
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 11 Session of 2019

INTRODUCED BY COSTA, A. WILLIAMS, BREWSTER, FARNESE,
SANTARSIERO, SCHWANK, HAYWOOD, FONTANA, TARTAGLIONE, KEARNEY,
L. WILLIAMS, BOSCOLA, BLAKE, COLLETT, HUGHES AND DINNIMAN,
NOVEMBER 20, 2019

REFERRED TO STATE GOVERNMENT, NOVEMBER 20, 2019

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," in Secretary of the Commonwealth, further
12 providing for powers and duties of the Secretary of the
13 Commonwealth; in primary and election expenses, further
14 providing for definitions, for organization of political
15 committees, for registration and for reporting, providing for
16 limitations on contributions, further providing for late
17 filing fees and certificates of filing, for contributions or
18 expenditures by national banks, corporations or
19 unincorporated associations, for advertising and for reports
20 by business entities and publication and providing for
21 independent expenditures and for independent expenditure
22 evaluation; and providing for corporate political
23 accountability.

24 The General Assembly of the Commonwealth of Pennsylvania
25 hereby enacts as follows:

26 Section 1. The General Assembly finds and declares that:

27 (1) The Commonwealth has a compelling governmental

1 interest to protect the integrity of the government from
2 actual corruption or the appearance of corruption.

3 (2) When people, associations or other entities provide,
4 including foreign corporations and foreign-influenced
5 corporations, unlimited monetary support for elected
6 government officials or candidates who are seeking
7 governmental offices, there arises the appearance of
8 corruption.

9 (3) The appearance of corruption and actual corruption
10 can be prevented by requiring transparency and regulating the
11 contributions that can be made to elected governmental
12 officials and candidates who are seeking governmental
13 offices.

14 Section 2. Section 201 of the act of June 3, 1937 (P.L.1333,
15 No.320), known as the Pennsylvania Election Code, is amended by
16 adding a subsection to read:

17 Section 201. Powers and Duties of the Secretary of the
18 Commonwealth.--The Secretary of the Commonwealth shall exercise
19 in the manner provided by this act all powers granted to him by
20 this act, and shall perform all the duties imposed upon him by
21 this act, which shall include the following:

22 * * *

23 (i) To biennially adjust the limitations on contributions
24 under section 1627.1(r).

25 Section 3. Section 1621(d), (e) and (f) of the act are
26 amended and the section is amended by adding subsections to
27 read:

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

30 * * *

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

2 (1) The payment, distribution, loan or advancement of money
3 or any valuable thing by a candidate, candidate committee,
4 political committee, political action committee, political party
5 committee or other person for the purpose of influencing the
6 outcome of a nomination or an election[;]: Provided, however,
7 That the payment, distribution, loan or advancement of money or
8 any valuable thing shall be made only for expenses directly and
9 exclusively incurred for the campaign in which the candidate is
10 running in the contemporaneous election cycle and that no
11 expenditure of funds from campaign accounts shall be used for
12 any personal purpose.

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

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

20 (4) The payment or providing of money or other valuable
21 thing by any person other than a candidate or political
22 committee, to compensate any person for services rendered to a
23 candidate or political committee.

24 (e) The words "independent expenditure" shall mean an
25 expenditure by a person, other than a political committee or
26 candidate, expressly advocating the election or defeat of a
27 clearly identified candidate for nomination or election or
28 promoting the success or defeat of a clearly identified ballot
29 question appearing on the ballot in each election district in
30 this Commonwealth, made for the purpose of influencing an

1 election without cooperation or consultation with any candidate
2 or any political committee authorized by that candidate and
3 which is not made in concert with or at the request or
4 suggestion of any candidate or political committee or agent
5 thereof.

6 (f) The word "lobbyist" shall mean any person who is
7 registered pursuant to the provisions of [the act of September
8 30, 1961 (P.L.1778, No.712), known as the "Lobbying Registration
9 and Regulation Act."] 65 Pa.C.S. Ch. 13A (relating to lobbying
10 disclosure).

11 * * *

12 (n) The words "affiliate" or "affiliated committee" shall
13 include:

14 (1) Any committee established or authorized by a candidate
15 as part of his or her campaign for a specific campaign for a
16 designated office.

17 (2) Any committee established, financed, maintained or
18 controlled by the same corporation, labor organization,
19 membership association, not-for-profit organization or trade or
20 professional association, person or group of persons, including
21 any parent, subsidiary, branch, division, department or local
22 unit of an entity under this paragraph. Local units may include,
23 in appropriate cases, a franchisee, licensee or regional
24 association.

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

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

29 (1) with respect to a candidate, the name of the candidate
30 appears;

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

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

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

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

21 (2) A communication to less than one hundred (100)
22 recipients.

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

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

1 (5) A communication from a membership organization
2 exclusively to its members and their families, otherwise known
3 as a membership communication.

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

6 (r) The words "electioneering communication expenditure"
7 shall mean any expenditure made by a person, other than a
8 political committee or a candidate, as payment for an
9 electioneering communication.

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

12 (1) a foreign owner holds, owns, controls or otherwise has
13 directly or indirectly acquired beneficial ownership of equity
14 or voting shares in an amount that is equal to or greater than
15 five (5) per cent of the total equity or outstanding voting
16 shares; or

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

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

22 (1) a foreign principal; or

23 (2) an individual who is not a citizen of the United States
24 or a national of the United States and who is not lawfully
25 admitted for permanent residence.

