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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 290 Session of  
2017

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INTRODUCED BY LEACH, FEBRUARY 6, 2017

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REFERRED TO STATE GOVERNMENT, FEBRUARY 6, 2017

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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," providing for alternative campaign financing  
12 option, administration and requirement; establishing the  
13 Clean Election Fund; providing for terms of participation,  
14 for the power of Department of State to adopt rules and for  
15 study report; imposing duties on the Department of State and  
16 a duty on the Department of Revenue; and imposing penalties.

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

19 Section 1. The act of June 3, 1937 (P.L.1333, No.320), known  
20 as the Pennsylvania Election Code, is amended by adding an  
21 article to read:

22 ARTICLE XVI-A

23 CLEAN ELECTIONS

24 Section 1601-A. Scope of article.

25 This article relates to clean elections.

1 Section 1602-A. Definitions.

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

5 "Certified candidate." A candidate running for Governor,  
6 Senator, Representative, Auditor General, Attorney General or  
7 State Treasurer who chooses to participate in this article and  
8 who is certified under section 1605-A(g).

9 "Contribution." As defined in 4 Pa. Code § 172.1 (relating  
10 to definitions).

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

12 "Fund." The Clean Election Fund established in section 1604-  
13 A(a).

14 "Immediate family." A person's spouse, parent, grandparent,  
15 child, grandchild, sister, half-sister, brother, half-brother,  
16 stepparent, stepgrandparent, stepchild, stepgrandchild,  
17 stepsister, stepbrother, mother-in-law, father-in-law, brother-  
18 in-law, sister-in-law, son-in-law, daughter-in-law, guardian,  
19 former guardian, domestic partner, the half-brother or half-  
20 sister of a person's spouse or the spouse of a person's half-  
21 brother or half-sister.

22 "Nonparticipating candidate." A candidate running for  
23 Governor, Senator, Representative, Auditor General, Attorney  
24 General or State Treasurer who does not choose to participate in  
25 this article and who is not seeking to be a certified candidate  
26 under section 1605-A(g).

27 "Participating candidate." A candidate who is running for  
28 Governor, Senator, Representative, Auditor General, Attorney  
29 General or State Treasurer who is seeking to be a certified  
30 candidate under section 1605-A(g).

1 "Qualifying contribution." A donation:

2 (1) Of \$5 or more in the form of a check or money order  
3 payable to the fund and signed by the contributor in support  
4 of a candidate or made over the Internet in support of a  
5 candidate according to the procedure established by the  
6 department.

7 (2) Made by a person registered to vote within the  
8 electoral boundaries of the office a candidate is seeking and  
9 whose voter registration has been verified according to  
10 procedures established by the department.

11 (3) Made during the designated qualifying period.

12 (4) That the contributor, on forms provided by the  
13 department, acknowledges was made with the contributor's  
14 personal money and in support of the candidate and was not  
15 given in exchange for anything of value and that the  
16 candidate acknowledges was obtained with the candidate's  
17 knowledge and approval and that nothing of value was given in  
18 exchange for the contribution.

19 "Qualifying period." Any of the following:

20 (1) For a participating candidate for the office of  
21 Governor, Auditor General, Attorney General or State  
22 Treasurer, the period beginning October 15 immediately  
23 preceding the election year and ending at 5 p.m. on April 1  
24 of the election year.

25 (2) For a participating candidate for the Senate or  
26 House of Representatives, the period beginning January 1 of  
27 the election year and ending at 5 p.m. on April 20 of that  
28 election year or the next business day following April 20 if  
29 the department is closed on April 20.

30 "Seed money contribution." A contribution of no more than

1 \$100 per individual made to a participating candidate, including  
2 the candidate or the candidate's spouse or domestic partner.  
3 Section 1603-A. Alternative campaign financing option,  
4 administration and requirement.

5 (a) Option.--This article establishes an alternative  
6 campaign financing option available to candidates for Governor,  
7 Senator, Representative, Auditor General, Attorney General and  
8 State Treasurer. The alternative campaign financing option is  
9 available to candidates for elections to be held beginning in  
10 the year 2017.

