

- 1 SB445
- 2 153788-6
- 3 By Senator Taylor
- 4 RFD: Constitution, Campaign Finance, Ethics, and Elections
- 5 First Read: 16-APR-13



1 SB445 2 3 4 ENROLLED, An Act, 5 Relating to the Fair Campaign Practices Act; to amend Sections 17-5-2, 17-5-5, 17-5-7, 17-5-8, 17-5-8.2, 6 7 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 the contribution 8 9 threshold amounts at which a person becomes a candidate for 10 purposes of campaign finance reporting requirements; to allow designated filing agents to file reports; to clarify persons 11 12 subject to violations of the act; to change the legislative session prohibitions on fundraising to apply to legislative 13 and statewide candidates; to clarify allowable spending 14 amounts for political party dinners and functions; to change 15 deadlines for reports; to provide further for municipal 16 17 candidates; to clarify and amend corporate contribution restrictions; to clarify the entities subject to the ban on 18 PAC to PAC transfers so as not to prohibit private foundations 19 20 from making non-political donations to other private 21 foundations; to clarify the responsible person in the PAC to 22 PAC ban; to transfer certain enforcement provisions from Chapter 17 of Title 17 to Chapter 5 of Title 17; to provide 23 further for venue of prosecutions; to add Sections 17-5-5.1, 24 17-5-7.1, 17-5-14.1, and 17-5-20 to the Code of Alabama 1975; 25

1	to provide further for the regulation of legislative caucus
2	organizations; to provide for the return or refund of
3	contributions; to move certain provisions relating to
4	corporate contributions from Title 10A to Title 17; to provide
5	for the appointment of designated filing agents; and to repeal
6	Sections 10A-21-1.01 to 10A-21-1.04, inclusive, and Sections
7	17-5-18, and 17-17-35, Code of Alabama 1975.
8	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
9	Section 1. Sections 17-5-2, 17-5-5, 17-5-7, 17-5-8,
10	17-5-8.2, 17-5-9, 17-5-12, 17-5-14, 17-5-15, 17-5-15.1,
11	17-5-16, and 17-5-19, Code of Alabama 1975, are amended to
12	read as follows:
13	"§17-5-2.
14	"(a) For purposes of this chapter, the following
15	terms shall have the following meanings:
16	"(1) CANDIDATE. An individual who has done any of
17	the following:
18	"a. Taken the action necessary under the laws of the
19	state to qualify himself or herself for nomination or for
20	election to any state office or local office or in the case of
21	an independent seeking ballot access, on the date when he or
22	she files a petition with the judge of probate in the case of
23	county offices, with the appropriate qualifying municipal
24	official in the case of municipal offices, or the Secretary of
25	State in all other cases.

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

"4. One thousand dollars (\$1,000) or more, with a 1 2 view toward bringing about nomination or election to any local 3 office. "(2) CONTRIBUTION. 4 5 "a. Any of the following shall be considered a 1 6 contribution: 7 "1. A gift, subscription, loan, advance, deposit of 8 money or anything of value, a payment, a forgiveness of a 9 loan, or payment of a third party, made for the purpose of influencing the result of an election. 10 11 "2. A contract or agreement to make a gift, 12 subscription, loan, advance, or deposit of money or anything of value for the purpose of influencing the result of an 13 14 election. 15 "3. Any transfer of anything of value received by a 16 political committee from another political committee, 17 political party, or other source. 18 "4. The payment of compensation by any person for 19 the personal services or expenses of any other person if the 20 services are rendered or expenses incurred on behalf of a 21 candidate, political committee, or political party without 22 payment of full and adequate compensation by the candidate, 23 political committee, or political party. Provided, however, 24 that the payment of compensation by a corporation for the 25 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.

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"b. The term "contribution" does not include:

5 "1. The value of services provided without 6 compensation by individuals who volunteer a portion or all of 7 their time on behalf of a candidate or political committee.

8 "2. The use of real or personal property and the 9 cost of invitations, food, or beverages, voluntarily provided 10 by an individual to a candidate or political committee in 11 rendering voluntary personal services on the individual's 12 residential or business premises for election-related 13 activities.

14 "3. The sale of any food or beverage by a vendor for 15 use in an election campaign at a charge to a candidate or 16 political committee less than the normal comparable charge, if 17 the charge to the political committee for use in an election 18 campaign is at least equal to the cost of the food or beverage 19 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.

24 "5. The payment by a state or local committee of a25 political party of the cost of preparation, display, or

1 mailing or other distribution incurred by the committee with respect to a printed slate card or sample ballot, or other 2 printed listing of two or more candidates for any public 3 office for which an election is held in the state, except that 4 5 this subparagraph shall not apply in the case of costs incurred by the committee with respect to a display of the 6 listing made on broadcasting stations, or in newspapers, 7 magazines, or other similar types of general public political 8 9 advertising.

10 "6. The value or cost of polling data and voter 11 preference data and information if provided to a candidate or 12 political committee, unless the information was compiled with 13 the advance knowledge of and approval of the candidate or the 14 political committee.