26 (u) The words "foreign owner" shall mean a foreign national
27 or a corporation wherein a foreign national holds, owns,
28 controls or otherwise has directly or indirectly acquired
29 beneficial ownership of equity or voting shares in an amount
30 that is equal to or greater than fifty (50) per cent of the

1 total equity or outstanding voting shares.

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

3 (1) a government of a foreign country;

4 (2) a foreign political party; or

5 (3) a partnership, association, corporation, organization or

6 other combination of persons organized under the laws of or

7 having its principal place of business in a foreign country.

8 (w) The words "independent expenditure political action

9 committee" shall mean a political action committee that only

10 receives contributions to make independent expenditures.

11 (x) The words "in-kind contribution" shall mean a

12 contribution of goods, services, property or any valuable thing

13 offered free or at less than the fair market value for the

14 goods, property or services. The words shall not include any

15 legal or accounting services rendered to or on behalf of any

16 political committee of a political party, an authorized

17 committee of a candidate or any other political committee, if

18 the services are solely for the purpose of ensuring compliance

19 with this article. The legal or accounting services shall be

20 reported under section 1626.

21 (y) The words "personal purpose" shall mean a purpose that,

22 by its nature, confers a personal benefit, including

23 expenditures such as a home mortgage, home rent, utility

24 payment, clothing purchase, noncampaign automobile expense,

25 country club membership, vacation or a trip of a noncampaign

26 nature, household food items, tuition payments, admission to a

27 sporting event, concert, theater or other form of entertainment

28 and other expenditures not specifically and directly necessary

29 for the conduct of the campaign.

30 (z) The word "person" shall include any corporation,

1 partnership, limited liability company, business trust, other
2 association, government entity, other than the Commonwealth,
3 estate, trust, foundation or natural person.

4 Section 4. Sections 1622 and 1624 of the act are amended to
5 read:

6 Section 1622. Organization of Political Committees;
7 Treasurer and Assistant Treasurer; Records of Candidate and
8 Committees.--

9 (a) Every political committee shall have a treasurer and a
10 chairman. No contribution shall be received nor shall any
11 expenditure be made when there is a vacancy in either one of
12 these offices. All money received and disbursed by a political
13 committee must be done through the treasurer of the committee.

14 (b) Every candidate who authorizes a committee [~~or~~
15 ~~committees,~~] to receive and disburse funds on behalf of this
16 candidacy, shall name a sole treasurer[, irrespective of the
17 number of committees so authorized], to receive and disburse all
18 funds [~~for~~] of said [~~committees. Nothing herein shall be~~
19 ~~construed to prohibit a candidate from receiving or expending~~
20 ~~moneys on his behalf or a treasurer of a political party~~
21 ~~committee or a committee authorized to receive and distribute~~
22 ~~funds on behalf of more than one (1) candidate from receiving or~~
23 ~~expending moneys on behalf of said candidates, notwithstanding~~
24 ~~the appointment of a sole treasurer. A sole treasurer may~~
25 ~~delegate authority, in writing, to any number of assistant~~
26 ~~treasurers to receive and disburse moneys collected on behalf of~~
27 ~~a candidate for election. Nothing in this section shall prohibit~~
28 ~~authorized individuals from selling tickets or soliciting funds~~
29 ~~when funds are deposited in the campaign account of the~~
30 ~~candidate]~~ committee.

1 (c) Each candidate and committee shall keep records of the
2 names and addresses of each person from whom a contribution of
3 over ten dollars (\$10) has been received and a record of all
4 other information required to be reported pursuant to this act.
5 All such records shall be retained by the candidate or treasurer
6 for a period of three (3) years after such information is
7 reported as required by this act.

8 (d) Any person receiving any contribution on behalf of a
9 political committee or candidate shall turn such contributions
10 over to the treasurer of that committee or the candidate within
11 ten (10) days of its receipt.

12 Section 1624. Registration.--

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

21 (b) Each registration statement shall contain the following
22 information:

23 (1) The name, addresses and phone numbers of the political
24 committee.

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

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

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

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

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

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

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

7 (9) A political committee which is established, financed,
8 maintained or controlled by a sponsoring organization such as a
9 corporation, labor organization, membership association, not-
10 for-profit organization or trade or professional association
11 shall include in its registered name the full name of its
12 sponsoring organization.

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

16 (d) No political committee which receives an aggregate
17 amount of contributions of two hundred fifty dollars (\$250) or
18 more may make a contribution to any candidate or political
19 committee unless it has registered with the appropriate
20 supervisor.

21 Section 5. Section 1626(a), (b), (c), (d) and (g) of the act
22 are amended and the section is amended by adding subsections to
23 read:

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

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

1 the sum of two hundred fifty dollars (\$250). Should such an
2 amount not exceed two hundred fifty dollars (\$250), then the
3 candidate or, in the case of a political committee, the
4 treasurer of the committee shall file a sworn statement to that
5 effect with the appropriate supervisor rather than the report
6 required by this section[.]: Provided, however, That if the
7 amount received or expended by a candidate does not exceed two
8 hundred fifty dollars (\$250) he or she may comply with this
9 section by signing an affidavit to that effect on his or her
10 political committee's report or statement.

