

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 1207 Campaign Financing  
**SPONSOR(S):** Governmental Affairs Policy Committee and McKeel  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 880

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Governmental Affairs Policy Committee	9 Y, 4 N, As CS	McDonald	Williamson
2)	Economic Development & Community Affairs Policy Council		McDonald	Tinker
3)				
4)				
5)				

### SUMMARY ANALYSIS

On May 22, 2009, portions of Chapter 106, F.S., regulating "electioneering communications," were held unconstitutional by the United States District Court for the Northern District of Florida in Broward Coalition v. Browning.

The bill reenacts and amends provisions related to electioneering communications and electioneering communication organizations (ECOs) to do the following:

- Redefine "electioneering communication" to remove reference to issues, specify the allowable communication formats, regulate advocacy that is the functional equivalent of express advocacy, and provide timeframes for the communications.
- Remove reference to a specific number of persons who must be targeted in a geographic area in the definition of "electioneering communication" to only refer to targeting to "relevant electorate in the geographic area the candidate would represent if elected."
- Redefine "electioneering communications organization" to clarify that it includes only those organizations with "election-related activities" that are limited to electioneering communications and that its activities would not require the group to register as a political party, political committee, or committee of continuous existence.
- Amend the definition of "political committee" to remove the requirement that an ECO conform to specified requirements of a "political committee" when it is specifically exempt from the definition.
- Provide separate registration and reporting requirements for ECOs.
- Require an organization to register as an ECO upon receipt or expenditure of an aggregate amount exceeding \$5,000, rather than when it "anticipates receipt or expenditure of money."
- Increase the amount an individual can expend before being subject to regulation from \$100 to \$5,000.
- Remove provisions identified as an impermissible burden on speech.

The bill also revises provisions relating to use of local government funds for political advertising.

The bill authorizes the leader of each political party conference of the state House of Representatives and Senate to establish a separate, affiliated party committee to support the election of candidates of the leader's political party. Leader is defined as President of the Senate, Speaker of the House of Representatives, or the minority leader of either house of the Legislature, until a person is designated by a political party conference of members of either house to succeed to the position, at which time the designee becomes the leader for purposes of the affiliated party committee. Payment of assessments for candidates for state senator and member of the House of Representatives must be paid to the respective affiliated party committee of the Senate or House of Representatives. The bill provides that specified requirements and exemptions for political parties and state executive committees apply to an affiliated party committee. Finally, the bill removes the 28-day time limitation prior to a general election for contributions from political parties and affiliated party committees to candidates.

See "Fiscal Comments" for details on possible fiscal impacts.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

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## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

#### **Electioneering Communications and Electioneering Communications Organizations**

##### Summary of Current Law

##### *Federal Law and Regulations*

Political speech, political association, and political expression are protected by the First Amendment. Consequently, governments can regulate only those narrow categories of political speech that are "unambiguously related to the campaign of a particular . . . candidate."<sup>1</sup> Two categories fall within that narrow exception: "communications that in express terms advocate the election or defeat of a clearly identifiable candidate for federal office, also referred to as express advocacy"<sup>2</sup>; and communications that constitute "the functional equivalent of express advocacy."<sup>3,4</sup>

The Bipartisan Campaign Reform Act of 2002 ("BCRA") amended the Federal Election Campaign Act by adding a new category of political communications, "electioneering communications," to those communications already governed by the Act. BCRA defines electioneering communications as broadcast, cable, or satellite communications that refer to a clearly identified candidate for Federal office, are publicly distributed within 60 days before a general election or 30 days before a primary election, and are targeted to the relevant electorate. Individuals and entities that make electioneering communications are subject to certain reporting requirements.

In 2007, the Supreme Court reviewed an as-applied challenge to the electioneering communications regulations of BCRA.<sup>5</sup> In WRTLII, Wisconsin Right to Life, a non-profit corporation, sought to use its own general treasury funds to pay for broadcast advertisements that qualified as electioneering communications prohibited by BCRA. The Federal Election Commission contended that the 2003 U.S. Supreme Court decision in McConnell v. Federal Election Commission established the "constitutional

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<sup>1</sup>Buckley v. Valeo, 424 U.S. 1, 80 (1976).