15 "(3) DESIGNATED FILING AGENT. An individual
16 appointed and authorized as attorney in fact to electronically
17 submit any report or other filing required by this chapter on
18 behalf of a candidate, his or her principal campaign
19 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.

1 "(4)(5) ELECTIONEERING COMMUNICATION. Any 2 communication disseminated through any federally regulated broadcast media, any mailing, or other distribution, 3 electronic communication, phone bank, or publication which (i) 4 contains the name or image of a candidate; (ii) is made within 5 6 120 days of an election in which the candidate will appear on the ballot; (iii) the only reasonable conclusion to be drawn 7 8 from the presentation and content of the communication is that it is intended to influence the outcome of an election; and 9 10 (iv) entails an expenditure in excess of one thousand dollars 11 (\$1,000). 12 "(5)(6) EXPENDITURE.

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# a. The following shall be considered expenditures:

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.

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.

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b. The term "expenditure" does not include:

 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.

4 2. Nonpartisan activity designed to encourage
5 individuals to register to vote, or to vote.

6 3. Any communication by any membership organization 7 to its members or by a corporation to its stockholders and 8 employees if the membership organization or corporation is not 9 organized primarily for the purpose of influencing the result 10 of an election.

11 4. The use of real or personal property and the cost 12 of invitations, food, or beverages, voluntarily provided by an 13 individual in rendering voluntary personal services on the 14 individual's residential or business premises for 15 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.

7 "(6)(7) IDENTIFICATION. The full name and complete
8 address.

9 "(7)(8) LOAN. A transfer of money, property, or
10 anything of value in consideration of a promise or obligation,
11 conditional or not, to repay in whole or part.

12 "(0)(9) LOCAL OFFICE. Any office under the 13 constitution and laws of the state, except circuit, district, 14 or legislative offices, filled by election of the registered 15 voters of a single county or municipality, or by the voters of 16 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.

20 "(10)(11) PERSONAL AND LEGISLATIVE LIVING EXPENSES.
21 Household supplies, personal clothing, tuition payments,
22 mortgage, rent, or utility payments for a personal residence;
23 admission to an entertainment event or fees for a country club
24 or social club, unless tied to a specific campaign event or
25 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.

6 "(11)(12) POLITICAL ACTION COMMITTEE. Any political 7 action committee, club, association, political party, or other 8 group of one or more persons, whether in-state or 9 out-of-state, which receives or anticipates receiving 10 contributions or and makes or anticipates making expenditures 11 to or on behalf of any Alabama state or local elected 12 official, proposition, candidate, principal campaign committee or other political action committee. For the purposes of this 13 14 chapter, an individual a person who makes a personal political 15 contribution shall not be considered a political action 16 committee by virtue of making such contribution.

17 "<u>(13) POLITICAL PARTY. A political party as defined</u>
 18 <u>in Section 17-13-40.</u>

19 "(12)(14) PRINCIPAL CAMPAIGN COMMITTEE. The 20 principal campaign committee designated by a candidate under 21 Section 17-5-4. A political action committee established 22 primarily to benefit an individual candidate or an individual 23 elected official shall be considered a principal campaign 24 committee for purposes of this chapter.

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

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4 "(14)(16) PUBLIC OFFICIAL. Any person elected to 5 public office, whether or not that person has taken office, by the vote of the people at the state, county, or municipal 6 7 level of government or their instrumentalities, including 8 governmental corporations, and any person appointed to a 9 position at the state, county, or municipal level of 10 government or their instrumentalities, including governmental 11 corporations. For purposes of this chapter, a public official 12 includes the chairs and vice chairs or the equivalent offices 13 of each state political party as defined in Section 17-13-40.

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

15 "(16)(18) STATE OFFICE. All offices under the 16 constitution and laws of the state filled by election of the 17 registered voters of the state or of any circuit or district 18 and shall include legislative offices.

19 "(b) The words and terms used in this chapter shall 20 have the same meanings respectively ascribed to them in 21 Section 36-25-1.

22 "§17-5-5.

"(a) Each The treasurer or designated filing agent
 of each political action committee which anticipates either
 receiving contributions or making expenditures during the

1 calendar year in an aggregate amount exceeding one thousand 2 dollars (\$1,000) shall file with the Secretary of State or the 3 judge of probate as herein provided in Section 17-5-9, a 4 statement of organization, within 10 days after its 5 organization or, if later within 10 days after the date on 6 which it has information which causes the committee to 7 anticipate it will receive contributions or make expenditures 8 in an aggregate amount in excess of one thousand dollars 9 (\$1,000). 10 "(b) The statement of organization shall include: 11 "(1) The name and complete address of the committee. 12 "(2) The identification of affiliated or connected organizations, if any. 13 14 "(3) The purposes of the committee. 15 "(4) The identification of the chair and treasurer. 16 "(5) The identification of principal officers, 17 including members of any finance committee. 18 "(6) A description of the constitutional amendments 19 or other propositions, if any, that the committee is 20 supporting or opposing, and the identity, if known, of any 21 candidate or elected official that the committee is supporting 22 or opposing. 23 "(7) A statement whether the committee is a 24 continuing one, and if not, the expected termination or

25 dissolution date.