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

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

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

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

1 (4) Each and every expenditure, the date made, the full name
2 and address of the person to whom made and the purpose for which
3 such expenditure was made. If the creditor is a credit card
4 company or similar instrumentality that is an intermediary for
5 collecting payments due, it shall not be sufficient to list the
6 name of the collecting organization. The report shall identify
7 the credit card company and also the specific entities and
8 payments being paid through the credit card company or like
9 entity. If the payment is being made by a committee to a
10 creditor for expenses on behalf of one or more candidates, the
11 amounts of payments and purposes of the payments shall be broken
12 down to identify each candidate's share of the incurred
13 expenses. The report shall include copies of the political
14 committee's or candidate's itemized credit card statements
15 displaying the reportable expenditures included in the report.

16 (5) Any unpaid debts and liabilities, with the nature and
17 amount of each, the date incurred and the full name and address
18 of the person owed.

19 (6) The account shall include any unexpended balance of
20 contributions or other receipts appearing from the last account
21 filed.

22 (7) Identification of political committees:

23 (i) If the contributor is a political committee, the
24 official registration number of the committee must be included
25 on the contribution check or in the case of an electronic
26 transfer within the documentation sent to the candidate
27 providing notice to the electronic transfer of funds.

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

30 (iii) The official committee registration number shall be

1 included on each entry for that committee on a candidate's
2 disclosure report.

3 (c) [Vouchers or copies of vouchers for all sums expended
4 amounting to more than twenty-five dollars (\$25) shall be
5 retained by the candidate or the committee treasurer and shall
6 be available for public inspection and copying as herein
7 provided. Any person may inspect or copy such vouchers or copies
8 thereof by filing a written request with the appropriate
9 supervisory office which shall notify the candidate or political
10 committee of such request. The candidate or political committee
11 shall have the option of either forwarding such vouchers or copy
12 of the same to the supervisor for such purpose or making the
13 vouchers or copy of the same available to the requesting person.
14 If a candidate or a treasurer of a political committee shall
15 fail to make said vouchers or copies thereof available for
16 inspection and copying when requested by the appropriate
17 supervisory officer, such officer shall direct the candidate or
18 political committee to promptly deliver the vouchers or copies
19 thereof to the supervisory office for purposes of inspection and
20 copying. Costs of copying and costs of delivery by the candidate
21 or treasurer of the requested vouchers or copies thereof shall
22 be borne by the person requesting same.] (1) Vouchers or copies
23 of vouchers for all sums expended amounting to more than twenty-
24 five dollars (\$25) shall be retained by the candidate or the
25 political committee treasurer for a period of three (3) years as
26 required under section 1622(c) and shall be available for public
27 inspection and copying.

28 (2) Any person may inspect or copy such vouchers or copies
29 thereof by filing a written request with the appropriate
30 supervisory office which shall notify the candidate or political

1 committee of the request. The candidate or political committee
2 shall forward the vouchers or copy of the same to the supervisor
3 for such purpose within fifteen (15) days of the date of the
4 request. The supervisor shall make the vouchers or copies of the
5 vouchers available to the requesting person for inspection and
6 copying. Costs of copying and costs of delivery by the candidate
7 or treasurer of the requested vouchers or copies shall be borne
8 by the requesting person.

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

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

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

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

3 (5) Prior to granting a request for inspection and copying
4 vouchers, a candidate or political committee may require a
5 requester to prepay an estimate of the fees authorized under
6 this section if the costs of copying and costs of delivery
7 required to fulfill the request are expected to exceed one
8 hundred dollars (\$100). If no prepayment is requested or made, a
9 candidate or political committee may require the requestor to
10 pay the actual costs of copying and costs of delivery prior to
11 the release of the requested documents.

12 (6) The Attorney General shall have prosecutorial
13 jurisdiction over a violation committed under this section. The
14 district attorney of any county in which a violation occurred
15 has concurrent powers and responsibilities with the Attorney
16 General over the violations.

17 (7) The supervisor of a candidate or political committee may
18 deny a requesting person access to a voucher or copies if the
19 requesting person has made repeated requests for the same record
20 more than twice and the repeated requests have placed an
21 unreasonable burden on the candidate or political committee,
22 which is substantiated by repeated responses to substantively
23 similar requests. A denial under this paragraph shall not
24 restrict the ability to request a different record.

25 (d) Pre-election reports by candidates for offices to be
26 voted for by the electors of the State at large, candidates for
27 the office of Senator in the General Assembly, candidates for
28 the office of Representative in the General Assembly and all
29 political committees, which have expended money for the purpose
30 of influencing the election of such [candidate] candidates,

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

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

20 * * *

21 (g) [Every] Except as provided under section 1644, every
22 person, other than a political committee or candidate, who makes
23 independent expenditures expressly advocating the election or
24 defeat of a clearly identified candidate, or question appearing
25 on the ballot, other than by contribution to a political
26 committee or candidate, in an aggregate amount in excess of [one
27 hundred dollars (\$100)] one thousand dollars (\$1,000) during a
28 calendar year shall file with the appropriate supervisor, on a
29 form prepared by the Secretary of the Commonwealth, a report
30 which shall include the same information required of a candidate

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

6 * * *

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

10 "Committee." As defined in section 1621.

