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3 By Representative Whitt
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ENROLLED, An Act,

Relating to campaign finance statements and reports; to amend Sections 17-5-4, 17-5-5, 17-5-8, 17-5-9, 17-5-10, 17-5-11, 17-5-19.1, and 17-5-19.2, Code of Alabama 1975; to require all campaign finance reports and statements to be filed electronically and filed with the Secretary of State; and to make nonsubstantive, technical revisions to update existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 17-5-4, 17-5-5, 17-5-8, 17-5-9, 17-5-10, 17-5-11, 17-5-19.1, and 17-5-19.2, Code of Alabama 1975, are amended to read as follows:

"§17-5-4.

"(a) Within five days after any person becomes a candidate for office, ~~such~~ the person shall file with the Secretary of State ~~or judge of probate, as provided in Section 17-5-9,~~ a statement showing the name of not less than two nor more than five persons elected to serve as the principal campaign committee for ~~such~~ the candidate, together with a written acceptance or consent by ~~such~~ the committee, but any candidate may declare himself or herself as the person chosen to serve as the principal campaign committee, in which case ~~such~~ the candidate shall perform the duties of chair and treasurer of ~~such~~ the committee ~~prescribed by this chapter.~~

1 "(b) If any ~~vacancies are~~ vacancy is created by
2 death, ~~or~~ resignation, ~~or~~ any other cause, ~~such the~~ candidate
3 may fill ~~such the~~ vacancy, or the remaining members shall
4 discharge and complete the duties required of ~~such the~~
5 committee as if ~~such the~~ vacancy had not been created. The
6 principal campaign committee, or its treasurer, shall have
7 exclusive custody of all ~~moneys~~ monies contributed, donated,
8 subscribed, or in any manner furnished to or for the candidate
9 represented by ~~such the~~ committee, and shall account for and
10 disburse the same.

11 "(c) If a candidate serves as his or her own
12 principal campaign committee, he or she shall designate a
13 person responsible for dissolving that principal campaign
14 committee in the event of death or incapacity by filing a
15 statement of dissolution and filing a termination report. If
16 the designated person is unable to serve in this capacity at
17 the time of death or incapacity, the principal campaign
18 committee shall be dissolved by the candidate's personal
19 representative as appointed by the judge of probate. All funds
20 held by the principal campaign committee at the time of death
21 shall be disposed of in a manner provided in Section 17-5-7.

22 "(d) No candidate shall expend any money in aid of
23 his or her nomination or election except by contributing to
24 the principal campaign committee designated by the candidate.

25 "§17-5-5.

1 "(a) The treasurer or designated filing agent of
2 each political action committee ~~which~~ that anticipates either
3 receiving contributions or making expenditures during the
4 calendar year in an aggregate amount exceeding one thousand
5 dollars (\$1,000) shall file with the Secretary of State ~~or the~~
6 ~~judge of probate as herein provided in Section 17-5-9,~~ a
7 statement of organization, within 10 days after its
8 organization or, ~~if later~~ within 10 days after the date on
9 which it has information ~~which~~ that causes the committee to
10 anticipate it will receive contributions or make expenditures
11 in an aggregate amount in excess of one thousand dollars
12 (\$1,000).

13 "(b) The statement of organization shall include all
14 of the following:

15 "(1) The name and complete address of the committee.

16 "(2) The identification of affiliated or connected
17 organizations, if any.

18 "(3) The purposes of the committee.

19 "(4) The identification of the chair and treasurer.

20 "(5) The identification of principal officers,
21 including members of any finance committee.

22 "(6) A description of the constitutional amendments
23 or other propositions, if any, that the committee is
24 supporting or opposing, and the identity, if known, of any

1 candidate or elected official that the committee is supporting
2 or opposing.

3 "(7) A statement whether the committee is a
4 continuing one, and if not, the expected termination or
5 dissolution date.

6 "(8) The disposition of residual funds which will be
7 made in the event of dissolution.

