

**SB220 INTRODUCED**



1 SB220

2 YMREV22-1

3 By Senator Orr

4 RFD: Fiscal Responsibility and Economic Development

5 First Read: 29-Jan-26



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4     SYNOPSIS:

5                 The Fair Campaign Practices Act requires the  
6     disclosure of persons that contribute \$100 or more  
7     during a reporting period to a political action  
8     committee or principal campaign committee. The original  
9     source of funds to a political campaign can remain  
10    undisclosed through nonprofit 501(c)(3) and 501(c)(4)  
11    corporations that are set up to mask the identity of  
12    campaign contribution sources. This is considered dark  
13    money.

14                This bill would prohibit a nonprofit  
15    organization from making any contributions to a  
16    principal campaign committee unless the organization  
17    registers with the Secretary of State as a political  
18    donor organization and the contributions are made from  
19    a separate, segregated fund.

20                This bill would require a political donor  
21    organization to submit to the Secretary of State  
22    reports that disclose the identity of each contributor  
23    to a political spending fund of the organization if the  
24    total contributions to the organization's fund amount  
25    to \$100 or more in a 12-month period.

26                This bill would require a political donor  
27    organization that receives a contribution to inform the  
28    contributing source that the source's identity will be

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29 disclosed if their total contributions amount to \$100  
30 or more during a 12-month period.

31 This bill would require the Secretary of State  
32 to publish the disclosure reports.

33 This bill would require the political donor  
34 organization to keep certain records and make the  
35 records available to the Secretary of State or State  
36 Ethics Commission upon request.

37 This bill would prohibit a nonprofit  
38 organization from making a contribution to or an  
39 expenditure on behalf of a political action committee.

40 This bill would also authorize the Secretary of  
41 State to enforce this act in the same manner as now  
42 provided for other reporting requirements under the  
43 Fair Campaign Practices Act.

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46 A BILL

47 TO BE ENTITLED

48 AN ACT

49

50 Relating to campaign finance; to amend Sections  
51 17-5-14.1 and 17-5-19, Code of Alabama 1975, and add Section  
52 17-5-14.2 to the Code of Alabama 1975, to prohibit nonprofit  
53 organizations from making contributions to principal campaign  
54 committees unless registered with the Secretary of State as a  
55 political donor organization and the contributions are made  
56 from a separate, segregated fund; to require these



57 organizations to submit reports to the Secretary of State  
58 disclosing the identity of persons that contribute more than a  
59 certain amount to the organization; to require organizations  
60 to provide notice to persons contributing to the organization;  
61 to require these organizations to maintain certain records; to  
62 prohibit nonprofit organizations from making contributions  
63 to, or expenditures on behalf of, political action committees;  
64 and to authorize the Secretary of State to impose civil  
65 penalties for violations.

66 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

67       Section 1. Sections 17-5-14.1 and 17-5-19, Code of  
68 Alabama 1975, are amended to read as follows:

69       "§17-5-14.1

70       (a) Any~~Except as provided in Section 17-5-14.2, any~~ business or nonprofit corporation, incorporated under the laws  
71 of or doing business in this state, or any officer or agent  
72 acting on behalf of the corporation may give, pay, expend, or  
73 contribute money, services, anything of value for the purposes  
74 of establishing, administering, or soliciting voluntary  
75 contributions to a separate, segregated fund which can be  
76 ~~utilized~~used for political purposes: (i) to aid or promote  
77 the nomination or election of any person, including an  
78 incumbent political officeholder or any other person who is or  
79 becomes a candidate for political office; or (ii) to aid or  
80 promote the interest or success, or defeat of any political  
81 party or political proposition. Any separate, segregated fund  
82 established ~~hereunder~~ for any of the above enumerated purposes  
83 shall be established and administered pursuant to the



85 following requirements and prohibitions:

86 (1) Any such business or nonprofit corporation, or any  
87 officer or agent acting on behalf of such business or  
88 nonprofit corporation, may solicit voluntary contributions to  
89 the fund only from the corporation's, or its affiliates',  
90 stockholders and their families and its employees and their  
91 families; or in the case of a nonprofit corporation, its  
92 members and their employees. However, the funds may accept  
93 voluntary contributions from any individuals.