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

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

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

22 "Voucher." A document that reasonably describes the campaign
23 expense.

24 Section 6. The act is amended by adding a section to read:

25 Section 1627.1. Limitations on Certain Contributions.--

26 (a) Aggregate contributions, including in-kind
27 contributions, from any individual to any candidate for the
28 office of Senator or Representative in the General Assembly,
29 judge of court of common pleas or a county or municipal office,
30 or to the candidate's committee or agent, may not exceed one

1 thousand five hundred dollars (\$1,500) for each election. For
2 each election, a candidate and the candidate's committee or
3 agent may not accept or receive more than one thousand five
4 hundred dollars (\$1,500) in aggregate contributions, including
5 in-kind contributions from any individual for each election.

6 (b) Aggregate contributions, including in-kind
7 contributions, from any individual to any candidate for
8 Statewide office, his authorized committee or agent, may not
9 exceed five thousand dollars (\$5,000) for each election. For
10 each election, no candidate, his authorized committee or agent
11 may accept or receive more than five thousand dollars (\$5,000)
12 in aggregate contributions, including in-kind contributions from
13 any individual for each election.

14 (c) For each election aggregate contributions, including in-
15 kind contributions, from a single political action committee,
16 its affiliate or agent or candidate's political committee, its
17 affiliate or agent to any candidate for Statewide office, 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 his authorized committee or agent, may not exceed ten thousand
21 dollars (\$10,000). For each election, no candidate for the
22 office, nor the candidate's committee or agent, may accept or
23 receive more than the applicable amount or amounts as specified
24 under this subsection in aggregate contributions, including in-
25 kind contributions, from a single political action committee or
26 agent or candidate's political committee. A donor shall be an
27 individual or a single committee regardless of the number of
28 contributions made by that individual or committee during the
29 election cycle.

30 (d) Contributions from political party committees to a

1 political action committee, other party committee or other
2 committee may not exceed five thousand dollars (\$5,000) for each
3 election.

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

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

25 (g) Aggregate contributions, including in-kind
26 contributions, from any person or a single political action
27 committee, its affiliate or agent or any single candidate's
28 political committee, its affiliate or agent to a single
29 political action committee, its affiliate or agent, may not
30 exceed ten thousand dollars (\$10,000) during any calendar year.

1 For each election, no political action committee, its affiliate
2 or agent may accept or receive more than ten thousand dollars
3 (\$10,000) in aggregate contributions, including in-kind
4 contributions, from any individual person or a single political
5 action committee, its affiliate or agent during any calendar
6 year.

7 (h) Aggregate contributions from any individual, person or a
8 single candidate's political committee, its affiliate or agent
9 or a single political action committee, its affiliate or agent
10 or any other political committee to a single political party
11 committee may not exceed ten thousand dollars (\$10,000) in a
12 calendar year. A single political party committee may not accept
13 or receive more than ten thousand dollars (\$10,000) in aggregate
14 contributions from any individual, person, single candidate's
15 political committee or agent or a single political action
16 committee, its affiliate or agent, any political committee or
17 other committee in a calendar year.

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

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

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

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

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

3 (2) solicits the contribution or arranges for the
4 contribution to be made and directly or indirectly makes the
5 candidate aware of the intermediary or conduit's role in
6 soliciting or arranging the contribution for the candidate.

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

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

13 (2) For an individual, the candidate has expressly
14 authorized the intermediary or conduit to engage in fundraising,
15 or the individual occupies a position within the candidate's
16 campaign organization and is authorized by the organization to
17 engage in fundraising.

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

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

21 (1) A candidate, candidate committee, party committee,
22 political action committee or political committee may not accept
23 a campaign contribution from an out-of-State political action
24 committee if the political action committee's home state has
25 less restrictive disclosure laws than this Commonwealth, except
26 as provided under paragraph (2).

27 (2) A candidate, candidate committee, party committee,
28 political action committee or political committee may accept a
29 campaign contribution from an out-of-State political action
30 committee if that political action committee is registered in

1 this Commonwealth with the Department of State and, by the
2 registration, has affirmed that the contributor will comply with
3 the contribution, expenditure and reporting requirements of this
4 act, and the regulations relating to contributions, expenditures
5 and reporting promulgated under this act by the Department of
6 State and the State Ethics Commission.

7 (3) The Secretary of the Commonwealth shall list and certify
8 those states that have less restrictive disclosure laws than the
9 Commonwealth. The list shall be compiled and updated annually
10 and published in the Pennsylvania Bulletin not later than
11 January 1, 2020, and each January 1 thereafter. The list shall
12 be made available on the Department of State's publicly
13 accessible Internet website and provided in hard copy in
14 campaign committee packets prepared by the department.

15 (1) This section shall apply to any contribution made for
16 the purpose of influencing an election to any public office in
17 this Commonwealth except Federal offices.

18 (m) For purposes of this section, any contribution made to a
19 candidate in a year other than the calendar year in which the
20 election is held with respect to which the contribution is made
21 shall be considered to be made during the calendar year in which
22 the election is held.

