

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1980 Session of 2015

INTRODUCED BY DERMODY, HANNA, GOODMAN, CARROLL, YOUNGBLOOD, FRANKEL, MARKOSEK, D. COSTA, PETRARCA, KIM, DeLUCA, DEAN, FREEMAN, PASHINSKI, SCHLOSSBERG, GERGELY, O'BRIEN, MULLERY, D. MILLER, LONGIETTI, SANTARSIERO, DRISCOLL, CONKLIN AND KAVULICH, APRIL 11, 2016

REFERRED TO COMMITTEE ON STATE GOVERNMENT, APRIL 11, 2016

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; in primary  
 16 and election expenses, providing for limitations on  
 17 contributions; in primary and election expenses, further  
 18 providing for late filing fees and certificates of filing,  
 19 for contributions or expenditures by national banks,  
 20 corporations or unincorporated associations and for reports  
 21 by business entities and publication; in primary and election  
 22 expenses, providing for independent expenditures; and  
 23 providing for corporate political 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 unlimited monetary support for elected government officials  
5 or candidates who are seeking governmental offices, there  
6 arises the appearance of corruption.

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

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

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

19 \* \* \*

20 (i) To biennially adjust the limitations on contributions  
21 under section 1627.1(r).

22 Section 3. Section 1621(d) of the act, added October 4, 1978  
23 (P.L.893, No.171), is amended and the section is amended by  
24 adding subsections to read:

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

27 \* \* \*

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

29 (1) The payment, distribution, loan or advancement of money  
30 or any valuable thing by a candidate, candidate committee,

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

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

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

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

21 \* \* \*

22 (n) The words "affiliate" or "affiliated committee" shall  
23 include:

24 (1) Any committee established or authorized by a candidate  
25 as part of his or her campaign for a specific campaign for a  
26 designated office.

27 (2) Any committee established, financed, maintained or  
28 controlled by the same corporation, labor organization,  
29 membership association, not-for-profit organization or trade or  
30 professional association, person or group of persons, including

1 any parent, subsidiary, branch, division, department or local  
2 unit thereof. Local units may include, in appropriate cases, a  
3 franchisee, licensee or regional association.

4 (o) The words "in-kind contribution" shall mean a  
5 contribution of goods, services, property or any valuable thing  
6 offered free or at less than the fair market value for such  
7 goods, property or services, but shall not include any legal or  
8 accounting services rendered to or on behalf of any political  
9 committee of a political party, an authorized committee of a  
10 candidate or any other political committee, if such services are  
11 solely for the purpose of ensuring compliance with this article.  
12 Such legal or accounting services, however, shall be reported  
13 pursuant to section 1631.

14 (p) The words "personal purpose" mean a purpose that, by its  
15 nature, confers a personal benefit, including expenditures such  
16 as a home mortgage, home rent, utility payment, clothing  
17 purchase, noncampaign automobile expense, country club  
18 membership, vacation or a trip of a noncampaign nature,  
19 household food items, tuition payments, admission to a sporting  
20 event, concert, theater or other form of entertainment and other  
21 such expenditures not specifically and directly necessary for  
22 the conduct of the campaign.

23 (q) The words "clearly identified" are satisfied if:  
24 (1) the name of the candidate appears;  
25 (2) a photograph, drawing or other image of the candidate  
26 appears; or  
27 (3) the identity of the candidate or ballot question is  
28 apparent by unambiguous reference.

29 (r) The word "person" shall include any corporation,  
30 partnership, limited liability company, business trust, other

1 association, government entity, other than the Commonwealth,  
2 estate, trust, foundation or natural person.

3 Section 4. Section 1622 of the act, amended or added October  
4 4, 1978 (P.L.893, No.171) and July 11, 1980 (P.L.591, No.127),  
5 is amended to 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 5. Section 1624 of the act, added October 4, 1978  
13 (P.L.893, No.171), is amended to read:

14 Section 1624. Registration.--

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

23 (b) Each registration statement shall contain the following  
24 information:

25 (1) The name, addresses and phone numbers of the political  
26 committee.

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

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

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

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

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

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

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

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

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

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

23 Section 6. Section 1626(a), (b), (d) and (g) of the act,  
24 amended or added October 4, 1978 (P.L.893, No.171) and July 11,  
25 1980 (P.L.600, No.128), are amended and the section is amended  
26 by adding a subsection to read:

27 Section 1626. Reporting by Candidate and Political  
28 Committees and other Persons.--

29 (a) Each treasurer of a political committee and each  
30 candidate for election to public office shall file with the

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

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

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

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



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

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

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

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

23 (7) Identification of political committees:

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

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

1 (iii) The official committee registration number shall be  
2 included on each entry for that committee on a candidate's  
3 disclosure report.

4 \* \* \*

5 (d) Pre-election reports by candidates for offices to be  
6 voted for by the electors of the State at large, candidates for  
7 the office of Senator in the General Assembly, candidates for  
8 the office of Representative in the General Assembly and all  
9 political committees, which have expended money for the purpose  
10 of influencing the election of such [candidate] candidates,  
11 shall be filed not later than the sixth Tuesday before and the  
12 second Friday before an election, provided that the initial pre-  
13 election report shall be complete as of fifty (50) days prior to  
14 the election and the subsequent pre-election report shall be  
15 complete as of fifteen (15) days prior to the election. Pre-  
16 election reports by all other candidates and political  
17 committees which have received contributions or made  
18 expenditures for the purpose of influencing an election shall be  
19 filed not later than the second Friday before an election,  
20 provided that such report be complete as of fifteen (15) days  
21 prior to the election.

