CALIFORNIA ASSOCIATION OF REALTORS®

Issues
Briefing Paper

www.car.org

January 21, 2009

Executive Office:
525 South Virgil Ave.
Los Angeles, CA 90020
213.739.8200

Legislative Office:
980 Ninth St., Ste. 1430
Sacramento, CA 95814
916.492.5200

Federal Legislative Process

January 21, 2009

Taxation Committee
Real Estate Finance Committee
Federal Issues Committee

The following is for study only and has NOT been approved by the Board of Directors.

There are numerous ways that federal legislation can be passed. There are subtle nuances, points of order, procedural hurdles, and many other avenues that can either help a bill become a law or stop a bill in its tracks. This paper will revue the most common procedures that a bill may follow to become federal law.

The basic federal legislative process takes ten steps from introduction to being signed into law. A bill can gain momentum or find its demise during any of these steps. While any bill, except for a tax bill that raises revenue, can originate in either the House or Senate, for this IBP we are going to assume that the bill originated in the House of Representatives.

Step 1: Bill Introduction
A bill can be introduced by any member of the House of Representatives. Additionally, the President of the United States can seek a sponsor for legislation that he wishes to propose. Once the bill is introduced it will be assigned a bill number and then designated to the appropriate committee(s).

Step 2: Committee Assignment
There are twenty-one standing committees[1] in the House and eighteen in the Senate. Every committee has their specialized jurisdictions; however, these jurisdictions can often overlap each other. Therefore, when a bill is assigned to a committee it can often be assigned to more than one committee at a time.

Step 3: Subcommittee Assignment
After a committee(s) receives a bill, it may assign the bill to the appropriate subcommittee. An example of this would be if there was a bill introduced concerning Fannie Mae it would be assigned to the House Committee on Financial Services, who in turn could assign the bill to their Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises. Here again, a bill can often be assigned to more than one subcommittee. The subcommittee's job is to start holding hearings and see if the bill has enough merit, or feasibility, to be heard by the entire committee.

Step 4: Returned to Committee
After the subcommittee(s) has held its investigations and debates (as well as offered amendments) the bill will be marked up and returned to the full committee. Here the full committee continues the debate on the bill as well as votes on the amendments offered by either the subcommittee, or now, any other member of the committee. The committee will now hold further hearings and debate to finalize the bill for the full house vote.

Step 5: Mark-Up
This is the point of the process where the committee(s) prepares the bill for its full house debate and vote. All final

1 A standing committee is a permanent committee. Some committees, such as the Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina, are temporary committees that have a specialized focus.

amendments from the committee are voted on. Additionally, the bill is scored[2] to determine the costs and/or revenue that this bill will create. Additionally, a manager's amendment[3] can be created during the mark-up. Once ready, the bill moves to the Rules Committee. The Rules Committee determines how many amendments are allowed to be introduced and how long debate will last for. This is a crucial point of time for many bills. The more amendments allowed, the more likely a bill is to be changed from its original intent and could lose momentum or support. Once the Rules Committee determines how many amendments are allowed to be introduced, the Speaker of the House and the Minority leader meet to determine which of the various amendments offered they want introduced and voted on.

Step 6: Floor Debate
The bill now comes to the floor of the House for debate and amendments to the bill. Up to this point, only the members of the committee(s) where the bill was sent have had a chance to voice their opinion of the bill. Now the entire House is allowed time to enter into the record their opinions of the bill and debate either for or against its passage. Additionally, any amendments[4] that have been offered are debated and voted on during the floor debate. In the House, the amount of time for debate is limited. Once the time has run out, they will hold a vote on the bill. In the Senate you need to gain cloture[5] to end debate and vote on a bill.

Step 7: Floor Vote
After debate has ended the bill is voted on by the entire House. There are 435 Representatives in the House. For a bill to pass you need a "Yea" vote of 50% + 1 votes. Therefore, if the full house votes, you need 218 "Yea" votes. However, the full house does not need to be present, only a quorum[6]. In the Senate, since there are 100 Senators, there is the possibility of a tie. If there is a tie, the President of the Senate (the Vice President of the United States) is called in for the tie breaking vote.

Step 8: Senate Chamber Process
Once a bill has passed the House of Representatives, it now must also be passed by the Senate. The Senate can either use the passed House bill or they can offer their own bill in the Senate, known as a companion bill. Either way, the bill now goes through the same process as it did in the House, just on the Senate side. The Senate must pass a bill identical to the House bill in order to move to the President's desk for his signature or veto. If there are any differences between the two bills, the bills go to a Joint Committee.

