

AMENDMENTS TO HOUSE BILL NO. 1300

Sponsor: SENATOR COSTA

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1 Amend Bill, page 2, by inserting between lines 37 and 38
2 in primary and election expenses, further providing for
3 definitions, for organization of political committees, for
4 organization of political committees and treasurer and
5 assistant treasurer and records of candidate and committees,
6 for registration, for reporting and for reporting by
7 candidate and political committees and other persons,
8 providing for limitations on contributions, further providing
9 for late filing fees and certificates of filing, for
10 contributions or expenditures by national banks, corporations
11 or unincorporated associations, for advertising and for
12 reports by business entities and publication by Secretary of
13 the Commonwealth and providing for independent expenditures
14 and for independent expenditure evaluation; and providing for
15 corporate political accountability;

16 Amend Bill, page 16, by inserting between lines 2 and 3

17 (i.1) To biennially adjust the limitations on contributions
18 under section 1627.1(r).

19 Amend Bill, page 124, by inserting between lines 10 and 11

20 Section 28. Section 1621(d), (e) and (f) of the act are
21 amended and the section is amended by adding subsections to
22 read:

23 Section 1621. Definitions.--As used in this article, the
24 following words have the following meanings:

25 * * *

26 (d) The word "expenditure" shall mean any of the following:

27 (1) The payment, distribution, loan or advancement of money
28 or any valuable thing by a candidate, candidate committee,
29 political committee, political action committee, political party
30 committee or other person for the purpose of influencing the
31 outcome of a nomination or an election[;]: provided, however,
32 that the payment, distribution, loan or advancement of money or
33 any valuable thing shall be made only for expenses directly and
34 exclusively incurred for the campaign in which the candidate is
35 running in the contemporaneous election cycle and that no
36 expenditure of funds from campaign accounts shall be used for

1 any personal purpose.

2 (2) The payment, distribution, loan, advance or transfer of
3 money or other valuable thing between or among political
4 committees[;].

5 (3) The providing of a service or other valuable thing for
6 the purpose of influencing the outcome of a nomination or
7 election of any person to any public office to be voted for in
8 this Commonwealth[; or].

9 (4) The payment or providing of money or other valuable
10 thing by any person other than a candidate or political
11 committee, to compensate any person for services rendered to a
12 candidate or political committee.

13 (e) The words "independent expenditure" shall mean an
14 expenditure by a person, other than a political committee or
15 candidate, expressly advocating the election or defeat of a
16 clearly identified candidate for nomination or election or
17 promoting the success or defeat of a clearly identified ballot
18 question appearing on the ballot in each election district in
19 this Commonwealth, made for the purpose of influencing an
20 election without cooperation or consultation with any candidate
21 or any political committee authorized by that candidate and
22 which is not made in concert with or at the request or
23 suggestion of any candidate or political committee or agent
24 thereof.

25 (f) The word "lobbyist" shall mean any person who is
26 registered pursuant to the provisions of [the act of September
27 30, 1961 (P.L.1778, No.712), known as the "Lobbying Registration
28 and Regulation Act."] 65 Pa.C.S. Ch. 13A (relating to lobbying
29 disclosure).

30 * * *

31 (n) The words "affiliate" or "authorized committee" shall
32 include:

33 (1) Any committee established or authorized by a candidate
34 as part of his or her campaign for a specific campaign for a
35 designated office.

36 (2) Any committee established, financed, maintained or
37 controlled by the same corporation, labor organization,
38 membership association, not-for-profit organization or trade or
39 professional association, person or group of persons, including
40 any parent, subsidiary, branch, division, department or local
41 unit of an entity under this paragraph. Local units may include,
42 in appropriate cases, a franchisee, licensee or regional
43 association.

44 (o) The words "chief executive officer" shall mean the
45 highest ranking officer or decision-making individual with
46 authority over a corporation's affairs.

47 (p) The words "clearly identified" shall mean:

48 (1) with respect to a candidate, the name of the candidate
49 appears;

50 (2) with respect to a candidate, a photograph, drawing or
51 other image of the candidate appears; or

1 (3) with respect to a candidate or ballot question, the
2 identity of the candidate or ballot question is apparent by
3 unambiguous reference.

4 (g) The words "electioneering communication" shall mean a
5 broadcast, cable, mail, satellite, the Internet, social media or
6 print communication by a person, other than a political
7 committee or candidate, that refers to a clearly identified
8 candidate or clearly identified ballot question appearing on the
9 ballot in each election district in this Commonwealth and is
10 publicly distributed within ninety (90) days before an election
11 in which the candidate is seeking election or reelection or the
12 ballot question appears on the ballot. The term does not include
13 any of the following communications:

14 (1) A communication that is disseminated through a means
15 other than a broadcast station, radio station, cable television
16 system, telecommunications, Internet or satellite system,
17 newspaper, magazine, periodical, billboard advertisement or
18 mail.

19 (2) A communication to less than one hundred (100)
20 recipients.

21 (3) A news story, commentary, letter to the editor, news
22 release, column, op-ed or editorial broadcast by a television
23 station, radio station, cable television system or satellite
24 system or printed in a newspaper, magazine or other periodical
25 in general circulation.

26 (4) Expenditures or independent expenditures or
27 contributions that must otherwise be reported under this
28 article.

29 (5) A communication from a membership organization
30 exclusively to its members and their families, otherwise known
31 as a membership communication.

32 (6) Bona fide candidate debates or forums and advertising or
33 promotion of the same.

34 (r) The words "electioneering communication expenditure"
35 shall mean any expenditure made by a person, other than a
36 political committee or a candidate, as payment for an
37 electioneering communication.

38 (s) The words "foreign-influenced corporation" shall mean a
39 corporation for which:

40 (1) a foreign owner holds, owns, controls or otherwise has
41 directly or indirectly acquired beneficial ownership of equity
42 or voting shares in an amount that is equal to or greater than
43 five (5) per cent of the total equity or outstanding voting
44 shares; or

45 (2) foreign owners hold, own, control or have directly or
46 indirectly acquired beneficial ownership of equity or voting
47 shares in an amount that is equal to or greater than twenty (20)
48 per cent of the total equity or outstanding voting shares.

49 (t) The words "foreign national" shall mean:

50 (1) a foreign principal; or

51 (2) an individual who is not a citizen of the United States

1 or a national of the United States and who is not lawfully
2 admitted for permanent residence.

3 (u) The words "foreign owner" shall mean a foreign national
4 or a corporation wherein a foreign national holds, owns,
5 controls or otherwise has directly or indirectly acquired
6 beneficial ownership of equity or voting shares in an amount
7 that is equal to or greater than fifty (50) per cent of the
8 total equity or outstanding voting shares.

9 (v) The words "foreign principal" shall mean:

10 (1) a government of a foreign country;

11 (2) a foreign political party; or

12 (3) a partnership, association, corporation, organization or
13 other combination of persons organized under the laws of or
14 having its principal place of business in a foreign country.

15 (w) The words "independent expenditure political action
16 committee" shall mean a political action committee that only
17 receives contributions to make independent expenditures.

18 (x) The words "in-kind contribution" shall mean a
19 contribution of goods, services, property or any valuable thing
20 offered free or at less than the fair market value for the
21 goods, property or services. The words shall not include any
22 legal or accounting services rendered to or on behalf of any
23 political committee of a political party, an authorized
24 committee of a candidate or any other political committee, if
25 the services are solely for the purpose of ensuring compliance
26 with this article. The legal or accounting services shall be
27 reported under section 1626.

