- 1 SB445
- 2 152065-1
- 3 By Senator Taylor
- 4 RFD: Constitution, Campaign Finance, Ethics, and Elections
- 5 First Read: 16-APR-13

152065-1:n:04/16/2013:MCS/tan LRS2013-2000

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SYNOPSIS: This bill would amend the Fair Campaign 8 Practices Act. The bill would: Lower contribution 9 10 threshold amounts; allow designated representatives 11 to file reports; clarify that certain legislative 12 caucuses are not covered by the act; clarify 13 persons subject to violations of the act; change 14 the legislative session prohibition on fundraising 15 to apply to legislative and statewide candidates; 16 clarify allowable spending amounts for dinners and 17 functions; provide for refund and return of 18 contributions; change deadlines for reports; 19 provide further for municipal candidates; move 20 certain provisions of Title 10A to Title 17; 21 clarify and eliminate corporate contribution limits 2.2 consistent with administrative procedure and 23 certain legal interpretations of law; remove 24 private foundation limits in the PAC to PAC ban; 25 clarify responsible person in PAC to PAC ban; allow 26 certain transfers between state and local political

party organizations; transfer certain enforcement

provisions from Chapter 17 of Title 17 to Chapter 5

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Relating to the Fair Campaign Practices Act; to amend Sections 17-5-2, 17-5-3, 17-5-4, 17-5-5, 17-5-7, 17-5-8, 17-5-8.2, 17-5-9, 17-5-12, 17-5-14, 17-5-15, 17-5-15.1, 17-5-16, and 17-5-19, Code of Alabama 1975, so as to lower contribution threshold amounts; allow designated representatives to file reports; clarify that certain legislative caucuses are not covered by the act; clarify persons subject to violations of the act; change the legislative session prohibition on fundraising to apply to legislative and statewide candidates; clarify allowable spending amounts for dinners and functions; provide for refund and return of contributions; change deadlines for reports; provide further for municipal candidates; clarify corporate contribution limits to be consistent with recent administrative procedure and certain legal interpretations of law; remove private foundation limits in the PAC to PAC ban; clarify responsible person in PAC to PAC ban; allow certain transfers between state and local party organizations;

- 1 transfer enforcement provisions from Chapter 17 of Title 17 to
- 2 Chapter 5 of Title 17, Code of Alabama 1975; provide further
- for venue of prosecutions; to add Sections 17-5-5.1 and
- 4 17-15-14.1 to the Code of Alabama 1975, to provide further for
- 5 legislative caucuses and to move certain provisions relating
- 6 to corporate contributions from Title 10A to Title 17; and to
- 7 repeal Section 10A-21-1.01 to 10A-21-1.04, inclusive and
- 8 Section 17-17-5, Code of Alabama 1975.
- 9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
- 10 Section 1. Sections 17-5-2, 17-5-3, 17-5-4, 17-5-5,
- 11 17-5-7, 17-5-8, 17-5-8.2, 17-5-9, 17-5-12, 17-5-14, 17-5-15,
- 12 17-5-15.1, 17-5-16, and 17-5-19, Code of Alabama 1975, are
- amended to read as follows:
- 14 "\$17-5-2.
- "(a) For purposes of this chapter, the following
- 16 terms shall have the following meanings:
- "(1) CANDIDATE. An individual who has done any of
- 18 the following:
- 19 "a. Taken the action necessary under the laws of the
- state to qualify himself or herself for nomination or for
- 21 election to any state office or local office or in the case of
- an independent seeking ballot access, on the date when he or
- 23 she files a petition with the judge of probate in the case of
- county offices, with the appropriate qualifying municipal
- official in the case of municipal offices, or the Secretary of
- 26 State in all other cases.

1	"b. Received contributions or made expenditures $\underline{\text{in}}$
2	excess of one thousand dollars (\$1,000), or given his or her
3	consent for any other person or persons to receive
4	contributions or make expenditures in excess of one thousand
5	dollars (\$1,000), with a view to bringing about his or her
6	nomination or election to any state office or local office.
7	Notwithstanding the foregoing, no person shall be considered a
8	candidate within the meaning of this subdivision until the
9	time that he or she has either received contributions or made
10	expenditures as provided herein in the following amounts:
11	"1. Twenty-five thousand dollars (\$25,000) or more,
12	with a view toward bringing about nomination or election to
13	any state office other than one filled by election of the
14	registered voters of any circuit or district within the state.
15	"2. Five thousand dollars (\$5,000) or more, with a
16	view toward bringing about nomination or election to any state
17	office, excluding legislative office, filled by election of
18	the registered voters of any circuit or district.
19	"3. Ten thousand dollars (\$10,000) or more, with a
20	view toward bringing about nomination or election to the
21	Alabama Senate and five thousand dollars (\$5,000) or more,
22	with a view toward bringing about nomination or election to
23	the Alabama House of Representatives.
24	"4. One thousand dollars (\$1,000) or more, with a
25	view toward bringing about nomination or election to any local

"(2) CONTRIBUTION.

26 office.