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

"(c) Any Whenever there is any material change in 3 4 information previously submitted in a statement of 5 organization, except for the information described in 6 subdivision (6) above, shall be reported the treasurer or 7 designated filing agent of the political action committee 8 shall report the change to the Secretary of State or judge of 9 probate as provided in Section 17-5-9, within 10 days 10 following the change.

11 "(d) Any political action committee or any principal 12 campaign committee after having filed its initial statement of 13 organization shall continue in existence until terminated or 14 dissolved as provided herein. When any political action 15 committee determines it will no longer receive contributions 16 or make expenditures during any calendar year in an aggregate 17 amount exceeding one thousand dollars (\$1,000), or when any 18 candidate through his or her principal campaign committee 19 determines that he or she will not receive contributions or 20 make expenditures in the amounts specified in Section 17-5-2, 21 the chair or treasurer, designated filing agent, or candidate 22 of such political committee may shall so notify the Secretary 23 of State or judge of probate, as designated in Section 17-5-9, 24 of the termination or dissolution of such political committee. 25 Such notice shall contain a statement by the treasurer,

<u>designated filing agent, or candidate</u> of such committee of the
 intended disposition of any residual funds then held by the
 committee on behalf of a candidate.

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"§17-5-7.

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5 "(a) A Except as provided in subsection (d) and in 6 Section 17-5-7.1, a candidate, public official, or treasurer 7 of a principal campaign committee as defined in this chapter, may only use campaign contributions, and any proceeds from 8 9 investing the contributions that are in excess of any amount 10 necessary to defray expenditures of the candidate, public 11 official, or principal campaign committee, for the following 12 purposes:

13 "(1) Necessary and ordinary expenditures of the14 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.

"(4)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

# 1 'Revenue Code of 1986, as amended, or any other charitable, 2 educational, or eleemosynary cause of Section 501 of Title 26 3 of the U. S. Code. 4 "(4)(5) Inaugural or transitional expenses. 5 "(6) Donations to a legislative caucus organization 6 registered under this chapter which does not operate as a 7 political action committee. 8 "(b) Notwithstanding any other provision of law, 9 including, but not limited to, Section 13A-10-61, a candidate, public official, or principal campaign committee may only 10 accept, solicit, or receive contributions: 11 12 "(1) To influence the outcome of an election. 13 "(2) For a period of 12 months before an election in 14 which the person intends to be a candidate. Provided, however, 15 candidates for state legislative and statewide office and 16 their principal campaign committees may not accept, solicit, 17 or receive contributions during the period when the 18 Legislature is convened in session. For purposes of this 19 section, the Legislature is convened in session at any time from the opening day of the special or regular session and 20 21 continued through the day of adjournment sine die for that 22 session. However, this subdivision shall not apply within 120 days of any primary, runoff, or general election, and shall 23 not apply to the candidates or their principal campaign 24

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committees participating in any special election as called by

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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:

18 "(1) As a bribe, as defined by Sections 13A-10-60 to 19 13A-10-63, inclusive.

20 "(2) For the intention of corruptly influencing the 21 official actions of the public official or candidate for 22 public office.

"(d) Notwithstanding any other provision of law, a
 principal campaign committee, during a term of office two-year
 period commencing on the day after the each regularly

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scheduled general election for the seat or office the 1 2 candidate seeks and ending on the day of the next-general-3 election for that seat or office and ending on the day of the next regularly scheduled general election, may pay qualifying 4 fees to a political party and in addition thereto, during that 5 period, may expend up to a cumulative total of five thousand 6 7 dollars (\$5,000) of campaign contributions, and any proceeds from investing the contributions, for the following purposes: 8 9 "(1) Tickets for political party dinners or 10 functions. 11 "(2) State or local political party dues or similar 12 expenses incurred by independent or write-in candidates. 13 "§17-5-8. 14 "(a) Each The treasurer, designated filing agent, or candidate, principal campaign committee or political action 15 committee shall file with the Secretary of State or judge of 16 probate, as designated in Section 17-5-9, periodic reports of 17 contributions and expenditures at the following times once a 18 principal campaign committee files its statement under Section 19 20 17-5-4 or a political action committee files its statement of 21 organization under Section 17-5-5: 22 "(1) Beginning after the 2012 election cycle,

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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).

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

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

include all reportable activity occurring on the day of the 1 report as well as all reportable activity that has occurred on 2 each day since the most recent prior report. Principal 3 4 campaign committees and political action committees that are exempt from electronic filing and principal campaign 5 committees and political action committees required to make 6 7 daily reports pursuant to this subdivision for the 2012 8 election cycle may file reports by facsimile (FAX) transmission provided they keep proper documentation in their 9 10 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 18 principal campaign committee, political action committee, and 19 elected state and local official covered under the provisions 20 21 of this chapter, shall annually file with the Secretary of State or judge of probate, as designated in Section 17-5-9, 22 reports of contributions and expenditures made during that 23 year. The annual reports required under this subsection shall 24 25 be made on or before January 31 of the succeeding year.