28 (y) The words "personal purpose" shall mean a purpose that,
29 by its nature, confers a personal benefit, including
30 expenditures such as a home mortgage, home rent, utility
31 payment, clothing purchase, noncampaign automobile expense,
32 country club membership, vacation or a trip of a noncampaign
33 nature, household food items, tuition payments, admission to a
34 sporting event, concert, theater or other form of entertainment
35 and other expenditures not specifically and directly necessary
36 for the conduct of the campaign.

37 (z) The word "person" shall include any corporation,
38 partnership, limited liability company, business trust, other
39 association, government entity, other than the Commonwealth,
40 estate, trust, foundation or natural person.

41 Section 29. Sections 1622 and 1624(a) and (b) of the act are
42 amended to read:

43 Section 1622. Organization of Political Committees;
44 Treasurer and Assistant Treasurer; Records of Candidate and
45 Committees.--

46 (a) Every political committee shall have a treasurer and a
47 chairman. No contribution shall be received nor shall any
48 expenditure be made when there is a vacancy in either one of
49 these offices. All money received and disbursed by a political
50 committee must be done through the treasurer of the committee.

51 (b) Every candidate who authorizes a committee [or

1 committees,] to receive and disburse funds on behalf of this
2 candidacy, shall name a sole treasurer[, irrespective of the
3 number of committees so authorized,] to receive and disburse all
4 funds [for] of said [committees. Nothing herein shall be
5 construed to prohibit a candidate from receiving or expending
6 moneys on his behalf or a treasurer of a political party
7 committee or a committee authorized to receive and distribute
8 funds on behalf of more than one (1) candidate from receiving or
9 expending moneys on behalf of said candidates, notwithstanding
10 the appointment of a sole treasurer. A sole treasurer may
11 delegate authority, in writing, to any number of assistant
12 treasurers to receive and disburse moneys collected on behalf of
13 a candidate for election. Nothing in this section shall prohibit
14 authorized individuals from selling tickets or soliciting funds
15 when funds are deposited in the campaign account of the
16 candidate] committee.

17 * * *

18 Section 1624. Registration.--

19 (a) Any political committee which receives contributions in
20 an aggregate amount of two hundred fifty dollars (\$250) or more
21 shall file a registration statement, designed by the Secretary
22 of the Commonwealth, with the appropriate supervisor within
23 twenty (20) days after the date on which it receives such
24 amount. Each committee in existence shall have sixty (60) days
25 from the effective date of this amendatory act to comply with
26 the requirements of this section.

27 (b) Each registration statement shall contain the following
28 information:

29 (1) The name, addresses and phone numbers of the political
30 committee.

31 (2) The name, address and phone number of the committee's
32 treasurer.

33 (3) The name, address and phone number of the committee's
34 chairman.

35 (4) The names, addresses and relationships of other
36 affiliated or connected organizations.

37 (5) The candidates, if any, and their names and addresses.

38 (6) The ballot question, if any, which the committee intends
39 to support or oppose.

40 (7) The banks, safety deposit boxes or other repositories
41 and their addresses used by the committee.

42 (8) The proposed period of operation of the committee.

43 (9) A political committee which is established, financed,
44 maintained or controlled by a sponsoring organization such as a
45 corporation, labor organization, membership association, not-
46 for-profit organization or trade or professional association
47 shall include in its registered name the full name of its
48 sponsoring organization.

49 (c) The committee shall inform the appropriate supervisor of
50 any changes in the information contained in subsection (b)
51 within thirty (30) days of that change.

1 (d) No political committee which receives an aggregate
2 amount of contributions of two hundred fifty dollars (\$250) or
3 more may make a contribution to any candidate or political
4 committee unless it has registered with the appropriate
5 supervisor.

6 Section 30. Section 1626(a), (b), (c), (d) and (g) of the
7 act are amended and the section is amended by adding subsections
8 to read:

9 Section 1626. Reporting by Candidate and Political
10 Committees and other Persons.--

11 (a) Each treasurer of a political committee and each
12 candidate for election to public office shall file with the
13 appropriate supervisor reports of receipts and expenditures on
14 forms, designed by the Secretary of the Commonwealth, if the
15 amount received or expended or liabilities incurred shall exceed
16 the sum of two hundred fifty dollars (\$250). Should such an
17 amount not exceed two hundred fifty dollars (\$250), then the
18 candidate or, in the case of a political committee, the
19 treasurer of the committee shall file a sworn statement to that
20 effect with the appropriate supervisor rather than the report
21 required by this section[.]: provided, however, that if the
22 amount received or expended by a candidate does not exceed two
23 hundred fifty dollars (\$250) he or she may comply with this
24 section by signing an affidavit to that effect on his or her
25 political committee's report or statement.

26 (b) Each report shall include the following information:

27 (1) The full name, mailing address, specific occupation and
28 specific name of the employer, if any, or the principal place of
29 business, if self-employed, of each person who has made one or
30 more contributions to or for such committee or candidate within
31 the reporting period in an aggregate amount or value in excess
32 of [two hundred fifty dollars (\$250)] one hundred dollars
33 (\$100), together with the amount and date of such contributions.
34 The accuracy of the information furnished to the candidate or
35 committee shall be the responsibility of the contributor.

36 (2) The full name and mailing address of each person [who]
37 and political committee that has made one or more contributions
38 to or for such committee or candidate within the reporting
39 period in an aggregate amount or value in excess of fifty
40 dollars (\$50), together with the amount and date of such
41 contributions. The accuracy of the information furnished by the
42 contributor shall be the responsibility of the contributor.

43 (3) The total sum of individual contributions made to or for
44 such committee or candidate during the reporting period and not
45 reported under clauses (1) and (2).

46 (4) Each and every expenditure, the date made, the full name
47 and address of the person to whom made and the purpose for which
48 such expenditure was made. If the creditor is a credit card
49 company or similar instrumentality that is an intermediary for
50 collecting payments due, it shall not be sufficient to list the
51 name of the collecting organization. The report shall identify

1 the credit card company and also the specific entities and
2 payments being paid through the credit card company or like
3 entity. If the payment is being made by a committee to a
4 creditor for expenses on behalf of one or more candidates, the
5 amounts of payments and purposes of the payments shall be broken
6 down to identify each candidate's share of the incurred
7 expenses. The report shall include copies of the political
8 committee's or candidate's itemized credit card statements
9 displaying the reportable expenditures included in the report.

10 (5) Any unpaid debts and liabilities, with the nature and
11 amount of each, the date incurred and the full name and address
12 of the person owed.

13 (6) The account shall include any unexpended balance of
14 contributions or other receipts appearing from the last account
15 filed.

16 (7) Identification of political committees:

17 (i) If the contributor is a political committee, the
18 official registration number of the committee must be included
19 on the contribution check or in the case of an electronic
20 transfer within the documentation sent to the candidate
21 providing notice to the electronic transfer of funds.

22 (ii) The official registration number of the committee shall
23 be included on the disclosure report filed by the committee.

24 (iii) The official committee registration number shall be
25 included on each entry for that committee on a candidate's
26 disclosure report.

27 (c) [Vouchers or copies of vouchers for all sums expended
28 amounting to more than twenty-five dollars (\$25) shall be
29 retained by the candidate or the committee treasurer and shall
30 be available for public inspection and copying as herein
31 provided. Any person may inspect or copy such vouchers or copies
32 thereof by filing a written request with the appropriate
33 supervisory office which shall notify the candidate or political
34 committee of such request. The candidate or political committee
35 shall have the option of either forwarding such vouchers or copy
36 of the same to the supervisor for such purpose or making the
37 vouchers or copy of the same available to the requesting person.
38 If a candidate or a treasurer of a political committee shall
39 fail to make said vouchers or copies thereof available for
40 inspection and copying when requested by the appropriate
41 supervisory officer, such officer shall direct the candidate or
42 political committee to promptly deliver the vouchers or copies
43 thereof to the supervisory office for purposes of inspection and
44 copying. Costs of copying and costs of delivery by the candidate
45 or treasurer of the requested vouchers or copies thereof shall
46 be borne by the person requesting same.] (1) Vouchers or copies
47 of vouchers for all sums expended amounting to more than twenty-
48 five dollars (\$25) shall be retained by the candidate or the
49 political committee treasurer for a period of three (3) years as
50 required under section 1622(c) and shall be available for public
51 inspection and copying.

