

HOUSE No. 4857

The Commonwealth of Massachusetts

In the Year Two Thousand Ten

An Act Relative to Corporate Political Accountability..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1: This Act may be cited as the “Massachusetts Corporate Political
2 Accountability Act of 2010”.

3 SECTION 2: The General Court does find and declare that:

4 (a) Although corporations cannot vote, corporations make significant political
5 contributions and expenditures that directly or indirectly influence the election of candidates and
6 support or oppose political causes at the local, state and federal level. Decisions to use corporate
7 treasury funds for political contributions and expenditures are currently made by corporate
8 boards and executives, often without the knowledge or consent of shareholders.

9 (b) Corporations acting through their boards and executives have a fiduciary duty to
10 conduct business in the best interests of the shareholders. Corporate boards and executives that
11 use corporate funds to support and oppose political candidates, political parties and political
12 causes in opposition to the interests of many or all of their shareholders may not be acting in the
13 best interests of the corporation.

14 (c) Historically, shareholders of corporations in the United States have not had a way to
15 know of, or to influence, the political activities of corporations they own. Shareholders and the
16 public have a right to know how these corporations are spending their funds to make political
17 contributions or expenditures benefiting candidates, political parties, and political causes.

18 (d) These corporations should be accountable to their shareholders prior to making
19 political contributions or expenditures affecting local, state and federal governance and public
20 policy. Requiring the express approval of a corporation's shareholders prior to making political
21 contributions or expenditures will help establish accountability.

22 (e) If corporations use corporate general treasury funds for political expenditures, then
23 those funds should be clearly reported to shareholders and shareholders should be able to
24 authorize the use of corporate general treasury funds for political expenditures.

25 (f) The commonwealth may regulate corporate political speech through reasonable
26 disclaimer and disclosure requirements. Meaningful disclosure requirements of the source of
27 funds used for political communications and disclaimer requirements for those communications
28 provide information to the electorate and insure that the voters are fully informed about who is
29 speaking.

30 SECTION 3:

31 Section 8 of Chapter 55 of the General Laws is hereby amended by adding the following:
32 Nothing in this section shall be construed to restrict independent expenditures to the extent that
33 such expenditures are protected by the First Amendment.

34 SECTION 4:

35 Chapter 55 of the General Laws is hereby amended by inserting after section 13 the
36 following new sections:--

37 Section 13A

38 No legislative or executive agent, as defined by section 39 of chapter 3, shall directly or
39 indirectly solicit or receive any gift, payment, contribution, assessment, subscription or promise
40 of money or other thing of value for the political campaign purposes of any political party,
41 committee, or candidate or to any person for any political purpose or use, but this section shall
42 not prevent such persons from being members of political organizations or committees. The
43 soliciting or receiving of any gift, payment, contribution, assessment, subscription or promise of
44 money or other thing of value by a non-elected political committee organized to promote the
45 candidacy for public office of a legislative or executive agent, shall not be deemed to be a direct
46 or indirect solicitation or receipt of such contribution by such person;

47 Violation of any provision of this section shall be punished by imprisonment for not more
48 than one year or by a fine of not more than one thousand dollars.

49 Section 13B

50 (1) Definitions used in this section: (A) "Quasi-public agency" means any authority or
51 entity established by the General Court to serve a public purpose including Bay State Skills
52 Corporation, Boston Metropolitan District, Centers of Excellence Corporation, Community
53 Economic Development Assistance Corporation, Community Development Finance Corporation,
54 Government Land Bank, Massachusetts Bay Transportation Authority, Massachusetts Business
55 Development Corporation, Massachusetts Convention Center Authority, Massachusetts
56 Corporations for Educational Telecommunications, Massachusetts Educational Loan Authority,

