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APPROVED
AUG 14 1974

THE WHITE HOUSE
WASHINGTON

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8/15*



MEMORANDUM FOR:

THE PRESIDENT

FROM:

KEN COLE

SUBJECT:

Enrolled Bill H. R. 15074 - the District of Columbia Campaign Finance Reform and Conflict of Interest Act

This is to recommend early signature of Enrolled Bill H. R. 15074. Enrolled Bill H. R. 15074 sets forth campaign contribution and expenditure limits, reporting requirements, and financial disclosure requirements for local elections in the District of Columbia. The bill was received on August 7, 1974, and ordinarily would not require a signature decision until August 17. Because of the proximity of the primary election date of September 10, 1974, the District of Columbia requests an early signature in order to permit the maximum candidate reporting time prior to the primary. If signed on August 14, 1974, the bill deadline for candidate reporting (21 days after enactment) would be September 4, 1974.

Recommendations

Mr. William Timmons, Mr. Dean Burch, and the Office of Management and Budget concur.

Recommendation

That you sign Enrolled Bill H. R. 15074 - the District of Columbia Campaign Finance Reform and Conflict of Interest Act.

Approve ✓

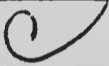
Disapprove

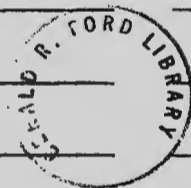
THE WHITE HOUSE
WASHINGTON

ENROLLED BILL

SUBJECT: H. R. 15074 - D. C. Campaign

Finance Reform

<u>Name</u>	<u>Approval</u>	<u>Date</u>
<u>Buckles</u>	<u>yes</u>	<u> </u>
<u>Burch</u>	<u>yes</u>	<u> </u>
<u>Timmons(Moore)</u>	<u>yes</u>	<u> </u>
<u>Buzhardt(Chapman)</u>	<u>yes</u>	<u> </u>
<u>Cole</u>		<u> </u>
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Comments:

THE WHITE HOUSE
WASHINGTON

8/13/74

TO: WARREN HENDRIKS

The disclosure provisions
of this bill (§206) make it
desirable to have the bill
signed as soon as possible.



RDL
Robert D. Linder

APPROVED
AUG 14 1974

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 13 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15074 - D.C. Campaign Finance Reform
Sponsor - Rep. Diggs (D) Michigan and 6 others

Last Day for Action

August 17, 1974 - Saturday

Purpose

Amends campaign laws for local elections in the District of Columbia to set limits on contributions and expenditures, requires full reports on the financing of such campaigns, and requires registration of lobbyists.

Agency Recommendations

Office of Management and Budget

Approval

District of Columbia Government

Approval

Department of Justice

No objection (Informally)

Civil Service Commission

Approval

Discussion

Home rule for the District of Columbia, recently approved by the local electorate, will become effective on January 2, 1975, under the District of Columbia Self-Determination and Governmental Reorganization Act (P.L. 93-198). H.R. 15074 would establish requirements and standards for the upcoming elections for mayor and other publicly elected officials to be held this September and November. This is local D.C. legislation, and the D.C. Government recommends approval.

The bill would cover candidates for mayor, chairman and members of the city council, members of the school board, members of an advisory neighborhood council, and elected officials of political



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parties (national committee persons or delegates to conventions and their alternates, as well as any others which may be elected).

The bill would establish a D.C. Board of Elections and Ethics to supersede, and expand the powers of, the current Board of Elections. A Director of Campaign Finance within the Board, appointed by the D.C. Commissioner with the advice and consent of the Senate, would have broad powers to require reports and investigate potential violations. After January 2, 1975, the advice and consent of the D.C. Council would replace that of the Senate.

H.R. 15074 would require that a detailed statement of organization be filed by each political committee and candidate for office, as well as periodic reports throughout the campaign. Each candidate would be required to designate one political committee as his principal campaign committee which would be responsible for coordinating and reporting all contributions and expenditures of any other committees authorized by that candidate. Unauthorized individuals or groups could not expend more than \$1,000 on behalf of a candidate. Each committee would be required to designate a D.C. bank as its campaign depository, into which all contributions must be deposited. Each contribution of \$10 or more must be recorded and reported by name; no cash contributions of more than \$50 could be accepted; and no contribution could be made in the name of another person. Expenditures in excess of \$50 could be made only by check drawn on the committee's campaign depository bank. Extensive reports would be required on both expenditures and contributions.

