

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1332 Session of 2017

INTRODUCED BY DERMODY, HANNA, FREEMAN, PASHINSKI, MURT, MULLERY, CALTAGIRONE, DRISCOLL, O'BRIEN, DeLUCA, GOODMAN, SOLOMON, BARBIN, ROZZI, KAVULICH AND FRANKEL, MAY 2, 2017

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 2, 2017

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 by candidate  
 16 and political committees and other persons, providing for  
 17 limitations on contributions, further providing for late  
 18 filing fees and certificates of filing, for contributions or  
 19 expenditures by national banks, corporations or  
 20 unincorporated associations and for reports by business  
 21 entities and publication and providing for independent  
 22 expenditures and for independent expenditure evaluation; 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  
 28 interest to protect the integrity of the government from

1 actual corruption or the appearance of corruption.

2 (2) When people, associations or other entities provide  
3 unlimited monetary support for elected government officials  
4 or candidates who are seeking governmental offices, there  
5 arises the appearance of corruption.

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

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

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

18 \* \* \*

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

21 Section 3. Section 1621(d) of the act is amended and the  
22 section is amended by adding subsections to read:

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

25 \* \* \*

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

27 (1) The payment, distribution, loan or advancement of money  
28 or any valuable thing by a candidate, candidate committee,  
29 political committee, political action committee, political party  
30 committee or other person for the purpose of influencing the

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

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

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

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

19 \* \* \*

20 (n) The words "affiliate" or "affiliated committee" shall  
21 include:

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

25 (2) Any committee established, financed, maintained or  
26 controlled by the same corporation, labor organization,  
27 membership association, not-for-profit organization or trade or  
28 professional association, person or group of persons, including  
29 any parent, subsidiary, branch, division, department or local  
30 unit thereof. Local units may include, in appropriate cases, a

1 franchisee, licensee or regional association.

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

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

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

27 (r) The word "person" shall include any corporation,  
28 partnership, limited liability company, business trust, other  
29 association, government entity, other than the Commonwealth,  
30 estate, trust, foundation or natural person.

1 Section 4. Sections 1622 and 1624 of the act are amended to  
2 read:

3 Section 1622. Organization of Political Committees;  
4 Treasurer and Assistant Treasurer; Records of Candidate and  
5 Committees.--

6 (a) Every political committee shall have a treasurer and a  
7 chairman. No contribution shall be received nor shall any  
8 expenditure be made when there is a vacancy in either one of  
9 these offices. All money received and disbursed by a political  
10 committee must be done through the treasurer of the committee.

11 (b) Every candidate who authorizes a committee [or  
12 committees,] to receive and disburse funds on behalf of this  
13 candidacy, shall name a sole treasurer[, irrespective of the  
14 number of committees so authorized,] to receive and disburse all  
15 funds [for] of said [committees. Nothing herein shall be  
16 construed to prohibit a candidate from receiving or expending  
17 moneys on his behalf or a treasurer of a political party  
18 committee or a committee authorized to receive and distribute  
19 funds on behalf of more than one (1) candidate from receiving or  
20 expending moneys on behalf of said candidates, notwithstanding  
21 the appointment of a sole treasurer. A sole treasurer may  
22 delegate authority, in writing, to any number of assistant  
23 treasurers to receive and disburse moneys collected on behalf of  
24 a candidate for election. Nothing in this section shall prohibit  
25 authorized individuals from selling tickets or soliciting funds  
26 when funds are deposited in the campaign account of the  
27 candidate] committee.

28 (c) Each candidate and committee shall keep records of the  
29 names and addresses of each person from whom a contribution of  
30 over ten dollars (\$10) has been received and a record of all

1 other information required to be reported pursuant to this act.  
2 All such records shall be retained by the candidate or treasurer  
3 for a period of three (3) years after such information is  
4 reported as required by this act.

5 (d) Any person receiving any contribution on behalf of a  
6 political committee or candidate shall turn such contributions  
7 over to the treasurer of that committee or the candidate within  
8 ten (10) days of its receipt.

9 Section 1624. Registration.--

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

18 (b) Each registration statement shall contain the following  
19 information:

20 (1) The name, addresses and phone numbers of the political  
21 committee.