57 Massachusetts Health and Educational Facilities Authority, Massachusetts Horse Racing
58 Authority, Massachusetts Housing Finance Agency, Massachusetts Industrial Finance Agency,
59 Massachusetts Industrial Service Program, Massachusetts Port Authority, Massachusetts Product
60 Development Corporation, Massachusetts Technology Development Corporation, Massachusetts
61 Technology Park Corporation, Massachusetts Turnpike Authority, Massachusetts Water
62 Resources Authority, Pension Reserves Investment Management Board, State College Building
63 Authority, Southeastern Massachusetts University Building Authority, Thrift Institutions Fund
64 for Economic Development, University of Lowell Building Authority, University of
65 Massachusetts Building Authority, and the Water Pollution Abatement Trust (B) "State
66 agency" means any office, department, board, council, commission, institution or other agency in
67 the executive, legislative or judicial branch of state government. (C) "State contract" means
68 an agreement or contract with the state or any state agency or any quasi-public agency for (i) the
69 rendition of personal services, (ii) the furnishing of any material, supplies or equipment, (iii) the
70 construction, alteration or repair of any public building or public work, (iv) the acquisition, sale
71 or lease of any land or building, (v) a licensing arrangement, or (vi) a grant, loan or loan
72 guarantee. (D) "State contractor" means a person, business entity or nonprofit organization
73 that enters into a state contract. Such person, business entity or nonprofit organization shall be
74 deemed to be a state contractor until the termination of said contract. "State contractor" does not
75 include a municipality or any other political section of the state or an employee in the executive,
76 legislative or judicial branch of state government or a quasi-public agency, whether in the
77 classified or unclassified service and full or part-time, and only in such person's capacity as a
78 state or quasi-public agency employee. (E) "Prospective state contractor" means a person,
79 business entity or nonprofit organization that (i) submits a bid in response to a bid solicitation by

80 the state, a state agency or a quasi-public agency, or a proposal in response to a request for
81 proposals by the state, a state agency or a quasi-public agency, until the contract has been entered
82 into. "Prospective state contractor" does not include a municipality or any other political section
83 of the state or an employee in the executive, legislative or judicial branch of state government or
84 a quasi-public agency, whether in the classified or unclassified service and full or part-time, and
85 only in such person's capacity as a state or quasi-public agency employee. (F) "Principal of a
86 state contractor or prospective state contractor" means (i) an individual who is a member of the
87 board of directors of, or has an ownership interest in, a state contractor or prospective state
88 contractor, which is a business entity, except for an individual who (I) owns less than seven and
89 a half per cent of the shares of any such state contractor or prospective state contractor that is a
90 publicly traded corporation, or (II) is a member of the board of directors of a nonprofit
91 organization qualified under Section 501(c)(3) of the Internal Revenue Code of 1986, or any
92 subsequent corresponding internal revenue code of the United States, as from time to time
93 amended, (ii) an individual who is employed by a state contractor or prospective state contractor,
94 which is a business entity, as president, treasurer or executive or senior vice president, (iii) an
95 individual who is the chief executive officer of a state contractor or prospective state contractor,
96 which is not a business entity, (iv) an employee of any state contractor or prospective state
97 contractor who has managerial or discretionary responsibilities with respect to a state contract,
98 (v) the spouse or a dependent child of an individual described in this subparagraph, or (vi) a
99 political committee established by or on behalf of an individual described in this
100 subparagraph. (2) No principal of a state contractor or prospective state contractor, shall,
101 during the period between the initial bid solicitation by the state to the termination of the
102 contract,

103 (a) Directly or indirectly make any contribution or to promise expressly or impliedly to
104 make any contribution to any political party, committee, or candidate or to any person for any
105 political purpose or use; or

106 (b) Knowingly solicit any contribution from any person for any purpose during any
107 period; or

108 (c) Promise expressly or impliedly to make any independent expenditure or
109 electioneering communication in support of or opposition to, any candidate, political party,
110 committee, electioneering communication, ballot measure campaign, or an issue advocacy
111 campaign.

112 (3) If a principal of a state contractor makes or solicits a contribution or makes an
113 independent expenditure or electioneering communication prohibited under subparagraph (2) of
114 this section, the contracting state agency or quasi-public agency shall void the existing contract
115 with said contractor, and no state agency or quasi-public agency shall award the state contractor
116 a state contract or an extension or an amendment to a state contract for one year after the election
117 for which such contribution is made or solicited. Each state contract shall include the provisions
118 of subparagraph (2) and this subparagraph of this section as part of the conditions of the

