

## SB220 INTRODUCED



1 SB220  
2 YMREV22-1  
3 By Senator Orr  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 29-Jan-26



## 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



## SB220 INTRODUCED

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

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

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

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

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

A BILL

TO BE ENTITLED

AN ACT

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



## SB220 INTRODUCED

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§17-5-14.1

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



## SB220 INTRODUCED

following requirements and prohibitions:

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

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

(b) It shall be unlawful:

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

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



## SB220 INTRODUCED

purposes of the fund at the time of the solicitation;

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

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

"§17-5-19

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

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

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

(d) The Attorney General or district attorney for the



## SB220 INTRODUCED

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

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

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

### §17-5-14.2

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

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

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

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

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



## SB220 INTRODUCED

of a political donor organization.

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

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

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

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

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

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

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





## SB220 INTRODUCED

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

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

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

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

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

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

(1) Is a nonprofit organization; and

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

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



## SB220 INTRODUCED

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

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

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

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

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



## SB220 INTRODUCED

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

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

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

(3) Comply with any additional requirements established by the Secretary of State pursuant to this section and through administrative rules to ensure that the notice reasonably informs contributing sources of the political use of the contribution or donation and the potential public disclosure of the person's identity.

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

(2) All disclosure reports submitted to the Secretary



## **SB220 INTRODUCED**

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.