1 (2) Any person may inspect or copy such vouchers or copies
2 thereof by filing a written request with the appropriate
3 supervisory office which shall notify the candidate or political
4 committee of the request. The candidate or political committee
5 shall forward the vouchers or copy of the same to the supervisor
6 for such purpose within fifteen (15) days of the date of the
7 request. The supervisor shall make the vouchers or copies of the
8 vouchers available to the requesting person for inspection and
9 copying. Costs of copying and costs of delivery by the candidate
10 or treasurer of the requested vouchers or copies shall be borne
11 by the requesting person.

12 (3) If a candidate or a treasurer of a political committee
13 fails to forward the vouchers or copies of the vouchers to the
14 supervisory office when requested, the supervisory office shall
15 provide written notice of the violation to the candidate or
16 political committee. If the violation is not corrected within
17 thirty (30) days after receipt of a notice, the department shall
18 issue a notice of violation and, after a hearing, make a
19 determination and may assess penalties against the candidate or
20 treasurer of the political committee for noncompliance under
21 this act.

22 (4) An aggrieved candidate or treasurer of a political
23 committee or requesting person who was party to the department's
24 determination under paragraph (3) may file an action in court
25 seeking declaratory or injunctive relief. In an action under
26 this subsection, the court may allow the prevailing party
27 reasonable attorney fees, including litigation costs and
28 expenses. An action filed under this paragraph must be filed in
29 either:

30 (i) the Commonwealth Court in the case of any candidate or
31 treasurer of a candidate's political committee if the candidate
32 is running for a Statewide elected office or a legislative
33 office of the General Assembly; or

34 (ii) an appropriate court of common pleas in the case of all
35 other candidates or treasurers of political committees.

36 (5) Prior to granting a request for inspection and copying
37 vouchers, a candidate or political committee may require a
38 requester to prepay an estimate of the fees authorized under
39 this section if the costs of copying and costs of delivery
40 required to fulfill the request are expected to exceed one
41 hundred dollars (\$100). If no prepayment is requested or made, a
42 candidate or political committee may require the requestor to
43 pay the actual costs of copying and costs of delivery prior to
44 the release of the requested documents.

45 (6) The Attorney General shall have prosecutorial
46 jurisdiction over a violation committed under this section. The
47 district attorney of any county in which a violation occurred
48 has concurrent powers and responsibilities with the Attorney
49 General over the violations.

50 (7) The supervisor of a candidate or political committee may
51 deny a requesting person access to a voucher or copies if the

1 requesting person has made repeated requests for the same record
2 more than twice and the repeated requests have placed an
3 unreasonable burden on the candidate or political committee,
4 which is substantiated by repeated responses to substantively
5 similar requests. A denial under this paragraph shall not
6 restrict the ability to request a different record.

7 (d) Pre-election reports by candidates for offices to be
8 voted for by the electors of the State at large, candidates for
9 the office of Senator in the General Assembly, candidates for
10 the office of Representative in the General Assembly and all
11 political committees, which have expended money for the purpose
12 of influencing the election of such [candidate] candidates,
13 shall be filed not later than the sixth Tuesday before and the
14 second Friday before an election, provided that the initial pre-
15 election report shall be complete as of fifty (50) days prior to
16 the election and the subsequent pre-election report shall be
17 complete as of fifteen (15) days prior to the election. Pre-
18 election reports by all other candidates and political
19 committees which have received contributions or made
20 expenditures for the purpose of influencing an election shall be
21 filed not later than the second Friday before an election,
22 provided that such report be complete as of fifteen (15) days
23 prior to the election.

24 (d.1) During nonelection years in which subsection (d) is
25 not operative, an elected official or announced candidate for
26 any elective office shall file quarterly reports if he or she
27 receives more than two hundred fifty dollars (\$250) during the
28 respective calendar quarter. Reports shall be due thirty (30)
29 days after the end of each calendar quarter and shall be
30 complete through the final day of the calendar quarter the
31 report covers.

32 * * *

33 (g) [Every] Except as provided under section 1644, every
34 person, other than a political committee or candidate, who makes
35 independent expenditures expressly advocating the election or
36 defeat of a clearly identified candidate, or question appearing
37 on the ballot, other than by contribution to a political
38 committee or candidate, in an aggregate amount in excess of [one
39 hundred dollars (\$100)] one thousand dollars (\$1,000) during a
40 calendar year shall file with the appropriate supervisor, on a
41 form prepared by the Secretary of the Commonwealth, a report
42 which shall include the same information required of a candidate
43 or political committee receiving such a contribution and,
44 additionally, the name of the candidate or question supported or
45 opposed. Reports required by this subsection shall be filed on
46 dates on which reports by political committees making
47 expenditures are required to report under this section.

48 * * *

49 (k) The following words and phrases when used in this
50 section shall have the meanings given to them in this subsection
51 unless the context clearly indicates otherwise:

1 "Costs of copying." Up to twenty-five cents (25¢) per copy
2 for black and white copies, and up to fifty cents (50¢) per copy
3 for color copies. If a CD or DVD is provided, the cost of
4 copying will be up to the actual cost of the CD or DVD, not to
5 exceed three dollars (\$3) per disc. For a flash drive the cost
6 of copying will be up to the actual cost of the flash drive.

7 "Costs of delivery." The cost of postage or shipping of
8 documents from the candidate or committee to the requester. The
9 allowable fee for postage or shipping will be up to the actual
10 cost of the United States Postal Service's first-class postage.

11 "Political committee." As defined in section 1621.

12 "Voucher." A document that reasonably describes the campaign
13 expense.

14 Section 31. The act is amended by adding a section to read:
15 Section 1627.1. Limitations on Certain Contributions.--

16 (a) Aggregate contributions, including in-kind
17 contributions, from any individual to any candidate for the
18 office of Senator or Representative in the General Assembly,
19 judge of court of common pleas or a county or municipal office,
20 or to the candidate's committee or agent, may not exceed one
21 thousand five hundred dollars (\$1,500) for each election. For
22 each election, a candidate and the candidate's committee or
23 agent may not accept or receive more than one thousand five
24 hundred dollars (\$1,500) in aggregate contributions, including
25 in-kind contributions from any individual for each election.

26 (b) Aggregate contributions, including in-kind
27 contributions, from any individual to any candidate for
28 Statewide office, his authorized committee or agent, may not
29 exceed five thousand dollars (\$5,000) for each election. For
30 each election, no candidate, his authorized committee or agent
31 may accept or receive more than five thousand dollars (\$5,000)
32 in aggregate contributions, including in-kind contributions from
33 any individual for each election.

34 (c) For each election aggregate contributions, including in-
35 kind contributions, from a single political action committee,
36 its affiliate or agent or candidate's political committee, its
37 affiliate or agent to any candidate for Statewide office, the
38 office of Senator or Representative in the General Assembly,
39 judge of court of common pleas or a county or municipal office,
40 his authorized committee or agent, may not exceed ten thousand
41 dollars (\$10,000). For each election, no candidate for the
42 office, nor the candidate's committee or agent, may accept or
43 receive more than the applicable amount or amounts as specified
44 under this subsection in aggregate contributions, including in-
45 kind contributions, from a single political action committee or
46 agent or candidate's political committee. A donor shall be an
47 individual or a single committee regardless of the number of
48 contributions made by that individual or committee during the
49 election cycle.