119 contract. (4) If a principal of a prospective state contractor makes or solicits a contribution or
120 makes an independent expenditure or electioneering communication prohibited under
121 subparagraph (2) or of this section, no state agency or quasi-public agency shall award the
122 prospective state contractor the contract described in the bid solicitation or request for proposals,
123 or any other state contract for one year after the election for which such contribution is made or
124 solicited. Each state agency and quasi-public agency shall include the provisions of subparagraph

125 (2) this subparagraph of this section in each bid solicitation and request for proposals issued by
126 the agency. The chief executive officer of each prospective state contractor shall: (i) Inform each
127 individual described in subparagraph (F) of subsection (1) of this section with regard to said
128 prospective state contractor concerning the provisions of subparagraph (2) and this subparagraph,
129 (ii) certify in a sworn statement that no such individual will make or solicit a contribution in
130 violation of the provisions of subparagraph (2) and this subparagraph, and (iii) acknowledge in
131 writing that if any such contribution is made or solicited, the prospective state contractor shall be
132 disqualified from being awarded the contract described in the bid solicitation or request for
133 proposals or being awarded any other state contract for one year after the election for which such
134 contribution is made or solicited. (5) No political party, candidate, or committee, nor any
135 person for a political purpose or use, may solicit contributions on behalf of an exploratory
136 committee or candidate committee established by a candidate for nomination or election to any
137 public office, a political committee or a party committee, from a principal of a state contractor or
138 prospective state contractor with regard to a state contract, bid solicitation or request for
139 proposals with or from a state agency in the executive branch, a quasi-public agency, the General
140 Court, or a holder of a valid prequalification certificate. (6) The provisions of this section
141 shall not restrict a principal of a state contractor or prospective state contractor from establishing
142 an exploratory or candidate committee for said principal's own campaign or from soliciting
143 contributions for such committees from persons not prohibited from making contributions under
144 this subsection. (7) Each state agency and quasi-public agency shall prepare and forward to
145 the Office of Campaign and Political Finance, on a form prescribed by said director, a list of the
146 state contracts for which the agency is a party and a list of the principals of state contractors or
147 prospective state contractors for (A) such contracts, and (B) any bid solicitations or requests for

148 proposals issued by the agency. Each state agency and quasi-public agency shall forward to said
149 Office, on a form prescribed by the director, any changes additions or deletions to said lists.

150 (8) The Office of Campaign and Political Finance shall (A) compile a master list of
151 principals of state contractors and prospective state contractors for all state agencies and quasi-
152 public agencies, based on the information received under section (1) of this subsection, (B)
153 publish the master list on the Office's Internet web site, and (C) provide copies of the master list
154 to campaign treasurers upon request. The office shall update the master list every three months.
155 Any campaign treasurer who acts in reliance on such master list in good faith shall have a
156 complete defense in any action against the campaign treasurer for depositing a contribution in
157 violation of subsection (5) of this section.

158 (9) Violation of any provision of this section shall be punished by imprisonment for
159 not more than one year or by a fine of not more than one thousand dollars.

160 SECTION 5:

161 Section 18A of Chapter 55 of the General Laws is hereby amended by inserting after the
162 word "association" wherever it appears the following word: -- "or other entity".

163 SECTION 6:

164 Section 18C of Chapter 55 of the General laws is hereby amended by inserting after the
165 word "association" the following words: -- "or other entity".

166 SECTION 7:

167 Chapter 56 of the General Laws is hereby amended by adding the following new
168 Section:--

169 Section 39A Broadcast Political Advertisements.

170 1) All broadcast advertizing which is also an electioneering communication, as defined
171 in chapter 55 section 1, or an independent expenditure, as defined in chapter 55 section 1, shall
172 be clearly identified by the words "paid for by" followed by the name of the entity paying for the
173 communication. In addition, for entities other than a political party or a single individual the
174 following shall be provided as well:

175 (a) The identity of the entity's principal officer and the officer's title;

176 (b) The city and state of the entity's principal place of business;