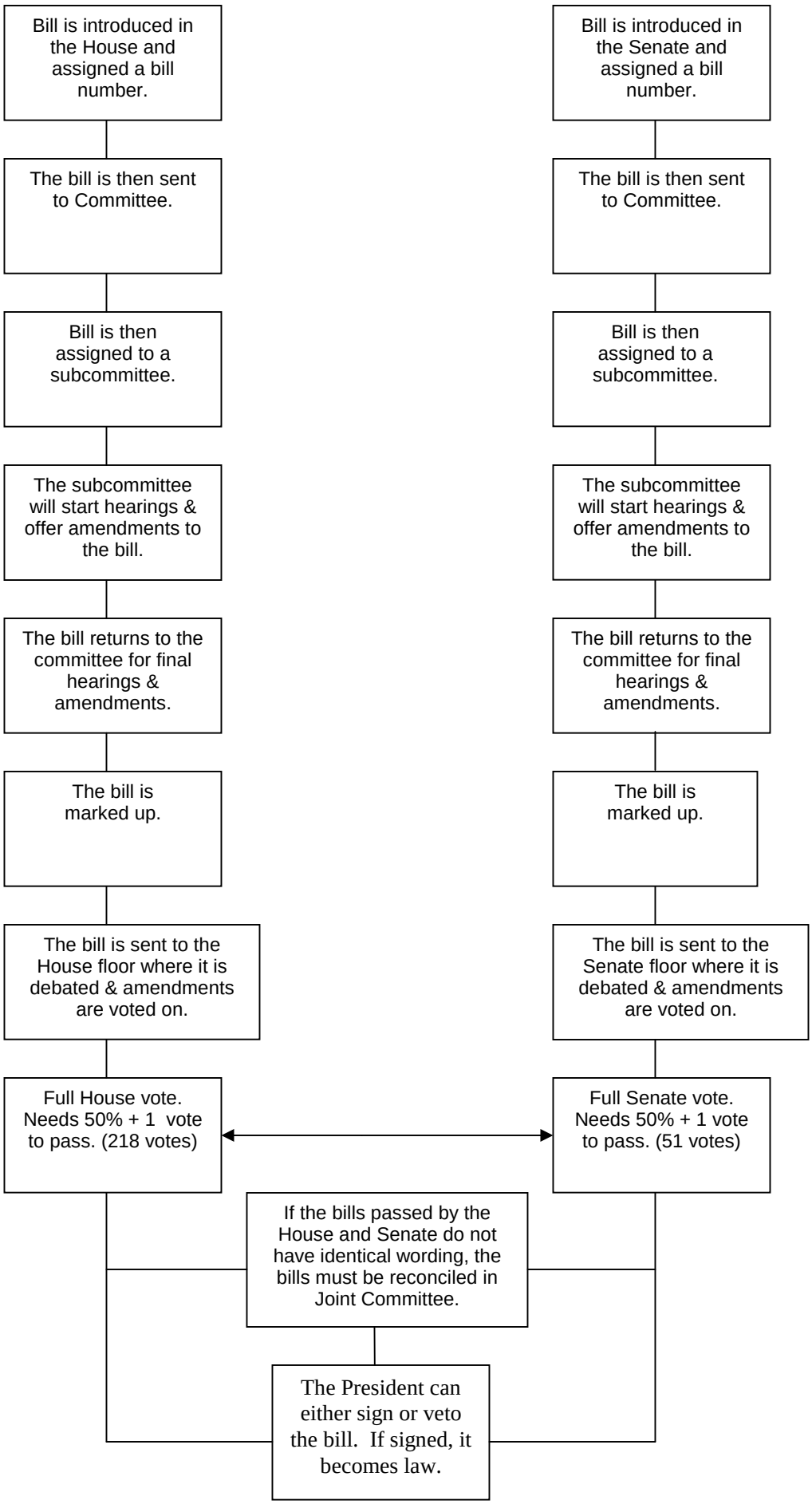
Step 9: Joint Committee
The Joint Committee is used when the House and Senate pass similar bills, but non identical bills. The Speaker of the House and the Majority Leader of the Senate each assign delegates[7] to meet in a Joint Committee. The delegates will then work together to reach a compromise bill. This compromise bill is then sent back to both the House and Senate for another floor vote so they can pass identical bills.

Step 10: Signed Into Law
Once an identical bill has passed both the House and the Senate, the bill is sent to the President. The President can sign the bill, not sign the bill, or veto the bill. If the President signs the bill it becomes law. If the President does not sign the bill or veto the bill within ten days, the bill still becomes law. If the President decides to veto a bill the bill fails to become law unless both the House and Senate are able to override the veto with a 2/3 majority vote (290 votes in the House and 57 in the Senate).

