THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 876

Session of 1995

INTRODUCED BY KUKOVICH, CURRY, LEVDANSKY, CONTI, BATTISTO, CAPPABIANCA, CAWLEY, COWELL, DeLUCA, FAJT, GORDNER, HANNA, JOSEPHS, LAUGHLIN, MANDERINO, MARKOSEK, MASLAND, MELIO, MICHLOVIC, MIHALICH, MUNDY, STABACK, STEELMAN, STETLER, STURLA, TANGRETTI, THOMAS, TIGUE, VAN HORNE, VITALI AND BELFANTI, FEBRUARY 27, 1995

REFERRED TO COMMITTEE ON STATE GOVERNMENT, FEBRUARY 27, 1995

AN ACT

- Amending the act of June 3, 1937 (P.L.1333, No.320), entitled 2 "An act concerning elections, including general, municipal, special and primary elections, the nomination of candidates, 3 4 primary and election expenses and election contests; creating 5 and defining membership of county boards of elections; 6 imposing duties upon the Secretary of the Commonwealth, courts, county boards of elections, county commissioners; 7 imposing penalties for violation of the act, and codifying, 8 revising and consolidating the laws relating thereto; and 9 10 repealing certain acts and parts of acts relating to elections, "further defining "independent expenditure"; 11 further providing for reporting; providing for funding of 12 certain Statewide elections; limiting certain contributions; 13 14 imposing powers and duties on the Department of State; and 15 providing penalties.
- 16 The General Assembly of the Commonwealth of Pennsylvania
- 17 hereby enacts as follows:
- 18 Section 1. Section 1621(e) of the act of June 3, 1937,
- 19 (P.L.1333, No.320), known as the Pennsylvania Election Code,
- 20 added October 4, 1978 (P.L.893, No.171), is amended to read:
- 21 Section 1621. Definitions.--As used in this article, the
- 22 following words have the following meanings:

- 1 * * *
- 2 (e) The words "independent expenditure" shall mean an
- 3 expenditure by a person [made for the purpose of influencing an
- 4 election without cooperation or consultation with any candidate
- 5 or any political committee authorized by that candidate and
- 6 which is not made in concert with or at the request or
- 7 suggestion of any candidate or political committee or agent
- 8 thereof.] or political committee, other than a candidate's
- 9 <u>campaign committee</u>, that expressly advocates the election or
- 10 <u>defeat of a clearly identified candidate, that is made without</u>
- 11 cooperation or consultation with any candidate or committee or
- 12 agent of the candidate and that is not made in concert with or
- 13 at the request or suggestion of a candidate or any committee or
- 14 agent of the candidate. An expenditure is not an independent
- 15 <u>expenditure if any of the following applies:</u>
- 16 (1) Any officer, member, employe or agent of the political
- 17 committee making the expenditure is also an officer, member,
- 18 employe or agent of the committee of the candidate whose
- 19 election or whose opponent's defeat is being advocated by the
- 20 expenditure or an agent of the candidate whose election or whose
- 21 opponent's defeat is being advocated by the expenditure.
- 22 (2) There is an arrangement, coordination or direction with
- 23 respect to the expenditure between the candidate or the
- 24 candidate's agent and the person making the expenditure,
- 25 <u>including any officer, director, employe or agent of that</u>
- 26 person.
- 27 (3) In the same election, the person making the expenditure,
- 28 including any officer, director, employe or agent of that
- 29 person, is or has been:
- 30 (i) Authorized to raise or expend moneys on behalf of the