177 (c) If the radio or television advertisement is paid for by a corporation, group or
178 association, the following statement shall be made by the chief executive officer of the
179 corporation or the chairman or principal officer of the group or association or the chief executive
180 or business manager of a labor union: "I am _____ (name) the
181 _____ (office held) of _____ (name of corporation,
182 group or association) and _____ (name of corporation, group or association) approves
183 and paid for this message." Such statements in television advertisements shall be conveyed by
184 an unobscured, full-screen view of the person making the statement. If an independent
185 expenditure or electioneering communication is transmitted through internet advertising, the
186 statement shall appear in a clearly readable manner with a reasonable degree of color contrast
187 between the background and the printed statement;

188 (d) a listing of the names of the five persons or entities making the largest
189 contributions to the above entity in excess of seven hundred dollars reportable under this chapter

190 55 during the twelve-month period before the date of the advertisement or communication., with
191 the words "Top Five Contributors"; and

192 (e) a statement that the communication, if made to influence the outcome of an
193 election for elective office, is not authorized or approved by any candidate.

194 (f) the logo of the entity, if applicable.

195 (2) For electioneering communications or independent expenditures for print or visual
196 advertising in written form, the above identification requirements shall:

197 (a) Appear on the first page or fold of the written advertisement or communication in at
198 least ten-point type, or in type at least ten percent of the largest size type used in a written
199 advertisement or communication directed at more than one voter, such as a billboard or poster,
200 whichever is larger;

201 (b) Not be subject to the half-tone or screening process; and

202 (c) Be set apart from any other printed matter.

203 (3) For electioneering communication or independent expenditure advertising transmitted
204 via television or other video medium, the above identification requirements shall be in the
205 following form:

206 the statement required by section 1(c) above must be clearly spoken by the principal
207 officer, with said principal officer clearly identified by the video;

208 the statement required by section 1 (a), (b), (d), (e) and (f) must appear in print and be
209 visible for at least four seconds, appear in letters greater than four percent of the visual screen

210 height, and have a reasonable color contrast with the background:. Abbreviations may be used to
211 describe contributing entities if the full name of the entity has been clearly spoken previously
212 during the broadcast advertisement.

213 (3) For electioneering communications or independent expenditure advertsing via an
214 audio medium that does not include a visual image, the identification requirements of section 1
215 above shall:

216 (a) be clearly spoken, with the principal officer clearly identified. Abbreviations may be
217 used to describe contributing entities if the full name of the entity has been clearly spoken
218 previously during the broadcast advertisement.

219 (4) A person or other entity making an independent expenditure or electioneering
220 communication under this section shall not engage or retain an advertising firm or consultant that
221 has also been engaged or retained within the prior six months by the candidate, candidate's
222 committee, or ballot issue committee that is benefited by the independent expenditure.

223 SECTION 8:

224 Section 8 of Chapter 156B is hereby amended by inserting the following new
225 subsection:--

226 Section 8A Corporate Political Activities

227 (1) Definitions:--

228 For the purposes of the section, the following terms shall have the following meanings:

229 (a) “General treasury funds,” means those monies in possession of a corporation
230 incorporated under the laws of the Commonwealth in the normal course of business. General
231 treasury funds may include, among others, funds from sales, accounts payable, loans,
232 investments, bonds or debt instruments.

233 (b) “Issue advocacy campaign,” means contributions or expenditures for any
234 communication to the general public intended to encourage the public to contact a government
235 official regarding pending legislation, public policy or a government rule or regulation. Issue
236 advocacy campaign does not include contributions or expenditures for registered lobbyists or
237 other persons employed by the corporation to lobby directly state or federal government officials.

238 (c) “Known at the time of the authorization vote,” means that, at the time the corporate
239 seeks authorization from shareholders to spend corporate funds for political activities, (1) the
240 corporation’s officers, directors or employees have identified a specific political activity for the
241 corporation to support or oppose, (2) corporate officers, directors or employees have taken steps
242 to obligate funds to a political activity, or (3) or the corporation has a regularly scheduled
243 payment to a trade association or other entity to pay for a political activity in the next twelve
244 months.

245 (d) “Two thirds of all shareholders,” means two thirds of all outstanding voting securities.
246 Shareholders not casting votes shall not count toward affirmative authorization under this
247 section.