11 (b) Administration.--

12 (1) The department shall administer this article.

13 (2) The Department of Revenue shall administer the fund.

14 (3) Participating candidates shall comply with other  
15 applicable election and campaign laws and regulations.

16 Section 1604-A. Clean Election Fund.

17 (a) Establishment.--The Clean Election Fund is established  
18 in the State Treasury. The fund shall:

19 (1) Finance the election campaigns of certified  
20 candidates for Governor, Senator, Representative, Auditor  
21 General, Attorney General and State Treasurer.

22 (2) Pay administrative and enforcement costs of the  
23 department related to this article.

24 (b) Interest.--Interest generated by the fund is credited to  
25 the fund.

26 (c) Determination of fund amount.--If the department  
27 determines that the fund will not have sufficient money to cover  
28 the likely demand for expenditures from the fund in an upcoming  
29 election, the department shall provide a report of its  
30 projections of the balances in the fund to the General Assembly

1 and the Governor by January 1. The department may submit  
2 legislation to request additional money or an advance on money  
3 to be transferred.

4 Section 1605-A. Terms of participation.

5 (a) Declaration of intent.--A participating candidate shall  
6 file a declaration of intent to seek status as a certified  
7 candidate and to comply with the requirements of this article.  
8 The declaration of intent shall be filed with the department  
9 prior to or during the qualifying period, except as provided in  
10 subsection (g), according to forms and procedures developed by  
11 the department. A participating candidate shall submit a  
12 declaration of intent within five business days of collecting  
13 qualifying contributions under this article. Qualifying  
14 contributions collected before the declaration of intent has  
15 been filed will not be counted toward the eligibility  
16 requirement in subsection (e).

17 (b) Contribution limits for participating candidates.--

18 (1) Subsequent to becoming a candidate and prior to  
19 certification, a participating candidate may not accept  
20 contributions, except for seed money contributions and  
21 qualifying contributions. A participating candidate shall  
22 limit the candidate's total seed money contributions to the  
23 following amounts:

- 24 (i) \$200,000 for a candidate for Governor;
- 25 (ii) \$25,000 for a candidate for the Senate;
- 26 (iii) \$10,000 for a candidate for the House of  
27 Representatives;
- 28 (iv) \$200,000 for a candidate for Auditor General;
- 29 (v) \$200,000 for a candidate for Attorney General;

30 or

1           (vi) \$200,000 for a candidate for State Treasurer.

2           (2) The department may, by rule, revise the amounts  
3           under paragraph (1) to ensure the effective implementation of  
4           this article.

5           (c) Seed money restrictions.--To be eligible for  
6           certification, a participating candidate may collect and spend  
7           only seed money contributions subsequent to becoming a candidate  
8           and prior to certification. A participating candidate may not  
9           solicit, accept or collect seed money contributions after  
10          becoming a certified candidate. The following apply:

11           (1) Goods and services received prior to certification  
12           shall be paid for with seed money contributions, except for  
13           goods and services that are not a contribution. It is a  
14           violation of this article for a participating candidate to  
15           use money from the fund received after certification to pay  
16           for goods and services received prior to certification.

17           (2) Prior to certification, a participating candidate  
18           may obligate an amount greater than the seed money collected,  
19           but may only receive that portion of goods and services that  
20           has been paid for or will be paid for with seed money. A  
21           participating candidate who accepted contributions or made  
22           expenditures that do not comply with the seed money  
23           restrictions under this article may petition the department  
24           to remain eligible for certification in accordance with  
25           department rules adopted under this article, if the failure  
26           to comply was unintentional and does not constitute a  
27           significant infraction of these restrictions.

28           (3) Upon requesting certification, a participating  
29           candidate shall file a report of seed money contributions and  
30           expenditures. If the candidate is certified, unspent seed

1 money shall be deducted from the amount distributed to the  
2 candidate as provided in subsection (o).