8 "(c) Whenever there is any material change in
9 information previously submitted in a statement of
10 organization, except for the information described in
11 subdivision (b) (6) ~~above~~, the treasurer or designated filing
12 agent of the political action committee shall report the
13 change to the Secretary of State ~~or judge of probate as~~
14 ~~provided in Section 17-5-9~~, within 10 days following the
15 change.

16 "(d) Any political action committee or any principal
17 campaign committee after having filed its initial statement of
18 organization shall continue in existence until terminated or
19 dissolved as provided herein. When any political action
20 committee determines it will no longer receive contributions
21 or make expenditures during any calendar year in an aggregate
22 amount exceeding one thousand dollars (\$1,000), or when any
23 candidate through his or her principal campaign committee
24 determines that he or she will not receive contributions or
25 make expenditures in the amounts specified in Section 17-5-2,

1 the treasurer, designated filing agent, or candidate of ~~such~~
 2 the political committee shall so notify the Secretary of State
 3 ~~or judge of probate, as designated in Section 17-5-9,~~ of the
 4 termination or dissolution of ~~such~~ the political committee and
 5 shall file a termination report in the same format as that
 6 required by subsection (b) of Section 17-5-8. The Secretary of
 7 State ~~shall have the authority to~~ may dissolve or terminate
 8 any political action committee that has maintained a zero
 9 balance for one calendar year after providing a 90-day notice
 10 of intent to do so by certified mail with return receipt.

11 "§17-5-8.

12 "(a) All filings to the Secretary of State under
 13 this section shall be made electronically. Electronic filings
 14 shall be available to the public on a searchable database
 15 maintained on the Secretary of State's public website.

16 "(b) The treasurer, designated filing agent, or
 17 candidate~~,~~ shall file with the Secretary of State ~~or judge of~~
 18 ~~probate, as designated in Section 17-5-9,~~ periodic reports of
 19 contributions and expenditures at the following times once a
 20 principal campaign committee files its statement under Section
 21 17-5-4 or a political action committee files its statement of
 22 organization under Section 17-5-5:

23 "~~(1) Beginning after the 2012 election cycle,~~
 24 ~~regardless~~ Regardless of whether a candidate has opposition in
 25 any election, monthly reports not later than the second

1 business day of the subsequent month, beginning 12 months
2 before the date of any primary, special, runoff, or general
3 election for which a political action committee or principal
4 campaign committee receives contributions or makes
5 expenditures with a view toward influencing such election's
6 result. A monthly report shall include all reportable
7 transactions for the previous full month period. Reports shall
8 be required as provided in subdivisions (2) and (3).

9 "(2) With regard to a primary, special, runoff, or
10 general election, a report shall be required weekly on the
11 Monday of the succeeding week for each of the four weeks
12 before the election that includes all reportable activities
13 for the previous week.

14 "(3) ~~a.~~ In addition to the reporting dates specified
15 in subdivisions (1) and (2), reports required to be filed with
16 the Secretary of State shall be filed with the Secretary of
17 State on the eighth, seventh, sixth, fifth, fourth, third, and
18 second day preceding a legislative, state school board, or
19 other statewide primary, special, runoff, or general election,
20 and by 12:01 p.m. on the day preceding a legislative, state
21 school board, or statewide, primary, special, runoff, or
22 general election if any principal campaign committee or
23 political action committee receives or spends in the aggregate
24 five thousand dollars (\$5,000) or more on that day with a view
25 toward influencing an election's results. If a daily report is

1 required pursuant to this subdivision, the report shall
2 include all reportable activity occurring on the day of the
3 report as well as all reportable activity that has occurred on
4 each day since the most recent prior report. ~~Principal~~
5 ~~campaign committees and political action committees that are~~
6 ~~exempt from electronic filing and principal campaign~~
7 ~~committees and political action committees required to make~~
8 ~~daily reports pursuant to this subdivision for the 2012~~
9 ~~election cycle may file reports by facsimile (FAX)~~
10 ~~transmission provided they keep proper documentation in their~~
11 ~~office.~~