"a. Any of the following shall be considered a
contribution:

- "1. A gift, subscription, loan, advance, deposit of
 money or anything of value, a payment, a forgiveness of a
 loan, or payment of a third party, made for the purpose of
 influencing the result of an election.
 - "2. A contract or agreement to make a gift, subscription, loan, advance, or deposit of money or anything of value for the purpose of influencing the result of an election.
 - "3. Any transfer of anything of value received by a political committee from another political committee, political party, or other source.
 - "4. The payment of compensation by any person for the personal services or expenses of any other person if the services are rendered or expenses incurred on behalf of a candidate, political committee, or political party without payment of full and adequate compensation by the candidate, political committee, or political party. Provided, however, that the payment of compensation by a corporation for the purpose of establishing, administering, or soliciting voluntary contributions to a separate, segregated fund as permitted by Section 10-1-2 in this chapter, shall not constitute a contribution.
 - "b. The term "contribution" does not include:

"1. The value of services provided without

compensation by individuals who volunteer a portion or all of

their time on behalf of a candidate or political committee.

- "2. The use of real or personal property and the cost of invitations, food, or beverages, voluntarily provided by an individual to a candidate or political committee in rendering voluntary personal services on the individual's residential or business premises for election-related activities.
- "3. The sale of any food or beverage by a vendor for use in an election campaign at a charge to a candidate or political committee less than the normal comparable charge, if the charge to the political committee for use in an election campaign is at least equal to the cost of the food or beverage to the vendor.
- "4. Any unreimbursed payment for travel expenses made by an individual who, on his or her own behalf, volunteers personal services to a candidate or political committee.
- "5. The payment by a state or local committee of a political party of the cost of preparation, display, or mailing or other distribution incurred by the committee with respect to a printed slate card or sample ballot, or other printed listing of two or more candidates for any public office for which an election is held in the state, except that this subparagraph shall not apply in the case of costs incurred by the committee with respect to a display of the

listing made on broadcasting stations, or in newspapers,
magazines, or other similar types of general public political
advertising.

"6. The value or cost of polling data and voter preference data and information if provided to a candidate or political committee, unless the information was compiled with the advance knowledge of and approval of the candidate or the political committee.

"(3) DESIGNATED REPRESENTATIVE. An individual appointed to execute, file, or electronically submit any report or other filing required by this chapter on behalf of a candidate, his or her principal campaign committee, or a political action committee. The execution or filing of a report required by this chapter by a designated representative shall be deemed equivalent to the filing required of the candidate, his or her principal campaign committee, or a political action committee.

"(3)(4) ELECTION. Unless otherwise specified, any general, special, primary, or runoff election, or any convention or caucus of a political party held to nominate a candidate, or any election at which a constitutional amendment or other proposition is submitted to the popular vote.

"(4)(5) ELECTIONEERING COMMUNICATION. Any communication disseminated through any federally regulated broadcast media, any mailing, or other distribution, electronic communication, phone bank, or publication which (i) contains the name or image of a candidate; (ii) is made within

1 120 days of an election in which the candidate will appear on 2 the ballot; (iii) the only reasonable conclusion to be drawn 3 from the presentation and content of the communication is that 4 it is intended to influence the outcome of an election; and 5 (iv) entails an expenditure in excess of one thousand dollars 6 (\$1,000).

"(5)(6) EXPENDITURE.

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- a. The following shall be considered expenditures:
- 1. A purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value made for the purpose of influencing the result of an election.
- 2. A contract or agreement to make any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, for the purpose of influencing the result of an election.
- 3. The transfer, gift, or contribution of funds of a political committee to another political committee.
 - b. The term "expenditure" does not include:
- 1. Any news story, commentary, or editorial prepared by and distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication, unless the facilities are owned or controlled by any political party or political committee.
- 2. Nonpartisan activity designed to encourage individuals to register to vote, or to vote.
- 3. Any communication by any membership organization to its members or by a corporation to its stockholders and

employees if the membership organization or corporation is not organized primarily for the purpose of influencing the result of an election.

- 4. The use of real or personal property and the cost of invitations, food, or beverages, voluntarily provided by an individual in rendering voluntary personal services on the individual's residential or business premises for election-related activities.
- 5. Any unreimbursed payment for travel expenses made by an individual who, on his or her own behalf, volunteers personal services to a candidate or political committee.
- 6. Any communication by any person which is not made for the purposes of influencing the result of an election.
- 7. The payment by a state or local committee of a political party of the cost of preparation, display, or mailing or other distribution incurred by the committee with respect to a printed slate card or sample ballot, or other printed listing of two or more candidates for any public office for which an election is held in the state, except that this subparagraph shall not apply in the case of costs incurred by the committee with respect to a display of the listing made on broadcasting stations, or in newspapers, magazines, or other similar types of general public political advertising.
- " $\frac{(6)}{(7)}$ IDENTIFICATION. The full name and complete address.

"(7)(8) LOAN. A transfer of money, property, or
anything of value in consideration of a promise or obligation,
conditional or not, to repay in whole or part.

"(8)(9) LOCAL OFFICE. Any office under the constitution and laws of the state, except circuit, district, or legislative offices, filled by election of the registered voters of a single county or municipality, or by the voters of a division contained within a county or municipality.

"(9) (10) PERSON. An individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons.

"(10) (11) PERSONAL AND LEGISLATIVE LIVING EXPENSES.

