

Senate Bill 363

By: Senators Orrock of the 36th, Henson of the 41st, Butler of the 55th and Tate of the 38th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 21 of the Official Code of Georgia Annotated, relating to elections, so as to  
2 prohibit a corporation from using any money or other property of the corporation in  
3 connection with a political expenditure unless the stockholders, by a certain vote, have  
4 authorized such political expenditures in advance and directed that the money or property be  
5 used for certain purposes; to define a certain term; to require stockholder consideration of  
6 political expenditures to occur at an annual or special meeting; to require a corporation to  
7 give or post certain notices relating to political expenditures; to require the annual report of  
8 a corporation to contain certain information about political expenditures; to authorize the  
9 Attorney General, under certain circumstances, to bring a civil action to obtain certain  
10 remedies against a corporation for violations; to provide a short title; to provide for related  
11 matters; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 style="text-align:center">**SECTION 1.**

14 This Act shall be known and may be cited as the "Shareholders United Act of 2016."

15 style="text-align:center">**SECTION 2.**

16 Title 21 of the Official Code of Georgia Annotated, relating to elections, is amended by  
17 adding a new Code section to read as follows:

18 "21-5-16.

19 (a) As used in this Code section, the term 'political expenditure' means a contribution, gift,  
20 transfer, disbursement, or promise of money or a thing of value to promote or assist in the  
21 promotion of the success or defeat of a candidate, political party, or question in any state  
22 or federal election.

23 (b) Notwithstanding any other provision of law, a corporation shall not use any money or  
24 other property of the corporation in connection with a political expenditure unless the

25 stockholders of the corporation, by the affirmative vote of a majority of all votes entitled  
26 to be cast, have:

27 (1) Authorized in advance the total amount of money or property that may be used for  
28 all political expenditures during a specific fiscal year of the corporation; and

29 (2) Directed that the money or property be used for:

30 (A) A specified candidate or candidates;

31 (B) Candidates of a specified political party or parties;

32 (C) A specified political party or parties;

33 (D) A specified political committee or committees;

34 (E) A specified entity or entities exempt from taxation under Section 501(c)(4) or  
35 501(c)(6) of the Internal Revenue Code; or

36 (F) A specified question or questions.

37 (c) Stockholder consideration of political expenditures shall occur at an annual or special  
38 meeting of the stockholders.

39 (d) Within 48 hours after making a political expenditure, the corporation shall provide  
40 notice of the amount, recipient, date, and purpose of the expenditure:

41 (1) By electronic transmission to each stockholder who has requested notice; and

42 (2) By posting such notice of the political expenditure on its website, if the corporation  
43 maintains a website.

44 (e) The annual report of the corporation shall contain a list of all political expenditures  
45 made by the corporation during the reporting period, including the amount, recipient, date,  
46 and purpose of each political expenditure.

47 (f) Notwithstanding any other provision of law, whenever it appears to the Attorney  
48 General that any person has engaged in any act or practice constituting a violation of any  
49 provision of this Code section, the Attorney General may bring an action to obtain one or  
50 more of the following remedies:

51 (1) A temporary restraining order;

52 (2) A temporary or permanent injunction;

53 (3) A civil penalty not exceeding:

54 (A) Three times the amount of the political expenditure made in violation of  
55 subsection (b) of this Code section; or

56 (B) \$5,000.00 for any other violation of this Code section;

57 (4) A declaratory judgment;

58 (5) Rescission;

59 (6) Restitution; and

60 (7) Any other appropriate relief."

61

**SECTION 3.**

62 All laws and parts of laws in conflict with this Act are repealed.