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

26 (o) A person who has a fiduciary contract for services with
27 the General Assembly may not engage in campaign finance activity
28 for candidates of the General Assembly, including making of
29 contributions, fundraising activities or involvement in
30 political action committees or candidate political committees.

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

5 (q) A violation of the contribution limits under this
6 section shall subject the violator to a fine equal to three
7 times the amount of money that exceeds the limits. The penalty
8 shall apply to both the person making the contribution and the
9 person receiving it.

10 (r) The Secretary of the Commonwealth shall biennially
11 adjust to the nearest one hundred dollars (\$100) the limits in
12 subsections (a), (b), (c), (d), (e), (f), (g) and (h) by the
13 percentage change in the Consumer Price Index and publish the
14 new amounts in the Pennsylvania Bulletin. For the purposes of
15 this subsection, "Consumer Price Index" means the Consumer Price
16 Index for all urban consumers that is published by the United
17 States Department of Labor, Bureau of Labor Statistics.

18 (s) The limitations imposed under this section may not apply
19 to contributions from a candidate's personal resources to a
20 candidate committee, political committee or political action
21 committee acting on behalf of the candidate, except that if the
22 contributions total one hundred thousand dollars (\$100,000) or
23 more, regardless of the time period over which the contributions
24 are made, the contribution limits under this section shall
25 quadruple.

26 Section 7. Section 1632(a) of the act is amended to read:

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

28 (a) A late filing fee for each report or statement of
29 expenditures and contributions which is not filed within the
30 prescribed period shall be imposed as follows. Such fee shall be

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

27 * * *

28 Section 8. Section 1633(a) of the act is amended and the
29 section is amended by adding a subsection to read:

30 Section 1633. Contributions or Expenditures by National

1 Banks, Corporations or Unincorporated Associations.--(a) It is
2 unlawful for any National or State bank, partnership or any
3 corporation, incorporated under the laws of this or any other
4 state or any foreign country or any unincorporated association,
5 except those corporations formed primarily for political
6 purposes or as a political committee, to make a contribution or
7 expenditure in connection with the election of any candidate or
8 for any political purpose whatever except in connection with any
9 question to be voted on by the electors of this Commonwealth.
10 Furthermore, it shall be unlawful for any candidate, political
11 committee, or other person to knowingly accept or receive any
12 contribution prohibited by this section, or for any officer or
13 any director of any corporation, bank, or any unincorporated
14 association to consent to any contribution or expenditure by the
15 corporation, bank or unincorporated association, as the case may
16 be, prohibited by this section. If any portion of this section
17 regarding bans on contributions or expenditures by national
18 banks, corporations or unincorporated associations is nullified
19 by a court decision, the contribution limits established for
20 individuals under section 1627.1 shall also be applied to the
21 entities currently covered under this section.

22 * * *

23 (e) (1) A foreign-influenced corporation may not make an
24 independent expenditure, an electioneering communication
25 expenditure or a contribution to an independent expenditure
26 political action committee.

27 (2) A corporation that makes an independent expenditure, an
28 electioneering communication expenditure or a contribution to an
29 independent expenditure political action committee shall, within
30 seven (7) business days after making the expenditure or

1 contribution, file with the Department of State a statement of
2 certification, signed by the chief executive officer under
3 penalty of perjury, avowing that, after due inquiry, the
4 corporation was not a foreign-influenced corporation on the date
5 the expenditure or contribution was made.

6 Section 9. Section 1638 of the act is amended by adding a
7 subsection to read:

8 Section 1638. Advertising.--

9 * * *

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

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

21 (2) The person making the independent expenditure or
22 electioneering communication under this section shall be
23 entitled to rely on the statement of certification provided by
24 the contributor unless the person has actual knowledge that the
25 certification is false.

26 Section 10. Section 1641(a) of the act is amended and the
27 section is amended by adding a subsection to read:

28 Section 1641. Reports by Business Entities; Publication by
29 Secretary of the Commonwealth.--

30 (a) Any business entity including but not limited to a

1 corporation, company, association, partnership or sole
2 proprietorship, which has been awarded [non-bid] contracts or
3 grants over fifty thousand dollars (\$50,000) from the
4 Commonwealth or its political subdivisions during the preceding
5 [calendar year] two-year period, shall report by February 15 of
6 each year to the Secretary of the Commonwealth a list including
7 the amount of the contract, description of the service provided
8 and location and an itemized list of all political contributions
9 known to the business entity by virtue of the knowledge
10 possessed by every officer, director, associate, partner,
11 limited partner or individual owner that has been made by:

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

16 (2) any employe or members of his immediate family whose
17 aggregate political [contribution] contributions exceeded one
18 thousand dollars (\$1,000) during the preceding year.

19 For the purposes of this subsection, "immediate family" [means a
20 person's spouse and any unemancipated child] shall have the same
21 meaning as in 65 Pa.C.S. § 13A03 (relating to definitions).

22 * * *

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

30 Section 11. The act is amended by adding sections to read:

1 Section 1643. Independent Expenditures.--

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

4 (b) The following shall apply to expenditures made for a
5 written, typed or other printed communication or an Internet-
6 based, written communication which promotes the success or
7 defeat of a candidate's campaign for nomination or election or
8 the adoption or defeat of a ballot question or solicits funds to
9 benefit a political committee:

10 (1) A person may not make, incur or contract for an
11 expenditure with the consent of, in coordination with or in
12 consultation with a candidate, candidate committee, political
13 committee or candidate's agent.