The bill would establish limits on the amount of money or goods which individuals or groups could contribute to the combined primary and general elections of a candidate, including all gifts to all committees. The limits would be \$1,000 for individuals and \$2,000 for groups for the office of mayor, and lesser amounts for other offices. An individual could not contribute an aggregate for all candidates of more than \$2,000 in any election. There would be no aggregate limit for groups.

H.R. 15074 would also establish expenditure limits for each office. Expenditures could not exceed a combined \$200,000 for both the primary and general election for the office of mayor, with lesser amounts set for the other offices. No more than 60 percent could be spent for either of the elections, with the remainder of the limit to be spent on the other election. The limits would apply to the combined expenditures of all committees working on behalf of a candidate.

The bill would establish requirements for registration and reports of persons engaging for pay in lobbying for or against proposed legislation before the D.C. Council. An exemption would be granted for persons who receive less than \$500 per year for their work. Criminal violations would be provided for violations of the lobbying provisions.

The bill would require that all candidates for office and all D.C. employees at the GS-15 or above level file financial disclosure reports. It would permit a credit against D.C. income tax of up to \$12.50 per individual for contributions to local political candidates.

Finally, the bill would provide that the D.C. Council may legislate changes to the election laws after it takes office on January 2, 1975.



Wilfred H. Rommel
Assistant Director for
Legislative Reference

Enclosures



THE DISTRICT OF COLUMBIA

WALTER E. WASHINGTON
Mayor-Commissioner

WASHINGTON, D.C. 20004

AUG 9 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C. 20503



Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

H.R. 15074 - To regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

The primary purpose of this bill is to provide for full and complete disclosure of the contributions and expenditures made by and on behalf of candidates engaged in political campaigns in the District of Columbia and to place limitations on the amounts that may be contributed and expended in connection with a candidacy for elective office.

Under H.R. 15074, every political committee is required to record and report every contribution of \$10 or more made on behalf of the committee. All contributions made on behalf of such a committee are required to be deposited in a national bank located in Washington as an official campaign depository, and no expenditures may be made by the committee except by check drawn on this account. Each candidate for office is required to designate one political committee as his principal campaign committee.

Each political committee and each candidate for elective office is required to file a detailed statement of organization with the Director of Campaign Finance. Each political committee supporting a candidate and each candidate is required to report



receipts and expenditures at certain intervals preceding and following the election. Similarly, persons other than candidates or campaign committees are also required to make reports on contributions or expenditures of \$50 or more made within one calendar year.

The bill provides that a Director of Campaign Finance be established within the District of Columbia Board of Elections and Ethics (successor-to-be to the present Board of Elections), to be appointed by the Commissioner, by and with the advice and consent of the Senate with any vacancy after January 2, 1975 to be filled with the consent of the Council. The Director shall have broad powers to require reports, administer oaths, to subpoena witnesses, and to conduct proceedings and investigations in connection with matters regarding political campaign financial practices.

Provision is made in the bill for the establishment of a District of Columbia Board of Elections and Ethics Nominating Committee, whose function it will be to nominate individuals for appointment as members of the District of Columbia Board of Elections and Ethics. Such Board is authorized to order hearings for persons charged with campaign violations and to assess civil penalties upon the finding that such offenses have been committed. A petition for enforcement thereof may be filed in the Superior Court of the District of Columbia.

Title IV of the bill specifies the maximum contributions which may be made on behalf of a candidate for elective office, both in the primary and general election. Contributions are defined to include not only money contributions, but the furnishing of personal services, goods, advertising without charge or at a reduced rate. Maximum amounts are set for expenditures on behalf of a candidate in both primary and general elections.

Title V provides for registration and reporting by persons engaging for pay in lobbying for passage or defeat of legislation by the City Council of the District of Columbia. The Director of Campaign Finance for the District of Columbia is charged with administering this provision. This Title is applicable only to those lobbyists who receive \$500 or more during any calendar year for their services. Criminal penalties of up to 5 years imprisonment and a fine of not more than \$10,000, or both, are specified for violations thereof.