3 (d) Seed money required for documentation.--

4 (1) For seed money contributions that a candidate  
5 collects, the candidate shall obtain the contributor's name,  
6 residence address, mailing address, telephone number if  
7 provided by the contributor and other information required  
8 for reporting under this article. For these contributions,  
9 the candidate shall submit to the department during the  
10 qualifying period:

11 (i) A contribution acknowledgment form, as  
12 determined by the department, to be completed by each  
13 person that contributes seed money, that includes the  
14 name, residence address, mailing address, optional  
15 telephone number and signature of the person making the  
16 seed money contribution acknowledging that the  
17 contribution was made with the person's personal money  
18 and will not be reimbursed by any source.

19 (ii) A list of the seed money contributions in a  
20 format determined by the department that includes the  
21 name and mailing address of the contributor.

22 (iii) For seed money contributions received by check  
23 or money order, photocopies of the check or money order.

24 (iv) For seed money contributions received by debit  
25 or credit card, a bank or merchant account statement that  
26 contains the cardholder's name and that otherwise meets  
27 the requirements specified by the department.

28 (2) The department may permit the submission of an  
29 online or electronic acknowledgment form as required by  
30 paragraph (1) (i) for seed money contributions made via the

1 Internet.

2 (3) The telephone numbers, e-mail addresses and bank  
3 account and credit card information of contributors that  
4 candidates submit to the department under this subsection are  
5 confidential, except that the department may disclose this  
6 information in a final audit or investigation report or  
7 determination if the information or record is materially  
8 relevant to a finding of fact or violation.

9 (e) Qualifying contributions.--

10 (1) A participating candidate shall obtain qualifying  
11 contributions during the qualifying period as follows:

12 (i) For a candidate for Governor, at least 3,250  
13 verified registered voters of this Commonwealth must  
14 support the candidacy by providing a qualifying  
15 contribution to the candidate.

16 (ii) For a candidate for the Senate, at least 175  
17 verified registered voters from the candidate's electoral  
18 district must support the candidacy by providing a  
19 qualifying contribution to the candidate.

20 (iii) For a candidate for the House of  
21 Representatives, at least 60 verified registered voters  
22 from the candidate's electoral district must support the  
23 candidacy by providing a qualifying contribution to the  
24 candidate.

25 (iv) For a candidate for Auditor General, Attorney  
26 General or State Treasurer, at least 1,000 verified  
27 registered voters of this Commonwealth must support the  
28 candidacy by providing a qualifying contribution to the  
29 candidate.

30 (2) A payment, gift or anything of value may not be



1 given in exchange for a qualifying contribution.

2 (3) The following shall apply regarding money orders:

3 (i) A candidate may pay the fee for a money order  
4 that is a qualifying contribution as long as the donor  
5 making the qualifying contribution pays the amount of the  
6 qualifying contribution reflected on the money order.

7 (ii) Money order fees paid by a participating  
8 candidate shall be paid for with seed money and reported  
9 in accordance with department rules adopted under this  
10 article.

11 (iii) A money order shall be signed by the  
12 contributor to be a valid qualifying contribution.

13 (4) The department may establish by routine technical  
14 rule a procedure for a qualifying contribution to be made by  
15 a credit or debit transaction and by electronic funds  
16 transfer over the Internet.

17 (5) Records containing information provided by  
18 individuals who have made qualifying contributions over the  
19 Internet are confidential, except for:

20 (i) The name of the individual making the  
21 contribution.

22 (ii) The date of the contribution.

23 (iii) The individual's residential address.

24 (iv) The name and office sought by the candidate in  
25 whose support the contribution was made.

26 (6) It is a violation of this article for a participating  
27 candidate or an agent of the participating candidate to  
28 misrepresent the purpose of soliciting qualifying  
29 contributions and obtaining the contributor's signed  
30 acknowledgment.