12 ~~"b. Electronic filing on the Secretary of State's~~
13 ~~website may be implemented sooner than the 2014 election cycle~~
14 ~~as an alternative method of reporting; however, electronic~~
15 ~~filing shall be required beginning with the 2014 election~~
16 ~~cycle. Electronic filings shall be available to the public on~~
17 ~~a searchable database maintained on the Secretary of State's~~
18 ~~website.~~

19 ~~"(b)(c)~~ Except as provided in subsection ~~(k)(i)~~,
20 each principal campaign committee, political action committee,
21 and elected state and local official covered under the
22 provisions of this chapter who has not closed his or her
23 principal campaign committee, shall file annually ~~file~~ with
24 the Secretary of State ~~or judge of probate, as designated in~~
25 ~~Section 17-5-9,~~ reports of contributions and expenditures made

1 during that year. No annual report is required to be filed by
2 a person who holds office because he or she was appointed to
3 serve the remainder of a term vacated by another person, until
4 the person serving has created a principal campaign committee.
5 The annual reports required under this subsection shall be
6 made on or before January 31 of the succeeding year.

7 ~~"(c)~~ (d) Each report under this section shall
8 disclose:

9 "(1) The amount of cash or other assets on hand at
10 the beginning of the reporting period and forward until the
11 end of that reporting period and disbursements made from same.

12 "(2) The identification of each person who has made
13 contributions to such committee or candidate within the
14 calendar year in an aggregate amount greater than one hundred
15 dollars (\$100), together with the amount and date of all ~~such~~
16 the contributions; provided, however, in the case of a
17 political action committee, l identification shall mean the name
18 and city of residence of each person who has made
19 contributions within the calendar year in an aggregate amount
20 greater than one hundred dollars (\$100).

21 "(3) The total amount of other contributions
22 received during the calendar year but not reported under
23 subdivision ~~(c)~~ (2) ~~of this section.~~

24 "(4) Each loan to or from any person within the
25 calendar year in an aggregate amount greater than one hundred

1 dollars (\$100), together with the identification of the
 2 lender, the identification of the endorsers, or guarantors, if
 3 any, and the date and amount of ~~such~~ the loans.

4 "(5) The total amount of receipts from any other
 5 source during ~~such~~ the calendar year.

6 "(6) The grand total of all receipts by or for ~~such~~
 7 the committee during the calendar year.

8 "(7) The identification of each person to whom
 9 expenditures have been made by or on behalf of ~~such~~ the
 10 committee or elected official within the calendar year in an
 11 aggregate amount greater than one hundred dollars (\$100), the
 12 amount, date, and purpose of each ~~such~~ expenditure, and, if
 13 applicable, the designation of each constitutional amendment
 14 or other proposition with respect to which an expenditure was
 15 made.

16 "(8) The identification of each person to whom an
 17 expenditure for personal services, salaries, ~~and~~ or reimbursed
 18 expenses greater than one hundred dollars (\$100) has been
 19 made, and which is not otherwise reported or exempted from the
 20 provisions of this chapter, including the amount, date, and
 21 purpose of ~~such~~ the expenditure.

22 "(9) The grand total of all expenditures made by
 23 ~~such~~ the committee or elected official during the calendar
 24 year.

1 "(10) The amount and nature of debts and obligations
2 owed by or to the committee or elected official, together with
3 a statement as to the circumstances and conditions under which
4 any ~~such~~ debt or obligation was extinguished and the
5 consideration therefor.

6 "~~(d)~~ (e) Each report required by this section shall
7 be signed and filed by the elected official or on behalf of
8 the political action committee by its chair or treasurer and,
9 if filed on behalf of a principal campaign committee, by the
10 candidate represented by ~~such~~ the committee. There shall be
11 attached to each ~~such~~ report an affidavit subscribed and sworn
12 to by the official or chair or treasurer and, if filed by a
13 principal campaign committee, the candidate represented by
14 ~~such~~ the committee, setting forth in substance that ~~such~~ the
15 report is to the best of his or her knowledge and belief in
16 all respects true and complete, and, if made by a candidate,
17 that he or she has not received any contributions or made any
18 expenditures which are not set forth and covered by ~~such~~ the
19 report.

