

SB1477



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB1477

Introduced 2/9/2017, by Sen. Melinda Bush

SYNOPSIS AS INTRODUCED:

10 ILCS 5/9-8.10

10 ILCS 5/9-11

from Ch. 46, par. 9-11

Amends the Election Code. Requires loan agreements to be included in certain campaign filings. Requires loans made to the committee to have an interest rate, which must be at the prevailing market interest rate at the time the agreement is executed. Makes conforming changes. Effective immediately.

LRB100 10459 MLM 20672 b

A BILL FOR

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 9-8.10 and 9-11 as follows:

6 (10 ILCS 5/9-8.10)

7 Sec. 9-8.10. Use of political committee and other reporting
8 organization funds.

9 (a) A political committee shall not make expenditures:

10 (1) In violation of any law of the United States or of
11 this State.

12 (2) Clearly in excess of the fair market value of the
13 services, materials, facilities, or other things of value
14 received in exchange.

15 (3) For satisfaction or repayment of any debts other
16 than loans made to the committee or to the public official
17 or candidate on behalf of the committee or repayment of
18 goods and services purchased by the committee under a
19 credit agreement. Nothing in this Section authorizes the
20 use of campaign funds to repay personal loans. The
21 repayments shall be made by check written to the person who
22 made the loan or credit agreement. The terms and conditions
23 of any loan or credit agreement to a committee shall be set

1 forth in a written agreement, which shall be included in
2 the quarterly report covering the time period during which
3 such an agreement was made and all subsequent quarterly
4 reports until the loan and applicable interest is repaid,
5 including but not limited to the method and amount of
6 repayment, that shall be executed by the chairman or
7 treasurer of the committee at the time of the loan or
8 credit agreement. The loan or agreement shall also set
9 forth the rate of interest for the loan, which must be at
10 ~~if any, which may not substantially exceed~~ the prevailing
11 market interest rate at the time the agreement is executed.

12 (4) For the satisfaction or repayment of any debts or
13 for the payment of any expenses relating to a personal
14 residence. Campaign funds may not be used as collateral for
15 home mortgages.

16 (5) For clothing or personal laundry expenses, except
17 clothing items rented by the public official or candidate
18 for his or her own use exclusively for a specific
19 campaign-related event, provided that committees may
20 purchase costumes, novelty items, or other accessories
21 worn primarily to advertise the candidacy.

22 (6) For the travel expenses of any person unless the
23 travel is necessary for fulfillment of political,
24 governmental, or public policy duties, activities, or
25 purposes.

26 (7) For membership or club dues charged by

1 organizations, clubs, or facilities that are primarily
2 engaged in providing health, exercise, or recreational
3 services; provided, however, that funds received under
4 this Article may be used to rent the clubs or facilities
5 for a specific campaign-related event.

6 (8) In payment for anything of value or for
7 reimbursement of any expenditure for which any person has
8 been reimbursed by the State or any person. For purposes of
9 this item (8), a per diem allowance is not a reimbursement.

10 (9) For the purchase of or installment payment for a
11 motor vehicle unless the political committee can
12 demonstrate that purchase of a motor vehicle is more
13 cost-effective than leasing a motor vehicle as permitted
14 under this item (9). A political committee may lease or
15 purchase and insure, maintain, and repair a motor vehicle
16 if the vehicle will be used primarily for campaign purposes
17 or for the performance of governmental duties. A committee
18 shall not make expenditures for use of the vehicle for
19 non-campaign or non-governmental purposes. Persons using
20 vehicles not purchased or leased by a political committee
21 may be reimbursed for actual mileage for the use of the
22 vehicle for campaign purposes or for the performance of
23 governmental duties. The mileage reimbursements shall be
24 made at a rate not to exceed the standard mileage rate
25 method for computation of business expenses under the
26 Internal Revenue Code.

1 (10) Directly for an individual's tuition or other
2 educational expenses, except for governmental or political
3 purposes directly related to a candidate's or public
4 official's duties and responsibilities.

5 (11) For payments to a public official or candidate or
6 his or her family member unless for compensation for
7 services actually rendered by that person. The provisions
8 of this item (11) do not apply to expenditures by a
9 political committee in an aggregate amount not exceeding
10 the amount of funds reported to and certified by the State
11 Board or county clerk as available as of June 30, 1998, in
12 the semi-annual report of contributions and expenditures
13 filed by the political committee for the period concluding
14 June 30, 1998.

