

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 550 Session of
1991

INTRODUCED BY LEVDANSKY, BOYES, KUKOVICH, CORNELL, FREEMAN,
ANGSTADT, FAJT, DENT, LLOYD, SCHEETZ, COLE, NICKOL, TIGUE,
BUNT, STUBAN, KREBS, CAWLEY, KOSINSKI, LEH, CARONE,
CAPPABIANCA, JOSEPHS, ARGALL, MELIO, SERAFINI, KAISER,
HARLEY, HANNA, ARMSTRONG, DALEY, TRICH, MRKONIC AND ANDERSON,
MARCH 13, 1991

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MARCH 13, 1991

AN ACT

1 Amending the act of June 3, 1937 (P.L.1333, No.320), entitled
2 "An act concerning elections, including general, municipal,
3 special and primary elections, the nomination of candidates,
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,
7 courts, county boards of elections, county commissioners;
8 imposing penalties for violation of the act, and codifying,
9 revising and consolidating the laws relating thereto; and
10 repealing certain acts and parts of acts relating to
11 elections," further providing for reporting by candidate and
12 political committees; imposing powers and duties on the
13 Department of State; providing limitations on certain
14 political committees; providing limitations on certain
15 contributions; providing for registration of political action
16 committees; prohibiting bundling; providing for termination
17 of political committees; and imposing penalties.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. Section 1622(b) of the act of June 3, 1937
21 (P.L.1333, No.320), known as the Pennsylvania Election Code,
22 added October 4, 1978 (P.L.893, No.171), is amended to read:

23 Section 1622. Organization of Political Committees;

1 Treasurer and Assistant Treasurer; Records of Candidate and
2 Committees.--

3 * * *

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

20 * * *

21 Section 2. Section 1626 of the act, amended or added October
22 4, 1978 (P.L.893, No.171), July 21, 1979 (P.L.189, No.63), July
23 11, 1980 (P.L.591, No.127), July 11, 1980 (P.L.600, No.128) and
24 July 10, 1981 (P.L.256, No.84), is amended to read:

25 Section 1626. Reporting by Candidate and Political
26 Committees and other Persons.--

27 (a) Each treasurer of a political committee and each
28 candidate for election to public office shall file with the
29 appropriate supervisor reports of receipts and expenditures on
30 forms, designed by the Secretary of the Commonwealth, if the

1 amount received or expended or liabilities incurred shall exceed
2 the sum of two hundred fifty dollars (\$250). Should such an
3 amount not exceed two hundred fifty dollars (\$250), then the
4 candidate or the treasurer of the committee shall file a sworn
5 statement to that effect with the appropriate supervisor rather
6 than the report required by this section.

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

8 (1) The full name, mailing address, occupation and name of
9 employer, if any, or the principal place of business, if self-
10 employed, of each person who has made one or more contributions
11 to or for such committee or candidate within the reporting
12 period in an aggregate amount or value in excess of two hundred
13 fifty dollars (\$250), together with the amount and date of such
14 contributions. The accuracy of the information furnished to the
15 candidate or committee shall be the responsibility of the
16 contributor.

17 (2) The full name and mailing address of each person who has
18 made one or more contributions to or for such committee or
19 candidate within the reporting period in an aggregate amount or
20 value in excess of fifty dollars (\$50), together with the amount
21 and date of such contributions. The accuracy of the information
22 furnished by the contributor shall be the responsibility of the
23 contributor.

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

27 (4) Each and every expenditure, the date made, the full name
28 and address of the person to whom made and the purpose for which
29 such expenditure was made.

30 (5) Any unpaid debts and liabilities, with the nature and

1 amount of each, the date incurred and the full name and address
2 of the person owed.

3 (6) [The account shall include] For each account, any
4 unexpended balance of contributions [or] and other receipts
5 appearing from the last account filed.

6 (7) For a contribution by a political action committee, the
7 registration number of that political action committee in each
8 entry.