1 (f) Filing with the department.--A participating candidate  
2 shall submit qualifying contributions, receipt and  
3 acknowledgment forms, proof of verification of voter  
4 registration and a seed money report to the department during  
5 the qualifying period according to procedures developed by the  
6 department, except as provided under subsection (q).

7 (g) Certification of candidates.--

8 (1) Upon receipt of a final submittal of qualifying  
9 contributions by a participating candidate, the department  
10 shall determine whether the candidate has:

11 (i) Signed and filed a declaration of intent to  
12 participate under this article.

13 (ii) Submitted the appropriate number of valid  
14 qualifying contributions.

15 (iii) Qualified as a candidate by petition or other  
16 means.

17 (iv) Not accepted contributions, except for seed  
18 money contributions, and otherwise complied with seed  
19 money restrictions.

20 (v) Not run for the same office as a  
21 nonparticipating candidate in a primary election in the  
22 same election year.

23 (vi) Not been found to have made a material false  
24 statement in a report or other document submitted to the  
25 department.

26 (vii) Not otherwise substantially violated the  
27 provisions of this article or 4 Pa. Code Ch. 177  
28 (relating to reports by candidates, political committees  
29 and other persons).

30 (viii) Not failed to pay a civil penalty assessed by

1 the department under this act, except that a candidate  
2 has three business days from the date of the request for  
3 certification to pay the outstanding penalty and remain  
4 eligible for certification.

5 (ix) Otherwise met the requirements for  
6 participation under this article.

7 (2) The department shall certify a candidate complying  
8 with the requirements of this section as soon as possible  
9 after final submittal of qualifying contributions and other  
10 supporting documents required under subsection (f), but no  
11 later than three business days for a candidate for the Senate  
12 or House of Representatives and five business days for a  
13 candidate for Governor. The department may take additional  
14 time if further investigation is necessary to verify  
15 compliance with this article as long as it notifies the  
16 candidate regarding the anticipated schedule for conclusion  
17 of the investigation.

18 (3) A certified candidate shall comply with the  
19 requirements of this article after certification and  
20 throughout the primary and general election periods. Failure  
21 to do so is a violation of this article.

22 (h) Revocation of certification.--

23 (1) The certification of a participating candidate may  
24 be revoked if the department determines that the candidate or  
25 an agent of the candidate:

26 (i) did not submit the required number of valid  
27 qualifying contributions;

28 (ii) failed to qualify as a candidate by petition or  
29 other means;

30 (iii) submitted fraudulent qualifying contributions

1 or qualifying contributions that were not made by the  
2 named contributor;

3 (iv) misrepresented to a contributor the purpose of  
4 the qualifying contribution or obtaining the  
5 contributor's signature on the receipt and acknowledgment  
6 form;

7 (v) failed to fully comply with the seed money  
8 restrictions;

9 (vi) knowingly accepted contributions, including in-  
10 kind contributions, or used money other than money from  
11 the fund distributed under this article to make campaign-  
12 related expenditures without the permission of the  
13 department;

14 (vii) knowingly made a false statement or material  
15 misrepresentation in a report or other document required  
16 to be filed under this article or 4 Pa. Code Ch. 177;

17 (viii) otherwise substantially violated the  
18 provisions of this article or 4 Pa. Code Ch. 177; or

19 (ix) failed to properly report seed money  
20 contributions as required for a candidate for Governor  
21 under this section.

22 (2) The determination to revoke the certification of a  
23 candidate shall be made by the department after it has given  
24 the candidate notice and opportunity for a hearing.

25 (3) A candidate whose certification is revoked shall  
26 return the unspent money to the department within three days  
27 of the department's decision and may be required to return  
28 the money distributed to the candidate.

29 (4) In addition to the requirement to return money, the  
30 candidate may be subject to a civil penalty under section

1 1607-A.

2 (5) The candidate may appeal the department's decision  
3 to revoke certification in the same manner provided in  
4 subsection (w) (3).

5 (i) Restrictions on serving as treasurer.--A certified  
6 candidate may not serve as a treasurer or deputy treasurer for  
7 the candidate's campaign.