<sup>2</sup>Id. at 44.

<sup>3</sup>McConnell v. Fed. Election Comm'n, 540 U.S. 93, 206 (2003).

<sup>4</sup>Citizens United v. Fed. Election Comm'n, 530 F.Supp.2d 274 (D.C.C. 2008)(A film producer challenged provisions of BCRA as unconstitutional. The district court held that a movie about a presidential candidate was the functional equivalent of express advocacy. On September 9, 2009, the Supreme Court heard re-argument on the issue of contribution and expenditure limitations on corporations.)

<sup>5</sup>FEC v. Wisconsin Right to Life, Inc., 551 U.S. 449 (2007) ("WRTL II").

test for determining if an ad is the functional equivalent of express advocacy: whether the ad is intended to influence elections and has that effect.”<sup>6</sup> The Court held that McConnell did not adopt any test as the standard for future as-applied challenges. The Court went on to reject the adoption of any test for as-applied challenges that depended on the speaker’s intent to affect an election. Instead, the Court required that “a court should find that an ad is the functional equivalent of express advocacy only if the ad is susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate.”<sup>7</sup>

### *Florida Law*

"Legislatures have the power to regulate elections;"<sup>8</sup> however, there are certain constraints established in federal law and in case law.

On May 22, 2009, portions of Chapter 106, F.S., regulating “electioneering communications,” were held unconstitutional by the United States District Court for the Northern District of Florida.<sup>9</sup> The electioneering communications laws attempted to regulate communication that “refers to or depicts a clearly identified candidate for office or contains a clear reference indicating that an issue is to be voted on at an election, without expressly advocating the election or defeat of a candidate or the passage or defeat of an issue.”<sup>10</sup> Any group that makes an electioneering communication must register as an electioneering communications organization. These organizations were required to register and report expenditures and contributions in the same manner as political committees supporting or opposing an issue or a candidate.

In the Broward Coalition decision, the court explained that there are two factors that must be met before a communication is deemed to be the functional equivalent of express advocacy. First, the speech must be “susceptible of no reasonable interpretation other than as an appeal to vote for or against a specific candidate.”<sup>11</sup> Second, the communication must be a “broadcast, cable, or satellite communication that refers to a clearly identified candidate within sixty days of a general election or thirty days of a primary election.”<sup>12</sup> Under this criteria, the court found that: 1) none of the plaintiffs issued communication via broadcast, cable, or satellite; 2) all of the speech at issue is susceptible of a reasonable interpretation other than an appeal to vote for or against a candidate; and 3) “plaintiff’s speech relating to ballot issues cannot, by definition, be express advocacy for a particular candidate.”<sup>13</sup>

### Effect of Proposed Changes

The bill reenacts and revises the following provisions of law related to electioneering communications and electioneering communication organizations (ECOs) to address the concerns raised in the Broward Coalition decision:

- Redefines "electioneering communication" to conform with federal law and case law by removing reference to issues; only regulating advocacy that is the functional equivalent of express advocacy and providing guidelines for such advocacy; and providing the timeframes for such communications.
- Removes the reference to electioneering communication in the provision of law relating to telephone solicitations which are express advocacy since such solicitations cannot, by definition, be electioneering communications.

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<sup>6</sup> WRTL II, at 465.

<sup>7</sup> In response to WRTL II, the FEC amended its regulations to allow electioneering communications if certain criteria were met.

<sup>8</sup> Buckley v. Valeo, 424 U.S. 1, 13 (1976).

<sup>9</sup> Broward Coalition v. Browning, 2009 WL 1457972, at \*8.

<sup>10</sup> Section 106.011(1)(a), F.S.

<sup>11</sup> WRTL II, at 470.

<sup>12</sup> Id. at 476.

<sup>13</sup> Broward Coalition, 2009 WL 1457972, at \*6.

