

1 HB524  
2 159322-3  
3 By Representatives Davis, Givan, Moore (B), Beckman, Lindsey  
4 and Wood  
5 RFD: Ethics and Campaign Finance  
6 First Read: 20-FEB-14

1 ENGROSSED

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4 A BILL  
5 TO BE ENTITLED  
6 AN ACT  
7

8 Relating to elections; to amend Section 17-5-2, Code  
9 of Alabama 1975, to clarify that, for purposes of reporting, a  
10 campaign contribution is received on the first date the  
11 recipient of the contribution is able to make use of the  
12 contribution, and a campaign expenditure is made on the date  
13 the instrument authorizes the expenditure.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Section 17-5-2, Code of Alabama 1975, is  
16 amended to read as follows:

17 "§17-5-2.

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

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

22 "a. Taken the action necessary under the laws of the  
23 state to qualify himself or herself for nomination or for  
24 election to any state office or local office or in the case of  
25 an independent seeking ballot access, on the date when he or  
26 she files a petition with the judge of probate in the case of  
27 county offices, with the appropriate qualifying municipal

1 official in the case of municipal offices, or the Secretary of  
2 State in all other cases.

3 "b. Received contributions or made expenditures in  
4 excess of one thousand dollars (\$1,000), or given his or her  
5 consent for any other person or persons to receive  
6 contributions or make expenditures in excess of one thousand  
7 dollars (\$1,000), with a view to bringing about his or her  
8 nomination or election to any state office or local office.

9 "(2) CONTRIBUTION.

10 "a. Any of the following shall be considered a  
11 contribution:

12 "1. A gift, subscription, loan, advance, deposit of  
13 money or anything of value, a payment, a forgiveness of a  
14 loan, or payment of a third party, made for the purpose of  
15 influencing the result of an election.

16 "2. A contract or agreement to make a gift,  
17 subscription, loan, advance, or deposit of money or anything  
18 of value for the purpose of influencing the result of an  
19 election.

20 "3. Any transfer of anything of value received by a  
21 political committee from another political committee,  
22 political party, or other source.

23 "4. The payment of compensation by any person for  
24 the personal services or expenses of any other person if the  
25 services are rendered or expenses incurred on behalf of a  
26 candidate, political committee, or political party without  
27 payment of full and adequate compensation by the candidate,

1 political committee, or political party. Provided, however,  
2 that the payment of compensation by a corporation for the  
3 purpose of establishing, administering, or soliciting  
4 voluntary contributions to a separate, segregated fund as  
5 permitted in this chapter, shall not constitute a  
6 contribution.

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

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

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

17 "3. The sale of any food or beverage by a vendor for  
18 use in an election campaign at a charge to a candidate or  
19 political committee less than the normal comparable charge, if  
20 the charge to the political committee for use in an election  
21 campaign is at least equal to the cost of the food or beverage  
22 to the vendor.

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

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

12           "6. The value or cost of polling data and voter  
13 preference data and information if provided to a candidate or  
14 political committee, unless the information was compiled with  
15 the advance knowledge of and approval of the candidate or the  
16 political committee.

17           "c. For purposes of reporting contributions as  
18 required by this chapter, the date of receipt of a  
19 contribution shall be the first date the recipient of the  
20 contribution is able to make use of the contribution. In the  
21 case of a contribution in the form of a check, the date of  
22 receipt is the earlier of:

23           1. Ten days from the date that the check came within  
24 the recipient's control; or

25           2. The date that the check was deposited into the  
26 recipient's account.

1           "(3) DESIGNATED FILING AGENT. An individual  
2 appointed and authorized as attorney in fact to electronically  
3 submit any report or other filing required by this chapter on  
4 behalf of a candidate, his or her principal campaign  
5 committee, or a political action committee.

6           "(4) ELECTION. Unless otherwise specified, any  
7 general, special, primary, or runoff election, or any  
8 convention or caucus of a political party held to nominate a  
9 candidate, or any election at which a constitutional amendment  
10 or other proposition is submitted to the popular vote.