---

2 When a bill is scored it means that the Office of Management and Budget has conducted research to determine how much revenue the bill will create (such as an increase in taxes) or what the cost of passing the bill will be (such as a tax break).
3 The author the bill can offer a managers amendment on the floor of the House. This is traditionally any compromises that have been made, between the time it left the committee and before there is a full vote on the bill, in order to gain more votes for passage of the bill.
4 Not every amendment offered makes it to the House floor for debate. Before a bill is brought to the floor for debate the Speaker of the House and the Minority Leader agree on which amendments will be allowed to be debated and voted upon.
5 Cloture is a procedural measure in the Senate. Once the allotted time for debate has ended the Senate will vote on cloture. Cloture requires 60 "Yea" votes. If cloture is passed, then up to 30 more hours of debate are allowed, then a final vote. If cloture fails to pass, then the time for debate is infinite and there will be no final vote on the bill.
6 A quorum in the House is 218 Representatives and 51 Senators.
7 There is no set number of delegates that must be chosen. However, traditionally the number of delegates from the House and Senate do match in size. Additionally, the majority party usually gets one more delegate than the minority party. For instance, if the House will be assigning 9 delegates, the majority party will assign 5 delegates and the minority party will be assigned 4 delegates.

Federal Legislative Process
Flow Chart



Committees in the House of Representatives

Those Committees with a ***** next to them are the Committees that REALTOR® bills most often end up assigned to.

- Committee on Agriculture
- Committee on Appropriations*
  -Agriculture, Rural Development, Food & Drug Administration, & Related Agencies
  -Defense
  -Energy & Water Development, & Related Agencies
  -Foreign Operations, Export Financing & Related Programs
  -Homeland Security
  -Interior, Environment, & Related Agencies
  -Labor, Health & Human Services, Education, & Related Agencies
  -Military Quality of Life & Veterans Affairs, & Related Agencies
  -Science, the Department of State, Justice, & Commerce, & Related Agencies
  -Transportation, Treasury, & Housing & Urban Development, The Judiciary, District of Columbia
- Committee on Armed Services
- Committee on the Budget
- Committee on Education and the Workforce
- Committee on Energy and Commerce
- Committee on Financial Services*
  -Capital Markets, Insurance and Government Sponsored Enterprises
  -Domestic and International Monetary Policy, Trade and Technology
  -Financial Institutions and Consumer Credit
  -Housing and Community Opportunity
  -Oversight and Investigations
- Committee on Government Reform
- Committee on Homeland Security
- Committee on House Administration
- Committee on International Relations
- Committee on the Judiciary
- Committee on Resources*
  -Energy & Mineral Resource
  -Fisheries & Oceans
  -Forests & Forest Health
  -National Parks
  -Water & Power
- Committee on Rules
- Committee on Science
- Committee on Small Business*
  -Workforce, Empowerment, & Government Programs
  -Regulatory, Reform, & Oversight
  -Tax, Finance, & Exports
  -Rural Enterprises, Agriculture, & Technology
- Committee on Standards of Official Conduct
- Committee on Transportation and Infrastructure
- Committee on Veterans' Affairs
- Committee on Ways and Means*
  -Trade
  -Oversight
  -Health
  -Social Security
  -Human Resources
  -Select Revenue Measures

- House Permanent Select Committee on Intelligence

Committees in the Senate

- Agriculture, Nutrition, & Forestry
- Appropriations
  -Agriculture, Rural Development, & Related Agencies
  -Commerce, Justice, & Science
  -Defense
  -District of Columbia
  -Energy & Water
  -Homeland Security
  -Interior & Related Agencies
  -Labor, Health & Human Services, Education, & Related Agencies
  -Legislative Branch
  -Military Constructions & Veterans Affairs
  -State, Foreign Operations, & Related Agencies
  -Transportation, Treasury, the Judiciary, Housing & Urban Development, & Related Agencies
- Armed Services
- Banking, Housing, & Urban Affairs
  -Securities & Investments
  -Financial Institutions
  -Housing & Transportation
  -Economic Policy
  -International Trade & Finance
- Budget
- Commerce, Science, &Transportation
- Energy & Natural Resources
- Environment & Public Works
  -Transportation & Infrastructure
  -Clean Air, Climate Change, & Nuclear Safety
  -Fisheries, Wildlife, & Water
  -Superfund & Waste Management
- Finance
  -Health Care
  -International Trade
  -Long-Term Growth & Debt Reduction
  -Social Security & Family Policy
  -Taxation & IRS Oversight
- Foreign Relations
- Health, Education, Labor, & Pensions
- Homeland Security & Government Affairs
- Judiciary
- Rules & Administration
- Small Business & Entrepreneurship*
- Veterans Affairs

Joint Committees

- Joint Economic Committee
- Joint Committee on Printing
- Joint Committee on Taxation