

HOUSE No. 1985

The Commonwealth of Massachusetts

PRESENTED BY:

Martha M. Walz

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to strengthen the campaign finance law.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Martha M. Walz</i>	<i>8th Suffolk</i>	<i>1/20/2011</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	<i>2/3/2011</i>
<i>John V. Fernandes</i>	<i>10th Worcester</i>	<i>2/3/2011</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	<i>2/3/2011</i>
<i>Patricia D. Jehlen</i>		<i>2/1/2011</i>
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>	<i>2/3/2011</i>
<i>Stephen Kulik</i>	<i>1st Franklin</i>	<i>2/4/2011</i>
<i>Jason M. Lewis</i>	<i>31st Middlesex</i>	<i>2/3/2011</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>	<i>2/3/2011</i>
<i>Alice K. Wolf</i>	<i>25th Middlesex</i>	<i>2/3/2011</i>

HOUSE No. 1985

By Ms. Walz of Boston, a petition (accompanied by bill, House, No. 1985) of Martha M. Walz and others for legislation to strengthen certain provisions of the campaign finance laws. Election Laws.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act to strengthen the campaign finance law.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to strengthen campaign finance , therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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. Section 1 of chapter 55 of the General Laws, as most recently amended by
2 chapter 28 of the Acts of 2009, is hereby further amended by striking the definition of
3 “electioneering communication” and inserting in place thereof the following definition:-

4 "Electioneering communication", any broadcast, cable, mail, satellite or print
5 communication that: (1) refers to a clearly identified candidate; and (2) is publicly distributed
6 within 90 days before an election in which the candidate is seeking election or reelection for
7 state, city, town or local office, and 180 days before an election in which the candidate is seeking
8 election or reelection for statewide office; provided, however, that "electioneering
9 communication" shall not include the following communications: (1) a communication that is
10 disseminated through a means other than a broadcast station, radio station, cable television

11 system or satellite system, newspaper, magazine, periodical, billboard advertisement, mail or
12 automated telephone calling system; (2) a communication to less than 100 recipients; (3) a news
13 story, commentary, letter to the editor, news release, column, op-ed or editorial broadcast by a
14 television station, radio station, cable television system or satellite system, or printed in a
15 newspaper, magazine, or other periodical in general circulation; (4) expenditures or independent
16 expenditures or contributions that must otherwise be reported under this chapter; (5) a
17 communication from a membership organization exclusively to its members and their families,
18 otherwise known as a membership communication; (6) bonafide candidate debates or forums and
19 advertising or promotion of the same; and (7) internet or email communications.

20 SECTION 2. Said section 1 of said chapter 55, as so appearing, is hereby further
21 amended by inserting after the definition of “Expenditure” the following definition:-

22 “Foreign national”, means a person who is not a citizen of the United States and who is
23 not lawfully admitted for permanent residence. A foreign national includes a foreign principal,
24 such as a government of a foreign country or a foreign political party, partnership, association,
25 corporation, organization, or other combination of persons that has its primary place of business
26 in or is organized under the laws of a foreign country. Foreign national shall not include a
27 person who is a citizen of the United States or who is a national of the United States.

28 SECTION 3. Section 8 of said chapter 55 of the General Laws, as most recently
29 amended by chapter 28 of the Acts of 2009, is hereby further amended by inserting after the
30 words “limited liability company”, in the first paragraph, the words:- or limited liability.

31 SECTION 4. Section 18A of said chapter 55, as most recently amended by chapter 28 of
32 the Acts of 2009, is hereby further amended by striking paragraph (e).

33 SECTION 5. Section 18A of said chapter 55, as so appearing, is hereby further amended
34 by inserting the following 2 paragraphs:-

35 (e) All independent expenditures made pursuant to this section by a corporation,
36 association or other entity must be disclosed to (i) shareholders of a corporation in any financial
37 reports or any other reports that are provided on a periodic or regular course of business to its
38 shareholders, or (ii) members or partners of a association or other entity in any financial report or
39 any other annual reports that are provided during the regular course of its activities.

40 (f) A violation of any provision of this section shall be punished by a fine of not more
41 than five thousand dollars or by imprisonment in a house of correction for not more than 1 year;
42 provided, however, any corporation, association or other entity violating any provision of this
43 section shall be punished by a fine of not more than fifty thousand dollars; and provided further
44 that any officer, director or agent of the corporation, association or other entity violating any
45 provision thereof or authorizing such violation of any provision thereof, or any person who
46 violates or in any way knowingly aids or abets the violation thereof, shall be punished by a fine
47 of not more than ten thousand dollars or by imprisonment for not more than one year, or both.

48 SECTION 6. Said section 18F of said chapter 55, as inserted by section 43 of chapter 28
49 of the Acts of 2009, is hereby amended by striking the words “were made to promote the election
50 or defeat of any candidate,” in each instance in the first paragraph, and inserting in place thereof,
51 in each instance, the following words:- concerning a candidate.