50 (d) Contributions from political party committees to a
51 political action committee, other party committee or other

1 committee may not exceed five thousand dollars (\$5,000) for each
2 election.

3 (e) A candidate for the office of Senator or Representative
4 in the General Assembly, judge of a court of common pleas or a
5 county or municipal office, or the candidate's committee or
6 agent may not accept in excess of two hundred and fifty thousand
7 dollars (\$250,000) in aggregate contributions, including in-kind
8 contributions from all political party committees, affiliates or
9 agents. Contributions, in the aggregate, received by a
10 candidate, may not exceed the aggregate contributions made by
11 individuals per election.

12 (f) Except for a candidate for the office of Governor, a
13 candidate for Statewide office, his authorized committee or
14 agent may not accept in excess of one million dollars
15 (\$1,000,000) in aggregate contributions, including in-kind
16 contributions from all political party committees, affiliates or
17 agents. A candidate for Governor, his authorized committee or
18 agent may not accept in excess of five million dollars
19 (\$5,000,000) in aggregate contributions, including in-kind
20 contributions from all political party committees, affiliates or
21 agents. Contributions in aggregate received by a candidate may
22 not exceed the aggregate contributions made by individuals per
23 election.

24 (g) Aggregate contributions, including in-kind
25 contributions, from any person or a single political action
26 committee, its affiliate or agent or any single candidate's
27 political committee, its affiliate or agent to a single
28 political action committee, its affiliate or agent, may not
29 exceed ten thousand dollars (\$10,000) during any calendar year.
30 For each election, no political action committee, its affiliate
31 or agent may accept or receive more than ten thousand dollars
32 (\$10,000) in aggregate contributions, including in-kind
33 contributions, from any individual person or a single political
34 action committee, its affiliate or agent during any calendar
35 year.

36 (h) Aggregate contributions from any individual, person or a
37 single candidate's political committee, its affiliate or agent
38 or a single political action committee, its affiliate or agent
39 or any other political committee to a single political party
40 committee may not exceed ten thousand dollars (\$10,000) in a
41 calendar year. A single political party committee may not accept
42 or receive more than ten thousand dollars (\$10,000) in aggregate
43 contributions from any individual, person, single candidate's
44 political committee or agent or a single political action
45 committee, its affiliate or agent, any political committee or
46 other committee in a calendar year.

47 (h.1) The following shall apply to annual aggregate limits:

48 (1) No individual may make contributions to candidates,
49 political committees or other committees that have a combined
50 aggregate amount or value that exceeds twenty-five thousand
51 dollars (\$25,000) in a calendar year.

1 (2) No political action committee may make contributions to
2 candidates, political committees and party committees in an
3 aggregate amount or value that exceeds one hundred thousand
4 dollars (\$100,000) in any calendar year.

5 (i) A gift, subscription, loan, advance or deposit of money
6 or anything of value to a candidate shall be considered a
7 contribution both by the original source of the contribution and
8 by any intermediary or conduit if the intermediary or conduit:

9 (1) exercises any direction over the making of the
10 contribution; or

11 (2) solicits the contribution or arranges for the
12 contribution to be made and directly or indirectly makes the
13 candidate aware of the intermediary or conduit's role in
14 soliciting or arranging the contribution for the candidate.

15 (j) For purposes of subsection (i), a contribution shall not
16 be considered to be a contribution by an intermediary or conduit
17 to the candidate if any of the following situations occurs:

18 (1) The intermediary or conduit has been retained by the
19 candidate's committee for the purpose of fundraising and is
20 reimbursed for expenses incurred in soliciting contributions.

21 (2) For an individual, the candidate has expressly
22 authorized the intermediary or conduit to engage in fundraising,
23 or the individual occupies a position within the candidate's
24 campaign organization and is authorized by the organization to
25 engage in fundraising.

26 (3) For a political committee, the intermediary or conduit
27 is the authorized committee of the candidate.

28 (k) The following shall apply to out-of-State contributions:

29 (1) A candidate, candidate committee, party committee,
30 political action committee or political committee may not accept
31 a campaign contribution from an out-of-State political action
32 committee if the political action committee's home state has
33 less restrictive disclosure laws than this Commonwealth, except
34 as provided under paragraph (2).

35 (2) A candidate, candidate committee, party committee,
36 political action committee or political committee may accept a
37 campaign contribution from an out-of-State political action
38 committee if that political action committee is registered in
39 this Commonwealth with the Department of State and, by the
40 registration, has affirmed that the contributor will comply with
41 the contribution, expenditure and reporting requirements of this
42 act, and the regulations relating to contributions, expenditures
43 and reporting promulgated under this act by the Department of
44 State and the State Ethics Commission.

45 (3) The Secretary of the Commonwealth shall list and certify
46 those states that have less restrictive disclosure laws than the
47 Commonwealth. The list shall be compiled and updated annually
48 and published in the Pennsylvania Bulletin not later than
49 January 1, 2020, and each January 1 thereafter. The list shall
50 be made available on the Department of State's publicly
51 accessible Internet website and provided in hard copy in

1 campaign committee packets prepared by the department.

2 (l) This section shall apply to any contribution made for
3 the purpose of influencing an election to any public office in
4 this Commonwealth except Federal offices.

5 (m) For purposes of this section, any contribution made to a
6 candidate in a year other than the calendar year in which the
7 election is held with respect to which the contribution is made
8 shall be considered to be made during the calendar year in which
9 the election is held.

10 (n) For purposes of this section, contribution limits shall
11 apply to each election separately unless an annual limit or
12 other limit is specified.

13 (o) A person who has a fiduciary contract for services with
14 the General Assembly may not engage in campaign finance activity
15 for candidates of the General Assembly, including making of
16 contributions, fundraising activities or involvement in
17 political action committees or candidate political committees.

18 (p) Nothing under this section shall prohibit a
19 municipality, including a city of the first class, from
20 instituting lower limitations on contributions to candidates for
21 elected offices under the municipality's jurisdiction.

22 (q) A violation of the contribution limits under this
23 section shall subject the violator to a fine equal to three
24 times the amount of money that exceeds the limits. The penalty
25 shall apply to both the person making the contribution and the
26 person receiving it.

27 (r) The Secretary of the Commonwealth shall biennially
28 adjust to the nearest one hundred dollars (\$100) the limits in
29 subsections (a), (b), (c), (d), (e), (f), (g) and (h) by the
30 percentage change in the Consumer Price Index and publish the
31 new amounts in the Pennsylvania Bulletin. For the purposes of
32 this subsection, "Consumer Price Index" means the Consumer Price
33 Index for all urban consumers that is published by the United
34 States Department of Labor, Bureau of Labor Statistics.

35 (s) The limitations imposed under this section may not apply
36 to contributions from a candidate's personal resources to a
37 candidate committee, political committee or political action
38 committee acting on behalf of the candidate, except that if the
39 contributions total one hundred thousand dollars (\$100,000) or
40 more, regardless of the time period over which the contributions
41 are made, the contribution limits under this section shall
42 quadruple.

