

Campaign Finance Reform

Definitions

- Expands the definition of expenditure under the Election Code to include expenditures by political action committees and political party committees that are made directly and exclusively for the candidate's campaign and not for any personal purpose.
- provides for a definition for affiliated committee
- Personal Use is defined under this bill to include conferring a personal benefits including expenditures such as a home mortgage, home rent, utility payment, clothing purchase, non-campaign automobile expense, country club membership, vacation or trip of a non-campaign nature, household items, tuition payments, admission to sporting events, concert, theater or other form of entertainment not specifically and directly necessary for the campaign.
- In Kind Contributions is expanded to mean a contribution of goods, services, property or anything of value offered for free or less than fair market value. This shall not include accounting services rendered to or on behalf of the political committee of the political party, an authorized committee of the candidate or any other political committee. Contributions will include a gift, subscription, loan advance or deposit of money or anything of value to a candidate by an original source or a conduit if the intermediary or conduit exercise any direction over the making of the contribution or solicits the con

In-kind contributions are limited to:

- \$1,500.00 in aggregate contributions, per individual, for candidates for office of Senator or Representative for the General Assembly, common pleas court, county or local office or to the candidate's committee or agent for each election.
- \$5,000 in aggregate contributions, per individual, for candidates running for statewide office for each election.
- \$10,000, in aggregate contributions, from a single political action committee, or candidate's committee or agent to any candidate for Statewide office, Senate or Representative in the General Assembly, court of common pleas, or county or local office. This also includes contributions from a political party committee to a political action committee.

Cap on Total Contributions

- \$250,000 limit: a candidate or candidate's committee may not accept in excess of \$250,000 in aggregate contributions from all political party committees, affiliates or agents for the office of Senator or Representative of the General Assembly, judge of court of common pleas, county or local office.

- \$1,000,000 limit: A candidate or candidate's committee may not accept in excess of \$1,000,000 in aggregate contributions from all political party committees, affiliates or agents.
- \$5,000,000 limit: A governor's candidate or candidate's committee may not accept in excess of \$5,000,000 in aggregate contributions from all political party committees, affiliates or agents.

Aggregate contributions:

- \$1,500 aggregate contributions, including in-kind contributions, from any individual to any candidate for office in the General Assembly, court of common pleas, county or local office or to the candidates committee or agent
- \$5,000 aggregate contributions, including in-kind contributions, from any individual to any candidate for Statewide office, his authorized committee or agent.
- \$10,000 aggregate contributions, including in-kind contributions, from a single political action committee, its affiliate or agent or candidate's political committee, its affiliate or agent to any candidate for Statewide office, the General Assembly, court of common pleas or a county or local office, his authorized committee or agent.
- Committee to committee contributions may not exceed \$5,000 per election.
- Maximum \$250,000 in aggregate contributions from committees for office in the General Assembly, court of common pleas or a county or local office.
- Maximum \$1,000,000 in aggregate contributions from committees for Statewide office.
- Maximum of \$5,000,000 in aggregate contributions from committees for governor candidate.
- Maximum \$10,000 per calendar year from individual, candidate's political committee, its affiliate or agent or a single political action committee to a single political party committee.
- \$25,000 maximum an individual may make to all candidates and committees per calendar year.
- \$100,000 maximum political action committee to candidates and committees in aggregate per calendar year.
- Limits contributions from out of state political action committees to registered PAC's with the Commonwealth's Department of State who have affirmed that the contributor will comply with the contribution, expenditure and reporting requirements of the act.
- No person who has a fiduciary contract for services with the General Assembly may engage in campaign finance activity for candidates of the General Assembly ~ including but not limited to making of contributions, fund raising activities, or involvement in political action committees or candidate political committees.
- A penalty provision for violations of the contribution limits is a fine equal to three times the amount of money which exceeded the limits.

Out of State Contributions:

- No out of state contributions may be accepted by a candidate or their committee from a political action committee if the home state of the political action committee's home state has less restrictive disclosure laws than the Commonwealth. The Department of State

shall annually publish a list and certify those states that have less restrictive disclosure laws than this Commonwealth. The list shall be published no later than January 1, 2011 and each January 1st thereafter.

- Out of state contributions from an out of state political action committee MAY be accepted if the committee is REGISTERED in this Commonwealth with the Department of State.

Contributions by Persons Who have a Contract with the General Assembly

- No person who has a fiduciary contract for services with the General Assembly may engage in campaign finance activity for a candidate of the General Assembly. Such activity shall include making contributions, fund raising activities or involvement in political action committees or candidate political committees.

