWS

[To accompany H.R. 15074]



JUNE 4, 1974.—Committed to the Committee of the Whole House  
on the State of the Union and ordered to be printed

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U.S. GOVERNMENT PRINTING OFFICE

99-006

WASHINGTON : 1974

DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM  
ACT

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(II)

JUNE 4, 1974.—Committed to the Committee of the Whole House on the State of  
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Mr. Diggs, from the Committee on District of Columbia,  
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 15074]

The Committee on District of Columbia, to whom was referred the bill H.R. 15074 to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On page 18, beginning in line 24, strike out "(c), (d), and (f) of information pamphlets." and renumber items 605, 606, 607, 608, and 609, as 604, 605, 606, 607, and 608, respectively.

On page 18, beginning in line 24, strike out "(c), (d), and (f) of section 202" and insert in lieu thereof "(c) and (d) of section 201".

On page 32, line 1, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 32, line 3, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 35, line 16, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 35, beginning on line 18, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 35, line 25, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 36, line 19, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 37, beginning on line 5, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 38, line 3, strike out "District of Columbia Council" and insert in lieu thereof "Council of the District of Columbia".

On page 38, line 11, insert "ELECTION" immediately after "1974".

On page 40, strike out line 19 and all that follows down through line 3 on page 43.

On page 43, strike out line 5 and insert in lieu thereof "Sec. 604. (a) The Council of the District of Columbia shall,".

On page 44, line 24, strike out "606" and insert in lieu thereof "605".

On page 45, line 13, strike out "607" and insert in lieu thereof "606".

On page 45, line 24, strike out "members" and insert in lieu thereof "member".

On page 45, insert a comma immediately following "day".

On page 46, line 14, strike out "608" and insert in lieu thereof "607".

On page 46, line 22, strike out "609" and insert in lieu thereof "608".

#### PURPOSE OF BILL

The purpose of the reported bill (H.R. 15074) is to require full and complete disclosure of contributions and expenditures made by and on behalf of candidates engaged in local political campaigns in the District. The legislation would also establish reasonable and realistic limitations on the amounts that may be contributed and expended in connection with a candidacy for elective office. In the latter regard, the bill would establish, for the first time, limits on unauthorized expenditures made to advance or oppose a candidate for such elective office.

The citizens of the District, on May 7, 1974, approved the new Charter established in the District of Columbia Self-Determination and Governmental Reorganization Act (P.L. 93-198) by an overwhelming vote of 85,530 to 18,037 (40% of the registered voters voting).

The powers and responsibilities granted by the proposed charter to locally-elected public officials will affect numerous aspects of the lives of the citizens of the District of Columbia. These elected officials will shape vast areas of public policy—for example, systems of transportation, housing, education, delivery of public services, delivery of social services, maintenance of penal systems, consumer protection, the environment, taxation, budgeting and spending, land use, zoning and urban renewal.

The Committee gave considerable thought as to whether it should (1) legislate some kind of comprehensive and long-range election reform, which would require substantial redrafting of existing law, or (2) draft the necessary provisions to meet the needs of the upcoming 1974 local elections and defer long-range plans and revisions to the newly-elected local government taking office in January, 1975.

The large majority of the witnesses and the preponderance of the testimony, including the General Accounting Office of the United States, favored the second approach adopted in the reported bill.

For these reasons, the Committee rejected proposals to—

(1) enlarge the membership of the Board of Elections;

(2) create a new and independent Election Commission;

(3) turn the monitoring of the campaign finance and disclosure provisions over to the General Accounting Office of the United States;

(4) create a new and entirely independent Division on Campaign Finance within the Board of Elections.

The Committee found merit in all of these proposals. However, in the interests of expediting action on this necessary legislation and in order to benefit and protect the candidates (over 120 of whom have announced their candidacies to date), the Committee adopted what it believes to be the only reasonable approach to the elections taking place in September and November of this year. This approach is also strongly supported by the General Accounting Office of the United States government as the best possible way of achieving the objectives of the Committee in expediting consideration of this legislation.

#### NEED FOR LEGISLATION

The elections next September and November for Mayor and City Council will be watched closely as the vital beginning of local Home Rule for the Nation's Capital. Action by this Congress is needed to insure that these elections are free from secret financing and free from the heavy hand of overly-large contributions, slush funds, and bundles of cash. If these practices can be prevented, it will mean a great boost in public confidence in the newly-elected officials. If we fail to act, Home Rule in the District may be launched in a sea of distrust and recrimination.

It is imperative, therefore, that the voters of Washington, D.C., in these coming elections, be afforded the fullest practicable opportunity to know the candidates for whom they are asked to vote, and where such candidates stand on the vitally-important issues confronting our City today. To assure this result, ample funds must be provided to the competing candidates to furnish them with the wherewithal requisite to an open and full public discussion of the pertinent issues, and the voters with a free choice among competing candidates. (See appendix.)

Hence, in the judgment of the Committee, any new election legislation adopted should not be so restrictive dollarwise, nor so restraining campaignwise, as to impede the holding of a vigorous and unimpaired election procedure, in the best of the American tradition; and due care, in any proposed election legislation, should be exercised to see to it that the regulatory controls imposed on the electoral process are not more restrictive in nature and scope than is actually required to assure the achievement of a fair and proper election.

## SUMMARY OF MAJOR PROVISIONS OF THE BILL

## TITLE I—SHORT TITLE, DEFINITIONS

This title contains the short title of the bill, the "District of Columbia Campaign Finance Reform Act," and definitions.

The bill, by its definitions, is intended to apply campaign finance regulations to the offices of Mayor and members of the D.C. Council as established by the District of Columbia Self-Government and Governmental Reorganization Act. The provisions of this bill do not apply to the office of Delegate to the House of Representatives, since that office is a Federal one governed by Federal, rather than local, statute.

The provisions of this Act remain in force and effect unless later amended by the Congress, or by the D.C. Council under powers granted to the local government by the Self-Government Act. The City Council, however, by the specific terms of Section 605 of this Act, is required to conduct hearings and investigations on the operation and effect of this Act and to issue a public report on its findings and recommendations.

## TITLE II—FINANCIAL DISCLOSURES

Title II requires candidates and committees to keep certain financial information, to report to the Board of Elections and to the public specified information regarding contributions and expenditures; to designate one principal campaign committee and one campaign depository; to file registration or organization statements with the Board; and to limit expenditures from petty cash funds to a specified amount per person per transaction.

Title II also requires persons making contributions or expenditures, other than to a political committee or candidate, in an aggregate amount of \$50 or more, to file financial reports. It specifies that all campaign literature be identified by the words "paid for by", followed by the name and address of the payer. Finally, it exempts from specified provisions of the title candidates who anticipate spending or who spend less than \$250 in any one election.

The majority of financial reporting and disclosure requirements contained in this title have been taken or modified from the Federal Election Campaign Act of 1971 (Public Law 92-225, approved February 7, 1972; 86 Stat. 3), or prior existing District of Columbia law. Newer ideas or concepts, not incorporated into prior statutes, were adopted from pending national legislative proposals, bills before the committee, or recommendations made by agencies with enforcement experience, such as the General Accounting Office.

The overwhelming majority of witnesses before the committee supported or recommended strict financial disclosure requirements, campaign organization monitoring and effective recordkeeping and other aids to full auditing.

The requirement that candidates designate a single, principal campaign committee (Section 202) is one strongly recommended by the General Accounting Office and supported by every witness who commented on the proposal. By centralizing bookkeeping, accounting

and financial management under one campaign entity, the administering-enforcing agency can better perform its responsibility. In the words of one witness, the "audit trail" will be clearer if the majority of contributions and expenditures are funneled through one principal committee. In addition, candidates should be able to more effectively manage their own campaigns through this mechanism.

Another proposal which received unanimous approval by all witnesses who discussed the issue was that calling for a campaign depository. By the terms of Section 203, each political committee and each candidate must designate one national bank in the District of Columbia as the campaign depository of that political committee or candidate. Checking accounts must be maintained at such depository, and all expenditures must be by check drawn from that account. Again, the audit trail is easier to follow and enforcement of the law made simpler and less costly.

## TITLE III—DIRECTOR OF CAMPAIGN FINANCE

To administer the program of reporting and enforcement of limitations, the bill creates the Office of Director of Campaign Finance. This is a suggestion from the Office of Federal Elections within the General Accounting Office. They administer the present federal law and urge that a single Director be given the responsibility for the day-to-day filing and enforcement.

Rule-making power stays with the Board of Elections, as under present law.

The Director will provide the forms, develop a filing system, make reports available for public inspection and copying, compile a current list of all statements on file, make audits and field investigations. The Director will issue subpoenas upon the approval of the Board.

The Board may appoint a General Counsel who may initiate civil actions, including petitioning the courts for injunctive relief to enforce the law.

These broad new powers to act quickly to enforce the reporting and expenditure requirements—by petitioning the court immediately for injunctive relief if necessary—are a vital part of this bill.

## TITLE IV—FINANCE LIMITATIONS

## CONTRIBUTIONS TO A CANDIDATE

The bill provides in Sec. 401 that an individual may contribute up to \$1,000 to a candidate for Mayor during the entire campaign, which includes the primary and general election.

Lower dollar limits are set for contributions to other candidates.

Organizations and groups—in contrast to individuals—may make contributions totaling \$2,000 for the Mayor's campaign and lesser amounts for other candidates. These limits are twice the amounts set for contributions by individuals.

Individuals are also limited to a maximum of \$2,000 in contributions for all the campaigns for office. Organizations and groups do not have an aggregate ceiling, but are limited by the ceiling set for each

candidate. Thus if a group donated the maximum to a candidate in each of the 14 election contests, it would contribute \$10,700.

#### INDEPENDENT EXPENDITURE NOT AUTHORIZED BY CANDIDATE

An individual or group which wishes to make direct expenditures (rather than contributions through a Committee) and does not consult the candidate or his representatives, may spend no more than \$1,000 in a year to support or oppose a candidate. This provision is necessary to prevent unlimited spending outside a candidate's campaign. Independent expenditures cannot be prohibited altogether because the First Amendment permits free expression of a person's views. However, this section of the bill (401(d)) sets a reasonable limit of \$1,000 on that expression.

No abuse of this section is likely because a candidate is responsible for keeping expenditures "by or on behalf of the candidate" and his agents within the ceilings on expenditures set in the bill. Only genuinely independent expenditures in no way authorized or suggested or requested by the candidate, his committees or agents, are permitted under the \$1,000 limitation of Sec. 401(d).

#### CASH CONTRIBUTIONS NO LARGER THAN \$50

Contributions "in legal tender" are limited to \$50 or less.

#### NO CONTRIBUTIONS IN THE NAME OF ANOTHER PERSON

To make certain that identification of contributors is not avoided, the bill prohibits a person from making a contribution in the name of another.

#### CORPORATIONS AND LABOR ORGANIZATIONS PROHIBITED FROM CONTRIBUTING DIRECTLY

The same type of limitation, as exists in Federal elections, is set up in the bill for District of Columbia elections.

Corporations and labor organization may establish segregated funds for voluntary contributions. They may also conduct non-partisan registration and get-out-the-vote campaigns aimed at their own stockholders and members.

Several states have this prohibition of treasury funds of labor unions being used in local and state elections, and all states (except 19) prohibit corporate contributions.

#### *States which do not prohibit corporate campaign contributions*

Alaska	Idaho	Utah
Arkansas	Illinois	Vermont
California	Maine	Virginia
Colorado	Nevada	Washington
Delaware	New Mexico	Wyoming
Florida	Rhode Island	
Georgia	South Carolina	

#### *States which do not prohibit labor union campaign contributions*

Alabama	Louisiana	Ohio
Alaska	Maine	Oklahoma
Arkansas	Massachusetts	Oregon
California	Michigan	Rhode Island
Colorado	Minnesota	South Carolina
Connecticut	Mississippi	South Dakota
Delaware	Missouri	Tennessee
Florida	Montana	Texas
Georgia	Nebraska	Utah
Hawaii	Nevada	Vermont
Idaho	New Jersey	Virginia
Illinois	New Mexico	Washington
Iowa	New York	Wisconsin
Kansas	North Carolina	West Virginia
Kentucky	North Dakota	Wyoming

#### EARMARKED FUNDS AND CONTRIBUTIONS THROUGH A CONDUIT ARE IDENTIFIED

A provision of the bill prevents a loss of identification of the source or intended recipient of contributions. The actual contributor and the candidate for whom the contribution is intended must be identified.

#### LIMITATIONS ON EXPENDITURES

Ceilings are placed on the amounts that can be spent in a primary campaign and the same amount is the expenditure limit for a general campaign.

In the Mayors' race, a candidate's committee and all other committees supporting him and reporting to him, may spend no more than \$150,000 in the primary and \$150,000 in the general election. Lessor limits are set for other offices.

#### TITLE V. LOBBYING

This title deals with the subject of the regulation of lobbying, which is deemed needed in the District of Columbia in view of the delegation of legislative authority provided in the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198 (see D.C. Code Supp. I, 1974), to the Council of the District of Columbia (hereinafter referred to as the Council) established as of January 2, 1975.

The effective date of this title is January 2, 1975, the date the members of the elected Council will take office.

The inclusion of this title is not intended to express or imply criticism of lobbying activities *per se* any more than did the Federal Regulation of Lobbying Act (60 Stat. 839, 1946) upon which it is modeled. It is merely a logical extension of regulation under which Congress itself operates to the entity—the Council of the District of Columbia—to which certain legislative authority has been delegated in the Self-

Determination Act. This title will hopefully insure that information, research, positions, etc., presented to the local Council are full and complete and uphold the integrity of the highest standards of governmental conduct.

Title V together with Section 742, the so-called Sunshine Amendment (because it is modeled on the Florida law) to the D.C. Self-Government and Governmental Reorganization Act, which provides for open meetings, will, it is believed, serve the public interest in insuring open and non-collusive action by the local Council and the local boards and agencies. This lobbying provision will itself insure registration and full and complete disclosure of lobbying activities, which was the main thrust of its Federal counterpart, the Federal Regulation of Lobbying Act. (See also 2 USC § 261 et. seq.)

Section 501(c) of title V "tracks" or follows the Federal enactment, except that it also accommodates the delegation of legislative authority as contained in the D.C. Self-Government Act. In addition, Section 502 sets the standard of \$200 or more (rather than \$500 or more as set in the Federal legislation) for maintaining a detailed account of the names and addresses of persons making contributions and including such information in a report to the Director of Campaign Finance of the District of Columbia Board of Elections. Inasmuch as many state statutes treat lobbying activity legislation as a part of campaign finance legislation, it was considered that the lobbying activity should be regulated and controlled by the D.C. Board of Elections and that the Director of Campaign Finance serving the Board should receive reports and generally administer the program of regulating lobbying activities. It may be that the Board will, and should, require that copies of filings and reports also be filed with the Secretary of the Council.

The Committee has followed the phraseology and wording of the Federal Regulation of Lobbying Act so that there will not be imposed on those whose activities are regulated a proliferation of differing requirements and reports when the same person or persons may be appearing before the Council and the Congress with respect to the same legislation, because of the legislative oversight retained by Congress in the D.C. Self-Government Act. Moreover, it should be helpful to those required to register and report under this title that the interpretations of the Federal law be available to guide them as to the provisions of this title.

Since title V is patterned after the Federal Regulation of Lobbying Act, a listing of what this title does and does not do (largely following the language of the Senate Report accompanying the 1946 Federal Act) is provided—

What the title does not do:

First. It does not curtail the right of free speech or freedom of the press or the right of petition.

Second. It has no application to the publishers of newspapers, magazines, or other publications, acting in the regular course of business.

Third. It has no application to persons who appear openly and frankly before the Council or committees of the Council and engage in no other activities to influence legislation.

Fourth. It does not apply in any manner to persons who appear voluntarily without compensation.

Fifth. It does not apply to organizations formed for other purposes whose effort to influence legislation are merely incidental to the purposes for which formed.

Sixth. It does not (as is true with the Federal Regulation of Lobbying Act) apply to practices or activities regulated by the Federal Corrupt Practices Act nor does it repeal in any way any provision of the latter Act.

What the title does do:

First. It applies to those who do not visit the Council or its members but may initiate propaganda from all over the District in the form of letters and telegrams, many of which have been based entirely upon misinformation as to facts. This class of persons and organizations will be required under the title, not to cease or curtail their activities in any respect, but merely to disclose the sources of their collections and the methods in which they are disbursed.

Second. It applies to the second class of lobbyists who may be employed to lobby the Council under the false impression that they exert some powerful influence over its members. These individuals may spend their time presumably exerting some influence with respect to the legislation in which their employers are interested, but carefully conceal from the Council members whom they happen to contact the purpose of their presence. The title in no wise prohibits or curtails their activities. It merely requires that they shall register and disclose the sources and purposes of their employment and the amount of their compensation.

Third. It applies to a third class of entirely honest and respectable representatives of business, professional, and philanthropic organizations who openly and frankly express their views for or against legislation, many of whom serve a useful and perfectly legitimate purpose in expressing the views and interpretations of their employers with respect to legislation which concerns them. They will likewise be required to register and state their compensation and the sources of their employment.

It is the intention of the Committee that the newly-elected Council be authorized to change, modify or repeal this title if in its wisdom such a course is appropriate. Nothing contained in Title V should be viewed as affecting the authority under Public Law 93-198 to amend this title as any other title of this bill.

## TITLE VI

### TAX INCENTIVE FOR CAMPAIGN CONTRIBUTIONS

In the D.C. individual income tax law, there is no allowance for itemized deductions or tax credit for political contributions. The Federal law permits both. H.R. 14754 (Sec. 602) provides a \$12.50 credit per person on the individual income tax.

## HISTORY

Hearings on earlier proposed legislation (H.R. 13539 and H.R. 12038) were held by the Subcommittee on Government Operations on April 3 and 4, 1974, which reported a clean bill, H.R. 14754, embodying amendments to the foregoing bills. The Full Committee held further hearings on May 20 and 21, 1974.

Testimony in support of various aspects of campaign financing legislation was presented by representatives on behalf of the D.C. Government Executive and Legislative Branches. Numerous public witnesses, many of them declared candidates for this Fall's elections in the District, urged the enactment of such legislation in some form, from few limitations and restrictions on contributions and expenditures to very rigid prohibitions on fund raising, spending and disclosure.

The reported bill (H.R. 15074) is a composite of the varying views and represents the unanimous judgment of the Committee Members who heard the evidence and voted to report the bill.

## VOTE.

The bill, H.R. 15074, as amended, was ordered reported to the House on May 30, 1974 by a Committee vote of 15 ayes, 0 nays.

## CONCLUSION

By this legislation, the Committee has endeavored to rectify the major inadequacies of the existing D.C. Election Law and thus assure its adequate workability insofar as the first local elections in 100 years for Mayor and Council are concerned.

The Committee believes the provisions of H.R. 15074 will assure fair play and as full disclosure of contributions and expenditures in the election procedures as is possible in such legislation. For the reasons indicated in the "Purpose Section," the Committee has adopted proposals to assure fair and clean elections in these first elections. The new Council may make such changes to achieve long-range reform in our electoral process.

## COST

Following is an estimate of costs of the proposed legislation, as calculated by the Board of Elections for the District.

The first estimate (\$92,268) assumes the addition of 2 other Board members to the present Board, which the Committee did not approve. However, the Committee added a Director of Campaign Finance, as a full-time employee, so his salary would almost approximate that of the 2 part-time Board members not included in H.R. 15074 but shown below.

The second estimate (\$203,715) was predicated upon the Committee's establishment of a new commission, which the Committee disapproved.

Of course, the major expenditures presently faced by the District Government are occasioned by the elections themselves for the positions provided in the Home Rule Act, which itself included an au-

thorization of \$750,000 therefor. It is understood that the Board of Elections is presently hiring additional personnel, pursuant thereto, to assist in the conduct of these 1974 elections.

BOARD OF ELECTIONS,  
GOVERNMENT OF THE DISTRICT OF COLUMBIA,  
*Washington, D.C., April 9, 1974.*

HON. BROCK ADAMS,  
*Chairman, Government Operations Subcommittee of the House District Committee, Washington, D.C.*

DEAR CHAIRMAN ADAMS: In response to your request for the estimated costs of campaign financing measures, the Board of Elections for the District of Columbia submits the following information.

1. The projected cost of implementing the Campaign Financing Act using the present Board of Elections as the administering agency is based on the following personnel and office management considerations.

As suggested in the Board of Elections testimony before the Government Operations Subcommittee, there should be two additional Board members, serving part-time, who would be exclusively engaged in administering the regulations in the Campaign Financing Act, and a staff of four. The staff should consist of a general counsel, an accountant, and two clerical persons, a GS-7 secretary who can take shorthand and a GS-5 clerk-typist.

	Grade	Amount
2 Board members (part time).....	\$11,250 per year.....	\$22,500
1 General Counsel (part time).....	GS-14 (base pay).....	24,247
1 Accountant (part time).....	GS-12 (base pay).....	17,497
1 Secretary.....	GS-7.....	9,969
1 Clerk-typist.....	GS-5.....	8,055
Subtotal.....		82,263
Office management: Supplies, telephones, transportation, etc.....		10,000
Total.....		92,268

It should be noted that the Board highly recommends making at least one member, the Chairman, full time with commensurate benefits and pay. If this request is given affirmative action, then, of course, the cost estimate must be adjusted accordingly.

2. The estimated cost of administering the Act by establishing a new commission is as follows:

H.R. 12638 calls for the 5 commission members to be paid at the rate of \$125 per day. In the first year of operation, with the large number of candidates expected (there were 68 for the first School Board election), the Commission might be sitting for about 1/2 to 3/4 of the year which would amount to about \$15,000 to \$20,000 per member or \$75,000 to \$100,000.

Staff should include a general counsel, an accountant, and at least 5 clerical persons.



5 Commissioners-----	\$100,000
1 General Counsel, GS-14-----	24,247
1 Accountant, GS-12-----	17,497
1 Secretary, GS-7-----	9,969
3 Clerk-Typists, GS-4 at \$7,198-----	21,594
1 Messenger, GS-3-----	6,408
<b>Total</b> -----	<b>179,715</b>
<b>Office Management:</b>	
Supplies-----	5,000
Telephones-----	2,000
Rent (if not in D.C. facilities)-----	12,000
Miscellaneous-----	5,000
<b>Total</b> -----	<b>24,000</b>
<b>Grand total</b> -----	<b>203,715</b>

These estimates are based on a projected work load and past experience in staffing.

We would like to take this opportunity to call to the attention of the Committee that with the passage of Public Law 93-198 additional responsibilities have required Board members to serve on almost a daily basis. This is especially the case with the Chairman.

The D.C. Board of Elections proposes that the ceiling on compensation to Election Board Members be removed in view of their additional duties and responsibilities required as a result of enactment of Public Law 93-198. The Board recommends that this proposed legislation be limited to FY 75 and be retroactive for Board Members who have reached the current limitation of \$11,250 by the date of enactment.

On behalf of the Board, I wish to thank you for giving us this opportunity to express our views on the vital subject of campaign financing legislation. If we can be of further assistance, please feel free to contact us.

Sincerely,

CHARLES B. FISHER,  
*Chairman.*

## SECTION-BY-SECTION ANALYSIS

### TITLE I—SHORT TITLE, DEFINITIONS

#### Section 101. Short Title.

This section contains the short title, "District of Columbia Campaign Finance Reform Act".

#### Section 102. Definitions.

This section includes "election" (each primary, runoff, general or special election); "candidate," "office," "official of political party," "political committee" (any committee, club, association, organization or other group of individuals organized for the purpose of, or engaged in, promoting or opposing a political party or the nomination or election of an individual to office); "contribution" (a gift, subscription, loan, advance or deposit of money or anything of value; a contract, promise or agreement to make a contribution; a transfer of funds; the payment of compensation for the personal services of another person

rendered without charge or for less than reasonable value); "expenditure," "person," "Director," "political party;" and "Board."

### TITLE II—FINANCIAL DISCLOSURES

#### Section 201. Organizations of Political Committees.

Section 201(a). Every political Committee is required to have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made when there is a vacancy in the office of treasurer, and no one has been designated and has agreed to perform the functions of the treasurer. Expenditures must be authorized by the chairman or treasurer or designated agents.

Section 201(b). Every person who receives a contribution of \$10 or more for or on behalf of a political committee shall submit to the committee a detailed account thereof, including the amount, the name and address (including occupation and business address) of the contributor and the date it was received.