1 "(c) Each report under this section shall disclose: 2 "(1) The amount of cash or other assets on hand at 3 the beginning of the reporting period and forward until the end of that reporting period and disbursements made from same. 4 "(2) The identification of each person who has made 5 contributions to such committee or candidate within the 6 calendar year in an aggregate amount greater than one hundred 7 dollars (\$100), together with the amount and date of all such 8 contributions; provided, however, in the case of a political 9 action committee identification shall mean the name and city 10 of residence of each person who has made contributions within 11 the calendar year in an aggregate amount greater than one 12 13 hundred dollars (\$100). 14 "(3) The total amount of other contributions received during the calendar year but not reported under 15 16 subdivision (c)(2) of this section. 17 "(4) Each loan to or from any person within the calendar year in an aggregate amount greater than one hundred 18 dollars (\$100), together with the identification of the 19 20 lender, the identification of the endorsers, or guarantors, if 21 any, and the date and amount of such loans. 22 "(5) The total amount of receipts from any other

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

source during such calendar year.

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1 "(7) The identification of each person to whom expenditures have been made by or on behalf of such committee 2 3 or elected official within the calendar year in an aggregate 4 amount greater than one hundred dollars (\$100), the amount, 5 date, and purpose of each such expenditure, and, if applicable, the designation of each constitutional amendment 6 7 or other proposition with respect to which an expenditure was 8 made.

9 "(8) The identification of each person to whom an 10 expenditure for personal services, salaries, and reimbursed 11 expenses greater than one hundred dollars (\$100) has been 12 made, and which is not otherwise reported or exempted from the 13 provisions of this chapter, including the amount, date, and 14 purpose of such expenditure.

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

17 "(10) The amount and nature of debts and obligations 18 owed by or to the committee or elected official, together with 19 a statement as to the circumstances and conditions under which 20 any such debt or obligation was extinguished and the 21 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 1 attached to each such report an affidavit subscribed and sworn 2 3 to by the official or chair or treasurer and, if filed by a principal campaign committee, the candidate represented by 4 such committee, setting forth in substance that such report is 5 to the best of his or her knowledge and belief in all respects 6 7 true and complete, and, if made by a candidate, that he or she has not received any contributions or made any expenditures 8 which are not set forth and covered by such report. 9

10 "(e) Commencing with the 2014 election cycle, 11 electronic filing of contributions and expenditures for any legislative, state school board, and statewide primary, 12 special, runoff, or general election shall be mandatory, 13 14 except as provided in subsection (g). The Secretary of State 15 may provide electronic reporting sooner than the 2014 election cycle. Electronic filing shall satisfy any filing requirements 16 17 of this chapter and no paper filing is required for any report 18 filed electronically.

19 "(f) In the 2012 election cycle the provisions for 20 the time of filing contained in subsection (a) shall apply to 21 the paper or facsimile (FAX) filings for any legislative, 22 state school board, or statewide primary, special, runoff, or 23 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.

3 "(h) In connection with any electioneering communication paid for by a person, nonprofit corporation, 4 entity, principal campaign committee, or other political 5 committee or entity, the payor shall disclose its 6 contributions and expenditures in accordance with this 7 section. The disclosure shall be made in the same form and at 8 the same time as is required of political action committees in 9 this section; provided, however, no duplicate reporting shall 10 11 be required by a political committee.

12 "(i) Notwithstanding any disclosure requirements of subsection (h), churches are exempt from the requirements of 13 14 this section unless the church's expenditures are used to influence the outcome of an election. Nothing herein shall 15 16 require a church to disclose the identities, donations, or contributions of members of the church. As used in this 17 section, the term church is defined in accordance with and 18 19 recognized by Internal Revenue Service guidelines and 20 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

1 inform its members, its members' families, or its members' 2 employees or for any electioneering communication by a 3 business entity of any type to its employees or stockholders or their families. 4 5 "(k) The corporate contribution limits contained in 6 Sections 10A-21-1.02, 10A-21-1.03, and 10A-21-1.04 shall not 7 apply in any respect to an electioneering communication; 8 provided, however, the corporate contribution limits contained 9 in Sections 10A-21-1.02, 10A-21-1.03, and 10A-21-1.04 shall 10 continue in force and effect for contributions-by corporations 11 to principal campaign committees; political committees, and to 12 political parties. 13 "(1)(k) Each report required by this section shall 14 include all reportable transactions occurring since the most 15

recent prior report; however, duplicate reporting is not 16 required by this section. A political action committee or 17 principal campaign committee that is required to file a daily 18 report is not required to also file a weekly report for the 19 week preceding an election specified in subdivision (3) of 20 subsection (a); a committee required to file a weekly report 21 is not required to also file a monthly report for in the month 22 in which the election is held; and a committee required to 23 file a monthly report is not required to also file an annual 24 report for in 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)(1) 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.

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"§17-5-8.2.