- 1 candidate or the candidate's authorized committees.
- 2 (ii) Receiving any form of compensation or reimbursement
- 3 from the candidate, the candidate's committees or the
- 4 <u>candidate's agent.</u>
- 5 (4) The expenditure is based on information about the
- 6 <u>candidate's plans, projects or needs or those of his campaign</u>
- 7 committee, provided to the expending person by the candidate or
- 8 by the candidate's agents or any officer, member or employe of
- 9 <u>the candidate's campaign committee with a view toward having the</u>
- 10 <u>expenditure made</u>.
- 11 * * *
- 12 Section 2. Section 1626(a) and (j) of the act, added October
- 13 4, 1978 (P.L.893, No.171) and July 21, 1979 (P.L.189, No.63),
- 14 are amended to read:
- 15 Section 1626. Reporting by Candidate and Political
- 16 Committees and other Persons.--
- 17 (a) Each treasurer of a political committee and each
- 18 candidate for election to public office shall file with the
- 19 appropriate supervisor reports of receipts and expenditures on
- 20 forms, designed by the Secretary of the Commonwealth, if the
- 21 amount received or expended or liabilities incurred shall exceed
- 22 the sum of two hundred fifty dollars (\$250) regardless if the
- 23 amount received or expended is for one candidate or a number of
- 24 <u>candidates</u>. Should such an amount not exceed two hundred fifty
- 25 dollars (\$250), then the candidate or the treasurer of the
- 26 committee shall file a sworn statement to that effect with the
- 27 appropriate supervisor rather than the report required by this
- 28 section.
- 29 * * *
- 30 (j) All "Political Action Committees" shall report to the

- 1 Secretary of the Commonwealth and the respective county board of
- 2 <u>elections</u> all expenditures to or made on behalf of, any State-
- 3 wide candidate, candidate for the Pennsylvania House of
- 4 Representatives, or candidate for the State Senate, in the same
- 5 manner as indicated in this section as a candidate's political
- 6 committee. This provision shall be in addition to any other
- 7 filing and reporting provisions of this act which apply to such
- 8 committees, their treasurers and chairmen.
- 9 Section 3. Section 1628 of the act, amended July 11, 1980
- 10 (P.L.600, No.128), is amended to read:
- 11 Section 1628. Late Contributions and Independent
- 12 Expenditures.--
- 13 (a) Any candidate or political committee, authorized by a
- 14 candidate and created solely for the purpose of influencing an
- 15 election on behalf of that candidate, which receives any
- 16 contribution or pledge of five hundred dollars (\$500) or more,
- 17 and any person making an independent expenditure, as defined by
- 18 this act, of five hundred dollars (\$500) or more after the final
- 19 pre-election report has been deemed completed shall report such
- 20 contribution, pledge or expenditure to the appropriate
- 21 supervisor by telegram or mailgram. Such telegram or mailgram
- 22 shall be sent by the candidate, chairman or treasurer of the
- 23 political committee within twenty-four (24) hours of receipt of
- 24 the contribution. It shall be the duty of the supervisor to
- 25 confirm the substance of such telegram or mailgram. Any
- 26 candidate in his own behalf, or chairman, treasurer or candidate
- 27 in behalf of the political committee may also comply with this
- 28 section by appearing personally before such supervisor and
- 29 reporting such late contributions or pledges.
- 30 (b) In addition to the information concerning independent

- 1 expenditures reported by a person or political committee under
- 2 <u>section 1626, a person or political committee that makes</u>
- 3 <u>independent expenditures relating to any one candidate or office</u>
- 4 within thirty (30) days before the day of any election to which
- 5 the expenditures relate and which aggregate five hundred dollars
- 6 (\$500) shall report the independent expenditures within twenty-
- 7 four (24) hours or by 5 o'clock P.M. the day following a weekend
- 8 or holiday of when the expenditure is made. If a person or
- 9 political committee makes an independent expenditure for
- 10 <u>campaign literature or an advertisement, the person or political</u>
- 11 committee making the expenditure shall also send by certified
- 12 <u>mail a copy of the campaign literature or advertisement to each</u>
- 13 candidate named or otherwise referred to in the literature or
- 14 advertisement within twenty-four (24) hours or by 5 o'clock P.M.
- 15 the day following a weekend or holiday of the expenditure or
- 16 distribution.
- 17 (c) An independent expenditure report filed under subsection
- 18 (b) shall be filed with the supervisor prescribed in section
- 19 1626 and shall contain all of the following:
- 20 (1) The name and address of any person to whom an
- 21 <u>independent expenditure was made.</u>
- 22 (2) The date and amount of the independent expenditure.
- 23 (3) The purpose of the independent expenditure, including a
- 24 <u>description of what was purchased</u>.
- 25 <u>(4) The name of each candidate whose election or defeat was</u>
- 26 advocated by the expenditure and, for each candidate, the office
- 27 sought by the candidate and the year of the election.
- 28 (5) The names, occupations, employers and amount contributed
- 29 by all contributors of two hundred fifty dollars (\$250) or more.
- 30 If any of these contributors is a political committee, the