20 "~~(e) Commencing with the 2014 election cycle,~~
21 ~~electronic filing of contributions and expenditures for any~~
22 ~~legislative, state school board, and statewide primary,~~
23 ~~special, runoff, or general election shall be mandatory,~~
24 ~~except as provided in subsection (g). The Secretary of State~~
25 ~~may provide electronic reporting sooner than the 2014 election~~

1 ~~cycle. Electronic filing shall satisfy any filing requirements~~
2 ~~of this chapter and no paper filing is required for any report~~
3 ~~filed electronically.~~

4 ~~"(f) In the 2012 election cycle the provisions for~~
5 ~~the time of filing contained in subsection (a) shall apply to~~
6 ~~the paper or facsimile (FAX) filings for any legislative,~~
7 ~~state school board, or statewide primary, special, runoff, or~~
8 ~~general election.~~

9 ~~"(g) Electronic filing of reports shall not apply to~~
10 ~~any campaign, principal campaign committee, or political~~
11 ~~action committee receiving five thousand dollars (\$5,000) or~~
12 ~~less per election cycle.~~

13 ~~"(h)(f) In connection with any electioneering~~
14 ~~communication paid for by a person, nonprofit corporation,~~
15 ~~entity, principal campaign committee, or other political~~
16 ~~committee or entity, the payor shall disclose its~~
17 ~~contributions and expenditures in accordance with this~~
18 ~~section. The disclosure shall be made in the same form and at~~
19 ~~the same time as is required of political action committees in~~
20 ~~this section; provided, however, no duplicate reporting shall~~
21 ~~be required by a political committee.~~

22 ~~"(i)(g) Notwithstanding any disclosure requirements~~
23 ~~of subsection (h)(f), churches are exempt from the~~
24 ~~requirements of this section unless the church's expenditures~~
25 ~~are used to influence the outcome of an election. Nothing~~

1 herein shall require a church to disclose the identities,
2 donations, or contributions of members of the church. As used
3 in this section, the term church is defined in accordance with
4 and recognized by Internal Revenue Service guidelines and
5 regulations.

6 "~~(j)~~ (h) Notwithstanding the disclosure requirements
7 of this section, ~~the provisions of~~ this section shall not be
8 interpreted to nor shall they require any disclosure for
9 expenses incurred for any electioneering communication used by
10 any membership or trade organization to communicate with or
11 inform its members, its members' families, or its members'
12 employees or for any electioneering communication by a
13 business entity of any type to its employees or stockholders
14 or their families.

15 "~~(k)~~ (i) Each report required by this section shall
16 include all reportable transactions occurring since the most
17 recent prior report; however, duplicate reporting is not
18 required by this section. A political action committee or
19 principal campaign committee that is required to file a daily
20 report is not required to also file a weekly report for the
21 week preceding an election specified in subdivision (b) (3) ~~of~~
22 ~~subsection (a)~~; a committee required to file a weekly report
23 is not required to also file a monthly report in the month in
24 which the election is held; and a committee required to file a
25 monthly report is not required to also file an annual report

1 in the year in which the election is held. The monetary
2 balance in a report of each committee shall begin at the
3 monetary amount appearing in the most recent prior report.

4 ~~"(i)(j)~~ The Secretary of State may ~~promulgate~~ adopt
5 administrative rules pursuant to the Alabama Administrative
6 Procedure Act as are necessary to implement and administer ~~the~~
7 ~~changes made to this section by Act 2012-477.~~

8 "§17-5-9.