8 (j) Restrictions on contributions and expenditures for  
9 certified candidates.--

10 (1) After certification, a candidate shall limit  
11 campaign expenditures and obligations, including outstanding  
12 obligations, to the money distributed to the candidate from  
13 the fund and may not accept contributions unless specifically  
14 authorized by the department. Candidates may also accept and  
15 spend interest earned on money from the fund in campaign bank  
16 accounts.

17 (2) Money distributed to a certified candidate from the  
18 fund shall be used for campaign-related purposes. The  
19 candidate, the treasurer, the candidate's committee  
20 authorized under 4 Pa. Code Ch. 176 (relating to registration  
21 and organization of political committees) or any agent of the  
22 candidate and committee may not use the money for anything  
23 but campaign-related purposes.

24 (3) A television advertisement purchased with the money  
25 shall be closed-captioned when closed-captioning is available  
26 from the broadcasting station that will broadcast the  
27 advertisement.

28 (4) The department shall publish guidelines outlining  
29 permissible campaign-related expenditures.

30 (k) Assisting a person to become an opponent.--A candidate

1 or an individual who later becomes a candidate and who is  
2 seeking certification under subsection (g), or an agent of that  
3 candidate, may not assist another individual in qualifying as a  
4 candidate for the same office if the candidacy would result in  
5 the distribution of money under subsections (m) and (o) for  
6 certified candidates in a contested election.

7 (1) Expenditures to the candidate or family or household  
8 members.--

9 (1) Expenditures to the candidate or immediate family  
10 member or household member of the candidate are governed as  
11 follows:

12 (i) The candidate may not use money from the fund to  
13 compensate the candidate or a sole proprietorship of the  
14 candidate for campaign-related services.

15 (ii) A candidate may not make expenditures using  
16 money from the fund to pay a member of the candidate's  
17 immediate family or household, a business entity in which  
18 the candidate or a member of the candidate's immediate  
19 family or household holds a significant proprietary or  
20 financial interest or a nonprofit entity in which the  
21 candidate or a member of the candidate's immediate family  
22 or household is a director, officer, executive director  
23 or chief financial officer, unless the expenditure is  
24 made:

25 (A) For a legitimate campaign-related purpose.

26 (B) To an individual or business that provides  
27 the goods or services being purchased in the normal  
28 course of the individual's occupation or business.

29 (C) In an amount that is reasonable taking into  
30 consideration current market value and other factors

1 the department may choose to consider.

2 (2) For the purpose of paragraph (1)(ii), the term  
3 "business entity" means a corporation, limited liability  
4 company, limited partnership, limited liability partnership  
5 or general partnership.

6 (3) If a candidate uses money from the fund for an  
7 expenditure covered by paragraph (2), the candidate shall  
8 submit evidence demonstrating that the expenditure complies  
9 with the requirements of paragraph (2) if requested by the  
10 department.

11 (4) This subsection does not prohibit reimbursement to  
12 the candidate or a member of a candidate's household or  
13 immediate family when made in accordance with this article  
14 and department rules adopted under this article.

15 (m) Timing of distribution.--The department shall distribute  
16 to certified candidates money from the fund in amounts  
17 determined under subsection (o) in the following manner:

18 (1) Within three days after certification, for  
19 candidates certified prior to the day of the election cycle  
20 that the department designates as the first day to circulate  
21 nominating petitions of the election year, money from the  
22 fund shall be distributed as if the candidates are in an  
23 uncontested primary election.

24 (2) For candidates in contested primary elections  
25 receiving a distribution under paragraph (1), additional  
26 money from the fund shall be distributed within three days of  
27 the day of the election cycle that the department designates  
28 as the first day to circulate nominating petitions of the  
29 election year.

30 (3) No later than three days after the primary election

1 results are certified, for certified candidates for the  
2 general election, money from the fund shall be distributed  
3 according to whether the candidate is in a contested or  
4 uncontested general election.