- 1 report shall include the names, occupations and employers of the
- 2 committee's chairman and treasurer.
- 3 (6) Under penalty of perjury, a certification stating that
- 4 the claimed independent expenditure is not made in cooperation,
- 5 <u>consultation or concert with or at the request or suggestion of</u>
- 6 any candidate or any campaign committee or agent of that
- 7 candidate.
- 8 (7) A copy of any literature or advertisement or other
- 9 <u>communication</u>, <u>including an advertisement in an electronic or</u>
- 10 print medium, that was purchased with the independent
- 11 <u>expenditure</u>.
- 12 (d) If a person or political committee makes an independent
- 13 expenditure of less than five hundred dollars (\$500) for
- 14 campaign literature or an advertisement for the purpose of
- 15 <u>influencing an election, including an advertisement in</u>
- 16 <u>electronic or print media, in the last thirty (30) days</u>
- 17 preceding the election or if an independent expenditure is made
- 18 for campaign literature or advertisements that are distributed
- 19 during the last thirty (30) days preceding the election, the
- 20 person or political committee making the expenditure shall file
- 21 a copy of the campaign literature or advertisement with the
- 22 Secretary of the Commonwealth within twenty-four (24) hours of
- 23 the expenditure or distribution.
- 24 (e) Filing by electronic facsimile or by telegram is
- 25 permissible.
- 26 (f) An expenditure by a political committee or a person that
- 27 does not meet the definition of an independent expenditure is an
- 28 <u>in-kind contribution to the candidate and a corresponding</u>
- 29 <u>expenditure</u> by the candidate unless otherwise exempted.
- 30 (g) A person who violates this section is subject to a civil

- 1 penalty of three (3) times the cost of the literature or
- 2 advertisement that was distributed in violation of this section.
- 3 Section 4. The act is amended by adding a section to read:
- 4 <u>Section 1633.1. Contributions or Expenditures by</u>
- 5 Partnerships. -- It is unlawful for any partnership operating
- 6 under the laws of this State or any other state or any foreign
- 7 country to make a contribution or expenditure in connection with
- 8 any State-wide judicial office. Furthermore, it shall be
- 9 <u>unlawful for any candidate running for State-wide judicial</u>
- 10 office, political committee or other person to knowingly accept
- 11 or receive any contribution prohibited by this section or for
- 12 any partner of any partnership to consent to any contribution or
- 13 <u>expenditure prohibited by this section.</u>
- 14 Section 5. The act is amended by adding an article to read:
- 15 ARTICLE XVI-A
- 16 <u>Pennsylvania Fair Campaign Fund</u>
- 17 Section 1601-A. Definitions.--As used in this article, the
- 18 following words have the following meanings:
- 19 "Declaration of candidacy" shall mean the point in a person's
- 20 campaign for political office at which that person becomes in
- 21 compliance with section 1622.
- 22 "Department" shall mean the Department of State of the
- 23 Commonwealth.
- 24 <u>"Fund" shall mean the Pennsylvania Fair Campaign Fund</u>
- 25 <u>established under section 1604-A.</u>
- 26 "Major political party" shall mean a political party whose
- 27 candidate for Governor received either the highest or second
- 28 <u>highest number of votes in the preceding gubernatorial election.</u>
- 29 <u>"Secretary" shall mean the Secretary of the Commonwealth.</u>
- 30 Section 1602-A. Application of Article.--Except as provided