8 "(a) The Legislature determines that there is a compelling state and public interest in the disclosure of the 9 10 source of funds used to advertise or otherwise influence 11 public opinion with regard to elections as defined in Section 12 17-5-2(3). The Legislature further finds that these compelling 13 interests should be designed to protect the public's right to 14 know while protecting free speech of individuals as guaranteed 15 in the U.S. Constitution and the Constitution of Alabama of 161901.

17 "(b) Currently, the Fair Campaign Practices Act, as 18 provided in this chapter, commencing with Section 17-5-1, et 19 seq., regulates the disclosure of contributions and 20 expenditures made for the purpose of influencing the outcome 21 of an election. This section and Sections 17-5-2, 17-5-8; and 22 17-5-12, as amended by Act 2011-697 are chapter is also 23 intended to regulate the disclosure of contributions and 24 expenditures for electioneering communications which currently

# do not fall within the ambit of the Fair Campaign Practices Act.

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

6 "§17-5-9.

7 "(a) All statements and reports, including 8 amendments, required of principal campaign committees under 9 the provisions of this chapter shall be filed with the 10 Secretary of State in the case of candidates for state office 11 or state elected officials, and in the case of candidates for 12 local office or local elected officials, with the judge of 13 probate of the county in which the office is sought.

14 "(b) Political action committees, which seek to 15 influence an election for local office or to influence a 16 proposition regarding a single county, shall file all reports 17 and statements, including amendments, with the judge of 18 probate of the county affected. All other political action 19 committees, except as provided in subsection (a) above, shall 20 file reports and statements with the Secretary of State.

21 "(c) In the case of candidates for a municipal
22 office where the municipality is located in more than one
23 county, the statements and reports shall be filed in the
24 county where the city hall of the municipality is located. The
25 judge of probate of the county where the report is filed, if

1	the municipality is located in more than one county, shall
2	provide a copy of the report to the judge of probate of the
3	other county or counties where the municipality is located.
4	"(d) Commencing with the 2014 election cycle, all
5	principal campaign committees and political action committees
6	that file with the judge of probate, other than candidates for
7	municipal office, may choose instead to file electronically
8	with the Secretary of State pursuant to this chapter. Any such
9	principal campaign committee or political action committee
10	that chooses to file electronically with the Secretary of
11	State shall first provide notice to the appropriate judge of
12	probate, in a manner prescribed by the judge of probate,
13	indicating that choice and shall continue to file
14	electronically with the Secretary of State until terminated or
15	dissolved pursuant to this chapter.
16	"§17-5-12.
17	"(a) Any paid political advertisement or

17 (a) Any paid political advertisement or electioneering communication appearing in any print media or 18 19 broadcast on any electronic media shall clearly and distinctly 20 identify the entity responsible for paying for the 21 advertisement or electioneering communication. It shall be 22 unlawful for any person, nonprofit corporation, entity, 23 candidate, principal campaign committee, nonprofit corporation, entity, or other political action committee to 24 25 broadcast, publish, or circulate any campaign literature,

political advertisement, or electioneering communication 1 2 without a notice appearing on the printed matter with a clear and unmistakable identification of the entity responsible for 3 4 directly paying for the advertisement or electioneering 5 communication, or on the broadcast at the beginning, during, 6 or end of a radio or television spot, stating that the 7 communication was a paid advertisement, clearly identifying 8 the entity directly responsible for paying for the 9 advertisement or electioneering communication, and giving the 10 identification of the person, nonprofit corporation, entity, 11 principal campaign committee, or other political action 12 committee or entity that paid for such communication.

13 "(b) This section does not apply to any political 14 advertisement or electioneering communication used by a 15 candidate and the candidate's supporters or by a political 16 committee if the message or advertisement is:

17

"(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).

3 "(4) Placed at no cost on an Internet website for
4 which there is no cost to post content for public users.

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5 "(5) Placed or distributed on an unpaid profile 6 account which is available to the public without charge or on 7 a social networking Internet website, as long as the source of 8 the message or advertisement is patently clear from the 9 content or format of the message or advertisement. A candidate or political committee may prominently display a statement 10 11 indicating that the website or account is an official website 12 or account of the candidate or political committee and is 13 approved by the candidate or political committee. A website or account may not be marked as official without prior approval 14 15 by the candidate or political committee.

16 "(6) Distributed as a text message or other message 17 via Short Message Service, provided the message is no more 18 than 200 characters in length or requires the recipient to 19 sign up or opt in to receive it.

20 "(7) Connected with or included in any software
21 application or accompanying function, provided that the user
22 signs up, opts in, downloads, or otherwise accesses the
23 application from or through a website that complies with
24 subsection (a).