11           "(5) ELECTIONEERING COMMUNICATION. Any communication  
12 disseminated through any federally regulated broadcast media,  
13 any mailing, or other distribution, electronic communication,  
14 phone bank, or publication which (i) contains the name or  
15 image of a candidate; (ii) is made within 120 days of an  
16 election in which the candidate will appear on the ballot;  
17 (iii) the only reasonable conclusion to be drawn from the  
18 presentation and content of the communication is that it is  
19 intended to influence the outcome of an election; and (iv)  
20 entails an expenditure in excess of one thousand dollars  
21 (\$1,000).

22           "(6) EXPENDITURE.

23           "a. The following shall be considered expenditures:

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

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

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

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

8           "1. Any news story, commentary, or editorial  
9 prepared by and distributed through the facilities of any  
10 broadcasting station, newspaper, magazine, or other periodical  
11 publication, unless the facilities are owned or controlled by  
12 any political party or political committee.

13           "2. Nonpartisan activity designed to encourage  
14 individuals to register to vote, or to vote.

15           "3. Any communication by any membership organization  
16 to its members or by a corporation to its stockholders and  
17 employees if the membership organization or corporation is not  
18 organized primarily for the purpose of influencing the result  
19 of an election.

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

25           "5. Any unreimbursed payment for travel expenses  
26 made by an individual who, on his or her own behalf,

1 volunteers personal services to a candidate or political  
2 committee.

3 "6. Any communication by any person which is not  
4 made for the purposes of influencing the result of an  
5 election.

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

17 "c. For purposes of reporting expenditures as  
18 required by this chapter, the date an expenditure is made is  
19 the date the instrument authorizes the expenditure. In the  
20 case of an expenditure made by check, the date of expenditure  
21 is the date of the check.

22 "(7) IDENTIFICATION. The full name and complete  
23 address.

24 "(8) LOAN. A transfer of money, property, or  
25 anything of value in consideration of a promise or obligation,  
26 conditional or not, to repay in whole or part.



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

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

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

20           "(12) POLITICAL ACTION COMMITTEE. Any committee,  
21 club, association, political party, or other group of one or  
22 more persons, whether in-state or out-of-state, which receives  
23 or anticipates receiving contributions and makes or  
24 anticipates making expenditures to or on behalf of any Alabama  
25 state or local elected official, proposition, candidate,  
26 principal campaign committee or other political action  
27 committee. For the purposes of this chapter, a person who

1 makes a political contribution shall not be considered a  
2 political action committee by virtue of making such  
3 contribution.

4 "(13) POLITICAL PARTY. A political party as defined  
5 in Section 17-13-40.

6 "(14) PRINCIPAL CAMPAIGN COMMITTEE. The principal  
7 campaign committee designated by a candidate under Section  
8 17-5-4. A political action committee established primarily to  
9 benefit an individual candidate or an individual elected  
10 official shall be considered a principal campaign committee  
11 for purposes of this chapter.

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

15 "(16) PUBLIC OFFICIAL. Any person elected to public  
16 office, whether or not that person has taken office, by the  
17 vote of the people at the state, county, or municipal level of  
18 government or their instrumentalities, including governmental  
19 corporations, and any person appointed to a position at the  
20 state, county, or municipal level of government or their  
21 instrumentalities, including governmental corporations. For  
22 purposes of this chapter, a public official includes the  
23 chairs and vice chairs or the equivalent offices of each state  
24 political party as defined in Section 17-13-40.

25 "(17) STATE. The State of Alabama.

26 "(18) STATE OFFICE. All offices under the  
27 constitution and laws of the state filled by election of the

1 registered voters of the state or of any circuit or district  
2 and shall include legislative offices.

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

6 Section 2. This act shall become effective on the  
7 first day of the third month following its passage and  
8 approval by the Governor, or its otherwise becoming law.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Ethics and Cam-  
paign Finance..... . . . . 20-FEB-14

Read for the second time and placed  
on the calendar with 1 substitute  
and..... . . . . 26-FEB-14

Read for the third time and passed  
as amended..... . . . . 19-MAR-14

Yeas 101, Nays 0, Abstains 0

Jeff Woodard  
Clerk