43 Section 32. Section 1632(a) of the act is amended to read:

44 Section 1632. Late Filing Fee; Certificate of Filing.--

45 (a) A late filing fee for each report or statement of
46 expenditures and contributions which is not filed within the
47 prescribed period shall be imposed as follows. Such fee shall be
48 [ten dollars (\$10)] twenty dollars (\$20) for each day or part of
49 a day excluding Saturdays, Sundays and holidays that a report is
50 overdue. An additional fee of ten dollars (\$10) is due for each
51 of the first six (6) days that a report is overdue. [The maximum

1 fee payable with respect to a single report is two hundred fifty
2 dollars (\$250).] A supervisor shall receive an overdue report or
3 statement even if any late filing fee due has not been paid but
4 the report or statement shall not be considered filed until all
5 fees have been paid upon the receipt by the supervisor of an
6 overdue report. No further late filing fees shall be incurred
7 once the report or statement is filed notwithstanding the fact
8 that the report or statement is not considered filed. The late
9 filing fee is the personal liability of the candidate or
10 treasurer of a political committee and cannot be paid from
11 contributions to the candidate or committee, nor may such fee be
12 considered an expenditure. A report or statement of expenditures
13 and contributions shall be deemed to have been filed within the
14 prescribed time if the letter transmitting the report or
15 statement which is received by the supervisor is transmitted by
16 first class mail and is postmarked by the United States Postal
17 Service on the day prior to the final day on which the report or
18 statement is to be received: Provided, That this sentence shall
19 not be applicable to the reporting requirements contained in
20 section 1628. All Department of State filing and disclosure
21 requirements for prior campaign activity must have been met in
22 order for a candidate to obtain a place on the ballot.

23 * * *

24 Section 33. Section 1633(a) of the act is amended and the
25 section is amended by adding a subsection to read:

26 Section 1633. Contributions or Expenditures by National
27 Banks, Corporations or Unincorporated Associations.--(a) It is
28 unlawful for any National or State bank, partnership or any
29 corporation, incorporated under the laws of this or any other
30 state or any foreign country or any unincorporated association,
31 except those corporations formed primarily for political
32 purposes or as a political committee, to make a contribution or
33 expenditure in connection with the election of any candidate or
34 for any political purpose whatever except in connection with any
35 question to be voted on by the electors of this Commonwealth.
36 Furthermore, it shall be unlawful for any candidate, political
37 committee, or other person to knowingly accept or receive any
38 contribution prohibited by this section, or for any officer or
39 any director of any corporation, bank, or any unincorporated
40 association to consent to any contribution or expenditure by the
41 corporation, bank or unincorporated association, as the case may
42 be, prohibited by this section. If any portion of this section
43 regarding bans on contributions or expenditures by national
44 banks, corporations or unincorporated associations is nullified
45 by a court decision, the contribution limits established for
46 individuals under section 1627.1 shall also be applied to the
47 entities currently covered under this section.

48 * * *

49 (e) (1) A foreign-influenced corporation may not make an
50 independent expenditure, an electioneering communication
51 expenditure or a contribution to an independent expenditure

1 political action committee.

2 (2) A corporation that makes an independent expenditure, an
3 electioneering communication expenditure or a contribution to an
4 independent expenditure political action committee shall, within
5 seven (7) business days after making the expenditure or
6 contribution, file with the Department of State a statement of
7 certification, signed by the chief executive officer under
8 penalty of perjury, avowing that, after due inquiry, the
9 corporation was not a foreign-influenced corporation on the date
10 the expenditure or contribution was made.

11 Section 34. Section 1638 of the act is amended by adding a
12 subsection to read:

13 Section 1638. Advertising.--

14 * * *

15 (c) (1) Unless the person making an independent expenditure
16 or electioneering communication, transmitted through paid radio,
17 television or Internet advertising, has received a statement of
18 certification as prescribed under section 1633(e) from each
19 contributing corporation that is among the top five (5)
20 contributors when ranked in order of amount of contribution made
21 to the person for the twelve-month period immediately preceding
22 the date of the communication, the advertisement shall include
23 the following statement:

24 Some of the funds used to pay for this message may have been
25 provided by foreign-influenced corporations.

26 (2) The person making the independent expenditure or
27 electioneering communication under this section shall be
28 entitled to rely on the statement of certification provided by
29 the contributor unless the person has actual knowledge that the
30 certification is false.

31 Section 35. Section 1641(a) of the act is amended and the
32 section is amended by adding a subsection to read:

33 Section 1641. Reports by Business Entities; Publication by
34 Secretary of the Commonwealth.--

35 (a) Any business entity including but not limited to a
36 corporation, company, association, partnership or sole
37 proprietorship, which has been awarded [non-bid] contracts or
38 grants over fifty thousand dollars (\$50,000) from the
39 Commonwealth or its political subdivisions during the preceding
40 [calendar year] two-year period, shall report by February 15 of
41 each year to the Secretary of the Commonwealth a list including
42 the amount of the contract, description of the service provided
43 and location and an itemized list of all political contributions
44 known to the business entity by virtue of the knowledge
45 possessed by every officer, director, associate, partner,
46 limited partner or individual owner that has been made by:

47 (1) any officer, director, associate, partner, limited
48 partner, individual owner or members of their immediate family
49 when the contributions exceed an aggregate of one thousand
50 dollars (\$1,000) by any individual during the preceding year; or

51 (2) any employe or members of his immediate family whose

1 aggregate political [contribution] contributions exceeded one
2 thousand dollars (\$1,000) during the preceding year.
3 For the purposes of this subsection, "immediate family" [means a
4 person's spouse and any unemancipated child] shall have the same
5 meaning as in 65 Pa.C.S. § 13A03 (relating to definitions).

6 * * *

7 (c) The Department of State, in consultation with the
8 Department of General Services, shall publish a list of all
9 business entities, corporations, companies, associations,
10 partnerships or sole proprietorships receiving grants and
11 contracts in excess of fifty thousand dollars (\$50,000) from the
12 Commonwealth not later than January 31 of each year for the
13 preceding two-year period. The list shall be updated quarterly.

14 Section 36. The act is amended by adding sections to read:
15 Section 1643. Independent Expenditures.--

16 (a) Except as prohibited under section 1633(e)(1), a person
17 may make independent expenditures.

18 (b) The following shall apply to expenditures made for a
19 written, typed or other printed communication or an Internet-
20 based, written communication which promotes the success or
21 defeat of a candidate's campaign for nomination or election or
22 the adoption or defeat of a ballot question or solicits funds to
23 benefit a political committee:

24 (1) A person may not make, incur or contract for an
25 expenditure with the consent of, in coordination with or in
26 consultation with a candidate, candidate committee, political
27 committee or candidate's agent.

28 (2) A group of two or more individuals acting together that
29 receives funds or makes or incurs expenditures not exceeding one
30 thousand dollars (\$1,000) in the aggregate which have not formed
31 a political committee may not make or incur an independent
32 expenditure.

33 (c) Communications under subsection (b) shall contain the
34 following language:

35 (1) The words "paid for and approved by" and one of the
36 following:

37 (i) For an individual, the name and address of the
38 individual.

39 (ii) For a committee other than a party committee, the name
40 of the committee and its campaign treasurer.

41 (iii) For a party committee, the name of the committee.

42 (iv) For a group of two or more individuals that received
43 funds or makes or incurs expenditures not exceeding one thousand
44 dollars (\$1,000) in the aggregate which have not formed a
45 political committee, the name of the group and the name and
46 address of its agent.

47 (2) The words "approved by" and one of the following:

48 (i) For an individual, group or political committee other
49 than a candidate committee making or incurring an expenditure
50 with the consent of, in coordination with or in consultation
51 with a candidate committee or candidate's agent, the name of the

1 candidate.

2 (ii) For a candidate committee, the name of the candidate.