94 (2) The custodians of any separate, segregated  
95 political fund established ~~hereunder~~pursuant to this section  
96 shall file with the Secretary of State such financial  
97 disclosure reports or statements now required of a candidate  
98 for public office. Filing with the Secretary of State a copy  
99 of the information required to be filed with the Federal  
100 Election Commission by such separate, segregated fund shall  
101 constitute compliance with the reporting provisions of this  
102 section.

103 (b) It shall be unlawful:

104 (1) For any separate, segregated political fund  
105 established pursuant to this section or for any person acting  
106 on behalf of the fund to solicit or secure any money or  
107 anything of value by physical force, job discrimination, or  
108 financial reprisals, or by threats thereof; by dues, fees, or  
109 other ~~money~~monies required as a condition of employment; or  
110 by ~~money~~monies obtained in any commercial transaction;

111 (2) For any person soliciting contributions to the fund  
112 to fail to inform any person being solicited of the political

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113 purposes of the fund at the time of the solicitation;

114 (3) For any person soliciting for a contribution to the  
115 fund to fail to inform the person being solicited, at the time  
116 of the solicitation, of his or her right to refuse to  
117 contribute without any reprisal; and

118 (4) For any corporation regulated by the Public Service  
119 Commission to pass on to its customers any contribution made  
120 for the purpose of establishing, administering, or soliciting  
121 voluntary contributions to a separate, segregated fund to be  
122 utilized for political purposes."

123 "§17-5-19

124 (a) Except as otherwise provided in this section, a  
125 person who intentionally violates any provision of this  
126 chapter shall be guilty, upon conviction, of a Class A  
127 misdemeanor.

128 (b) A person who intentionally violates any reporting  
129 requirement of Sections 17-5-4, 17-5-5, ~~or~~ 17-5-8, or  
130 17-5-14.2 shall be guilty, upon conviction, of a Class A  
131 misdemeanor. A person's failure to promptly file a required  
132 report upon discovering or receiving notice from any person  
133 that the report has not been filed, or the failure to promptly  
134 correct an omission, error, or other discrepancy in a filed  
135 report upon discovering or receiving notice of the  
136 discrepancy, shall create a rebuttable presumption of intent  
137 to violate the applicable reporting requirement.

138 (c) Any person who intentionally violates Section  
139 17-5-7 shall be guilty, upon conviction, of a Class B felony.

140 (d) The Attorney General or district attorney for the



141 appropriate jurisdiction may prosecute violations of this  
142 chapter. Venue for cases involving violations of this chapter  
143 shall be in the county in which the violation occurred or the  
144 county in which the alleged violator resides or is  
145 incorporated. If the alleged violator resides or is  
146 incorporated outside of the State of Alabama or if the  
147 violation or violations occurred outside the State of Alabama,  
148 venue shall be in Montgomery County.

149 (e) No prosecution for violation of this chapter shall  
150 be commenced later than two years after the date of violation.  
151 Notwithstanding the foregoing, a prosecution brought pursuant  
152 to Section 17-5-7 shall be commenced within four years after  
153 the commission of the offense."

154 Section 2. Section 17-5-14.2 is added to the Code of  
155 Alabama 1975, to read as follows:

156 §17-5-14.2

157 (a) For purposes of this section, the following terms  
158 have the following meanings:

159 (1) CONTRIBUTING SOURCE. a. Any person, including any  
160 donor or member of a political donor organization, who  
161 knowingly and voluntarily does either of the following:

162 1. Contributes to a political spending fund of a  
163 political donor organization.

164 2. Expressly permits the use of the person's monies or  
165 other financial resources given to the political donor  
166 organization to be used for political spending.

167 b. A nonprofit organization may not be a contributing  
168 source and may not contribute to the political spending fund

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169 of a political donor organization.

170 (2) IDENTITY. a. In the case of an individual, the name  
171 and mailing address of the individual; and

172 b. In the case of any other person, the name, mailing  
173 address, federal tax status, and state of incorporation,  
174 registration, or partnership, if any.

175 (3) NONPROFIT ORGANIZATION. Any corporation, union,  
176 association, organization, or other entity exempt from federal  
177 income taxes under 26 U.S.C. § 501(c)(3) or 501(c)(4).

178 (4) POLITICAL DONOR ACCOUNTING RECORDS. A written  
179 record of: (i) the identity of each contributing source who  
180 contributed to the political spending fund of a political  
181 donor organization; (ii) the date of receipt of each  
182 contribution, deposit, or transfer of monies to the political  
183 spending fund by a contributing source; (iii) a record of each  
184 contributing source's approval for the use of the contributed  
185 funds for political spending; and (iv) the date and identity  
186 of each contribution made to, or expenditure made on behalf  
187 of, a principal campaign committee.