Section 201(c). Except for expenditures made out of the permitted petty cash fund, the treasurer of a political committee and each candidate shall keep a detailed and exact account of (1) all contributions; (2) the identification of all contributors of \$10 or more; (3) all expenditures made on the behalf of the Committee or candidate; and (4) the identification of every person to whom an expenditure is made.

Section 201(d). The treasurer or candidate shall obtain such receipted bills and records as may be required by the Director.

Section 201(e). Each political committee and each candidate shall indicate on the face of all fund-raising literature that a copy of its report is on file with the Director.

#### Section 202. Principal Campaign Committee

Section 202(a) (b) (c). Each candidate shall designate one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee supporting that candidate. No political committee may be designated as the principal campaign committee of more than one candidate (except for political party office). The treasurer of each principal campaign committee and each candidate shall receive all reports furnished by other political committees and shall consolidate and furnish reports and statements to the Director of Campaign Finance of the D.C. Board of Elections, in accordance with the regulations of the Board.

#### Section 203. Designation of Campaign Depository

Section 203(a). Each political committee and each candidate accepting contributions or making expenditures shall designate one national bank located in D.C. as the campaign depository. All expenditures are to be made by check from the account at such depository.

Section 203(b). A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of \$50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be furnished to the Director.

*Section 204. Registration of Political Committees; Statements*

Section 204 (a). Each committee shall file with the Division a statement of organization at such time as the Director may prescribe.

Section 204 (b). The statement of organization shall include:

1. The name and address of the political committee;
2. The names, addresses, and relationships of affiliated or connected organizations;
3. The area, scope, or jurisdiction of the political committee;
4. The name, address, and position of the custodian of books and accounts;
5. The name, address, and position of other principal officers, including officers and members of the finance committee if any;
6. The name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting; or if the committee is supporting the entire ticket of any party, the name of the party.
7. A statement whether the political committee is a continuing one;
8. The disposition of residual funds which will be made in the event of dissolution;
9. The name and address of the depository used by the committee, together with the title and number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box.
10. Such other information as may be required by the Director.

*Section 205. Registration of Candidates*

Each individual shall, within 5 days after becoming a candidate (or receiving contributions or making expenditures), file a registration statement with the Director. The statement shall include the identification of the campaign depository, safety deposit boxes and individuals authorized to make withdrawals and payments from the account.

*Section 206. Reports by Political Committees and Candidates*

Section 206 (a). The treasurer of each committee and each candidate required to register shall file with the Division and the principal campaign committee reports on receipts and expenditures (on forms to be prescribed or approved by the Director). Such reports shall be made 21 days after the enactment of the Act, and on January 31, March 10, June 10, August 10, and the 15th and 5th days before an election. Contributions made within 5 days before the election shall be disclosed within 24 hours after its receipt.

Section 206 (b). Included in each report shall be:

1. Amount of cash on hand at the beginning of the reporting period;
2. Identification of all contributors who have contributed in aggregate of \$50 or more within the calendar year;
3. The total sum of all contributions received during year not reported in (2).
4. The identifications of any entity from or to which the committee or candidate made a transfer of funds;

5. Identification of persons who make loans to committees or candidates in aggregate of \$50 or more;

6. The net amounts of proceeds from fundraising events;
7. All receipts of \$50 or more not listed in (2) through (6);
8. The total sum of all receipts during the reporting period;
9. Identification of each person to whom expenditures have been made in aggregate of \$10 or more;
10. The total sum of expenditures during the calendar year;
11. The amount and nature of debts and obligations, including post-election reporting of such debts and obligations;
12. Such other information as may be required by the Director.

*Section 207. Reports by others than political committees.*

Every person (other than a candidate or a political committee) who makes contributions or expenditures other than by contribution to a political committee or a candidate in the aggregate amount of \$50 or more per year shall file with the Director a statement containing information required by Sec. 206.

*Section 208. Formal requirements respecting reports and statements.*

Reports required by this Act shall be verified by oath or affirmation by the person filing same. The Board shall, by published regulations, prescribe the manner in which contributions and expenditures in the nature of debts, contracts and agreements shall be reported.

*Section 209. Exemption for candidates who anticipate spending less than \$250.*

Except for other provisions noted, the provisions of this title shall not apply to any candidate who spends less than or anticipates spending less than \$250 in any one election and who has not designated a principal campaign committee. On the 15th day prior to the election and the 30th day after the election date, such a candidate shall certify to the Director that he has not spent more than \$250.

*Section 210. Identification of Campaign Literature*

All advertising, posters and the letter enumerated herein and constituting campaign literature must be identified as "paid for by" the payer thereof named.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

*Section 301. Establishment of the Office of Director*

Section 301 (a). There is established within the Board of Elections the Office of Director of Campaign Finance, who shall be appointed by the Board. The Director shall be responsible for the administrative operations of the Board pertaining to this Act.

Section 301 (b). The Board may appoint a General Counsel who shall perform such duties as may be delegated or assigned by the Board.

Section 301 (c). The Board shall refer apparent criminal violations to the U.S. Attorney for prosecution and shall make public the fact of such referral. The Board shall initiate, maintain, defend or appeal any civil action relating to the enforcement of the provisions of this Act.

*Section 302. Powers of the Director*

Section 302 (a). The Director shall have the power to require any person to submit in writing such reports and answers to questions as he may prescribe to require by subpoena the attendance and testimony of witnesses and to take other (specified) actions.

*Section 303. Duties of the Director*

This section sets forth in detail the administrative duties of the Director; making, filing and preserving various reports, statements and other materials; and performing such other duties as the Board may require.

*Section 304. General Accounting Office to Assist Board and Director*

The Board and the Director may request the assistance of the Comptroller General of the United States in the performance of the Board's functions.

## TITLE IV. FINANCE LIMITATIONS

*Section 401. General Limitations*

Section 401 (a). For individual contributions for campaign for elections (primary, general or special), the limits are:

1. Mayor: \$1,000.
2. Chairman of City Council: \$750.
3. Member of Council, at Large: \$500. Member from Ward: \$200.
4. Member of Board of Education: at Large: \$200; From Ward: \$100.

Section 401 (b). Limits for contributions by a "person" (association, corporation, labor organization, etc.) in an election campaign (primary, general or special) are:

1. Mayor: \$2,000.
2. Chairman of Council: \$1,500.
3. Member of the City Council at large: \$1,000.
4. Member of the City Council Ward, or School Board at Large: \$400.
5. Member of the School Board Ward and party office: \$200.

Section 401 (c). No "individual" shall make contributions or expenditures in any one election to all candidates in an excess of \$2,000 (aggregate);

Section 401 (d). Any expenditure for or against a candidate not made at his request or suggestion is not a contribution to or an expenditure by him. A person making such unauthorized expenditures may expend in excess of \$1,000 per year.

Section 401 (e). No person shall make a cash contribution in excess of \$50.

Section 401 (f). No person shall make a contribution in the name of another.

Section 401 (g). Labor organizations and corporations are prohibited from making any contributions or expenditures for a candidate for office in the District of Columbia.

Section 401 (h). Earmarked contributions are attributed to their source.

*Section 402. Limitation on Expenditures*

Expenditure ceilings per single campaign are as follows:

1. Mayor—\$150,000.
2. Chairman of City Council—\$100,000.
3. Member of the City Council, at large—\$75,000.
4. Member of the School Board at large and City Council Ward—\$20,000.
5. Member of the School Board Ward and party office, \$10,000.

## TITLE V—LOBBYING

*Section 501. Definitions*

For convenience of reference, the definitions of "contribution," "expenditure," and "legislation" in this section are as follows:

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term "legislation" means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the Council of the District of Columbia Council, and includes any other matter which may be the subject of action by the Council of the District of Columbia Council.

*Section 502. Detailed Accounts of Contributions; Retention of Received Bills of Expenditure*

Subsection (a) of this section states that it shall be the duty of any person soliciting or receiving contributions (as defined above) to any organization or fund for the purpose designated in this title to keep a detailed and exact account of (1) all such contributions; (2) the name and address of every person making a contribution of \$200 or more and the date thereof; (3) all expenditures made by or on behalf of the organization or fund; (4) the name and address of every person to whom the expenditure is made, and the date thereof.

Subsection (b) provides that it shall be the duty of such a person to keep detailed, receipted bills for expenditures in excess of \$10, and to preserve all receipted bills and accounts for at least two years from the date of filing of the statement containing such items.

*Section 503. Receipts for Contributions*

This section requires every individual who receives a contribution of \$200 or more for any purpose designated in this title, within five days after receipt, to render to the person or organization for which it was received a detailed account thereof, including the name and address of the contributor and the date on which it was received.

*Section 504. Statements of Accounts Filed with Director*

Subsection (a) of this section requires every person receiving any contribution or expending any money for the purposes designated in

this title to file with the Director, between the first and tenth day of each calendar quarter, a statement showing (1) the name and address of each person contributing \$200 or more not listed in the previous report, except that the first such report shall contain the name and address of each person making such a contribution since January 2, 1975; (2) the total sum of the contributions made to or for such person during the calendar year and not stated under the foregoing requirement; (3) the total sum of all contributions made to or for such person during the calendar year; (4) the name and address of each person to whom an expenditure of \$10 or more has been made within the calendar year by or on behalf of such person and the amount, date and purpose of such expenditure; (5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under the foregoing requirement; and (6) the total sum of expenditures made by or on behalf of such person during the calendar year.

Subsection (b) provides that the statements required to be filed under this section shall be cumulative during the calendar year to which they relate.

#### *Section 505. Preservation of Statements*

Subsection (a) of this section provides that statements required under this title to be filed with the Director shall be deemed properly filed when deposited in a post office within the required time, duly stamped, registered, and addressed to the Director; but in the event it is not received, a duplicate statement shall be filed promptly upon notice by the Director of its non-receipt.

Subsection (b) requires that such statements shall be preserved by the Director for a period of at least two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

#### *Section 506. Persons to Whom Title is Applicable*

This section defines the application of this title to include any person (except a political committee) who, by himself or through an agent or employee or other person in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation (as defined in section 501(c) of this title) by the Council of the District of Columbia

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Council of the District of Columbia.

#### *Section 507. Registration of Lobbyists with Director; Compilation of Information*

Subsection (a) of this section provides that any person who shall engage himself, for pay or for any consideration, for the purpose of attempting to influence the passage or defeat of legislation by the Council of the District of Columbia shall register with the Director, giving him in writing and under oath full details of his employment in such capacity. This information shall include his name and business address, the name and address of the person by whom he is employed in this capacity, the duration of such employment, and all details as

to his pay for such services. It is further provided that such person so registered shall report to the Director each calendar quarter details concerning money received and expended by him during the preceding calendar quarter in connection with his work. The provisions of this section shall not apply, however, to any person who merely appears before a committee of the Council of the District of Columbia in support of or in opposition to legislation, but who engages in no further activities in connection with the passage or defeat of legislation; a public official acting in his official capacity; and a newspaper or periodical acting in the normal course of its business.

Subsection (b) requires all information filed under the provisions of this section with the Director to be compiled by the Director and to be printed in the District of Columbia Register.

#### *Section 508. Reports and Statements Under Oath*

This section requires all statements and reports required under this title to be made under oath.

#### *Section 509. Penalties and Prohibitions*

Subsection (a) of this section states that a violation of any provision of this title shall be a misdemeanor, punishable by a fine of not more than \$5,000 or imprisonment for not more than twelve months, or both.

Subsection (b) provides, in addition to the penalties provided in subsection (a), that any person convicted of the misdemeanor specified in subsection (a) is prohibited for a period of three years from the date of such conviction from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the D.C. Council in support of or opposition to any proposed legislation. Further, any person who violates this provision shall be guilty of a felony and shall be punished by a fine of not more than \$10,000, or imprisonment for not more than five years, or both.

### TITLE VI—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF ELECTIONS OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION.

#### *Section 601. Penalties*

Violators of any provision in this Act will be subject to a \$5,000 fine, 6 month imprisonment, or both.

#### *Section 602. Tax Credit*

There shall be allowed to an individual a credit against his income tax in an amount equal to 50% of his campaign contribution, but in no event shall such credit exceed \$12.50, or \$25.00 in the case of a joint return.

#### *Section 603. Use of Surplus Campaign Funds*

Surplus campaign funds may be contributed to educational or charitable organizations, used to retire the political committee's proper debts, or preserved for the future campaigns of the candidate.

*Section 604. A study of the 1974 Elections and a Report by the City Council*

This section requires the Council to study the 1974 elections and the Campaign Finance and Elections Acts to determine the necessity and desirability of amending the acts.

*Section 605. Effective Dates*

Section 605(a). Title II (Financial Disclosures) and Title IV (Finance Limitations) take effect on date of enactment of this Act, except that report of any individual or political committee of contributions and expenditures, must include contributions and expenditures made after June 1, 1974 and before the date of enactment.

Section 605(b) Titles I (Short title and Definitions), III (Director of Campaign Finance) and VI (Penalties, etc.) take effect on date of enactment of this Act.

Section 605(c) Title V (Lobbying) takes effect on January 2, 1975.

*Section 606. Amendments to District of Columbia Election Act*

Section 606(a). Authorizes appropriations to carry out the Act.

Section 606(b). Increases compensation for Members of Board to \$75 per day with limit of \$11,250 per annum except during 1974.

Section 606(c). Provides that the Chairman of the Board "shall serve in a full-time capacity."

*Section 607. Authority of Council*

This section makes it explicitly clear that the Act does not limit the authority of the District of Columbia Council, after January 2, 1975, to legislate respecting any matter covered by this Act.

*Section 608. Authorization of Appropriation*

This section provides that the \$750,000 authorized by the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93-198), may be used to carry out the purposes of this Act.

APPENDIX

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON THE DISTRICT OF COLUMBIA,  
Washington, D.C., May 3, 1974.

HON. WALTER E. WASHINGTON,  
Mayor-Commissioner, District of Columbia, District Building, Washington, D.C.

DEAR MR. MAYOR: When Corporation Counsel, C. Francis Murphy, represented the District Government at hearings April 3, he agreed with other witnesses on the need for "machinery for an open electoral process" for the coming elections.

As you know, Congress amended the D.C. Election Act in 1971 to require detailed recordkeeping and filing of financial reports by candidates and political committees. In addition, the D.C. Code authorizes the Board of Elections to "prescribe such regulations as it considers necessary in order to carry out the purposes of the Act," and states that "The District government shall furnish to the Board . . . services, personnel, offices, and equipment . . ." The Home Rule Act per-

mits an additional \$750,000 for the expenses of the Board of Elections and for use "in carrying into effect the provisions of this Act."

Many of the proposals made at the hearings or included in various bills before our committee seem to be already within the competence of the District Government and Board of Elections to put into effect immediately. Is there any legal restriction preventing the Board from doing any or all of the following:

1. Increase the staff of the Board of Elections to handle the greatly increased number of registrations of political committees that will occur starting May 8 if the new charter is approved on May 7, and to help committees keep records and file reports which will be due within 4 months under existing law.

2. When political committees register under present law, have them use a more detailed form such as suggested by Sec. 8(d) of H.R. 13914.

3. When candidates and political committees report their contributions and expenditures under present law, have them use the detailed form outlined by Sec. 10 of H.R. 13914 or use reporting forms already designed by the Comptroller General of the U.S. in administering the Federal Election Campaign Act of 1971, as suggested in Sec. 203 of H.R. 13539.

4. Get immediate advice and assistance from the GAO on other procedures and forms, as suggested in Sec. 5(f) of H.R. 13914.

5. Appoint a General Counsel to be chief legal officer of the Board, as suggested in Sec. 5(b) of H.R. 13914.

6. Advise candidates and committees that present D.C. law requires a judge to "void an election" for "making of expenditures by a candidate in violation of this chapter," in serious cases.

7. Make the reports and statements filed with it available for copying by hand or duplicating machine, as suggested in Sec. 6(f) of H.R. 13914.

8. Compile and maintain current lists of all statements on file pertaining to each candidate, as suggested by Sec. 6(f) of H.R. 13914.

9. Make audits and field investigations with respect to reports and statements filed and with respect to alleged failures to file any report or statement, as suggested in Sec. 6(f) of H.R. 13914.

10. Adopt definitions for "election," "candidate," "political committee," "contribution," "expenditure," and "political party," similar to definitions in various bills.

11. Set a requirement for a central campaign committee for a candidate, filing reports with a candidate by other committees using his name, use of campaign depositories, limitations on use of cash, prohibition on conversion of political contributions for personal use, similar to Sec. 8(c), Sec. 12(d) of H.R. 13914, and Sec. 201(d) and Title VI of H.R. 13539.

12. Establish a Commission on Elections on an advisory basis with some members recommended by the Comptroller General of the U.S. and by the Chairman of the Council, as suggested in H.R. 13914, or by the political parties as in Kentucky and Florida or by the D.C. courts.

If the District Government and Board of Elections put into operation immediately these elements of "machinery for an open electoral process", it would make for an easy transition to any additional cam-

campaign requirements Congress may enact and the President approve. This is especially true if the Board later turns these functions over to a new Commission or Division as suggested by some of the bills and bill drafts.

Sincerely,

CHARLES C. DIGGS, JR., *Chairman.*

THE DISTRICT OF COLUMBIA,  
*Washington, D.C., May 8, 1974.*

HON. CHARLES C. DIGGS, JR.,  
*Chairman, Committee on the District of Columbia, U.S. House of Representatives, Longworth Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your letter of May 3, 1974, in which you have asked whether there are any legal restrictions to prevent the D.C. Board of Elections from taking certain actions to put into operation immediately, machinery for an open electoral process for the elections this fall under Public Law 93-198. I share your concern for the need for machinery for an open electoral process and welcome this opportunity to inform you of what the city government is prepared to do within existing law to insure an open process.

As a preliminary to preparing a response to your letter, I asked members of my staff to meet Monday with members of the D.C. Board of Elections and its staff and representatives from the General Accounting Office and the D.C. Council. Since the D.C. Board of Elections is an independent agency, my responses to your specific questions are limited insofar as we find there is no legal obstacle to the Board of Elections taking certain actions. Although it is for the Board alone to decide, and my letter does not presume to prejudge what actions the Board may take, we have been assured that the Board would like to do as much as can be done under current law to carry out the purposes of the home rule act.

Responding to your questions seriatim, the D.C. Corporation Counsel has advised me that in his opinion:

Answer to Question 1: There is no legal restriction to prevent an increase in the staff of the D.C. Board of Elections.

With respect to this question and questions numbered 5 and 9, it is our position that the Executive Branch has been and will continue to be responsive to the requirements of the Board of Elections to carry out its responsibilities. This, of course, is contingent upon appropriate justifications and funding availability. Moreover, the District Government has requested funding in Fiscal Year 1975 for added resources for the Board of Elections to enable it to carry out increased responsibilities under home rule. A potential resource to assist the Board of Elections in meeting the costs not fully anticipated in the Fiscal Year 1975 budget request is an advance provided for in section 722 of Public Law 93-198. A part of this can be made available to the Board of Elections for carrying out the provisions of that Act.

Answers to Questions 2 and 3: It is within the regulatory power of the Board of Elections to specify the forms which are to be used by political committees for registration and to report contributions and

expenditures. I am further advised that the D.C. Board of Elections will look favorably upon the adoption of the forms prepared by the Comptroller General of the United States in administering the Federal Election Campaign Act of 1971.

Answer to Question 4: The D.C. Board of Elections is authorized to seek the advice of the General Accounting Office and has already done so. The General Accounting Office has made available to the Board copies of its forms and regulations and will make available information about its procedures. In addition, the General Accounting Office can offer assistance in developing new regulations which will be needed for the forthcoming elections.

Answer to Question 5: There is no legal restriction which would prevent the Board of Elections from appointing a General Counsel to render such services as the Board may desire. If a position of General Counsel is needed immediately, interim provision can be made through the temporary position authority of the District Government. The authority for a permanent position for a General Counsel would have to be requested through the normal budget process. The Corporation Counsel is of the opinion that the Board of Elections should be supported by separate counsel in connection with any investigative functions relating to campaign contributions and expenditures. The Board will take this opinion into consideration when it decides what action to take on this suggestion.

Answer to Question 6: It is within the authority of the Board of Elections to advise candidates and political committees that present D.C. law empowers a judge to "void an election" for "making of expenditures by a candidate in violation of this chapter" in serious cases. The Members of the Board of Elections have advised that they intend to do this in the forthcoming elections.

Answer to Question 7: The Board of Elections has the authority to allow any financial reports and statement filed with it to be available for copying by hand or duplicating by machine at cost. The Board of Elections has allowed such copying in past elections and the Board intends to continue to do so.

Answer to Question 8: It is within the authority of the Board of Elections to compile and maintain current lists of all statements on file with it pertaining to each candidate. It is not clear whether the question also related to the type of full publication required by section 6(f) (4) et seq. of H.R. 13914. The cost of such publication would be prohibitive and beyond the capability of the Board's staff and fiscal resources.

Answer to Question 9: Under existing law, the Board of Elections would be authorized to conduct audits and field investigations with respect to reports and statements filed with the Board and with respect to alleged failures to file any report or statement. The Board of Elections has advised that it will consider how it can best perform such audits and investigations. It will specifically consider asking the Comptroller General of the United States to assist in the formulation of a task force to do the job in the local elections this fall. Additional statutory authority would be needed to enable the General Accounting Office to participate directly in audits and investigations.

Answer to Question 10: The Board of Elections has authority to promulgate regulations which define terms such as "election," "candidate," "political committee," "contribution," "expenditure," and "political party." The Board of Elections has advised that it is prepared to consider adopting the definitions contained in the various campaign financing bills pending before the House District Committee.

Answer to Question 11: The Board of Elections has sufficient regulatory authority to set a requirement for a central campaign committee for a candidate, filing reports with a candidate by other committees using his name, use of campaign depositories, and limitations on use of cash. The District of Columbia Government is without legal authority to prescribe crimes or offenses except where such authority is granted by Congress or where unspecified crimes or offenses are regarded as usual and reasonable police regulations which may be necessary for the protection of life, health, and safety of all persons. Act of February 26, 1892 (D.C. Code, sec. 1-226). The District of Columbia Election Act, as amended (69 Stat. 699; D.C. Code, sec. 1-1101 et seq.) does not authorize the District of Columbia to prescribe the criminal conversion of political contributions for personal use, as proposed in H.R. 13914 and H.R. 13539, 93d Congress 2d Sess. (1974). Under the terms of sec. 13 of the District of Columbia Election Act, however, a candidate for public office must report campaign contributions and expenditures (69 Stat. 704; D.C. Code, sec. 1-1113), and his failure to do so may be punishable as a crime, under the terms of that Act. Moreover, any political worker who converts campaign funds to his own personal use may be charged under the general criminal laws with embezzlement. Any more stringent campaign or elections laws must be prescribed by Congress.

Answer to Question 12: In view of the expanded responsibilities of the Board under Home Rule, I will recommend to the Board that a broadly representative committee be appointed to advise and consult with the Board.

In summary, with respect to the specific questions raised in your letter, the city is prepared to draw fully on its existing powers to put into operation the machinery desired to insure an open electoral process for the first elections under the D.C. Self-government and Governmental Reorganization Act.

If I can be of further assistance, please let me know.

Sincerely yours,

WALTER E. WASHINGTON,  
*Mayor-Commissioner.*

GOVERNMENT OF THE DISTRICT OF COLUMBIA, CITY COUNCIL,  
*Washington, D.C., May 29, 1974.*

HON. CHARLES C. DIGGS, JR.,  
*Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: While engaged in research this afternoon for preparation of the letter supplementing my testimony on May 20th which was requested for the record in the D.C. Financial Disclosure

Bill, I have just been informed that even though the record will not be closed for several more days the Subcommittee has reported a bill and the full Committee will consider same tomorrow morning. Accordingly, even though a good part of what I plan to furnish by letter is not yet ready for transmittal, I feel that what I have ready to offer on one aspect of the bill necessitates providing the information contained in this letter immediately.

I refer specifically to the sample campaign budget prepared by the Subcommittee staff reflecting a total of \$185,800 for both primary and general elections and my own testimony at the hearing on April 3, 1974, with attachment suggesting a total of \$180,000 for same in the contest for Mayor. By coincidence, both that staff and I independently arrived at virtually the same estimate in good faith. However, careful analysis today of the staff breakdown in arriving at this level of budget leaves me to believe that our figures are completely unrealistic.