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

19 (c) Communications under subsection (b) shall contain the
20 following language:

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

23 (i) For an individual, the name and address of the
24 individual.

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

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

28 (iv) For a group of two or more individuals that received
29 funds or makes or incurs expenditures not exceeding one thousand
30 dollars (\$1,000) in the aggregate which have not formed a

1 political committee, the name of the group and the name and
2 address of its agent.

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

4 (i) For an individual, group or political committee other
5 than a candidate committee making or incurring an expenditure
6 with the consent of, in coordination with or in consultation
7 with a candidate committee or candidate's agent, the name of the
8 candidate.

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

10 (d) Independent expenditures:

11 (1) The following apply:

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

23 (ii) An entity which is a tax-exempt organization under
24 Chapter 1, Subchapter F of the Internal Revenue Code of 1986 (26
25 U.S.C. Chapter 1, Subchapter F), making or incurring an
26 independent expenditure under subparagraph (i), shall also bear
27 upon the face of the communication the words "Top Five
28 Contributors" followed by a list of the five persons making the
29 largest contributions to the organization during the twelve-
30 month period before the date of the communication.

1 (2) Disclosure requirements are as follows:

2 (i) In addition to the requirements of paragraph (1), a
3 person may not make or incur an independent expenditure for
4 television advertising, radio or Internet video advertising or
5 Internet radio advertising, that promotes the success or defeat
6 of a candidate for election or promotes or opposes a political
7 party or solicits funds to benefit a political party or
8 committee, unless at the end of the advertisement there appears
9 or includes simultaneously for a period of no less than four
10 seconds a clear identifiable audio, video, photographic or
11 similar image of the person's chief executive officer or
12 equivalent and a personal audio message, in the following form:

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

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

22 "The Top Five Contributors to the organization for this
23 advertisement are" followed by a list of the five persons
24 making the largest contributions to the organization during
25 the twelve-month period before the date of the communication.
26 Section 1644. Independent Expenditure Evaluation.--

27 (a) When the Bureau of Commissions, Elections and
28 Legislation audits and evaluates an expenditure that is included
29 in a report under section 1643 to determine whether the
30 expenditure is an independent expenditure, there shall be a

1 rebuttable presumption that the following expenditures are not
2 independent expenditures:

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

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

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

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

28 (5) An expenditure made by a person whose officer, director,
29 member, employe, fundraiser, consultant or other agent who
30 serves the person in an executive or policymaking position also

1 serves as or has served in the same election cycle as the
2 candidate or the campaign chairperson, campaign treasurer or
3 deputy treasurer of a candidate or political committee
4 benefiting from the expenditure, or in another executive or
5 policymaking position of the candidate or political committee.

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

7 (i) fundraising activities with or for a candidate or
8 political committee or a consultant or other agent acting on
9 behalf of a candidate or political committee; or

10 (ii) the solicitation or receipt of contributions on behalf
11 of a candidate or political committee or a consultant or other
12 agent acting on behalf of a candidate or political committee.

13 (7) An expenditure made by a person based on information
14 about a candidate's campaign plans, projects or needs, that is
15 directly or indirectly provided by a candidate, the candidate's
16 committee or a political committee or a consultant or other
17 agent acting on behalf of the candidate or political committee
18 to the person making the expenditure or the person's agent, with
19 an express or tacit understanding that the person is considering
20 making the expenditure.

21 (8) An expenditure made by a person for a communication that
22 clearly identifies a candidate or political committee during an
23 election campaign if the person making the expenditure, or the
24 person's agent, has informed the candidate who benefits from the
25 expenditure that the candidate or political committee or a
26 consultant or other agent acting on behalf of the benefiting
27 candidate or political committee concerning the communications
28 content, or of the intended audience, timing, location or mode
29 or frequency of the dissemination.

30 (9) An expenditure made by a person or an entity for

1 consultant or creative services, including services related to
2 communications strategy or design or campaign strategy, to be
3 used to promote or oppose a candidate's election to office if
4 the provision of these services is also providing consultant or
5 creative services to the candidate or to an opposing candidate
6 in the same election.

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

9 (1) an individual or a person paid by a candidate or a
10 candidate committee; and

11 (2) any consultant, printing firm, media production company,
12 Internet website director or webmaster, marketing firm,
13 advertising firm, filed organization firm or other company or
14 firm retained by a candidate or authorized by a candidate or a
15 candidate committee to act on the candidate's behalf.

16 Section 12. The act is amended by adding an article to read:

17 ARTICLE XVI-A

18 CORPORATE POLITICAL ACCOUNTABILITY

19 Section 1601-A. Definitions.

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

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

24 (1) The term includes:

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

29 (A) Contributions to or expenditures on behalf
30 of political candidates, political parties, political

1 committees and other entities organized and operating
2 under Chapter 1, Subchapter F of the Internal Revenue
3 Code of 1986 (26 U.S.C. Chapter 1, Subchapter F).

4 (B) Any portion of any dues or similar payments
5 made to any tax-exempt organization that is used for
6 an expenditure or contribution if, made directly by
7 the corporation would not be deductible under section
8 162(e)(1)(B) of the Internal Revenue Code of 1986.