188 (5) POLITICAL DONOR ORGANIZATION. Any nonprofit  
189 organization that uses or transfers monies for political  
190 spending.

191 (6) POLITICAL SPENDING. Any contribution to, or  
192 expenditure on behalf of, a principal campaign committee.

193 (7) POLITICAL SPENDING FUND. A separate, segregated  
194 fund held by a political donor organization solely used for  
195 political spending. A political spending fund shall only  
196 include financial contributions from a contributing source

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197 that has approved in writing the use of the contributed funds  
198 for political spending.

199 (b) (1) It shall be unlawful for any nonprofit  
200 organization to make a contribution to, or an expenditure on  
201 behalf of, a political action committee or a principal  
202 campaign committee.

203 (2) Notwithstanding subdivision (1), a nonprofit  
204 organization may make a contribution to, or an expenditure on  
205 behalf of, a principal campaign committee under the following  
206 conditions:

207 a. The nonprofit organization has registered with the  
208 Secretary of State as a political donor organization.

209 b. The contribution or expenditure is made entirely  
210 from the political donor organization's political spending  
211 fund.

212 (c) It shall be unlawful for a political action  
213 committee or a principal campaign committee to accept or  
214 receive a contribution from a person if the political action  
215 committee or principal campaign committee knew or reasonably  
216 should have known that the person:

217 (1) Is a nonprofit organization; and

218 (2) Is not registered with the Secretary of State as a  
219 political donor organization.

220 (d) Prior to engaging in any political spending, a  
221 nonprofit organization must first register with the Secretary  
222 of State as a political donor organization in the manner  
223 prescribed by the Secretary of State through administrative  
224 rule.



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225 (e) (1) Each registered political donor organization  
226 shall file periodic disclosure reports with the Secretary of  
227 State on a schedule prescribed by the Secretary of State, by  
228 rule.

229 (2) Each disclosure report shall include the identity  
230 of every contributing source that aggregateley contributed or  
231 donated more than one hundred dollars (\$100) to the political  
232 spending fund of the political donor organization within the  
233 previous 12 months.

234 (f) (1) A political donor organization shall maintain  
235 political donor accounting records for a period of five years  
236 and provide verified copies of the records, upon request, to  
237 the Secretary of State or the State Ethics Commission.

238 (2) It shall be unlawful for any political donor  
239 organization or any person acting on behalf of the  
240 organization to: (i) require contributions or donations,  
241 including dues or fees, to a political spending fund as a  
242 condition of membership or association with the nonprofit  
243 organization; or (ii) solicit, secure, or acquire any money or  
244 anything of value for the political spending fund by physical  
245 force, job discrimination, financial reprisal, or by monies  
246 obtained in any commercial transaction.

247 (3) It shall be unlawful for any person to knowingly or  
248 intentionally use separate entities or third-party proxies to  
249 divide a person's contribution or donation to a political  
250 spending fund into smaller sums for the purpose of avoiding  
251 the reporting requirements of this act or any rule adopted  
252 pursuant to this act.



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253 (g) Prior to the deposit or use of a contribution or  
254 donation to a political spending fund, a political donor  
255 organization must provide written notice to a contributing  
256 source that informs the person that the contribution or  
257 donation will be used solely for political spending. The  
258 notice under this subsection must do all of the following:

259 (1) Inform contributing sources in writing that their  
260 monies or contributions will be used solely for political  
261 spending and that the identity of a contributing source that  
262 contributes more than one hundred dollars (\$100) within a  
263 12-month period will be reported to the Secretary of State for  
264 disclosure to the public in accordance with the requirements  
265 established by the Secretary of State.

266 (2) Inform contributing sources that any donation or  
267 contribution to the political spending fund is voluntary and,  
268 if applicable, not required for membership or association with  
269 the nonprofit organization.

276 (h) (1) The Secretary of State shall establish and  
277 maintain, by rule, a schedule for the filing, submission, and  
278 publishing of periodic disclosure reports for political donor  
279 organizations.

280 (2) All disclosure reports submitted to the Secretary

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281 of State pursuant to this section shall be promptly published  
282 on its website for public access and viewing.

283 (i) The Secretary of State may adopt additional  
284 administrative rules as necessary to administer this section.

285 Section 3. This act shall become effective on October  
286 1, 2026.