248 (e) “Political activities,” means any contributions or expenditures made directly or
249 indirectly to, or in support of or opposition to, any candidate, political party, committee,
250 electioneering communication, ballot measure campaign, or an issue advocacy campaign if

251 otherwise allowable by law. Political activities do not include activities defined as lobbying
252 under any local, state or federal law. For purposes of this section, the term “contribution or
253 expenditure” includes any monetary and non-monetary political contributions and expenditures
254 not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not
255 limited to contributions to or expenditures on behalf of political candidates, political parties,
256 political committees and other political entities organized and operating under 26 U.S.C. Sec.
257 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any
258 tax exempt organization that is used for an expenditure or contribution if made directly by the
259 corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code,
260 any contribution or expenditure, as those terms are defined in 2 U.S.C. § 431, as well as any
261 contribution or expenditure defined under Section 1 of Chapter 55 of the General Laws, and also
262 includes any direct or indirect payment, distribution, loan, advance, deposit, or gift of money, or
263 any services, or anything of value (except a loan of money by a national or State bank made in
264 accordance with the applicable banking laws and regulations and in the ordinary course of
265 business) to any candidate, campaign committee, or political party or organization, in connection
266 with any election to any office. The term “contribution or expenditure” shall not include:

267 (1) communications by a corporation to its stockholders and executive or administrative
268 personnel and their families or by a labor organization or membership organization to its
269 members and their families on any subject;

270 (2) nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its
271 stockholders and executive or administrative personnel and their families, or by a labor
272 organization or membership organization aimed at its members and their families; and

273 (3) the establishment, administration, and solicitation of contributions to a separate
274 segregated fund to be utilized for political purposes by a corporation, labor organization,
275 membership organization, cooperative, or corporation without capital stock.

276 (f) the term “separate segregated fund” means a political action committee formed by a
277 corporation for the purpose of making contributions to candidates for office or to political
278 parties. A “separate segregated fund” which supports federal candidates shall have the same
279 meaning as that found in 2 U.S.C. § 441b.

280 (2) Annual Vote: –

281 (a) Any corporation that is subject to section 10 of this Act that is an issuer of securities
282 and spends in the aggregate \$5,000 or more on political activities in the Commonwealth in a
283 twelve month period must comply with the requirements of this section.

284 (b) Any proxy or consent or authorization for an annual meeting of the shareholders of a
285 corporation incorporated in the Commonwealth (or a special meeting in lieu of such meeting, as
286 described in this section) where proxies are solicited in respect of any security occurring on or
287 after the date that is 6 months after the date on which final rules are issued under paragraph (5),
288 as described under Section 28 of Chapter 156 of the General Laws, shall provide for a separate
289 resolution subject to shareholder vote to approve any spending of \$5,000 or more by the
290 corporation for any political activity.

291 (c) Notwithstanding this requirement for an annual shareholder vote to authorize any
292 spending of \$5,000 or more by the corporation for any political activity, a corporation may
293 request authorization for spending on political activities on a more frequent basis. Any

294 authorization request by the corporation that is not made during an annual authorization shall be
295 deemed a special authorization.

296 (3) Shareholder Approval: –

297 (a) When seeking shareholder authorization for expenditures for political activities, the
298 corporation shall request the authority to spend a maximum dollar amount in the next 12 months;

299 (b) Prior to the shareholder vote, the corporation shall provide to shareholders a detailed
300 written statement containing the following information (1), whether the corporate treasury funds
301 so authorized are intended to benefit or defeat specific candidates, if otherwise allowable by law,
302 ballot measures or issue advocacy campaigns, or whether it will be paid to specific nonprofits or
303 trade associations for political activities, (2) the amounts and types of expenditures, such as but
304 not limited to advertising expenses, mailing, and staff and (2) an itemized summary of corporate
305 political activities in the past 12 months consonant with the provisions of Section 6

306 (c) To be effective, the authorization vote must garner support from two thirds of all the
307 corporation's shareholders.

308 (d) A vote by the shareholders to approve or disapprove any spending of \$5,000 or more
309 by a corporation for a political activity shall be binding on the corporation.

