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3 SENATE C&E COMMITTEE SUBSTITUTE FOR SB167
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8 SYNOPSIS: Under existing law, a political action
9 committee may make a contribution to another
10 political action committee.

11 This bill would provide further for
12 definition of political action committee and would
13 prohibit transfers between political action
14 committees.
15

16 A BILL
17 TO BE ENTITLED
18 AN ACT
19

20 To amend Sections 17-5-2, 17-5-7, and 17-5-15, Code
21 of Alabama 1975, relating to campaign contributions, to
22 prohibit transfers between political action committees.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Sections 17-5-2, 17-5-7, and 17-5-15,
25 Code of Alabama 1975, are amended to read as follows:

26 "§17-5-2.

1 "(a) For purposes of this chapter, the following
2 terms shall have the following meanings:

3 "(1) CANDIDATE. An individual who has done any of
4 the following:

5 "a. Taken the action necessary under the laws of the
6 state to qualify himself or herself for nomination or for
7 election to any state office or local office or in the case of
8 an independent seeking ballot access, on the date when he or
9 she files a petition with the judge of probate in the case of
10 county offices, with the appropriate qualifying municipal
11 official in the case of municipal offices, or the Secretary of
12 State in all other cases.

13 "b. Received contributions or made expenditures, or
14 given his or her consent for any other person or persons to
15 receive contributions or make expenditures, with a view to
16 bringing about his or her nomination or election to any state
17 office or local office. Notwithstanding the foregoing, no
18 person shall be considered a candidate within the meaning of
19 this subdivision until the time that he or she has either
20 received contributions or made expenditures as provided herein
21 in the following amounts:

22 "1. Twenty-five thousand dollars (\$25,000) or more,
23 with a view toward bringing about nomination or election to
24 any state office other than one filled by election of the
25 registered voters of any circuit or district within the state.

1 "2. Five thousand dollars (\$5,000) or more, with a
2 view toward bringing about nomination or election to any state
3 office, excluding legislative office, filled by election of
4 the registered voters of any circuit or district.

5 "3. Ten thousand dollars (\$10,000) or more, with a
6 view toward bringing about nomination or election to the
7 Alabama Senate and five thousand dollars (\$5,000) or more,
8 with a view toward bringing about nomination or election to
9 the Alabama House of Representatives.

10 "4. One thousand dollars (\$1,000) or more, with a
11 view toward bringing about nomination or election to any local
12 office.

13 "(2) CONTRIBUTION.

14 "a. Any of the following shall be considered a
15 contribution:

16 "1. A gift, subscription, loan, advance, deposit of
17 money or anything of value, a payment, a forgiveness of a
18 loan, or payment of a third party, made for the purpose of
19 influencing the result of an election.

20 "2. A contract or agreement to make a gift,
21 subscription, loan, advance, or deposit of money or anything
22 of value for the purpose of influencing the result of an
23 election.

24 "3. Any transfer of anything of value received by a
25 political committee from another political committee,
26 political party, or other source.

1 "4. The payment of compensation by any person for
2 the personal services or expenses of any other person if the
3 services are rendered or expenses incurred on behalf of a
4 candidate, political committee, or political party without
5 payment of full and adequate compensation by the candidate,
6 political committee, or political party. Provided, however,
7 that the payment of compensation by a corporation for the
8 purpose of establishing, administering, or soliciting
9 voluntary contributions to a separate, segregated fund as
10 permitted by Section 10-1-2, shall not constitute a
11 contribution.

12 "b. The term "contribution" does not include:

13 "1. The value of services provided without
14 compensation by individuals who volunteer a portion or all of
15 their time on behalf of a candidate or political committee.

16 "2. The use of real or personal property and the
17 cost of invitations, food, or beverages, voluntarily provided
18 by an individual to a candidate or political committee in
19 rendering voluntary personal services on the individual's
20 residential or business premises for election-related
21 activities.

22 "3. The sale of any food or beverage by a vendor for
23 use in an election campaign at a charge to a candidate or
24 political committee less than the normal comparable charge, if
25 the charge to the political committee for use in an election

1 campaign is at least equal to the cost of the food or beverage
2 to the vendor.

3 "4. Any unreimbursed payment for travel expenses
4 made by an individual who, on his or her own behalf,
5 volunteers personal services to a candidate or political
6 committee.

7 "5. The payment by a state or local committee of a
8 political party of the cost of preparation, display, or
9 mailing or other distribution incurred by the committee with
10 respect to a printed slate card or sample ballot, or other
11 printed listing of two or more candidates for any public
12 office for which an election is held in the state, except that
13 this subparagraph shall not apply in the case of costs
14 incurred by the committee with respect to a display of the
15 listing made on broadcasting stations, or in newspapers,
16 magazines, or other similar types of general public political
17 advertising.

18 "6. The value or cost of polling data and voter
19 preference data and information if provided to a candidate or
20 political committee, unless the information was compiled with
21 the advance knowledge of and approval of the candidate or the
22 political committee.