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

30 \* \* \*

1 (g) [Every] Except as provided under section 1644, every  
2 person, other than a political committee or candidate, who makes  
3 independent expenditures expressly advocating the election or  
4 defeat of a clearly identified candidate, or question appearing  
5 on the ballot, other than by contribution to a political  
6 committee or candidate, in an aggregate amount in excess of [one  
7 hundred dollars (\$100)] one thousand dollars (\$1,000) during a  
8 calendar year shall file with the appropriate supervisor, on a  
9 form prepared by the Secretary of the Commonwealth, a report  
10 which shall include the same information required of a candidate  
11 or political committee receiving such a contribution and,  
12 additionally, the name of the candidate or question supported or  
13 opposed. Reports required by this subsection shall be filed on  
14 dates on which reports by political committees making  
15 expenditures are required to report under this section.

16 \* \* \*

17 Section 7. The act is amended by adding a section to read:

18 Section 1627.1. Limitations on Certain Contributions.--

19 (a) Aggregate contributions, including in-kind

20 contributions, from any individual to any candidate for the

21 office of Senator or Representative in the General Assembly,

22 court of common pleas or a county or local office, or to the

23 candidate's committee or agent, may not exceed one thousand five

24 hundred dollars (\$1,500) for each election. Furthermore, for

25 each election, a candidate and the candidate's committee or

26 agent may not accept or receive more than one thousand five

27 hundred dollars (\$1,500) in aggregate contributions, including

28 in-kind contributions from any individual for each election.

29 (b) Aggregate contributions, including in-kind

30 contributions, from any individual to any candidate for

1 Statewide office, his authorized committee or agent, may not  
2 exceed five thousand dollars (\$5,000) for each election.  
3 Furthermore, for each election, no candidate, his authorized  
4 committee or agent may accept or receive more than five thousand  
5 dollars (\$5,000) in aggregate contributions, including in-kind  
6 contributions from any individual for each election.

7 (c) For each election aggregate contributions, including in-  
8 kind contributions, from a single political action committee,  
9 its affiliate or agent or candidate's political committee, its  
10 affiliate or agent to any candidate for Statewide office, the  
11 office of Senator or Representative in the General Assembly,  
12 court of common pleas or a county or local office, his  
13 authorized committee or agent, may not exceed ten thousand  
14 dollars (\$10,000). For each election, no candidate for such  
15 office, nor the candidate's committee or agent, may accept or  
16 receive more than the applicable amount or amounts as specified  
17 in this subsection in aggregate contributions, including in-kind  
18 contributions, from a single political action committee or agent  
19 or candidate's political committee. A donor is an individual or  
20 a single committee regardless of the number of contributions  
21 made by that individual or committee during the election cycle.

22 (d) Contributions from political party committees to a  
23 political action committee, other party committee or other  
24 committee may not exceed ten thousand dollars (\$10,000) for each  
25 election.

26 (e) A candidate for the office of Senator or Representative  
27 in the General Assembly, judge of a court of common pleas or a  
28 county or local office, or the candidate's committee or agent  
29 may not accept in excess of two hundred and fifty thousand  
30 dollars (\$250,000) in aggregate contributions, including in-kind

1 contributions from all political party committees, affiliates or  
2 agents. Such contributions, in the aggregate, received by a  
3 candidate, may not exceed the aggregate contributions made by  
4 individuals per election.

5 (f) Except for a candidate for the office of Governor, a  
6 candidate for Statewide office, his authorized committee or  
7 agent may not accept in excess of one million dollars  
8 (\$1,000,000) in aggregate contributions, including in-kind  
9 contributions from all political party committees, affiliates or  
10 agents. A candidate for Governor, his authorized committee or  
11 agent may not accept in excess of five million dollars  
12 (\$5,000,000) in aggregate contributions, including in-kind  
13 contributions from all political party committees, affiliates or  
14 agents. Furthermore, such contributions in aggregate received by  
15 a candidate may not exceed the aggregate contributions made by  
16 individuals per election.

17 (g) Aggregate contributions, including in-kind  
18 contributions, from any person or a single political action  
19 committee, its affiliate or agent or any single candidate's  
20 political committee, its affiliate or agent to a single  
21 political action committee, its affiliate or agent, may not  
22 exceed ten thousand dollars (\$10,000) during any calendar year.  
23 Furthermore, for each election, no political action committee,  
24 its affiliate or agent may accept or receive more than ten  
25 thousand dollars (\$10,000) in aggregate contributions, including  
26 in-kind contributions, from any individual person or a single  
27 political action committee, its affiliate or agent during any  
28 calendar year.

