



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB2089

Introduced 2/10/2017, by Sen. Don Harmon

#### SYNOPSIS AS INTRODUCED:

10 ILCS 5/9-1.8

from Ch. 46, par. 9-1.8

10 ILCS 5/9-6

from Ch. 46, par. 9-6

Amends the Election Code. Includes certain tax-exempt organizations under the federal Internal Revenue Code in the definitions of political action committees, ballot initiative committees, and independent expenditure committees. Allows the tax-exempt organizations to establish a separate political committee whose function is to receive or make contributions, make expenditures, or any combination thereof, to support or oppose candidates or questions of public policy. Sets forth certain requirements for these separate committees. Effective immediately.

LRB100 09533 MLM 19699 b

1 AN ACT concerning elections.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Election Code is amended by changing  
5 Sections 9-1.8 and 9-6 as follows:

6 (10 ILCS 5/9-1.8) (from Ch. 46, par. 9-1.8)

7 Sec. 9-1.8. Political committees.

8 (a) "Political committee" includes a candidate political  
9 committee, a political party committee, a political action  
10 committee, a ballot initiative committee, and an independent  
11 expenditure committee.

12 (b) "Candidate political committee" means the candidate  
13 himself or herself or any natural person, trust, partnership,  
14 corporation, or other organization or group of persons  
15 designated by the candidate that accepts contributions or makes  
16 expenditures during any 12-month period in an aggregate amount  
17 exceeding \$5,000 on behalf of the candidate.

18 (c) "Political party committee" means the State central  
19 committee of a political party, a county central committee of a  
20 political party, a legislative caucus committee, or a committee  
21 formed by a ward or township committeeman of a political party.  
22 For purposes of this Article, a "legislative caucus committee"  
23 means a committee established for the purpose of electing

1 candidates to the General Assembly by the person elected  
2 President of the Senate, Minority Leader of the Senate, Speaker  
3 of the House of Representatives, Minority Leader of the House  
4 of Representatives, or a committee established by 5 or more  
5 members of the same caucus of the Senate or 10 or more members  
6 of the same caucus of the House of Representatives.

7 (d) "Political action committee" means any natural person,  
8 trust, partnership, committee, association, corporation, or  
9 other organization, including one organized for tax-exempt  
10 status under Sections 501(c)(4), 501(c)(5), or 501(c)(6) of the  
11 Internal Revenue Code, or group of persons, other than a  
12 candidate, political party, candidate political committee, or  
13 political party committee, that accepts contributions or makes  
14 expenditures during any 12-month period in an aggregate amount  
15 exceeding \$5,000 on behalf of or in opposition to a candidate  
16 or candidates for public office. "Political action committee"  
17 includes any natural person, trust, partnership, committee,  
18 association, corporation, or other organization, including one  
19 organized for tax-exempt status under Sections 501(c)(4),  
20 501(c)(5), or 501(c)(6) of the Internal Revenue Code, or group  
21 of persons, other than a candidate, political party, candidate  
22 political committee, or political party committee, that makes  
23 electioneering communications during any 12-month period in an  
24 aggregate amount exceeding \$5,000 related to any candidate or  
25 candidates for public office.

26 (e) "Ballot initiative committee" means any natural

1 person, trust, partnership, committee, association,  
2 corporation, or other organization, including one organized  
3 for tax-exempt status under Sections 501(c)(4), 501(c)(5), or  
4 501(c)(6) of the Internal Revenue Code, or group of persons  
5 that accepts contributions or makes expenditures during any  
6 12-month period in an aggregate amount exceeding \$5,000 in  
7 support of or in opposition to any question of public policy to  
8 be submitted to the electors. "Ballot initiative committee"  
9 includes any natural person, trust, partnership, committee,  
10 association, corporation, or other organization, including one  
11 organized for tax-exempt status under Sections 501(c)(4),  
12 501(c)(5), or 501(c)(6) of the Internal Revenue Code, or group  
13 of persons that makes electioneering communications during any  
14 12-month period in an aggregate amount exceeding \$5,000 related  
15 to any question of public policy to be submitted to the voters.  
16 The \$5,000 threshold applies to any contributions or  
17 expenditures received or made with the purpose of securing a  
18 place on the ballot for, advocating the defeat or passage of,  
19 or engaging in electioneering communication regarding the  
20 question of public policy, regardless of the method of  
21 initiation of the question of public policy and regardless of  
22 whether petitions have been circulated or filed with the  
23 appropriate office or whether the question has been adopted and  
24 certified by the governing body.

