



## S. 1 - Honest Leadership and Open Government Act of 2007

### Floor Situation

The S. 1 is being considered under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Senator Harry Reid (D-NV) on July 30, 2007. The bill was referred to the Committee on the Judiciary, but was not considered.

The bill is expected to be considered on the floor on July 31, 2007.

### Executive Summary

The House will consider S.1, which is the combination of 2 bills regarding lobbying reform. The House passed the Honest Leadership and Open Government Act of 2007 (H.R. 2316) on May 24, 2007, by a recorded vote of 396 - 22, 1 Present ([Roll no. 423](#)). The Senate passed a version of S.1. on January 18, 2007, by a recorded vote of 96 - 2 ([Record Vote Number: 19](#)).

Instead of going to conference on these two bills, the Democratic leadership has decided to bring S.1 to the floor with substitute text. The goal is for the 2 Chambers to pass this modified version of the lobbying reform legislation and avoid the conference process.

This version of S.1 contains many of the provisions passed by the House in H.R. 2316. During consideration of H.R. 2316, the Republican Motion to Recommit passed the House by a recorded vote of 346 - 71, 2 Present ([Roll no. 422](#)). However, the provisions of this popular motion were excluded from S.1, which are listed below:

- The provision requiring the disclosure of bundled contributions to PACs;
- The provision requiring lobbyists to disclose the special projects they lobby on behalf of;
- The provision prohibiting state and local governments from giving gifts and travel to Members;
- The provision prohibiting congressional employees who were lobbyists from engaging in official business with their former lobbyist employers.

## **Summary**

### Title I – Closing the Revolving Door

- Restricts senior members of the Executive branch from lobbying within 2 years of leaving employment.
- Restricts Senators from lobbying former colleagues for 2 years after their term ends.
- Members and elected officials of the House are prohibited from lobbying former colleagues for 1 year after accepting another form of employment.
- Senate officers and staff are prohibited from lobbying former colleagues for 1 year.

*Note: The House adopted a 1 year lobbying ban during the 109<sup>th</sup> and 110<sup>th</sup> Congress.*

- Any Member, Senator, or staff member who influences a private employer's hiring decision by threats of official action, or withholding official actions, may be fined and faces jail time of up to 15 years.

*Note: This provision was included in the House-passed H.R. 2316.*

### Title II – Full Public Disclosure of Lobbying

- H.R. 2316 requires lobbyists to file quarterly reports (4 per year) on lobbying activities with the Clerk of the House and the Secretary of the Senate. The current law requires lobbyists to file 2 reports a year. The reporting threshold is also lowered for dollar amounts spent on lobbying activities. Specifically:
  - If a firm earns more than \$2,500 on lobbying activities (down from \$5,000);
  - If a firm spends more than \$10,000 on lobbying activities (down from \$20,000);
  - The name of a business that contributes more than \$5,000 to federal officials or candidates (down from \$10,000); and,
  - The name of any business that contributes more than \$5,000 to a lobbying firm (down from \$10,000).

*Note: This provision was included in the House-passed H.R. 2316.*

- Requires the lobbyist's disclosure to identify if the client is a State or local government or department, agency, special purposes district, or other instrumentality controlled by one or more State or local governments.
- Requires lobbyists to report contributions of more than \$200 that are given to Federal candidates or officeholders, leadership PACs, or political party committees. They must also report on any activities that went to:
  - Pay the cost of an event to honor or recognize a covered legislative branch official or covered executive branch official;
  - An entity that is named for a covered legislative branch official, or to a person or entity in recognition of such official;
  - An entity established, financed, maintained, or controlled by a covered legislative branch official or covered executive branch official, or an entity designated by such official; or,
  - Pay the costs of a meeting, retreat, conference, or other similar event held by, or for the benefit of, 1 or more covered legislative branch officials or covered executive branch officials.

*Note: This provision was included in the House-passed H.R. 2316.*

- Requires the disclosure of bundled contributions by persons who provide 2 or more bundled contributions to the committee in an amount greater than \$15,000. The FEC is required to maintain this information on its website.

\*Note: H.R. 2316 required disclosures of amounts over \$5,000, a much stronger provision. S.1 does not include the requirement to disclose bundled contributions to PACs, which the Republican Motion to Recommit H.R. 2316 (which the House agreed to) required.

- The bill requires these reports to be filed electronically with the Clerk of the House and the Secretary of the Senate. These reports must be maintained on a public website that is searchable.

*Note: This provision was included in the House passed H.R. 2316.*

- Any registered lobbyist may not provide a gift or travel to a covered legislative branch official if that person has knowledge that the gift or travel is in violation of House or Senate Rules.

*Note: The House adopted this provision during the 109<sup>th</sup> and 110<sup>th</sup> Congress.*

- The bill also requires disclosure of lobbying activities by certain coalitions and associations.