9 (c) Vouchers or copies of vouchers for all sums expended
10 amounting to more than twenty-five dollars (\$25) shall be
11 retained by the candidate or the committee treasurer and shall
12 be available for public inspection and copying as herein
13 provided. Any person may inspect or copy such vouchers or copies
14 thereof by filing a written request with the appropriate
15 supervisory office which shall notify the candidate or political
16 committee of such request. The candidate or political committee
17 shall have the option of either forwarding such vouchers or copy
18 of the same to the supervisor for such purpose or making the
19 vouchers or copy of the same available to the requesting person.
20 If a candidate or a treasurer of a political committee shall
21 fail to make said vouchers or copies thereof available for
22 inspection and copying when requested by the appropriate
23 supervisory officer, such officer shall direct the candidate or
24 political committee to promptly deliver the vouchers or copies
25 thereof to the supervisory office for purposes of inspection and
26 copying. Costs of copying and costs of delivery by the candidate
27 or treasurer of the requested vouchers or copies thereof shall
28 be borne by the person requesting same.

29 (d) Pre-election reports by candidates for offices to be
30 voted for by the electors of the State at large and all

1 political committees, which have expended money for the purpose
2 of influencing the election of such candidate, shall be filed
3 not later than the sixth Tuesday before and the second Friday
4 before an election, provided that the initial pre-election
5 report shall be complete as of fifty (50) days prior to the
6 election and the subsequent pre-election report shall be
7 complete as of fifteen (15) days prior to the election. Pre-
8 election reports by all other candidates and political
9 committees which have received contributions or made
10 expenditures for the purpose of influencing an election shall be
11 filed not later than the second Friday before an election,
12 provided that such report be complete as of fifteen (15) days
13 prior to the election.

14 (e) All candidates [or] and political committees[,] required
15 to file under [this section,] subsection (d) shall also file a
16 post-election report not later than thirty (30) days after an
17 election which shall be complete as of twenty (20) days after
18 the election. In the case of a special election the post-
19 election report shall be complete as of ten (10) days after such
20 special election.

21 (f) Each report shall also contain a summary, on a separate
22 page, of the information required by subsection (b).

23 (g) Every person[, other than a political committee or
24 candidate,] who makes independent expenditures expressly
25 advocating the election or defeat of a clearly identified
26 candidate, or question appearing on the ballot, other than by
27 contribution to a political committee or candidate, in an
28 aggregate amount in excess of one hundred dollars (\$100) during
29 a calendar year shall file with the appropriate supervisor, on a
30 form prepared by the Secretary of the Commonwealth, a report

1 which shall include the same information required of a candidate
2 or political committee receiving such a contribution and,
3 additionally, the name of the candidate or question supported or
4 opposed. Reports required by this subsection shall be filed on
5 dates on which reports by political committees making
6 expenditures are required to report under this section.

7 (h) All reports required to be filed pursuant to this
8 section shall be filed pursuant to section 1630. All reports and
9 statements required by this section shall cover the campaign
10 activity of a candidate only from the last prior report or
11 statement.

12 (i) An expenditure from a [candidate's] political committee
13 to another political committee shall be reported as an
14 expenditure by the political committee making the contribution
15 and as a contribution by the political committee receiving the
16 contribution [but need not be reported by the contributing
17 candidate's political committee until the time required by law
18 for that candidate's political committee to report: Provided,
19 however, That if the amount of the contribution exceeds two
20 hundred fifty dollars (\$250) to a single political committee or
21 one thousand dollars (\$1,000) in aggregate contributions to more
22 than one political committee for any primary, general or special
23 election, then receipts and expenditures shall be reported by
24 the contributing committee at the same time as required by law
25 for the committee receiving same].

26 (j) Contributions from a political action committee to any
27 other single political action committee may not exceed one
28 thousand dollars (\$1,000) in a calendar year. This subsection
29 does not apply to contributions to and by political parties as
30 defined in section 1606-A(a).

1 [(j)] (k) All "Political Action Committees" shall report to
2 the Secretary of the Commonwealth all expenditures to or made on
3 behalf of, any State-wide candidate, candidate for the
4 Pennsylvania House of Representatives, or candidate for the
5 State Senate, in the same manner as indicated in this section as
6 a candidate's political committee. This provision shall be in
7 addition to any other filing and reporting provisions of this
8 act which apply to such committees, their treasurers and
9 chairmen.