- Removes reference to a specific number of persons who must be targeted<sup>14</sup> in a geographic area (1,000 in current state law, 50,000 in federal law) in the definition of "electioneering communication" to only refer to targeting to "relevant electorate in the geographic area the candidate would represent if elected."
- Redefines "electioneering communications organization" to clarify that it includes only those organizations with "election-related activities" that are limited to electioneering communications and that its activities would not require the group to register as a political party, political committee, or committee of continuous existence.
- Amends the definition of "political committee" to remove caveat on an ECO not being a political committee but having to conform to specified requirements of a "political committee." This was addressed in the Broward Coalition decision as being "confusing" and also that such requirements were too onerous on ECOs.
- Amends political committee registration provisions to specifically and separately address registration of ECOs.<sup>15</sup>
- Narrows the requirement for an organization to register as an ECO to once an organization receives or expends an aggregate amount exceeding \$5,000,<sup>16</sup> rather than "anticipates receipt or expenditure of money."<sup>17</sup>
- Increases the amount an individual can expend before being subject to regulation from \$100 to \$5,000.<sup>18</sup>
- Places in one section of law all provisions relating to reporting requirements for ECOs and tailors certain provisions to ECOs. This, in part, addresses concerns of the court that ECOs are treated like political committees when they are not political committees and that such treatment is onerous for such organizations.
- Removes provisions stricken by the Broward Coalition decision (ss. 106.08(4)(b) and (5)(d), F.S.) because of probable challenge as a regulation on contributions that is too far removed from the candidate to prevent corruption and, therefore, is an impermissible burden on speech.<sup>19</sup>
- Reenacts other provisions because of changes made in the definitions and other changes in the proposal that seem to negate concerns raised by the court.

The bill differs from the Broward Coalition decision and from current law in the following ways:

- In redefining the term "electioneering communication", the bill retains certain print media (newspaper, magazine, or direct mail) and adds telephone.
- A statement to be read by someone who places an electioneering communication telephone call is provided in a separate section of law from that for express advocacy telephone solicitations.

<sup>14</sup> In the *Order Granting Motion for Preliminary Injunction* issued in Broward Coalition, 2008 WL 4791004, 21 Fla. L. Weekly Fed. D 420 (N.D.Fla., 2008), the court noted it would be impossible for plaintiffs to determine whether certain communications, issued through the internet or print, would be received by 1,000 or more persons. See also Alaska Right to Life Committee v. Miles, 441 F.3d 773, 783 (discussing Alaska electioneering law that required the communication to "address an issue of national, state, or local political importance" instead "targeted to the relevant electorate").

<sup>15</sup> Section 106.03(1)(b), F.S., requires an ECO to register; however, other provisions in the registration requirements under s. 106.03, F.S., refer to political committees even though they are used for ECOs. The caveat in the exception of ECOs from the definition of "political committee" is used as authority for implementation of requirements under this section and other sections of ch. 106, F.S., as they would apply to ECOs.

<sup>16</sup> Federal case law has established a "major purpose" test to determine whether an organization's campaign activity should be regulated. However, basing regulation on an organization's *relative* amount of activity may encourage advocacy groups to circumvent the law by hiding their electoral activity from view. In addition, such regulation would discriminate against small organizations, because advocacy "that would constitute a small organization's major purpose might only be considered one of several primary purposes at a larger entity." Human Life of Washington v. Brumsickle, 2009 WL 62144 (W.D.Wash., 2009).

<sup>17</sup> Broward Coalition held that regulation based on an organizations anticipation of receiving or expending contributions constituted a prior restraint on the organizations communication. The amount of money specified brings the requirement more in line with federal requirements.

<sup>18</sup> 2 U.S.C. s. 434(f) places the threshold for an individual at an amount of greater than \$10,000.

<sup>19</sup> See e.g. Emily's List v. Federal Election Com'n, --- F.3d ----, 2009 WL 2972412 (D.C.Cir., 2009)(discussing the First Amendment right of individuals to spend funds to express their views about policy issues and the corresponding right of those individuals to band together and pool their resources as a non-profit organization to express their views).

- Addresses the types of communications by local governments subject to regulation that was not addressed by the Broward Coalition decision.