3 (d) Independent expenditures:

4 (1) The following apply:

5 (i) A person may not make or incur an independent
6 expenditure for a written, typed or other printed communication
7 or an Internet-based, written communication which promotes the
8 success or defeat of a candidate for nomination or election or
9 promotes or opposes a political party or solicits funds to
10 benefit a political party or committee, unless the communication
11 bears upon its face the words "paid for and approved by" and the
12 name of the person, the name of its chief executive officer or
13 equivalent and its principal business address and the words
14 "This message was made independently of a candidate or political
15 party."

16 (ii) An entity which is a tax-exempt organization under
17 Chapter 1, Subchapter F of the Internal Revenue Code of 1986
18 (Public Law 99-514, 26 U.S.C. § 1 et seq.), making or incurring
19 an independent expenditure under subparagraph (i), shall also
20 bear upon the face of the communication the words "Top Five
21 Contributors" followed by a list of the five persons making the
22 largest contributions to the organization during the twelve-
23 month period before the date of the communication.

24 (2) Disclosure requirements are as follows:

25 (i) In addition to the requirements of paragraph (1), a
26 person may not make or incur an independent expenditure for
27 television advertising, radio or Internet video advertising or
28 Internet radio advertising, that promotes the success or defeat
29 of a candidate for election or promotes or opposes a political
30 party or solicits funds to benefit a political party or
31 committee, unless at the end of the advertisement there appears
32 or includes simultaneously for a period of no less than four
33 seconds a clear identifiable audio, video, photographic or
34 similar image of the person's chief executive officer or
35 equivalent and a personal audio message, in the following form:

36 I am . . . (name of person's chief executive officer or
37 equivalent), . . . (title) of . . . (entity). This message
38 was made independently of any candidate, political committee
39 or political party, and I approve of its content.

40 (ii) A tax-exempt organization under Chapter 1, Subchapter F
41 of the Internal Revenue Code of 1986, making or incurring an
42 independent expenditure under subparagraph (i), shall include on
43 the advertisement an easily readable written message in the
44 following form:

45 "The Top Five Contributors to the organization for this
46 advertisement are" followed by a list of the five persons
47 making the largest contributions to the organization during
48 the twelve-month period before the date of the communication.

49 Section 1644. Independent Expenditure Evaluation.--

50 (a) When the Bureau of Commissions, Elections and
51 Legislation audits and evaluates an expenditure that is included

1 in a report under section 1643 to determine whether the
2 expenditure is an independent expenditure, there shall be a
3 rebuttable presumption that the following expenditures are not
4 independent expenditures:

5 (1) An expenditure made by a person in cooperation,
6 consultation or in concert with, at the request, suggestion or
7 direction of or pursuant to a general or particular
8 understanding with a candidate or political committee or other
9 agent acting on behalf of a candidate or political committee.

10 (2) An expenditure made by a person for the production,
11 dissemination, distribution or publication, in whole or in
12 substantial part, of a broadcast or a written, graphic or other
13 form of political advertising or campaign communications
14 prepared by a candidate or political committee or a consultant
15 or other agent acting on behalf of a candidate or political
16 committee.

17 (3) An expenditure made by a person based on information
18 about a candidate's or political committee's plans, projects or
19 needs, provided by a candidate or political committee or a
20 consultant or other agent acting on behalf of a candidate or
21 political committee with the intent that the expenditure be
22 made.

23 (4) An expenditure made by an individual who, in the same
24 election cycle, is serving or has served as the campaign
25 chairperson, campaign treasurer or deputy treasurer of a
26 political committee benefiting from the expenditure, or another
27 executive or policymaking position, including as a member,
28 employe, fundraiser, consultant or other agent acting on behalf
29 of a candidate or political committee.

30 (5) An expenditure made by a person whose officer, director,
31 member, employe, fundraiser, consultant or other agent who
32 serves the person in an executive or policymaking position also
33 serves as or has served in the same election cycle as the
34 candidate or the campaign chairperson, campaign treasurer or
35 deputy treasurer of a candidate or political committee
36 benefiting from the expenditure, or in another executive or
37 policymaking position of the candidate or political committee.

38 (6) An expenditure made by a person for:

39 (i) fundraising activities with or for a candidate or
40 political committee or a consultant or other agent acting on
41 behalf of a candidate or political committee; or

42 (ii) the solicitation or receipt of contributions on behalf
43 of a candidate or political committee or a consultant or other
44 agent acting on behalf of a candidate or political committee.

45 (7) An expenditure made by a person based on information
46 about a candidate's campaign plans, projects or needs, that is
47 directly or indirectly provided by a candidate, the candidate's
48 committee or a political committee or a consultant or other
49 agent acting on behalf of the candidate or political committee
50 to the person making the expenditure or the person's agent, with
51 an express or tacit understanding that the person is considering

1 making the expenditure.

2 (8) An expenditure made by a person for a communication that
3 clearly identifies a candidate or political committee during an
4 election campaign if the person making the expenditure, or the
5 person's agent, has informed the candidate who benefits from the
6 expenditure that the candidate or political committee or a
7 consultant or other agent acting on behalf of the benefiting
8 candidate or political committee concerning the communications
9 content, or of the intended audience, timing, location or mode
10 or frequency of the dissemination.

11 (9) An expenditure made by a person or an entity for
12 consultant or creative services, including services related to
13 communications strategy or design or campaign strategy, to be
14 used to promote or oppose a candidate's election to office if
15 the provision of these services is also providing consultant or
16 creative services to the candidate or to an opposing candidate
17 in the same election.

18 (b) As used in this section, the words "agent acting on
19 behalf of a candidate" include:

20 (1) an individual or a person paid by a candidate or a
21 candidate committee; and

22 (2) any consultant, printing firm, media production company,
23 Internet website director or webmaster, marketing firm,
24 advertising firm, filed organization firm or other company or
25 firm retained by a candidate or authorized by a candidate or a
26 candidate committee to act on the candidate's behalf.

27 Section 37. The act is amended by adding an article to read:

28 ARTICLE XVI-A

29 CORPORATE POLITICAL ACCOUNTABILITY

30 Section 1601-A. Definitions.

31 The following words and phrases when used in this article
32 shall have the meanings given to them in this section unless the
33 context clearly indicates otherwise:

34 "Contribution" or "expenditure." As follows:

35 (1) The term includes:

36 (i) Any monetary and nonmonetary political
37 contributions and expenditures not deductible under
38 section 162(e) (1) (B) of the Internal Revenue Code of 1986
39 (Public Law 99-514, 26 U.S.C. § 162(e) (1) (B)), including:

40 (A) Contributions to or expenditures on behalf
41 of political candidates, political parties, political
42 committees and other entities organized and operating
43 under Chapter 1, Subchapter F of the Internal Revenue
44 Code of 1986 (26 U.S.C. Chapter 1, Subchapter F).

45 (B) Any portion of any dues or similar payments
46 made to any tax-exempt organization that is used for
47 an expenditure or contribution if, made directly by
48 the corporation would not be deductible under section
49 162(e) (1) (B) of the Internal Revenue Code of 1986.

50 (C) Any contribution or expenditure, as the
51 terms are defined in section 301 of the Federal

1 Election Campaign Act of 1971 (Public Law 92-225, 52
2 U.S.C. § 30101(8) and (9).

3 (D) Any contribution or expenditure defined
4 under this act.

5 (ii) Any direct or indirect payment, distribution,
6 loan, advance, deposit or gift of money, or any services,
7 or anything of value, except a loan of money by a
8 national or State bank made in accordance with the
9 applicable banking laws and regulations and in the
10 ordinary course of business, to any candidate, campaign
11 committee or political party or organization, in
12 connection with any election to any office.