10 Section 3. The heading and subsection (a) of section 1633 of
11 the act, amended November 26, 1978 (P.L.1313, No.318), are
12 amended to read:

13 Section 1633. Contributions or Expenditures by National
14 Banks, Corporations, Partnerships or Unincorporated
15 Associations.--

16 (a) It is unlawful for any National or State bank, any
17 partnership or any corporation, incorporated under the laws of
18 this or any other state or any foreign country or any
19 unincorporated association, except those corporations formed
20 primarily for political purposes or as a political committee, to
21 make a contribution or expenditure in connection with the
22 election of any candidate or for any political purpose whatever
23 except in connection with any question to be voted on by the
24 electors of this Commonwealth. Furthermore, it shall be unlawful
25 for any candidate, political committee, or other person to
26 knowingly accept or receive any contribution prohibited by this
27 section, or for any officer or any director of any corporation,
28 bank, partnership, or any unincorporated association to consent
29 to any contribution or expenditure by the corporation, bank,
30 partnership, or unincorporated association, as the case may be,

1 prohibited by this section.

2 * * *

3 Section 4. Section 1640 of the act, added October 4, 1978
4 (P.L.893, No.171), is amended to read:

5 Section 1640. Additional Powers and Duties of the Secretary
6 of the Commonwealth.--The Secretary of the Commonwealth shall
7 have the following additional powers and duties:

8 (1) To serve as the State clearing house for information
9 concerning the administration of this act.

10 (2) To prescribe suitable rules and regulations to carry out
11 the provisions of this act.

12 (3) To develop the prescribed forms required by the
13 provisions of this article for the making of the reports and
14 statements required to be filed with the supervisor.

15 (4) To prepare a manual setting forth recommended uniform
16 methods of bookkeeping and reporting which shall be furnished by
17 the supervisor to the person required to file such reports and
18 statements as required by this article.

19 (5) To examine the contributions to State legislative and
20 Statewide candidates and publish a list of all those political
21 committees who have contributed to candidates and who have
22 failed to file reports as required by this act within six (6)
23 days of their failure to comply.

24 (6) To promulgate regulations providing for the examination
25 of all reports required to be filed under this act to assure
26 that they meet the intent of the act. Each report shall be
27 examined to assure that:

28 (i) The beginning balance is identical to the ending balance
29 of the previous report.

30 (ii) New candidates and political action committees do not

1 show a beginning balance.

2 (iii) The arithmetic is correct.

3 (iv) When applicable, the occupation and employer of each
4 contributor is listed.

5 (v) Any report not correctly completed shall be returned for
6 correction. All costs shall be borne by the filer.

7 (7) To issue to any person upon such person's request an
8 opinion with respect to a person's duties required under Article
9 XVI-A. The Secretary of the Commonwealth shall issue an opinion
10 within ten (10) days of a request. No person who acts in good
11 faith on an opinion issued to him by the Secretary of the
12 Commonwealth shall be subject to criminal or civil penalties for
13 so acting.

14 Section 5. The act is amended by adding an article to read:

15 ARTICLE XVI-A

16 Fair Campaign Standards

17 Section 1601-A. Legislative Intent.--The General Assembly
18 recognizes that fair and competitive elections are the keystone
19 of representative democracy, and essential to maintaining
20 citizens' confidence in the government. In order to promote the
21 integrity of the electoral process the members of the General
22 Assembly find it to be a compelling interest of the State to
23 place limited restrictions on the raising and spending of
24 campaign funds. The following standards are, therefore, enacted
25 to protect the integrity of this Commonwealth's elections.

26 Section 1602-A. Definitions.--As used in this article, the
27 following words have the following meanings:

28 (a) The word "candidate" shall mean the individual seeking
29 nomination or election to either chamber of the General Assembly
30 and shall include that individual's candidate's political

1 committee.

2 (b) The words "candidate's political committee" shall mean a
3 political committee formed by, or on behalf of, a specified
4 candidate and authorized by that candidate.