23 "(3) ELECTION. Unless otherwise specified, any
24 general, special, primary, or runoff election, or any
25 convention or caucus of a political party held to nominate a

1 candidate, or any election at which a constitutional amendment
2 or other proposition is submitted to the popular vote.

3 "(4) EXPENDITURE.

4 "a. The following shall be considered expenditures:

5 "1. A purchase, payment, distribution, loan,
6 advance, deposit, or gift of money or anything of value made
7 for the purpose of influencing the result of an election.

8 "2. A contract or agreement to make any purchase,
9 payment, distribution, loan, advance, deposit, or gift of
10 money or anything of value, for the purpose of influencing the
11 result of an election.

12 "3. The transfer, gift, or contribution of funds of
13 a political committee to another political committee.

14 "b. The term "expenditure" does not include:

15 "1. Any news story, commentary, or editorial
16 prepared by and distributed through the facilities of any
17 broadcasting station, newspaper, magazine, or other periodical
18 publication, unless the facilities are owned or controlled by
19 any political party or political committee.

20 "2. Nonpartisan activity designed to encourage
21 individuals to register to vote, or to vote.

22 "3. Any communication by any membership organization
23 to its members or by a corporation to its stockholders and
24 employees if the membership organization or corporation is not
25 organized primarily for the purpose of influencing the result
26 of an election.

1 "4. The use of real or personal property and the
2 cost of invitations, food, or beverages, voluntarily provided
3 by an individual in rendering voluntary personal services on
4 the individual's residential or business premises for
5 election-related activities.

6 "5. Any unreimbursed payment for travel expenses
7 made by an individual who, on his or her own behalf,
8 volunteers personal services to a candidate or political
9 committee.

10 "6. Any communication by any person which is not
11 made for the purposes of influencing the result of an
12 election.

13 "7. The payment by a state or local committee of a
14 political party of the cost of preparation, display, or
15 mailing or other distribution incurred by the committee with
16 respect to a printed slate card or sample ballot, or other
17 printed listing of two or more candidates for any public
18 office for which an election is held in the state, except that
19 this subparagraph shall not apply in the case of costs
20 incurred by the committee with respect to a display of the
21 listing made on broadcasting stations, or in newspapers,
22 magazines, or other similar types of general public political
23 advertising.

24 "(5) IDENTIFICATION. The full name and complete
25 address.

1 "(6) LOAN. A transfer of money, property, or
2 anything of value in consideration of a promise or obligation,
3 conditional or not, to repay in whole or part.

4 "(7) LOCAL OFFICE. Any office under the constitution
5 and laws of the state, except circuit, district, or
6 legislative offices, filled by election of the registered
7 voters of a single county or municipality, or by the voters of
8 a division contained within a county or municipality.

9 "(8) PERSON. An individual, partnership, committee,
10 association, corporation, labor organization, or any other
11 organization or group of persons.

12 "(9) PERSONAL AND LEGISLATIVE LIVING EXPENSES.
13 Household supplies, personal clothing, tuition payments,
14 mortgage, rent, or utility payments for a personal residence;
15 admission to an entertainment event or fees for a country club
16 or social club, unless tied to a specific campaign event or
17 functions involving constituents; and any other expense,
18 excluding food and beverages, that would exist irrespective of
19 the candidate's campaign or duties as a legislator. Personal
20 and legislative living expenses shall not include expenses for
21 food, beverages, travel, or communications incurred by the
22 legislator in the performance of the office held.

23 "(10) POLITICAL ACTION COMMITTEE. ~~Any political~~
24 ~~action committee, club, association, political party, or other~~
25 ~~group of one or more persons which receives or anticipates~~
26 ~~receiving contributions or makes or anticipates making~~

1 ~~expenditures to or on behalf of any elected official,~~
2 ~~proposition, candidate, principal campaign committee or other~~
3 ~~political action committee. For the purposes of this chapter,~~
4 ~~an individual who makes a personal political contribution~~
5 ~~shall not be considered a political action committee. Any~~
6 ~~committee or political committee including, but not limited~~
7 ~~to, those committees referenced in Section 17-5-3, which~~
8 ~~receives contributions or makes expenditures to any principal~~
9 ~~campaign committee, candidate, or proposition. A principal~~
10 ~~campaign committee, a political party, as defined in Section~~
11 ~~17-13-40, or a legislative caucus is not a political action~~
12 ~~committee. A club, organization, association, or group whose~~
13 ~~primary purpose is not to receive contributions or make~~
14 ~~expenditures to a principal campaign committee, candidate, or~~
15 ~~proposition is not a political action committee so long as the~~
16 ~~club, organization, association, or group does not make a~~
17 ~~contribution to a political action committee, a principal~~
18 ~~campaign committee, or a candidate.~~

19 "(11) PRINCIPAL CAMPAIGN COMMITTEE. The principal
20 campaign committee designated by a candidate under Section
21 17-5-4. A ~~political action~~ committee established primarily to
22 benefit an individual candidate or an individual elected
23 official shall be considered a principal campaign committee
24 for purposes of this chapter.

