

The Senate Committee on Ethics offered the following substitute to SB 423:

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 revise registration and reporting
3 requirements for certain political action committees; to revise certain disclosure requirements
4 for independent committees; to provide for violations and penalties; to prohibit candidates,
5 campaign committees, independent committees, political action committees, and leadership
6 committees from accepting contributions or donations from non-Georgia persons that exceed
7 50 percent of all contributions received; to provide definitions; to provide for the return of
8 such excess contributions; to provide for the escheatment of excess contributions that are not
9 returned; to provide for exceptions; to provide for injunctive relief; to prohibit and provide
10 penalties for strawman transactions seeking to avoid the contribution cap provided herein;
11 to provide for related matters; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 **SECTION 1.**
14 Chapter 5 of Title 21 of the Official Code of Georgia Annotated, relating to government
15 transparency and campaign finance, is amended in Code Section 21-5-34, relating to

16 campaign contribution disclosure reports and committee registration, by revising subsections
17 (e.1) and (f) as follows:

18 "(e.1) Any political action committee which makes contributions to, accepts contributions
19 for, or makes expenditures on behalf of candidates shall file a registration in the same
20 manner as is required of campaign committees prior to accepting or making contributions
21 or expenditures. Prior to such registration, such political action committee shall open a
22 bank account in the name of such political action committee and shall maintain such bank
23 account until the political action committee is terminated. Such political action committee
24 shall also file campaign contribution disclosure reports on January 31, April 30, July 31,
25 and October 20 of each year until the bank account required by this subsection has been
26 zeroed out and the political action committee has been terminated. Political action
27 committees making aggregate expenditures on behalf of candidates of \$25,000.00 or less
28 in one calendar year shall be exempt from the foregoing registration and reporting
29 requirements.

30 (f)(1) Any independent committee which accepts contributions or makes expenditures
31 for the purpose of affecting the outcome of an election or advocates the election or defeat
32 of any candidate shall register with the commission prior to accepting contributions or
33 making expenditures and shall file disclosure reports as follows:

34 (A) On the first day of each of the two calendar months preceding any such election;

35 (B) Two weeks prior to the date of such election; and

36 (C) Within the two-week period prior to the date of such election the independent
37 committee shall report within two business days any contributions or expenditure of
38 more than \$1,000.00.

39 The independent committee shall file a final report prior to December 31 of the election
40 year and shall file supplemental reports on June 30 and December 31 of each year that
41 such independent committee continues to accept contributions or make expenditures.

42 (2) Reports filed by independent committees shall list the following:

- 43 (A) The amount and date of receipt, along with the name, mailing address, occupation,
44 and employer of any person making a contribution of more than \$100.00;
- 45 (B) The name, mailing address, occupation, and employer of any person to whom an
46 expenditure or provision of goods or services of the value of more than \$100.00 is made
47 and the amount, date, and general purpose thereof, including the name of the candidate
48 or candidates, if any, on behalf of whom, or in support of or in opposition to whom, the
49 expenditure or provision was made;
- 50 (C) Total expenditures made as follows:
- 51 (i) Expenditures shall be reported for the applicable reporting year;
- 52 (ii) The first report of a reporting year shall list the total expenditures made during
53 the period covered by the report; and
- 54 (iii) Subsequent reports shall list the total expenditures made during the period
55 covered by the report, the cumulative total of expenditures made during the reporting
56 year, and net balance on hand; and
- 57 (D) The corporate, labor union, or other affiliation of any political action committee,
58 candidate, campaign committee, or independent committee making a contribution of
59 the value of more than \$100.00.
- 60 (3) Whenever any independent committee makes an expenditure for the purpose of
61 financing any communication intended to affect the outcome of an election, such
62 communication shall clearly state that it has been financed by such independent
63 committee.
- 64 (4) Any independent committee which makes expenditures or expends funds for the
65 purpose of affecting the outcome of an election for any elective office, or to advocate the
66 election or defeat of a particular candidate, through broadcast media, cable, radio,
67 electronic communications, or the internet shall disclose all information required by all
68 applicable federal statutes or regulations to the respective federal authority. It shall be
69 a violation of this chapter and unlawful to fail to comply with the provisions of this

70 subsection. Each expenditure made in violation of this subsection shall be considered a
71 separate and distinct violation and subject to civil penalties as provided for in Code
72 Section 21-5-6."

73 **SECTION 2.**

74 Said chapter is further amended in Code Section 21-5-41, relating to maximum allowable
75 contributions, by revising subsection (h), which is reserved, as follows:

76 "(h)(1) As used in this subsection, the term:

77 (A) 'Leadership committee' shall have the same meaning as set forth in Code Section
78 21-5-34.2.

79 (B) 'Non-Georgia person' means:

80 (i) As to an individual, any individual except an individual who:

81 (I) On the date such contribution or donation was made, was a registered Georgia
82 voter; or

83 (II) Paid individual income taxes to the State of Georgia in the calendar year
84 preceding the date of such contribution or donation;

85 (ii) As to a business entity, any entity except an entity that:

86 (I) On the date such contribution or donation was made, was registered with the
87 Secretary of State to do business in this state;

88 (II) Paid individual or corporate income taxes to the State of Georgia in the
89 calendar year preceding the date of such contribution or donation; or

90 (III) Filed a corporate income tax return with the Georgia Department of Revenue
91 in the preceding calendar year or maintains sufficient economic presence, property,
92 or payroll within this state to establish a nexus under state law; and

93 (iii) As to a campaign committee, independent committee, or political action
94 committee, any such committee which cannot demonstrate that the funds from which

95 such committee made such contribution or donation came from individuals or entities
96 exempted pursuant to divisions (i) and (ii) of this subparagraph.

97 (2) After January 1, 2027, contributions or donations from all non-Georgia persons shall
98 not exceed 50 percent of the total contributions and donations received by a candidate,
99 campaign committee, independent committee, political action committee, or leadership
100 committee for a reporting period. In the event that the total amount of such contributions
101 and donations exceeds 50 percent of the total contributions received, such candidate,
102 campaign committee, independent committee, political action committee, or leadership
103 committee shall return such excess funds to the non-Georgia persons making such
104 contributions or donations. In the event that such candidate, campaign committee,
105 independent committee, political action committee, or leadership committee cannot or
106 does not return such excess funds within 45 days of the end of a reporting period, such
107 funds shall escheat to the state.

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

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

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

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

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

125 (B) It shall be unlawful for any person to knowingly accept payments, funds, credit or
126 compensation from a non-Georgia person and then contribute or donate to any
127 candidate, campaign committee, independent committee, political action committee, or
128 leadership committee portions or all of such payments, funds, credit, or compensation
129 so as to allow such non-Georgia person to avoid the prohibitions and contribution cap
130 provided for in this subsection.

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

134

SECTION 3.

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