29 (h) Aggregate contributions from any individual, person or a  
30 single candidate's political committee, its affiliate or agent

1 or a single political action committee, its affiliate or agent  
2 or any other political committee to a single political party  
3 committee may not exceed twenty-five thousand dollars (\$25,000)  
4 in a calendar year. Furthermore, no single political party  
5 committee may accept or receive more than twenty-five thousand  
6 dollars (\$25,000) in aggregate contributions from any  
7 individual, person, single candidate's political committee or  
8 agent or a single political action committee, its affiliate or  
9 agent, any political committee or other committee in a calendar  
10 year.

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

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

17 (2) solicits the contribution or arranges for the  
18 contribution to be made and directly or indirectly makes the  
19 candidate aware of such intermediary or conduit's role in  
20 soliciting or arranging the contribution for the candidate.

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

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

27 (2) In the case of an individual, the candidate has  
28 expressly authorized the intermediary or conduit to engage in  
29 fundraising, or the individual occupies a position within the  
30 candidate's campaign organization and is authorized by the

1 organization to engage in fundraising.

2 (3) In the case of a political committee, the intermediary  
3 or conduit is the authorized committee of the candidate.

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

5 (1) No candidate, candidate committee, party committee,  
6 political action committee or political committee may accept a  
7 campaign contribution from an out-of-State political action  
8 committee if the political action committee's home state has  
9 less restrictive disclosure laws than this Commonwealth, except  
10 as provided under paragraph (2).

11 (2) A candidate, candidate committee, party committee,  
12 political action committee or political committee may accept a  
13 campaign contribution from an out-of-State political action  
14 committee if that political action committee is registered in  
15 this Commonwealth with the Department of State and, by such  
16 registration, has affirmed that the contributor will comply with  
17 the contribution, expenditure and reporting requirements of this  
18 act, as well as the regulations relating to contributions,  
19 expenditures and reporting promulgated under this act by the  
20 Department of State and the State Ethics Commission.

21 (3) The Secretary of the Commonwealth shall list and certify  
22 those states that have less restrictive disclosure laws than  
23 this Commonwealth. The list shall be compiled and updated  
24 annually and published in the Pennsylvania Bulletin not later  
25 than January 1, 2014, and each January 1 thereafter. The list  
26 shall be made available on the Department of State Internet  
27 website and provided in hard copy in campaign committee packets  
28 prepared by the department.

29 (1) The provisions of this section are applicable to any  
30 contribution made for the purpose of influencing an election to

1 any public office in this Commonwealth except Federal offices.

2 (m) For purposes of this section, any contribution made to a  
3 candidate in a year other than the calendar year in which the  
4 election is held with respect to which such contribution is made  
5 is considered to be made during the calendar year in which the  
6 election is held.

7 (n) For purposes of this section, contribution limits shall  
8 apply to each election separately, whether a primary, special,  
9 municipal or general election, unless an annual limit or other  
10 limit is specified.

11 (o) No person who has a fiduciary contract for services with  
12 the General Assembly may engage in campaign finance activity for  
13 candidates of the General Assembly, including, but not limited  
14 to, making of contributions, fundraising activities or  
15 involvement in political action committees or candidate  
16 political committees.

17 (p) Nothing in this section shall prohibit a municipality,  
18 including a city of the first class, from instituting lower  
19 limitations on contributions to candidates for elected offices  
20 under the municipality's jurisdiction.

21 (q) A violation of the contribution limits set forth in this  
22 section shall subject the violator to a fine equal to three  
23 times the amount of money that exceeds the limits. This penalty  
24 applies to both the person making the contribution and the  
25 person receiving it.

26 (r) The Secretary of the Commonwealth shall biennially  
27 adjust to the nearest one hundred dollars (\$100) the limits in  
28 subsections (a), (b), (c), (d), (e), (f), (g) and (h) by the  
29 percentage change in the consumer price index and publish the  
30 new amounts in the Pennsylvania Bulletin. For the purposes of



1 this subsection, "consumer price index" means the consumer price  
2 index for all urban consumers that is published by the United  
3 States Department of Labor, Bureau of Labor Statistics.

4 (s) The limitations imposed by this section may not apply to  
5 contributions from a candidate's personal resources to a  
6 candidate committee, political committee or political action  
7 committee acting on behalf of the candidate. However, if such  
8 contributions total one hundred thousand dollars (\$100,000) or  
9 more, regardless of the time period over which such  
10 contributions are made, the contribution limits set forth in  
11 this section shall quadruple.

12 Section 8. Section 1632(a) of the act, amended July 11, 1980  
13 (P.L.591, No.127), is amended to read:

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

15 (a) A late filing fee for each report or statement of  
16 expenditures and contributions which is not filed within the  
17 prescribed period shall be imposed as follows. Such fee shall be  
18 [ten dollars (\$10)] twenty dollars (\$20) for each day or part of  
19 a day excluding Saturdays, Sundays and holidays that a report is  
20 overdue. An additional fee of ten dollars (\$10) is due for each  
21 of the first six (6) days that a report is overdue. [The maximum  
22 fee payable with respect to a single report is two hundred fifty  
23 dollars (\$250).] A supervisor shall receive an overdue report or  
24 statement even if any late filing fee due has not been paid but  
25 the report or statement shall not be considered filed until all  
26 fees have been paid upon the receipt by the supervisor of an  
27 overdue report. No further late filing fees shall be incurred  
28 once the report or statement is filed notwithstanding the fact  
29 that the report or statement is not considered filed. The late  
30 filing fee is the personal liability of the candidate or