Household supplies, personal clothing, tuition payments,
mortgage, rent, or utility payments for a personal residence;
admission to an entertainment event or fees for a country club
or social club, unless tied to a specific campaign event or
functions involving constituents; and any other expense,
excluding food and beverages, that would exist irrespective of
the candidate's campaign or duties as a legislator. Personal
and legislative living expenses shall not include expenses for
food, beverages, travel, or communications incurred by the
legislator in the performance of the office held.

"(11)(12) POLITICAL ACTION COMMITTEE. Any political action committee, club, association, political party, or other group of one or more persons which receives or anticipates receiving contributions or and makes or anticipates making expenditures to or on behalf of any elected official,

proposition, candidate, principal campaign committee or other
political action committee. For the purposes of this chapter,
an individual who makes a personal political contribution
shall not be considered a political action committee.

"(12)(13) PRINCIPAL CAMPAIGN COMMITTEE. The principal campaign committee designated by a candidate under Section 17-5-4. A political action committee established primarily to benefit an individual candidate or an individual elected official shall be considered a principal campaign committee for purposes of this chapter.

"(13) (14) PROPOSITION. Any proposal for submission to the general public for its approval or rejection, including proposed as well as qualified ballot questions.

"(14)(15) PUBLIC OFFICIAL. Any person elected to public office, whether or not that person has taken office, by the vote of the people at the state, county, or municipal level of government or their instrumentalities, including governmental corporations, and any person appointed to a position at the state, county, or municipal level of government or their instrumentalities, including governmental corporations. For purposes of this chapter, a public official includes the chairs and vice chairs or the equivalent offices of each state political party as defined in Section 17-13-40.

"(15)(16) STATE. The State of Alabama.

"(16)(17) STATE OFFICE. All offices under the constitution and laws of the state filled by election of the

- registered voters of the state or of any circuit or district and shall include legislative offices.
- "(b) The words and terms used in this chapter shall have the same meanings respectively ascribed to them in Section 36-25-1.

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- 7 "(a) Every political action committee shall have a 8 chair and a treasurer.
- 9 "(b) All funds of a political action committee shall
 10 be segregated from, and shall not be commingled with, any
 11 personal funds of officers, members, or associates of such
 12 committee.
- "(c) It shall be the duty of the treasurer of a

 political action committee to keep a detailed, exact account

 of:
- "(1) All contributions made to or for such
 committee.
 - "(2) All expenditures made by or on behalf of such committee.
 - "(3) The identification of every person to whom an expenditure is made, the date and amount thereof, and the name of each candidate on whose behalf such expenditure was made or a designation of the election proposition the result of which the political action committee will attempt to influence by making expenditures or receiving contributions.
 - "(d) It shall be the duty of the treasurer to obtain and keep a receipted bill or cancelled check, stating the

particulars for every expenditure made by or on behalf of a political action committee greater than one hundred dollars (\$100), and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year is greater than one hundred dollars (\$100). Provided, however, the treasurer of a political action committee shall not be required under this chapter to report any expenditure not related to political contributions or expenditures or made as an administrative expense. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for a period of two years from the date of any such expenditure.

"(e) Any political action committee may appoint a designated representative in the manner established by the Secretary of State or judge of probate, as appropriate.

"\$17-5-4.

Within five days after any person becomes a candidate for office, such 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 candidate, together with a written acceptance or consent by such committee, but any candidate may declare himself or herself as the person chosen to serve as the principal campaign committee, in which case such candidate shall perform the duties of chair and treasurer of such committee prescribed by this chapter. If any vacancies be

created by death or resignation or any other cause, such candidate may fill such vacancy, or the remaining members shall discharge and complete the duties required of such committee as if such vacancy had not been created. The principal campaign committee, or its treasurer, shall have exclusive custody of all moneys contributed, donated, subscribed or in any manner furnished to or for the candidate represented by such committee, and shall account for and disburse the same. No candidate shall expend any money in aid of his or her nomination or election except by contributing to the principal campaign committee designated by the candidate.

Any candidate or his or her principal campaign committee may appoint a designated representative in the manner established by the Secretary of State or judge of probate, as appropriate.

"\$17-5-5.

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

"(b) The statement of organization shall include:

- 1 "(1) The name and complete address of the committee.
- "(2) The identification of affiliated or connected

 organizations, if any.
 - "(3) The purposes of the committee.

- 5 "(4) The identification of the chair and treasurer.
- "(5) The identification of principal officers,including members of any finance committee.
 - "(6) A description of the constitutional amendments or other propositions, if any, that the committee is supporting or opposing, and the identity, if known, of any candidate or elected official that the committee is supporting or opposing.
 - "(7) A statement whether the committee is a continuing one, and if not, the expected termination or dissolution date.
 - "(8) The disposition of residual funds which will be made in the event of dissolution.
 - "(c) Any material change in information previously submitted in a statement of organization, except for the information described in subdivision (6) above, shall be reported to the Secretary of State or judge of probate as provided in Section 17-5-9, within 10 days following the change.
 - "(d) Any political action committee or any principal campaign committee after having filed its initial statement of organization shall continue in existence until terminated or dissolved as provided herein. When any political action

committee determines it will no longer receive contributions or make expenditures during any calendar year in an aggregate amount exceeding one thousand dollars (\$1,000), or when any candidate through his or her principal campaign committee determines that he or she will not receive contributions or make expenditures in the amounts specified in Section 17-5-2, the chair or treasurer of such political committee may shall so notify the Secretary of State or judge of probate, as designated in Section 17-5-9, of the termination or dissolution of such political committee. Such notice shall contain a statement by the treasurer of such committee of the intended disposition of any residual funds then held by the committee on behalf of a candidate.