The bill in Title VI contains a provision respecting conflict of interest whereby a public official of the District of Columbia government is prohibited from using his office to obtain financial gain, accepting gifts for taking official action, or disclosing confidential information resulting in financial gain. Further, no such official shall accept membership on a committee or an assignment or responsibility which creates a conflict of interest. This title further requires that candidates and certain officers and employees of the District Government to file annually with the Board of Elections and Ethics a report showing his income, business transactions, property purchases or sales and taxes.

Title VII provides criminal penalties for violations of any provisions of this bill and also authorizes tax credits for campaign contributions not to exceed \$12.50 against personal income taxes assessed by the District of Columbia.

The District of Columbia Government supports the enactment of legislation which will protect and insure that the first municipal elections under the D.C. Self-Government and Governmental Reorganization Act are open and fair. We have also expressed our support for conflict of interests restrictions and the regulation of lobbying activities. The enrolled bill represents an important enactment to provide full and complete disclosure of the contributions and expenditures made by or on behalf of candidates engaged in political campaigns and will place limitations on the amounts that may be contributed and expended in connection with candidacy for elective office.

We would point out that Title III of the enrolled bill calls for two new positions to be established with compensation for each to be set "at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of Title V of the United States Code...." Presently section 5308 of Title V of the U.S. Code provides that pay may not be paid at a rate in excess of the basic pay for level V of the Executive Schedule. Accordingly, we intend to consider the two positions authorized by the bill as requiring compensation in the amount of \$36,000 each.

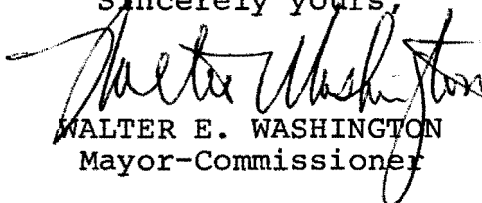
Enactment of the enrolled bill will result in additional costs to the District Government. We estimate that carrying out the provisions of the bill may cost between \$125,000 to \$150,000 a year. This estimate is based on the cost for the two new positions authorized, the additional compensation for the Chairman of the Board, and the necessary support staff and services. In

making this estimate we are interpreting section 13 of the enrolled bill, which amends section 4 of the D.C. Election Act, to refer to fiscal 1974, and not calendar 1974, on the basis of the statement of Congressman Fraser, the House Floor Manager for the Conference Report on the enrolled bill (see Congressional Record, August 1, 1974, page H7540.)

In addition, we estimate that the tax credit provided in Title VII of the enrolled bill will result in an annual revenue loss of at least \$200,000.

The District Government recommends approval of H.R. 15074.

Sincerely yours,



WALTER E. WASHINGTON
Mayor-Commissioner





UNITED STATES CIVIL SERVICE COMMISSION

IN REPLY PLEASE REFER TO

WASHINGTON, D.C. 20415

August 9, 1974

YOUR REFERENCE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D.C. 20503

Attention: Assistant Director for
Legislative Reference



Dear Mr. Ash:

This letter is in reply to your request for the views and recommendations of the Commission on enrolled bill H.R. 15074, "To regulate certain political campaign finance practices in the District of Columbia."

The enrolled bill contains a number of restrictions and regulations on political campaigns for office in the District of Columbia government and of lobbying before the District of Columbia Council, and requires the filing of financial statements by District of Columbia elected officials and certain District of Columbia employees. The Commission is limiting its comments to the personnel and conflict-of-interest provisions of the enrolled bill.

Section 301 provides for appointment of a Director of Campaign Finance and General Counsel of the Board of Elections and Ethics, both paid at the maximum rate for GS-16 but employed without regard to the provisions of title 5, United States Code.

Section 305(e) provides for pay of members of the District of Columbia Board of Elections and Ethics Nominating Committee at the daily rate of step 1 of GS-17.

Section 706(b) amends section 4(b) of the District of Columbia Election Act to provide that the members of the Board of Elections (renamed the Board of Elections and Ethics) be paid compensation at the rate of \$100 for each eight-hour period, with a limit of \$12,500 per annum. The Board now receives \$75 per day with a limit of \$11,250 per annum.

While the Commission might have recommended amendment to these personnel provisions to conform to standard provisions usually supported by the Commission if asked to report on the bill during the legislative process, we would not object to them at this point.