9 (C) Any contribution or expenditure, as the
10 terms are defined in section 302 of the Federal
11 Election Campaign Act of 1971 (Public Law 92-225, 52
12 U.S.C. § 30101(8)(A)(9)(A)).

13 (D) Any contribution or expenditure defined
14 under this act.

15 (ii) Any direct or indirect payment, distribution,
16 loan, advance, deposit or gift of money, or any services,
17 or anything of value, except a loan of money by a
18 national or State bank made in accordance with the
19 applicable banking laws and regulations and in the
20 ordinary course of business, to any candidate, campaign
21 committee or political party or organization, in
22 connection with any election to any office.

23 (2) The term does not include:

24 (i) Communications by a corporation to its
25 stockholders and executive or administrative personnel
26 and their families or by a labor organization to its
27 members and their families on any subject.

28 (ii) Nonpartisan registration and get-out-the-vote
29 campaigns by a corporation aimed at its stockholders and
30 executive or administrative personnel and their families

1 or by a labor organization aimed at its members and their
2 families.

3 (iii) The establishment, administration and
4 solicitation of contributions to a separate segregated
5 fund to be utilized for political purposes by a
6 corporation, labor organization, membership organization,
7 cooperative or corporation without capital stock.

8 "Corporation." The term includes any company, trade or
9 professional union, not-for-profit association and incorporated
10 partnership organized as an incorporated entity under the laws
11 of any state.

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

13 "General treasury funds." Money in possession of a
14 corporation incorporated under the laws of this Commonwealth in
15 the normal course of business, including funds from sales,
16 accounts payable, loans, investments, bonds or debt instruments.

17 "Issue advocacy campaign." Contributions or expenditures for
18 any communication to the general public intended to encourage
19 the public to contact a government official regarding pending
20 legislation, public policy or a government rule or regulation.
21 The term does not include contributions or expenditures for
22 registered lobbyists or other persons employed by the
23 corporation to lobby directly Federal or State government
24 officials.

25 "Known at the time of the authorization vote." At the time
26 the corporation seeks authorization from shareholders to spend
27 corporate funds for political activities:

28 (1) the corporation's officers, directors or employees
29 have identified a specific political activity for the
30 corporation to support or oppose;

1 meeting of the shareholders of a corporation incorporated in
2 this Commonwealth, or a special meeting in lieu of the
3 meeting, if proxies are solicited in respect of any security
4 occurring on or after six months following the date on which
5 final regulations are published under subsection (d) shall
6 provide for a separate resolution subject to shareholder vote
7 to approve any spending of \$10,000 or more by the corporation
8 for any political activity.

9 (3) Notwithstanding the requirement for an annual
10 shareholder vote to authorize any spending of \$10,000 or more
11 by the corporation for any political activity, a corporation
12 may request authorization for spending on political
13 activities on a more frequent basis. Any authorization
14 request by the corporation that is not made during an annual
15 authorization shall be deemed a special authorization.

16 (4) If a corporation spends less than an aggregate of
17 \$10,000 in a 12-month period for political activities, it
18 shall not be required to seek shareholder authorization for
19 the spending.

20 (b) Shareholder approval.--

21 (1) When seeking shareholder authorization for
22 expenditures for political activities, the corporation shall
23 request the authority to spend a maximum dollar amount in the
24 next 12 months.

25 (2) If known at the time of the authorization vote, the
26 company shall articulate whether the corporate treasury funds
27 so authorized are intended to benefit or defeat specific
28 candidates, ballot measures or issue advocacy campaigns or
29 whether it will be paid to specific nonprofits or trade
30 associations for political activities. The following apply:

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

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

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

13 (A) all spending on political activities of
14 \$10,000 or more must be authorized by a shareholder
15 majority vote; and

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

23 (c) Director liability.--If a corporation makes an
24 unauthorized contribution or expenditure for a political
25 activity, the directors at the time that the unauthorized
26 contribution or expenditure was incurred are jointly and
27 severally liable to repay to the corporation the amount of the
28 unauthorized expenditure, with interest at the rate of 8% per
29 year.

30 (d) Rulemaking.--The department shall promulgate final

1 regulations to implement this section no later than six months
2 after the effective date of this section.

3 (e) Sole proprietorships excluded.--Notwithstanding any
4 other provision of this section, nothing in this section shall
5 apply a new duty to the owner of a sole proprietorship.

6 Section 1603-A. Notification to shareholders of corporate
7 political activities.

8 (a) Notification to shareholders.--

9 (1) At least quarterly during each fiscal year, a
10 corporation incorporated in this Commonwealth that makes
11 contributions or expenditures for political activities must
12 notify its shareholders and the department in writing of the
13 nature of all its political activities, funded by either its
14 separate segregated fund or through its general corporate
15 treasury, including contributions or expenditures made
16 directly or indirectly.

17 (2) A report made under this section shall include the
18 following:

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

20 (ii) The amount of the contributions or
21 expenditures.

22 (iii) The identity of the candidate, political
23 party, committee, electioneering communication, ballot
24 measure campaign or issue advocacy campaign.

25 (iv) If the contributions or expenditures were made
26 for or against a candidate, including an electioneering
27 communication as defined under Federal law, the office
28 sought by the candidate and the political party
29 affiliation of the candidate.