- 1 in section 1613-A, the provisions of this article shall be
- 2 applicable to candidates for the following State-wide offices
- 3 who elect to apply for campaign funding under this article:
- 4 (1) Supreme Court Justice.
- 5 (2) Superior Court Judge.
- 6 (3) Commonwealth Court Judge.
- 7 <u>Section 1603-A. Administration.--The provisions of this</u>
- 8 article shall be administered by the department. The department
- 9 may adopt rules and regulations as may be necessary for the
- 10 <u>implementation of this article.</u>
- 11 <u>Section 1604-A. Pennsylvania Fair Campaign Fund</u>
- 12 <u>Established.--There is hereby established a special restricted</u>
- 13 receipts fund in the State Treasury to be known as the
- 14 Pennsylvania Fair Campaign Fund. Payments shall be made into
- 15 this fund pursuant to section 1605-A and disbursements shall be
- 16 made from the fund only upon the warrant of the secretary and a
- 17 warrant of the State Treasurer. As much of the moneys in the
- 18 fund as are necessary to make payments to candidates as provided
- 19 in this article are appropriated from the Pennsylvania Fair
- 20 <u>Campaign Fund to the Department of State on a continuing basis</u>
- 21 for the purpose of such payments. No moneys of the General Fund
- 22 shall be used for the purposes of the Pennsylvania Fair Campaign
- 23 Fund.
- 24 <u>Section 1605-A. Allocation of Certain Tax Proceeds to</u>
- 25 Fund. -- Beginning with tax years commencing January 1, 1996, and
- 26 thereafter, each individual subject to the tax imposed by
- 27 Article III of the act of March 4, 1971 (P.L.6, No.2), known as
- 28 the "Tax Reform Code of 1971," whose tax liability for the year
- 29 <u>is one dollar (\$1)or more may designate one dollar (\$1) of his</u>
- 30 personal income taxes to be paid into the Pennsylvania Fair

- 1 Campaign Fund. In the case of married taxpayers filing a joint
- 2 return, each spouse may designate one dollar (\$1) to be paid
- 3 into the Pennsylvania Fair Campaign Fund if their tax liability
- 4 is two dollars (\$2) or more. All of these designated tax
- 5 revenues shall be paid into the fund. The check-off and
- 6 <u>instructions</u> shall be prominently displayed on the first page of
- 7 the tax return form. The instructions shall readily indicate
- 8 that these designations neither increase nor decrease an
- 9 <u>individual's tax liability.</u>
- 10 <u>Section 1606-A. Certification of Moneys in Fund.--By June 30</u>
- 11 of each year, the State Treasurer shall certify to the
- 12 <u>department the current balance available in the fund.</u>
- 13 <u>Section 1607-A. Qualification for Funding.--(a) Any</u>
- 14 candidate for office as described in section 1602-A may apply
- 15 for funding under this article if the candidate meets the
- 16 contributory thresholds established in subsection (b) and
- 17 otherwise conforms to the requirements of this article. No
- 18 candidate shall be obligated to apply for funding under this
- 19 article and if any candidate elects not to apply, the provisions
- 20 of this article pertaining to limits on expenditures or the use
- 21 of his personal funds shall be inapplicable to the person and
- 22 his candidacy. Any candidate electing to receive funding under
- 23 this article shall declare his intention to do so and specify
- 24 the office for which he is a candidate. No candidate may elect
- 25 to receive funding under this article for a general or municipal
- 26 <u>election unless the candidate elected to receive funding under</u>
- 27 this article for the primary election. A candidate who is
- 28 nominated by his party to fill a vacancy which occurs after the
- 29 primary or who is placed on the ballot by petition and qualifies
- 30 for funding pursuant to section 1607(b) is eligible to receive

- 1 <u>funding under this article for a general or municipal election.</u>
- 2 Any and all committees authorized to receive contributions or
- 3 <u>make expenditures for the candidate who has so declared shall</u>
- 4 abide by the provisions of section 1613-A. Any candidate who for
- 5 any reason has his name withdrawn from the ballot for an
- 6 <u>election</u>, <u>after receipt of funds under this article</u>, <u>shall</u>
- 7 return to the fund all unspent money received from the
- 8 Pennsylvania Fair Campaign Fund.
- 9 (b) (1) In order to qualify for funding in a general
- 10 election, a candidate must receive subsequent to the date of
- 11 that candidate's primary election but prior to the date of that
- 12 candidate's general election qualifying contributions of the
- 13 <u>following amounts:</u>
- 14 _____Office Qualifying Contributions Required
- 15 (i) Supreme Court Justices \$30,000
- 16 (ii) Superior Court Judges 30,000
- 17 ____(iii) Commonwealth Court Judges 30,000
- 18 (2) In order to qualify for funding in a primary election, a
- 19 candidate must receive prior to the date of the primary
- 20 <u>election</u>, but subsequent to January 1 of the year in which that
- 21 candidate runs for office, one-half of the amount specified in
- 22 clause (1) for the appropriate office.
- 23 (3) (i) The term "qualifying contribution" shall include
- 24 any contribution, as defined in section 1621(b), which has all
- 25 of the following characteristics:
- 26 (A) Made by an individual resident of Pennsylvania.
- 27 (B) Made by a written instrument which indicates the
- 28 contributor's full name and mailing address and is not intended
- 29 to be returned to the contributor or transferred to another
- 30 political committee or candidate.