Similarly, although the requirement of section 602(b) of the bill that all District employees performing GS-15 and above type duties file conflict-of-interest financial statements is in some respects not comparable to the Commission's conflict-of-interest regulations for Federal employees, we would not, at this point, raise objection to this provision of the bill.

Accordingly, the Commission recommends that the President sign enrolled bill H.R. 15074.

By direction of the Commission:

Sincerely yours,

Jayne B Spain
Acting
Chairman





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 8-14-74

TO: Bob Linder

FROM: Wilf Rommel

Attached is the Justice views letter on H.R. 15074. Please have included in the enrolled bill file. Thanks.

Department of Justice
Washington, D.C. 20530

AUG 13 1974

Honorable Roy L. Ash
Director, Office of Management
and Budget
Washington, D.C. 20503



Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of the enrolled bill (H.R. 15074), "To regulate certain political campaign finance practices in the District of Columbia, and for other purposes," to be cited as the "District of Columbia Campaign Finance Reform and Conflict of Interest Act."

The primary purpose of the bill is to regulate the conduct of campaigns within the District of Columbia for nomination or election to the offices of Mayor, member of the City Council, member of the School Board, and member of Neighborhood Advisory Councils. Title I. To this end the bill, among other things, establishes contribution and expenditure limitations applicable to such campaigns (title IV) and makes provisions for full reporting and disclosure of the financing of such campaigns (title II). The bill strengthens the authority of the Board of Elections of the District of Columbia to administer election laws generally, and provides that the Board shall be known as the "District of Columbia Board of Elections and Ethics." To assist the Board, the bill creates the office of Director of Campaign Finance, the head of which would be appointed by the Commissioner of the District of Columbia, by and with the advice and consent of the Senate. The Board is also authorized to appoint a General Counsel. Alleged criminal violations of the Act would be referred to the United States Attorney for the District of Columbia; civil actions for injunction and other related relief would be handled by the Board's General Counsel. Title III.

In addition, the bill deals with the subject of regulation of lobbying activities regarding legislation pending before the Council of the District of Columbia. Such regulation was deemed necessary "in view of the delegation of

legislative authority provided in the District of Columbia Self-Government and Governmental Act, Public Law 93-198 (see D.C. Code Supp. 1, 1974), to the Council of the District of Columbia (hereafter referred to as the Council) established as of January 2, 1975." H. Rept. No. 93-1080, 93d Cong., 2d Sess. 7 (1974). For this reason, the effective date of this title is January 2, 1975, the date the members of the elected Council will take office. Id.

The bill also embodies provisions relating to conflict of interest and disclosure of personal financial interests by candidates, elected officials, and high-ranking appointees of the District Government. The financial disclosure provisions covering potential conflict of interest situations are similar to those adopted by the Senate for its own members and employees. S. Rept. No. 93-967, 93d Cong., 2d Sess. 6 (1974); and see Rule XLIV, Standing Rules of the Senate. In our view these provisions supplement, but do not supersede as to the District of Columbia, the provisions of 18 U.S.C. 201-209.

The Department of Justice has no objection to Executive approval of this bill.

Sincerely,



A handwritten signature in cursive script that reads "W. Vincent Rakestraw". The signature is written in dark ink and is positioned below the word "Sincerely,".

W. Vincent Rakestraw
Assistant Attorney General

THE WHITE HOUSE

WASHINGTON

August 13, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS
FROM: WILLIAM E. TIMMONS *WET*
SUBJECT: Action Memorandum - Log No. --
Enrolled Bill H. R. 15074 - D. C. Campaign
Finance Reform



The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

WASHINGTON

August 13, 1974



MEMORANDUM FOR: DEAN BURCH
BILL TIMMONS

FROM: KEN COLE

SUBJECT: D. C. Campaign Reform Act - Enrolled
Bill H. R. 15074

Enrolled bill H. R. 15074 was received on August 7, 1974, and ordinarily would not have to be acted upon by the President until August 17. Because of the proximity of the primary election date of September 10, the bill should be signed promptly in order to permit candidate reporting in time for the primary.

History of Legislation: The D. C. Campaign legislation sponsored by Rep. Diggs requires spending limitations of \$200,000 for the mayoral race and lower limits for council races. Consequently, H. R. 15074 was in apparent conflict with the March 8, 1974, Presidential radio address which opposed campaign expenditure limits on candidates. However, the D. C. legislation was regarded as a local bill which is not binding upon national legislation. The D. C. Government requests signature.