25 (f) "Independent expenditure committee" means any trust,  
26 partnership, committee, association, corporation, or other

1 organization, including one organized for tax-exempt status  
2 under Sections 501(c)(4), 501(c)(5), or 501(c)(6) of the  
3 Internal Revenue Code, or group of persons formed for the  
4 exclusive purpose of making independent expenditures during  
5 any 12-month period in an aggregate amount exceeding \$5,000 in  
6 support of or in opposition to (i) the nomination for election,  
7 election, retention, or defeat of any public official or  
8 candidate or (ii) any question of public policy to be submitted  
9 to the electors. "Independent expenditure committee" also  
10 includes any trust, partnership, committee, association,  
11 corporation, or other organization, including one organized  
12 for tax-exempt status under Sections 501(c)(4), 501(c)(5), or  
13 501(c)(6) of the Internal Revenue Code, or group of persons  
14 that makes electioneering communications that are not made in  
15 connection, consultation, or concert with or at the request or  
16 suggestion of a public official or candidate, a public  
17 official's or candidate's designated political committee or  
18 campaign, or an agent or agents of the public official,  
19 candidate, or political committee or campaign during any  
20 12-month period in an aggregate amount exceeding \$5,000 related  
21 to (i) the nomination for election, election, retention, or  
22 defeat of any public official or candidate or (ii) any question  
23 of public policy to be submitted to the voters.

24 (Source: P.A. 97-766, eff. 7-6-12; 98-115, eff. 7-29-13.)

25 (10 ILCS 5/9-6) (from Ch. 46, par. 9-6)

1           Sec. 9-6. Accounting for contributions.

2           (a) A person who collects or accepts a contribution for a  
3 political committee shall, within 5 days after receipt of such  
4 contribution, submit to the treasurer a detailed account of the  
5 contribution, including (i) the amount, (ii) the name and  
6 address of the person making such contribution, (iii) the date  
7 on which the contribution was received, and (iv) the name and  
8 address of the person collecting or accepting the contribution  
9 for the political committee. A political committee shall  
10 disclose on the quarterly statement the name, address, and  
11 occupation of any person who collects or accepts contributions  
12 from at least 5 persons in the aggregate of \$3,000 or more  
13 outside of the presence of a candidate or not in connection  
14 with a fundraising event sanctioned or coordinated by the  
15 political committee during a reporting period. This subsection  
16 does not apply to a person who is an officer of the committee,  
17 a compensated employee, a person authorized by an officer or  
18 the candidate of a committee to accept contributions on behalf  
19 of the committee, or an entity used for processing financial  
20 transactions by credit card or other means.

21           (b) Within 5 business days of contributing goods or  
22 services to a political committee, the contributor shall submit  
23 to the treasurer a detailed account of the contribution,  
24 including (i) the name and address of the person making the  
25 contribution, (ii) a description and market value of the goods  
26 or services, and (iii) the date on which the contribution was

1 made.

2 (c) All funds of a political committee shall be segregated  
3 from, and may not be commingled with, any personal funds of  
4 officers, members, or associates of such committee.

5 (d) An organization that qualifies for tax-exempt status  
6 under Sections 501(c)(4), 501(c)(5), or 501(c)(6) of the  
7 Internal Revenue Code may, in order to comply with the specific  
8 reporting provisions that are required of political  
9 committees, establish a separate political committee in the  
10 manner described in Section 9-3 of this Code whose exclusive  
11 function is to receive or make contributions, make  
12 expenditures, or any combination thereof, to support or oppose  
13 candidates or questions of public policy.

14 (1) To facilitate this option, nonprofit organizations  
15 may create a separate segregated fund in which  
16 contributions shall be deposited or made as defined in  
17 Section 9-1.4 of this Code and from which expenditures  
18 shall be dispersed as defined in Section 9-1.5 of this  
19 Code.

20 (2) If a nonprofit organization chooses this option,  
21 the disclosure of any deposits of money into the segregated  
22 fund shall report the original source or sources of the  
23 money and not the name of the parent nonprofit  
24 organization.

25 (Source: P.A. 96-832, eff. 1-1-11.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.