For example, in the sample budget the estimated pay for clerks annualizes at \$3,900, which is poverty-level income in this geographical area, and it works out to \$1.875 per hour, whereas the minimum legal wage rate in the District is now \$2.25 per hour. Similarly, suggested compensation for the lone advance man and the accountant works out to \$5,200 per year. Such a price tag for those kinds of talent is at most only half that of a realistic estimate, and maybe closer to one-third. I don't know what news reporter would work as press secretary at the rate of \$7,800 a year as suggested. After three years' experience a reporter at the *Star* now receives \$20,384 per year, and those at the *Post* a little more. Moreover, the premium for short-term employment must be considered. Finally, no qualified campaign manager would work at an annualized rate of \$18,200 as suggested. An experienced professional would charge at least twice the \$18,200 per year rate suggested, considering the sporadic nature of such employment. My own experience indicates that a good campaign manager would require at least \$20,000 for six months.

For another example, the headquarters office rental also seems vastly underestimated at going market rates locally. At \$6 per foot per year, \$600 per month for the "central" office would rent one room 30 by 40 feet. With the suggested 10 employees in such a room, that works out to a rectangle 10 feet by 12 feet for each person and desk, without allowance for interior partitions or passageways between workers; and it leaves no room at all for reception area, work tables or volunteers to work in the office. Again, doubling this estimate would be necessary if we are to be realistic.

While I have no information on radio advertising, the estimates given for television and newspaper advertising seem way low when compared with actual costs such as \$1500 for a 30 second "spot" or \$3800 for a full page ad which I quoted in testifying at the hearing on April 3, 1974. Moreover, the agency fee for all such advertising is omitted altogether.

Finally, the Staff's sample budget omits any fee at all for a campaign consultant. Mine cost \$15,000 in the first Delegate campaign and would have been over twice that but for advertising commissions to the same firm.

From the above, I believe a realistic total budget for both primary and general elections for Mayor at today's costs in the District could easily be double the \$185,800 figure suggested in the Staff's sample in use by this Committee. Accordingly, after analyzing the Staff's components and current costs, I now feel that the \$90,000 expenditure ceilings for Mayor and Chairman, representing \$180,000 for six months, to which I testified before this Committee on April third should be just about doubled if the new law is to be at all realistic for the present, let alone for any appreciable time in the future considering inflation.

I appreciate this opportunity to revise my earlier testimony on this most important aspect of the bill before you. A further letter will be forthcoming, as requested for the record, in a couple more days.

Respectfully,

JOHN A. NEVIUS,  
Chairman, City Council.

*Estimated District of Columbia election costs*

[Excerpts from testimony of William B. Welsh, American Federation of State, County, and Municipal Employees, AFL-CIO]

Registered voters, as of May 3, 1974:	
Total	257,986
Democrats	195,904
Office rent:	
Main office, 5 mo. at \$500 per mo.	\$2,500.00
8 ward offices, 5 mo. at \$200 per mo. per office	8,000.00
Office staff:	
Campaign manager, 5 mo. at \$2,000 per mo.	10,000.00
Press director, 5 mo. at \$1,500 per mo.	7,500.00
Field director, 5 mo. at \$850 per mo.	4,250.00
Office manager, 5 mo. at \$850 per mo.	4,250.00
Secretary, 5 mo. at \$600 per mo.	3,000.00
Advance person, 5 mo. at \$600 per mo.	3,000.00
Volunteer coordinator, 5 mo. at \$800 per mo.	4,000.00
8 ward coordinators, 5 mo. at \$800 per mo. per person	4,000.00
Office supplies:	
Main office, 5 mo. at \$1,000 per mo.	5,000.00
8 ward offices, 5 mo. at \$500 per mo.	2,500.00
Office phones:	
Main office, 5 mo. at \$700 per mo.	3,500.00
8 ward offices, 5 mo. at \$175 per mo. per office	7,000.00
Deposits, 100 per line	2,400.00
Literature:	
175,000 bumper stickers, 1 color reverse	5,500.00
25,000 posters, 2 colors	1,600.00
50,000 buttons, 2 colors	2,125.00
200,000 brochures, 2 colors	8,000.00
Phone bank (30 phones, working 28 hr. per week for 8 weeks, reaching 25 percent of the registered voters):	
Phones, 2 mo.	11,000.00
Operators, 8 weeks at \$3 per hr.	20,460.00
Media (newspaper advertising):	
Post, full page, \$5,042.88 (daily), \$5,512.56 (Sunday)	21,110.88
Star-News, \$3,534.96	7,069.92
Total estimated cost	147,765.80

ALLEN/HAMILTON/PARTNERS,  
Washington, D.C., May 20, 1974.

To: Bill Welsh  
From: AHP

The following schedule will give you an idea of what a minimal broadcast buy for a Washington, D.C. campaign might look like.

Rates based on a recent buy, not necessarily taking into account the lowest unit rate applicable to political races.

Radio—6 stations, 18 spots a week—ROS

TV—4 stations, 9 spots a week

RADIO

Station	Average spot rate	Times per week	Total
"A"-----	\$115	12	\$1,380
"B"-----	80	12	960
"C"-----	45	12	540
"D"-----	12	12	144
"E"-----	17	12	204
"F"-----	30	12	360
Cost per week			3,568

TELEVISION, PER WEEK

Station	Prime rate	Frequency	Fringe rate	Frequency	Day rate	Frequency	Total per week
"A"-----	\$1,400	3	\$250	3	\$75	3	\$5,175
"B"-----	1,400	3	350	3	100	3	5,550
"C"-----	1,000	3	300	3	100	3	4,200
"D"-----	600	3	300	3	150	3	3,150
Total per week							18,075

RECAP FOR 3-WEEK CAMPAIGN

	Spots	Amount
Radio	216	\$10,704
Prime TV	36	39,600
Fringe TV	36	10,800
Day TV	36	3,825
Total, 3-week campaign		64,929

U.S. CIVIL SERVICE COMMISSION

The U.S. Civil Service Commission today announced that the District of Columbia has been added to the list of municipalities and political subdivisions in which employees subject to the Hatch Act may be candidates and otherwise campaign for local office.

The Commission's action permits Federal and District of Columbia government employees to take an active part in campaigns and elections for the offices of Mayor, Chairman of the Council, and Member



of the Council of the District of Columbia, subject to the following restrictions:

1. Federal and D.C. officers and employees subject to the Hatch Act must not neglect their official duties, and must not engage in non-local partisan political activities (e.g., campaign or election of the non-voting Delegate to the House of Representatives).

2. The Home Rule bill provides that for the first election, which will be this November, District and Federal employees who reside in the District may be partisan candidates for the office of Mayor and Member of the Council, notwithstanding the provisions of the Hatch Act. Subsequent to these first elections, employees may only be independent candidates for those offices, and may not be candidates representing partisan political parties.

3. Employees may not campaign for or against partisan candidates for the above offices, even in the first elections to be held. However, they may campaign on behalf of, or in opposition to, independent candidates—both in the first elections and in subsequent elections.

4. The Commission may withdraw or suspend permission granted to a community when in the Commission's opinion the activities resulting from the exception are found to be detrimental to the public interest or inimical to proper enforcement of the political activity law and rules.

Communities granted exception by the Commission are now as follows:

*Maryland:* Annapolis; Anne Arundel County; Berwyn Heights; Bethesda; Bladensburg; Bowie; Brentwood; Capitol Heights; Chevy Chase; Chevy Chase, sections 1, 2, 3, and 4; Martin's additions 1, 2, 3, and 4 to Chevy Chase; Chevy Chase View; College Park; Cottage City; District Heights; Edmonston; Fairmont Heights; Forest Heights; Garrett Park; Glenarden; Glen Echo; Greenbelt; Howard County; Hyattsville; Kensington; Landover Hills; Montgomery County; Morningside; Mount Rainier; North Beach; North Brentwood; North Chevy Chase; Northwest Park; Prince Georges County; Riverdale; Rockville; Seat Pleasant; Somerset; Takoma Park; University Park; and Washington Grove.

*Virginia:* Alexandria; Arlington County; Clifton; Fairfax County; Town of Fairfax; Falls Church; Herndon; Loudoun County; Portsmouth; Prince William County; and Vienna.

*Other municipalities:* Anchorage, Alaska; Benicia, Calif; Bremerton, Wash.; Centerville, Ga.; Crane, Ind.; District of Columbia; Elmer City, Wash.; Huachuca City, Ariz.; New Johnsonville, Tenn.; Norris, Tenn.; Port Orchard, Wash.; Shrewsbury Township, N.J.; Sierra Vista, Ariz.; and Warner Robins, Ga.

VOICE OF INFORMED COMMUNITY EXPRESSION,  
Washington, D.C., May 29, 1974.

Hon. CHARLES C. DIGGS, Jr.,  
Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.

Att: Robert W. Washington, Jr., Esq. Chief Counsel  
Re: Campaign Financing for the District of Columbia

MY DEAR CHAIRMAN DIGGS: By letter dated April 4, 1974, VOICE conveyed its recommendations as to pending legislative proposals on the subject to Congressman Brock Adams, Chairman of your Government Operations Sub-Committee.

In view of the fact that recent hearings have been held thereon by the full District of Columbia Committee, we respectfully request that the following comments be included in the record of such hearings, which we trust will be of some assistance to your deliberations upon and drafting of the final bill with respect to this most important matter.

As previously stated to the Government Operations Sub-Committee, our organization is firmly convinced that this first election of District officials in a hundred years should be the culmination of an active and stimulating campaign among the competing candidates, which will arouse the interest of the electorate, and inform it fully and effectively as to the various issues and the positions thereon of the opposing candidates.

To achieve such a high level of campaign activity, it is essential that the raising and expending of ample funds be legally permitted in order to provide the necessary wherewithal to defray the rising costs of media communication and political activity.

While VOICE, of course, does not advocate gimmickry or condone extravagance in the conduct of the prospective campaign, our organization does feel, most strongly, that this first experience in local self-determination should be allowed to be conducted in such a manner as will assure a maximum of citizen interest and participation.

Recognizing that to achieve this costs money, VOICE would recommend to the District Committee that it give favorable consideration to adopting a limitation upon campaign expenditures somewhere within the following dollar range, viz.:

Mayor, \$300,000-\$400,000.  
Council Chairman, \$200,000-\$300,000.  
At Large Council, \$100,000-\$150,000.  
Ward Council, \$50,000-\$75,000.  
At Large School Board, \$75,000-\$100,000.  
Ward School Board, \$25,000-\$50,000.

It is our further recommendation, the importance of which cannot be overemphasized, that such aggregate limitations on campaign expenditures may be divided between the primary and general elections in such proportions as each candidate may determine, in his or her personal discretion, in order to run a successful political campaign.

In submitting the foregoing recommendations as to appropriate limitations upon campaign expenditures, VOICE is keenly mindful of its established role in the District of Columbia as a broad-based, bi-partisan, inter-racial, inter-religious, group of civic leaders, approximating 150 in number, who are dedicated to the goal of making this a model urban community in which to live.

To achieve such a goal for the Nation's Capital City, it is, in our opinion, imperative not only that top Governmental officials be elected to office, but also that the electorate that chooses them be extensively involved in the democratic elective process which brings about their election.

To this end, we urge your Committee to report out a campaign financing bill which will make it financially, legally, and procedurally possible to achieve a fair, clean, and vigorously viable first election for the too-long disenfranchised citizens of the District of Columbia.

We thank you, Mr. Chairman, for the opportunity of expressing our additional views on the subject, which, together with our previous comments of April 4th, we ask be incorporated in and made a part of the hearing record, as previously stated.

With most cordial regards and esteem, I remain,

Very sincerely yours,

JOHN B. DUNCAN, *President.*

THE METROPOLITAN WASHINGTON BOARD OF TRADE,  
*Washington, D.C., May 23, 1974.*

HON. CHARLES C. DIGGS, JR.,  
*Chairman, Committee on the District of Columbia, U.S. House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: We appreciate your courtesy in permitting us the opportunity to comment on the provisions of H.R. 14754.

Not having received the actual Bill until late on last Friday, we were unable to have our comments prepared in time to appear personally before your Committee on either Monday or Tuesday of this week. We hope, therefore, that this statement may be considered by you and your Committee before mark-up time.

We strongly support most of the concepts of H.R. 14754. We consider essential to fair campaign practices and an informed electorate that there be full disclosure of the sources of funding of each candidate for political office in the District of Columbia. These disclosure provisions as set forth in Title II of the Bill closely parallel the provisions of the Federal Elections Campaign Act of 1971.

However, the provisions of Title III, establishing a Division of Campaign Finances, are of some concern. In this Title there is great latitude for abuse of investigative powers through the broad subpoena power given the Division. Nowhere does the Bill require expressly that the Division exercise its powers without regard to political affiliation; nowhere is the Division required to apply the law uniformly.

Apparently it is thought that these problems are met by having two of the three Division members selected by the Executive Committee of the District of Columbia Unified Bar, a group which is elected by members of the District of Columbia Bar. But we question whether attorneys in general are necessarily representative of the people of the city, any more than any other special interest group. We feel that the more pertinent provision might be a requirement that the members of the Division be representative of different political parties.

We also feel that the limitations on campaign expenditures as set forth in Title IV are too low in view of the very high expenses which will be incurred in conducting a campaign to reach all of the people in the city. Without experience in this area for any local election, we suggest that the funding limitations be placed at a higher level than those proposed by the subject Bill.

As we testified in earlier hearings on campaign funding, we believe that a limitation for both the primary election and the general election for a candidate for Mayor or a candidate for Delegate should be \$300,000 and that the amount expended for either the primary or general election be left to the discretion of the candidate and/or his political committee, but in any event do not exceed \$300,000 for both elections.

Continuing the same discretionary authority for a division of expenditures of campaign funds for both primary and general elections, we recommend that the permitted funding for the Chairman of the City Council be placed at \$200,000; that campaigns for at-large positions on the City Council be placed at \$150,000; and that a \$60,000 limitation be placed on campaign spending for ward representatives on the City Council.

If these higher amounts are incorporated in the Bill, the provisions of Title IV, Sec. 401(a) and Sec. 401(b) should be revised upward to reflect the higher campaign fund amounts available to the candidates.

We also have difficulty with the restrictions on contributions by labor and corporations. We have been advised that only six states impose restrictions similar to those proposed in this Bill. It would seem more appropriate that the District of Columbia law on this matter should conform to the legislation in effect in the great majority of states.

Further, we feel that the provisions of 401(c) limiting "individual" contributions to an aggregate of \$2,000 and contributions of "persons" to an aggregate of \$4,000 are also much too restrictive.

Again, as we testified earlier, these limitations can be increased or decreased by the duly authorized and elected representatives of the people of this city after the elected officials take office in 1975.

In addition to the suggestions for changes in the Bill which we have already addressed, we would suggest that the entire Bill be reviewed. There is nothing more frustrating to an individual, committee, or candidate than to operate under a law which is ambiguous. The proposed Bill presents a number of problems. I will mention only a few.

1. There should be procedures established for timely interpretation of the election law by the Division of Campaign Finance, and, if necessary, by a court of law.

2. We do not believe a distinction should be made between the contribution of money and material and the contribution of services with-

out compensation, as is done in the definition Sec. 102(a)(5). Such a distinction may encourage the development of political "machines" which we consider as undesirable as excessive financial expenditure.

3. We have serious question about the constitutionality of requiring an organization which makes political contributions to divulge the names of its membership, as required by the Bill, as a precondition to its participation in the political processes of the District of Columbia. The identification provisions of Sec. 210 also suggest constitutional problems.

4. The use of the word "person" in Sec. 401(b) would appear to prohibit contributions to a candidate by a political committee in excess of the limitations set forth in that subsection. A comparable problem exists with respect to the use of the word "person" throughout Title IV.

5. Sec. 402 establishes limitations with respect to a "single campaign," a term which is not defined and which may reasonably be construed as limiting total expenditures in either (1) a campaign for both a primary and general election or (2) a campaign for a primary election or for a general election but not both.

6. The provisions of Sec. 402 would appear to impose an unjustifiable restriction on a candidate's principal campaign committee where committees independent of, and without the consent of, the principal committee, expend funds in support of a candidate.

7. We can also envision serious problems arising in administration of the law where a committee purportedly supporting a candidate or candidates is arguably injuring rather than, as asserted, assisting a candidate.

8. Title IV should expressly set forth limitation problems confronted by a political committee which supports more than one candidate, or a slate of candidates, in a political election.

9. The provisions of Sec. 501(b) appear to impose a very severe and perhaps unconstitutional restriction—non-participation in 1974 elections—upon those who are politically active prior to enactment of this Bill.

10. Sec. 506 does not, and should, specify whether expenditures made prior to the enactment of the Bill are to be included in the limitation amounts of Title IV.

Until the points made in this letter are adequately dealt with, we feel that the ambiguities of the proposed election law would have a disastrous effect, with a widespread uncertainty as to its application on the election process in Washington, D.C.

We will be glad to discuss our suggestions with you or with your staff at your convenience.

Sincerely,

CLARENCE A. ARATA.

EXPENDITURES BY CANDIDATES FOR MUNICIPAL OFFICES IN CITIES  
COMPARABLE TO WASHINGTON

Following is a Memorandum prepared by the Library of Congress, showing recent campaign expenditures of candidates for municipal offices, in select cities of comparable size to Washington.

THE LIBRARY OF CONGRESS,  
CONGRESSIONAL RESEARCH SERVICE,  
Washington, D.C., February 15, 1974.

To: The Honorable Walter Fauntroy  
From: Sandra S. Osbourn, Analyst, Government and General Research Division (Kenneth E. Gray, Division Chief).  
Subject: Expenditures by Candidates for municipal office.

This memorandum is being provided to you in response to your request for data on campaign expenditures by candidates for the mayor or the city council in eight cities. There is no national collection of such data, so it was necessary to call each of the cities. Because of the variations in local reporting requirements, the data is more complete for some cities than others, and was not available at all in three of the cities. Atlanta has no reporting requirements, so no official figures are available. Baltimore and Newark require the candidates to report their expenditures to the Clerk of the Circuit Court and the City Clerk respectively, but the figures are not compiled in a readily useable manner, and are not totalled. Spokesmen for both cities said that the only way to get the data that you requested would be an on-site visit and analysis of the reports. The following table provides expenditure data for the remaining five cities: Boston, Houston, Pittsburgh, Seattle, and St. Louis.

BOSTON

1971 Mayoral Election:

Primary:

White -----	\$294,094
Hicks -----	40,523
Timilty -----	30,999
Atkins -----	53,458

General:

Hicks -----	82,493
White -----	251,063

1973 City Council Election:

Primary:

O'Neill -----	3,180
McDonough -----	1,230
Tannella -----	3,924
Hicks -----	4,954
Tierney -----	4,213
Langone -----	4,793
Di Cara -----	20,747
Connoly -----	2,637

General:

Tannella -----	9,396
O'Leary -----	7,100
McDonough -----	7,755
O'Neill -----	3,414
Di Cara -----	14,629
Connoly -----	7,980
Hicks -----	4,054
Langone -----	8,759
Tierney -----	7,222

Total -----	868,618
-------------	---------

Source: Reports to the City Clerk.

## 1973 Elections (Combined Total for Primary and General Elections):

## HOUSTON

Mayor:	
Hofheinz .....	712,068
Gottlieb .....	714,135
City Council:	
District A .....	17,216
District B .....	5,345
District C .....	14,631
District D .....	22,672
District E .....	10,869
City Council:	
At Large 1 .....	\$41,051
At Large 2 .....	29,718
At Large 3 .....	17,549
Total .....	1,585,254

Source: Reports to the city Secretary.

## PITTSBURGH

## 1973 General Election:

Mayor Flaherty (less than \$150).

City Council:	
Ballinger .....	\$575
Zoller .....	326
Coyne .....	581
Lucchino .....	3,127
Lagora .....	380
Lynch .....	3,781
Price .....	1,646
Stutler .....	169
Wach .....	252
Wolfe .....	240
Total .....	11,177

Source: Reports to Allegheny County Board of Elections.

## SEATTLE

## 1973 General Election:

Mayor:	
Uhlman .....	\$91,249
Tuai .....	89,212
City Council:	
No. 1 Ravel .....	31,333
Cooley .....	31,321
No. 2 Larkin .....	16,149
Behrend .....	7,041
City Council:	
No. 3 Williams .....	17,693
Pritchard .....	791
No. 4 Benson .....	23,404
Ross .....	24,361
Total .....	332,554

Source: Reports to the Fair Campaign Practices Commission.

## ST. LOUIS

## 1973 Mayoral Election (Primary, General Election Totals Not Available):

Badaracco .....	14,701
Cervantes .....	74,597
Conway .....	566
Polker .....	4,595
1973 Board of Alderman Election (Primary):	
Ward 3 .....	390
Ward 5 .....	595
Ward 7 .....	732
Ward 9 .....	520
Ward 11 .....	200
Ward 1 .....	1,382
Ward 13 .....	930
Ward 15 .....	1,256
Ward 17 .....	550
Ward 21 .....	275
Ward 23 .....	2,626
Ward 25 .....	747
Ward 27 .....	1,728
Total .....	117,390

Source: Reports to the Clerk of the Circuit Court.

In most cases, the actual expenditures were probably higher than the figures listed above, since the totals did not reflect committee contributions, or outstanding debts. Therefore, these figures are not definitive, and should be used with some caution.

I hope that this information will be helpful to you. If I can be of any further assistance, please feel free to call me at 426-5826.

## 1970 population figures of cities cited

Atlanta .....	496,973
Baltimore .....	905,759
Boston .....	641,071
Houston .....	1,232,802
Pittsburgh .....	520,117
St. Louis .....	622,236
Seattle .....	530,831
Washington, D.C. ....	756,510

Board of Elections (Mrs. Rogers).

Mailing information.

1. A brochure was sent to all D.C. residents (no envelopes).

## Breakdown of costs for brochure:

Printing .....	\$5,500
Postage (bulk rate) .....	16,000
Processing (processing was done by a mailing firm because Board of Elections did not have listing of all residents) .....	3,000
Total .....	24,500

2. A sample ballot will be sent to every registered voter next week. The ballot is required by law and will give the precinct, ward, location of precinct, and voting hours.

Breakdown of costs for ballot (no envelopes) :

Printing -----	\$14, 000
Postage (approximation—Board of Elections will not have exact figures until final count of registered voters) -----	26, 500
Total -----	40, 500

3. The Board of Elections has never used straight mailing in the past. Post-cards have been used instead.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman) :

DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947

ARTICLE I

TABLE OF CONTENTS

ARTICLE I —INCOME AND FRANCHISE TAX ACT

TITLE I—REPEAL OF PRIOR INCOME TAX ACT AND APPLICABILITY OF THIS ARTICLE ; GENERAL DEFINITIONS

\* \* \* \* \*

TITLE VI—TAX ON RESIDENTS AND NONRESIDENTS

- Sec. 1. Definitions.
- Sec. 2. Personal exemptions and credit for dependents.
- Sec. 3. Imposition and rates of tax.
- Sec. 4. Optional method of computation.
- Sec. 5. Credits against tax allowed residents.
- Sec. 6. Credit for sales tax paid.
- Sec. 7. Credit for campaign contributions.

\* \* \* \* \*

ARTICLE I—INCOME AND FRANCHISE TAX ACT

TITLE I—REPEAL OF PRIOR INCOME TAX ACT AND APPLICABILITY OF THIS ARTICLE ; GENERAL DEFINITIONS

\* \* \* \* \*

TITLE VI—TAX ON RESIDENTS AND NONRESIDENTS

SEC. 1. DEFINITION.—For the purposes of this article, and unless otherwise required by the context, the words "taxable income" mean the entire net income of every resident, in excess of the personal exemptions and credits for dependents allowed by section 2 of this title

and that portion of the entire net income of every nonresident which is subject to tax under title VIII of this article.

SEC. 6. CREDITS FOR SALES TAX PAID.—

(a) (1) \* \* \*

SEC. 7. (a) CREDIT FOR CAMPAIGN CONTRIBUTIONS.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of \$12.50, or \$25 in the case of married persons filing a joint return.

(b) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.