## **Affiliated Party Committees**

### Present Situation

Chapter 103, F.S., requires each political party of the state to be represented by a state executive committee. County executive committees and other committees may be established in accordance with the rules of the state executive committee. The selection of membership to executive committees is provided as well as the responsibilities. Certain information relating to officers, membership, bylaws, and rules and regulations must be filed by the state executive committees with the Department of State. County executive committees file officer and membership information with the state executive committee and with the respective supervisor of elections.<sup>20</sup> Responsibility for maintaining records on receipt and disbursement of all party funds is delineated as well as penalties for misappropriation of funds, unlawful expenditure of funds, or false or improper accounting for committee funds.<sup>21</sup>

Unless excluded in law, the state executive committee receives payment of assessments for candidates for office, including state senators and members of the House of Representatives.<sup>22</sup>

No person or group of persons can use the name, abbreviation, or symbol of any political party or name of groups or committees associated with the political party that is filed by the political party with the Department of State.<sup>23</sup>

### Effect of Proposed Changes

The bill establishes the mechanism for the leader of each political party conference of the Florida House of Representatives and Senate to establish a separate, affiliated party committee to support the election of candidates of the leader's political party.<sup>24</sup> An affiliated party committee shall adopt bylaws to include, at a minimum, the designation of a treasurer; conduct campaigns for candidates who are members of the leader's political party; and establish an account to raise and expend funds. Such funds may not be expended or committed for expenditure unless authorized by the leader.

Payment of assessments for candidates for state senator and member of the House of Representatives must be paid to the respective affiliated party committee of the Florida Senate or Florida House of Representatives, if such a committee has been established.

An affiliated party committee is entitled to use the name, abbreviation, or symbol of the political party of its leader.

Chapter 106, F.S., is amended to provide that an affiliated party committee is required to file specified reports like an executive committee of a political party or a political party. Additionally, provisions relating to contributions and expenditures; disposition of surplus funds by candidates; requirements for political advertisements; use of closed captioning and descriptive narrative in all television broadcasts, telephone solicitation, polls and surveys relating to candidacies; and penalties that relate to state executive committees and political parties are amended to include an affiliated party committee. Funds contributed to an affiliated party committee cannot be deemed as designated for the partial or exclusive use of a leader of an affiliated party committee.

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<sup>20</sup> Section 103.091, F.S.

<sup>21</sup> Section 103.121, F.S.

<sup>22</sup> Section 103.121(1)(b), F.S., provides that all party assessments are 2 percent of the annual salary of the office sought by the respective candidate.

<sup>23</sup> Section 103.081, F.S.

<sup>24</sup> The term "leader" means the President of the Senate, Speaker of the House of Representatives, or the minority leader of either house of the Legislature, until a person is designated by a political party conference of members of either house to succeed to the position, at which time the designee becomes the leader for purposes of the affiliated party committee.

Section 11.045, F.S., is amended to exclude contributions or expenditures made by or to an affiliated party committee, just as is done for a political party, from the definition of "expenditure" under this provision.

Sections 112.312 and 112.3215, F.S., are amended to exclude from the definition of "gift" contributions or expenditures by an affiliated party committee and to exclude from the definition of "expenditure," in the latter section, contributions or expenditures made by or to an affiliated party committee, just as is done for a political party in both of those sections.

## **Contributions by Political Parties to Candidates / Non-allocables**

### Present Situation

A candidate is limited to accepting an aggregate of \$50,000 (\$250,000 for a statewide candidate) from a political party, no more than half of which can be accepted before the 28-day period immediately preceding the general election.<sup>25</sup> The following items, known as "non-allocables," are excluded from the aggregate \$50,000 contribution limit (\$250,000 limit for statewide candidates): polling services, research services, costs for campaign staff, professional consulting services, and telephone calls.

### Effect of Proposed Change

The bill includes affiliated party committee along with political party in the list from which the aggregate funds can be accepted by a candidate. It removes the 28-day time limitation prior to a general election for candidates to accept contributions from political parties and affiliated party committees.

## **B. SECTION DIRECTORY:**

**Section 1.** Amends s. 103.081, F.S., to allow an affiliated party committee to use the name, abbreviation, or political party symbol of the party to which its leader belongs.

**Section 2.** Creates s. 103.092, F.S., to define the term "leader," provide for the establishment of affiliated party committees, and delineate duties and responsibilities of an affiliated party committee.

**Section 3.** Amends s. 103.121, F.S., to require that certain assessments going to the party county or state executive committees be redirected to the appropriate affiliated party committee.

