

## 102ND GENERAL ASSEMBLY State of Illinois 2021 and 2022 HB3482

Introduced 2/22/2021, by Rep. Denyse Stoneback

## SYNOPSIS AS INTRODUCED:

10 ILCS 5/9-8.5 10 ILCS 5/9-8.6

Amends the Election Code. Removes existing provisions concerning independent expenditures and replaces them with the following: Provides that an expenditure made by a third party to a candidate's or public official's political committee that does not have the prior written consent of the candidate or public official may not be considered an in-kind donation and is not required to be reported by the candidate's or public official's political committee to the State Board of Elections. Provides that an expenditure made by a natural person or political committee for an electioneering communication or to expressly advocate for or against a public official or candidate may not be considered an independent expenditure if the communication or advocacy uses the public official's or candidate's campaign materials or information. Provides content and conduct standards for independent expenditures. Makes conforming changes.

LRB102 14081 SMS 19433 b

1 AN ACT concerning elections.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- 4 Section 5. The Election Code is amended by changing
- 5 Sections 9-8.5 and 9-8.6 as follows:
- 6 (10 ILCS 5/9-8.5)

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- 7 Sec. 9-8.5. Limitations on campaign contributions.
- 8 (a) It is unlawful for a political committee to accept 9 contributions except as provided in this Section.
- During an election cycle, a candidate political 10 11 committee may not accept contributions with an aggregate value over the following: (i) \$5,000 from any individual, (ii) 12 \$10,000 from any corporation, labor organization, or 13 14 association, or (iii) \$50,000 from a candidate political committee or political action committee. A candidate political 15 16 committee may accept contributions in any amount from a 17 political party committee except during an election cycle in which the candidate seeks nomination at a primary election. 18 19 During an election cycle in which the candidate seeks nomination at a primary election, a candidate political 20 21 committee may not accept contributions from political party 22 committees with an aggregate value over the following: (i)

\$200,000 for a candidate political committee established to

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support a candidate seeking nomination to statewide office, (ii) \$125,000 for a candidate political committee established to support a candidate seeking nomination to the Senate, the Supreme Court or Appellate Court in the First Judicial District, or an office elected by all voters in a county with 1,000,000 or more residents, (iii) \$75,000 for a candidate political committee established to support a candidate seeking nomination to the House of Representatives, the Supreme Court or Appellate Court for a Judicial District other than the First Judicial District, an office elected by all voters of a county of fewer than 1,000,000 residents, and municipal and county offices in Cook County other than those elected by all voters of Cook County, and (iv) \$50,000 for a candidate political committee established to support the nomination of a candidate to any other office. A candidate political committee established to elect a candidate to the General Assembly may accept contributions from only one legislative committee. A candidate political committee may not accept contributions from a ballot initiative committee or from an independent expenditure committee.

(c) During an election cycle, a political party committee may not accept contributions with an aggregate value over the following: (i) \$10,000 from any individual, (ii) \$20,000 from any corporation, labor organization, or association, or (iii) \$50,000 from a political action committee. A political party committee may accept contributions in any amount from another

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political party committee or a candidate political committee, except as provided in subsection (c-5). Nothing in this Section shall limit the amounts that may be transferred political party committee established under а subsection (a) of Section 7-8 of this Code and an affiliated federal political committee established under the Federal Election Code by the same political party. A political party committee may not accept contributions from а ballot initiative committee or from an independent expenditure committee. A political party committee established by a legislative caucus may not accept contributions from another political party committee established by a legislative caucus.

(c-5) During the period beginning on the date candidates may begin circulating petitions for a primary election and ending on the day of the primary election, a political party committee may not accept contributions with an aggregate value over \$50,000 from a candidate political committee or political party committee. A political party committee may accept contributions in any amount from a candidate political committee or political party committee or political party committee if the political party committee receiving the contribution filed a statement of nonparticipation in the primary as provided in subsection (c-10). The Task Force on Campaign Finance Reform shall study and make recommendations on the provisions of this subsection to the Governor and General Assembly by September 30, 2012. This subsection becomes inoperative on July 1, 2013 and

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thereafter no longer applies.

(c-10) A political party committee that does not intend to make contributions to candidates to be nominated at a general primary election or consolidated primary election may file a Statement of Nonparticipation in a Primary Election with the Board. The Statement of Nonparticipation shall include a verification signed by the chairperson and treasurer of the committee that (i) the committee will not make contributions or coordinated expenditures in support of or opposition to a candidate or candidates to be nominated at the general primary election or consolidated primary election (select one) to be held on (insert date), (ii) the political party committee may accept unlimited contributions from candidate political committees and political party committees, provided that the political party committee does not make contributions to a candidate or candidates to be nominated at the primary election, and (iii) failure to abide by these requirements shall deem the political party committee in violation of this Article and subject the committee to a fine of no more than 150% of the total contributions or coordinated expenditures made by the committee in violation of this Article. This subsection becomes inoperative on July 1, 2013 and thereafter no longer applies.