DISTRICT OF COLUMBIA ELECTION ACT

(D.C. Code, secs. 1-1100—1-1115)

CREATION OF BOARD OF ELECTIONS

SEC. 3. There is hereby created a Board of Elections for the District of Columbia, to be composed of three members appointed by the Commissioners of the District of Columbia. The first terms of offices on the Board shall expire, as designated by the Commissioners, one at the close of December 31 of each of the first three years which begin after the date of enactment of this Act. Subsequent terms of each such office shall be three years beginning January 1 following the expiration of the preceding term of such office. Any person appointed to fill a vacant office shall be appointed only for the unexpired term of such office. Until his successor is appointed and has qualified, a member may continue to serve even though the term of the office to which he was appointed has expired. The said Commissioners shall from time to time designate the Chairman of the Board, who shall serve in a full-time capacity.

\* \* \* \* \*

QUALIFICATIONS AND COMPENSATION OF MEMBERS

SEC. 4. (a) No person shall be a member of the Board unless he qualifies as an elector and resides in the District. No person may be appointed to the Board unless he has resided in the District continuously since the beginning of the three-year period ending on the day

he is appointed. Members of the Board shall hold no other paid office or employment in the District government and shall hold no active office, position or employment in the Federal Government. Not more than two members shall be members of the same political party.

(b) Each member of the Board shall be paid compensation at the rate of \$75 per day, with a limit of \$11,250 per annum, while performing duties under this Act, *except during 1974 such compensation shall be paid without regard to such annual limitation.* Except as provided in subsection (a) no person shall be ineligible to serve or to receive compensation as a member of the Board because he occupies another office or position or because he receives compensation (including retirement compensation) from another source. The right to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of the Board, or an employee of the Board.

\* \* \* \* \*

[EXPENDITURES

[SEC. 13. (a) There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such amounts as may be necessary to carry out the purposes of this Act.

[ (b) Subject to the penalties provided in this Act, a candidate for elector of President and Vice President, Delegate, national committeeman, national committeewoman, delegate, or alternate, in his campaign for election, shall not make expenditures in excess of \$2,500.

[ (c) No independent committee or party committee shall receive contributions aggregating more than \$100,000, or make expenditures aggregating more than \$100,000 for any campaign covered by this Act.

[ (d) No person shall, directly or indirectly, make contribution in an aggregate amount in excess of \$5,000 in connection with any campaign for election of any elector, Delegate, national committeeman, national committeewoman, delegate, or alternate.

[ (e) (1) Every independent committee or party committee which receives or expends funds on behalf of any candidate or group of candidates in an election for any office referred to in the first section of this Act, or in a primary election held under section 5(b) of this Act, shall have a chairman and a treasurer and shall maintain an address in the District of Columbia where notices may be sent. Each such committee shall register with the Board of Elections as soon as its receipts or expenditures, or the sum of its receipts and expenditures total \$100. or within ten days after its organization, whichever first occurs.

[ (2) In any election held in the District of Columbia with respect to any office referred to in the first section of this Act, or with respect to a primary election held under section 5(b) of this Act, each candidate for election, and the treasurer of each independent or party committee, shall file with the Board of Elections on the fifth calendar day before, and also within thirty days after, the date on which such primary or general election was held, an itemized statement, complete as of the day next preceding the date of filing, setting forth—

[ (A) The name and address of each person who has made a contribution to or for such committee in one or more items of the aggregate amount or value, within the calendar year, of \$100 or more, together with the amount and date of such contribution;

[ (B) The total sum of the contributions made to or for such committee during the calendar year and not stated under subparagraph (A);

[ (C) The total sum of all contributions made to or for such committee during the calendar year;

[ (D) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of \$10 or more has been made by or on behalf of such committee, and the amount, date, and purpose of such expenditure;

[ (E) The total sum of all expenditures made by or on behalf of such committee during the calendar year and not stated under subparagraph (D);

[ (F) The total sum of expenditures made by or on behalf of such committee during the calendar year.

[ (3) The statements required to be filed by paragraph (2) of this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

[ (4) Every person (other than a political committee) who makes an expenditure in one or more items, other than by contribution to a political committee, aggregating \$50 or more within a calendar year for the purpose of influencing any general or primary election held under this Act, shall file with the Board an itemized detailed statement of such expenditure in the same manner as required of the treasurer of a political committee by paragraph (2) of this subsection.

[ (5) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

[ (1) All contributions made to or for such committee;

[ (2) The name and address of every person making any such contribution, and the date thereof;

[ (3) All expenditures made by or on behalf of such committee; and

[ (4) The name and address of every person to whom any such expenditure is made, and the date thereof.

[ (6) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure by or on behalf of a political committee exceeding \$10 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

[ (7) Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the name and address of the person making such contribution, and the date on which received.

[ (8) Any candidate, treasurer of any independent committee, or party committee, or other person who willfully violates this subsection

shall be fined not more than \$5,000 or imprisoned for not more than 30 days, or both.

[(f) (1) Subsection (e) of this section shall not require—

[(A) registration under subsection (e) (1) of any independent committee or party committee which is registered as a political committee under section 303 of the Federal Election Campaign Act of 1971,

[(B) filing of any statement under paragraph (2) of such subsection (e) with respect to an election for Federal office by a candidate or committee required to file a report with respect to such election under section 304 of the Federal Election Campaign Act of 1971, or

[(C) the filing of any statement under paragraph (4) of such subsection (e) with respect to any election for Federal office by any person required to file a report with respect to such election under section 305 of the Federal Election Campaign Act of 1971.

[(2) Paragraph (5), (6), and (7) of subsection (e) of this section shall not apply to any committee which is not required to register under subsection (e) (1) of this section.

[(3) For purposes of this subsection, the terms "election" and "Federal office" have the same meaning as such terms have under section 301 of the Federal Election Campaign Act of 1971.

[(4) This subsection shall take effect on the date on which title III of the Federal Election Campaign Act of 1971 takes effect.]

#### AUTHORIZATION

*Sec. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.*

JUNE 4, 1974.

#### ADDITIONAL VIEWS OF CONGRESSMAN ANCHER NELSEN

##### INTRODUCTION

I generally support this bill, because there is a definite need for the regulation of certain political campaign finance practices in the District during the first elections this fall. Indeed, there is a need for prompt action on this bill now, inasmuch as the primary filing date has passed, and over 120 candidates for local office are scheduled to be on the primary ballot.

##### DOES NOT SUPPORT PARTISAN ELECTIONS

I wish to make clear that while I generally support this bill, I do not wish to have my support construed in any way as supportive of partisan elections in the District of Columbia. I am not a co-sponsor of this bill.

There are those who may say that this should have been part of the home rule bill, which was brought to the Floor by the Committee last fall in the First Session. However, the urgency of the need for

such legislation was lacking at that time. The home rule bill when it was presented on the Floor by the Committee did not contain provisions for partisan elections in the District. It was only in the House-Senate Conference where that particular provision was reversed so that partisan elections were provided for in the bill's final enactment. I refused to sign the Conference Report on that bill because the Report provided for partisan elections in the District. Because a large number of Federal and local employees who are voters are covered by the Hatch Act in the District, I viewed partisan elections as a denial of true home rule and self-government as it had been traditionally discussed in the Committee and debated on the Floor of the House.

Moreover, this is the second time we come to the House Floor with a bill that is the result of the D.C. Self-Government Act calling for partisan elections. The first instance had to do with an amendment to a relatively simple insurance bill that provided that the mayor and the members of the City Council be permitted to run for election without having mass resignations because they were covered by the Hatch Act. This bill in turn, largely, stems from the partisan election provisions in the Home Rule Act. It is true that there perhaps would be some need for future regulation of campaign financing practices in the District, even with non-partisan elections. However, the partisan election aspects of home rule, in my opinion, greatly accentuate the need for this type of bill, and the seriousness of certain practices which could occur during the forthcoming election in the District of Columbia if there are not certain amendments to the existing campaign finance practices.

#### PENDING FEDERAL LEGISLATION

I am mindful that the House Administration Committee is currently working on a bill that would regulate certain political campaign finance practices in Federal elections. However, I believe that time and circumstances dictate that we move on this local election bill at this time. Differing circumstances, views and facts and different conclusions based thereon, as they relate to any Federal legislation which may be submitted to this Body, may result in different positions being taken on a bill that will apply nationwide in contrast to one that will apply within the relatively small geographic area of the District of Columbia with some 250,000 registered voters.

#### LOBBYING

I introduced an amendment before the Full Committee that now comprises Title 5 of this bill. It regulates lobbying in the District of Columbia as it may be conducted before or with the District of Columbia Council. It tracks very closely with the Federal lobbying law with some minor adjustments that recognize the local aspects of this bill. Under the Home Rule Act all acts passed by the District of Columbia Council will lay over in one fashion or another to the Congress before becoming law. It appears to me to be entirely rational and consistent that individuals who lobby the local Council should be identified in the same way as they are in the Congress. The same rationale for the

need for a Federal lobbying act can be said to exist for the local lobbying provisions now that the Congress has delegated certain legislative authority to the Council.

#### NOT IN FAVOR OF PUBLIC FINANCING OF POLITICAL CAMPAIGNS

I opposed the public financing of local election provisions (either partial or complete) contained in the bills considered in the Full Committee. However, the thrust of this bill. It is my understanding, is to give broader participation in the form of contributions by the general public to the political campaigns of individuals seeking elective office. It seems to me that every effort should be made to broaden this voluntary citizen participation. A provision in the bill giving a tax credit under the D.C. income tax laws for campaign contributions moves in this direction.

Certainly other avenues to increase the citizens' participation in political campaigns by way of financial contributions, including services in kind, can and should be encouraged. There is considerable effort that can be taken along these lines that have not yet, in my opinion, been fully explored. A major effort along these lines is much preferable, in my opinion, than abruptly turning to public financing of local elections. For instance, if the airwaves are considered to be in the public domain, as evidenced by the Federal regulation of radio and television, then certainly some additional exploration of public service announcements urging broader public participation in elections and some consideration of free or low cost time on radio and television to air the political views of candidates should be closely examined in the interest of serving the public as far as political campaigns are concerned.

Direct public financing of elections, in my opinion, would bureaucratize and institutionalize the financing of elections. They would institutionalize the financing and participation in elections by inserting a third party—in this case the government—between the voter-contributor and his candidate. The voter-contributor would tend to be isolated from the decisions made with respect to those programs or tasks undertaken by the government bureau assigned the function of regulating and financing political campaigns. During my service with the government in elective office, I have seen a tremendous growth in the burdens of the government that have been shifted from the private sector to the government. Inevitably, when those shifts have occurred, that burden or function assumed by the government has been swallowed up and in some cases smothered by policymakers and government functionaires, who eagerly embrace procrastination, appraisal and reappraisal, compromise, and unending legalistic rules and regulations. In my opinion, public financing will lead to countless Constitutional issues involving an individual's right to support a particular candidate, as well as those involving the governmental selection, regulation, and financing of particular candidates to the possible detriment of (or involving discrimination with respect to) other candidates. My experience has led me to conclude that that government governs best which governs least, and I deplore the rate and extent to which we have transferred responsibility from the private sector (and even

the family in some instances) to the government, both Federal and local. Public financing of political campaigns is yet another step in this same direction, a step which I feel would be a mistake and do not endorse. It is particularly unwarranted, in my opinion, as it relates to public financings of political campaigns, because other alternatives for fuller participation on the part of the voters and the citizens have not nearly begun to be fully explored or utilized.

I fear that under public financing of political campaigns the unqualified, the insincere and non-serious seeker of public office will be treated the same as the individual who is highly qualified, hard working, and very serious. Yet, the taxpayers would have to bear the cost of non-serious candidates who may only seek personal publicity. It is my opinion that in the course of a general campaign as it is now, the voter-contributor makes his own decision as to which candidate he prefers and which one he will support, not only with his vote but with his contribution. Under public financing, some committee, some bureau will be making these decisions in a manner which could very well be substantially adverse to the public good.

I wish to make it very plain and clear that the inclusion of Section 605(a)(A) calling for the Council to study public financing of elections is in no way an expression of my approval or endorsement of that method. On the contrary, I disapprove of that method of financing political campaigns.

ANCHER NELSEN.



## DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM ACT

JUNE 26, 1974.—Ordered to be printed

Mr. EAGLETON, from the Committee on the District of Columbia, submitted the following

### REPORT

[To accompany H.R. 15074]

The Committee on the District of Columbia, to which was referred the bill (H.R. 15074) having considered the same, reports favorably thereon with an amendment in the nature of a substitute and recommends that the bill (as amended) do pass.

#### PURPOSE OF THE LEGISLATION

The purpose of this legislation (H.R. 15074) is to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of Mayor, member of City Council, member of the School Board, and member of Neighborhood Advisory Councils, by establishing contribution and expenditure limitations applicable to such campaigns, by establishing requirements for full reporting and disclosure of the financing of such campaigns, by strengthening and supplementing the capacity of the D.C. Board of Elections to administer election laws generally, and by establishing financial disclosure requirements for candidates and public officials.

#### NEED FOR AND SCOPE OF LEGISLATION

On May 7, 1974, the citizens of the District of Columbia, by voting their acceptance of the charter contained in the District of Columbia Self-Determination and Governmental Reorganization Act (P.L. 93-198), clearly expressed their desire to exercise a substantial measure of self-government over their own affairs. With the acceptance of the charter, the Congress will be relieved of a direct responsibility for the day-to-day government of the District of Columbia.

More significantly, however, the acceptance of the charter ushers in a new era of political reform within the District of Columbia. Un-

fortunately, self-government will not commence in the Nation's Capital until January 2, 1975, when the newly elected government takes office. Currently, political campaigns are underway to elect the members of the new Mayor-Council Form of Government. It is the impending electoral process which gives rise to the urgent need of this legislation.

The current District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.) is dangerously weak or silent when it comes to the regulation of political campaigns for offices established under the District of Columbia Self-Government and Governmental Reorganization Act.

Under the District of Columbia Elections Act, for example, (1) there is no limit on the number of political committees which may operate in support of a candidate; (2) a political committee may receive contributions up to \$100,000 and may make expenditures up to \$100,000; (3) There is no limitation on an individual contribution to a campaign for Mayor or Council; (4) Candidates and political committees are required only to file financial reports once and then only five days before the election. Moreover, neither the D.C. Board of Elections nor the District of Columbia government has legal authority to establish more stringent campaign or election laws.

The committee believes that regulation of the upcoming election campaigns is a task of the Congress that cannot be left undone; that it is in the interest of all the citizens of the District of Columbia and the Nation to have the integrity of the first election in the Nation's Capital insured; and that not only must this new election system be fair, honest, and open, but it also must be believed to be so.

One of the greatest problems facing our Nation today is the eroding confidence of the American people in our political system. We cannot ignore the fact that our current political campaign process tends to corrupt our principles, our leaders, and ourselves. Neither can we be blind to the fact that too many of our citizens across this Nation believe, rightly or wrongly, that government at all levels is operated mainly for the benefit of big money interests who contribute enormous sums to political campaigns.

Having taken the step toward providing a substantial delegation of administrative and legislative authority to an elected Mayor and Council, the Congress now has an obligation to make certain that the progression from a government appointed by the President and confirmed by the Senate to one selected by the people and responsible to the people of the District is not marred by abuses which could shake public confidence in the new government. The committee hopes and expects, however, that after the new Mayor and Council members are in office they would promptly review campaign financing laws we shall enact this year and initiate, where appropriate, any changes which they find necessary or desirable based on their experience in this year's campaigns. But in 1974, the Congress must take on this responsibility.

The objectives of this bill are very simple. First, to establish campaign financing practices which will generate confidence among District citizens in the integrity of the officials they select to govern them. Second, to insure that qualified candidates will not find their access to the political arena seriously conditioned by their financial resources. Third, to create an electoral process which promotes broad and active

participation in the political system by citizens. Fourth, to remove a large part of the corrosive influence of big money and the abuses rooted in secrecy from the political campaigns and the new governing process. And fifth, to provide for disclosure of financial interests by candidates, elected officials, and certain other officials of the District government as a means for lessening public distrust and improving the political process.

The committee is well aware that there may be some who feel that this bill is too stringent and that others may contend that it does not go far enough. What we are seeking through this legislation, however, is a standard which will make democracy in the District of Columbia more representative. This committee does not believe that Congress can legislate the integrity of those who seek to gain public office in the District, nor should we attempt to do so. Nonetheless, this committee does seek to create laws for this first election which will more fully expose those who would attempt to abuse the electoral process and their public trust.

#### PRINCIPLE PROVISIONS OF THE BILL

##### *Title I—Short Title, Definitions:*

This title cites the bill as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act" and gives new and specific definitions to candidates, political committees, contributions, expenditures, and related terms.

##### *Title II—Financial Disclosures:*

Title II of the bill is concerned with the registration of candidates and committees and the reporting and disclosure of campaign funds. The principle objective of this title is to bring forth the fullest possible disclosure of campaign contributions and expenditures with emphasis on detailed and accurate reporting on the receipt and outflow of money, periodic and timely publication of reports before and immediately after elections, and easy public access to campaign reports submitted by candidates and committees. It is the committee's view that timely and complete disclosure of contributions and expenditures will result in prudence by candidates and political committees. The title is patterned after S. 372 which passed the Senate on July 30, 1973.

##### *Title III—Director of Campaign Finance:*

The primary purpose of this title is to guarantee vigorous non-partisan and independent administration and enforcement of the D.C. Elections Act as amended by this bill by vesting such responsibilities in a director of campaign finance. In 1974, the Director shall be appointed by the Commissioner of the District with the advice and consent of the Senate. After the new government takes office, appointment will be made by the Mayor with the approval of the Council.

The committee concluded, with great reluctance, that the procedures contained in S. 3264 which establishes a D.C. Elections and Ethics Commission to administer and enforce the laws regulating this year's elections would delay the creation of an independent enforcement unit to effectively handle the campaigns now underway. Faced with the urgent need to enact statutory guidelines, the committee has decided

to continue the present Board of Elections with expanded functions and create a new office called the Director of Campaign Finance. It should be noted that this office will administer the reporting and enforcement provisions contained in this bill. Moreover, the committee expects the Board to draw upon the advice and assistance of the General Accounting Office in carrying out the provisions of this bill. In this connection, the bill directs the Comptroller General to temporarily assign a person to fulfill the responsibilities of the Director until such time as the Senate confirms the Commissioner's appointment. Additionally, the committee believes that the procedures for establishing an independent enforcement agency are too important to the electoral process to abandon completely. Consequently, the committee has included a provision in this title which creates and assigns specific authority and tasks to the District of Columbia Board of Elections and Ethics. Beginning January 2, 1975, unless otherwise amended or modified by the D.C. City Council, members of the Board will be appointed by the Mayor with the approval of the Council. The Mayor's appointments to the Board, however, shall be made from a list of nominations furnished to him by a nominating committee established by this bill.

The committee wishes to assure the Senate that it will closely scrutinize the background and qualifications of the person appointed by the Commissioner to occupy the Office of Director of Campaign Finance to insure the principle of nonpartisan independence is not breached.

#### *Title IV—Financial Limitations:*

It is the strong belief of the committee that the D.C. Self-Determination and Governmental Reorganization Act should open the door for elected officials who are perceived by the majority of the citizens as accountable and responsible to them. In considering the overall question of contribution and expenditure limitations, the committee was guided by three principal concerns: (1) the need to establish a rational relationship between the need to discourage excessive campaign expenditures and the desire to allow enough spending so that healthy and open adversary campaigns can be conducted; (2) to curb the influence of special interests and big spenders, and encourage the candidates and committees to seek broad public participation in financing campaigns. (It is the committee's view that the contribution limitations contained in this bill will promote the belief among District voters that big money is not allowed and that their contributions are not only important, but necessary); and (3) to insure that the limitations established in this title are constitutional.

This bill provides that an individual may contribute up to \$500.00 to a candidate for Mayor during the entire campaign, which includes the primary and general election. In the case of a candidate for Chairman of the Council, the individual contribution limitation is \$400; in the case of a contribution in support of a candidate for member of the Council elected at Large, \$400; in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, \$200, and in the case of a runoff election, an additional \$200; and in the case of a contribu-

tion in support of a candidate for member of the Board of Education elected from a ward, \$100, and in case of a runoff election, an additional \$100; and in the case of a contribution in support of a candidate for member of an Advisory Neighborhood Council, \$25.

The bill also prohibits candidates from making contributions or expenditures in connection with their own campaigns from personal funds or the personal funds of their immediate families which exceeds 25 percent of the total amount permitted to be spent under this bill.

Individuals are also limited to a maximum of \$1,000 in contributions for all the campaigns for office.

The bill retains the limits on independent expenditures contained in S. 3264. It is the committee's view that these limits are both necessary and constitutional. This provision refers to money expended by a person advocating the election or defeat of a candidate which is not made at the request or suggestion of the candidate, his or her agent, or committee. This provision takes into account the constitutional right of individuals and organizations to express themselves about candidates separate and apart from the formal organizations prescribed by this bill. The committee has adopted the view however that unlimited spending by individuals and organizations will circumvent contribution limitations, frustrate authorized expenditure limits, and endanger the integrity of the election process. In establishing the limits on unauthorized expenditures as contained in this bill, the Committee believes it has struck a balance between the constitutional protections of free speech and expression and the compelling government interest in safeguarding elections from undue influence by monied groups or individuals. See *ACLU v. Jennings*, 366 F. Supp. 1041 (1973) presently on review by the United States Supreme Court.

The Committee has decided to limit contributions in cash to \$50 or less. We strongly agree with the provision in S. 3264 requiring candidates and political committees to report cash contributions weekly. If secrecy is an anathema to clean politics, uncontrolled and unreported cash contributions must be its rival.

This title contains a provision to prevent the laundering of campaign contributions to evade disclosure or contribution limitations by prohibiting a person from making a contribution in the name of any other person.

In establishing limitations on the amounts that a candidate's committee and political committees supporting the candidate may spend in an election, the committee was guided by the belief that spending limitations must be set high enough to allow candidates a fair chance to present their views to the public and their case against their opponents.

In the case of the candidate for Mayor, the candidate's committee, and all other committees supporting the candidate and reporting to him or her may not spend more than \$150,000 in the aggregate for any primary and general election. In no event, however, may the spending exceed \$90,000 for one of the elections.

Similarly, in the case of a candidate for Chairman of the Council, no more than \$115,000 may be spent and in no event shall more than \$70,000 be spent for one of the elections. Lesser amounts are set for other offices.

*Title V—Conflict of Interest:*

This title declares that elective and public office is a public trust and that any effort to realize personal gain through official conduct is a violation of that trust.

It is the view of the committee that one principal means by which we may prevent public distrust of those who are chosen to conduct the affairs of the District government is to provide for disclosure of personal financial interests by candidates, elected officials, and high-ranking appointees of the District government. Not only should public officials be free from the undue influence of special interest groups and powerful favor-seeking individuals, but also the people must believe this to be so. This title, in addition to requiring the disclosure and reporting of financial interests, also sets forth certain procedures to be followed by public officials in potential conflict-of-interest situations, similar to those adopted by the Senate for its own members and employees.

*Title VI—Penalties and Enforcement, Tax Credits, Use of Surplus Campaign Funds, Study of 1974 and Report by Council, Effective Dates, Amendments to District of Columbia Election Act, and Authorization:*

This title contains provisions which: (1) establish a fine of up to \$5,000, or six months imprisonment, or both for violation of any provision in this act; (2) allow to an individual a credit against his or her income tax in an amount equal to 50% of his or her campaign contribution, but limits the credit to \$12.50 or \$25.00 in the case of a joint return; (3) direct that surplus or unexpended campaign funds shall be contributed to a political party for political purposes, or used to retire the debts of the political committee, or returned to the donors; (4) require the Council to conduct a public review of this year's elections and the Campaign Finance Reform and Conflict of Interest Act with a view toward making any changes in this act which they find necessary or desirable; (5) establish the effective date of this act as the date of enactment; however, sets January 1, 1974 as the earliest date from which reports of any individual or political committee of contributions and expenditures must be made; (6) authorize appropriations to carry out the act, increase compensation for members of the Board to \$150 per day during 1974 without regard to annual limitation; (7) affirm the authority of the District of Columbia Council to legislate with respect to this act; and (8) provide that the amounts authorized by the District of Columbia Self-Government and Government Reorganization Act may be used to carry out the purposes of this act.