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

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

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

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

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

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

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

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

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

13 (d) No political committee which receives an aggregate  
14 amount of contributions of two hundred fifty dollars (\$250) or  
15 more may make a contribution to any candidate or political  
16 committee unless it has registered with the appropriate  
17 supervisor.

18 Section 5. Section 1626(a), (b), (d) and (g) of the act are  
19 amended and the section is amended by adding a subsection to  
20 read:

21 Section 1626. Reporting by Candidate and Political  
22 Committees and other Persons.--

23 (a) Each treasurer of a political committee and each  
24 candidate for election to public office shall file with the  
25 appropriate supervisor reports of receipts and expenditures on  
26 forms, designed by the Secretary of the Commonwealth, if the  
27 amount received or expended or liabilities incurred shall exceed  
28 the sum of two hundred fifty dollars (\$250). Should such an  
29 amount not exceed two hundred fifty dollars (\$250), then the  
30 candidate or, in the case of a political committee, the

1 treasurer of the committee shall file a sworn statement to that  
2 effect with the appropriate supervisor rather than the report  
3 required by this section[.]: Provided, however, That if the  
4 amount received or expended by a candidate does not exceed two  
5 hundred fifty dollars (\$250) he or she may comply with this  
6 section by signing an affidavit to that effect on his or her  
7 political committee's report or statement.

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

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

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

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

28 (4) Each and every expenditure, the date made, the full name  
29 and address of the person to whom made and the purpose for which  
30 such expenditure was made. In the event the creditor is a credit



1 card company or like instrumentality that is an intermediary for  
2 collecting payments due, it shall not be sufficient to list the  
3 name of the collecting organization. The report shall identify  
4 the credit card company and also the specific entities and  
5 payments being paid through the credit card company or like  
6 entity. In the event the payment is being made by a committee to  
7 a creditor for expenses on behalf of one or more candidates, the  
8 amounts of payments and purposes of the payments shall be broken  
9 down to identify each candidate's share of the incurred  
10 expenses.

11 (5) Any unpaid debts and liabilities, with the nature and  
12 amount of each, the date incurred and the full name and address  
13 of the person owed.

14 (6) The account shall include any unexpended balance of  
15 contributions or other receipts appearing from the last account  
16 filed.

17 (7) Identification of political committees:

18 (i) If the contributor is a political committee, the  
19 official registration number of the committee shall be included  
20 on the contribution check or in the case of an electronic  
21 transfer within the documentation sent to the candidate  
22 providing notice to the electronic transfer of funds.

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

25 (iii) The official committee registration number shall be  
26 included on each entry for that committee on a candidate's  
27 disclosure report.

28 \* \* \*

29 (d) Pre-election reports by candidates for offices to be  
30 voted for by the electors of the State at large, candidates for

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

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

24 \* \* \*

25 (g) [Every] Except as provided under section 1644, every  
26 person, other than a political committee or candidate, who makes  
27 independent expenditures expressly advocating the election or  
28 defeat of a clearly identified candidate, or question appearing  
29 on the ballot, other than by contribution to a political  
30 committee or candidate, in an aggregate amount in excess of [one

1 hundred dollars (\$100)] one thousand dollars (\$1,000) during a  
2 calendar year shall file with the appropriate supervisor, on a  
3 form prepared by the Secretary of the Commonwealth, a report  
4 which shall include the same information required of a candidate  
5 or political committee receiving such a contribution and,  
6 additionally, the name of the candidate or question supported or  
7 opposed. Reports required by this subsection shall be filed on  
8 dates on which reports by political committees making  
9 expenditures are required to report under this section.

10 \* \* \*

11 Section 6. The act is amended by adding a section to read:

12 Section 1627.1. Limitations on Certain Contributions.--

13 (a) Aggregate contributions, including in-kind  
14 contributions, from an individual to a candidate for the office  
15 of Senator or Representative in the General Assembly, court of  
16 common pleas or a county or local office, or to the candidate's  
17 political committee, affiliate or agent, may not exceed one  
18 thousand five hundred dollars (\$1,500) for each election. A  
19 candidate and the candidate's political committee, affiliate or  
20 agent may not accept or receive more than one thousand five  
21 hundred dollars (\$1,500) in aggregate contributions, including  
22 in-kind contributions, from an individual for each election.