9 "(a) All statements and reports, including
10 amendments, required of principal campaign committees and
11 political action committees ~~under the provisions of this~~
12 chapter shall be filed electronically with the Secretary of
13 State ~~in the case of candidates for state office or state~~
14 ~~elected officials, and in the case of candidates for local~~
15 ~~office or local elected officials, with the judge of probate~~
16 ~~of the county in which the office is sought for the 2016~~
17 ~~election cycle.~~

18 ~~"(b) Political action committees, which seek to~~
19 ~~influence an election for local office or to influence a~~
20 ~~proposition regarding a single county, shall file all reports~~
21 ~~and statements, including amendments, with the judge of~~
22 ~~probate of the county affected. All other political action~~
23 ~~committees, except as provided in subsection (a) above, shall~~
24 ~~file reports and statements with the Secretary of State.~~

1 ~~"(c) In the case of candidates for a municipal~~
2 ~~office where the municipality is located in more than one~~
3 ~~county, the statements and reports shall be filed in the~~
4 ~~county where the city hall of the municipality is located. The~~
5 ~~judge of probate of the county where the report is filed, if~~
6 ~~the municipality is located in more than one county, shall~~
7 ~~provide a copy of the report to the judge of probate of the~~
8 ~~other county or counties where the municipality is located.~~

9 ~~"(d) For the 2014 and 2016 election cycles, all~~
10 ~~principal campaign committees and political action committees~~
11 ~~that file with the judge of probate, other than candidates for~~
12 ~~municipal office, may choose instead to file electronically~~
13 ~~with the Secretary of State pursuant to this chapter. Any such~~
14 ~~principal campaign committee or political action committee~~
15 ~~that chooses to file electronically with the Secretary of~~
16 ~~State shall first provide notice to the appropriate judge of~~
17 ~~probate, in a manner prescribed by the judge of probate,~~
18 ~~indicating that choice and shall continue to file~~
19 ~~electronically with the Secretary of State until terminated or~~
20 ~~dissolved pursuant to this chapter.~~

21 ~~"(e) (b)~~ Commencing with the ~~2018~~ 2024 municipal
22 election cycle, all principal campaign committees and
23 political action committees that file with the judge of
24 probate, ~~other than candidates for municipal office,~~ shall

1 file electronically with the Secretary of State pursuant to
2 this chapter.

3 "§17-5-10.

4 "(a) Each report or statement shall be preserved and
5 a copy made available for public inspection by the Secretary
6 of State ~~or judge of probate, whichever is applicable.~~

7 "(b) The date of filing of a report or statement
8 filed pursuant to this chapter shall be deemed to be the date
9 of receipt by the Secretary of State ~~or judge of probate, as~~
10 ~~the case may be;~~ provided, that any report or statement filed
11 by certified or registered mail shall be deemed to be filed in
12 a timely fashion if the date of the United States postmark
13 stamped on such report or statement is the required filing
14 date, and if ~~such~~ the report or statement is properly
15 addressed with postage prepaid.

16 "§17-5-11.

17 "The Secretary of State ~~and the judge of probate~~
18 shall have the following duties:

19 "(1) To accept and file all reports and statements,
20 including amendments, required by ~~the provisions of this~~
21 chapter to be filed with them and to accept any information
22 voluntarily supplied that exceeds the requirements of this
23 chapter.

24 "(2) To make each statement and report filed by any
25 principal campaign committee or political action committee or

1 elected official available for public inspection and copying
2 during regular office hours, any ~~such~~ copying to be at the
3 expense of the person requesting copies; except that any
4 information copied from such reports or statements may not be
5 sold or used by any political party, principal campaign
6 committee, or political action committee for the purposes of
7 soliciting contributions or for commercial purposes, without
8 the express written permission of the candidate or the
9 committee reporting such information.

10 "(3) To furnish any forms to be used in complying
11 with ~~the provisions of~~ this chapter. The expenses incurred by
12 the Secretary of State in furnishing forms, accepting
13 statements and reports, filing statements and reports, and
14 making ~~such~~ statements and reports available to the public
15 shall be paid from ~~moneys~~ monies designated to the
16 distribution of public documents.

17 "§17-5-19.1.