The Star-News yesterday gave front page coverage to the requirement in the bill which sets first reporting deadline of 21 days after enactment. This section of the bill is the reason for urgency in obtaining Presidential signature. If the bill is signed on Tuesday, August 13, the effective filing deadline would be September 3, 1974.

Summary of Bill

- H. R. 15074 would establish certain requirements and limitations for the upcoming elections for mayor and other publicly elected officials.
- The bill would establish a D. C. Board of Elections and Ethics to supersede, and expand the powers of, the current Board of Elections to include subpoena and investigatory powers.

- All contributions of \$10 or more must be reported and recorded by name.
- The bill would establish personal contribution limits of \$1,000 for individuals per candidate, \$2,000 in aggregate for any election.
- The bill would establish \$200,000 limitations for mayoral races.
- The bill would establish reporting and registration requirements for lobbyists before the D. C. Council.
- The bill would require financial disclosure reports of all candidates for office and all D. C. employees at the GS-15 or above.
- Lastly, the item which necessitates expeditious signing; the bill would require first candidate and committee reports to be presented 21 days after enactment.

Special Request: The District of Columbia Board of Elections requests a signed copy of the bill.

Recommendation

Recommend for immediate signature _____

Not recommend for immediate signature _____



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

*No objection
D.C.*

AUG 13 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15074 - D.C. Campaign Finance Reform
Sponsor - Rep. Diggs (D) Michigan and 6 others

Last Day for Action

August 17, 1974 - Saturday



Purpose

Amends campaign laws for local elections in the District of Columbia to set limits on contributions and expenditures, requires full reports on the financing of such campaigns, and requires registration of lobbyists.

Agency Recommendations

Office of Management and Budget

Approval

District of Columbia Government

Approval

Department of Justice

No objection (Informally)

Civil Service Commission

Approval

Discussion

Home rule for the District of Columbia, recently approved by the local electorate, will become effective on January 2, 1975, under the District of Columbia Self-Determination and Governmental Reorganization Act (P.L. 93-198). H.R. 15074 would establish requirements and standards for the upcoming elections for mayor and other publicly elected officials to be held this September and November. This is local D.C. legislation, and the D.C. Government recommends approval.

The bill would cover candidates for mayor, chairman and members of the city council, members of the school board, members of an advisory neighborhood council, and elected officials of political



parties (national committee persons or delegates to conventions and their alternates, as well as any others which may be elected).

The bill would establish a D.C. Board of Elections and Ethics to supersede, and expand the powers of, the current Board of Elections. A Director of Campaign Finance within the Board, appointed by the D.C. Commissioner with the advice and consent of the Senate, would have broad powers to require reports and investigate potential violations. After January 2, 1975, the advice and consent of the D.C. Council would replace that of the Senate.

H.R. 15074 would require that a detailed statement of organization be filed by each political committee and candidate for office, as well as periodic reports throughout the campaign. Each candidate would be required to designate one political committee as his principal campaign committee which would be responsible for coordinating and reporting all contributions and expenditures of any other committees authorized by that candidate. Unauthorized individuals or groups could not expend more than \$1,000 on behalf of a candidate. Each committee would be required to designate a D.C. bank as its campaign depository, into which all contributions must be deposited. Each contribution of \$10 or more must be recorded and reported by name; no cash contributions of more than \$50 could be accepted; and no contribution could be made in the name of another person. Expenditures in excess of \$50 could be made only by check drawn on the committee's campaign depository bank. Extensive reports would be required on both expenditures and contributions.

The bill would establish limits on the amount of money or goods which individuals or groups could contribute to the combined primary and general elections of a candidate, including all gifts to all committees. The limits would be \$1,000 for individuals and \$2,000 for groups for the office of mayor, and lesser amounts for other offices. An individual could not contribute an aggregate for all candidates of more than \$2,000 in any election. There would be no aggregate limit for groups.

H.R. 15074 would also establish expenditure limits for each office. Expenditures could not exceed a combined \$200,000 for both the primary and general election for the office of mayor, with lesser amounts set for the other offices. No more than 60 percent could be spent for either of the elections, with the remainder of the limit to be spent on the other election. The limits would apply to the combined expenditures of all committees working on behalf of a candidate.