310 (e) Notwithstanding the requirement for an annual shareholder vote to authorize any
311 spending of \$5,000 or more by the corporation for any political activity, a corporation may
312 receive a special authorization for additional spending on political activities, provided that

313 (1) this additional spending is authorized by two thirds of all the corporation's
314 shareholders if the sum of all additional spending totals \$5,000 or more; and

315 (2) for any special authorization, the company shall state whether the corporate treasury
316 funds so authorized are intended to benefit or defeat candidates, ballot measures or issue
317 advocacy campaigns, or will be paid to specific nonprofits or trade associations for political
318 activities, at the time the special authorization is requested; and

319 (3) notice of the time, place and purposes of such meeting shall be given to each
320 stockholder of record of each such corporation in the manner provided in Section 36 of Chapter
321 156B but at least twenty days prior to the date of such meeting.

322 (f) A stockholder alleging a violation of this section may bring a civil action directly
323 against the directors of the corporation. It is not a defense to an action under this subsection that
324 a director acted in accordance with MGL 156 §25.

325 (4) Director Liability: –

326 If a corporation makes an unauthorized contribution or expenditure for a political
327 activity, then the directors at the time that the unauthorized contribution or expenditure was
328 incurred are jointly and severally liable to repay to the corporation the amount of the
329 unauthorized expenditure, with interest at the rate of eight percent per annum.

330 In addition, any corporation violating any provision of this subsection shall be punished
331 by a fine of not more than \$100,000, or three times the amount of the unauthorized expenditure,
332 whichever is greater, and any officer, director or agent of the corporation violating any provision
333 thereof or authorizing such violation of any provision thereof, or any person who violates or in
334 any way knowingly aids or abets the violation thereof, shall be punished by a fine of not more
335 than \$10,000 or by imprisonment for not more than one year, or both.

336 (5) Quarterly Notification to Shareholders: –

337 (a) At least quarterly during each fiscal year, a corporation subject to the requirements of
338 this chapter that makes contributions or expenditures for political activities must file a written
339 report to its shareholders, a copy of which shall be provided to the Office of Campaign and
340 Political Finance in a form prescribed by the director

341 (2) A report made pursuant to this section shall:

342 (i) require an electronic signature from the treasurer at the time of the filing of the
343 campaign finance report;

344 (ii) Be made subject to the penalties for perjury; and

345 (iii) Include the following:

346 (A) The date of the expenditure;

347 (B) The amount of the expenditure;

348 (C) The type of expenditure, such as but not limited to advertising, mailing, or staff time.

349 (D) The identity of the candidate, political party, committee, electioneering
350 communication, ballot measure campaign or issue advocacy campaign referenced in the
351 expenditure;

352 (E) If the expenditure was made for or against a candidate, including an electioneering
353 communication as defined under Chapter 55, the office sought by the candidate and the political
354 party affiliation of the candidate, and whether the expenditure was in support or in opposition to
355 the same;

356 (F) If the contributions or expenditures were made for or against a ballot measure, the
357 purpose of the measure and whether the contributions or expenditures were made in support or
358 opposition to the ballot measure;

359 (G) If the contributions or expenditures were made for or against an issue advocacy
360 campaign, the nature of the political issue and whether the contributions were made in support or
361 opposition to the political issue.

362 (H) All expenditures made by a separate segregated fund affiliated with the corporation.

363 (6) Reports Posted Online:--

364 A copy of the reports filed pursuant to this subsection shall be posted immediately on the
365 corporation's website, if any, and kept available for at least one year. Said reports will be made
366 available in a widely used format that is tagged for easy analysis and comparison.

367 (7) Limits:--

368 Nothing contained herein shall authorize and expenditure otherwise prohibited by law.

369 SECTION 9:

370 Chapter 156B is hereby amended by inserting after section 54 the following new section:-

371 54A. Political Expenditures:--

372 (a) Notwithstanding any general or special law to the contrary, no corporation, or trade,
373 business, or professional association nor any other entity under this title shall make any
374 campaign contribution or expenditure or combination of contributions or expenditures totaling
375 an excess of \$5,000 unless specifically authorized to do so by the affirmative authorization of a

376 majority of the board of directors of the corporation, of the executive committee of the trade,
377 business, or professional association or similar body at a regular or special meeting thereof.

378 In addition, any corporation or trade, business, or professional association violating any
379 provision of this section shall be punished by a fine of not more than one \$1,000 and any officer,
380 director or agent of the corporation violating any provision thereof or authorizing such violation
381 of any provision thereof, or any person who violates or in any way knowingly aids or abets the
382 violation thereof, shall be punished by a fine of not more than \$1,000 or by imprisonment for not
383 more than one year, or both.