"(8) Sent by a third-party user from or through a 1 campaign or committee's website, provided the website complies 2 3 with subsection (a). "(9) Contained in or distributed through any other 4 5 technology related item, service, or device for which 6 compliance with subsection (a) is not reasonably practical due 7 to the size or nature of such item, service, or device as available, or the means of displaying the message or 8 9 advertisement makes compliance with subsection (a) impracticable. 10 "\$17-5-14. 11 12 "A political action committee may be established by 13 a corporation, subject to the provisions of this chapter. "(a) A corporation incorporated or organized under 14 15 the laws of this state, or doing business in this state, may 16 make a contribution or expenditure to or on behalf of any 17 candidate or political action committee in the same manner 18 that an individual is permitted to make under the laws of this state, except as otherwise expressly prohibited by subsection 19 20 (c). 21 "(b) Any corporation may establish a political 22 action committee, subject to the provisions of this section. 23 Any corporation or any officer, employee, or agent acting on behalf of such corporation, is also permitted to give, pay, 24 25 expend, or contribute money, services, or anything of value

for the purposes of establishing, administering, or soliciting 1 2 voluntary contributions to a separate, segregated fund to be 3 utilized for political purposes as permitted by Section 17-5-14.1. 4 5 "(c) A utility regulated by the public service 6 commission may not make a contribution to any candidate for 7 the public service commission, but shall otherwise be entitled to take any action permitted corporations under this section. 8 9 "§17-5-15. 10 "(a) It shall be unlawful for any person, acting for 11 himself or herself or on behalf of any entity, to make a 12 contribution in the name of another person or entity, or 13 knowingly permit his or her name, or the entity's name, to be 14 used to effect such a contribution made by one person or 15 entity in the name of another person or entity, or for any 16 candidate, principal campaign committee, or political action committee to knowingly accept a contribution made by one 17 18 person or entity in the name of another person or entity; 19 provided, however, that nothing in this chapter would prohibit 20 prohibits any person from soliciting and receiving 21 contributions from other persons for the purpose of making expenditures to a candidate, political campaign committee, 22 23 political action committee, or elected state or local official 24 required to file reports pursuant to Section 17-5-8.

1 "(b) It shall be unlawful for any political action 2 committee, organization, or private foundation, or tax exempt 3 political organization under 26 U.S.C. § 527, including a principal campaign committee, or any person authorized to make 4 5 an expenditure on behalf of such political action committee or 6 527 organization, to make a contribution, expenditure, or any 7 other transfer of funds to any other political action 8 committee, or 527 organization, or private foundation. It 9 shall be unlawful for any principal campaign committee or any 10 person authorized to make an expenditure on behalf of such principal campaign committee to make a contribution, 11 12 expenditure, or any other transfer of funds to any other 13 principal campaign committee, except where the contribution, 14 expenditure, or any other transfer of funds is made from a 15 principal campaign committee to another principal campaign 16 committee on behalf of the same person. Notwithstanding the 17 foregoing, a political action committee that is not a 18 principal campaign committee may make contributions, 19 expenditures, or other transfers of funds to a principal 20 campaign committee; and a separate segregated fund established 21 by a corporation under federal law, if the fund does not 22 receive any contributions from within this state other than 23 contributions from its employees and directors, is not 24 restricted by this subsection in the amount it may transfer to 25 a political action committee established under the provisions

of Section <del>10A-21-1:01</del> <u>17-5-14.1</u> by the same or an affiliated corporation.

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3

"§17-5-15.1.

4 "(a) A principal campaign committee of a state or
5 local candidate <u>and any person authorized to make an</u>
6 <u>expenditure on its behalf</u> may not receive or spend, in a
7 campaign for state or local office, campaign funds in excess
8 of one thousand dollars (\$1,000) that were raised by a
9 principal campaign committee of a federal candidate.

10 "(b) Any receipt or expenditure of person who
11 <u>intentionally receives or expends</u> campaign funds in violation
12 of subsection (a) shall be <u>guilty, upon conviction, of</u> a Class
13 C felony.

14

"§17-5-16.

"(a) It shall be unlawful for any person 15 fraudulently to misrepresent himself or herself, or any other 16 person or organization with which he or she is affiliated, as 17 speaking or writing or otherwise acting for or on behalf of 18 any candidate, principal campaign committee, political action 19 committee, or political party, or agent or employee thereof, 20 21 in a manner which is damaging or is intended to be damaging to 22 such other candidate, principal campaign committee, political action committee, or political party. 23

"(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.

7 "(c) It shall be unlawful for any person or entity 8 to knowingly misrepresent, in any automated or pre-recorded 9 communication that is a political advertisement and that is 10 initiated via an automated telephone dialing service, the 11 identification of the person, nonprofit corporation, entity, 12 principal campaign committee, or political action committee 13 that paid for such communication.

14 "(d) The Attorney General of the State of Alabama 15 shall have full power to investigate and enforce violations of 16 this section and any owner, employer, agent, or representative 17 of any automated dialing service found to be in violation of 18 this section shall be guilty upon conviction of a Class A 19 misdemeanor as provided in Section 17-17-35(a) 17-5-19.

**"**§17-5-19.

20

21 "It is the intention of the Legislature by the 22 passage of this chapter that its provisions be construed in 23 pari materia with other laws regulating political 24 contributions, corporations, or political contributions by 25 corporations.

