

Senate Bill 423

By: Senators Bearden of the 30th, Watson of the 11th, Williams of the 25th, Echols of the 49th, Hickman of the 4th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5 of Title 21 of the Official Code of Georgia Annotated, relating to
2 government transparency and campaign finance, so as to prohibit candidates, campaign
3 committees, independent committees, political action committees, and leadership committees
4 from accepting contributions or donations from non-Georgia persons that exceed 50 percent
5 of all contributions received; to provide definitions; to provide for the return of such excess
6 contributions; to provide for the escheatment of excess contributions that are not returned;
7 to provide for exceptions; to provide for injunctive relief; to prohibit and provide penalties
8 for strawman transactions seeking to avoid the contribution cap provided herein; to provide
9 for related matters; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 5 of Title 21 of the Official Code of Georgia Annotated, relating to government
13 transparency and campaign finance, is amended in Code Section 21-5-41, relating to
14 maximum allowable contributions, by revising subsection (h), which is reserved, as follows:

- 15 ”(h)(1) As used in this subsection, the term:
- 16 (A) 'Leadership committee' shall have the same meaning as set forth in Code Section
- 17 21-5-34.2.
- 18 (B) 'Non-Georgia person' means:
- 19 (i) As to an individual, any individual except an individual who:
- 20 (I) On the date such contribution or donation was made, was a registered Georgia
- 21 voter; or
- 22 (II) Paid individual income taxes to the State of Georgia in the calendar year
- 23 preceding the date of such contribution or donation;
- 24 (ii) As to a business entity, any entity except an entity that:
- 25 (I) On the date such contribution or donation was made, was registered with the
- 26 Secretary of State to do business in this state;
- 27 (II) Paid individual or corporate income taxes to the State of Georgia in the
- 28 calendar year preceding the date of such contribution or donation; or
- 29 (III) Filed a corporate income tax return with the Georgia Department of Revenue
- 30 in the preceding calendar year or maintains sufficient economic presence, property,
- 31 or payroll within this state to establish a nexus under state law; and
- 32 (iii) As to a campaign committee, independent committee, or political action
- 33 committee, any such committee which cannot demonstrate that the funds from which
- 34 such committee made such contribution or donation came from individuals or entities
- 35 exempted pursuant to divisions (i) and (ii) of this subparagraph.
- 36 (2) After January 1, 2027, contributions or donations from all non-Georgia persons shall
- 37 not exceed 50 percent of the total contributions and donations received by a candidate,
- 38 campaign committee, independent committee, political action committee, or leadership
- 39 committee for a reporting period. In the event that the total amount of such contributions
- 40 and donations exceeds 50 percent of the total contributions received, such candidate,
- 41 campaign committee, independent committee, political action committee, or leadership

42 committee shall return such excess funds to the non-Georgia persons making such
43 contributions or donations. In the event that such candidate, campaign committee,
44 independent committee, political action committee, or leadership committee cannot or
45 does not return such excess funds within 45 days of the end of a reporting period, such
46 funds shall escheat to the state.

47 (3) This subsection shall not apply to any:

48 (A) Transfer of funds made by the national committee of a political party to a state,
49 district, or local committee of the same political party pursuant to 52 U.S.C.
50 Section 30116(a)(4); or

51 (B) Contributions or donations from the members of a candidate's family.

52 (4) If a candidate, campaign committee, independent committee, political action
53 committee, or leadership committee is found to have accepted contributions or donations
54 in excess of the limits prescribed in this Code section, the Attorney General, either at the
55 request of the commission or on his or her own motion, or any resident of this state may
56 petition the superior court of the county in which the candidate, campaign committee,
57 independent committee, political action committee, or leadership committee is domiciled
58 to seek an injunction preventing the expenditure of such excess funds or directing that
59 such excess funds be returned or escheated as provided for in this Code section.

60 (5)(A) It shall be unlawful for a non-Georgia person to pay, transfer funds to, pledge
61 credit to, reimburse, or otherwise compensate a person otherwise authorized to make
62 contributions or donations pursuant to this chapter so as to avoid the prohibitions and
63 contribution cap provided for in this subsection.

64 (B) It shall be unlawful for any person to knowingly accept payments, funds, credit or
65 compensation from a non-Georgia person and then contribute or donate to any
66 candidate, campaign committee, independent committee, political action committee, or
67 leadership committee portions or all of such payments, funds, credit, or compensation

68 so as to allow such non-Georgia person to avoid the prohibitions and contribution cap
69 provided for in this subsection.

70 (C) Any person who violates this paragraph shall be guilty of a felony, and upon
71 conviction thereof shall be punished by imprisonment for not less than one nor more
72 than ten years, or a fine of not more than \$10,000.00, or both. Reserved."

73 **SECTION 2.**

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