1 treasurer of a political committee and cannot be paid from  
2 contributions to the candidate or committee, nor may such fee be  
3 considered an expenditure. A report or statement of expenditures  
4 and contributions shall be deemed to have been filed within the  
5 prescribed time if the letter transmitting the report or  
6 statement which is received by the supervisor is transmitted by  
7 first class mail and is postmarked by the United States Postal  
8 Service on the day prior to the final day on which the report or  
9 statement is to be received: Provided, That this sentence shall  
10 not be applicable to the reporting requirements contained in  
11 section 1628. All Department of State filing and disclosure  
12 requirements for prior campaign activity must have been met in  
13 order for a candidate to obtain a place on the ballot.

14 \* \* \*

15 Section 9. Section 1633(a) of the act, amended November 26,  
16 1978 (P.L.1313, No.318), is amended to read:

17 Section 1633. Contributions or Expenditures by National  
18 Banks, Corporations or Unincorporated Associations.--(a) It is  
19 unlawful for any National or State bank, partnership or any  
20 corporation, incorporated under the laws of this or any other  
21 state or any foreign country or any unincorporated association,  
22 except those corporations formed primarily for political  
23 purposes or as a political committee, to make a contribution or  
24 expenditure in connection with the election of any candidate or  
25 for any political purpose whatever except in connection with any  
26 question to be voted on by the electors of this Commonwealth.  
27 Furthermore, it shall be unlawful for any candidate, political  
28 committee, or other person to knowingly accept or receive any  
29 contribution prohibited by this section, or for any officer or  
30 any director of any corporation, bank, or any unincorporated

1 association to consent to any contribution or expenditure by the  
2 corporation, bank or unincorporated association, as the case may  
3 be, prohibited by this section. In the event any portion of this  
4 section regarding bans on contributions or expenditures by  
5 national banks, corporations, or unincorporated associations is  
6 nullified by a court decision, then the contribution limits  
7 established for individuals by this act also shall be applied to  
8 the entities currently covered by this section.

9 \* \* \*

10 Section 10. Section 1641(a) of the act, amended July 12,  
11 1980 (P.L.649, No.134), is amended and the section is amended by  
12 adding a subsection to read:

13 Section 1641. Reports by Business Entities; Publication by  
14 Secretary of the Commonwealth.--

15 (a) Any business entity including but not limited to a  
16 corporation, company, association, partnership or sole  
17 proprietorship, which has been awarded [non-bid] contracts or  
18 grants over fifty thousand dollars (\$50,000) from the  
19 Commonwealth or its political subdivisions during the preceding  
20 [calendar year] two-year period, shall report by February 15 of  
21 each year to the Secretary of the Commonwealth a list including  
22 the amount of the contract, description of the service provided  
23 and location and an itemized list of all political contributions  
24 known to the business entity by virtue of the knowledge  
25 possessed by every officer, director, associate, partner,  
26 limited partner or individual owner that has been made by:

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

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

4 For the purposes of this subsection, "immediate family" means a  
5 person's spouse and any unemancipated child.

6 \* \* \*

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

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

15 Section 1643. Independent Expenditures.--

16 (a) A person may make independent expenditures for the  
17 purposes of advocating the election or defeat of a clearly  
18 identified candidate or ballot question.

19 (b) The following shall apply to expenditures made for a  
20 written, typed or other printed communication or a web-based,  
21 written communication which promotes the success or defeat of a  
22 candidate's campaign for nomination or election or the adoption  
23 or defeat of a ballot question or solicits funds to benefit a  
24 political committee:

25 (1) No person shall make, incur or contract for an  
26 expenditure with the consent of, in coordination with or in  
27 consultation with a candidate, candidate committee, political  
28 committee or candidate's agent.

29 (2) No group of two or more individuals acting together that  
30 receives funds or makes or incurs expenditures not exceeding one

1 thousand dollars (\$1,000) in the aggregate which have not formed  
2 a political committee shall make or incur an independent  
3 expenditure.

4 (b.1) Communications under subsection (b) shall contain the  
5 following language:

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

8 (i) For an individual, the name and address of the  
9 individual.

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

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

13 (iv) For a group of two or more individuals that received  
14 funds or makes or incurs expenditures not exceeding one thousand  
15 dollars (\$1,000) in the aggregate which have not formed a  
16 political committee, the name of the group and the name and  
17 address of its agent.

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

19 (i) For an individual, group or political committee other  
20 than a candidate committee making or incurring an expenditure  
21 with the consent of, in coordination with or in consultation  
22 with a candidate committee or candidate's agent, the name of the  
23 candidate.

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

25 (c) Expenditures:

26 (1) The following apply:

27 (i) No person shall make or incur an independent expenditure  
28 for a written, typed or other printed communication or a web-  
29 based, written communication which promotes the success or  
30 defeat of a candidate for nomination or election or promotes or

1 opposes a political party or solicits funds to benefit a  
2 political party or committee, unless the communication bears  
3 upon its face the words "paid for and approved by" and the name  
4 of the person, the name of its chief executive officer or  
5 equivalent and its principal business address and the words  
6 "This message was made independently of a candidate or political  
7 party."