13 (2) The term does not include:

14 (i) Communications by a corporation to its
15 stockholders and executive or administrative personnel
16 and their families or by a labor organization to its
17 members and their families on any subject.

18 (ii) Nonpartisan registration and get-out-the-vote
19 campaigns by a corporation aimed at its stockholders and
20 executive or administrative personnel and their families
21 or by a labor organization aimed at its members and their
22 families.

23 (iii) The establishment, administration and
24 solicitation of contributions to a separate segregated
25 fund to be utilized for political purposes by a
26 corporation, labor organization, membership organization,
27 cooperative or corporation without capital stock.

28 "Corporation." The term includes any company, trade or
29 professional union, not-for-profit association and incorporated
30 partnership organized as an incorporated entity under the laws
31 of any state.

32 "Department." The Department of State of the Commonwealth.

33 "Issue advocacy campaign." Contributions or expenditures for
34 any communication to the general public intended to encourage
35 the public to contact a government official regarding pending
36 legislation, public policy or a government rule or regulation.
37 The term does not include contributions or expenditures for
38 registered lobbyists or other persons employed by the
39 corporation to lobby directly Federal or State government
40 officials.

41 "Known at the time of the authorization vote." At the time
42 the corporation seeks authorization from shareholders to spend
43 corporate funds for political activities:

44 (1) the corporation's officers, directors or employees
45 have identified a specific political activity for the
46 corporation to support or oppose;

47 (2) corporate officers, directors or employees have
48 taken steps to obligate funds to a political activity; or

49 (3) the corporation has a regularly scheduled payment to
50 a trade association or other entity to pay for a political
51 activity in the next 12 months.

1 "Majority of shareholders." Fifty percent plus one of all
2 outstanding voting securities. Shareholders not casting votes
3 shall not count toward affirmative authorization under this
4 article.

5 "Political activities." Any contributions or expenditures
6 made directly or indirectly to, or in support of or opposition
7 to, any candidate, political party, committee, electioneering
8 communication, ballot measure campaign or an issue advocacy
9 campaign. The term does not include activities defined as
10 lobbying under any Federal, State or local law.

11 "Separate segregated fund." A political action committee
12 formed by a corporation for the purpose of making contributions
13 to candidates for office or to political parties. A separate
14 segregated fund which supports Federal candidates shall have the
15 same meaning as in section 316 of the Federal Election Campaign
16 Act of 1971 (Public Law 92-225, 52 U.S.C. § 30118).
17 Section 1602-A. Shareholder vote on corporate political
18 activities.

19 (a) Annual vote.--

20 (1) Any corporation incorporated in this Commonwealth
21 that spends in the aggregate \$10,000 or more of corporate
22 treasury funds on all political activities in this
23 Commonwealth must comply with the requirements of this
24 section.

25 (2) Any proxy or consent or authorization for an annual
26 meeting of the shareholders of a corporation incorporated in
27 this Commonwealth, or a special meeting in lieu of the
28 meeting, if proxies are solicited in respect of any security
29 occurring on or after six months following the date on which
30 final regulations are published under subsection (d) shall
31 provide for a separate resolution subject to shareholder vote
32 to approve any spending of \$10,000 or more by the corporation
33 for any political activity.

34 (3) Notwithstanding the requirement for an annual
35 shareholder vote to authorize any spending of \$10,000 or more
36 by the corporation for any political activity, a corporation
37 may request authorization for spending on political
38 activities on a more frequent basis. Any authorization
39 request by the corporation that is not made during an annual
40 authorization shall be deemed a special authorization.

41 (4) If a corporation spends less than an aggregate of
42 \$10,000 in a 12-month period for political activities, it
43 shall not be required to seek shareholder authorization for
44 the spending.

45 (b) Shareholder approval.--

46 (1) When seeking shareholder authorization for
47 expenditures for political activities, the corporation shall
48 request the authority to spend a maximum dollar amount in the
49 next 12 months.

50 (2) If known at the time of the authorization vote, the
51 company shall articulate whether the corporate treasury funds

1 so authorized are intended to benefit or defeat specific
2 candidates, ballot measures or issue advocacy campaigns or
3 whether it will be paid to specific nonprofits or trade
4 associations for political activities. The following apply:

5 (i) To be effective, the authorization vote must
6 garner support from a majority of shareholders.

7 (ii) A vote by the shareholders to approve or
8 disapprove any spending of \$10,000 or more by a
9 corporation for a political activity shall be binding on
10 the corporation.

11 (iii) Notwithstanding the requirement for an annual
12 shareholder vote to authorize any spending of \$10,000 or
13 more by the corporation for any political activity, a
14 corporation may request a special authorization for
15 additional spending on political activities, provided
16 that:

17 (A) all spending on political activities of
18 \$10,000 or more must be authorized by a shareholder
19 majority vote; and

20 (B) for any special authorization, the company
21 shall articulate whether the corporate treasury funds
22 so authorized are intended to benefit or defeat
23 candidates, ballot measures or issue advocacy
24 campaigns or will be paid to specific nonprofits or
25 trade associations for political activities at the
26 time the special authorization is requested.

27 (c) Director liability.--If a corporation makes an
28 unauthorized contribution or expenditure for a political
29 activity, the directors at the time that the unauthorized
30 contribution or expenditure was incurred are jointly and
31 severally liable to repay to the corporation the amount of the
32 unauthorized expenditure, with interest at the rate of eight per
33 cent per year.

34 (d) Rulemaking.--The department shall promulgate final
35 regulations to implement this section no later than six months
36 after the effective date of this section.

37 (e) Sole proprietorships excluded.--Notwithstanding any
38 other provision of this section, nothing in this section shall
39 apply a new duty to the owner of a sole proprietorship.
40 Section 1603-A. Notification to shareholders of corporate
41 political activities.

42 (a) Notification to shareholders.--

43 (1) At least quarterly during each fiscal year, a
44 corporation incorporated in this Commonwealth that makes
45 contributions or expenditures for political activities must
46 notify its shareholders and the department in writing of the
47 nature of all its political activities, funded by either its
48 separate segregated fund or through its general corporate
49 treasury, including contributions or expenditures made
50 directly or indirectly.

51 (2) A report made under this section shall include the

1 following:

2 (i) The date of the contributions or expenditures.

3 (ii) The amount of the contributions or
4 expenditures.

5 (iii) The identity of the candidate, political
6 party, committee, electioneering communication, ballot
7 measure campaign or issue advocacy campaign.

8 (iv) If the contributions or expenditures were made
9 for or against a candidate, including an electioneering
10 communication as defined under Federal law, the office
11 sought by the candidate and the political party
12 affiliation of the candidate.

13 (v) If the contributions or expenditures were made
14 for or against a ballot measure, the purpose of the
15 measure and whether the contributions or expenditures
16 were made in support or opposition to the ballot measure.

17 (vi) If the contributions or expenditures were made
18 for or against an issue advocacy campaign, the nature of
19 the political issue and whether the contributions were
20 made in support or opposition to the political issue.

21 (vii) All independent expenditures made by a
22 separate segregated fund affiliated with the corporation.

23 (b) Public disclosure.--

24 (1) The quarterly reports of political activities by a
25 corporation incorporated in this Commonwealth to shareholders
26 shall be public records.

27 (2) A copy of the reports filed under subsection (a)(2)
28 shall be:

29 (i) submitted to the department; and

30 (ii) posted for at least one year on the
31 corporation's publicly accessible Internet website, if
32 any.

33 Section 1604-A. Public disclosure of corporate political
34 activities by the department.

35 (a) Department duty.--The quarterly reports of political
36 activities by a corporation incorporated in this Commonwealth to
37 shareholders shall be made publicly available by the department.