1 "(12) PROPOSITION. Any proposal for submission to
2 the general public for its approval or rejection, including
3 proposed as well as qualified ballot questions.

4 "(13) PUBLIC OFFICIAL. Any person elected to public
5 office, whether or not that person has taken office, by the
6 vote of the people at the state, county, or municipal level of
7 government or their instrumentalities, including governmental
8 corporations, and any person appointed to a position at the
9 state, county, or municipal level of government or their
10 instrumentalities, including governmental corporations. For
11 purposes of this chapter, a public official includes the
12 chairs and vice chairs or the equivalent offices of each state
13 political party as defined in Section 17-13-40.

14 "(14) STATE. The State of Alabama.

15 "(15) STATE OFFICE. All offices under the
16 constitution and laws of the state filled by election of the
17 registered voters of the state or of any circuit or district
18 and shall include legislative offices.

19 "(b) The words and terms used in this chapter shall
20 have the same meanings respectively ascribed to them in
21 Section 36-25-1.

22 "§17-5-7.

23 "(a) A candidate, public official, or principal
24 campaign committee as defined in this chapter, may only use
25 campaign contributions, and any proceeds from investing the
26 contributions that are in excess of any amount necessary to

1 defray expenditures of the candidate, public official, or
2 principal campaign committee, for the following purposes:

3 "(1) Necessary and ordinary expenditures of the
4 campaign.

5 "(2) Expenditures that are reasonably related to
6 performing the duties of the office held. For purposes of this
7 section, expenditures that are reasonably related to
8 performing the duties of the office held do not include
9 personal and legislative living expenses, as defined in this
10 chapter.

11 "(3) Donations to the State General Fund, the
12 Education Trust Fund, or equivalent county or municipal funds.
13 Donations to an organization to which a federal income tax
14 deduction is permitted under subparagraph (A) of paragraph (1)
15 of subsection (b) of Section 170 of the Internal Revenue Code
16 of 1986, as amended, or any other charitable, educational, or
17 eleemosynary cause of Section 501 of Title 26 of the U. S.
18 Code.

19 "(4) Transfers to another ~~political~~ principal
20 campaign committee as defined in this chapter, political party
21 as defined in Section 17-13-40, or legislative caucus.

22 "(5) Inaugural or transitional expenses.

23 "(b) Notwithstanding any other provision of law,
24 including, but not limited to, Section 13A-10-61, a candidate,
25 public official, or principal campaign committee may only
26 accept, solicit, or receive contributions:

1 "(1) To influence the outcome of an election.

2 "(2) For a period of 12 months before an election in
3 which the person intends to be a candidate. Provided, however,
4 candidates for state office and their principal campaign
5 committees may not accept, solicit, or receive contributions
6 during the period when the Legislature is convened in session.
7 For purposes of this section, the Legislature is convened in
8 session at any time from the opening day of the special or
9 regular session and continued through the day of adjournment
10 sine die for that session. However, this subdivision shall not
11 apply within 120 days of any primary, runoff, or general
12 election, and shall not apply to the candidates or their
13 principal campaign committees participating in any special
14 election as called by the Governor. This subdivision shall not
15 apply to a loan from a candidate to his or her own principal
16 campaign committee.

17 "(3) For a period of 120 days after the election in
18 which the person was a candidate, but only to the extent of
19 any campaign debt of the candidate or principal campaign
20 committee of the candidate as indicated on the campaign
21 financial disclosure form or to the extent of reaching the
22 threshold that is required for qualification as a candidate
23 for the office which he or she currently holds, or both.

24 "(4) For the purpose of paying all expenses
25 associated with an election challenge including, but not
26 limited to, quo warranto challenges.

1 "(c) Notwithstanding any other provision of law,
2 including, but not limited to, Section 13A-10-61, a candidate,
3 public official, or principal campaign committee shall not
4 accept, solicit, or receive contributions for any of the
5 following reasons:

6 "(1) As a bribe, as defined by Sections 13A-10-60 to
7 13A-10-63, inclusive.

8 "(2) For the intention of corruptly influencing the
9 official actions of the public official or candidate for
10 public office.

11 "§17-5-15.

12 "(a) It shall be unlawful for any person to make a
13 contribution in the name of another person, or knowingly
14 permit his or her name to be used to effect such a
15 contribution made by one person in the name of another person,
16 or for any candidate, principal campaign committee, or
17 political action committee to knowingly accept a contribution
18 made by one person in the name of another person; ~~provided,~~
19 ~~however, that nothing in this chapter would prohibit any~~
20 ~~person from soliciting and receiving contributions from other~~
21 ~~persons for the purpose of making expenditures to a candidate,~~
22 ~~political campaign committee, political action committee, or~~
23 ~~elected state or local official required to file reports~~
24 ~~pursuant to Section 17-5-8.~~

1 "(b) It shall be unlawful for any political action
2 committee to make a contribution to any other political action
3 committee."

4 Section 2. This act shall become effective January
5 1, 2009, following its passage and approval by the Governor,
6 or its otherwise becoming law.