52 SECTION 7. Said section 18F of said chapter 55, as so appearing, is hereby further
53 amended by striking out the third paragraph and inserting in place thereof the following
54 paragraph:-

55 A violation of this section shall be punished by a fine of not more than five thousand
56 dollars or by imprisonment in a house of correction for not more than 1 year; provided, however,
57 any corporation, association or other entity violating any provision of this section shall be
58 punished by a fine of not more than fifty thousand dollars; and provided further that any officer,
59 director or agent of the corporation, association or other entity violating any provision thereof or
60 authorizing such violation of any provision thereof, or any person who violates or in any way
61 knowingly aids or abets the violation thereof, shall be punished by a fine of not more than ten
62 thousand dollars or by imprisonment for not more than one year, or both.

63 SECTION 8. Said chapter 55, is hereby further amended by striking section 18G, as
64 inserted by section 34 of chapter 131 of the Acts of 2010, and inserting in place thereof the
65 following section:-

66 Section 18G. (a) An independent expenditure or electioneering communication which is
67 transmitted through paid radio, television or internet advertising, or through automated telephone
68 calling systems, shall include a statement disclosing the identity of the individual, corporation,
69 group, association or labor union paying for the advertisement or call. If the independent
70 expenditure or electioneering communication is a radio or television advertisement, or call made
71 by an automated telephone calling system, the advertisement or call shall include a statement by
72 the individual paying for the advertisement or call in which the person acknowledges that he paid
73 for the message and his city or town of residence. If the radio or television advertisement or call
74 made by an automated telephone calling system is paid for by a corporation, group, association
75 or a labor union, the following statement shall be made by the chief executive officer of the
76 corporation, the chairman or principal officer of the group or association or the chief executive or
77 business manager of a labor union: "I am _____ (name) the

78 _____ (office held) of _____ (name of corporation,
79 group, association or labor union) and _____ (name of corporation, group, association
80 or labor union) approves and paid for this message." Such statements in television
81 advertisements shall be conveyed by an unobscured, full-screen view of the person making the
82 statement. If an independent expenditure or electioneering communication is transmitted through
83 internet, the statement shall appear in a clearly readable manner with a reasonable degree of
84 color contrast between the background and the printed statement.

85 (b) In addition to any disclosure required by subsection (a), all radio, television or
86 internet advertisements must disclose the names and addresses of the five persons or entities
87 providing the largest funds in excess of \$250 reportable under this chapter, starting January 1 of
88 the year of the advertisement with the title "Top Five Funders" to appear above of the list on
89 television and internet advertisements.

90 (c) Whoever violates this section shall be punished by imprisonment in the house of
91 correction for not more than 1 year or by a fine of not more than \$10,000, or both; provided,
92 however, any corporation, association or other entity violating any provision of this section shall
93 be punished by a fine of not more than fifty thousand dollars; and provided further that any
94 officer, director or agent of the corporation, association or other entity violating any provision
95 thereof or authorizing such violation of any provision thereof, or any person who violates or in
96 any way knowingly aids or abets the violation thereof, shall be punished by a fine of not more
97 than ten thousand dollars or by imprisonment for not more than one year, or both.

98 SECTION 9. Said chapter 55 is hereby further amended by inserting after section 18G
99 the following section:-

100 Section 18H. (a) No foreign national shall make an independent expenditure or
101 electioneering communication expenditure, directly or indirectly, for the purpose of aiding,
102 promoting or preventing the nomination or election of any person to public office, or aiding or
103 promoting or antagonizing the interests of any political party.

104 (b) No corporation, association or other entity shall make any independent expenditure or
105 electioneering communication expenditure if any of the of the following apply: (1) one or more
106 foreign nationals directly or indirectly owns or controls either (i) 5 percent or more of the voting
107 shares, if the foreign national is a foreign country, a foreign government official, or a
108 corporation, association or other entity principally owned or controlled by a foreign country or
109 foreign government official, or (ii) 20 percent or more of the voting shares, if the foreign national
110 is not described in clause (i); (2) two or more foreign nationals owns or controls at least 5 percent
111 of the voting shares, directly, or indirectly own or control 50 percent or more of the voting
112 shares; (3) the majority of the members of the board of directors, or its equivalent, are foreign
113 nationals; (4) one or more foreign nationals has the power to direct, dictate, or control the
114 decision-making process of the corporation, association or other entity with respect to its
115 interests in the United States; or (5) one or more foreign nationals has the power to direct,
116 dictate, or control the decision-making process of the corporation, association or other entity
117 with respect to activities in connection with a Federal, State, or local election, including: (i) the
118 making of a contribution, donation, expenditure, independent expenditure, or disbursement for
119 an electioneering communication; or (ii) the administration of a political committee established
120 or maintained by the corporation, association or other entity.