(d) During an election cycle, a political action committee may not accept contributions with an aggregate value over the following: (i) \$10,000 from any individual, (ii) \$20,000 from

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- any corporation, labor organization, political party committee, or association, or (iii) \$50,000 from a political action committee or candidate political committee. A political action committee may not accept contributions from a ballot initiative committee or from an independent expenditure committee.
  - (e) A ballot initiative committee may accept contributions in any amount from any source, provided that the committee files the document required by Section 9-3 of this Article and files the disclosure reports required by the provisions of this Article.
  - (e-5) An independent expenditure committee may accept contributions in any amount from any source, provided that the committee files the document required by Section 9-3 of this Article and files the disclosure reports required by the provisions of this Article.
  - (f) Nothing in this Section shall prohibit a political committee from dividing the proceeds of joint fundraising efforts; provided that no political committee may receive more than the limit from any one contributor, and provided that an independent expenditure committee may not conduct joint fundraising efforts with a candidate political committee or a political party committee.
- 24 (g) On January 1 of each odd-numbered year, the State 25 Board of Elections shall adjust the amounts of the 26 contribution limitations established in this Section for

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inflation as determined by the Consumer Price Index for All Urban Consumers as issued by the United States Department of Labor and rounded to the nearest \$100. The State Board shall

publish this information on its official website.

(h) Self-funding candidates. If a public official, a candidate, or the public official's or candidate's immediate family contributes or loans to the public official's or candidate's political committee or to other political committees that transfer funds to the public official's or candidate's political committee or makes independent expenditures for the benefit of the public official's or candidate's campaign during the 12 months prior to an election in an aggregate amount of more than (i) \$250,000 for statewide office or (ii) \$100,000 for all other elective offices, then the public official or candidate shall file with the State Board of Elections, within one day, a Notification of Self-funding that shall detail each contribution or loan made by the public official, the candidate, or the public official's or candidate's immediate family. Within 2 business days after the filing of a Notification of Self-funding, the notification shall be posted on the Board's website and the Board shall give official notice of the filing to each candidate for the same office as the public official or candidate making the filing, including the public official or candidate filing the Notification of Self-funding. Notice shall be sent via first class mail to the candidate and the

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treasurer of the candidate's committee. Notice shall also be sent by e-mail to the candidate and the treasurer of the candidate's committee if the candidate and the treasurer, as applicable, have provided the Board with an e-mail address. Upon posting of the notice on the Board's website, all candidates for that office, including the public official or candidate who filed a Notification of Self-funding, shall be permitted to accept contributions in excess of any contribution limits imposed by subsection (b). If a public official or candidate filed a Notification of Self-funding during an election cycle that includes a general primary election or consolidated primary election and that public official or candidate is nominated, all candidates for that office, including the nominee who filed the notification of self-funding, shall be permitted to accept contributions in excess of any contribution limit imposed by subsection (b) for the subsequent election cycle. For the purposes of this subsection, "immediate family" means the spouse, parent, or child of a public official or candidate.

(h-5) If a natural person or independent expenditure committee makes independent expenditures in support of or in opposition to the campaign of a particular public official or candidate in an aggregate amount of more than (i) \$250,000 for statewide office or (ii) \$100,000 for all other elective offices in an election cycle, as reported in a written disclosure filed under subsection (a) of Section 9 8.6 or

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subsection (e-5) of Section 9-10, then the State Board of Elections shall, within 2 business days after the filing of the disclosure, post the disclosure on the Board's website and give official notice of the disclosure to each candidate for the same office as the public official or candidate for whose benefit or detriment the natural person or independent expenditure committee made independent expenditures. Upon posting of the notice on the Board's website, all candidates for that office in that election, including the public official or candidate for whose benefit or detriment the natural person or independent expenditure committee made independent expenditures, shall be permitted to accept contributions in excess of any contribution limits imposed by subsection (b).