5 (4) Money may be distributed to certified candidates  
6 under this section by a mechanism that is expeditious,  
7 ensures accountability and safeguards the integrity of the  
8 fund.

9 (n) Deposit into account.--The candidate or committee  
10 authorized under 4 Pa. Code Ch. 176 shall deposit the money from  
11 the fund and the seed money contributions in a campaign account  
12 with a bank or other financial institution. The campaign funds  
13 shall be segregated from, and may not be commingled with, any  
14 other money.

15 (o) Amount of distribution.--

16 (1) The department shall distribute the following  
17 amounts from the fund to a certified candidate to finance the  
18 candidate's election campaign:

19 (i) For a candidate for Governor, \$100,000 for the  
20 primary election and \$400,000 for the general election.

21 (ii) For a candidate for the Senate, \$50,000 for the  
22 primary election and \$150,000 for the general election.

23 (iii) For a candidate for the House of  
24 Representatives, \$20,000 for the primary election and  
25 \$60,000 for the general election.

26 (iv) For a candidate for Auditor General, Attorney  
27 General or State Treasurer, \$100,000 for the primary  
28 election and \$400,000 for the general election.

29 (2) A candidate in a primary or general election that is  
30 not contested shall have the amounts in this subsection



1 reduced by 75%.

2 (3) The department shall have the authority to adjust  
3 the amounts provided in this subsection as needed.

4 (p) Candidate not enrolled in a party.--

5 (1) An unenrolled candidate for the General Assembly who  
6 submits the required number of qualifying contributions and  
7 other required documents under subsection (f) by 5 p.m. on  
8 April 15 preceding the primary election, and who is  
9 certified, is eligible for money from the fund in the same  
10 amounts and at the same time as an uncontested primary  
11 election candidate and a general election candidate as  
12 specified in subsections (m) and (o). Otherwise, an  
13 unenrolled candidate for the General Assembly shall submit  
14 the required number of qualifying contributions and the other  
15 required documents under subsection (f) by 5 p.m. on June 2  
16 preceding the general election.

17 (2) If certified, the candidate is eligible for money  
18 from the fund in the same amounts as a general election  
19 candidate as specified in subsection (o).

20 (3) Money for the general election shall be distributed  
21 to the candidate no later than three days after  
22 certification.

23 (4) An unenrolled candidate for Governor who submits the  
24 required number of qualifying contributions and other  
25 required documents under subsections (d) and (f) by 5 p.m. on  
26 April 1 preceding the primary election, and who is certified,  
27 is eligible for money from the fund in the same amounts and  
28 at the same time as a candidate for Governor in an  
29 uncontested primary election and a candidate for Governor in  
30 a general election as specified in subsections (m) and (o).

1       (5) Money for the general election shall be distributed  
2 to the candidate for Governor no later than three days after  
3 the primary election results are certified.

4       (g) Other procedures.--The department shall establish by  
5 rule procedures for qualification, certification, disbursement  
6 of money from the fund and return of unspent money from the fund  
7 for races involving special elections, recounts, vacancies,  
8 withdrawals or replacement candidates.

9       (r) Reporting and unspent money.--

10       (1) Notwithstanding any other provision of law,  
11 participating and certified candidates shall report money  
12 collected, campaign expenditures, obligations and related  
13 activities to the department according to procedures  
14 developed by the department.

15       (2) If a certified candidate pays money from the fund to  
16 a member of the candidate's immediate family or household or  
17 a business or nonprofit entity affiliated with a member of  
18 the candidate's immediate family or household, the candidate  
19 shall disclose the candidate's relationship to the payee in a  
20 manner prescribed by the department.

21       (3) Upon the filing of a final report for a primary  
22 election in which the candidate was defeated and for general  
23 elections that candidate shall return unspent money from the  
24 fund to the department.

25       (4) In developing the procedures under this subsection,  
26 the department shall utilize existing campaign reporting  
27 procedures whenever practicable.