LEGISLATIVE BACKGROUND

On March 28, 1974, S. 3264, the "District of Columbia Election Finance and Conflict of Interest Act" was introduced by Senator Charles McC. Mathias, of Maryland, for himself and every member of the committee, including the chairman, Senator Eagleton, Senator Bartlett, Senator Domenici, Senator Inouye, Senator Stevenson, and Senator Tunney. The committee held hearings on June 13, 1974, chaired by Senator Mathias. Written and oral testimony was taken from pub-

lic witnesses and D.C. government officials, the overwhelming majority of whom expressed support for the objectives of S. 3264 and H.R. 15074, the "District of Columbia Campaign Finance Reform Act" which was passed by the House of Representatives on June 10, 1974.

The committee decided, after a careful review of both bills and the testimony of witnesses, to report out H.R. 15074 with the principle provisions of S. 3264 embodied in H.R. 15074 in the nature of a substitute.

COST

H.R. 15074 authorizes the \$750,000 authorization contained in the District of Columbia Self-Government and Government Reorganization Act to be used to carry out the provisions of this act.

VOTE

H.R. 15074, as amended, was approved and ordered reported by unanimous consent of the Senate committee on June 26, 1974.

CHANGES MADE IN EXISTING LAW BY THE BILL AS REPORTED

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

DISTRICT OF COLUMBIA INCOME AND FRANCHISE TAX ACT OF 1947

ARTICLE I

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\* \* \* \* \*

ARTICLE I—INCOME AND FRANCHISE TAX ACT

TITLE I—REPEAL OF PRIOR INCOME TAX ACT AND APPLICABILITY OF THIS ARTICLE; GENERAL DEFINITIONS

\* \* \* \* \*

## TITLE VI—TAX ON RESIDENTS AND NONRESIDENTS

SEC. 1. DEFINITION.—For the purposes of this article, and unless otherwise required by the context, the words “taxable income” mean the entire net income of every resident, in excess of the personal exemptions and credits for dependents allowed by section 2 of this title and that portion of the entire net income of every nonresident which is subject to tax under title VIII of this article.

\* \* \* \* \*  
SEC. 6. CREDITS FOR SALES TAX PAID.—

(a) (1) \* \* \*

SEC. 7. (a) CREDIT FOR CAMPAIGN CONTRIBUTIONS.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of \$12.50, or \$25 in the case of married persons filing a joint return.

(b) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.

## DISTRICT OF COLUMBIA ELECTION ACT

(D.C. Code, secs. 1-1100—1-1115)  
\* \* \* \* \*

## QUALIFICATIONS AND COMPENSATION OF MEMBERS

SEC. 4. (a) No person shall be a member of the Board unless he qualifies as an elector and resides in the District. No person may be appointed to the Board unless he has resided in the District continuously since the beginning of the three-year period ending on the day he is appointed. Members of the Board shall hold no other paid office or employment in the District government and shall hold no active office, position or employment in the Federal Government. Not more than two members shall be members of the same political party.

(b) For duty performed after the date of the enactment of this Act and prior to January 1, 1975, each member of the Board, for each day of duty so performed, shall be paid compensation at the rate of \$150 for each such day. Such compensation shall be paid without regard to any annual limitation. [Each member of the Board shall be paid compensation at the rate of \$75 per day, with a limit of \$11,250 per annum, while performing duties under this Act.] Ex-

cept as provided in subsection (a) no person shall be ineligible to serve or to receive compensation as a member of the Board because he occupies another office or position or because he receives compensation (including retirement compensation) from another source. The right to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of the Board, or an employee of the Board.

\* \* \* \* \*  
[EXPENDITURES

[SEC. 13. (a) There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such amounts as may be necessary to carry out the purposes of this Act.

[(b) Subject to the penalties provided in this Act, a candidate for elector of President and Vice President, Delegate, national committeeman, national committeewoman, delegate, or alternate, in his campaign for election, shall not make expenditures in excess of \$2,500.

[(c) No independent committee or party committee shall receive contributions aggregating more than \$100,000, or make expenditures aggregating more than \$100,000 for any campaign covered by this Act.

[(d) No person shall, directly or indirectly, make contribution in an aggregate amount in excess of \$5,000 in connection with any campaign for election of any elector, Delegate, national committeeman, national committeewoman, delegate, or alternate.

[(e) (1) Every independent committee or party committee which receives or expends funds on behalf of any candidate or group of candidates in an election for any office referred to in the first section of this Act, or in a primary election held under section 5(b) of this Act, shall have a chairman and a treasurer and shall maintain an address in the District of Columbia where notices may be sent. Each such committee shall register with the Board of Elections as soon as its receipts or expenditures, or the sum of its receipts and expenditures total \$100, or within ten days after its organization, whichever first occurs.

[(2) In any election held in the District of Columbia with respect to any office referred to in the first section of this Act, or with respect to a primary election held under section 5(b) of this Act, each candidate for election, and the treasurer of each independent or party committee, shall file with the Board of Elections on the fifth calendar day before, and also within thirty days after, the date on which such primary or general election was held, an itemized statement, complete as of the day next preceding the date of filing, setting forth—

[(A) The name and address of each person who has made a contribution to or for such committee in one or more items of the aggregate amount or value, within the calendar year, of \$100 or more, together with the amount and date of such contribution;

[(B) The total sum of the contributions made to or for such committee during the calendar year and not stated under subparagraph (A);

[(C) The total sum of all contributions made to or for such committee during the calendar year;

[(D) The name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of \$10 or more has been made by or on behalf of such committee, and the amount, date, and purpose of such expenditure;

[(E) The total sum of all expenditures made by or on behalf of such committee during the calendar year and not stated under subparagraph (D);

[(F) The total sum of expenditures made by or on behalf of such committee during the calendar year.

[(3) The statements required to be filed by paragraph (2) of this subsection shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

[(4) Every person (other than a political committee) who makes an expenditure in one or more items, other than by contribution to a political committee, aggregating \$50 or more within a calendar year for the purpose of influencing any general or primary election held under this Act, shall file with the Board an itemized detailed statement of such expenditure in the same manner as required of the treasurer of a political committee by paragraph (2) of this subsection.

[(5) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

[(1) All contributions made to or for such committee;

[(2) The name and address of every person making any such contribution, and the date thereof;

[(3) All expenditures made by or on behalf of such committee; and

[(4) The name and address of every person to whom any such expenditure is made, and the date thereof.

[(6) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure by or on behalf of a political committee exceeding \$10 in amount. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

[(7) Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the name and address of the person making such contribution, and the date on which received.

[(8) Any candidate, treasurer of any independent committee, or party committee, or other person who willfully violates this subsection shall be fined not more than \$5,000 or imprisoned for not more than 30 days, or both.

[(f) (1) Subsection (e) of this section shall not require—

[(A) registration under subsection (e) (1) of any independent committee or party committee which is registered as a political committee under section 303 of the Federal Election Campaign Act of 1971.

[(B) filing of any statement under paragraph (2) of such subsection (e) with respect to an election for Federal office by a can-

didate or committee required to file a report with respect to such election under section 304 of the Federal Election Campaign Act of 1971, or

[(C) the filing of any statement under paragraph (4) of such subsection (e) with respect to any election for Federal office by any person required to file a report with respect to such election under section 305 of the Federal Election Campaign Act of 1971.

[(2) Paragraph (5), (6), and (7) of subsection (e) of this section shall not apply to any committee which is not required to register under subsection (e) (1) of this section.

[(3) For purposes of this subsection, the terms "election" and "Federal office" have the same meaning as such terms have under section 301 of the Federal Election Campaign Act of 1971.

[(4) This subsection shall take effect on the date on which title III of the Federal Election Campaign Act of 1971 takes effect.]

#### AUTHORIZATION

*Sec. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act.*

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DISTRICT OF COLUMBIA CAMPAIGN FINANCE REFORM  
AND CONFLICT OF INTEREST ACT

JULY 25, 1974.—Ordered to be printed

Mr. DIGGS, from the committee of conference,  
submitted the following

CONFERENCE REPORT

[To accompany H.R. 15074]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—SHORT TITLE, DEFINITIONS

- Sec. 101. Short title.  
Sec. 102. Definitions.

TITLE II—FINANCIAL DISCLOSURES

- Sec. 201. Organization of political committees.  
Sec. 202. Principal campaign committee.  
Sec. 203. Designation of campaign depository.  
Sec. 204. Registration of political committees; statements.  
Sec. 205. Registration of candidates.  
Sec. 206. Reports by political committees and candidates.  
Sec. 207. Reports by others than political committees.  
Sec. 208. Formal requirements respecting reports and statements.  
Sec. 209. Exemption for candidates who anticipate spending less than \$250.  
Sec. 210. Identification of campaign literature.  
Sec. 211. Effect on liability.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

- Sec. 301. Establishment of the Office of Director.  
Sec. 302. Powers of the Director.  
Sec. 303. Duties of the Director.  
Sec. 304. General Accounting Office to assist Board and Director.  
Sec. 305. Nominating committee.  
Sec. 306. District of Columbia Board of Elections and Ethics.



## TITLE IV—FINANCE LIMITATIONS

- Sec. 401. General limitations.  
 Sec. 402. Limitation on expenditures.

## TITLE V—LOBBYING

- Sec. 501. Definitions.  
 Sec. 502. Detailed accounts of contributions; retention of receipted bills of expenditures.  
 Sec. 503. Receipts for contributions.  
 Sec. 504. Statements of accounts filed with Director.  
 Sec. 505. Preservation of statements.  
 Sec. 506. Persons to whom title is applicable.  
 Sec. 507. Registration of lobbyists with Director; compilation of information.  
 Sec. 508. Reports and statements under oath.  
 Sec. 509. Penalties and prohibitions.  
 Sec. 510. Exemptions.

## TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

- Sec. 601. Conflict of interest.  
 Sec. 602. Disclosure of financial interest.

## TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

- Sec. 701. Penalties and enforcement.  
 Sec. 702. Tax credit for campaign contributions.  
 Sec. 703. Use of surplus campaign funds.  
 Sec. 704. A study of 1974 election and report by Council.  
 Sec. 705. Effective dates.  
 Sec. 706. Amendments to District of Columbia Election Act.  
 Sec. 707. Authority of Council.  
 Sec. 708. Authorization of appropriation.

## TITLE I—SHORT TITLE, DEFINITIONS

## SHORT TITLE

- SEC. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act."

## DEFINITIONS

SEC. 102. When used in this Act, unless otherwise provided—

- (a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.  
 (b) The term "candidate" means an individual who seeks nomination for election, or election, to office, whether or not such individual is nominated or elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) obtained or authorized any other person to obtain nominating petitions to qualify himself for nomination for election, or election, to office, (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for

election, or election, to office, or (3) reason to know, or knows, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose. A person who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal Law.

(c) The term "office" means the office of Mayor of the District of Columbia, Chairman or member of the Council of the District of Columbia, member of the Board of Education of the District of Columbia, or an official of a political party.

(d) The term "official of a political party" means—

- (1) national committeemen and national committeewomen;
- (2) delegates to conventions of political parties nominating candidates for the Presidency and Vice Presidency of the United States;
- (3) alternates to the officials referred to in clauses (1) and (2) above, where permitted by political party rules; and
- (4) such members and officials of local committees of political parties as may be designated by the duly authorized local committees of such parties for election, by public ballot, at large or by ward in the District of Columbia.

(e) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing a political party or the nomination or election of an individual to office.

(f) The term "contribution" means—

- (1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;
- (2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;
- (3) a transfer of funds between political committees; or
- (4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

Notwithstanding the foregoing, such term shall not be construed to include (A) services provided without compensation, by individuals volunteering a portion or all of their time on behalf of a candidate or political committee, (B) personal services provided without compensation by individuals volunteering a portion or all of their time to a candidate or political committee, (C) communications by an organization, other than a political party, solely to its members and their families on any subject, (D) communications (including advertisements) to any person on any subject by any organization which is organized solely as an issue-oriented organization, which communica-



tions neither endorse nor oppose any candidate for office, or (E) normal billing credit for a period not exceeding thirty days.

(g) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(3) a transfer of funds between political committees; and

(4) notwithstanding the foregoing provisions of this paragraph, such term shall not be construed to include the incidental expenses (as defined by the Board) made by or on behalf of individuals in the course of volunteering their time on behalf of a candidate or political committee.

(h) The term "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

(i) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics created by title III.

(j) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(k) The term "Board" means the District of Columbia Board of Elections and Ethics established under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.) and redesignated by section 306.

## TITLE II—FINANCIAL DISCLOSURES

### ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other person has been designated and has agreed to perform the functions of treasurer. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution of \$10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) Except for accounts of expenditures made out of the petty cash fund provided for under section 201(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of \$10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) The treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics."

### PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political committee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate, except a principal campaign committee supporting the nomination or election of a candidate as an official of a political party may support the nomination or election of more than one such candidate, but may not support the nomination or election of a candidate for any public office.

(b) Each statement (including the statement of organization required under section 204) or report that a political committee is required to file with or furnish to the Director under the provisions of this Act shall also be furnished, if that political committee is not a principal campaign committee, to the campaign committee for the candidate on whose behalf that political committee is accepting or making, or intends to accept or make, contributions or expenditures.

(c) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and statements filed with or furnished to it or him by other political committees, consolidate, and furnish the reports and statements to the Director, together with the reports and statements of the principal cam-

campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

#### DESIGNATION OF CAMPAIGN DEPOSITORY

SEC. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidate. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of \$50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board and such statements and reports thereof shall be furnished to the Director as it may require. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate.

#### REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe—

(b) The statement of organization shall include—

- (1) the name and address of the political committee;
- (2) the names, addresses, and relationships of affiliated or connected organizations;
- (3) the area, scope, or jurisdiction of the political committee;
- (4) the name, address, and position of the custodian of books and accounts;
- (5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;
- (6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;
- (7) a statement whether the political committee is a continuing one;
- (8) the disposition of residual funds which will be made in the event of dissolution;
- (9) the name and address of the bank designated by the committee as the campaign depository, together with the title and

number of each account and safety deposit box used by that committee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(10) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall so notify the Director.

#### REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which he, or any person authorized by him (pursuant to section 401(d)) to do so, has received a contribution or made an expenditure in connection with his campaign or for the purposes of preparing to undertake his campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box, and such other information as shall be required by the Director.

#### REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committee supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, August, October, and December in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of \$200 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under this section shall disclose—

- (1) the amount of cash on hand at the beginning of the reporting period;
- (2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who

has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of \$50 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value of \$50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of \$50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value of \$10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe and a continuous reporting of its debts and obligations after the election at such periods as the Director may require until such debts and obligations are extinguished; and

(12) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) Each treasurer of a political committee, each candidate for election to office, and each treasurer appointed by a candidate, shall file with the Director weekly reports of cash contributions on forms to be prescribed or approved by the Director.

#### REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount of \$50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

#### FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

#### EXEMPTION FOR CANDIDATES WHO ANTICIPATE SPENDING LESS THAN \$250

SEC. 209. Except for the provisions of subsections (c) and (d) of section 201, and subsection (a) of section 206, the provisions of this title shall not apply to any candidate who anticipates spending or spends less than \$250 in any one election and who has not designated a principal campaign committee. On the fifteenth day prior to the date of the election in which such candidate is entered, and on the thirtieth day after the date of such election, such candidate shall certify to the Director that he has not spent more than \$250 in such election.

#### IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 210. All newspaper or magazine advertising, posters, circulars, billboards, handbills, bumper stickers, sample ballots, and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

## EFFECT ON LIABILITY

Sec. 211. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

## TITLE III—DIRECTOR OF CAMPAIGN FINANCE

## ESTABLISHMENT OF THE OFFICE OF DIRECTOR

Sec. 301. (a) There is established within the District of Columbia Board of Elections and Ethics the office of Director of Campaign Finance (hereinafter in this Act referred to as the "Director"). The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, any vacancy in the office of Director shall be filled by appointment by the Mayor, with the advice and consent of the Council. Such appointments shall be made without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director of the Board and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

## POWERS OF THE DIRECTOR

Sec. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) to require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to

the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to administer oaths;

(3) to require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept gifts and voluntary and uncompensated services. Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpoena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

## DUTIES OF THE DIRECTOR

Sec. 303. The Director shall—

(1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;

(2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;

(3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;

(4) preserve such reports and statements for a period of ten years from date of receipt;

(5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;

(6) prepare and publish such other reports as he may deem appropriate;

(7) assure dissemination of statistics, summaries, and reports prepared under this title;

(8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and

(9) perform such other duties as the Board may require.

## GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

SEC. 304. The Board and Director may, in the performance of its functions under this Act, request the assistance of the Comptroller General of the United States, including such investigations and audits as the Board and Director may determine necessary, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree.

## NOMINATING COMMITTEE

SEC. 305. (a) Effective January 2, 1975, there is established within the Government of the District of Columbia a committee to be known as the "District of Columbia Board of Elections and Ethics Nominating Committee" (hereinafter in this Act referred to as the "Committee"). The Committee shall have the function of nominating individuals for appointment as members of the District of Columbia Board of Elections and Ethics for any and all vacancies occurring on such Board on or after the date on which a majority of the members first appointed pursuant to this section hold their first meeting as members of the Committee. Such nominations shall be made by the Committee in accordance with the provisions of this section. The Committee shall consist of five members. Within ten days following the date on which a majority of the members are first appointed pursuant to this section, such members so appointed shall hold their first meeting as members of the Committee.

(b) (1) Two members of the Committee shall be appointed by the Mayor, at least one of whom shall be a lawyer.

(2) Three members of the Committee shall be appointed by the Chairman of the Council of the District of Columbia, with the approval of the Council.

(c) Members of the Committee shall serve for terms of five years, except that of the members first appointed pursuant to subsection (b) (1), one shall serve for one year and one for five years, as designated at the time of appointment, and members appointed pursuant to subsection (b) (2), one shall serve for two years, one for three years, and one for four years, as designated at the time of appointment.

(d) (1) No individual may be appointed as a member of the Committee unless he or she—

(A) is a citizen of the United States, and

(B) is a resident of the District of Columbia and has maintained his or her domicile within the District for at least one year immediately preceding the date of his or her appointment, and

(C) is not a member of the Council of the District of Columbia or an officer or employee of the Government of the District of Columbia (including the judicial branch).

(2) Any vacancy in the membership of the Committee shall be filled in the same manner in which the original appointment was made. Any individual appointed to fill a vacancy, occurring other than upon the expiration of a term, shall serve only for the remainder of the term of such individual's predecessor.

(e) Members of the Committee shall be paid for each day spent performing their duties as members of the Committee at a rate which is equal to the daily equivalent of the rate provided by step 1 of grade

17 of the General Schedule under section 5332 of title 5, United States Code.

(f) (1) Except as otherwise provided in subsection (a) of this section, the Committee shall act only at meetings called by the Chairman or a majority of the members thereof and only after notice has been given of such meeting to all members of the Committee.

(2) The Committee shall choose annually from among its members a Chairman and such other officers as it deems necessary. The Committee may adopt such rules of procedure as may be necessary to govern the business of the Committee.

(3) Each agency of the government of the District of Columbia shall furnish to the Committee, upon request, such records, information, services, and such other assistance and facilities as may be necessary to enable the Committee to perform its function properly. Any information furnished to the Committee designated "confidential" by the person furnishing it to the Committee shall be treated by the Committee as privileged and confidential.

(g) (1) In the event of any such vacancy in the District of Columbia Board of Elections and Ethics, the Committee shall, within thirty days after such vacancy occurs, submit a list of three persons as nominees for appointment by the Mayor to fill the vacancy. If more than one such vacancy exists at the same time, the Committee shall submit a separate list of nominees for appointment to fill each such vacancy, and no individual's name shall appear on more than one such list. In filling such vacancy, the Mayor may appoint more than one individual from any list currently before the Mayor. In any case in which, after the expiration of the thirty-day period following the date on which a majority of the members of the Committee first meet as provided in subsection (a), a vacancy is scheduled to occur, by reason of the expiration of a term of office, the Committee's list of nominees for appointment to fill that vacancy shall be submitted to the Mayor not less than thirty days prior to the expiration of that term.

(2) If the Mayor fails to submit for Council approval the name of one of the individuals on a list submitted to the Mayor under this section within thirty days after receiving such list, the Committee shall appoint, with the approval of the Council, an individual named on the list to fill the vacancy for which such list of nominees was prepared.

(3) Any individual whose name is submitted by the Committee as a nominee for appointment to the District of Columbia Board of Elections and Ethics may request that the nomination of such individual be withdrawn. If any such individual requests that his or her nomination be withdrawn, dies, or becomes disqualified to serve as a member of the Board, the Committee shall promptly nominate an individual to replace the individual originally nominated on the list submitted to the Mayor.

(h) Members of the Committee shall be appointed as soon as practicable, but in no event later than June 30, 1975.

## DISTRICT OF COLUMBIA BOARD OF ELECTIONS AND ETHICS

SEC. 306. (a) On and after the date of the enactment of this Act, the Board of Elections of the District of Columbia established under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.), shall be known as the "District of Columbia Board of Elections and

*Ethics* and shall have the powers, duties, and functions as provided in such Act, in any other law in effect on the date immediately preceding the date of the enactment of this Act, and in this Act. Any reference in any law or regulation to the Board of Elections for the District of Columbia or the District of Columbia Board of Elections shall, on and after the date of the enactment of this Act, be held and considered to refer to the District of Columbia Board of Elections and Ethics.

(b) (1) Any person who violates any provision of this Act or of the District of Columbia Election Act may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than \$50 for each such violation. Each occurrence of a violation of this Act and each day of non-compliance with a disclosure requirement of this Act or an order of the Board shall constitute a separate offense.

(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Columbia. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be forthwith sent by registered or certified mail to the respondent and his attorney of record, and if the respondent is a political committee, to the Chairman thereof, and thereupon the Board shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and the decision of the Board or it may remand the proceedings to the Board for such further action as it may direct. The court may determine de novo all issues of law but the Board's findings of fact, if supported by substantial evidence, shall be conclusive.

(c) Upon application made by any individual holding public office, any candidate, or any political committee, the Board, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of the District of Columbia Election Act over which the Board has primary jurisdiction.

## TITLE IV—FINANCE LIMITATIONS

### GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which when aggregated with all other contributions received from that in-

election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, \$1,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, \$750;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, \$500;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, \$200, and in the case of a runoff election, an additional \$200;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, \$100, and in case of a runoff election, an additional \$100; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, \$25.

(b) No person (other than an individual with respect to whom subsection (a) applies) shall make any contribution which, and no person shall receive any contribution from any person (other than such an individual) which when aggregated with all other contributions received from that person, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, \$2,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, \$1,500;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, \$1,000;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward \$400, and in the case of a runoff election, an additional \$400;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, \$200, and in the case of a runoff election, an additional \$200; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, \$25.

For the purposes of this subsection, the term "person" shall include a candidate making contributions relating to his candidacy for nomination for election, or election, to office. Notwithstanding the preceding provisions of this subsection, a candidate for member of the Council elected from a ward may contribute \$1,000 to his own campaign. The provisions of this subsection to the extent that such provisions are applicable to corporations and unions shall, to that extent, expire as of July 1, 1975, unless the Council of the District of Columbia on or before such date enacts legislation repealing or modifying such provisions or extending such provisions as to corporations and unions on and after that date. In the event that the Council fails to so repeal, modify, or extend such provisions as to corporations and labor unions,

the Council shall report its reasons therefor to the Committees on the District of Columbia of the Senate and the House of Representatives prior to August 1, 1975.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds \$2,000.

(d) (1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contributions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purposes of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other unauthorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds \$1,000.

(3) For purposes of paragraph (2) —

(A) "clearly identified" means —

- (i) the candidate's name appears,
- (ii) a photograph or drawing of the candidate appears, or
- (iii) the identity of the candidate is apparent by unambiguous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation or labor organization which, under the provisions of section 610 of title 18 of the United States Code would not constitute an expenditure by that corporation or labor organization.

(4) Every candidate shall file a statement with the Board, in such manner and form and at such times as the Board may prescribe, authorizing any person or any political committee organized primarily to support the candidacy of such candidate to either directly or indirectly, receive contributions, or make expenditures in behalf of, such candidate. No person and no committee organized primarily to support a single candidate may, either directly or indirectly, receive contributions or make expenditures in behalf of, such candidate without the written authorization of such candidate as required by this paragraph.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of \$50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

(h) (1) No candidate or member of the immediate family of a candidate may make a loan or advance from his personal funds for use in

connection with a campaign of that candidate for nomination for election, or for election, to public office unless that loan or advance is evidenced by a written instrument fully disclosing the terms, conditions, and parts to the loan or advance. The amount of any such loan or advance shall be included in computing and applying the limitations contained in this section only to extent of the balance of the loan or advance which is unpaid at the time of determination.