5 (c) The word "contribution" shall mean any payment, gift,
6 subscription, assessment, contract, payment for services, dues,
7 loan, forbearance, advance or deposit of money or any valuable
8 thing, to a candidate or political committee made for the
9 purpose of influencing any election in this Commonwealth or for
10 paying debts incurred by or for a candidate or committee before
11 or after any election. "Contribution" shall also include a
12 promissory note and a verbal promise of funds. Contributions
13 shall include "in-kind" contributions, which shall mean all
14 securities, goods, facilities, equipment, supplies, advertising,
15 services, membership lists, commonly offered or used
16 commercially, or other "in-kind" contributions provided without
17 compensation or at compensation which is below the usual and
18 normal compensation for the items. "In-kind" contributions shall
19 not include personnel.

20 (d) The words "election cycle" shall mean, in the case of
21 candidates for the Pennsylvania House of Representatives, the
22 time beginning January 1 through December 31 of all even-
23 numbered years. In the case of candidates for the State Senate,
24 the words "election cycle" shall mean the year in which the
25 senatorial primary and general elections occur. In the case of a
26 special election, the words "election cycle" shall mean the time
27 beginning the date a vacancy is declared to the end of the year
28 the special election occurs.

29 (e) The words "political committee" shall mean a committee,
30 club, association or other group of persons which receives

1 contributions or makes expenditures for the direct or indirect
2 purpose of influencing the outcome of an election.

3 (f) The words "political action committee" shall mean a
4 political committee which receives contributions for and makes
5 expenditures to or on behalf of a candidate. The term shall not
6 include any of the following:

7 (1) A candidate's political committee when acting for or on
8 behalf of the nomination or election of that candidate.

9 (2) A political committee of a State, county, city, borough
10 or township ward.

11 (3) A regularly constituted party committee of a political
12 party or political body.

13 (4) A political committee of a party caucus of either
14 chamber of the General Assembly.

15 Section 1603-A. Application of Article.--The provisions of
16 this article shall be applicable to candidates for the General
17 Assembly.

18 Section 1604-A. Administration.--The provisions of this
19 article shall be administered by the Secretary of the
20 Commonwealth, hereinafter referred to as the secretary. The
21 secretary may adopt such rules and regulations as may be
22 necessary for the implementation of this article.

23 Section 1605-A. Limitations on Political Committees.--

24 (a) No individual or entity shall have more than one
25 political action committee except those political party
26 committees which may have two political action committees in
27 accordance with Federal regulations.

28 (b) No candidate shall have more than one political
29 committee.

30 (c) No political committee shall share an officer of another

1 political committee.

2 (d) No registered lobbyist shall serve as an officer or
3 treasurer of a political action committee.

4 Section 1606-A. Limitations on Contributions.--

5 (a) For the purpose of this section, a political party
6 includes the Democratic and Republican political party
7 committees, the Pennsylvania House of Representatives and the
8 State Senate caucus campaign committees, and county and
9 municipal Democratic and Republican political party committees.
10 Political clubs shall be treated as political committees.

11 (b) Any contribution in excess of fifty (\$50) dollars shall
12 be made by check or money order.

13 (c) During the calendar year in which the candidate's
14 election is held, no person or political action committee may
15 give to any candidate aggregate contributions in an amount more
16 than the amount listed in the table of this section. This
17 subsection shall not apply to contributions to a candidate or a
18 candidate's political committee by the candidate or the
19 candidate's parents, spouse, children, brothers or sisters.

20 TABLE

21 POLITICAL

<u>OFFICE</u>	<u>INDIVIDUAL LIMIT</u>	<u>POLITICAL COMMITTEE LIMIT</u>
<u>Senate</u>	<u>\$250</u>	<u>\$500</u>
<u>House</u>	<u>\$250</u>	<u>\$500</u>

25 (d) During calendar years in which the candidate's election
26 is not held, contributions from individuals are limited to
27 twenty (20) per centum of the amounts listed in the table in
28 subsection (c).

29 (e) Political action committees shall be prohibited from
30 making campaign contributions to candidates during years in

1 which the candidate's election is not held, and after election
2 day during the year of the election.

3 (f) No individual may make a contribution of more than two
4 hundred fifty (\$250) dollars to a political action committee in
5 a calendar year.

6 (g) During an election cycle, a candidate for the State
7 Senate shall not accept more than seventy-five thousand
8 (\$75,000) dollars in aggregate contributions from political
9 party entities and political action committees, of which not
10 more than thirty-seven thousand five hundred (\$37,500) dollars
11 may come from political action committees.