"\$17-5-7.

- "(a) A candidate, public official, or principal campaign committee as defined in this chapter, may only use campaign contributions, and any proceeds from investing the contributions that are in excess of any amount necessary to defray expenditures of the candidate, public official, or principal campaign committee, for the following purposes:
- "(1) Necessary and ordinary expenditures of the campaign.
- "(2) Expenditures that are reasonably related to performing the duties of the office held. For purposes of this section, expenditures that are reasonably related to performing the duties of the office held do not include

personal and legislative living expenses, as defined in this chapter.

- "(3) Donations to the State General Fund, the
 Education Trust Fund, or equivalent county or municipal funds.

 Donations to an organization to which a federal income tax

 deduction is permitted under subparagraph (A) of paragraph (1)

 of subsection (b) of Section 170 of the Internal Revenue Code

 of 1986, as amended, or any other charitable, educational, or

 eleemosynary cause of Section 501 of Title 26 of the U. S.

 Code.
 - "(4) Inaugural or transitional expenses.
 - "(5) Donations to a legislative conference, caucus, or other legislative entity provided that the entity does not receive contributions as defined by Section 17-5-2(a)(2)a. in support of candidates, principal campaign committees, elected officials, or make expenditures as defined by Section 17-5-2(a)(6)a. in support of candidates, principal campaign committees, elected officials, propositions, or political action committees.
 - "(b) Notwithstanding any other provision of law, including, but not limited to, Section 13A-10-61, a candidate, public official, or principal campaign committee may only accept, solicit, or receive contributions:
 - "(1) To influence the outcome of an election.
 - "(2) For a period of 12 months before an election in which the person intends to be a candidate. Provided, however, candidates for state legislative and statewide office and

their principal campaign committees may not accept, solicit, or receive contributions during the period when the Legislature is convened in session. For purposes of this section, the Legislature is convened in session at any time from the opening day of the special or regular session and continued through the day of adjournment sine die for that session. However, this subdivision shall not apply within 120 days of any primary, runoff, or general election, and shall not apply to the candidates or their principal campaign committees participating in any special election as called by the Governor. This subdivision shall not apply to a loan from a candidate to his or her own principal campaign committee.

- "(3) For a period of 120 days after the election in which the person was a candidate, but only to the extent of any campaign debt of the candidate or principal campaign committee of the candidate as indicated on the campaign financial disclosure form or to the extent of reaching the threshold that is required for qualification as a candidate for the office which he or she currently holds, or both.
- "(4) For the purpose of paying all expenses associated with an election challenge including, but not limited to, quo warranto challenges.
- "(c) Notwithstanding any other provision of law, including, but not limited to, Section 13A-10-61, a candidate, public official, or principal campaign committee shall not accept, solicit, or receive contributions for any of the following reasons:

"(1) As a bribe, as defined by Sections 13A-10-60 to 13A-10-63, inclusive.

- "(2) For the intention of corruptly influencing the official actions of the public official or candidate for public office.
 - "(d) Notwithstanding any other provision of law, a principal campaign committee, during a two-year period term of office commencing on the day after the each regularly scheduled general election for the seat or office the candidate seeks and ending on the day of the next general election for that seat or office, may also pay qualifying fees to a political party and may expend, during that two-year period, up to a cumulative total of five thousand dollars (\$5,000) of campaign contributions, and any proceeds from investing the contributions, for the following purposes:
 - "(1) Tickets for political party dinners or functions.
 - "(2) State or local political party dues or similar expenses incurred by independent or write-in candidates.
 - "(e) Notwithstanding any other provision of law, a candidate, principal campaign committee, or political action committee may return or refund, in full or in part, any contribution it receives to the donor provided that such return or refund may not exceed the amount received. In the case of a candidate or principal campaign committee, the contributions being refunded must have been reported in an itemized manner and the refund must be itemized in the next

required filing under this chapter. In the case of a political
action committee, the refund must occur within 18 months of
the date of the contribution; provided, however, that if the
refund of the contribution is required by law or regulation,
then the 18-month time limitation shall not apply.

"\$17-5-8.

- "(a) Each The candidate represented by a principal campaign committee or the treasurer for a political action committee shall file with the Secretary of State or judge of probate, as designated in Section 17-5-9, periodic reports of contributions and expenditures at the following times once a principal campaign committee files its statement under Section 17-5-4 or a political action committee files its statement of organization under Section 17-5-5:
- "(1) Beginning after the 2012 election cycle, regardless of whether a candidate has opposition in any election, monthly reports not later than the second business day of the subsequent month, beginning 12 months before the date of any primary, special, runoff, or general election for which a political action committee or principal campaign committee receives contributions or makes expenditures with a view toward influencing such election's result. A monthly report shall include all reportable transactions for the previous full month period. Reports shall be required as provided in subdivisions (2) and (3).
- "(2) With regard to a primary, special, runoff, or general election, a report shall be required weekly on the

Monday of the succeeding week for each of the four weeks before the election that includes all reportable activities for the previous week.