1	"(a) Except as otherwise provided in this section, a
2	person who intentionally violates any provision of Chapter 5
3	shall be guilty, upon conviction, of a Class A misdemeanor.
. 4	"(b) A person who intentionally violates any
5	reporting requirement of Sections 17-5-4, 17-5-5, or 17-5-8
6	shall be quilty, upon conviction, of a Class A misdemeanor. A
7	person's failure to promptly file a required report upon
8	discovering or receiving notice from any person that the
9	report has not been filed, or the failure to promptly correct
10	an omission, error, or other discrepancy in a filed report
11	upon discovering or receiving notice of the discrepancy, shall
12	create a rebuttable presumption of intent to violate the
13	applicable reporting requirement.
14	"(c) Any person who intentionally violates Section
15	17-5-7 shall be quilty, upon conviction, of a Class B felony.
16	"(d) A person who fails to timely or accurately file
17	any report required by this chapter shall be assessed a civil
18	penalty of the greater of three hundred dollars (\$300) or ten
19	percent of the amount not properly reported for a first
20	offense in an election cycle, six hundred dollars (\$600) or 15
21	percent of the amount not properly reported for a second
22	offense in an election cycle, and one thousand two hundred
23	dollars (\$1,200) or 20 percent of the amount not properly
24	reported for a third or subsequent offense in an election
25	cycle. A fourth failure to timely or accurately file a report

1	in an election cycle shall create a rebuttable presumption of
2	intent to violate the reporting requirements of this chapter.
3	<u>Civil penalties shall be paid to the appropriate filing</u>
4	official. All penalties collected by a judge of probate shall
5	be distributed to that county's general fund, and all
6	penalties collected by the Secretary of State shall be
7	distributed to the State General Fund. A person who
8	voluntarily files an amended report to correct an error in an
9	otherwise timely_filed report, without being prompted by a
10	filing official shall not be subjected to a civil penalty
11	under this subsection, so long as, in the case of a candidate,
12	the corrected report is filed prior to the election at issue,
13	and so long as, in the case of a political action committee,
14	the corrected report is filed prior to the election which the
15	contribution was given to influence.
16	"(e) The Attorney General or district attorney for
17	the appropriate jurisdiction may prosecute violations of
18	Chapter 5. Venue for cases involving violations of Chapter 5
19	shall be in the county in which the violation occurred or the
20	county in which the alleged violator resides or is
21	incorporated. If the alleged violator resides or is
22	incorporated outside of the State of Alabama or if the
23	violation or violations occurred outside the State of Alabama,
24	venue shall be in Montgomery County.

1	"(f) No prosecution for violation of Chapter 5 shall
2	be commenced later than two years after the date of violation.
3	Notwithstanding the foregoing, a prosecution brought pursuant
4	to Section 17-5-7 shall be commenced within four years after
5	the commission of the offense."
6	Section 2. Sections 17-5-5.1, 17-5-7.1, 17-5-14.1,
7	and 17-5-20 are added to Chapter 5, Title 17, Code of Alabama
8	1975, to read as follows:
9	§17-5-5.1.
10	(a) Except as provided in subsection (d), each
11	legislative caucus organization that raises funds for its
12	administration and operation shall register with the Secretary
13	of the Senate, for a Senate caucus, or the Clerk of the House
14	of Representatives, for a House caucus, or both for a
15	bicameral legislative caucus. Such registration shall be on a
16	form jointly created by the Secretary of the Senate and the
17	Clerk of the House of Representatives and shall include the
18	name and complete address of the organization, the
19	identification of and contact information for the
20	organization's designated representative, and a general
21	description of the organization.
22	(b) A legislative caucus organization duly
23	registered pursuant to subsection (a) shall not contribute to
24	or expend funds in support of candidates, principal campaign
25	committees, propositions, or political action committees for
1	

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.

8 (c) Nothing in this section shall be construed to
9 exempt a legislative caucus organization or its officers,
10 directors, or members from the Ethics Law.

(d) A legislative caucus organization that receives contributions or makes expenditures for the purpose of influencing the outcome of an election 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.

18

§17-5-7.1.

(a) Notwithstanding any other provision of law, a
principal campaign committee or political action committee may
return or refund, in full or in part, any lawful contribution
it receives to the donor, provided that such return or refund
may not exceed the amount received. Any lawful contribution
refunded to the donor must have been reported in an itemized
manner and the refund shall be itemized in the report for the

period in which the refund is made. In the case of a political action committee, the refund shall 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.

6 (b) Notwithstanding any other provision of law, a 7 principal campaign committee or political action committee shall promptly return or refund, in full, any unlawful 8 contribution. It shall be unlawful for any person acting on 9 10 behalf of a principal campaign committee or political action committee to retain or cause to be retained a contribution 11 12 that the person knows or reasonably should know was made in 13 violation of this chapter. It is a defense to prosecution that 14 the unlawful contribution was returned or refunded in full 15 within 10 days of the date the contribution was made.

16

\$17~5-14.1.