30 (v) If the contributions or expenditures were made

1 for or against a ballot measure, the purpose of the
2 measure and whether the contributions or expenditures
3 were made in support or opposition to the ballot measure.

4 (vi) If the contributions or expenditures were made
5 for or against an issue advocacy campaign, the nature of
6 the political issue and whether the contributions were
7 made in support or opposition to the political issue.

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

10 (b) Public disclosure.--

11 (1) The quarterly reports of political activities by a
12 corporation incorporated in this Commonwealth to shareholders
13 shall be public records.

14 (2) A copy of the reports filed under subsection (a)(1)
15 shall be:

16 (i) submitted to the department; and

17 (ii) posted for at least one year on the
18 corporation's publicly accessible Internet website, if
19 any.

20 Section 1604-A. Public disclosure of corporate political
21 activities by the department.

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

25 (b) Electronic form.--A quarterly report required to be
26 filed under this section shall be filed in electronic form using
27 filing software approved or developed by the department in
28 addition to filing in any other form that the department may
29 require by regulation and shall be published on the department's
30 publicly accessible Internet website.

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

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

7 (a) Audit.--On an annual basis, the Department of the
8 Auditor General shall audit the extent of compliance or
9 noncompliance with the requirements of this article by
10 corporations incorporated under the laws of this Commonwealth,
11 their management and shareholders, and the effectiveness of the
12 department in meeting the reporting and disclosure requirements
13 of this article.

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

18 Section 1606-A. Board approval for all corporate political
19 expenditures.

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

24 (1) by the vote of the board of directors of the
25 corporation or of the executive committee of the trade,
26 business or professional association at a regular or special
27 meeting of the board of directors or the executive committee;

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

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

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

8 Section 1607-A. Applicability to foreign corporations.

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

14 (1) the average of property, payroll and sales factors,
15 as defined in section 401 of the act of March 4, 1971 (P.L.6,
16 No.2), known as the Tax Reform Code of 1971, with respect to
17 the foreign corporation, is more than 50% during its latest
18 full-income year; and

19 (2) more than one-half of its outstanding voting
20 securities are held of record by persons having addresses in
21 this Commonwealth appearing on the books of the corporation
22 on the record date for the latest meeting of shareholders
23 held during its latest full-income year or, if no meeting was
24 held during that year, on the last day of the latest full-
25 income year.

26 (b) Determination.--

27 (1) The determination of the property, payroll and sales
28 factors under subsection (a) with respect to any parent
29 corporation shall be made on a consolidated basis, including
30 in a unitary computation, after elimination of intercompany

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

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

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

27 (4) A current list of beneficial owners of a foreign
28 corporation's securities provided to the corporation by one
29 or more nominee holders or agent thereof under the
30 requirements of 17 CFR 240.14b-1(b) (3) (relating to

1 obligation of registered brokers and dealers in connection
2 with the prompt forwarding of certain communications to
3 beneficial owners) or 240.14b-2(b) (3) (relating to obligation
4 of banks, associations and other entities that exercise
5 fiduciary powers in connection with the prompt forwarding of
6 certain communications to beneficial owners) promulgated
7 under the Securities Exchange Act of 1934 (Public Law 48-881,
8 15 U.S.C. § 78a et seq.) shall constitute an acceptable
9 certification with respect to beneficial owners for the
10 purposes of this subsection.

11 (c) Applicability.--This section shall not apply to any
12 corporation:

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

15 (2) With outstanding securities designated as qualified
16 for trading on the Nasdaq Global Market of the Nasdaq Stock
17 Market, or any successor to the Nasdaq Global Market of the
18 Nasdaq Stock Market.

19 (3) With all of its voting shares, other than directors'
20 qualifying shares, owned directly or indirectly by a
21 corporation not subject to this section.

22 (d) Liability.--If a party obtains a final determination by
23 a court of competent jurisdiction that a corporation failed to
24 provide to the party information required to be provided by this
25 article or provided the party information of the kind required
26 to be provided by this article that is incorrect, a court, in
27 its discretion, may include in its judgment recovery by the
28 party from the corporation of court costs and reasonable
29 attorney fees incurred in the legal proceeding to the extent the
30 court costs and reasonable attorney fees relate to obtaining the

1 final determination.

2 Section 13. The dollar figures contained in section 1627.1
3 of the act shall be adjusted biennially at a rate determined by
4 the Federal Election Commission as authorized under 11 CFR 110.
5 The Secretary of the Commonwealth shall certify the calculation
6 of the rate as determined by the Federal Election Commission and
7 shall transmit notice of the new dollar figures to the
8 Legislative Reference Bureau for publication in the Pennsylvania
9 Bulletin.

10 Section 14. The provisions of this act are severable. If any
11 provision of this act or its application to any person or
12 circumstance is held invalid, the invalidity shall not affect
13 other provisions or applications of this act which can be given
14 effect without the invalid provision or application.

15 Section 15. A comprehensive, fully searchable and user
16 friendly computerized database to track full implementation of
17 this act shall be made available to the public by the Department
18 of State through its publicly accessible Internet website on or
19 before December 31, 2020.

20 Section 16. This act shall take effect January 1, 2021.