23 (b) Aggregate contributions, including in-kind  
24 contributions, from an individual to a candidate for Statewide  
25 office, the candidate's political committee, affiliate or agent,  
26 may not exceed five thousand dollars (\$5,000) for each election.  
27 No candidate, the candidate's political committee, affiliate or  
28 agent may accept or receive more than five thousand dollars  
29 (\$5,000) in aggregate contributions, including in-kind  
30 contributions, from an individual for each election.

1 (c) Aggregate contributions, including in-kind  
2 contributions, from a single political action committee, its  
3 affiliate or agent or a single candidate's political committee,  
4 its affiliate or agent to a candidate for Statewide office, the  
5 office of Senator or Representative in the General Assembly,  
6 court of common pleas or a county or local office, the  
7 candidate's political committee, affiliate or agent, may not  
8 exceed ten thousand dollars (\$10,000) for each election. No  
9 candidate for such office, nor the candidate's political  
10 committee, affiliate or agent, may accept or receive more than  
11 ten thousand dollars (\$10,000) in aggregate contributions,  
12 including in-kind contributions, from a single political action  
13 committee, its affiliate or agent or a single candidate's  
14 political committee, affiliate or agent for each election.

15 (d) Aggregate contributions, including in-kind  
16 contributions, from a single political party committee, its  
17 affiliate or agent to a political action committee or other  
18 party committee, its affiliate or agent may not exceed ten  
19 thousand dollars (\$10,000) for each election. No political  
20 action committee or other party committee, its affiliate or  
21 agent, may accept or receive more than ten thousand dollars  
22 (\$10,000) in aggregate contributions, including in-kind  
23 contributions, from a single political party committee, its  
24 affiliate or agent for each election.

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

1 committees, their affiliates or agents for each election.

2 (f) Except for a candidate for the office of Governor, a  
3 candidate for Statewide office, the candidate's political  
4 committee, affiliate or agent may not accept in excess of one  
5 million dollars (\$1,000,000) in aggregate contributions,  
6 including in-kind contributions, from all political party  
7 committees, their affiliates or agents for each election. A  
8 candidate for Governor, the candidate's political committee or  
9 agent may not accept in excess of five million dollars  
10 (\$5,000,000) in aggregate contributions, including in-kind  
11 contributions, from all political party committees, their  
12 affiliates or agents for each election.

13 (g) Aggregate contributions, including in-kind  
14 contributions, from a person or a single political action  
15 committee, its affiliate or agent or a single candidate's  
16 political committee, its affiliate or agent to a single  
17 political action committee, its affiliate or agent, may not  
18 exceed ten thousand dollars (\$10,000) for each election. No  
19 political action committee, its affiliate or agent may accept or  
20 receive more than ten thousand dollars (\$10,000) in aggregate  
21 contributions, including in-kind contributions, from a person or  
22 a single political action committee, its affiliate or agent for  
23 each election.

24 (h) Aggregate contributions from a person or a single  
25 candidate's political committee, its affiliate or agent or a  
26 single political action committee, its affiliate or agent or any  
27 other single political committee, its affiliate or agent to a  
28 single political party committee, its affiliate or agent may not  
29 exceed twenty-five thousand dollars (\$25,000) in a calendar  
30 year. No single political party committee, its affiliate or

1 agent may accept or receive more than twenty-five thousand  
2 dollars (\$25,000) in aggregate contributions from a person, a  
3 single candidate's political committee, its affiliate or agent,  
4 a single political action committee, its affiliate or agent, or  
5 any other single political committee, its affiliate or agent in  
6 a calendar year.