(h-10)Τf the State Board of Elections receives notification or determines that a natural person or persons, independent expenditure committee or committees, combination thereof has made independent expenditures in support of or in opposition to the campaign of a particular public official or candidate in an aggregate amount of more than (i) \$250,000 for statewide office or (ii) \$100,000 for all other elective offices in an election cycle, then the Board shall, within 2 business days after discovering the independent expenditures that, in the aggregate, exceed the threshold set forth in (i) and (ii) of this subsection, post notice of this fact on the Board's website and give official

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notice to each candidate for the same office as the public official or candidate for whose benefit or detriment the independent expenditures were made. Notice shall be sent via first class mail to the candidate and the treasurer of the candidate's committee. Notice shall also be sent by e-mail to the candidate and the treasurer of the candidate's committee if the candidate and the treasurer, as applicable, have provided the Board with an e-mail address. Upon posting of the notice on the Board's website, all candidates of that office in that election, including the public official or candidate for whose benefit or detriment the independent expenditures were made, may accept contributions in excess of any contribution limits imposed by subsection (b).

(i) For the purposes of this Section, a corporation, labor organization, association, or a political action committee established by а corporation, labor organization, association may act as a conduit in facilitating the delivery to a political action committee of contributions made through dues, levies, or similar assessments and the political action committee may report the contributions in the aggregate, provided that: (i) contributions made through dues, levies, or similar assessments paid by any natural person, corporation, labor organization, or association in a calendar year may not exceed the limits set forth in this Section; (ii) corporation, labor organization, association, or a political action committee established by a corporation, labor

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organization, or association facilitating the delivery of list contributions maintains а of natural persons, corporations, labor organizations, and associations that paid the dues, levies, or similar assessments from which the contributions comprising the aggregate amount derive; and (iii) contributions made through dues, levies, or similar assessments paid by any natural person, corporation, labor organization, or association that exceed \$500 in a quarterly reporting period shall be itemized on the committee's quarterly report and may not be reported in the aggregate. A political action committee facilitating the delivery of contributions or receiving contributions shall disclose the amount of contributions made through dues delivered or received and the name of the corporation, labor organization, association, or political action committee delivering the contributions, if applicable. On January 1 of odd-numbered year, the State Board of Elections shall adjust the amounts of the contribution limitations established in this subsection for inflation as determined by the Consumer Price Index for All Urban Consumers as issued by the United States Department of Labor and rounded to the nearest \$100. The State Board shall publish this information on its official website.

(j) A political committee that receives a contribution or transfer in violation of this Section shall dispose of the contribution or transfer by returning the contribution or

- transfer, or an amount equal to the contribution or transfer, 1 2 to the contributor or transferor or donating the contribution 3 or transfer, or an amount equal to the contribution or transfer, to a charity. A contribution or transfer received in 5 violation of this Section that is not disposed of as provided in this subsection within 30 days after the Board sends 6 7 notification to the political committee of the excess 8 contribution by certified mail shall escheat to the General 9 Revenue Fund and the political committee shall be deemed in 10 violation of this Section and subject to a civil penalty not to 11 exceed 150% of the total amount of the contribution.
- 12 (k) For the purposes of this Section, "statewide office"
  13 means the Governor, Lieutenant Governor, Attorney General,
  14 Secretary of State, Comptroller, and Treasurer.
- 15 (1) This Section is repealed if and when the United States
  16 Supreme Court invalidates contribution limits on committees
  17 formed to assist candidates, political parties, corporations,
  18 associations, or labor organizations established by or
  19 pursuant to federal law.
- 20 (Source: P.A. 97-766, eff. 7-6-12; 98-115, eff. 7-29-13.)
- 21 (10 ILCS 5/9-8.6)
- Sec. 9-8.6. Independent expenditures.
- 23 (a) As used in this Section:
- 24 <u>"Independent expenditure" means any payment, gift,</u>
  25 donation, or expenditure of funds by a natural person or

political committee expressly advocating for or against the
nomination, election, retention, or defeat of a
clearly-identified candidate or public official that is not
made in coordination with and does not have the prior express
written consent of the public official or candidate.

A communication is considered "in coordination with" a public official or candidate when the communication: (1) is paid for, in whole or in part, by a person other than the public official, candidate, the public official's or candidate's political committee, or a political party committee; (2) satisfies at least one of the content standards in subsection (d); and (3) satisfies at least one of the conduct standards in subsection (e).

(b) Any expenditure made by a third party to a candidate's or public official's political committee that does not have the prior written consent of the candidate or public official may not be considered an in-kind donation and is not required to be reported by the candidate's or public official's political committee to the State Board of Elections.