17 (a) Any business or nonprofit corporation, 18 incorporated under the laws of or doing business in this state, or any officer or agent acting on behalf of the 19 20 corporation may give, pay, expend, or contribute money, 21 services, anything of value for the purposes of establishing, 22 administering, or soliciting voluntary contributions to a separate, segregated fund which can be utilized for political 23 24 purposes (i) to aid or promote the nomination or election of 25 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:

(1) Any such business or nonprofit corporation, or 8 9 any officer or agent acting on behalf of such business or nonprofit corporation, may solicit voluntary contributions to 10 11 the fund only from the corporation's, or its affiliates', stockholders and their families and its employees and their 12 13 families; or in the case of a nonprofit corporation, its 14 members and their employees. However, the funds may accept 15 voluntary contributions from any individuals.

16 (2) The custodians of any separate, segregated 17 political fund established hereunder shall file with the Secretary of State such financial disclosure reports or 18 19 statements now required of a candidate for public office. 20 Filing with the Secretary of State a copy of the information 21 required to be filed with the Federal Election Commission by 22 such separate, segregated fund shall constitute compliance 23 with the reporting provisions of this section.

24

(b) It shall be unlawful:

(1) For any separate, segregated political fund
established pursuant to this section or for any person acting
on 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;

8 (2) For any person soliciting contributions to the 9 fund to fail to inform any person being solicited of the 10 political purposes of the fund at the time of the 11 solicitation;

12 (3) For any person soliciting for a contribution to 13 the fund to fail to inform the person being solicited, at the 14 time of the solicitation, of his or her right to refuse to 15 contribute without any reprisal; and

16 (4) For any corporation regulated by the Public
17 Service Commission to pass on to its customers any
18 contribution made for the purpose of establishing,
19 administering, or soliciting voluntary contributions to a
20 separate, segregated fund to be utilized for political
21 purposes.

22

§17-5-20.

(a) A candidate, or in the case of a political
 action committee, the chair or treasurer, may appoint a
 designated filing agent on a form prescribed by the Secretary

of State. Upon receiving a notice of appointment of designated filing agent, the Secretary of State, as soon as practicable, shall take the necessary steps to enable the designated filing agent to electronically submit any report or other filing required by this chapter on behalf of his or her principal.

6 (b) The submission of a timely, complete, and correct report or other filing required by this chapter by a 7 designated filing agent shall satisfy the filing or reporting 8 requirement of the designated filing agent's principal; 9 however, the appointment of a designated filing agent does not 10 11 itself absolve any person having a duty to submit any report 12 or other filing under this chapter of liability for failure to timely submit such filing, for filing a false, incomplete, or 13 inaccurate report, or for any other violation under this 14 15 chapter.

16 (c) The submission of a report or other filing required by this chapter by a designated filing agent creates 17 a rebuttable presumption that the submission was approved and 18 intended by the candidate, his or her principal campaign 19 20 committee, or the political action committee or treasurer 21 thereof. Notwithstanding the foregoing, it is a defense to 22 prosecution that the designated filing agent acted beyond the 23 scope of his or her authority.

Section 3. (a) Sections 10A-21-1.01 to 10A-21-1.04,
 inclusive, Code of Alabama 1975, are repealed.

(b) Sections 17-5-18 and 17-17-35, Code of Alabama
 1975, are 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.

	SB445
1	
2	Kay Ivey
3	
4	President and Presiding Officer of the Senate
5	
6	Speaker of the House of Representatives
7 8 9 10 11 12 13 14 15 16 17 18 19	SB445 Senate 30-APR-13 I hereby certify that the within Act originated in and passed the Senate, as amended. Senate 20-MAY-13 I hereby certify that the within Act originated in and passed the Senate, as amended by Conference Committee Report. Patrick Harris Secretary
20 21 22 23 24 25 26 27	House of Representatives Passed: 09-MAY-13, as amended House of Representatives Passed: 20-MAY-2013, as amended by Conference Committee Report.
28 29	NED       May 23, 20/3         TINKE       Senator/Tdy/gr         Senator/Tdy/gr       Alabama Secretary Of State         Act Num: 2013-311         Bill Num: 5-445         Recv'd 05/24/13         Recv'd 05/24/13
	GOVERNOR Page 44

O-SPONSORS	recevy certiny that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill,	RD 1 RFD LTCF CONTROL SUS
20 20	yeas 20 nays 7 abstain C PATRICK HARRIS, Secretary	N N N N N N N N N N N N N N N N N N N
2		House to its standing committee on Ellieu + Centern Lauran
22	I hereby certify that the notice & proof is	Session, and returned therefrom to the House with this recommission and the
53 53	attached to the Bill SB as required in the General Acts of Ala- hama 1975 Act No. 010	Passed warrend(s) w/sub 20/3
24	<u>8</u>	Chairperson
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30		RE-REFERRED RE-COMMITTED
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32		I hereby certify that the Resolution as
33		required in Section C of Act No. 81-889 was adopted and is attached to the Bili, SB 44 5.
		YEAS 67 NAYS 26
		JEFF WOODARD, Clerk
		FURTUER HOUNE ACTION (AVED)