*Note: This provision was included in the House passed H.R. 2316.*

- Requires lobbyists to disclose any past Executive Branch and Congressional employment 20 years before the date upon employment as a lobbyist.
- For persons who violate the lobbying disclosure requirements, the civil penalty is increased from \$50,000 to \$100,000. The bill also creates a criminal penalty for violations with a jail term of up to 5 years.

*Note: This provision was included in the House-passed H.R. 2316.*

- The bill requires representatives of foreign states to notify the Clerk of the House and Secretary of the Senate when they meet with Members of Congress.

### Title III – Matters Relating to the House of Representatives

- The bill prohibits a Member, Delegate, or Resident Commissioner (“Member”) from conducting employment negotiations until after his/her successor is elected, unless a Member files a report on this matter to the Committee on Standards and Official Conduct within 3 days of beginning the negotiations. Members must then recuse themselves (if they are engaged in employment negotiations) from any matter that may cause a conflict of interest. This employment negotiation provision also applies to staff members earning in excess of 75% of a Member’s salary (\$123,900).

*Note: This provision was included in the House-passed H.R. 2316.*

- The bill prohibits a Member’s staff from having official contact with the Member’s spouse if that spouse is a registered lobbyist.

*Note: This provision was included in the House-passed H.R. 2316.*

- If an employee of a firm, partnership, or other business organization serves as a House Committee consultant, then the other members the firm, partnership, or business organization may not lobby the House Committee during the contracted work.
- Requires the Clerk of the House to post travel and financial disclosure reports on a public website that is searchable.

*Note: This provision was included in the House-passed H.R. 2316.*

- Prohibits Members from participating in an event honoring that Member during a national political party convention. There is an exception for an event to honor the

Members capacity as a candidate for the Office of President or Vice President.

#### Title IV - Congressional Pension Accountability

- The bill strips Members of their Federal pension if they are convicted of felonies relating to their service as a Member of Congress, including bribery, perjury and similar crimes. There is a provision that allows payments to the spouse or children of a convicted Member under certain circumstances.

*Note: The House adopted this provision during the 109<sup>th</sup> and 110<sup>th</sup> Congress.*

#### Title V – Senate Legislative Transparency and Accountability

This title contains changes to the Rules of the Senate. One of the provisions prohibits conferees from adding legislation to a report that neither of the Chambers agreed to and requires that provisions that both Chambers agreed to must remain in the conference report.

One of the main provisions in this title is it requires earmarks on tax, tariff and spending bills or conference reports to be posted on the internet 48 hours before a vote on them occurs. However, the Majority Leader may waive this provision. Sen. Jim DeMint (R-SC) fought for a stricter provision regarding earmarks but his request is not included in the bill. Senators are also required to file a certification that states neither the Senator nor the Senator's immediate family has a pecuniary interest in the earmark.

#### Title VI – Prohibited Use of Private Aircraft

- The bill requires that a candidate for election use aircraft that is operated by a commercial operator certified by the FAA. The bill also permits the candidate to fly on a chartered aircraft if the candidate pays the owner of the aircraft the pro rata share of the fair market value of such flight.
- The Act bars House candidates from accepting trips on private planes.
- The bill makes an exemption for aircraft owned by candidates and immediate family members.

#### **Background**

During the first 100 hours of the 110<sup>th</sup> Congress, the House passed H.Res. 6, which changed many of the House Rules pertaining to ethics and lobbying reform. Title II (Ethics) of H.Res. 6 passed the House by a recorded vote of 430 - 1 ([Roll no. 7](#)).

The House also passed the Honest Leadership and Open Government Act of 2007 (H.R. 2316) on May 24, 2007, by a recorded vote of 396 - 22, 1 Present ([Roll no. 423](#)). H.R. 2316 was primarily based on the Republican Lobbying Accountability and Transparency Act of 2006 (H.R. 4975) of the 109<sup>th</sup> Congress. This bill passed the House of Representatives by a recorded vote of 217 - 213 ([Roll no. 119](#)).

Republicans offered a Motion to Recommit H.R. 2316, which amended the bill to include PACs in the list of entities covered under the "bundling" reporting requirements of the bill. The Motion to Recommit passed the House by a recorded vote of 346 - 71, 2 Present ([Roll no. 422](#)). This provision passed the House overwhelmingly but it is not included in the modified S.1.

S. 1 passed the Senate on January 18, 2007, by a recorded vote of 96 - 2 ([Record Vote Number: 19](#).) The House and Senate are by-passing the conference process by striking out the text of the original S.1 and inserting new text to S.1.

#### **Cost**

A Congressional Budget Office (CBO) cost estimate for S.1 was not available at the time of publication.

#### **Staff Contact**

For questions or further information contact Chris Vieson at (202) 226-2302.