8 (ii) An entity which is a tax-exempt organization under  
9 section 501 of the Internal Revenue Code of 1986 (Public Law 99-  
10 514, 26 U.S.C. § 1 et seq.) or an incorporated tax-exempt  
11 political organization organized under section 527 of the  
12 Internal Revenue Code of 1986, making or incurring an  
13 independent expenditure under subparagraph (i), shall also bear  
14 upon the face of the communication the words "Top Five  
15 Contributors" followed by a list of the five persons making the  
16 largest contributions to the organization during the twelve-  
17 month period before the date of the communication.

18 (2) Disclosure requirements are as follows:

19 (i) In addition to the requirements of paragraph (1), no  
20 person shall make or incur an independent expenditure for  
21 television advertising, radio or Internet video advertising or  
22 Internet radio advertising, that promotes the success or defeat  
23 of a candidate for election or promotes or opposes a political  
24 party or solicits funds to benefit a political party or  
25 committee, unless at the end of the advertisement there appears  
26 or includes simultaneously for a period of no less than four  
27 seconds a clear identifiable audio, video, photographic or  
28 similar image of the person's chief executive officer or  
29 equivalent and a personal audio message, in the following form:

30 I am . . . (name of person's chief executive officer or

1 equivalent), . . . (title) of . . . (entity). This message  
2 was made independently of any candidate, political committee  
3 or political party, and I approve of its content.

4 (ii) A tax-exempt organization under section 501 of the  
5 Internal Revenue Code of 1986 or an incorporated tax-exempt  
6 political organization organized under section 527 of the  
7 Internal Revenue Code of 1986, making or incurring an  
8 independent expenditure under subparagraph (i), shall include on  
9 the advertisement an easily readable written message in the  
10 following form:

11 The Top Five Contributors to the organization for this  
12 advertisement are" followed by a list of the five persons  
13 making the largest contributions to the organization during  
14 the twelve-month period before the date of the communication.  
15 Section 1644. Independent Expenditure Evaluation.--

16 (a) When the Bureau of Commissions, Elections and  
17 Legislation audits and evaluates an expenditure that is included  
18 in a report under section 1643 to determine whether the  
19 expenditure is an interdependent expenditure, there shall be a  
20 rebuttable presumption that the following expenditures are not  
21 independent expenditures:

22 (1) An expenditure made by a person in cooperation,  
23 consultation or in concert with, at the request, suggestion or  
24 direction of or pursuant to a general or particular  
25 understanding with a candidate or political committee or other  
26 agent acting on behalf of a candidate or political committee.

27 (2) An expenditure made by a person for the production,  
28 dissemination, distribution or publication, in whole or in  
29 substantial part, of a broadcast or a written, graphic or other  
30 form of political advertising or campaign communications

1 prepared by a candidate or political committee or a consultant  
2 or other agent acting on behalf of a candidate or political  
3 committee.

4 (3) An expenditure made by a person based on information  
5 about a candidate's or political committee's plans, projects or  
6 needs, provided by a candidate or political committee or a  
7 consultant or other agent acting on behalf of a candidate or  
8 political committee with the intent that the expenditure be  
9 made.

10 (4) An expenditure made by an individual who, in the same  
11 election cycle, is serving or has served as the campaign  
12 chairperson, campaign treasurer or deputy treasurer of a  
13 political committee benefiting from the expenditure, or another  
14 executive or policymaking position, including as a member,  
15 employe, fundraiser, consultant or other agent acting on behalf  
16 of a candidate or political committee.

17 (5) An expenditure made by a person whose officer, director,  
18 member, employe, fundraiser, consultant or other agent who  
19 serves the person in an executive or policymaking position also  
20 serves as or has served in the same election cycle as the  
21 candidate or the campaign chairperson, campaign treasurer or  
22 deputy treasurer of a candidate or political committee  
23 benefiting from the expenditure, or in another executive or  
24 policymaking position of the candidate or political committee.

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

26 (i) fundraising activities with or for a candidate or  
27 political committee or a consultant or other agent acting on  
28 behalf of a candidate or political committee; or

29 (ii) the solicitation or receipt of contributions on behalf  
30 of a candidate or political committee or a consultant or other



1 agent acting on behalf of a candidate or political committee.

2 (7) An expenditure made by a person based on information  
3 about a candidate's campaign plans, projects or needs, that is  
4 directly or indirectly provided by a candidate, the candidate's  
5 committee or a political committee or a consultant or other  
6 agent acting on behalf of the candidate or political committee  
7 to the person making the expenditure or the person's agent, with  
8 an express or tacit understanding that the person is considering  
9 making the expenditure.

10 (8) An expenditure made by a person for a communication that  
11 clearly identifies a candidate or political committee during an  
12 election campaign if the person making the expenditure, or the  
13 person's agent, has informed the candidate who benefits from the  
14 expenditure that the candidate or political committee or a  
15 consultant or other agent acting on behalf of the benefiting  
16 candidate or political committee concerning the communications  
17 content, or of the intended audience, timing, location or mode  
18 or frequency of the dissemination.