(2) For purposes of this subsection, the term "immediate family" means the candidate's spouse and any parent, brother, or sister, or child of the candidate, and the spouse of any such parent, brother, sister, or child.

#### LIMITATION OF EXPENDITURES

SEC. 402. (a) (1) No principal campaign committee shall expend any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed (1) in the case of a candidate for Mayor, \$200,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$120,000 for one of such elections and \$80,000 for the other of such elections; (2) in the case of a candidate for Chairman of the Council, \$150,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$90,000 for one of such elections and \$60,000 for the other of such elections; (3) in the case of a candidate for member of the Council elected at large, \$100,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$60,000 for one of such elections and \$40,000 for the other of such elections; (4) in the case of a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, \$20,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$12,000 for one of such elections and \$8,000 for the other of such elections; (5) in the case of a candidate for member of the Board of Education elected from a ward, or in support of any candidate for office of a political party, \$10,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$6,000 for one of such elections and \$4,000 for the other of such elections; and (6) in the case of a candidate for member of an Advisory Neighborhood Council, \$500.

(2) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Board and the Board shall publish in the District of Columbia Register the per centum difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for 1974. Each amount determined under paragraph (1) shall be changed by such per centum difference. Each amount so changed shall be the amount in effect for such calendar year.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by subsection (a) from expending funds or which would cause such principal committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to

believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

(c) Any expenditure made in connection with a campaign in a calendar year other than the calendar year in which the election is held to which that campaign relates is, for the purposes of this section, considered to be made during the calendar year in which that election is held.

## TITLE V—LOBBYING

### DEFINITIONS

SEC. 501. When used in this title—

(a) The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term "expenditure" includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term "legislation" means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the Council of the District of Columbia, and includes any other matter which may be the subject of action by the Council of the District of Columbia.

### DETAILED ACCOUNTS OF CONTRIBUTIONS; RETENTION OF RECEIPTED BILLS OF EXPENDITURES

SEC. 502. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

(1) all contributions of any amount or of any value whatsoever;

(2) the name and address of every person making any such contribution of \$200 or more and the date thereof;

(3) all expenditures made by or on behalf of such organization or fund; and

(4) the name and address of every person to whom any such expenditure is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding \$10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

### RECEIPTS FOR CONTRIBUTORS

SEC. 503. Every individual who receives a contribution of \$200 or more for any of the purposes hereinafter designated shall within five days after receipt thereof render to the person or organization for which such contribution was received a detailed account thereof, including the name and address of the person making such contribution

### STATEMENTS OF ACCOUNTS FILED WITH DIRECTOR

SEC. 504. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 506 of this title shall file with the Director between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of \$200 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of \$200 or more to such person since January 2, 1975;

(2) the total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1) of this subsection;

(3) the total sum of all contributions made to or for such person during the calendar year;

(4) the name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of \$10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4) of this subsection;

(6) the total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) of this section shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

### PRESERVATION OF STATEMENTS

SEC. 505. A statement required by this title to be filed with the Director—

(a) shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Director, Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Director of its nonreceipt;

(b) shall be preserved by the Director for a period of two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

### PERSONS TO WHOM TITLE IS APPLICABLE

SEC. 506. The provisions of this title shall apply to any person (except a political committee) who, by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

(a) The passage or defeat of any legislation by the Council of the District of Columbia.



(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Council of the District of Columbia.

REGISTRATION OF LOBBYISTS WITH DIRECTOR; COMPILATION OF INFORMATION

Sec. 507. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the Council of the District of Columbia shall, before doing anything in furtherance of such object, register with the Director and shall give to him in writing and under oath, his name and business address, the name and address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the first and tenth day of each calendar quarter, so long as his activity continues, file with the Director a detailed report under oath of all money received and extended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials; and the proposed legislation he is employed to support or oppose. The provisions of this section shall not apply to any person who merely appears before the Council of the District of Columbia, or a committee thereof, in support of or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the Council of the District of Columbia in support of or in opposition to such legislation.

(b) All information required to be filed under the provisions of this section with the Director shall be compiled by the Director as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the District of Columbia Register.

REPORTS AND STATEMENTS UNDER OATH

Sec. 508. All reports and statements required under this title shall be made under oath, before an officer authorized by law to administer oaths.

PENALTIES AND PROHIBITIONS

Sec. 509. (a) Any person who violates any of the provisions of this title, shall be guilty of a misdemeanor, and shall be punished by a fine of not more than \$5,000 or imprisonment for not more than twelve months, or both.

(b) In addition to the penalties provided for in subsection (a) of this section, any person convicted of the misdemeanor specified therein is prohibited, for a period of three years from the date of such conviction, from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the Council of the District of Columbia in support of or opposition to proposed legislation; and any person who violates any provision of this subsection shall be guilty of a felony, and shall be punished by a fine of not more than \$10,000, or imprisonment for not more than five years, or both.

EXEMPTION

Sec. 510. The provisions of this title shall not apply to—

(1) any Member of the United States House of Representatives or any Senator;

(2) any member of a staff of any person specified in paragraph (1) while operating within the scope of his employment;

(3) any member of an Advisory Neighborhood Council;

(4) any person who receives less than \$500 during the calendar year as compensation for performing services relating to the influencing of legislation; or

(5) any entity specified in section 1(d) of title II of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1554(d)), no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

CONFLICT OF INTEREST

Sec. 601. (a) The Congress declares that elective and public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

(b) No public official shall use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, other than that compensation provided by law for said public official.

(c) No person shall offer or give to a public official or a member of a public official's household, and no public official shall solicit or receive anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that such public official's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed \$100 during any single calendar year.

(d) No person shall offer or pay to a public official, and no public official shall solicit or receive any money, in addition to that lawfully received by the public official in his official capacity, for advice or assistance given in the course of the public official's employment or relating to his employment.

(e) No public official shall use or disclose confidential information given in the course of or by reason of his official position or activities in any way that could result in financial gain for himself or for any other person.

(f) No member or employee of the Council of the District of Columbia or Board of Education of the District of Columbia shall accept assignment to serve on a committee the jurisdiction of which consists of matters (other than of a de minimis nature) in which he or a member of his family or a business with which he is associated, has financial interest.

(g) Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would affect directly or indirectly his financial interests or those of a member of his household, or a business with which he is associated, or must take an official action on a matter as to which he has a conflict situation created by a personal, family, or client interest, shall—

(1) prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(2) cause copies of such statement to be delivered to the District of Columbia Board of Elections and Ethics (referred to in this title as the "Board"), and to his immediate superior, if any;

(3) if he is a member of the Council of the District of Columbia or member of the Board of Education of the District of Columbia, or employee of either, delivery a copy of such statement to the Chairman thereof, who shall cause such statement to be printed in the record of proceedings, and, upon request of said member or employee, shall excuse the member from votes, deliberations, and other action on the matter on which a potential conflict exists;

(4) if he is not a member of the Council of the District of Columbia, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest, or, if he has no immediate superior, he shall take such steps as the Board prescribes through rules and regulations to remove himself from influence over actions and decisions on the matter on which potential conflict exists; and

(5) during a period when a change of conflict of interest is under investigation by the Board, if he is not a member of the Council of the District of Columbia or a member of the Board of Education, his superior, if any, shall have the arbitrary power to assign the matter to another employee who does not have a potential conflict of interest, or if he has no immediate superior, he shall take such steps as the Board shall prescribe through rules and regulations to remove himself from influence over actions and decisions on the matter on which there is a conflict of interest.

(h) Neither the Mayor nor any member of the Council of the District of Columbia may represent another person before any regulatory agency or court of the District of Columbia while serving in such office. The preceding sentence does not apply to an appearance by such an official before any such agency or court in his official capacity.

(i) As used in this section, the term—

(1) "public official" means the office of the Mayor of the District of Columbia, Chairman of the Council of the District of Columbia, or member of the Council of the District of Columbia,

or Chairman or member of the Board of Education of the District of Columbia, or each officer or employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual);

(2) "business" means any corporation, partnership, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted for profit;

(3) "business with which he is associated" means any business of which the person or member of his household is a director, officer, owner, employee, or holder of stock worth \$1,000 or more at fair market value, and any business which is a client of that person;

(4) "household" means the public official and his immediate family; and

(5) "immediate family" means the public official's spouse and any parent, brother, or sister, or child of the public official, and the spouse of any such parent, brother, sister, or child.

#### DISCLOSURE OF FINANCIAL INTEREST

SEC. 602. Any candidate for nomination for election, or election, to public office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, shall file annually, with the Board a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received by him or by him and his spouse jointly during the preceding calendar year) which exceeds \$100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of \$1,000, and the identity and amount of each liability owned by him, or by him and his spouse jointly, which is in excess of \$1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds \$5,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf, or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds \$5,000;

(5) any purchase or sale, other than the purchase or sale of his personal residence, or real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds \$5,000; and

(6) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, except in the case of candidates filing reports during calendar year 1974, who shall file reports for the preceding three calendar years.

(b) Any candidate for nomination for, or election to, office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Chairman and each member of the Council and the Mayor holding mental Reorganization Act, and the Chairman and each member of the Board of Education, and each officer and employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule under section 5332 of title 5, United States Code, or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual), shall file with the Board in a sealed envelope marked "Confidential Personal Financial Disclosure of (name)", before the fifteenth day of May in each year, the following reports of his personal financial interests:

(1) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code of 1954;

(2) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(3) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of \$10,000 or more, and the identity, if known, of each interest of the other fiduciary relation in real or personal property in which the candidate, officer, or employee held a beneficial interest having a value of \$10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the candidate, officer, or employee shall request the fiduciary to report that information to the Board in the same manner that reports are filed under this rule.

(c) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Board in the custody of the Director for not less than seven years, and while so kept shall remain sealed. Upon receipt of a request by any member of the Board adopted by a recorded majority vote of the full Board requesting the

examination and audit of any of the reports filed by any individual under section (b) of this title, the Director shall transmit to the Board the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Director, such envelope may be opened and the contents thereof may be examined only by members of the Board in executive session. If, upon such examination, the Board determines that further consideration by the Board is warranted and within the jurisdiction of the Board, it may make the contents of any such envelope available for any use by any member of the Board, or the Director or General Counsel of the Board which is required for the discharge of his official duties. The Board may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Board shall publicly disclose not later than the first day of June each year the names of the candidates, officers, and employees who have filed a report. Any paper which has been filed with the Board for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of the service of the Mayor or Chairman or member of the Council of the District of Columbia or Chairman or member of the Board of Education, or officer or employee of the District of Columbia, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such date or termination of service.

(d) Reports required by this section (other than reports so required by candidates) shall be filed not later than sixty days following the enactment of this Act, and not later than May 15 of each succeeding year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(e) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities or purchases, and sales of rental property of any individual.

(f) All public reports filed under this section shall be maintained by the Board as public records which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(g) For the purposes of any report required by this section, any individual shall be considered to have been Mayor, Chairman, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education, or officer or employee of the District of Columbia during any calendar year if such individual served in any such position for more than six months during such calendar year.

(h) For purposes of this section, the term—

- (1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;
- (2) "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);
- (3) "commodity" means commodity as defined in section 2 of the Commodities Exchange Act, as amended (7 U.S.C. 2);
- (4) "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity;
- (5) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such person; and
- (6) "tax" means the taxes imposed under chapter 1 of the Internal Revenue Code of 1954, under the District of Columbia Revenue Act of 1947, and under the District of Columbia Public Works Act of 1954 and any other provision of law relating to the taxation of property within the District of Columbia.

**TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION**

**PENALTIES AND ENFORCEMENT**

SEC. 701. (a) Except as provided in subsection (b), any person or political committee who violates any of the provisions of this Act shall be fined not more than \$5,000, or shall be imprisoned for not longer than six months, or both.

(b) Any person who knowingly files any false or misleading statement, report, voucher, or other paper, or makes any false or misleading statement to the Board, shall be fined not more than \$10,000, or shall be imprisoned for not longer than five years, or both.

(c) The penalties provided in this section shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calendar year 1974.

(d) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States.

**TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS**

SEC. 702. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47-1567-47-1567e) is amended by adding at the end of that title the following:  
"SEC. 7. (a) Credit for Campaign Contributions.—For the purpose

of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of \$12.50, or \$25 in the case of married persons filing a joint return.

"(b) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

"(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section."

"Sec. 7. Credit for campaign contributions."

**USE OF SURPLUS CAMPAIGN FUNDS**

SEC. 703. Within the limitations specified in this Act, any surplus, residual, or unexpended campaign funds received by or on behalf of an individual who seeks nomination for election, or election to office shall be contributed to a political party for political purposes, used to retire the proper debts of his political committee which received such funds, or returned to the donors as follows:

(1) in the case of an individual defeated in an election, within six months following such election;

(2) in the case of an individual elected to office, within six months following such election; and

(3) in the case of an individual ceasing to be a candidate, within six months thereafter.

**A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL**

SEC. 704. (a) The Council of the District of Columbia shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of the District of Columbia Campaign Finance Reform Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of those Acts so as to improve electoral machinery and to insure open fair, and effective election campaigns in the District of Columbia.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this section shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

**EFFECTIVE DATES**

SEC. 705. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that information required under

section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1-1113(e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles, I, III, VI and VII of this Act shall take effect on the date of enactment of this Act.

(c) Title V of this Act shall take effect January 2, 1975.

#### AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

Sec. 706. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec 1-1113) is amended to read as follows:

##### "AUTHORIZATION

Sec. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act."

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1-1104) is amended to read as follows:

"(b) Each member of the Board shall be paid compensation at the rate of \$100 for each eight hour period with a limit of \$12,500 per annum, while performing duties under this Act, except during 1974, such compensation shall be paid without regard to such annual limitation."

(c) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

##### AUTHORITY OF COUNCIL

Sec. 707. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

##### AUTHORIZATION OF APPROPRIATION

Sec. 708. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

And the Senate agrees to the same.

CHARLES C. DIGGS, JR.,  
BROCK ADAMS,  
DONALD FRASER,  
W. S. (BILL) STUCKEY, JR.,  
THOMAS M. REES,  
ANCHER NELSEN,  
GILBERT GUDE,  
Managers on the Part of the House.  
THOMAS F. EAGLETON,  
DANIEL K. INOUE,  
CHARLES MCC. MATHIAS, JR.,  
Managers on the Part of the Senate.

## JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 15074) to regulate certain political campaign finance practices in the District of Columbia, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all the House bill after the enacting clause, inserted a substitute text and provided a new title for the House bill.

The Committee of Conference has agreed to a substitute for both the House bill and the Senate amendment to the text of the bill. Except for clarifying, clerical, and conforming changes, the major differences are noted below:

#### AGENCY TO ADMINISTER THE ACT

The House bill continued the existing Board of Elections to administer this act.

The Senate amendment replaced the present Board of Elections with the Board of Elections and Ethics to assume the duties of the previous Board. The new Board was given compliance authority, including civil penalties and general procedures for conduct of the Board's business.

The Conference substitute conforms to the Senate amendment.

#### APPOINTMENT OF DIRECTOR OF CAMPAIGN FINANCE

The House bill provided for appointment of the Director by the Board of Elections at a salary of GS-10 level.

The Senate amendment provided for appointment of the Director by the Mayor with Senate confirmation until January 2, 1975, and Council confirmation thereafter. The salary of the Director was set at GS-16 (\$36,000).

The Conference substitute conforms to the Senate amendment.

#### CHAIRMAN OF THE BOARD OF ELECTIONS

The House bill made the position of Board Chairman full-time and retained the present \$75 per day reimbursement for Board members, not to exceed \$11,250 per annum.

The Senate amendment left the Board Chairman as a part-time position and raised the compensation of Board members to \$150 per day without annual limitation.

The Conference substitute leaves the Chairman as a part-time posi-

tion and raises the pay of each member of the Board to \$100 for each 8-hour period worked, with an annual limitation of \$12,500.

#### CONTRIBUTION LIMITATIONS—INDIVIDUALS

The House bill set maximum contributions as follows: to a candidate for Mayor, \$1,000; to a candidate for Chairman of the City Council, \$750; to a candidate for Council-at-Large, \$500; to a candidate for official of a political party, \$100, with an additional \$100 contribution permitted in case of a run-off.

The Senate amendment lowered the ceiling for contributions to Mayoral candidates to \$500; candidates for Chairman to \$400, and candidates for Council-at-Large to \$400. The Senate amendment had no provision for contributions to candidates for official of a political party or in case of a run-off. The Senate amendment limited contributions to candidates for Advisory Neighborhood Councils to \$25.

The Conference substitute conforms to the House bill but accepts the Senate limitation for Advisory Neighborhood Councils.

#### CONTRIBUTION LIMITATIONS—PERSONS OTHER THAN INDIVIDUALS

The House bill limited contributions by persons other than individuals to a single candidate as follows: the Mayor, \$2,000; the Chairman, \$1,500; the Council Member-at-Large, \$1,000; and Council Member from a ward, \$400; for Board of Education from a ward, \$200; for official of a political party, \$200; and provided an additional \$200 in case of a run-off.

The Senate amendment had no such provision.

The Conference substitute conforms to the House provision with the addition that these limitations as they apply to corporations and labor unions expire on July 1, 1975, unless reenacted or modified by the City Council. If the Council fails to act, it shall by August 1, 1975 report the reasons for its failure to act to the Senate and House Committees on the District of Columbia.

#### AGGREGATE CONTRIBUTIONS BY AN INDIVIDUAL

The House bill limited an individual to contributions to all candidates totaling \$2,000.

The Senate amendment provided a limitation of \$1,000.

The Conference substitute conforms to the House bill.

#### CONTRIBUTIONS BY A CANDIDATE AND HIS FAMILY TO HIS CAMPAIGN

The House bill contained individual limitations that may be spent by a candidate and his family in different amounts for each office, starting with \$2,000 for the Mayor and ranging down.

The Senate amendment permitted contributions by a candidate and his immediate family to aggregate 25% of the total expenditures permitted in his campaign.

The Conference substitute conforms to the House provision.

#### MAXIMUM EXPENDITURES IN A CANDIDATE'S CAMPAIGN

The House bill limited total expenditures in any candidate's campaign for both primary and general elections and limited the expenditure to 50% in the primary and 50% in the general elections as follows: the Mayor, \$200,000; the Chairman, \$150,000; Council at-Large, \$100,000; Board of Education at-Large, \$40,000; Member of the Council from a ward, \$40,000; Board of Education from a ward, \$20,000; official of political party, \$20,000.

The Senate amendment lowered those figures and permitted 60% to be spent in the general or primary election at the candidate's discretion in the races for Mayor, \$150,000; Chairman, \$115,000; Council at-Large, \$90,000; Board of Education at-Large, \$20,000; Member of the Council from a ward, \$20,000; Board of Education from a ward, \$10,000.

The Conference substitute adopts the total dollar expenditure limitations contained in the House bill, with the Senate provision which permits 60% of the funds to be expended in either the general or primary election at the candidate's discretion, with the other 40% to be the limitation on expenditures for the other election.

#### USE OF UNEXPENDED CAMPAIGN FUNDS

The House bill permits use of surplus campaign funds for political purposes of a political party; retiring proper debts of a political committee; contribution to educational organizations; contributions to charitable organizations; and use in future campaigns of same candidate.

The Senate amendment provided that surplus funds shall be used for political purposes of a political party; retiring proper debts of a political committee; or be returned to donors on a pro rata basis.

The Conference substitute provides that surplus funds shall be used for political purposes of a political party, for retiring proper debts of the candidate's political committee which received the funds, or be returned to donors within six months after the election.

#### LOBBYING

The House bill provided for registration and reporting by persons engaging for pay in lobbying for passage or defeat of legislation by the Council of the District of Columbia. The Director of Campaign Finance administered this provision.

The Senate amendment had no such provision.

The Conference substitute conforms with the House bill but makes certain exceptions and limits its operation to lobbyists being paid over \$500 per year for this purpose.

#### CONFLICT OF INTEREST

The Senate amendment prohibited a public official of the District from using his office to obtain financial gain, accepting gifts for taking official action, disclosing confidential information resulting in financial gain. No official could accept membership on a committee or an assignment of responsibility which created a conflict of interest.

# Ninety-third Congress of the United States of America

## AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January, one thousand nine hundred and seventy-four*



### An Act

To regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

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

#### TITLE I—SHORT TITLE, DEFINITIONS

- Sec. 101. Short title.
- Sec. 102. Definitions.

#### TITLE II—FINANCIAL DISCLOSURES

- Sec. 201. Organization of political committees.
- Sec. 202. Principal campaign committee.
- Sec. 203. Designation of campaign depository.
- Sec. 204. Registration of political committees; statements.
- Sec. 205. Registration of candidates.
- Sec. 206. Reports by political committees and candidates.
- Sec. 207. Reports by others than political committees.
- Sec. 208. Formal requirements respecting reports and statements.
- Sec. 209. Exemption for candidates who anticipate spending less than \$250.
- Sec. 210. Identification of campaign literature.
- Sec. 211. Effect on liability.

#### TITLE III—DIRECTOR OF CAMPAIGN FINANCE

- Sec. 301. Establishment of the Office of Director.
- Sec. 302. Powers of the Director.
- Sec. 303. Duties of the Director.
- Sec. 304. General Accounting Office to assist Board and Director.
- Sec. 305. Nominating committee.
- Sec. 306. District of Columbia Board of Elections and Ethics.

#### TITLE IV—FINANCE LIMITATIONS

- Sec. 401. General limitations.
- Sec. 402. Limitation on expenditures.

#### TITLE V—LOBBYING

- Sec. 501. Definitions.
- Sec. 502. Detailed accounts of contributions; retention of receipted bills of expenditures.
- Sec. 503. Receipts for contributions.
- Sec. 504. Statements of accounts filed with Director.
- Sec. 505. Preservation of statements.
- Sec. 506. Persons to whom title is applicable.
- Sec. 507. Registration of lobbyists with Director; compilation of information.
- Sec. 508. Reports and statements under oath.
- Sec. 509. Penalties and prohibitions.
- Sec. 510. Exemptions.

#### TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

- Sec. 601. Conflict of interest.
- Sec. 602. Disclosure of financial interest.

#### TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

- Sec. 701. Penalties and enforcement.
- Sec. 702. Tax credit for campaign contributions.
- Sec. 703. Use of surplus campaign funds.
- Sec. 704. A study of 1974 election and report by Council.
- Sec. 705. Effective dates.
- Sec. 706. Amendments to District of Columbia Election Act.
- Sec. 707. Authority of Council.
- Sec. 708. Authorization of appropriation.

TITLE I—SHORT TITLE, DEFINITIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act."

DEFINITIONS

SEC. 102. When used in this Act, unless otherwise provided—

(a) The term "election" means a primary, runoff, general, or special election held in the District of Columbia for the purpose of nominating an individual to be a candidate for election to office or for the purpose of electing a candidate to office, and includes a convention or caucus of a political party held for the purpose of nominating such a candidate.

(b) The term "candidate" means an individual who seeks nomination for election, or election, to office, whether or not such individual is nominated or elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) obtained or authorized any other person to obtain nominating petitions to qualify himself for nomination for election, or election, to office, (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to office, or (3) reason to know, or knows, that any other person has received contributions or made expenditures for that purpose, and has not notified that person in writing to cease receiving contributions or making expenditures for that purpose. A person who is deemed to be a candidate for the purposes of this Act shall not be deemed, solely by reason of that status, to be a candidate for the purposes of any other Federal law.

(c) The term "office" means the office of Mayor of the District of Columbia, Chairman or member of the Council of the District of Columbia, member of the Board of Education of the District of Columbia, or an official of a political party.

(d) The term "official of a political party" means—

(1) national committeemen and national committeewomen;

(2) delegates to conventions of political parties nominating candidates for the Presidency and Vice Presidency of the United States;

(3) alternates to the officials referred to in clauses (1) and (2) above, where permitted by political party rules; and

(4) such members and officials of local committees of political parties as may be designated by the duly authorized local committees of such parties for election, by public ballot, at large or by ward in the District of Columbia.