7 (i) A gift, subscription, loan, advance or deposit of money  
8 or anything of value to a candidate or a candidate's political  
9 committee, affiliate or agent shall be considered a contribution  
10 both by the original source of the contribution and by any  
11 intermediary or conduit if the intermediary or conduit:

12 (1) exercises any direction over the making of the  
13 contribution; or

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

18 (j) For purposes of subsection (i), a contribution shall not  
19 be considered to be a contribution by an intermediary or conduit  
20 to the candidate or the candidate's political committee,  
21 affiliate or agent if any of the following situations occur:

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

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

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

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

22 (3) The Secretary of the Commonwealth shall list and certify  
23 those states that have less restrictive disclosure laws than  
24 this Commonwealth. The list shall be compiled and updated  
25 annually and published in the Pennsylvania Bulletin not later  
26 than January 1, 2019, and each January 1 thereafter. The list  
27 shall be made available on the Department of State's publicly  
28 accessible Internet website and provided in hard copy in  
29 campaign committee packets prepared by the department.

30 (1) The provisions of this section shall apply to any

1 contribution made for the purpose of influencing an election to  
2 any public office in this Commonwealth except Federal offices.

3 (m) For purposes of this section, a contribution shall be  
4 deemed to be made for an election if it was received by the  
5 recipient during the period beginning on the first day following  
6 the immediately preceding election through midnight on the day  
7 of the election.

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

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

18 (p) Nothing in this section shall be construed to prohibit a  
19 municipality from instituting or maintaining lower limitations  
20 on contributions to candidates or their political committees,  
21 affiliates or agents for elected offices under the  
22 municipality's jurisdiction.

23 (q) A violation of the contribution limits imposed by this  
24 section shall subject the violator to a fine equal to three  
25 times the amount of money that exceeds the limits. This penalty  
26 applies to both the person making the contribution and the  
27 person receiving the contribution.

28 (r) The Secretary of the Commonwealth shall biennially  
29 adjust to the nearest one hundred dollars (\$100) the limits in  
30 subsections (a), (b), (c), (d), (e), (f), (g) and (h) by the



1 percentage change in the consumer price index and publish the  
2 new amounts in the Pennsylvania Bulletin. For the purposes of  
3 this subsection, "consumer price index" means the Consumer Price  
4 Index for All Urban Consumers that is published by the United  
5 States Department of Labor, Bureau of Labor Statistics.

6 (s) The limitations imposed by this section shall not apply  
7 to contributions from a candidate's personal resources to the  
8 candidate's political committee or a political action committee  
9 acting on behalf of the candidate.

10 Section 7. Sections 1632(a) and 1633(a) of the act are  
11 amended to read:

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

13 (a) A late filing fee for each report or statement of  
14 expenditures and contributions which is not filed within the  
15 prescribed period shall be imposed as follows. Such fee shall be  
16 [ten dollars (\$10)] twenty dollars (\$20) for each day or part of  
17 a day excluding Saturdays, Sundays and holidays that a report is  
18 overdue. An additional fee of ten dollars (\$10) is due for each  
19 of the first six (6) days that a report is overdue. [The maximum  
20 fee payable with respect to a single report is two hundred fifty  
21 dollars (\$250).] A supervisor shall receive an overdue report or  
22 statement even if any late filing fee due has not been paid but  
23 the report or statement shall not be considered filed until all  
24 fees have been paid upon the receipt by the supervisor of an  
25 overdue report. No further late filing fees shall be incurred  
26 once the report or statement is filed notwithstanding the fact  
27 that the report or statement is not considered filed. The late  
28 filing fee is the personal liability of the candidate or  
29 treasurer of a political committee and cannot be paid from  
30 contributions to the candidate or committee, nor may such fee be

1 considered an expenditure. A report or statement of expenditures  
2 and contributions shall be deemed to have been filed within the  
3 prescribed time if the letter transmitting the report or  
4 statement which is received by the supervisor is transmitted by  
5 first class mail and is postmarked by the United States Postal  
6 Service on the day prior to the final day on which the report or  
7 statement is to be received: Provided, That this sentence shall  
8 not be applicable to the reporting requirements contained in  
9 section 1628. All Department of State filing and disclosure  
10 requirements for prior campaign activity must be satisfied in  
11 order for a candidate to obtain a place on the ballot.