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"(3)a. In addition to the reporting dates specified in subdivisions (1) and (2), reports required to be filed with the Secretary of State shall be filed with the Secretary of State on the eighth, seventh, sixth, fifth, fourth, third, and second day preceding a legislative, state school board, or other statewide primary, special, runoff, or general election, and by 12:01 a.m. p.m. on the day preceding a legislative, state school board, or statewide, primary, special, runoff, or general election if any principal campaign committee or political action committee receives or spends in the aggregate five thousand dollars (\$5,000) or more on any day with a view toward influencing an election's results. If a daily report is required pursuant to this subdivision, the report shall include all reportable activity occurring on the day of the report as well as all reportable activity that has occurred on each day since the most recent prior report. Principal campaign committees and political action committees that are exempt from electronic filing and principal campaign committees and political action committees required to make daily reports pursuant to this subdivision for the 2012 election cycle may file reports by facsimile (FAX) transmission provided they keep proper documentation in their office.

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

- "(b) Except as provided in subsection (1), each principal campaign committee, political action committee, and elected state and local official covered under the provisions of this chapter, shall annually file with the Secretary of State or judge of probate, as designated in Section 17-5-9, reports of contributions and expenditures made during that year. The annual reports required under this subsection shall be made on or before January 31 of the succeeding year.
 - "(c) Each report under this section shall disclose:
- "(1) The amount of cash or other assets on hand at the beginning of the reporting period and forward until the end of that reporting period and disbursements made from same.
- "(2) The identification of each person who has made contributions to such committee or candidate within the calendar year in an aggregate amount greater than one hundred dollars (\$100), together with the amount and date of all such contributions; provided, however, in the case of a political action committee identification shall mean the name and city of residence of each person who has made contributions within

- the calendar year in an aggregate amount greater than one hundred dollars (\$100).
- "(3) The total amount of other contributions

 received during the calendar year but not reported under

 subdivision (c)(2) of this section.

- "(4) Each loan to or from any person within the calendar year in an aggregate amount greater than one hundred dollars (\$100), together with the identification of the lender, the identification of the endorsers, or guarantors, if any, and the date and amount of such loans.
- "(5) The total amount of receipts from any other source during such calendar year.
- "(6) The grand total of all receipts by or for such committee during the calendar year.
- "(7) The identification of each person to whom expenditures have been made by or on behalf of such committee or elected official within the calendar year in an aggregate amount greater than one hundred dollars (\$100), the amount, date, and purpose of each such expenditure, and, if applicable, the designation of each constitutional amendment or other proposition with respect to which an expenditure was made.
- "(8) The identification of each person to whom an expenditure for personal services, salaries, and reimbursed expenses greater than one hundred dollars (\$100) has been made, and which is not otherwise reported or exempted from the

provisions of this chapter, including the amount, date, and purpose of such expenditure.

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

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

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

"(e) Commencing with the 2014 election cycle, electronic filing of contributions and expenditures for any legislative, state school board, and statewide primary, special, runoff, or general election shall be mandatory, except as provided in subsection (g). The Secretary of State

may provide electronic reporting sooner than the 2014 election cycle. Electronic filing shall satisfy any filing requirements of this chapter and no paper filing is required for any report filed electronically.

- "(f) In the 2012 election cycle the provisions for the time of filing contained in subsection (a) shall apply to the paper or facsimile (FAX) filings for any legislative, state school board, or statewide primary, special, runoff, or general election.
- "(g) Electronic filing of reports shall not apply to any campaign, principal campaign committee, or political action committee receiving ten thousand dollars (\$10,000) or less per election cycle.
- "(h) In connection with any electioneering communication paid for by a person, nonprofit corporation, entity, principal campaign committee, or other political committee or entity, the payor shall disclose its contributions and expenditures in accordance with this section. The disclosure shall be made in the same form and at the same time as is required of political action committees in this section; provided, however, no duplicate reporting shall be required by a political committee.
- "(i) Notwithstanding any disclosure requirements of subsection (h), churches are exempt from the requirements of this section unless the church's expenditures are used to influence the outcome of an election. Nothing herein shall require a church to disclose the identities, donations, or

contributions of members of the church. As used in this
section, the term church is defined in accordance with and
recognized by Internal Revenue Service guidelines and
regulations.

- "(j) Notwithstanding the disclosure requirements of this section, the provisions of this section shall not be interpreted to nor shall they require any disclosure for expenses incurred for any electioneering communication used by any membership or trade organization to communicate with or inform its members, its members' families, or its members' employees or for any electioneering communication by a business entity of any type to its employees or stockholders or their families.
- "(k) The corporate contribution limits contained in Sections 10A-21-1.02, 10A-21-1.03, and 10A-21-1.04 this chapter shall not apply in any respect to an electioneering communication; provided, however, the corporate contribution limits contained in Sections 10A-21-1.02, 10A-21-1.03, and 10A-21-1.04 this chapter shall continue in force and effect for contributions by corporations to principal campaign committees, political committees, and to political parties.
- "(1) Each report required by this section shall include all reportable transactions occurring since the most recent prior report; however, duplicate reporting is not required by this section. A political action committee or principal campaign committee that is required to file a daily report is not required to also file a weekly report for the

week preceding an election specified in subdivision (3) of subsection (a); a committee required to file a weekly report is not required to also file a monthly report for the month in which the election is held; and a committee required to file a monthly report is not required to also file an annual report for the year in which the election is held. The monetary balance in a report of each committee shall begin at the monetary amount appearing in the most recent prior report.