The bill would establish requirements for registration and reports of persons engaging for pay in lobbying for or against proposed legislation before the D.C. Council. An exemption would be granted for persons who receive less than \$500 per year for their work. Criminal violations would be provided for violations of the lobbying provisions.

The bill would require that all candidates for office and all D.C. employees at the GS-15 or above level file financial disclosure reports. It would permit a credit against D.C. income tax of up to \$12.50 per individual for contributions to local political candidates.

Finally, the bill would provide that the D.C. Council may legislate changes to the election laws after it takes office on January 2, 1975.



Wilfred H. Rosenthal
Assistant Director for
Legislative Reference

Enclosures.



THE DISTRICT OF COLUMBIA

WALTER E. WASHINGTON
Mayor-Commissioner

WASHINGTON, D.C. 20004

AUG 9 1974

Mr. Wilfred H. Rommel
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, D.C. 20503



Dear Mr. Rommel:

This is in reference to a facsimile of an enrolled enactment of Congress entitled:

H.R. 15074 - To regulate certain political campaign finance practices in the District of Columbia, and for other purposes.

The primary purpose of this bill is to provide for full and complete disclosure of the contributions and expenditures made by and on behalf of candidates engaged in political campaigns in the District of Columbia and to place limitations on the amounts that may be contributed and expended in connection with a candidacy for elective office.

Under H.R. 15074, every political committee is required to record and report every contribution of \$10 or more made on behalf of the committee. All contributions made on behalf of such a committee are required to be deposited in a national bank located in Washington as an official campaign depository, and no expenditures may be made by the committee except by check drawn on this account. Each candidate for office is required to designate one political committee as his principal campaign committee.

Each political committee and each candidate for elective office is required to file a detailed statement of organization with the Director of Campaign Finance. Each political committee supporting a candidate and each candidate is required to report

receipts and expenditures at certain intervals preceding and following the election. Similarly, persons other than candidates or campaign committees are also required to make reports on contributions or expenditures of \$50 or more made within one calendar year.



The bill provides that a Director of Campaign Finance be established within the District of Columbia Board of Elections and Ethics (successor-to-be to the present Board of Elections), to be appointed by the Commissioner, by and with the advice and consent of the Senate with any vacancy after January 2, 1975 to be filled with the consent of the Council. The Director shall have broad powers to require reports, administer oaths, to subpoena witnesses, and to conduct proceedings and investigations in connection with matters regarding political campaign financial practices.

Provision is made in the bill for the establishment of a District of Columbia Board of Elections and Ethics Nominating Committee, whose function it will be to nominate individuals for appointment as members of the District of Columbia Board of Elections and Ethics. Such Board is authorized to order hearings for persons charged with campaign violations and to assess civil penalties upon the finding that such offenses have been committed. A petition for enforcement thereof may be filed in the Superior Court of the District of Columbia.

Title IV of the bill specifies the maximum contributions which may be made on behalf of a candidate for elective office, both in the primary and general election. Contributions are defined to include not only money contributions, but the furnishing of personal services, goods, advertising without charge or at a reduced rate. Maximum amounts are set for expenditures on behalf of a candidate in both primary and general elections.

Title V provides for registration and reporting by persons engaging for pay in lobbying for passage or defeat of legislation by the City Council of the District of Columbia. The Director of Campaign Finance for the District of Columbia is charged with administering this provision. This Title is applicable only to those lobbyists who receive \$500 or more during any calendar year for their services. Criminal penalties of up to 5 years imprisonment and a fine of not more than \$10,000, or both, are specified for violations thereof.



The bill in Title VI contains a provision respecting conflict of interest whereby a public official of the District of Columbia government is prohibited from using his office to obtain financial gain, accepting gifts for taking official action, or disclosing confidential information resulting in financial gain. Further, no such official shall accept membership on a committee or an assignment or responsibility which creates a conflict of interest. This title further requires that candidates and certain officers and employees of the District Government to file annually with the Board of Elections and Ethics a report showing his income, business transactions, property purchases or sales and taxes.

Title VII provides criminal penalties for violations of any provisions of this bill and also authorizes tax credits for campaign contributions not to exceed \$12.50 against personal income taxes assessed by the District of Columbia.