12 \* \* \*

13 Section 1633. Contributions or Expenditures by National  
14 Banks, Corporations or Unincorporated Associations.--(a) (1)  
15 It is unlawful for any National or State bank, partnership or  
16 any corporation, incorporated under the laws of this or any  
17 other state or any foreign country or any unincorporated  
18 association, except those corporations formed primarily for  
19 political purposes or as a political committee, to make a  
20 contribution or expenditure in connection with the election of  
21 any candidate or for any political purpose whatever except in  
22 connection with any question to be voted on by the electors of  
23 this Commonwealth. Furthermore, it shall be unlawful for any  
24 candidate, political committee, or other person to knowingly  
25 accept or receive any contribution prohibited by this section,  
26 or for any officer or any director of any corporation, bank, or  
27 any unincorporated association to consent to any contribution or  
28 expenditure by the corporation, bank or unincorporated  
29 association, as the case may be, prohibited by this section.

30 (2) In the event any provision of this section regarding

1 bans on contributions or expenditures by national banks,  
2 corporations or unincorporated associations is nullified by a  
3 court decision, then the contribution limits established for  
4 individuals by this act shall be applied to the entities  
5 currently subject to this section.

6 \* \* \*

7 Section 8. Section 1641(a) of the act is amended and the  
8 section is amended by adding a subsection to read:

9 Section 1641. Reports by Business Entities; Publication by  
10 Secretary of the Commonwealth.--

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

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

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

30 For the purposes of this subsection, "immediate family" means a

1 person's spouse and any unemancipated child.

2 \* \* \*

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

10 Section 9. The act is amended by adding sections to read:

11 Section 1643. Independent Expenditures.--

12 (a) A person may make independent expenditures for the  
13 purposes of advocating the election or defeat of a clearly  
14 identified candidate or ballot question.

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

21 (1) No person shall make, incur or contract for an  
22 expenditure with the consent of, in coordination with or in  
23 consultation with a candidate, candidate committee, political  
24 committee or candidate's agent.

25 (2) No group of two or more individuals acting together that  
26 receives funds or makes or incurs expenditures not exceeding one  
27 thousand dollars (\$1,000) in the aggregate which have not formed  
28 a political committee shall make or incur an independent  
29 expenditure.

30 (b.1) Communications under subsection (b) shall contain the

1 following language:

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

4 (i) For an individual, the name and address of the  
5 individual.

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

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

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

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

15 (i) For an individual, group or political committee other  
16 than a candidate committee making or incurring an expenditure  
17 with the consent of, in coordination with or in consultation  
18 with a candidate committee or candidate's agent, the name of the  
19 candidate.

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

21 (c) Expenditures:

22 (1) The following apply:

23 (i) No person shall make or incur an independent expenditure  
24 for a written, typed or other printed communication or a web-  
25 based, written communication which promotes the success or  
26 defeat of a candidate for nomination or election or promotes or  
27 opposes a political party or solicits funds to benefit a  
28 political party or committee, unless the communication bears  
29 upon its face the words "paid for and approved by" and the name  
30 of the person, the name of its chief executive officer or

1 equivalent and its principal business address and the words  
2 "This message was made independently of a candidate or political  
3 party."

4 (ii) An entity which is a tax-exempt organization under  
5 section 501 of the Internal Revenue Code of 1986 (Public Law 99-  
6 514, 26 U.S.C. § 1 et seq.) or an incorporated tax-exempt  
7 political organization organized under section 527 of the  
8 Internal Revenue Code of 1986, making or incurring an  
9 independent expenditure under subparagraph (i), shall also bear  
10 upon the face of the communication the words "Top Five  
11 Contributors" followed by a list of the five persons making the  
12 largest contributions to the organization during the twelve-  
13 month period before the date of the communication.

14 (2) Disclosure requirements are as follows:

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

26 I am . . . (name of person's chief executive officer or  
27 equivalent), . . . (title) of . . . (entity). This message  
28 was made independently of any candidate, political committee  
29 or political party, and I approve of its content.

30 (ii) A tax-exempt organization under section 501 of the

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

7 The Top Five Contributors to the organization for this  
8 advertisement are followed by a list of the five persons  
9 making the largest contributions to the organization during  
10 the twelve-month period before the date of the communication.