(e) The term "political committee" means any committee (including a principal campaign committee), club, association, organization, or other group of individuals organized for the purpose of, or engaged in, promoting or opposing a political party or the nomination or election of an individual to office.

(f) The term "contribution" means—

(1) a gift, subscription (including any assessment, fee, or membership dues), loan, advance, or deposit of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; or



(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge, or for less than reasonable value, for any such purpose or the furnishing of goods, advertising, or services to a candidate's campaign without charge, or at a rate which is less than the rate normally charged for such services.

Notwithstanding the foregoing, such term shall not be construed to include (A) services provided without compensation, by individuals volunteering a portion or all of their time on behalf of a candidate or political committee, (B) personal services provided without compensation by individuals volunteering a portion or all of their time to a candidate or political committee, (C) communications by an organization, other than a political party, solely to its members and their families on any subject, (D) communications (including advertisements) to any person on any subject by any organization which is organized solely as an issue-oriented organization, which communications neither endorse nor oppose any candidate for office, or (E) normal billing credit for a period not exceeding thirty days.

(g) The term "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of financing, directly or indirectly, the election campaign of a candidate or any operations of a political committee;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure;

(3) a transfer of funds between political committees; and

(4) notwithstanding the foregoing provisions of this paragraph, such term shall not be construed to include the incidental expenses (as defined by the Board) made by or on behalf of individuals in the course of volunteering their time on behalf of a candidate or political committee.

(h) The term "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons.

(i) The term "Director" means the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics created by title III.

(j) The term "political party" means an association, committee, or organization which nominates a candidate for election to any office and qualifies under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.), to have the names of its nominees appear on the election ballot as the candidate of that association, committee, or organization.

(k) The term "Board" means the District of Columbia Board of Elections and Ethics established under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.) and redesignated by section 306.

## TITLE II—FINANCIAL DISCLOSURES

### ORGANIZATION OF POLITICAL COMMITTEES

SEC. 201. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer thereof and no other person has been designated and has agreed to perform the functions of treasurer. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution of \$10 or more for or on behalf of a political committee shall, on demand of the treasurer, and in any event within five days after receipt of such contribution, submit to the treasurer of such committee a detailed account thereof, including the amount, the name and address (including the occupation and the principal place of business, if any) of the person making such contribution, and the date on which such contribution was received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) Except for accounts of expenditures made out of the petty cash fund provided for under section 201(b), the treasurer of a political committee, and each candidate, shall keep a detailed and exact account of—

(1) all contributions made to or for such political committee or candidate;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of every person making a contribution of \$10 or more, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee or candidate; and

(4) the full name and mailing address (including the occupation and the principal place of business, if any) of every person to whom any expenditure is made, the date and amount thereof and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made.

(d) The treasurer or candidate shall obtain and preserve such receipted bills and records as may be required by the Board.

(e) Each political committee and candidate shall include on the face or front page of all literature and advertisements soliciting funds the following notice: "A copy of our report is filed with the Director of Campaign Finance of the District of Columbia Board of Elections and Ethics."

#### PRINCIPAL CAMPAIGN COMMITTEE

SEC. 202. (a) Each candidate for office shall designate in writing one political committee as his principal campaign committee. The principal campaign committee shall receive all reports made by any other political committee accepting contributions or making expenditures for the purpose of influencing the nomination for election, or election, of the candidate who designated it as his principal campaign committee. The principal committee may require additional reports to be made to it by any such political committee and may designate the time and number of all reports. No political committee may be designated as the principal campaign committee of more than one candidate, except a principal campaign committee supporting the nomination or election of a candidate as an official of a political party may support the nomination or election of more than one such candidate, but may not support the nomination or election of a candidate for any public office.

(b) Each statement (including the statement of organization required under section 204) or report that a political committee is required to file with or furnish to the Director under the provisions of this Act shall also be furnished, if that political committee is not a principal campaign committee, to the campaign committee for the candidate on whose behalf that political committee is accepting or making, or intends to accept or make, contributions or expenditures.

(c) The treasurer of each political committee which is a principal campaign committee, and each candidate, shall receive all reports and

statements filed with or furnished to it or him by other political committees, consolidate, and furnish the reports and statements to the Director, together with the reports and statements of the principal campaign committee of which he is treasurer or which was designated by him, in accordance with the provisions of this title and regulations prescribed by the Board.

DESIGNATION OF CAMPAIGN DEPOSITORY

SEC. 203. (a) Each political committee, and each candidate accepting contributions or making expenditures, shall designate, in the registration statement required under section 204 or 205, one national bank located in the District of Columbia as the campaign depository of that political committee or candidate. Each such committee or candidate shall maintain a checking account at such depository and shall deposit any contributions received by the committee or candidate into that account. No expenditures may be made by such committee or candidate except by check drawn payable to the person to whom the expenditure is being made on that account, other than petty cash expenditures as provided in subsection (b).

(b) A political committee or candidate may maintain a petty cash fund out of which may be made expenditures not in excess of \$50 to any person in connection with a single purchase or transaction. A record of petty cash receipts and disbursements shall be kept in accordance with requirements established by the Board and such statements and reports thereof shall be furnished to the Director as it may require. Payments may be made into the petty cash fund only by check drawn on the checking account maintained at the campaign depository of such political committee or candidate.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 204. (a) Each political committee shall file with the Director a statement of organization within ten days after its organization. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Director at such time as the Director may prescribe—

(b) The statement of organization shall include—

- (1) the name and address of the political committee;
- (2) the names, addresses, and relationships of affiliated or connected organizations;
- (3) the area, scope, or jurisdiction of the political committee;
- (4) the name, address, and position of the custodian of books and accounts;
- (5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;
- (6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;
- (7) a statement whether the political committee is a continuing one;
- (8) the disposition of residual funds which will be made in the event of dissolution;
- (9) the name and address of the bank designated by the committee as the campaign depository, together with the title and number of each account and safety deposit box used by that com-

mittee at the depository, and the identification of each individual authorized to make withdrawals or payments out of each such account or box; and

(10) such other information as shall be required by the Director.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Director within the ten-day period following the change.

(d) Any political committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year shall so notify the Director.

#### REGISTRATION OF CANDIDATES

SEC. 205. (a) Each individual shall, within five days of becoming a candidate, or within five days of the day on which he, or any person authorized by him (pursuant to section 401 (d)) to do so, has received a contribution or made an expenditure in connection with his campaign or for the purposes of preparing to undertake his campaign, file with the Director a registration statement in such form as the Director may prescribe.

(b) In addition, candidates shall provide the Director the name and address of the campaign depository designated by that candidate, together with the title and number of each account and safety deposit box used by that candidate at the depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box, and such other information as shall be required by the Director.

#### REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 206. (a) The treasurer of each political committee supporting a candidate, and each candidate, required to register under this Act, shall file with the Director, and with the applicable principal campaign committee, reports of receipts and expenditures on forms to be prescribed or approved by the Director. Except for the first such report which shall be filed on the twenty-first day after the date of enactment of this Act, such reports shall be filed on the 10th day of March, June, August, October, and December in each year during which there is held an election for the office such candidate is seeking, and on the fifteenth and fifth days next preceding the date on which such election is held, and also by the 31st day of January of each year. In addition such reports shall be filed on the 31st day of July of each year in which there is no such election. Such reports shall be complete as of such date as the Director may prescribe, which shall not be more than five days before the date of filing, except that any contribution of \$200 or more received after the closing date prescribed by the Director for the last report required to be filed prior to the election shall be reported within twenty-four hours after its receipt.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address (including the occupation and the principal place of business, if any) of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of \$50 or more, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or values of \$50 or more, together with the full names and mailing addresses (including the occupation and the principal place of business, if any) of the lender and endorsers, if any, and the date and amount of such loans;

(6) the net amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising events organized by such committee; (B) mass collections made at such events; and (C) sales by such committee of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt of \$50 or more not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address (including the occupation and the principal place of business, if any) of each person to whom expenditures have been made by such committee or on behalf of such committee or candidate within the calendar year in an aggregate amount or value of \$10 or more, the amount, date, and purpose of each such expenditure and the name and address of, and office sought by, each candidate on whose behalf such expenditure was made;

(10) the total sum of expenditures made by such committee or candidate during the calendar year;

(11) the amount and nature of debts and obligations owed by or to the committee, in such form as the Director may prescribe and a continuous reporting of its debts and obligations after the election at such periods as the Director may require until such debts and obligations are extinguished; and

(12) such other information as may be required by the Director.

(c) The reports to be filed under subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the unchanged amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

(d) Each treasurer of a political committee, each candidate for election to office, and each treasurer appointed by a candidate, shall file with the Director weekly reports of cash contributions on forms to be prescribed or approved by the Director.

#### REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 207. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount of \$50 or more within a calendar year shall file with the Director a statement containing the information required by section 206. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 208. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period to be designated by the Board in a published regulation.

(c) The Board, shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

EXEMPTION FOR CANDIDATES WHO ANTICIPATE SPENDING LESS THAN \$250

SEC. 209. Except for the provisions of subsections (c) and (d) of section 201, and subsection (a) of section 205, the provisions of this title shall not apply to any candidate who anticipates spending or spends less than \$250 in any one election and who has not designated a principal campaign committee. On the fifteenth day prior to the date of the election in which such candidate is entered, and on the thirtieth day after the date of such election, such candidate shall certify to the Director that he has not spent more than \$250 in such election.

IDENTIFICATION OF CAMPAIGN LITERATURE

SEC. 210. All newspaper or magazine advertising, posters, circulars, billboards, handbills, bumper stickers, sample ballots, and other printed matter with reference to or intended for the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words "paid for by" followed by the name and address of the payer or the committee or other person and its treasurer on whose behalf the material appears.

EFFECT ON LIABILITY

SEC. 211. Nothing in this title shall be construed as creating or limiting in any way the liability of any person under existing law for any financial obligation incurred by a political committee or candidate.

TITLE III—DIRECTOR OF CAMPAIGN FINANCE

ESTABLISHMENT OF THE OFFICE OF DIRECTOR

SEC. 301. (a) There is established within the District of Columbia Board of Elections and Ethics the office of Director of Campaign Finance (hereinafter in this Act referred to as the "Director"). The Commissioner of the District of Columbia shall appoint, by and with the advice and consent of the Senate, the Director, except that on and after January 2, 1975, any vacancy in the office of Director shall be filled by appointment by the Mayor, with the advice and consent of the Council. Such appointments shall be made without regard to the provisions of title 5 of the United States Code, governing appoint-

ments in the competitive service. The Director shall be entitled to receive compensation at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of title 5 of the United States Code, and shall be responsible for the administrative operations of the Board pertaining to this Act and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Board. However, the Board shall not delegate to the Director the making of regulations regarding elections.

(b) The Board may appoint a General Counsel without regard to the provisions of title 5 of the United States Code, governing appointments in the competitive service, to serve at the pleasure of the Board. The General Counsel shall be entitled to receive compensation at the same rate as the Director of the Board and shall be responsible solely to the Board. The General Counsel shall perform such duties as may be delegated or assigned to him from time to time by regulation or order of the Board.

(c) In any appropriate case where the Board upon its own motion or upon recommendation of the Director makes a finding of an apparent violation of this Act, it shall refer such case to the United States Attorney for the District of Columbia for prosecution, and shall make public the fact of such referral and the basis for such finding. In addition, the Board, through its General Counsel, shall initiate, maintain, defend, or appeal any civil action (in the name of the Board) relating to the enforcement of the provisions of this Act. The Board may, through its General Counsel, petition the courts of the District of Columbia for declaratory or injunctive relief concerning any action covered by the provisions of this Act.

#### POWERS OF THE DIRECTOR

SEC. 302. (a) The Director, under regulations of general applicability approved by the Board, shall have the power—

(1) to require any person to submit in writing such reports and answers to questions as the Director may prescribe relating to the administration and enforcement of this Act; and such submission shall be made within such reasonable period and under oath or otherwise as the Director may determine;

(2) to administer oaths;

(3) to require by subpoena the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Director and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the Superior Court of the District of Columbia; and

(6) to accept gifts and voluntary and uncompensated services.

Subpenas issued under this section shall be issued by the Director upon the approval of the Board.

(b) The Superior Court of the District of Columbia may, upon petition by the Board, in case of refusal to obey a subpoena or order of the Board issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof.

DUTIES OF THE DIRECTOR

SEC. 303. The Director shall—

- (1) develop and furnish (upon request) prescribed forms for the making of the reports and statements required to be filed with him under this Act;
- (2) develop a filing, coding, and cross-indexing system consonant with the purposes of this Act;
- (3) make the reports and statements filed with him available for public inspection and copying, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit and facilitate copying of any such report or statement by hand and by duplicating machine, as requested by any person, at reasonable cost to such person, except any information copied from such reports and statements shall not be sold or utilized by any person for the purpose of soliciting contributions or for any commercial purpose;
- (4) preserve such reports and statements for a period of ten years from date of receipt;
- (5) compile and maintain a current list of all statements or parts of statements on file pertaining to each candidate;
- (6) prepare and publish such other reports as he may deem appropriate;
- (7) assure dissemination of statistics, summaries, and reports prepared under this title;
- (8) make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title; and
- (9) perform such other duties as the Board may require.

GENERAL ACCOUNTING OFFICE TO ASSIST BOARD AND DIRECTOR

SEC. 304. The Board and Director may, in the performance of its functions under this Act, request the assistance of the Comptroller General of the United States, including such investigations and audits as the Board and Director may determine necessary, and the Comptroller General shall provide such assistance with or without reimbursement, as the Board and Director and the Comptroller General shall agree.

NOMINATING COMMITTEE

SEC. 305. (a) Effective January 2, 1975, there is established within the Government of the District of Columbia a committee to be known as the "District of Columbia Board of Elections and Ethics Nominating Committee" (hereinafter in this Act referred to as the "Committee"). The Committee shall have the function of nominating individuals for appointment as members of the District of Columbia Board of Elections and Ethics for any and all vacancies occurring on such Board on or after the date on which a majority of the members first appointed pursuant to this section hold their first meeting as members of the Committee. Such nominations shall be made by the Committee in accordance with the provisions of this section. The Committee shall consist of five members. Within ten days following the date on which a majority of the members are first appointed pursuant to this section, such members so appointed shall hold their first meeting as members of the Committee.

(b) (1) Two members of the Committee shall be appointed by the Mayor, at least one of whom shall be a lawyer.



(2) Three members of the Committee shall be appointed by the Chairman of the Council of the District of Columbia, with the approval of the Council.

(c) Members of the Committee shall serve for terms of five years, except that of the members first appointed pursuant to subsection (b) (1), one shall serve for one year and one for five years, as designated at the time of appointment, and members appointed pursuant to subsection (b) (2), one shall serve for two years, one for three years, and one for four years, as designated at the time of appointment.

(d) (1) No individual may be appointed as a member of the Committee unless he or she—

(A) is a citizen of the United States, and

(B) is a resident of the District of Columbia and has maintained his or her domicile within the District for at least one year immediately preceding the date of his or her appointment, and

(C) is not a member of the Council of the District of Columbia or an officer or employee of the Government of the District of Columbia (including the judicial branch).

(2) Any vacancy in the membership of the Committee shall be filled in the same manner in which the original appointment was made. Any individual appointed to fill a vacancy, occurring other than upon the expiration of a term, shall serve only for the remainder of the term of such individual's predecessor.

(e) Members of the Committee shall be paid for each day spent performing their duties as members of the Committee at a rate which is equal to the daily equivalent of the rate provided by step 1 of grade 17 of the General Schedule under section 5332 of title 5, United States Code.

(f) (1) Except as otherwise provided in subsection (a) of this section, the Committee shall act only at meetings called by the Chairman or a majority of the members thereof and only after notice has been given of such meeting to all members of the Committee.

(2) The Committee shall choose annually from among its members a Chairman and such other officers as it deems necessary. The Committee may adopt such rules of procedure as may be necessary to govern the business of the Committee.

(3) Each agency of the government of the District of Columbia shall furnish to the Committee, upon request, such records, information, services, and such other assistance and facilities as may be necessary to enable the Committee to perform its function properly. Any information furnished to the Committee designated "confidential" by the person furnishing it to the Committee shall be treated by the Committee as privileged and confidential.

(g) (1) In the event of any such vacancy in the District of Columbia Board of Elections and Ethics, the Committee shall, within thirty days after such vacancy occurs, submit a list of three persons as nominees for appointment by the Mayor to fill the vacancy. If more than one such vacancy exists at the same time, the Committee shall submit a separate list of nominees for appointment to fill each such vacancy, and no individual's name shall appear on more than one such list. In filling such vacancy, the Mayor may appoint more than one individual from any list currently before the Mayor. In any case in which, after the expiration of the thirty-day period following the date on which a majority of the members of the Committee first meet as provided in subsection (a), a vacancy is scheduled to occur, by reason of the expiration of a term of office, the Committee's list of nominees for appointment to fill that vacancy shall be submitted to the Mayor not less than thirty days prior to the expiration of that term.

(2) If the Mayor fails to submit for Council approval the name of one of the individuals on a list submitted to the Mayor under this section within thirty days after receiving such list, the Committee shall appoint, with the approval of the Council, an individual named on the list to fill the vacancy for which such list of nominees was prepared.

(3) Any individual whose name is submitted by the Committee as a nominee for appointment to the District of Columbia Board of Elections and Ethics may request that the nomination of such individual be withdrawn. If any such individual requests that his or her nomination be withdrawn, dies, or becomes disqualified to serve as a member of the Board, the Committee shall promptly nominate an individual to replace the individual originally nominated on the list submitted to the Mayor.

(h) Members of the Committee shall be appointed as soon as practicable, but in no event later than June 30, 1975.

DISTRICT OF COLUMBIA BOARD OF ELECTIONS AND ETHICS

SEC. 306. (a) On and after the date of the enactment of this Act, the Board of Elections of the District of Columbia established under the District of Columbia Election Act (D.C. Code, sec. 1-1101 et seq.), shall be known as the "District of Columbia Board of Elections and Ethics" and shall have the powers, duties, and functions as provided in such Act, in any other law in effect on the date immediately preceding the date of the enactment of this Act, and in this Act. Any reference in any law or regulation to the Board of Elections for the District of Columbia or the District of Columbia Board of Elections shall, on and after the date of the enactment of this Act, be held and considered to refer to the District of Columbia Board of Elections and Ethics.

(b)(1) Any person who violates any provision of this Act or of the District of Columbia Election Act may be assessed a civil penalty by the District of Columbia Board of Elections and Ethics under paragraph (2) of this subsection of not more than \$50 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this Act or an order of the Board shall constitute a separate offense.

(2) A civil penalty shall be assessed by the Board by order only after the person charged with a violation has been given an opportunity for a hearing, and the Board has determined, by decision incorporating its findings of facts therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Board shall file a petition for enforcement of its order assessing the penalty in the Superior Court of the District of Columbia. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be forthwith sent by registered or certified mail to the respondent and his attorney of record, and if the respondent is a political committee, to the Chairman thereof, and thereupon the Board shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and the decision of the Board or it may remand the proceedings to the Board for such further action as it may direct. The court may determine de novo all issues of law but the Board's findings of fact, if supported by substantial evidence, shall be conclusive.

(c) Upon application made by any individual holding public office, any candidate, or any political committee, the Board, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of the District of Columbia Election Act over which the Board has primary jurisdiction.

#### TITLE IV—FINANCE LIMITATIONS

##### GENERAL LIMITATIONS

SEC. 401. (a) No individual shall make any contribution which, and no person shall receive any contribution from any individual which when aggregated with all other contributions received from that individual, relating to a campaign for nomination as a candidate for election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, \$1,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, \$750;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, \$500;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward, \$200, and in the case of a runoff election, an additional \$200;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, \$100, and in case of a runoff election, an additional \$100; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, \$25.

(b) No person (other than an individual with respect to whom subsection (a) applies) shall make any contribution which, and no person shall receive any contribution from any person (other than such an individual) which when aggregated with all other contributions received from that person, relating to a campaign for nomination as a candidate or election to public office, including both the primary and general or special elections, exceeds—

(1) in the case of a contribution in support of a candidate for Mayor, \$2,000;

(2) in the case of a contribution in support of a candidate for Chairman of the Council, \$1,500;

(3) in the case of a contribution in support of a candidate for member of the Council elected at large, \$1,000;

(4) in the case of a contribution in support of a candidate for member of the Board of Education elected at large or for member of the Council elected from a ward \$400, and in the case of a runoff election, an additional \$400;

(5) in the case of a contribution in support of a candidate for member of the Board of Education elected from a ward or for official of a political party, \$200, and in the case of a runoff election, an additional \$200; and

(6) in the case of a contribution in support of a candidate for a member of an Advisory Neighborhood Council, \$25.

For the purposes of this subsection, the term "person" shall include a candidate making contributions relating to his candidacy for nomination for election, or election, to office. Notwithstanding the preceding provisions of this subsection, a candidate for member of the Council elected from a ward may contribute \$1,000 to his own campaign. The provisions of this subsection to the extent that such provisions are applicable to corporations and unions shall, to that extent, expire as of July 1, 1975, unless the Council of the District of Columbia on or before such date enacts legislation repealing or modifying such provisions or extending such provisions as to corporations and unions on and after that date. In the event that the Council fails to so repeal, modify, or extend such provisions as to corporations and labor unions, the Council shall report its reasons therefor to the Committees on the District of Columbia of the Senate and the House of Representatives prior to August 1, 1975.

(c) No individual shall make any contribution in any one election which when aggregated with all other contributions made by that individual in that election exceeds \$2,000.

(d) (1) Any expenditure made by any person advocating the election or defeat of any candidate for office which is not made at the request or suggestion of the candidate, any agent of the candidate, or any political committee authorized by the candidate to make expenditures or to receive contributions for the candidate is not considered a contribution to or an expenditure by or on behalf of the candidate for the purposes of the limitations specified in this Act.

(2) No person may make any unauthorized expenditure advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other unauthorized expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds \$1,000.

(3) For purposes of paragraph (2)—

(A) "clearly identified" means—

- (i) the candidate's name appears,
- (ii) a photograph or drawing of the candidate appears, or
- (iii) the identity of the candidate is apparent by unambiguous reference,

(B) "person" does not include the central committee of a political party, and

(C) "expenditure" does not include any payment made or incurred by a corporation or labor organization which, under the provisions of section 610 of title 18 of the United States Code would not constitute an expenditure by that corporation or labor organization.

(4) Every candidate shall file a statement with the Board, in such manner and form and at such times as the Board may prescribe, authorizing any person or any political committee organized primarily to support the candidacy of such candidate to either directly or indirectly, receive contributions, or make expenditures in behalf of, such candidate. No person and no committee organized primarily to support a single candidate may, either directly or indirectly, receive contributions or make expenditures in behalf of, such candidate without the written authorization of such candidate as required by this paragraph.

(e) In no case shall any person receive or make any contribution in legal tender in an amount of \$50 or more.

(f) No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

(g) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

(h) (1) No candidate or member of the immediate family of a candidate may make a loan or advance from his personal funds for use in connection with a campaign of that candidate for nomination for election, or for election, to public office unless that loan or advance is evidenced by a written instrument fully disclosing the terms, conditions, and parts to the loan or advance. The amount of any such loan or advance shall be included in computing and applying the limitations contained in this section only to extent of the balance of the loan or advance which is unpaid at the time of determination.

(2) For purposes of this subsection, the term "immediate family" means the candidate's spouse and any parent, brother, or sister, or child of the candidate, and the spouse of any such parent, brother, sister, or child.

LIMITATION OF EXPENDITURES

SEC. 402. (a) (1) No principal campaign committee shall expend any funds which when aggregated with funds expended by it, all other committees required to report to it, and by a candidate supported by such committee shall exceed (1) in the case of a candidate for Mayor, \$200,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$120,000 for one of such elections and \$80,000 for the other of such elections; (2) in the case of a candidate for Chairman of the Council, \$150,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$90,000 for one of such elections and \$60,000 for the other of such elections; (3) in the case of a candidate for member of the Council elected at large, \$100,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$60,000 for one of such elections and \$40,000 for the other of such elections; (4) in the case of a candidate for member of the Board of Education elected at large or member of the Council elected from a ward, \$20,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$12,000 for one of such elections and \$8,000 for the other of such elections; (5) in the case of a candidate for member of the Board of Education elected from a ward, or in support of any candidate for office of a political party, \$10,000 in the aggregate for any primary and general election in connection therewith, but in no event in excess of \$6,000 for one of such elections and \$4,000 for the other of such elections; and (6) in the case of a candidate for member of an Advisory Neighborhood Council, \$500.