- 1 (ii) If a contributor receives goods or services of value in
- 2 return for his contribution, the qualifying contribution shall
- 3 be calculated as the original contribution, minus the fair
- 4 market value of the goods or services received.
- 5 (iii) Contributions by an individual which exceed two
- 6 <u>hundred fifty dollars (\$250) in the aggregate shall be deemed</u>
- 7 only a two hundred fifty dollar (\$250) qualifying contribution
- 8 for the purposes of this section and for the matching payment
- 9 provisions of section 1608-A.
- 10 (c) The department shall select an auditor pursuant to the
- 11 provisions of section 1635(a). Each candidate who elects to
- 12 apply for funding under this article shall provide evidence that
- 13 the candidate has raised the qualifying contributions required
- 14 by this section which evidence shall be verified and certified
- 15 <u>as correct to the department by the auditor selected under this</u>
- 16 <u>article</u>. The department shall establish a deadline for the
- 17 <u>certification and a process for verification by the auditor</u>
- 18 selected under this article.
- 19 <u>Section 1608-A. Funding Formula. -- (a) Every candidate who</u>
- 20 qualifies for funding for either the primary or the general
- 21 election pursuant to section 1607-A shall receive matching
- 22 payments from the fund in the amount of one dollar (\$1) for each
- 23 dollar of qualifying contribution as defined in section 1607-
- 24 A(b)(3).
- 25 (b) (1) Only those qualifying contributions made during the
- 26 period between January 1 of the year in which the candidate runs
- 27 for office and the primary election shall be eligible for
- 28 matching payments from the fund for the primary election.
- 29 (2) Only those qualifying contributions made during the
- 30 period between the primary election and the general election of

- 1 the year in which that candidate runs for office shall be
- 2 <u>eliqible for matching payments from the fund for the general</u>
- 3 election.
- 4 (c) Matching funds shall not be provided for any qualifying
- 5 contributions unless the reporting requirements of section
- 6 <u>1626(b) are satisfied.</u>
- 7 Section 1609-A. Limitations on Funding. -- (a) Every
- 8 candidate who qualifies for and receives funding pursuant to the
- 9 formula established in section 1608-A shall be entitled to
- 10 receive no more than the maximum amount specified in subsection
- 11 (b) for the office the candidate is seeking.
- 12 (b) (1) The maximum amount of funding available for the
- 13 general election for each candidate under this article shall be
- 14 as follows:
- 15 <u>Maximum Pennsylvania Fair</u>
- 16 _____ Campaign Funding
- 17 (i) Supreme Court Justices \$150,000
- 18 (ii) Superior Court Judges 150,000
- 19 (iii) Commonwealth Court Judges 150,000
- 20 (2) The maximum amount of funding available for the primary
- 21 election for each candidate under this article shall be one-half
- 22 the appropriate figure in clause (1).
- 23 (c) Notwithstanding any other provisions of this article no
- 24 <u>funding shall be provided to the following:</u>
- 25 (1) Candidates in the general election who have been
- 26 nominated by both major political parties.
- 27 (2) Candidates in the primary election who are unopposed for
- 28 the nomination.
- 29 <u>Section 1610-A. Time of Payments.--(a) Beginning ninety</u>
- 30 (90) days prior to the relevant primary or general election, the

- 1 department shall make payments authorized by this article at
- 2 <u>least every two (2) weeks. However, except for the final</u>
- 3 payment, no payment shall be due or paid if the payment does not
- 4 equal at least five thousand dollars (\$5,000) in amount.
- 5 (b) If in the secretary's opinion insufficient funds exist
- 6 in the fund to provide the anticipated full funding to eligible
- 7 candidates in a given primary or general election, the
- 8 <u>department shall distribute the available funds to qualified</u>
- 9 <u>candidates on a pro-rata basis. In determining whether</u>
- 10 sufficient funds are available, the secretary shall not take
- 11 into consideration the needs of any subsequent primary or
- 12 general elections but shall base the decision solely on the
- 13 <u>immediate primary or election at hand.</u>
- 14 Section 1611-A. Use of Funds by Candidates.--(a) Funds
- 15 distributed to candidates pursuant to this article may be used
- 16 only for the election for which they are distributed and only
- 17 for the purposes set forth in section 1634.1 except that no fund
- 18 moneys may be used:
- 19 (1) To transfer to other candidates or to committees of
- 20 <u>other candidates or to political committees.</u>
- 21 (2) To pay for expenditures incurred after the date of the
- 22 general election.
- 23 (b) Funds distributed to a candidate pursuant to this
- 24 article shall be placed in a single bank account. Expenditures
- 25 from this account shall be made only for campaign expenses
- 26 listed in subsection (a).
- 27 Section 1612-A. Expenditures.--(a) Expenditures made by a
- 28 candidate and his authorized committees, for all purposes and
- 29 from all sources, including, but not limited to, amounts of
- 30 funds distributed under this article, proceeds of loans, gifts,