12 (h) During an election cycle, a candidate for the
13 Pennsylvania House of Representatives shall not accept more than
14 thirty thousand (\$30,000) dollars in aggregate contributions
15 from political party entities and political action committees,
16 of which not more than fifteen thousand (\$15,000) dollars may
17 come from political action committees.

18 (i) At the end of an election cycle, all net funds in excess
19 of twenty-five thousand (\$25,000) dollars remaining in the
20 accounts of a State Senate candidate's political committee and
21 ten thousand (\$10,000) dollars remaining in the account of a
22 Pennsylvania House of Representatives candidate's political
23 committee shall be deposited in the General Fund of the
24 Commonwealth or distributed to 501(c)(3) charitable
25 organizations as defined by the Internal Revenue Code of 1986
26 (Public Law 99-514, 26 U.S.C. 501(c)(3)) and designated by the
27 candidate.

28 (j) Restrictions on contributions established in subsections
29 (c), (d), (e), (g), (h) and (i) shall be in the aggregate
30 applying to combined contributions made directly to the

1 candidate or his committee.

2 Section 1607-A. Registration of Political Action
3 Committees.--All political action committees shall be registered
4 and assigned a registration number by the secretary.

5 (1) The political action committee shall use its
6 registration number, together with its full name and any
7 acronyms, on all forms and reports it is required to file under
8 this act.

9 (2) When registering under this section, the political
10 action committee shall clearly identify all interests which it
11 represents and any organization or trade association with which
12 it is in any way affiliated in such a manner as to provide to
13 the public a clear understanding of the interests the political
14 action committee represents.

15 (3) Registration shall include, but not be limited to, the
16 name, mailing address and a daytime telephone number of the
17 treasurer of the political action committee. Any change in this
18 information shall be reported to the secretary within seventy-
19 two (72) hours.

20 Section 1608-A. Bundling Prohibited.--

21 (a) A gift, donation, subscription, loan, advance or deposit
22 of money or anything of value to a candidate shall be considered
23 a contribution both by the original source of the contribution
24 and by any intermediary or conduit if the intermediary or
25 conduit:

26 (1) exercises any control or any direction over the making
27 of the contribution; or

28 (2) solicits the contribution or arranges for the
29 contribution to be made and directly or indirectly makes the
30 candidate aware of such intermediary or conduit's role in

1 soliciting or arranging the contribution for such candidate.

2 (b) For purposes of this section, a contribution shall not
3 be considered to be a contribution by an intermediary or conduit
4 to the candidate if:

5 (1) the intermediary or conduit has been retained by the
6 candidate's committee for the purpose of fund-raising and is
7 reimbursed for expenses incurred in soliciting contributions;

8 (2) in the case of an individual, the candidate has
9 expressly authorized the intermediary or conduit to engage in
10 fund-raising, or the individual occupies a significant position
11 within the candidate's campaign organization; or

12 (3) in the case of a political committee, the intermediary
13 or conduit is an authorized committee of the candidate.

14 Section 1609-A. Termination of Political Committee.--Upon
15 termination of a political committee, any remaining funds shall
16 be contributed to a political party as defined in section 1605-
17 A(a), returned to the contributors on a pro rata basis or
18 distributed to one or more organizations of the type enumerated
19 in section 501(c)(3) of the Internal Revenue Code of 1986
20 (Public Law 99-514, 26 U.S.C. § 501(c)(3)), or be deposited in
21 the General Fund of the Commonwealth.

22 Section 1610-A. Penalty.--Any person or political committee
23 which contributes or accepts more than the amount authorized by
24 this act commits a misdemeanor of the third degree and shall,
25 upon conviction, be sentenced to pay a fine of up to triple the
26 amount of the violation or two thousand five hundred (\$2,500)
27 dollars, whichever is greater, or to imprisonment for one year,
28 or both.

29 Section 6. Severability.

30 The provisions of this act are severable. If any provision of

1 this act or its application to any person or circumstance is
2 held invalid, the invalidity shall not affect other provisions
3 or applications of this act which can be given effect without
4 the invalid provision or application.

5 Section 7. This act shall take effect January 1, 1993.