19 (9) An expenditure made by a person or an entity for  
20 consultant or creative services, including services related to  
21 communications strategy or design or campaign strategy, to be  
22 used to promote or oppose a candidate's election to office if  
23 the provision of these services is also providing consultant or  
24 creative services to the candidate or to an opposing candidate  
25 in the same election.

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

28 (1) an individual or a person paid by a candidate or a  
29 candidate committee; and

30 (2) any consultant, printing firm, media production company,

1 Internet website director or webmaster, marketing firm,  
2 advertising firm, filed organization firm or other company or  
3 firm retained by a candidate or authorized by a candidate or a  
4 candidate committee to act on the candidate's behalf.

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

6 ARTICLE XVI-A

7 CORPORATE POLITICAL ACCOUNTABILITY

8 Section 1601-A. Definitions.

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

12 "Contribution" or "expenditure." Includes any monetary and  
13 nonmonetary political contributions and expenditures not  
14 deductible under section 162(e) (1) (B) of the Internal Revenue  
15 Code of 1986 (Public Law 99-514, 26 U.S.C. § 162(e) (1) (B)),  
16 including, but not limited to, contributions to or expenditures  
17 on behalf of political candidates, political parties, political  
18 committees and other political entities organized and operating  
19 under section 527 of the Internal Revenue Code of 1986 (26  
20 U.S.C. § 527), and any portion of any dues or similar payments  
21 made to any tax-exempt organization that is used for an  
22 expenditure or contribution if, made directly by the corporation  
23 would not be deductible under section 162(e) (1) (B) of the  
24 Internal Revenue Code of 1986, any contribution or expenditure,  
25 as those terms are defined in section 302 of the Federal  
26 Election Campaign Act of 1971 (Public Law 92-225, 52 U.S.C. §  
27 30101(8) (A)), as well as any contribution or expenditure defined  
28 under this act. The term also includes any direct or indirect  
29 payment, distribution, loan, advance, deposit or gift of money,  
30 or any services, or anything of value, except a loan of money by

1 a national or State bank made in accordance with the applicable  
2 banking laws and regulations and in the ordinary course of  
3 business, to any candidate, campaign committee or political  
4 party or organization, in connection with any election to any  
5 office. The term does not include:

6 (1) Communications by a corporation to its stockholders  
7 and executive or administrative personnel and their families  
8 or by a labor organization to its members and their families  
9 on any subject.

10 (2) Nonpartisan registration and get-out-the-vote  
11 campaigns by a corporation aimed at its stockholders and  
12 executive or administrative personnel and their families or  
13 by a labor organization aimed at its members and their  
14 families.

15 (3) The establishment, administration and solicitation  
16 of contributions to a separate segregated fund to be utilized  
17 for political purposes by a corporation, labor organization,  
18 membership organization, cooperative or corporation without  
19 capital stock.

20 As used in this definition, the term "corporation" includes any  
21 company, trade or professional union, not-for-profit association  
22 and incorporated partnership organized as an incorporated entity  
23 under the laws of any state within the United States.

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

25 "General treasury funds." Those moneys in possession of a  
26 corporation incorporated under the laws of this Commonwealth in  
27 the normal course of business, including funds from sales,  
28 accounts payable, loans, investments, bonds or debt instruments.

29 "Issue advocacy campaign." Contributions or expenditures for  
30 any communication to the general public intended to encourage

1 the public to contact a government official regarding pending  
2 legislation, public policy or a government rule or regulation.  
3 The term does not include contributions or expenditures for  
4 registered lobbyists or other persons employed by the  
5 corporation to lobby directly Federal or State government  
6 officials.

7 "Known at the time of the authorization vote." At the time  
8 the corporation seeks authorization from shareholders to spend  
9 corporate funds for political activities:

10 (1) the corporation's officers, directors or employees  
11 have identified a specific political activity for the  
12 corporation to support or oppose;

13 (2) corporate officers, directors or employees have  
14 taken steps to obligate funds to a political activity; or

15 (3) the corporation has a regularly scheduled payment to  
16 a trade association or other entity to pay for a political  
17 activity in the next 12 months.

18 "Majority of shareholders." Fifty percent plus one of all  
19 outstanding voting securities. Shareholders not casting votes  
20 shall not count toward affirmative authorization under this  
21 article.

22 "Political activities." Any contributions or expenditures  
23 made directly or indirectly to, or in support of or opposition  
24 to, any candidate, political party, committee, electioneering  
25 communication, ballot measure campaign or an issue advocacy  
26 campaign. The term does not include activities defined as  
27 lobbying under any Federal, State or local law.

28 "Separate segregated fund." A political action committee  
29 formed by a corporation for the purpose of making contributions  
30 to candidates for office or to political parties. A separate

1 segregated fund which supports Federal candidates shall have the  
2 same meaning as that found in section 316 of the Federal  
3 Election Campaign Act of 1971 (Public Law 92-225, 52 U.S.C. §  
4 30118).

5 Section 1602-A. Shareholder vote on corporate political  
6 activities.

7 (a) Annual vote.--

8 (1) Any corporation incorporated in this Commonwealth  
9 that spends in the aggregate \$10,000 or more of corporate  
10 treasury funds on all political activities in this  
11 Commonwealth must comply with the requirements of this  
12 section.