28       (5) The department shall ensure timely public access to  
29 campaign finance data and may utilize electronic means of  
30 reporting and storing information.

1 (s) Required records.--

2 (1) The treasurer of a campaign shall obtain and keep:

3 (i) Bank or other account statements for the  
4 campaign account covering the duration of the campaign.

5 (ii) A vendor invoice stating the particular goods  
6 or services purchased for every expenditure of \$50 or  
7 more.

8 (iii) A record proving that a vendor received  
9 payment for every expenditure of \$50 or more in the form  
10 of a canceled check, cash receipt from the vendor or bank  
11 or credit card statement identifying the vendor as the  
12 payee.

13 (iv) A document such as an invoice, contract or time  
14 sheet that specifies in detail the services provided by a  
15 vendor who was paid \$500 or more for the election cycle  
16 for providing campaign staff or consulting services to a  
17 candidate.

18 (2) The treasurer of a campaign shall preserve the  
19 records for three years following the candidate's final  
20 campaign finance report for the election cycle.

21 (3) The candidate and treasurer shall submit photocopies  
22 of the records to the department upon its request.

23 (t) Audit requirements for candidates for Governor.--

24 (1) The department shall audit the campaigns of  
25 candidates for Governor who receive money under this article  
26 to verify compliance with election and campaign laws and  
27 rules.

28 (2) Within one month of declaring an intention to  
29 qualify for public financing, a candidate for Governor, the  
30 campaign's treasurer and other relevant campaign staff shall

1 meet with the staff of the department to discuss audit  
2 standards, expenditure guidelines and recordkeeping  
3 requirements.

4 (u) Payments to political committees.--If a certified  
5 candidate makes a payment of money from the fund to a political  
6 action committee or party committee, the candidate shall include  
7 in reports required under this section a detailed explanation of  
8 the goods or services purchased according to forms and  
9 procedures developed by the department that is sufficient to  
10 demonstrate that the payment was made solely to promote the  
11 candidate's election.

12 (v) Distributions not to exceed amount in fund.--

13 (1) The department may not distribute money to certified  
14 candidates in excess of the total amount of money deposited  
15 in the fund as set forth in section 1604-A.

16 (2) Notwithstanding any other provisions of this  
17 article, if the department determines that the money in the  
18 fund is insufficient to meet distributions under subsection  
19 (o) or (p), the department may permit certified candidates to  
20 accept and spend contributions, reduced by seed money  
21 contributions, aggregating no more than the following up to  
22 the applicable amounts set forth in subsection (o) or (p)  
23 according to department rules adopted under this article:

24 (i) \$5,000 per donor per election for a candidate  
25 for Governor;

26 (ii) \$1,000 per donor per election for a candidate  
27 for the Senate and House of Representatives; or

28 (iii) \$5,000 per donor per election for a candidate  
29 for Auditor General, Attorney General or State Treasurer.

30 (w) Appeals.--A candidate who has not been permitted to be a

1 certified candidate, the opponent of a candidate who is a  
2 certified candidate or other interested persons may challenge a  
3 certification decision by the department as follows:

4 (1) A challenger may appeal to the department within  
5 seven days of the certification decision. The appeal shall be  
6 in writing and set forth the reasons for the appeal.

7 (2) Within five days after an appeal is properly made  
8 and after notice is given to the challenger and any opponent,  
9 the department shall hold a hearing, except that the  
10 department may extend this period upon agreement of the  
11 challenger and the candidate whose certification is the  
12 subject of the appeal, or in response to the request of  
13 either party upon showing good cause. The appellant has the  
14 burden of proving that the certification decision was in  
15 error as a matter of law or was based on factual error. The  
16 department shall rule on the appeal within five business days  
17 after the completion of the hearing.