"(m) The Secretary of State may promulgate administrative rules pursuant to the Alabama Administrative Procedure Act as are necessary to implement and administer the changes made to this section by Act 2012-477.

"\$17-5-8.2.

- "(a) The Legislature determines that there is a compelling state and public interest in the disclosure of the source of funds used to advertise or otherwise influence public opinion with regard to elections as defined in Section 17-5-2(3). The Legislature further finds that these compelling interests should be designed to protect the public's right to know while protecting free speech of individuals as guaranteed in the U.S. Constitution and the Constitution of Alabama of 1901.
- "(b) Currently, the Fair Campaign Practices Act, as provided in this chapter, commencing with Section 17-5-1, et seq., regulates the disclosure of contributions and expenditures made for the purpose of influencing the outcome of an election. This section and Sections 17-5-2, 17-5-8, and

1 17-5-12, as amended by Act 2011-697 are chapter is also
2 intended to regulate the disclosure of contributions and
3 expenditures for electioneering communications which currently
4 do not fall within the ambit of the Fair Campaign Practices
5 Act.

(c) The Legislature finds and declares that Alabama voters have a right to know who pays for the costs of electioneering communications.

"§17-5-9.

- "(a) All statements and reports, including amendments, required of principal campaign committees under the provisions of this chapter shall be filed with the Secretary of State in the case of candidates for state office or state elected officials, and in the case of candidates for local office or local elected officials, with the judge of probate of the county in which the office is sought.
- "(b) Political action committees, which seek to influence an election for local office or to influence a proposition regarding a single county, shall file all reports and statements, including amendments, with the judge of probate of the county affected. All other political action committees, except as provided in subsection (a) above, shall file reports and statements with the Secretary of State.
- "(c) In the case of candidates for a municipal office where the municipality is located in more than one county, the statements and reports shall be filed in the county where the city hall of the municipality is located. The

judge of probate of the county where the report is filed, if

the municipality is located in more than one county, shall

provide a copy of the report to the judge of probate of the

other county or counties where the municipality is located.

"(d) Commencing with the 2014 election cycle, all persons and political action committees that file with the judge of probate, at their option, shall have the right to file electronically with the Secretary of State pursuant to Section 17-5-8.1.

"§17-5-12.

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"(a) Any paid political advertisement or electioneering communication appearing in any print media or broadcast on any electronic media shall clearly and distinctly identify the entity responsible for paying for the advertisement or electioneering communication. It shall be unlawful for any person, nonprofit corporation, entity, candidate, principal campaign committee, nonprofit corporation, entity, or other political action committee, or any person acting on behalf of such person or committee to broadcast, publish, or circulate any campaign literature, political advertisement, or electioneering communication without a notice appearing on the printed matter with a clear and unmistakable identification of the entity responsible for directly paying for the advertisement or electioneering communication, or on the broadcast at the beginning, during, or end of a radio or television spot, stating that the communication was a paid advertisement, clearly identifying

the entity directly responsible for paying for the

advertisement or electioneering communication, and giving the

identification of the person, nonprofit corporation, entity,

principal campaign committee, or political action committee or

entity that paid for such communication.

- "(b) This section does not apply to any political advertisement or electioneering communication used by a candidate and the candidate's supporters or by a political committee if the message or advertisement is:
 - "(1) Designed to be worn by a person.
- "(2) Placed as a paid link on an Internet website, provided the message or advertisement is no more than 200 characters in length and the link directs the user to another Internet website that complies with subsection (a).
- "(3) Placed as a graphic or picture link where compliance with the requirements of this section is not reasonably practical due to the size of the graphic or picture link and the link directs the user to another Internet website that complies with subsection (a).
- "(4) Placed at no cost on an Internet website for which there is no cost to post content for public users.
- "(5) Placed or distributed on an unpaid profile account which is available to the public without charge or on a social networking Internet website, as long as the source of the message or advertisement is patently clear from the content or format of the message or advertisement. A candidate or political committee may prominently display a statement

indicating that the website or account is an official website or account of the candidate or political committee and is approved by the candidate or political committee. A website or account may not be marked as official without prior approval by the candidate or political committee.

- "(6) Distributed as a text message or other message via Short Message Service, provided the message is no more than 200 characters in length or requires the recipient to sign up or opt in to receive it.
- "(7) Connected with or included in any software application or accompanying function, provided that the user signs up, opts in, downloads, or otherwise accesses the application from or through a website that complies with subsection (a).
- "(8) Sent by a third-party user from or through a campaign or committee's website, provided the website complies with subsection (a).
- "(9) Contained in or distributed through any other technology related item, service, or device for which compliance with subsection (a) is not reasonably practical due to the size or nature of such item, service, or device as available, or the means of displaying the message or advertisement makes compliance with subsection (a) impracticable.