The District of Columbia Government supports the enactment of legislation which will protect and insure that the first municipal elections under the D.C. Self-Government and Governmental Reorganization Act are open and fair. We have also expressed our support for conflict of interests restrictions and the regulation of lobbying activities. The enrolled bill represents an important enactment to provide full and complete disclosure of the contributions and expenditures made by or on behalf of candidates engaged in political campaigns and will place limitations on the amounts that may be contributed and expended in connection with candidacy for elective office.

We would point out that Title III of the enrolled bill calls for two new positions to be established with compensation for each to be set "at the maximum rate as may be established from time to time for grade 16 of the General Schedule in section 5332 of Title V of the United States Code...." Presently section 5308 of Title V of the U.S. Code provides that pay may not be paid at a rate in excess of the basic pay for level V of the Executive Schedule. Accordingly, we intend to consider the two positions authorized by the bill as requiring compensation in the amount of \$36,000 each.

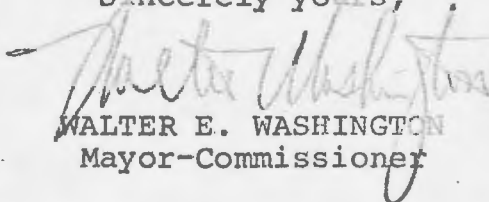
Enactment of the enrolled bill will result in additional costs to the District Government. We estimate that carrying out the provisions of the bill may cost between \$125,000 to \$150,000 a year. This estimate is based on the cost for the two new positions authorized, the additional compensation for the Chairman of the Board, and the necessary support staff and services. In

making this estimate we are interpreting section 13 of the enrolled bill, which amends section 4 of the D.C. Election Act, to refer to fiscal 1974, and not calendar 1974, on the basis of the statement of Congressman Fraser, the House Floor Manager for the Conference Report on the enrolled bill (see Congressional Record, August 1, 1974, page H7540.)

In addition, we estimate that the tax credit provided in Title VII of the enrolled bill will result in an annual revenue loss of at least \$200,000.

The District Government recommends approval of H.R. 15074.

Sincerely yours,


WALTER E. WASHINGTON
Mayor-Commissioner





UNITED STATES CIVIL SERVICE COMMISSION

IN REPLY PLEASE REFER TO

WASHINGTON, D.C. 20415

August 9, 1974

YOUR REFERENCE

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D.C. 20503

Attention: Assistant Director for
Legislative Reference



Dear Mr. Ash:

This letter is in reply to your request for the views and recommendations of the Commission on enrolled bill H.R. 15074, "To regulate certain political campaign finance practices in the District of Columbia."

The enrolled bill contains a number of restrictions and regulations on political campaigns for office in the District of Columbia government and of lobbying before the District of Columbia Council, and requires the filing of financial statements by District of Columbia elected officials and certain District of Columbia employees. The Commission is limiting its comments to the personnel and conflict-of-interest provisions of the enrolled bill.

Section 301 provides for appointment of a Director of Campaign Finance and General Counsel of the Board of Elections and Ethics, both paid at the maximum rate for GS-16 but employed without regard to the provisions of title 5, United States Code.

Section 305(e) provides for pay of members of the District of Columbia Board of Elections and Ethics Nominating Committee at the daily rate of step 1 of GS-17.

Section 706(b) amends section 4(b) of the District of Columbia Election Act to provide that the members of the Board of Elections (renamed the Board of Elections and Ethics) be paid compensation at the rate of \$100 for each eight-hour period, with a limit of \$12,500 per annum. The Board now receives \$75 per day with a limit of \$11,250 per annum.

While the Commission might have recommended amendment to these personnel provisions to conform to standard provisions usually supported by the Commission if asked to report on the bill during the legislative process, we would not object to them at this point.

Similarly, although the requirement of section 602(b) of the bill that all District employees performing GS-15 and above type duties file conflict-of-interest financial statements is in some respects not comparable to the Commission's conflict-of-interest regulations for Federal employees, we would not, at this point, raise objection to this provision of the bill.

Accordingly, the Commission recommends that the President sign enrolled bill H.R. 15074.

By direction of the Commission:

Sincerely yours,

Jayne B Spain
Gettling
Chairman