13 (2) Any proxy or consent or authorization for an annual  
14 meeting of the shareholders of a corporation incorporated in  
15 this Commonwealth, or a special meeting in lieu of such  
16 meeting, where proxies are solicited in respect of any  
17 security occurring on or after six months following the date  
18 on which final regulations are published under subsection (d)  
19 shall provide for a separate resolution subject to  
20 shareholder vote to approve any spending of \$10,000 or more  
21 by the corporation for any political activity.

22 (3) Notwithstanding the requirement for an annual  
23 shareholder vote to authorize any spending of \$10,000 or more  
24 by the corporation for any political activity, a corporation  
25 may request authorization for spending on political  
26 activities on a more frequent basis. Any authorization  
27 request by the corporation that is not made during an annual  
28 authorization shall be deemed a special authorization.

29 (4) If a corporation spends less than an aggregate of  
30 \$10,000 in a 12-month period for political activities, then

1 it does not have to seek shareholder authorization for such  
2 spending.

3 (b) Shareholder approval.--

4 (1) When seeking shareholder authorization for  
5 expenditures for political activities, the corporation shall  
6 request the authority to spend a maximum dollar amount in the  
7 next 12 months.

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

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

16 (ii) A vote by the shareholders to approve or  
17 disapprove any spending of \$10,000 or more by a  
18 corporation for a political activity shall be binding on  
19 the corporation.

20 (iii) Notwithstanding the requirement for an annual  
21 shareholder vote to authorize any spending of \$10,000 or  
22 more by the corporation for any political activity, a  
23 corporation may request a special authorization for  
24 additional spending on political activities, provided  
25 that:

26 (A) all spending on political activities of  
27 \$10,000 or more must be authorized by a shareholder  
28 majority vote; and

29 (B) for any special authorization, the company  
30 shall articulate whether the corporate treasury funds

1 so authorized are intended to benefit or defeat  
2 candidates, ballot measures or issue advocacy  
3 campaigns or will be paid to specific nonprofits or  
4 trade associations for political activities at the  
5 time the special authorization is requested.

6 (c) Director liability.--If a corporation makes an  
7 unauthorized contribution or expenditure for a political  
8 activity, then the directors at the time that the unauthorized  
9 contribution or expenditure was incurred are jointly and  
10 severally liable to repay to the corporation the amount of the  
11 unauthorized expenditure, with interest at the rate of 8% per  
12 year.

13 (d) Rulemaking.--The department shall promulgate final  
14 regulations to implement this section no later than six months  
15 after the effective date of this article.

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

19 Section 1603-A. Notification to shareholders of corporate  
20 political activities.

21 (a) Notification to shareholders.--

22 (1) At least quarterly during each fiscal year, a  
23 corporation incorporated in this Commonwealth that makes  
24 contributions or expenditures for political activities must  
25 notify its shareholders and the department in writing of the  
26 nature of all its political activities, funded by either its  
27 separate segregated fund or through its general corporate  
28 treasury, including contributions or expenditures made  
29 directly or indirectly.

30 (2) A report made pursuant to this section shall include

1 the following:

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

3 (ii) The amount of the contributions or  
4 expenditures.

5 (iii) The identity of the candidate, political  
6 party, committee, electioneering communication, ballot  
7 measure campaign or issue advocacy campaign.

8 (iv) If the contributions or expenditures were made  
9 for or against a candidate, including an electioneering  
10 communication as defined under Federal law, the office  
11 sought by the candidate and the political party  
12 affiliation of the candidate.

13 (v) If the contributions or expenditures were made  
14 for or against a ballot measure, the purpose of the  
15 measure and whether the contributions or expenditures  
16 were made in support or opposition to the ballot measure.

17 (vi) If the contributions or expenditures were made  
18 for or against an issue advocacy campaign, the nature of  
19 the political issue and whether the contributions were  
20 made in support or opposition to the political issue.

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

23 (b) Public disclosure.--

24 (1) The quarterly reports of political activities by a  
25 corporation incorporated in this Commonwealth to shareholders  
26 shall be public records.

27 (2) A copy of the reports filed pursuant to subsection  
28 (a) (1) shall be:

29 (i) submitted to the department; and

30 (ii) posted for at least one year on the



1 corporation's Internet website, if any.

2 Section 1604-A. Public disclosure of corporate political  
3 activities by the department.

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

7 (b) Electronic form.--A quarterly report required to be  
8 filed under this section shall be filed in electronic form using  
9 filing software approved or developed by the department in  
10 addition to filing in any other form that the department may  
11 require by regulation and shall be published on the department's  
12 Internet website.

13 (c) Format.--The department shall ensure that, to the  
14 greatest extent practicable, the quarterly reports on political  
15 activities are publicly available through the department's  
16 Internet website in a format that can be searched, sorted and  
17 downloaded.

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

19 (a) Audit.--On an annual basis, the Department of the  
20 Auditor General shall audit the extent of compliance or  
21 noncompliance with the requirements of this article by  
22 corporations incorporated under the laws of this Commonwealth,  
23 their management and shareholders, as well as the effectiveness  
24 of the department in meeting the reporting and disclosure  
25 requirements of this article.