25 "\$17-5-14.

"(a) A business corporation incorporated or organized under the laws of this state or doing business in

this state, or any employee, or agent acting on behalf of the

corporation, may not make a contribution to any candidate for

public office or political action committee except as

permitted in this section.

"(b) Notwithstanding any other provisions of law, a business or nonprofit corporation or an officer, employee, or agent acting on behalf of such corporation, may give, pay, expend, or contribute money, services, or anything of value for the purposes of establishing, administering, or soliciting voluntary contributions to a separate, segregated fund to be utilized for political purposes as permitted herein if no corporate funds are a part of the separate, segregated fund.

"(c) Except as provided in subsection (e), a
business corporation restricted by subsection (a) may directly
give, pay, expend, or contribute any money or other valuable
thing in any amount not to exceed five hundred dollars (\$500)
to: (1) a candidate in any one election, or (2) a political
action committee for each separate election occurring during a
calendar year, whether before or after that election, provided
that elections held on a regularly scheduled election date are
treated as a single election for purposes of determining
contribution limits for corporations. It is the intent of the
Legislature to codify the requirements set forth in Attorney
General Opinion No. 1999-255 (issued on July 22, 1999) for
measuring the number of elections, as calculated by the
Secretary of State, for which a business corporation may
contribute to a political action committee.

"(d) In the case of a group of parent-subsidiary

corporations, the five hundred dollar (\$500) limitation

described in subsection (c) shall apply to the entire group.

"(e) Subsection (c) does not apply to a public utility that is regulated by the Public Service Commission. A business corporation that is a public utility because it owns, controls, or operates a railroad may not make a contribution to any candidate for the Public Service Commission, but is otherwise entitled to take any action permitted nonpublic utility business corporations under this section.

"\$17-5-15.

"(a) It shall be unlawful for any person to make a contribution in the name of another person, or knowingly permit his or her name to be used to effect such a contribution made by one person in the name of another person, or for any candidate, principal campaign committee, or political action committee to knowingly accept a contribution made by one person in the name of another person; provided, however, that nothing in this chapter would prohibit any person from soliciting and receiving contributions from other persons for the purpose of making expenditures to a candidate, political campaign committee, political action committee, or elected state or local official required to file reports pursuant to Section 17-5-8.

"(b) It shall be unlawful for any political action committee, any entity, or organization subject to 26 U.S.C.

527 organization, or private foundation, including a principal

campaign committee or any person acting on behalf of such organization or committee, to make a contribution, expenditure, or any other transfer of funds to any other political action committee, or 527 organization, or private foundation. It shall be unlawful for any principal campaign committee or any person acting on behalf of such organization or committee to make a contribution, expenditure, or any other transfer of funds to any other principal campaign committee, except where the contribution, expenditure, or any other transfer of funds is made from a principal campaign committee to another principal campaign committee on behalf of the same person. Notwithstanding the foregoing, a political action committee that is not a principal campaign committee may make contributions, expenditures, or other transfers of funds to a principal campaign committee and a separate segregated fund established by a corporation under federal law if the fund does not receive any contributions from within this state other than contributions from its employees and directors is not restricted by this subsection in the amount it may transfer to a political action committee established under the provisions of Section $\frac{10A-21-1.01}{17-5-14.1}$ by the same or an affiliated corporation.

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"(c) Notwithstanding this section or any other

provision of law, a local or state political action committee

of a political party may make a contribution, expenditure, or

any other transfer of funds to any other local or state

political action committee of the same party.

1 "\$17-5-15.1.

"(a) A principal campaign committee of a state or local candidate and any person acting on its behalf may not receive or spend, in a campaign for state or local office, campaign funds in excess of one thousand dollars (\$1,000) that were raised by a principal campaign committee of a federal candidate.

- "(b) Any receipt or expenditure of person who receives or expends campaign funds in violation of subsection

 (a) shall be guilty of a Class C felony.
- 11 "\$17-5-16.
 - "(a) It shall be unlawful for any person fraudulently to misrepresent himself or herself, or any other person or organization with which he or she is affiliated, as speaking or writing or otherwise acting for or on behalf of any candidate, principal campaign committee, political action committee, or political party, or agent or employee thereof, in a manner which is damaging or is intended to be damaging to such other candidate, principal campaign committee, political action committee, or political party.
 - "(b) It shall be unlawful for any automated or pre-recorded communication initiated, conducted, or transmitted through an automated telephone dialing service to be conducted without providing clear notice at the ending of the phone call that the communication was a paid political advertisement and clearly identifying the person, nonprofit

corporation, entity, principal campaign committee, or political action committee that paid for such communication.

"(c) It shall be unlawful for any person or entity to knowingly misrepresent, in any automated or pre-recorded communication that is a political advertisement and that is initiated via an automated telephone dialing service, the identification of the person, nonprofit corporation, entity, principal campaign committee, or political action committee that paid for such communication.

"(d) The Attorney General of the State of Alabama shall have full power to investigate and enforce violations of this section and any owner, employer, agent, or representative of any automated dialing service found to be in violation of this section shall be guilty upon conviction of a Class A misdemeanor as provided in Section $\frac{17-17-35(a)}{17-5-19}$.