Filing and Report Requirements

- Any business entity that is awarded a contract or grants for more than \$50,000 from the Commonwealth, during the preceding two year period, shall report by February 15th, of each year, a list of the contracts, description of the service provided and location, and an itemized list of all political contributions known by the business entity that were made by every office, director, associate, partner, limited partner or individual owner of the business.
- A candidate must have fulfilled all of their filing and disclosure requirements from prior campaign activity before they can obtain a place on the ballot.
- Reports by Candidates or Political Committees shall include information, including the specific occupation of individuals who make a contribution in excess of \$100.00. Currently the amount is \$250.00.
- If a candidate does not have \$250.00 in receipts or expenditures then they may comply with the election code by filing an affidavit to that effect on their political committee's report or statement.
- To address credit cards obtained for purposes of campaign expenses, require Candidates or Political Committees to file a copy of the monthly credit card statements supporting reported expenditures.
- Provide for penalties and a requestor's ability to challenge a Candidates' or Political Committees' failure to provide public access to its campaign's vouchers before the Department of State – the documents describing their campaign expenses. Currently, vouchers must be made publicly available for inspection and copying under law, but the Department of State has no clear authority to enforce this requirement if a requestor is wrongfully denied. This will:
 - Allow a requestor to file a challenge for a Candidate's or Political Committee's failure to make the vouchers available for public inspection at the Department of State.

- Empower the Department of State to make a determination and enforce a wrongful denial through penalties.
- Provide the requestor with an option to appeal to the court of common pleas.

Local Campaign Finance Laws

- The bill does not prohibit local municipalities, including the city of the first class from instituting lower limitations on contributions to candidates for local offices.

Independent Expenditures

- Require corporations and labor unions that make independent expenditures for electioneering materials or contributions to other independent entities such as 527 groups to file expenditure reports with the Department of State when they spend more than \$1000 for such purposes. This reporting will be done on the same schedule required of candidate committees.
- Insure that such expenditures are truly independent and not part of any coordinated effort with any candidate or political party. The independent expenditure report would include an affirmation that all expenditures were made independent of any coordination with any candidate or political party. There would be a rebuttable presumption that the independent expenditure is coordinated if the expenditure is made by an individual or entity:
 - In consultation, in concert with or at the request or suggestion of a candidate, candidate committee, PAC or party committee or with an agent acting on behalf of a candidate or committee.
 - For broadcast, written or other forms of political advertisement or communications that are prepared by a candidate committee, PAC or party committee or a consultant acting on behalf of a candidate or committee.
 - Based on information about a candidate or committees needs provided by a candidate or committee or a consultant or other agent acting on behalf of a candidate or committee with the intent that the expenditure be made.
 - By a person who is serving or has served as the campaign chairperson, campaign treasurer or deputy treasurer of a candidate committee, political committee or party committee which benefits from such expenditure.
 - For the purposes of fundraising activities with or for a candidate, candidate committee, political committee or party committee or a consultant or other agent acting on behalf of a candidate or committee for the solicitation or receipt of contributions on behalf of the candidate or committee.
 - Based on the plans, projects or needs of a candidate that is directly or indirectly provided the candidate, candidates committee, political action committee or party committee.
 - For consultant or creative services on behalf of the candidate or committee
- Require entities that make Independent Expenditures to “Claim Their Ad.” Ads made with independent expenditures including broadcast and written communications as well

as campaign materials must include “Paid for by” including the name of the CEO and the businesses principle place of business address so that viewers of the ad may know its source. Such materials must also include a line that the message was made independent of any candidate or political party. Broadcast messages would also be required to include audio of the CEO or equivalent officer that they endorse the content of the message.

- Require that corporations establish special segregated funds through shareholder approval from which independent electioneering expenditures may be made and monitored by shareholders through quarterly reporting by officers, directors and employees of the corporation.
- Require full disclosure to the shareholders by officers, directors and employees by to require that the shareholders of a corporation have been informed by the corporations officers, directors, or employees have identified a specific political activity for the corporation to support or oppose and that they have ten steps to obligate funds or a political activity at the time of any authorization vote by the shareholders.

Foreign Influence in Elections

- Closes the foreign influence loophole under federal law by prohibiting any corporation with a foreign owner holding at least 5% ownership, or foreign owners holding 20% ownership in the aggregate, from making independent expenditures, electioneering communication expenditures or contributions to political committees that make only independent expenditures (“super PACs”) for purposes of spending state and local elections in the Commonwealth.