**Section 4.** Amends s. 106.011, F.S., to revise the definition of "political committee," "independent expenditure," "person," "filing officer," "electioneering communication," and "electioneering communications organization;" and to re-enact "contribution" and "expenditure."

**Section 5.** Amends s. 106.021, F.S., to provide that certain expenditures by an affiliated party committee are not considered a contribution or expenditure to or for a candidate.

**Section 6.** Reenacts s. 106.022(1), F.S., relating to appointment of a registered agent; duties.

**Section 7.** Amends s. 106.025, F.S., to exempt an affiliated party committee from certain campaign fund raising requirements.

**Section 8.** Amends s. 106.03, F.S., to provide separate, distinct registration requirements for electioneering communications organizations.

**Section 9.** Amends s. 106.04, F.S., to require a committee of continuous existence to report receipts from and transfers to an affiliated party committee.

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<sup>25</sup> Section 106.08(2), F.S.

**Section 10.** Amends s. 106.0701, F.S., to exempt affiliated party committees from certain filing requirements.

**Section 11.** Reenacts and amends s. 106.0703, F.S., to consolidate into one section reporting requirements for an electioneering communications organization.

**Section 12.** Amends s. 106.0705, F.S., to reenact a provision, add a reference to affiliated party committee, add cross-references, and add reference to "leader and treasurer" for required reports filed under the section.

**Section 13.** Reenacts and amends s. 106.071(1), F.S., to increase the aggregate amount of expenditures required for filing certain reports related to independent expenditures or electioneering communications.

**Section 14.** Amends s. 106.08, F.S., to remove certain limitations on contributions received by an electioneering communications organization, provide that an affiliated party committee is treated like a political party regarding limitations on contributions, delete the 28-day restriction on acceptance of certain funds preceding a general election, place certain restrictions on solicitation for and making of contributions, provide guidelines for acceptance of in-kind contributions, and add an affiliated party committee to entities subject to penalties.

**Section 15.** Creates s. 106.088, F.S., to require an oath or affirmation by the leader or treasurer of an affiliated party committee as a condition of receipt of a rebate of party assessments and to provide penalties for violation of oath or affirmation.

**Section 16.** Amends s. 106.113, F.S., to remove reference to electioneering communication and to prohibit specific appropriation or designated expenditure by a local government for the purpose of a political advertisement and to prohibit acceptance of such funds by a person for such advertisement.

**Section 17.** Amends s. 106.141, F.S., to add affiliated party committee to the groups that can receive not more than a specified amount of surplus funds being disposed of by any candidate.

**Section 18.** Amends s. 106.143, F.S., to require that an affiliated party, like a political party, must have a political advertisement offered by or on behalf of a candidate approved in advance by the candidate and the advertisement must contain certain information.

**Section 19.** Reenacts s. 106.1437, F.S., relating to miscellaneous advertisements.

**Section 20.** Reenacts and amends s. 106.1439, F.S., to provide disclaimers for electioneering communication telephone calls.

**Section 21.** Amends s. 106.147, F.S., to delete references to electioneering communication telephone calls and to add affiliated party committee to the list of entities included in the definition of "person."

**Section 22.** Amends s. 106.165, F.S., to add affiliated party committee to the list of entities that must use closed captioning and descriptive narratives in all television broadcasts.

**Section 23.** Amends s. 106.17, F.S., to add affiliated party committee to the list of entities that can authorize or conduct polls, surveys, and other such instruments relating to public office candidacy.

**Section 24.** Amends s. 106.23, F.S., to add affiliated party committee to the list of persons and organizations that may request and be provided with advisory opinions by the Division of Elections.

**Section 25.** Amends s. 106.265, F.S., to authorize the imposition of civil penalties by the Florida Elections Commission for certain violations by an affiliated party committee.

**Section 26.** Amends s. 106.27, F.S., to add affiliated party committee to the list of groups subject to certain civil actions by the Florida Elections Commission.

**Section 27.** Amends s. 106.29, F.S., to require filing of certain reports by an affiliated party committee, provide restrictions on certain expenditures and contributions, and to provide penalties.

**Section 28.** Amends s. 11.045, F.S., to exclude contributions or expenditures made by or to an affiliated party committee from the definition of "expenditure."