(2) At the beginning of each calendar year (commencing in 1976), as there become available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Board and the Board shall publish in the District of Columbia Register the per centum difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for 1974. Each amount determined under paragraph (1) shall be changed by such per centum difference. Each amount so changed shall be the amount in effect for such calendar year.

(b) No political committee or candidate shall knowingly expend any funds at a time when the principal campaign committee to which it shall report, or which has been designated by him, is precluded by sub-

section (a) from expending funds or which would cause such principal committee to be precluded from further expenditures. Any principal campaign committee of a candidate having reasonable knowledge to believe that further expenditures by a political committee registered in support of such candidate, or by the candidate it supports, will exceed the expenditure limitations specified in subsection (a) shall immediately notify, in writing, such political committee or candidate of that fact.

(c) Any expenditure made in connection with a campaign in a calendar year other than the calendar year in which the election is held to which that campaign relates is, for the purposes of this section, considered to be made during the calendar year in which that election is held.

## TITLE V—LOBBYING

### DEFINITIONS

SEC. 501. When used in this title—

(a) The term “contribution” includes a gift, subscription, loan, advance, or deposit of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution.

(b) The term “expenditure” includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure.

(c) The term “legislation” means bills, resolutions, amendments, nominations, rules, and other matters pending or proposed in the Council of the District of Columbia, and includes any other matter which may be the subject of action by the Council of the District of Columbia.

### DETAILED ACCOUNTS OF CONTRIBUTIONS; RETENTION OF RECEIPTED BILLS OF EXPENDITURES

SEC. 502. (a) It shall be the duty of every person who shall in any manner solicit or receive a contribution to any organization or fund for the purposes hereinafter designated to keep a detailed and exact account of—

- (1) all contributions of any amount or of any value whatsoever;
- (2) the name and address of every person making any such contribution of \$200 or more and the date thereof;
- (3) all expenditures made by or on behalf of such organization or fund; and
- (4) the name and address of every person to whom any such expenditure is made and the date thereof.

(b) It shall be the duty of such person to obtain and keep a receipted bill, stating the particulars, for every expenditure of such funds exceeding \$10 in amount, and to preserve all receipted bills and accounts required to be kept by this section for a period of at least two years from the date of the filing of the statement containing such items.

### RECEIPTS FOR CONTRIBUTORS

SEC. 503. Every individual who receives a contribution of \$200 or more for any of the purposes hereinafter designated shall within five days after receipt thereof render to the person or organization for which such contribution was received a detailed account thereof,

including the name and address of the person making such contribution and the date on which received.

STATEMENTS OF ACCOUNTS FILED WITH DIRECTOR

SEC. 504. (a) Every person receiving any contributions or expending any money for the purposes designated in subparagraph (a) or (b) of section 506 of this title shall file with the Director between the first and tenth day of each calendar quarter, a statement containing complete as of the day next preceding the date of filing—

(1) the name and address of each person who has made a contribution of \$200 or more not mentioned in the preceding report; except that the first report filed pursuant to this title shall contain the name and address of each person who has made any contribution of \$200 or more to such person since January 2, 1975;

(2) the total sum of the contributions made to or for such person during the calendar year and not stated under paragraph (1) of this subsection;

(3) the total sum of all contributions made to or for such person during the calendar year;

(4) the name and address of each person to whom an expenditure in one or more items of the aggregate amount or value, within the calendar year, of \$10 or more has been made by or on behalf of such person, and the amount, date, and purpose of such expenditure;

(5) the total sum of all expenditures made by or on behalf of such person during the calendar year and not stated under paragraph (4) of this subsection;

(6) the total sum of expenditures made by or on behalf of such person during the calendar year.

(b) The statements required to be filed by subsection (a) of this section shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous statement only the amount need be carried forward.

PRESERVATION OF STATEMENTS

SEC. 505. A statement required by this title to be filed with the Director—

(a) shall be deemed properly filed when deposited in an established post office within the prescribed time, duly stamped, registered, and directed to the Director, Washington, District of Columbia, but in the event it is not received, a duplicate of such statement shall be promptly filed upon notice by the Director of its nonreceipt;

(b) shall be preserved by the Director for a period of two years from the date of filing, shall constitute part of the public records of his office, and shall be open to public inspection.

PERSONS TO WHOM TITLE IS APPLICABLE

SEC. 506. The provisions of this title shall apply to any person (except a political committee) who, by himself, or through any agent or employee or other persons in any manner whatsoever, directly or indirectly, solicits, collects, or receives money or any other thing of value to be used principally to aid, or the principal purpose of which person is to aid, in the accomplishment of any of the following purposes:

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(a) The passage or defeat of any legislation by the Council of the District of Columbia.

(b) To influence, directly or indirectly, the passage or defeat of any legislation by the Council of the District of Columbia.

REGISTRATION OF LOBBYISTS WITH DIRECTOR; COMPILATION OF INFORMATION

SEC. 507. (a) Any person who shall engage himself for pay or for any consideration for the purpose of attempting to influence the passage or defeat of any legislation by the Council of the District of Columbia shall, before doing anything in furtherance of such object, register with the Director and shall give to him in writing and under oath, his name and business address, the name and address of the person by whom he is employed, and in whose interest he appears or works, the duration of such employment, how much he is paid and is to receive, by whom he is paid or is to be paid, how much he is to be paid for expenses, and what expenses are to be included. Each such person so registering shall, between the first and tenth day of each calendar quarter, so long as his activity continues, file with the Director a detailed report under oath of all money received and expended by him during the preceding calendar quarter in carrying on his work; to whom paid; for what purposes; and the names of any papers, periodicals, magazines, or other publications in which he has caused to be published any articles or editorials; and the proposed legislation he is employed to support or oppose. The provisions of this section shall not apply to any person who merely appears before the Council of the District of Columbia, or a committee thereof, in support of or opposition to legislation; nor to any public official acting in his official capacity; nor in the case of any newspaper or other regularly published periodical (including any individual who owns, publishes, or is employed by any such newspaper or periodical) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislation, if such newspaper, periodical, or individual, engages in no further or other activities in connection with the passage or defeat of such legislation, other than to appear before a committee of the Council of the District of Columbia in support of or in opposition to such legislation.

(b) All information required to be filed under the provisions of this section with the Director shall be compiled by the Director as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the District of Columbia Register.

REPORTS AND STATEMENTS UNDER OATH

SEC. 508. All reports and statements required under this title shall be made under oath, before an officer authorized by law to administer oaths.

PENALTIES AND PROHIBITIONS

SEC. 509. (a) Any person who violates any of the provisions of this title, shall be guilty of a misdemeanor, and shall be punished by a fine of not more than \$5,000 or imprisonment for not more than twelve months, or both.

(b) In addition to the penalties provided for in subsection (a) of this section, any person convicted of the misdemeanor specified



therein is prohibited, for a period of three years from the date of such conviction, from attempting to influence, directly or indirectly, the passage or defeat of any proposed legislation or from appearing before a committee of the Council of the District of Columbia in support of or opposition to proposed legislation; and any person who violates any provision of this subsection shall be guilty of a felony, and shall be punished by a fine of not more than \$10,000, or imprisonment for not more than five years, or both.

EXEMPTION

SEC. 510. The provisions of this title shall not apply to—

- (1) any Member of the United States House of Representatives or any Senator;
- (2) any member of a staff of any person specified in paragraph (1) while operating within the scope of his employment;
- (3) any member of an Advisory Neighborhood Council;
- (4) any person who receives less than \$500 during the calendar year as compensation for performing services relating to the influencing of legislation; or
- (5) any entity specified in section 1(d) of title II of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, sec. 47-1554(d)), no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation.

TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

CONFLICT OF INTEREST

SEC. 601. (a) The Congress declares that elective and public office is a public trust, and any effort to realize personal gain through official conduct is a violation of that trust.

(b) No public official shall use his official position or office to obtain financial gain for himself, any member of his household, or any business with which he or a member of his household is associated, other than that compensation provided by law for said public official.

(c) No person shall offer or give to a public official or a member of a public official's household, and no public official shall solicit or receive anything of value, including a gift, favor, service, loan gratuity, discount, hospitality, political contribution, or promise of future employment, based on any understanding that such public official's official actions or judgment or vote would be influenced thereby, or where it could reasonably be inferred that the thing of value would influence the public official in the discharge of his duties, or as a reward, or which would cause the total value of such things received from the same person not a member of such public official's household to exceed \$100 during any single calendar year.

(d) No person shall offer or pay to a public official, and no public official shall solicit or receive any money, in addition to that lawfully received by the public official in his official capacity, for advice or assistance given in the course of the public official's employment or relating to his employment.

(e) No public official shall use or disclose confidential information given in the course of or by reason of his official position or activities in any way that could result in financial gain for himself or for any other person.

(f) No member or employee of the Council of the District of Columbia or Board of Education of the District of Columbia shall accept assignment to serve on a committee the jurisdiction of which consists of matters (other than of a de minimis nature) in which he or a member of his family or a business with which he is associated, has financial interest.

(g) Any public official who, in the discharge of his official duties, would be required to take an action or make a decision that would affect directly or indirectly his financial interests or those of a member of his household, or a business with which he is associated, or must take an official action on a matter as to which he has a conflict situation created by a personal, family, or client interest, shall—

(1) prepare a written statement describing the matter requiring action or decision, and the nature of his potential conflict of interest with respect to such action or decision;

(2) cause copies of such statement to be delivered to the District of Columbia Board of Elections and Ethics (referred to in this title as the "Board"), and to his immediate superior, if any;

(3) if he is a member of the Council of the District of Columbia or member of the Board of Education of the District of Columbia, or employee of either, deliver a copy of such statement to the Chairman thereof, who shall cause such statement to be printed in the record of proceedings, and, upon request of said member or employee, shall excuse the member from votes, deliberations, and other action on the matter on which a potential conflict exists;

(4) if he is not a member of the Council of the District of Columbia, his superior, if any, shall assign the matter to another employee who does not have a potential conflict of interest, or, if he has no immediate superior, he shall take such steps as the Board prescribes through rules and regulations to remove himself from influence over actions and decisions on the matter on which potential conflict exists; and

(5) during a period when a charge of conflict of interest is under investigation by the Board, if he is not a member of the Council of the District of Columbia or a member of the Board of Education, his superior, if any, shall have the arbitrary power to assign the matter to another employee who does not have a potential conflict of interest, or if he has no immediate superior, he shall take such steps as the Board shall prescribe through rules and regulations to remove himself from influence over actions and decisions on the matter on which there is a conflict of interest.

(h) Neither the Mayor nor any member of the Council of the District of Columbia may represent another person before any regulatory agency or court of the District of Columbia while serving in such office. The preceding sentence does not apply to an appearance by such an official before any such agency or court in his official capacity.

(i) As used in this section, the term—

(1) "public official" means the office of the Mayor of the District of Columbia, Chairman of the Council of the District of Columbia, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education of the District of Columbia, or each officer or employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual);

(2) "business" means any corporation, partnership, sole pro-

prietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint stock, trust, and any legal entity through which business is conducted for profit;

(3) "business with which he is associated" means any business of which the person or member of his household is a director, officer, owner, employee, or holder of stock worth \$1,000 or more at fair market value, and any business which is a client of that person;

(4) "household" means the public official and his immediate family; and

(5) "immediate family" means the public official's spouse and any parent, brother, or sister, or child of the public official, and the spouse of any such parent, brother, sister, or child.

DISCLOSURE OF FINANCIAL INTEREST

SEC. 602. (a) Any candidate for nomination for election, or election, to public office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, shall file annually, with the Board a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received by him or by him and his spouse jointly during the preceding calendar year) which exceeds \$100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of \$1,000, and the identity and amount of each liability owned by him, or by him and his spouse jointly, which is in excess of \$1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds \$5,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf, or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds \$5,000;

(5) any purchase or sale, other than the purchase or sale of his personal residence, of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds \$5,000; and

(6) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, except in the case of candidates filing reports during calendar year 1974, who shall file reports for the preceding three calendar years.

(b) Any candidate for nomination for, or election to, office who at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and the Mayor, and the Chairman and each member of the Council of the District of Columbia holding office under the District of Columbia Self-Government and Governmental Reorganization Act, and the Chairman and each member of the Board of Education, and each officer and employee of the District of Columbia government who performs duties of the type generally performed by an individual occupying grade GS-15 of the General Schedule under section 5332 of title 5, United States Code, or any higher grade or position (as determined by the Board regardless of the rate of compensation of such individual), shall file with the Board in a sealed envelope marked "Confidential Personal Financial Disclosure of (name)", before the fifteenth day of May in each year, the following reports of his personal financial interests:

(1) a copy of the returns of taxes, declarations, statements, or other documents which he, or he and his spouse jointly, made for the preceding year in compliance with the income tax provisions of the Internal Revenue Code of 1954;

(2) the name and address of each business or professional corporation, firm, or enterprise in which he was an officer, director, partner, proprietor, or employee who received compensation during the preceding year and the amount of such compensation;

(3) the identity of each trust or other fiduciary relation in which he held a beneficial interest having a value of \$10,000 or more, and the identity, if known, of each interest of the other fiduciary relation in real or personal property in which the candidate, officer, or employee held a beneficial interest having a value of \$10,000 or more, at any time during the preceding year. If he cannot obtain the identity of the fiduciary interests, the candidate, officer, or employee shall request the fiduciary to report that information to the Board in the same manner that reports are filed under this rule.

(c) Except as otherwise provided by this section, all papers filed under this section shall be kept by the Board in the custody of the Director for not less than seven years, and while so kept shall remain sealed. Upon receipt of a request by any member of the Board adopted by a recorded majority vote of the full Board requesting the examination and audit of any of the reports filed by any individual under section (b) of this title, the Director shall transmit to the Board the envelopes containing such reports. Within a reasonable time after such recorded vote has been taken, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Director, such envelope may be opened and the contents thereof may be examined only by members of the Board in executive session. If, upon such examination, the Board determines that further consideration by the Board is warranted and within the jurisdiction of the Board, it may make the contents of any such envelope available for any use by any member of the Board, or the Director or General Counsel of the Board which is required for the discharge of his official duties. The Board may receive the papers as evidence, after giving to the individual concerned due notice and

opportunity for hearing in a closed session. The Board shall publicly disclose not later than the first day of June each year the names of the candidates, officers, and employees who have filed a report. Any paper which has been filed with the Board for longer than seven years, in accordance with the provisions of this section, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of the service of the Mayor or Chairman or member of the Council of the District of Columbia or Chairman or member of the Board of Education, or officer or employee of the District of Columbia, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such date or termination of service.

(d) Reports required by this section (other than reports so required by candidates) shall be filed not later than sixty days following the enactment of this Act, and not later than May 15 of each succeeding year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Board may prescribe.

(e) Reports required by this section shall be in such form and detail as the Board may prescribe. The Board may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities or purchases, and sales of rental property of any individual.

(f) All public reports filed under this section shall be maintained by the Board as public records which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(g) For the purposes of any report required by this section, any individual shall be considered to have been Mayor, Chairman, or member of the Council of the District of Columbia, or Chairman or member of the Board of Education, or officer or employee of the District of Columbia during any calendar year if such individual served in any such position for more than six months during such calendar year.

(h) For purposes of this section, the term—

(1) "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(2) "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b);

(3) "commodity" means commodity as defined in section 2 of the Commodities Exchange Act, as amended (7 U.S.C. 2);

(4) "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity;

(5) "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouse of such person; and

(6) "tax" means the taxes imposed under chapter 1 of the Internal Revenue Code of 1954, under the District of Columbia Revenue Act of 1947, and under the District of Columbia Public Works Act of 1954 and any other provision of law relating to the taxation of property within the District of Columbia.

TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 ELECTION AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

PENALTIES AND ENFORCEMENT

SEC. 701. (a) Except as provided in subsection (b), any person or political committee who violates any of the provisions of this Act shall be fined not more than \$5,000, or shall be imprisoned for not longer than six months, or both.

(b) Any person who knowingly files any false or misleading statement, report, voucher, or other paper, or makes any false or misleading statement to the Board, shall be fined not more than \$10,000, or shall be imprisoned for not longer than five years, or both.

(c) The penalties provided in this section shall not apply to any person or political committee who, before the date of enactment of this Act during calendar year 1974, makes political contributions or receives political contributions or makes any political campaign expenditures, in excess of any limitation placed on such contributions or expenditures by this Act, except such person or political committee shall not make any further such contributions or expenditures during the remainder of calendar year 1974.

(d) Prosecutions of violations of this Act shall be brought by the United States Attorney for the District of Columbia in the name of the United States.

TAX CREDIT FOR CAMPAIGN CONTRIBUTIONS

SEC. 702. (a) Title VI of article I of the District of Columbia Income and Franchise Tax Act of 1947 (D.C. Code, secs. 47-1567—47-1567e) is amended by adding at the end of that title the following:

“SEC. 7. (a) Credit for Campaign Contributions.—For the purpose of encouraging residents of the District to participate in the election process in the District, there shall be allowed to an individual a credit against the tax (if any) imposed by this article in an amount equal to 50 per centum of any campaign contribution made to any candidate for election to any office referred to in the first section of the District of Columbia Election Act, but in no event shall such credit exceed the amount of \$12.50, or \$25 in the case of married persons filing a joint return.

“(b) (1) A husband and wife filing separate returns for a taxable year for which a joint return could have been made by them may claim between them only the total credit (or refund) to which they would have been entitled under this section had a joint return been filed.

“(2) No individual for whom a personal exemption was allowed on another individual's return shall be entitled to a credit (or refund) under this section.”

(b) The table of contents of such article is amended by adding at the end of the part of such table relating to title VI the following:

“Sec. 7. Credit for campaign contributions.”

USE OF SURPLUS CAMPAIGN FUNDS

SEC. 703. Within the limitations specified in this Act, any surplus, residual, or unexpended campaign funds received by or on behalf of an individual who seeks nomination for election, or election to office shall be contributed to a political party for political purposes, used to retire the proper debts of his political committee which received such funds, or returned to the donors as follows:

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- (1) in the case of an individual defeated in an election, within six months following such election;
- (2) in the case of an individual elected to office, within six months following such election; and
- (3) in the case of an individual ceasing to be a candidate, within six months thereafter.

A STUDY OF 1974 ELECTION AND REPORT BY COUNCIL

SEC. 704. (a) The Council of the District of Columbia shall, during calendar year 1975, conduct public hearings and other appropriate investigations on (1) the operation and effect of the District of Columbia Campaign Finance Reform Act and the District of Columbia Election Act on the elections held in the District of Columbia during 1974; and (2) the necessity and desirability of modifying either or both of those Acts so as to improve electoral machinery and to insure open fair, and effective election campaigns in the District of Columbia.

(b) Upon the conclusion of its hearings and investigations the Council shall issue a public report on its findings and recommendations. Nothing in this section shall be construed as limiting the legislative authority over elections in the District of Columbia vested in the Council by the District of Columbia Self-Government and Governmental Reorganization Act.

EFFECTIVE DATES

SEC. 705. (a) Titles II and IV of this Act shall take effect on the date of enactment of this Act, except the first report or statement required to be filed by any individual or political committee under the provisions of such titles shall include that information required under section 13(e) of the District of Columbia Election Act (D.C. Code, sec. 1-1113(e)) with respect to contributions and expenditures made before the date of enactment of this Act, but after January 1, 1974.

(b) Titles I, III, VI and VII of this Act shall take effect on the date of enactment of this Act.

(c) Title V of this Act shall take effect January 2, 1975.

AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT

SEC. 706. (a) Section 13 of the District of Columbia Election Act (D.C. Code, sec. 1-1113) is amended to read as follows:

"AUTHORIZATION

"SEC. 13. There are hereby authorized to be appropriated, out of any money in the Treasury to the credit of the District of Columbia not otherwise appropriated, such sums as are necessary to carry out the purposes of this Act."

(b) The first sentence of subsection (b) of section 4 of such Act (D.C. Code, sec. 1-1104) is amended to read as follows:

"(b) Each member of the Board shall be paid compensation at the rate of \$100 for each eight hour period with a limit of \$12,500 per annum, while performing duties under this Act, except during 1974 such compensation shall be paid without regard to such annual limitation."

(c) The amendment made by subsection (a) shall not affect the liability of any person arising out of any violation of section 13 of the District of Columbia Election Act committed before the date of enactment of this title, and any action commenced with respect to such a violation shall not abate.

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AUTHORITY OF COUNCIL

SEC. 707. Notwithstanding any other provision of law, or any rule of law, nothing in this Act shall be construed as limiting the authority of the District of Columbia Council to enact any act or resolution, after January 2, 1975, pursuant to the District of Columbia Self-Government and Governmental Reorganization Act with respect to any matter covered by this Act.

AUTHORIZATION OF APPROPRIATION

SEC. 708. Amounts authorized under section 722 of the District of Columbia Self-Government and Governmental Reorganization Act may be used to carry out the purposes of this Act.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*



# Ninety-third Congress of the United States of America

## AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,  
one thousand nine hundred and seventy-four*



### An Act

To regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

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

#### TITLE I—SHORT TITLE, DEFINITIONS

- Sec. 101. Short title.
- Sec. 102. Definitions.

#### TITLE II—FINANCIAL DISCLOSURES

- Sec. 201. Organization of political committees.
- Sec. 202. Principal campaign committee.
- Sec. 203. Designation of campaign depository.
- Sec. 204. Registration of political committees; statements.
- Sec. 205. Registration of candidates.
- Sec. 206. Reports by political committees and candidates.
- Sec. 207. Reports by others than political committees.
- Sec. 208. Formal requirements respecting reports and statements.
- Sec. 209. Exemption for candidates who anticipate spending less than \$250.
- Sec. 210. Identification of campaign literature.
- Sec. 211. Effect on liability.

#### TITLE III—DIRECTOR OF CAMPAIGN FINANCE

- Sec. 301. Establishment of the Office of Director.
- Sec. 302. Powers of the Director.
- Sec. 303. Duties of the Director.
- Sec. 304. General Accounting Office to assist Board and Director.
- Sec. 305. Nominating committee.
- Sec. 306. District of Columbia Board of Elections and Ethics.

#### TITLE IV—FINANCE LIMITATIONS

- Sec. 401. General limitations.
- Sec. 402. Limitation on expenditures.

#### TITLE V—LOBBYING

- Sec. 501. Definitions.
- Sec. 502. Detailed accounts of contributions; retention of receipted bills of expenditures.
- Sec. 503. Receipts for contributions.
- Sec. 504. Statements of accounts filed with Director.
- Sec. 505. Preservation of statements.
- Sec. 506. Persons to whom title is applicable.
- Sec. 507. Registration of lobbyists with Director; compilation of information.
- Sec. 508. Reports and statements under oath.
- Sec. 509. Penalties and prohibitions.
- Sec. 510. Exemptions.

#### TITLE VI—CONFLICT OF INTEREST AND DISCLOSURE

- Sec. 601. Conflict of interest.
- Sec. 602. Disclosure of financial interest.

#### TITLE VII—PENALTIES AND ENFORCEMENT TAX CREDITS, USE OF SURPLUS CAMPAIGN FUNDS, VOTERS' INFORMATION PAMPHLETS, STUDY OF 1974 AND REPORT BY COUNCIL, EFFECTIVE DATES, AMENDMENTS TO DISTRICT OF COLUMBIA ELECTION ACT, AND AUTHORIZATION

- Sec. 701. Penalties and enforcement.
- Sec. 702. Tax credit for campaign contributions.
- Sec. 703. Use of surplus campaign funds.
- Sec. 704. A study of 1974 election and report by Council.
- Sec. 705. Effective dates.
- Sec. 706. Amendments to District of Columbia Election Act.
- Sec. 707. Authority of Council.
- Sec. 708. Authorization of appropriation.

August 6, 1974

Dear Mr. Director:

The following bills were received at the White House on August 6th:

S.J. Res. 228

S. 2296

S. 3669

H.R. 14012

H.R. 15074

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,



Robert D. Linder  
Chief Executive Clerk

The Honorable Roy L. Ash  
Director  
Office of Management and Budget  
Washington, D. C.