(c) An expenditure made by a natural person or political committee for an electioneering communication or to expressly advocate for or against the nomination for election, election, retention, or defeat of a clearly identifiable public official or candidate may not be considered an independent expenditure if the communication or advocacy republishes, disseminates, or shares campaign materials or information provided, designed,

1	or prepared by the public official or candidate, the public
2	official's or candidate's political committee, or the agent of
3	the public official, candidate, or political committee or
4	campaign, unless the campaign materials are based upon a
5	candidate's or public official's response to an inquiry about
6	that candidate's or public official's position on legislative
7	or policy issues affecting the natural person or political
8	committee making the expenditure, provided that the response
9	to the inquiry does not include discussion of campaign needs,
10	plans, strategy, or research.
11	(d) Any one of the following types of content satisfies
12	the content standard of this Section, whether or not there is
13	agreement or formal collaboration between the parties
14	<pre>involved:</pre>
15	(1) a communication that expressly advocates the
16	election, nomination, retention, or defeat of a clearly
17	identified public official or candidate;
18	(2) a communication that is an electioneering
19	<pre>communication, as defined in Section 9-1.14;</pre>
20	(3) a public communication that republishes,
21	disseminates, or distributes, in whole or in part,
22	campaign materials prepared by a public official,
23	candidate, or the public official's or candidate's
24	political committee.
25	(e) Any one of the following types of conduct satisfies

the conduct standard of this Section:

1	(1) the communication is created, produced, or
2	distributed at the request or suggestion of a public
3	official or candidate;
4	(2) the communication is created, produced, or
5	distributed at the suggestion of the person or committee
6	paying for the communication, and the public official or
7	candidate affirmatively assents to the suggestion;
8	(3) the public official or candidate is materially
9	involved in a decision regarding the content, intended
10	audience, means or mode of communication, specific media
11	outlet used, timing, frequency, size, or prominence of a
12	communication;
13	(4) if the communication is created, produced, or
14	distributed after one or more substantial discussions
15	about the communication between the person or committee
16	paying for the communication or the employees or agents of
17	that person and the public official or candidate; or
18	<u>(5) if:</u>
19	(A) the person paying for the communication or
20	someone who is affiliated with the payor of the
21	communication contracts with or employs a commercial
22	vendor to create, produce, or distribute the
23	communication;
24	(B) the commercial vendor, including any officer,
25	owner, or employee of the vendor, has a previous or
26	current relationship with the candidate or political

party committee that puts the commercial vendor in a position to acquire information about the campaign plans, projects, activities, or needs of the candidate or political party committee; and

information about the campaign plans, projects, activities, or needs of the candidate or political party committee, or information previously used by the commercial vendor in serving the candidate or political party committee, to the person paying for the communication or someone who is affiliated with the payor of the communication, and that information is material to the creation, production, or distribution of the communication.

(a) An independent expenditure is not considered a contribution to a political committee. An expenditure made by a natural person or political committee for an electioneering communication in connection, consultation, or concert with or at the request or suggestion of the public official or candidate, the public official's or candidate's candidate political committee, or the agent or agents of the public official, candidate, or political committee or campaign shall not be considered an independent expenditure but rather shall be considered a contribution to the public official's or candidate's candidate political committee.

A natural person who makes an independent expenditure

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supporting or opposing a public official or candidate that, 1 2 alone or in combination with any other independent expenditure made by that natural person supporting or opposing that public 3 official or candidate during any 12-month period, equals an 4 aggregate value of at least \$3,000 must file a written 5 disclosure with the State Board of Elections within 2 business 6 7 days after making any expenditure that results in the natural person meeting or exceeding the \$3,000 threshold. A natural 8 person who has made a written disclosure with the State Board 9 10 of Elections shall have a continuing obligation to report 11 further expenditures in relation to the same election, in 12 \$1,000 increments, to the State Board until the conclusion of that election. A natural person who makes an independent 13 expenditure supporting or opposing a public official or 14 candidate that, alone or in combination with any other 15 16 independent expenditure made by that natural person supporting 17 or opposing that public official or candidate during the 18 19

election cycle, equals an aggregate value of more than (i) \$250,000 for statewide office or (ii) \$100,000 for all other elective offices must file a written disclosure with the State Board of Elections within 2 business days after making any expenditure that results in the natural person exceeding the applicable threshold. Each disclosure must identify the natural person, the public official or candidate supported or opposed, the date, amount, and nature of each independent expenditure, and the natural person's occupation and employer.

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(c) Every political committee that makes independent expenditures must report all such independent expenditures as required under Section 9 10 of this Article.

(d) In the event that a political committee organized as an independent expenditure committee makes a contribution to any other political committee other than another independent expenditure committee or a ballot initiative committee, the State Board shall assess a fine equal to the amount of any contribution received in the preceding 2 years by the independent expenditure committee that exceeded the limits for a political action committee set forth in subsection (d) of Section 9 8.5.

18 (Source: P.A. 96-832, eff. 7-1-10; 97-766, eff. 7-6-12.)