



Construction Industry Round Table

Legislative News

A force for positive change in the design / construction industry

5/27/10 – DISCLOSE Act Moving to House Floor for Vote

After the House Administration Committee marked-up the DISCLOSE Act, the House Rules committee is rapidly moving to report a rule that would send the bill to the floor. H.R. 5175 may be slated for floor action on early as Friday, May 28, just before the congressional recess begins for the Memorial Day Holiday. CIRT joined 189 business associations and groups in voicing their strong opposition to a bill that will have the likely impact of chilling or intimidating business political speech while allowing unions to continue influence and participate in elections ([see](#) CIRT's related story on 05/17/10). The U.S Chamber, which is leading the efforts to stop the bill, is also contemplating a challenge to the bill in court if it is enacted. The Senate, where opponents may be more able to stop the bill, has yet to take-up the companion piece of legislation – but, it is expected to do so shortly in a partisan attempt to have the law in place for this year's mid-term elections. CIRT member firms that hold federal contracts may be severely limited by the bill. [\[See Coalition Letter\]](#)

The Center for Competitive Politics (CCP) released this statement on the bill: The 'DISCLOSE Act' would (1) **single out business groups for outright bans on political speech**: government contractors would be prohibited from engaging in political speech as well as companies in the United States (even those with 80 percent of American shareholders) that attract minimal foreign investment—no similar restrictions were included for labor unions with foreign connections, unions receiving government money or public employee unions negotiating for salaries and benefits; (2) **create a far more onerous and vague disclosure regime** than the Supreme Court cited in *Citizens United*, deterring grassroots groups from speaking out in midterm campaigns; and (3) **explicitly sow chaos and confusion** among those attempting to comply with campaign finance law by mandating that the law go into effect without clarification by the FEC of numerous vague and undefined provisions as well as slowing down the judicial review process.

Please see the next page for a chart provided by the Committee on House Administration which explains how the DISCLOSE Act Exempts Unions from Campaign Finance Restrictions.

Union Bailout Explained

House Admin Explains How the DISCLOSE Act Exempts Unions from Campaign Finance Restrictions

The Committee on House Administration’s Republican Office created the following chart outlining Democrats’ preferential treatment of unions over other organizations interested in engaging in political speech before the upcoming elections. Despite public claims by the Democrat authors of the DISCLOSE Act that the bill will treat unions and corporations equally, this chart clearly highlights undisputable examples where unions are in fact excluded from the restrictive, costly requirements.

EVERYONE ELSE	UNIONS
Under Section 101(a): Government Contracts	
Banned from engaging in political speech if in a contractual relationship with the federal government to deliver goods or services	Free to spend unlimited amounts of money to support Congressional candidates despite contractual relationships with the federal government concerning collective bargaining terms
Under Section 101(b): TARP Recipients	
Banned from engaging in political speech if recipient of TARP funds	Free to spend unlimited amounts of money to support Congressional candidates despite representing and receiving dues from employees whose employer is a TARP recipient
Under Section 102: Foreign Nationals	
Forced to determine the nationality of every shareholder (direct or indirect) to determine whether at least 80% are U.S. citizens, or banned from political speech	May spend unlimited amounts of money on political speech without regard to whether any dues are derived from non-citizens (including those not legally in the U.S.)
Forced to go through a lengthy certification process to certify, under penalty of perjury, the company’s eligibility to spend money on political speech	Free to spend unlimited amounts of money on political speech without any prior certification
Under Section 211: Reporting Requirements	
Required to report sources of income over \$600 to the FEC if engaging in political speech	Exempt from income reporting requirements because average annual dues are approximately \$400 per member; even exempt from reporting transfers from affiliated unions up to \$50,000
Under Section 214: Stand by Your Ad	
Required to include additional disclaimers in political advertisements identifying any source of income greater than \$100,000	Exempt from additional disclaimer requirements since members’ individual dues will not exceed \$100,000