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

30 Section 1606-A. Board approval for all corporate political

1           expenditures.

2       (a) Approval required.--Notwithstanding any other provision  
3 of law, no corporation and no trade, business or professional  
4 association shall make any campaign contribution or expenditure  
5 unless specifically authorized to do so:

6           (1) by the vote of the board of directors of the  
7 corporation or of the executive committee of the trade,  
8 business or professional association at a regular or special  
9 meeting thereof;

10          (2) by the president, vice president, secretary or  
11 treasurer of a corporation whom the board has specifically  
12 empowered to authorize such contributions or expenditures; or

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

16       (b) Form of contribution.--No corporation, trade, business  
17 or professional association shall make any contribution or  
18 expenditure as defined under Federal or State law, other than an  
19 in-kind contribution or expenditure, except by check.

20 Section 1607-A. Applicability to foreign corporations.

21       (a) General rule.--A foreign corporation, other than a  
22 foreign association or foreign nonprofit corporation, but  
23 including a foreign parent corporation even though it does not  
24 itself transact intrastate business, is subject to the  
25 requirements of sections 1602-A, 1603-A, 1604-A and 1605-A, if:

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

1           (2) more than one-half of its outstanding voting  
2           securities are held of record by persons having addresses in  
3           this Commonwealth appearing on the books of the corporation  
4           on the record date for the latest meeting of shareholders  
5           held during its latest full-income year or, if no meeting was  
6           held during that year, on the last day of the latest full-  
7           income year.

8           (b) Determination.--The determination of the property,  
9           payroll and sales factors under subsection (a) with respect to  
10           any parent corporation shall be made on a consolidated basis,  
11           including in a unitary computation, after elimination of  
12           intercompany transactions, the property, payroll and sales of  
13           the parent and all of its subsidiaries in which it owns directly  
14           or indirectly more than 50% of the outstanding shares entitled  
15           to vote for the election of directors, but deducting a  
16           percentage of the property, payroll and sales of any subsidiary  
17           equal to the percentage minority ownership, if any, in the  
18           subsidiary. For the purpose of this section, any securities held  
19           to the knowledge of the issuer in the names of broker-dealers,  
20           nominees for broker-dealers, including clearing corporations or  
21           banks, associations or other entities holding securities in a  
22           nominee name or otherwise on behalf of a beneficial owner,  
23           collectively "nominee holders," shall not be considered  
24           outstanding. However, if the foreign corporation requests all  
25           nominee holders to certify, with respect to all beneficial  
26           owners for whom securities are held, the number of shares held  
27           for those beneficial owners having addresses as shown on the  
28           records of the nominee holder in this Commonwealth and outside  
29           of this Commonwealth, then all shares so certified shall be  
30           considered outstanding and held of record by persons having

1 addresses either in this Commonwealth or outside of this  
2 Commonwealth as so certified, provided that the certification so  
3 provided shall be retained with the record of shareholders and  
4 made available for inspection and copying. A current list of  
5 beneficial owners of a foreign corporation's securities provided  
6 to the corporation by one or more nominee holders or agent  
7 thereof under the requirements of 17 CFR § 240.14b-1(b) (3)  
8 (relating to obligation of registered brokers and dealers in  
9 connection with the prompt forwarding of certain communications  
10 to beneficial owners) or 240.14b-2(b) (3) (relating to obligation  
11 of banks, associations and other entities that exercise  
12 fiduciary powers in connection with the prompt forwarding of  
13 certain communications to beneficial owners) promulgated under  
14 the Securities Exchange Act of 1934 (Public Law 48-881, 15  
15 U.S.C. § 78a et seq.) shall constitute an acceptable  
16 certification with respect to beneficial owners for the purposes  
17 of this subsection.

18 (c) Applicability.--This section does not apply to any  
19 corporation:

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

22 (2) With outstanding securities designated as qualified  
23 for trading on the Nasdaq National Market of the Nasdaq Stock  
24 Market, or any successor thereto.

25 (3) If all of its voting shares, other than directors'  
26 qualifying shares, are owned directly or indirectly by a  
27 corporation or corporations not subject to this section.

28 (d) Liability.--Any party who obtains a final determination  
29 by a court of competent jurisdiction that the corporation failed  
30 to provide to the party information required to be provided by

1 this article or provided the party information of the kind  
2 required to be provided by this article that is incorrect, then  
3 the court, in its discretion, shall have the power to include in  
4 its judgment recovery by the party from the corporation of all  
5 court costs and reasonable attorney fees incurred in that legal  
6 proceeding to the extent they relate to obtaining that final  
7 determination.

8 Section 13. The dollar figures contained in section 1627.1  
9 of the act shall be adjusted biennially at a rate determined by  
10 the Federal Election Commission as authorized under 11 CFR §  
11 110. The Secretary of the Commonwealth shall certify the  
12 calculation of the rate as determined by the Federal Election  
13 Commission and shall publish the new dollar figures in the  
14 Pennsylvania Bulletin.

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

20 Section 15. A comprehensive, fully searchable and user  
21 friendly computerized database to track full implementation of  
22 this act shall be made available to the public by the Department  
23 of State through its Internet website on or before December 31,  
24 2016.

25 Section 16. This act shall take effect January 1, 2017.