38 (b) Electronic form.--A quarterly report required to be
39 filed under this section shall be filed in electronic form using
40 filing software approved or developed by the department in
41 addition to filing in any other form that the department may
42 require by regulation and shall be published on the department's
43 publicly accessible Internet website.

44 (c) Format.--The department shall ensure that, to the
45 greatest extent practicable, the quarterly reports on political
46 activities are publicly available through the department's
47 publicly accessible Internet website in a format that can be
48 searched, sorted and downloaded.

49 Section 1605-A. Report by Department of the Auditor General.

50 (a) Audit.--On an annual basis, the Department of the
51 Auditor General shall audit the extent of compliance or

1 noncompliance with the requirements of this article by
2 corporations incorporated under the laws of this Commonwealth,
3 their management and shareholders, and the effectiveness of the
4 department in meeting the reporting and disclosure requirements
5 of this article.

6 (b) Report.--No later than April 1 of each year, the
7 Department of the Auditor General shall submit to the Governor a
8 report on the review required by subsection (a) for the
9 preceding year.

10 Section 1606-A. Board approval for all corporate political
11 expenditures.

12 (a) Approval required.--Notwithstanding any other provision
13 of law, a corporation or trade, business or professional
14 association may not make any campaign contribution or
15 expenditure unless specifically authorized to do so:

16 (1) by the vote of the board of directors of the
17 corporation or of the executive committee of the trade,
18 business or professional association at a regular or special
19 meeting of the board of directors or the executive committee;

20 (2) by the president, vice president, secretary or
21 treasurer of a corporation whom the board has specifically
22 empowered to authorize the contributions or expenditures; or

23 (3) for a corporation, by any other person designated by
24 resolution of the board of directors of a corporation to
25 authorize contributions or expenditures.

26 (b) Form of contribution.--A corporation, trade, business or
27 professional association may not make any contribution or
28 expenditure as defined under Federal or State law, other than an
29 in-kind contribution or expenditure, except by check.

30 Section 1607-A. Applicability to foreign corporations.

31 (a) General rule.--A foreign corporation, other than a
32 foreign association or foreign nonprofit corporation, including
33 a foreign parent corporation even though it does not itself
34 transact intrastate business, shall be subject to the
35 requirements of sections 1602-A, 1603-A, 1604-A and 1605-A, if:

36 (1) the average of property factor, payroll factor and
37 sales factor, as described in section 401 of the act of March
38 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
39 with respect to the foreign corporation, is more than 50%
40 during its latest full-income year; and

41 (2) more than one-half of its outstanding voting
42 securities are held of record by persons having addresses in
43 this Commonwealth appearing on the books of the corporation
44 on the record date for the latest meeting of shareholders
45 held during its latest full-income year or, if no meeting was
46 held during that year, on the last day of the latest full-
47 income year.

48 (b) Determination.--

49 (1) The determination of the property factor, payroll
50 factor and sales factor under subsection (a) with respect to
51 any parent corporation shall be made on a consolidated basis,

1 including in a unitary computation, after elimination of
2 intercompany transactions, the property, payroll and sales of
3 the parent and all of its subsidiaries in which it owns
4 directly or indirectly more than 50% of the outstanding
5 shares entitled to vote for the election of directors, but
6 deducting a percentage of the property, payroll and sales of
7 any subsidiary equal to the percentage minority ownership, if
8 any, in the subsidiary.

9 (2) Except as provided under paragraph (3), for the
10 purpose of this section, any securities held to the knowledge
11 of the issuer in the names of broker-dealers, nominees for
12 broker-dealers, including clearing corporations or banks,
13 associations or other entities holding securities in a
14 nominee name or otherwise on behalf of a beneficial owner,
15 collectively nominee holders, shall not be considered
16 outstanding.

17 (3) If a foreign corporation requests all nominee
18 holders to certify, with respect to all beneficial owners for
19 whom securities are held, the number of shares held for the
20 beneficial owners having addresses as shown on the records of
21 the nominee holder in this Commonwealth and outside of this
22 Commonwealth, all shares certified in this manner shall be
23 considered outstanding and held of record by persons having
24 addresses either in this Commonwealth or outside of this
25 Commonwealth as certified in this manner, if the
26 certification provided is retained with the record of
27 shareholders and made available for inspection and copying.

28 (4) A current list of beneficial owners of a foreign
29 corporation's securities provided to the corporation by one
30 or more nominee holders or agent thereof under the
31 requirements of 17 CFR 240.14b-1(b) (3) (relating to
32 obligation of registered brokers and dealers in connection
33 with the prompt forwarding of certain communications to
34 beneficial owners) or 240.14b-2(b) (3) (relating to obligation
35 of banks, associations and other entities that exercise
36 fiduciary powers in connection with the prompt forwarding of
37 certain communications to beneficial owners) promulgated
38 under the Securities Exchange Act of 1934 (Public Law 48-881,
39 15 U.S.C. § 78a et seq.) shall constitute an acceptable
40 certification with respect to beneficial owners for the
41 purposes of this subsection.

42 (c) Applicability.--This section shall not apply to any
43 corporation:

44 (1) With outstanding securities listed on the New York
45 Stock Exchange or the American Stock Exchange.

46 (2) With outstanding securities designated as qualified
47 for trading on the Nasdaq Global Market of the Nasdaq Stock
48 Market, or any successor to the Nasdaq Global Market of the
49 Nasdaq Stock Market.

50 (3) With all of its voting shares, other than directors'
51 qualifying shares, owned directly or indirectly by a

1 corporation not subject to this section.
2 (d) Liability.--If a party obtains a final determination by
3 a court of competent jurisdiction that a corporation failed to
4 provide to the party information required to be provided by this
5 article or provided the party information of the kind required
6 to be provided by this article that is incorrect, a court, in
7 its discretion, may include in its judgment recovery by the
8 party from the corporation of court costs and reasonable
9 attorney fees incurred in the legal proceeding to the extent the
10 court costs and reasonable attorney fees relate to obtaining the
11 final determination.

12 Amend Bill, page 124, line 11, by striking out "28" and
13 inserting

14 38

15 Amend Bill, page 124, line 30, by striking out "29" and
16 inserting

17 39

18 Amend Bill, page 150, line 29, by striking out "30" and
19 inserting

20 40

21 Amend Bill, page 152, line 8, by striking out "31" and
22 inserting

23 41

24 Amend Bill, page 152, line 29, by striking out "32" and
25 inserting

26 42

27 Amend Bill, page 153, lines 27 through 30, by striking out
28 all of said lines and inserting

29 Section 43. The dollar figures contained in section 1627.1
30 of the act shall be adjusted biennially at a rate determined by
31 the Federal Election Commission as authorized under 11 CFR 110.
32 The Secretary of the Commonwealth shall certify the calculation
33 of the rate as determined by the Federal Election Commission and
34 shall transmit notice of the new dollar figures to the
35 Legislative Reference Bureau for publication in the Pennsylvania
36 Bulletin.

37 Section 44. The provisions of this act are severable. If any
38 provision of this act or its application to any person or
39 circumstance is held invalid, the invalidity shall not affect

1 other provisions or applications of this act which can be given
2 effect without the invalid provision or application.

3 Section 45. A comprehensive, fully searchable and user
4 friendly computerized database to track full implementation of
5 this act shall be made available to the public by the Department
6 of State through its publicly accessible Internet website on or
7 before December 31, 2022.

8 Amend Bill, page 154, line 1, by striking out "34" and
9 inserting

10 46

11 Amend Bill, page 154, line 3, by striking out "35" and
12 inserting

13 47

14 Amend Bill, page 154, line 8, by striking out "36" and
15 inserting

16 48