1 contributions from any source or personal funds, subsequent to the date of the primary election, but prior to the date of the 2 3 general election, may not exceed the amounts specified below: 4 Office Total Expenditure Limits 5 <u>(i) Justice of the</u> Supreme Court \$300,000 6 (ii) Judge of the 7 Superior Court 300,000 8 9 (iii) Judge of the <u>Commonwealth Court</u> 300,000 10 11 (b) Expenditures made by a candidate and his authorized committees, subsequent to January 1 of the year in which the 12 13 candidate runs for office but prior to the date of the primary 14 election, may not exceed one-half of the amount specified in 15 subsection (a). 16 (c) Notwithstanding any other provision of this article, a candidate who accepts public funding pursuant to the formula 17 18 established in section 1608-A, but whose major political party opponent in a general or municipal election elects not to apply 19 20 for the public funding, shall not be bound by the expenditure limits specified in this section. A candidate who accepts public 21 22 funding shall be eliqible to qualify for those fair campaign 23 funds which would have otherwise been available to an opponent 24 who has chosen not to apply for funding from the Pennsylvania 25 Fair Campaign Fund. 26 (d) Notwithstanding any other provision of this article, a 27 candidate who accepts public funding pursuant to the formula 28 established in section 1608-A, but whose major political party 29 opponents in a primary election elect to not apply for the

30

public funding, shall not be bound by the expenditure limits

- 1 specified in this section. If there is more than one candidate
- 2 <u>in a major political party in a primary election, the fair</u>
- 3 campaign funds which would have otherwise been available to each
- 4 opponent who has elected to not apply for the public funding
- 5 shall be divided equally among the candidates who accept public
- 6 financing.
- 7 <u>Section 1613-A. Limitations on Certain Contributions.--(a)</u>
- 8 Any candidate for the office of Justice of the Supreme Court or
- 9 <u>Judge of the Superior Court or Commonwealth Court shall not</u>
- 10 accept contributions from an individual or political action
- 11 committee which in the aggregate exceed two hundred fifty
- 12 dollars (\$250) for any primary, general or special election.
- 13 However, the candidate and spouse may contribute up to thirty
- 14 thousand dollars (\$30,000) in the aggregate for each primary,
- 15 general or special election in which that candidate is running
- 16 for office.
- 17 (b) Any candidate for the office of Governor, Lieutenant
- 18 Governor, Auditor General, Attorney General, State Treasurer,
- 19 Senate or House of Representatives shall not accept
- 20 <u>contributions which in the aggregate exceed the following limits</u>
- 21 for any primary, general or special election in which that
- 22 candidate is running for office:
- 23 _____ Contributor Limit
- 24 (1) Individual \$ 1,000
- 25 (2) Political action committee
- 26 as defined in section 1621(1) 5,000
- 27 (c) A gift, subscription, loan, advance or deposit of money
- 28 or anything of value to a candidate shall be considered a
- 29 contribution both by the original source of the contribution and
- 30 <u>by any intermediary or conduit if the intermediary or conduit--</u>