18 (3) A challenger may appeal the decision of the  
19 department in paragraph (2) by commencing an action in  
20 Commonwealth Court within five days of the date of the  
21 department's decision. The action shall be conducted in  
22 accordance with 42 Pa.C.S. § 763 (relating to direct appeals  
23 from government agencies), except that the court shall issue  
24 its written decision within 20 days of the date of the  
25 department's decision. An aggrieved party may appeal the  
26 decision of Commonwealth Court by filing a notice of appeal  
27 within three days of the decision. The record on appeal shall  
28 be transmitted to the Supreme Court within three days after  
29 the notice of appeal is filed. After filing the notice of  
30 appeal, the parties have four days to file briefs and

1 appendices with the prothonotary of the Supreme Court. The  
2 Supreme Court shall consider the case as soon as possible  
3 after the record and briefs have been filed and shall issue  
4 its decision within 14 days of the decision of Commonwealth  
5 Court.

6 (4) A certified candidate whose certification is  
7 reversed on appeal shall return to the department unspent  
8 money distributed from the fund. If the department or court  
9 finds that an appeal was made frivolously or to cause delay  
10 or hardship, the department or court may require the moving  
11 party to pay costs of the department, court and opposing  
12 parties, if any.

13 Section 1606-A. Department to adopt rules.

14 The department shall adopt rules to ensure effective  
15 administration of this article. The rules shall include, but not  
16 be limited to, procedures for obtaining qualifying  
17 contributions, the certification of candidates, circumstances  
18 involving special elections, vacancies, recounts, withdrawals or  
19 replacements, collection of money for the fund, distribution of  
20 money from the fund to certified candidates, return of unspent  
21 disbursements from the fund, disposition of equipment purchased  
22 with money from the fund and compliance with this article. Rules  
23 of the department required by this section are major substantive  
24 rules.

25 Section 1607-A. Violations.

26 (a) Civil fine.--

27 (1) In addition to other penalties that may be  
28 applicable, a person who violates a provision of this article  
29 or rules of the department adopted under section 1606-A is  
30 subject to a fine of not more than \$10,000 per violation

1 payable to the fund.

2 (2) The department may assess a fine of up to \$10,000  
3 for a violation of the reporting requirements of 4 Pa. Code  
4 Ch. 177 (relating to reports by candidates, political  
5 committees and other persons) if it determines that the  
6 failure to file a timely and accurate report resulted in the  
7 late payment of matching funds.

8 (3) In addition to a fine, for good cause shown, a  
9 candidate, treasurer, consultant or other agent of the  
10 candidate or the political committee authorized by the  
11 candidate under 4 Pa. Code Ch. 176 (relating to registration  
12 and organization of political committees) found in violation  
13 of this article or department rules adopted under this  
14 article may be required to return to the fund the amounts  
15 distributed to the candidate from the money not used for  
16 campaign-related purposes.

17 (4) If the department makes a determination that a  
18 violation of this article or department rules adopted under  
19 this article has occurred, the department shall assess a fine  
20 or transmit the finding to the Attorney General for  
21 prosecution.

22 (5) A final determination by the department may be  
23 appealed to Commonwealth Court in accordance with 42 Pa.C.S.  
24 § 763 (relating to direct appeals from government agencies).

25 (6) Fines paid under this section shall be deposited in  
26 the fund.

27 (7) In determining whether or not a candidate is in  
28 violation of the expenditure limits of this article, the  
29 department may consider circumstances out of the candidate's  
30 control as a mitigating factor.

1 (b) Misdemeanor.--A person who willfully or knowingly  
2 violates this article or department rules adopted under this  
3 article or who willfully or knowingly makes a false statement in  
4 a report required by this article commits a misdemeanor and  
5 shall, upon conviction, be sentenced to pay a fine of \$1,000 or  
6 to imprisonment for not more than six months, or both. If the  
7 candidate is a certified candidate, the candidate shall return  
8 to the fund the amounts distributed to the candidate.

9 Section 1608-A. Study report.

10 By March 15, 2018, and every four years thereafter, the  
11 department shall prepare for the General Assembly a report  
12 documenting, evaluating and making recommendations relating to  
13 the administration, implementation and enforcement of this  
14 article and the fund.

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