11 Section 1644. Independent Expenditure Evaluation.--

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

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

23 (2) An expenditure made by a person for the production,  
24 dissemination, distribution or publication, in whole or in  
25 substantial part, of a broadcast or a written, graphic or other  
26 form of political advertising or campaign communications  
27 prepared by a candidate or political committee or a consultant  
28 or other agent acting on behalf of a candidate or political  
29 committee.

30 (3) An expenditure made by a person based on information

1 about a candidate's or political committee's plans, projects or  
2 needs, provided by a candidate or political committee or a  
3 consultant or other agent acting on behalf of a candidate or  
4 political committee with the intent that the expenditure be  
5 made.

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

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

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

22 (i) fundraising activities with or for a candidate or  
23 political committee or a consultant or other agent acting on  
24 behalf of a candidate or political committee; or

25 (ii) the solicitation or receipt of contributions on behalf  
26 of a candidate or political committee or a consultant or other  
27 agent acting on behalf of a candidate or political committee.

28 (7) An expenditure made by a person based on information  
29 about a candidate's campaign plans, projects or needs, that is  
30 directly or indirectly provided by a candidate, the candidate's



1 committee or a political committee or a consultant or other  
2 agent acting on behalf of the candidate or political committee  
3 to the person making the expenditure or the person's agent, with  
4 an express or tacit understanding that the person is considering  
5 making the expenditure.

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

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

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

24 (1) an individual or a person paid by a candidate or a  
25 candidate committee; and

26 (2) any consultant, printing firm, media production company,  
27 Internet website director or webmaster, marketing firm,  
28 advertising firm, filed organization firm or other company or  
29 firm retained by a candidate or authorized by a candidate or a  
30 candidate committee to act on the candidate's behalf.

1 Section 10. The act is amended by adding an article to read:

2 ARTICLE XVI-A

3 CORPORATE POLITICAL ACCOUNTABILITY

4 Section 1601-A. Definitions.

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

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

1 office. The term does not include:

2 (1) Communications by a corporation to its stockholders  
3 and executive or administrative personnel and their families  
4 or by a labor organization to its members and their families  
5 on any subject.

6 (2) Nonpartisan registration and get-out-the-vote  
7 campaigns by a corporation aimed at its stockholders and  
8 executive or administrative personnel and their families or  
9 by a labor organization aimed at its members and their  
10 families.

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

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

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

21 "General treasury funds." The money in possession of a  
22 corporation incorporated under the laws of this Commonwealth in  
23 the normal course of business, including funds from sales,  
24 accounts payable, loans, investments, bonds or debt instruments.

25 "Issue advocacy campaign." Contributions or expenditures for  
26 any communication to the general public intended to encourage  
27 the public to contact a government official regarding pending  
28 legislation, public policy or a government rule or regulation.

29 The term does not include contributions or expenditures for  
30 registered lobbyists or other persons employed by the

1 corporation to lobby directly Federal or State government  
2 officials.

3 "Known at the time of the authorization vote." At the time  
4 the corporation seeks authorization from shareholders to spend  
5 corporate funds for political activities:

6 (1) the corporation's officers, directors or employees  
7 have identified a specific political activity for the  
8 corporation to support or oppose;

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

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

14 "Majority of shareholders." Fifty percent plus one of all  
15 outstanding voting securities. Shareholders not casting votes  
16 shall not count toward affirmative authorization under this  
17 article.

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

24 "Separate segregated fund." A political action committee  
25 formed by a corporation for the purpose of making contributions  
26 to candidates for office or to political parties. A separate  
27 segregated fund which supports Federal candidates shall have the  
28 same meaning as that found in section 316 of the Federal  
29 Election Campaign Act of 1971 (Public Law 92-225, 52 U.S.C. §  
30 30118).

1 Section 1602-A. Shareholder vote on corporate political  
2 activities.

3 (a) Annual vote.--

4 (1) Any corporation incorporated in this Commonwealth  
5 that spends in the aggregate \$10,000 or more of corporate  
6 treasury funds on all political activities in this  
7 Commonwealth shall comply with the requirements of this  
8 section.

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

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

25 (4) If a corporation spends less than an aggregate of  
26 \$10,000 in a 12-month period for political activities, then  
27 it does not have to seek shareholder authorization for such  
28 spending.