- 1 (1) exercises any control or any direction over the making of
- 2 the contribution; or (2) solicits the contribution or arranges
- 3 for the contribution to be made and directly or indirectly makes
- 4 the candidate aware of such intermediary or conduit's role in
- 5 soliciting or arranging the contribution for the candidate.
- 6 (d) For purposes of subsection (c), a contribution shall not
- 7 be considered to be a contribution by an intermediary or conduit
- 8 to the candidate if -- (1) the intermediary or conduit has been
- 9 retained by the candidate's committee for the purpose of fund-
- 10 raising and is reimbursed for expenses incurred in soliciting
- 11 contributions; (2) in the case of an individual, the candidate
- 12 <u>has expressly authorized the intermediary or conduit to engage</u>
- 13 <u>in fund-raising</u>, or the individual occupies a significant
- 14 position within the candidate's campaign organization; or (3) in
- 15 the case of a political committee, the intermediary or conduit
- 16 <u>is an authorized committee of the candidate.</u>
- (e) This section shall apply to any candidate for any office
- 18 set forth in this section, regardless of whether or not the
- 19 candidate receives funding from the fund.
- 20 <u>Section 1614-A. Inflation Indexing of Certain Limitations.--</u>
- 21 The dollar figures contained in sections 1607-A, 1609-A and
- 22 1612-A shall be adjusted annually during March at a rate equal
- 23 to the average percentage change in the All-Urban Consumer Price
- 24 Index for the Pittsburgh, Philadelphia and Scranton standard
- 25 <u>metropolitan statistical areas as published by the Bureau of</u>
- 26 <u>Labor Statistics of the United States Department of Labor, or</u>
- 27 any successor agency, occurring in the prior calendar year. The
- 28 <u>base year shall be 1994</u>. The average shall be calculated and
- 29 certified by the secretary annually by adding the percentage
- 30 increase in each of the three areas and dividing by three. The

- 1 calculation and resulting new figures shall be published in the
- 2 Pennsylvania Bulletin during March.
- 3 <u>Section 1615-A. Annual Report.--The secretary shall report</u>
- 4 annually to the Governor and the General Assembly on the
- 5 operations of funding as provided by this article. This report
- 6 shall include, but not be limited to, the revenues and
- 7 expenditures in the fund, the amounts distributed to candidates,
- 8 the results of any audits performed on candidates in compliance
- 9 with this article and any prosecutions brought for violations of
- 10 this article.
- 11 <u>Section 1616-A. Return of Excess Funds.--(a) All unexpended</u>
- 12 campaign funds in a candidate's and his authorized committees'
- 13 possession sixty (60) days after a primary election shall be
- 14 returned to the secretary for deposit in the Pennsylvania Fair
- 15 Campaign Fund, up to the amount of the funds which were
- 16 <u>distributed to the candidate under this article for the primary</u>
- 17 election.
- 18 (b) All unexpended campaign funds in a candidate's and his
- 19 authorized committee's possession sixty (60) days after a
- 20 general or municipal election shall be returned to the secretary
- 21 for deposit in the Pennsylvania Fair Campaign Fund, up to the
- 22 amount of the funds which were distributed to the candidate
- 23 under this article for the general or municipal election.
- 24 <u>Section 1617-A. Penalties.--(a) A person who violates the</u>
- 25 provisions of this article and who, as a result, obtains funds
- 26 under this article to which he is not entitled commits a
- 27 misdemeanor of the first degree and shall, upon conviction, be
- 28 subject to a fine not to exceed the greater of ten thousand
- 29 dollars (\$10,000) or three times the amount of funds wrongfully
- 30 <u>obtained or to imprisonment for up to five years, or both.</u>

- 1 (b) A person who violates section 1611-A or 1612-A commits a
- 2 <u>misdemeanor of the first degree and shall, upon conviction, be</u>
- 3 subject to a fine not to exceed the greater of ten thousand
- 4 dollars (\$10,000) or three times the amount of funds that were
- 5 wrongfully used or expended or to imprisonment for up to five
- 6 years, or both.
- 7 (c) Except as provided in subsections (a) and (b), a person
- 8 who violates any provision of this act commits a misdemeanor of
- 9 the third degree and shall, upon conviction, be subject to a
- 10 fine of not more than one thousand dollars (\$1,000) or to
- 11 imprisonment for up to one year, or both.
- 12 Section 6. This act shall apply to returns of taxpayers of
- 13 calendar years commencing January 1, 1996, and thereafter.
- 14 Funding from the Pennsylvania Fair Campaign Fund shall be
- 15 provided to candidates for office beginning with the primary
- 16 election of 1998 and in each primary, municipal and general
- 17 election thereafter.
- 18 Section 7. This act shall take effect immediately.