384 (b)Corporations or other entities under this title making political expenditures or
385 electioneering communications under this section shall take reasonable steps to notify their
386 employees who are residents of the Commonwealth. Such notice may (i) be a written notice
387 mailed to each employees residence or delivered to them at their place of employment; or (ii) be
388 an electronic notice; or (iii) be a notice that is posted and remains posted in each of said
389 corporation's business establishments within the Commonwealth until said corporations next
390 annual meeting.

391 (b) Such notice or notices shall include the following:

392 (1) The date of the contributions or expenditures;

393 (2) The amount of the contributions or expenditures;

394 (3) The identity of the candidate, political party, committee, electioneering
395 communication, ballot measure campaign or issue advocacy campaign.

396 (c) If such notice or notices are posted, such notice or notices shall be posted in a
397 conspicuous place or places where notices to employees are customarily posted. Each employer
398 shall take steps to insure that such notices are not altered, defaced, or covered by other material.

399 (d) Any employer failing to comply with the provisions of this section shall be subject to
400 citation and penalty in accordance with regulations to be developed by the Secretary of the
401 Commonwealth.

402 SECTION 10:

403 (a) Foreign Corporations. A “foreign corporation” as defined in Section 30 of Chapter 63
404 of the General Laws (other than a foreign association or foreign nonprofit corporation but
405 including a foreign parent corporation even though it does not itself transact intrastate business)
406 is subject to the requirements of SECTIONS 9-11 of this Act inclusively, if:

407 (i) the average of property, payroll, and sales in Massachusetts with respect to the foreign
408 corporation is more than 50 percent during its latest full income year; or

409 (ii) said foreign corporation employs 51% or more of its employees within
410 Massachusetts; or

411 (iii) said foreign corporation employs more employees within Massachusetts than in any
412 other state or political subdivision of the United States or other nation; or

413 (iv) said foreign corporation has its commercial domicile in Massachusetts.

414 (b) Liability. Any party who obtains a final determination by a court of competent
415 jurisdiction that the corporation failed to provide to the party information required to be provided
416 by this subdivision or provided the party information of the kind required to be provided by this

417 subdivision that was incorrect, then the court, in its discretion, shall have the power to include in
418 its judgment recovery by the party from the corporation of all court costs and reasonable
419 attorneys' fees incurred in that legal proceeding to the extent they relate to obtaining that final
420 determination.

421 (c) A foreign national shall not make an independent expenditure, directly or indirectly,
422 that advocates the nomination, election, or defeat of any candidate or the passage or defeat of any
423 ballot issue. As used in this section, "foreign national" means a person who is not a citizen of the
424 United States and who is not lawfully admitted for permanent residence. "Foreign national"
425 includes a foreign principal, such as a government of a foreign country or a foreign political
426 party, partnership, association, corporation, organization, or other combination of persons that
427 has its primary place of business in or is organized under the laws of a foreign country. "Foreign
428 national" does not include a person who is a citizen of the United States or who is a national of
429 the United States.

430 SECTION 11:

431 If any public official of the Commonwealth or any director of a quasi-public agency or
432 any director of an authority or entity established by the General Court to serve a public purpose,
433 be entitled by virtue of their capacity as a manager of public moneys to vote on a corporation's
434 proposed budget for political activities as described under this act, they shall abstain from said
435 vote.

436 SECTION 12:

437 No later than 6 months after the date of the enactment of the Massachusetts Political
438 Accountability Act of 2010, the Secretary of the Commonwealth shall issue final rules to
439 implement SECTIONS 9-11 inclusively.

440 SECTION 13:

441 Not later than April 1 of each year, the Office of Campaign and Political Finance shall
442 submit to the Governor, the Speaker of the House, the Senate President and the Joint Committee
443 on Election Laws, and make available on its website a report on the aggregate political spending
444 of corporations in the Commonwealth including expenditures made directly or indirectly to, or in
445 support of or opposition to, any candidate, political party, committee, electioneering
446 communication, ballot measure campaign, or an issue advocacy campaign.