18 "(a) ~~Commencing with the 2018 election cycle, the~~
19 ~~appropriate election official, based on the location of filing~~
20 ~~as required by Section 17-5-9, The Secretary of State shall~~
21 ~~levy an administrative~~ a civil penalty against any person who
22 fails to timely file a report required by this chapter and who
23 does not remedy the filing of the report pursuant to
24 subsection (h). The State Ethics Commission ~~shall have the~~
25 ~~authority to~~ may levy an administrative penalty against any

1 person who files a materially inaccurate report required by
2 this chapter and who does not remedy the filing of the report
3 pursuant to subsection (g).

4 "(b) The schedule of civil penalties shall be as
5 follows:

6 "(1) The lesser of three hundred dollars (\$300) or
7 10 percent of the amount of contributions or expenditures not
8 properly reported for a first offense in an election cycle.

9 "(2) The lesser of six hundred dollars (\$600) or 15
10 percent of the amount of contributions or expenditures not
11 properly reported for a second offense in an election cycle.

12 "(3) The lesser of one thousand two hundred dollars
13 (\$1,200) or 20 percent of the amount of contributions or
14 expenditures not properly reported for a third or subsequent
15 offense in an election cycle.

16 "(c) A fourth failure to timely or accurately file a
17 report in an election cycle shall create a rebuttable
18 presumption of intent to violate the reporting requirements of
19 this chapter. The Secretary of State ~~or judge of probate, as~~
20 ~~appropriate based on the location of filing,~~ shall notify the
21 Attorney General and the appropriate district attorney of all
22 persons who violate the filing requirements four or more times
23 in an election cycle.

24 "(d) Upon imposition of a civil penalty pursuant to
25 this section, the ~~appropriate filing official~~ Secretary of

1 State shall send the person upon whom the penalty is being
2 imposed proper notification by certified mail of the
3 imposition of the penalty. If an electronic mail address is on
4 file with the Secretary of State, the Secretary of State shall
5 also provide ~~such~~ notification by electronic mail.

6 "(e) Civil penalties levied shall be paid to the
7 ~~appropriate filing official~~ Secretary of State within 45 days
8 of the finality of any review. The Secretary of State ~~or judge~~
9 ~~of probate~~, through his or her attorney, may institute
10 proceedings to recover any penalties ordered pursuant to this
11 section that are not paid by, or on behalf of, the person
12 against whom they are levied and may collect necessary fees
13 and costs associated with the collection action.

14 "(f) All penalties collected by ~~a judge of probate~~
15 ~~shall be distributed to that county's general fund, and all~~
16 ~~penalties collected by~~ the Secretary of State shall be
17 distributed to the State General Fund.

18 "(g) A person who voluntarily files an amended
19 report to correct an error in an otherwise timely filed report
20 without being prompted by ~~a filing official~~ the Secretary of
21 State shall not have committed an offense or be subjected to a
22 civil penalty under this section, so long as, in the case of a
23 candidate, the corrected report is filed prior to the election
24 at issue, and so long as, in the case of a political action

1 committee, the corrected report is filed prior to the close of
2 the calendar year.

3 "(h) Failure to file a timely report shall not be
4 considered an offense or subjected to a civil penalty pursuant
5 to subsection (a) so long as it is the first failure by that
6 candidate or political action committee for the election cycle
7 and the report is filed within 48 hours of the time it was
8 due.

9 "(i) Any penalties assessed pursuant to this section
10 may be paid with campaign funds.

11 "§17-5-19.2.

12 "(a) Any person upon whom a civil penalty has been
13 imposed pursuant to Section 17-5-19.1 may seek a review of
14 ~~such~~ the penalty by filing a written notice with the Secretary
15 of State ~~or judge of probate~~ no later than 14 days after the
16 date on which notification of the imposition of the penalty
17 was mailed to the person's last known address in accordance
18 with Section 17-5-19.1. The Secretary of State ~~or judge of~~
19 ~~probate~~ shall refer ~~such~~ the review to the State Ethics
20 Commission.

21 "(b) The commission may set aside or reduce a civil
22 penalty upon a showing of good cause. The person seeking
23 review shall bear the burden of proof."

1 Section 2. This act shall become effective August 1,
2 2023, following its passage and approval by the Governor, or
3 its otherwise becoming law.