"\$17-5-19.

"It is the intention of the Legislature by the passage of this chapter that its provisions be construed in pari materia with other laws regulating political contributions, corporations, or political contributions by corporations.

- "(a) Unless otherwise provided, a person who violates any provision of this chapter shall be quilty, upon conviction, of a Class A misdemeanor.
- "(b) A person who violates any reporting requirement of Sections 17-5-4, 17-5-5, and 17-5-8 shall be guilty, upon conviction, of a Class B misdemeanor.

1	" <u>(c) Any person who intentionally violates Section</u>
2	17-5-7 shall be guilty, upon conviction, of a Class B felony.
3	"(d) The Attorney General or district attorney for
4	the appropriate jurisdiction may prosecute violations of this
5	chapter. Venue for cases involving violations of this chapter
6	shall be in the county in which the violation occurred or the
7	county in which the alleged violator resides or is
8	incorporated. If the alleged violator resides or is
9	incorporated outside of the State of Alabama or if the
10	violation or violations occurred outside the State of Alabama,
11	venue shall be in Montgomery County.
12	"(e) No prosecution for violation of this chapter
13	shall be commenced later than two years after the date of
14	violation. Notwithstanding the foregoing, a prosecution
15	brought pursuant to Section 17-5-7 shall be commenced within
16	four years after the commission of the offense."
17	Section 2. Sections 17-5-5.1 and 17-5-14.1 are added
18	to Chapter 5, Title 17, Code of Alabama 1975, to read as
19	follows:
20	§17-5-5.1.
21	(a) Except as provided in subsection (d), each
22	legislative caucus organization that raises funds for its
23	administration and operation shall file a certificate of
24	registration, accompanied by a copy of its Certificate of
25	Formation or Articles of Organization, with the Secretary of
26	the Senate, for a Senate caucus, or the Clerk of the House,

for a House caucus, or both for a bicameral legislative caucus.

- (b) A legislative caucus organization duly registered pursuant to subsection (a) shall not contribute to or expend funds in support of candidates, principal campaign committees, propositions, or political campaign action committees for the purpose of influencing the result of an election. Notwithstanding any other provision of law, the donation of funds or other resources to a duly registered legislative caucus organization in support of the administration or operations of the caucus is permissible, provided that the donation is not made for the purpose of influencing the result of an election.
 - (c) Nothing in this section shall be construed to exempt a legislative caucus organization or its officers, directors, or members from the Ethics Law.
 - (d) A legislative caucus organization that engages in fundraising and is not registered as provided in subsection (a) shall be regulated as a political action committee under this chapter and shall comply with all the requirements of this chapter pertaining to political action committees.

\$17-5-14.

(a) Any business or nonprofit corporation, incorporated under the laws of or doing business in this state, or any officer or agent acting in behalf of the corporation may give, pay, expend, or contribute money, services, anything of value for the purposes of establishing,

administering, or soliciting voluntary contributions to a separate, segregated fund to be utilized for political purposes (i) to aid or promote the nomination or election of any person, including an incumbent political officeholder or any other person who is or becomes a candidate for political office; or (ii) to aid or promote the interest or success, or defeat of any political party or political proposition. Any separate, segregated fund established hereunder for any of the above enumerated purposes shall be established and administered pursuant to the following requirements and prohibitions:

- incorporated under the laws of or doing business in this state, or any officer or agent acting in behalf of the corporation which has established a separate, segregated political fund or any separate, segregated fund established by the corporation or officer or agent acting in behalf of the corporation may solicit voluntary contributions to the fund only from the corporation's stockholders and their families and its employees and their families; or in the case of a nonprofit corporation, its members and their employees.

 However, the funds may accept voluntary contributions from any individuals or from any other separate, segregated political funds.
- (2) The custodians of any separate, segregated political fund established hereunder shall file with the Secretary of State such financial disclosure reports or

1 statements now required of a candidate for public office. 2 Filing with the Secretary of State a copy of the information required to be filed with the Federal Election Commission by 3 such separate, segregated fund shall constitute compliance with the reporting provisions of this section.

(b) It shall be unlawful:

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- (1) For any separate, segregated political fund established pursuant to this section or for any person acting in behalf of the fund to solicit or secure any money or anything of value by physical force, job discrimination, or financial reprisals, or by threats thereof; by dues, fees, or other moneys required as a condition of employment; or by moneys obtained in any commercial transaction;
- (2) For any person soliciting contributions to the fund to fail to inform any person being solicited of the political purposes of the fund at the time of the solicitation:
- (3) For any person soliciting for a contribution to the fund to fail to inform the person being solicited, at the time of the solicitation, of his or her right to refuse to contribute without any reprisal; and
- (4) For any corporation regulated by the Public Service Commission to pass on to its customers any contribution made for the purpose of establishing, administering, or soliciting voluntary contributions to a separate, segregated fund to be utilized for political purposes.

Section 3. (a) Sections 10A-21-1.01 to 10A-21-1.04,

inclusive, Code of Alabama 1975, are repealed.

(b) Section 17-17-5, Code of Alabama 1975, is

repealed.

Section 4. This act shall become effective on the

first day of the third month following its passage and

approval by the Governor, or its otherwise becoming law.