

One Hundred Twelfth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday,  
the third day of January, two thousand and twelve*

An Act

To amend the provisions of title 5, United States Code, which are commonly referred to as the “Hatch Act”, to scale back the provision forbidding certain State and local employees from seeking elective office, clarify the application of certain provisions to the District of Columbia, and modify the penalties which may be imposed for certain violations under subchapter III of chapter 73 of that title.

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Hatch Act Modernization Act of 2012”.

**SEC. 2. PERMITTING STATE AND LOCAL EMPLOYEES TO BE CANDIDATES FOR ELECTIVE OFFICE.**

Section 1502(a)(3) of title 5, United States Code, is amended to read as follows:

“(3) if the salary of the employee is paid completely, directly or indirectly, by loans or grants made by the United States or a Federal agency, be a candidate for elective office.”.

**SEC. 3. APPLICABILITY OF PROVISIONS RELATING TO STATE AND LOCAL EMPLOYEES.**

(a) STATE OR LOCAL AGENCY.—Section 1501(2) of title 5, United States Code, is amended by inserting “, or the executive branch of the District of Columbia, or an agency or department thereof” before the semicolon.

(b) STATE OR LOCAL OFFICER OR EMPLOYEE.—Section 1501(4) of title 5, United States Code, is amended by striking subparagraph (B) and inserting the following:

“(B) an individual employed by an educational or research institution, establishment, agency, or system which is supported in whole or in part by—

“(i) a State or political subdivision thereof;

“(ii) the District of Columbia; or

“(iii) a recognized religious, philanthropic, or cultural organization.”.

(c) EXCEPTION OF CERTAIN OFFICERS.—Section 1502(c)(3) of title 5, United States Code, is amended—

(1) by striking “or municipality” and inserting “, municipality, or the District of Columbia”; and

(2) by striking “or municipal” and inserting “, municipal, or the District of Columbia”.

(d) MERIT SYSTEMS PROTECTION BOARD ORDERS.—Section 1506(a)(2) of title 5, United States Code, is amended by inserting

“(or in the case of the District of Columbia, in the District of Columbia)” after “the same State”.

(e) PROVISIONS RELATING TO FEDERAL EMPLOYEES MADE INAPPLICABLE.—Section 7322(1) of title 5, United States Code, is amended—

- (1) in subparagraph (A), by adding “or” at the end;
- (2) in subparagraph (B), by striking “or” at the end;
- (3) by striking subparagraph (C); and

(4) by striking “services;” and inserting “services or an individual employed or holding office in the government of the District of Columbia;”.

(f) EMPLOYEES RESIDING IN CERTAIN MUNICIPALITIES.—Section 7325(1) of title 5, United States Code, is amended to read as follows:

“(1) the municipality or political subdivision is—

“(A) the District of Columbia;

“(B) in Maryland or Virginia and in the immediate vicinity of the District of Columbia; or

“(C) a municipality in which the majority of voters are employed by the Government of the United States; and”.

#### **SEC. 4. HATCH ACT PENALTIES FOR FEDERAL EMPLOYEES.**

Chapter 73 of title 5, United States Code, is amended by striking section 7326 and inserting the following:

##### **“§ 7326. Penalties**

“An employee or individual who violates section 7323 or 7324 shall be subject to removal, reduction in grade, debarment from Federal employment for a period not to exceed 5 years, suspension, reprimand, or an assessment of a civil penalty not to exceed \$1,000.”.

#### **SEC. 5. EFFECTIVE DATE.**

(a) IN GENERAL.—This Act and the amendments made by this Act shall take effect 30 days after the date of enactment of this Act.

(b) APPLICABILITY RULE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by section 4 shall apply with respect to any violation occurring before, on, or after the effective date of this Act.

(2) EXCEPTION.—The amendment made by section 4 shall not apply with respect to an alleged violation if, before the effective date of this Act—

(A) the Special Counsel has presented a complaint for disciplinary action, under section 1215 of title 5, United States Code, with respect to the alleged violation; or

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(B) the employee alleged to have committed the violation has entered into a signed settlement agreement with the Special Counsel with respect to the alleged violation.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*