29 (b) Shareholder approval.--

30 (1) When seeking shareholder authorization for

1 expenditures for political activities, the corporation shall  
2 request the authority to spend a maximum dollar amount in the  
3 next 12 months.

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

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

12 (ii) A vote by the shareholders to approve or  
13 disapprove any spending of \$10,000 or more by a  
14 corporation for a political activity shall be binding on  
15 the corporation.

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

22 (A) all spending on political activities of  
23 \$10,000 or more must be authorized by a shareholder  
24 majority vote; and

25 (B) for any special authorization, the company  
26 shall articulate whether the corporate treasury funds  
27 so authorized are intended to benefit or defeat  
28 candidates, ballot measures or issue advocacy  
29 campaigns or will be paid to specific nonprofits or  
30 trade associations for political activities at the

1 time the special authorization is requested.

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

9 (d) Rulemaking.--The department shall promulgate final  
10 regulations to implement this section no later than six months  
11 after the effective date of this section.

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

15 Section 1603-A. Notification to shareholders of corporate  
16 political activities.

17 (a) Notification to shareholders.--

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

26 (2) A report made pursuant to this section shall include  
27 the following:

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

29 (ii) The amount of the contributions or  
30 expenditures.

1           (iii) The identity of the candidate, political  
2 party, committee, electioneering communication, ballot  
3 measure campaign or issue advocacy campaign.

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

9           (v) If the contributions or expenditures were made  
10 for or against a ballot measure, the purpose of the  
11 measure and whether the contributions or expenditures  
12 were made in support or opposition to the ballot measure.

13           (vi) If the contributions or expenditures were made  
14 for or against an issue advocacy campaign, the nature of  
15 the political issue and whether the contributions were  
16 made in support or opposition to the political issue.

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

19 (b) Public disclosure.--

20           (1) The quarterly reports of political activities by a  
21 corporation incorporated in this Commonwealth to shareholders  
22 shall be public records.

23           (2) A copy of the reports filed under subsection (a)(1)  
24 shall be:

25           (i) submitted to the department; and

26           (ii) posted for at least one year on the  
27 corporation's publicly accessible Internet website, if  
28 any.

29 Section 1604-A. Public disclosure of corporate political  
30 activities by the department.



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

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

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

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

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

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

27 Section 1606-A. Board approval for all corporate political  
28 expenditures.

29 (a) Approval required.--Notwithstanding any other provision  
30 of law, no corporation or no trade, business or professional

1 association shall make any campaign contribution or expenditure  
2 unless specifically authorized to do so:

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

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

10 (3) for a corporation, by any other person designated by  
11 resolution of the board of directors of a corporation to  
12 authorize contributions or expenditures.

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

17 Section 1607-A. Applicability to foreign corporations.

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

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

28 (2) more than one-half of its outstanding voting  
29 securities are held of record by persons having addresses in  
30 this Commonwealth appearing on the books of the corporation

1 on the record date for the latest meeting of shareholders  
2 held during its latest full-income year or, if no meeting was  
3 held during that year, on the last day of the latest full-  
4 income year.

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

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

15 (c) Applicability.--This section does not apply to any  
16 corporation:

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

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

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

25 (d) Liability.--Any party who obtains a final determination  
26 by a court of competent jurisdiction that the corporation failed  
27 to provide to the party information required to be provided by  
28 this article or provided the party information of the kind  
29 required to be provided by this article that is incorrect, then  
30 the court, in its discretion, shall have the power to include in

1 its judgment recovery by the party from the corporation of all  
2 court costs and reasonable attorney fees incurred in that legal  
3 proceeding to the extent they relate to obtaining that final  
4 determination.

5 Section 11. The provisions of this act are severable. If any  
6 provision of this act or its application to any person or  
7 circumstance is held invalid, the invalidity shall not affect  
8 other provisions or applications of this act which can be given  
9 effect without the invalid provision or application.

10 Section 12. A comprehensive, fully searchable and user-  
11 friendly computerized database to track full implementation of  
12 this act shall be made available to the public by the Department  
13 of State through its publicly accessible Internet website on or  
14 before December 31, 2018.

15 Section 13. This act shall take effect January 1, 2019.