
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1417 Session of
2017

INTRODUCED BY PASHINSKI, CALTAGIRONE, McNEILL, D. COSTA,
V. BROWN, DeLUCA, MADDEN, FREEMAN, RABB AND KORTZ,
MAY 19, 2017

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 19, 2017

AN ACT

1 Amending Title 15 (Corporations and Unincorporated Associations)
2 of the Pennsylvania Consolidated Statutes, in corporate
3 powers, duties and safeguards, providing for shareholder
4 approval for campaign contributions and independent
5 expenditures.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 15 of the Pennsylvania Consolidated
9 Statutes is amended by adding a section to read:

10 § 1504.1. Shareholder approval for campaign contributions and
11 independent expenditures.

12 (a) Procedures in bylaws required.--

13 (1) A corporation or a foreign corporation doing
14 business in this Commonwealth may not make a campaign
15 contribution to a political committee or an independent
16 expenditure unless the bylaws of the corporation establish
17 adequate procedures for effectively determining the political
18 preferences of the shareholders of the corporation and fairly
19 representing the preferences of the majority of shareholders.

1 (2) Procedures shall be deemed adequate for the purposes
2 of paragraph (1) if the shareholders of the corporation are
3 notified of and have the opportunity to vote on a proposed
4 campaign contribution to a political committee or independent
5 expenditure.

6 (b) Right of action.--

7 (1) A shareholder alleging a violation of subsection (a)
8 may bring a civil action directly against the directors of
9 the corporation to recover the amount of the campaign
10 contribution or independent expenditure.

11 (2) It shall not be a defense to an action under this
12 section that a director acted in accordance with section 1712
13 (relating to standard of care and justifiable reliance).

14 (3) The court may award treble damages for a violation
15 of subsection (a).

16 (c) Prohibition on receipt of contributions.--

17 (1) A political committee may not receive a campaign
18 contribution that is made in violation of subsection (a).

19 (2) A shareholder alleging a violation of this section
20 may bring a civil action against the political committee to
21 recover the amount of the campaign contribution.

22 (d) Definitions.--As used in this section, the following
23 words and phrases shall have the meanings given to them in this
24 subsection unless the context clearly indicates otherwise:

25 "Campaign contribution." Within the meaning of the act of
26 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
27 Election Code.

28 "Independent expenditure." As defined in section 1621 of the
29 act of June 3, 1937 (P.L.1333, No.320), known as the
30 Pennsylvania Election Code.

1 "Political committee." As defined in section 1621 of the act
2 of June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
3 Election Code.

4 Section 2. This act shall take effect in 60 days.