**Section 29.** Amends s. 112.312, F.S., to exclude from the definition of "gift" contributions or expenditures by an affiliated party committee.

**Section 30.** Amends s. 112.3215, F.S., to exclude contributions or expenditures made by or to an affiliated party committee from the definition of "expenditure."

**Section 31.** Provides a July 1, 2010 effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See "Fiscal Comments."

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Assessments for candidates for the state Senate and state House of Representatives that currently go to the respective political parties instead would go to an affiliated party committee if one has been created pursuant to the bill.

### D. FISCAL COMMENTS:

Any state government costs associated with requirements for affiliated party committees are estimated by the Department of State to be minimal. The provisions would entail only coding an entry for receiving such electronic reports and receiving and processing the reports as is currently done for other committees, candidates, and parties. The payment of the assessment to the applicable leader likewise would be minimal as the Department of State currently pays the political parties their assessment.

According to the Department of State, any litigation relating to the provisions in HB 1207 relating to electioneering communications and electioneering communications organizations largely depends upon the issue litigated and whether appeals would be taken. The department stated estimates would range from about \$50,000 at trial court level to upwards of \$300,000 for defense; plus, if the department loses



and has to pay attorney fees, it could easily go upwards of over \$2 million. The department also noted that the plaintiff's attorney fees in Broward Coalition were slightly over \$140,000.<sup>26</sup>

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

The bill is exempt from the mandate requirements because it is amending the elections laws.

##### 2. Other:

On May 22, 2009, portions of Chapter 106, F.S., regulating "electioneering communications" were held to be unconstitutional by the United States District Court for the Northern District of Florida in Broward Coalition v. Browning. The court stated "because the Court has never held that the regulation of 'electioneering communications' beyond how that term is defined in [BCRA] is permissible, the outer limit of regulation tracks BCRA's definition: a broadcast, cable, or satellite communication that refers to a clearly identified candidate within sixty days of a general election or thirty days of a primary election."<sup>27</sup>

The definition of "electioneering communication" contained in section 4 of HB 1207 includes types of communication beyond that in the definition in BCRA.

Under section 5 of the Voting Rights Act, new legislation that implements a voting change including but not limited to a change in the manner of voting, change in candidacy requirements and qualifications, change in the composition of the electorate that may vote for a candidate, or change affecting the creation or abolition of an elective office, is subject to preclearance by the U.S. Department of Justice. The preclearance review is to determine if the change has a discriminatory purpose or effect that denies or abridges the right to vote on account of race, color or membership in a language minority group in a covered jurisdiction. Florida has five covered jurisdictions subject to preclearance: Collier, Hardee, Hendry, Hillsborough, and Monroe. The legislation is unenforceable if the Attorney General objects to the voting change.

#### B. RULE-MAKING AUTHORITY:

None.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 3, 2010, the Governmental Affairs Policy Committee adopted six amendment to HB 1207 and reported the bill favorably as a committee substitute. The committee substitute differs from the original bill as follows:

- Amends requirements for the registration of electioneering communications organizations (ECOs) to clarify that an ECO files a statement of organization with the Division of Elections only when it is involved with elections at the state level and local level. Otherwise, the ECO files with the local government.
- Amends ECO reporting requirements to:
  - Clarify that if an ECO registered with the Department of State makes a contribution or expenditure to influence results of a county or municipal race that is not held when state and federal elections are being held, then the ECO must file reports with the local filing officer.

<sup>26</sup> Information on estimated fiscal impact of HB 1207 was provided by the Department of State, February 25, 2010.

<sup>27</sup> Broward Coalition, 2009 WL 1457972, at \*6, citing, N.C. Right to Life, Inc. v. Leake, 525 F.3d 274, 282 (4th Cir. 2008).

- Authorize the filing officer to post the reporting schedule on its webpage.
- Provide that the registered agent of an ECO, like the treasurer, is included as a possibility for service of process.
- Update language to reflect current bank practices regarding statements versus cancelled checks.
- Clarify that an ECO must file a report even when no contributions or expenditures are made during a reporting period.
- Adds the term "affiliated party committee" to three provisions of law that had not been included in the original bill.