15 (b) The Board shall have the authority to investigate, upon
16 receipt of a verified complaint, violations of the provisions
17 of this Section. The Board may levy a fine on any person who
18 knowingly makes expenditures in violation of this Section and
19 on any person who knowingly makes a malicious and false
20 accusation of a violation of this Section. The Board may act
21 under this subsection only upon the affirmative vote of at
22 least 5 of its members. The fine shall not exceed \$500 for each
23 expenditure of \$500 or less and shall not exceed the amount of
24 the expenditure plus \$500 for each expenditure greater than
25 \$500. The Board shall also have the authority to render rulings
26 and issue opinions relating to compliance with this Section.

1 (c) Nothing in this Section prohibits the expenditure of
2 funds of a political committee controlled by an officeholder or
3 by a candidate to defray the customary and reasonable expenses
4 of an officeholder in connection with the performance of
5 governmental and public service functions.

6 (d) Nothing in this Section prohibits the funds of a
7 political committee which is controlled by a person convicted
8 of a violation of any of the offenses listed in subsection (a)
9 of Section 10 of the Public Corruption Profit Forfeiture Act
10 from being forfeited to the State under Section 15 of the
11 Public Corruption Profit Forfeiture Act.

12 (Source: P.A. 96-1019, eff. 1-1-11.)

13 (10 ILCS 5/9-11) (from Ch. 46, par. 9-11)

14 Sec. 9-11. Financial reports.

15 (a) Each quarterly report of campaign contributions,
16 expenditures, and independent expenditures under Section 9-10
17 shall disclose the following:

18 (1) the name and address of the political committee;

19 (2) the name and address of the person submitting the
20 report on behalf of the committee, if other than the
21 chairman or treasurer;

22 (3) the amount of funds on hand at the beginning of the
23 reporting period;

24 (4) the full name and mailing address of each person
25 who has made one or more contributions to or for the

1 committee within the reporting period in an aggregate
2 amount or value in excess of \$150, together with the
3 amounts and dates of those contributions, and, if the
4 contributor is an individual who contributed more than
5 \$500, the occupation and employer of the contributor or, if
6 the occupation and employer of the contributor are unknown,
7 a statement that the committee has made a good faith effort
8 to ascertain this information;

9 (5) the total sum of individual contributions made to
10 or for the committee during the reporting period and not
11 reported under item (4);

12 (6) the name and address of each political committee
13 from which the reporting committee received, or to which
14 that committee made, any transfer of funds in the aggregate
15 amount or value in excess of \$150, together with the
16 amounts and dates of all transfers;

17 (7) the total sum of transfers made to or from the
18 committee during the reporting period and not reported
19 under item (6);

20 (8) each loan ~~to or~~ from any person, to or from any
21 political committee, or to or from any financial
22 institution within the reporting period by or to the
23 committee in an aggregate amount or value in excess of
24 \$150, together with the full names and mailing addresses of
25 the lender and endorsers, if any; the dates and amounts of
26 the loans; the written agreement or promissory note

1 describing the terms of the loan, including the interest
2 rate and maturity date of the loan; and, if a lender or
3 endorser is an individual who loaned or endorsed a loan of
4 more than \$500, the occupation and employer of that
5 individual or, if the occupation and employer of the
6 individual are unknown, a statement that the committee has
7 made a good faith effort to ascertain this information;

8 (9) the total amount of proceeds received by the
9 committee from (i) the sale of tickets for each dinner,
10 luncheon, cocktail party, rally, and other fund-raising
11 events; (ii) mass collections made at those events; and
12 (iii) sales of items such as political campaign pins,
13 buttons, badges, flags, emblems, hats, banners,
14 literature, and similar materials;

15 (10) each contribution, rebate, refund, income from
16 investments, or other receipt in excess of \$150 received by
17 the committee not otherwise listed under items (4) through
18 (9) and, if the contributor is an individual who
19 contributed more than \$500, the occupation and employer of
20 the contributor or, if the occupation and employer of the
21 contributor are unknown, a statement that the committee has
22 made a good faith effort to ascertain this information;

23 (11) the total sum of all receipts by or for the
24 committee or candidate during the reporting period;

25 (12) the full name and mailing address of each person
26 to whom expenditures have been made by the committee or

1 candidate within the reporting period in an aggregate
2 amount or value in excess of \$150; the amount, date, and
3 purpose of each of those expenditures; and the question of
4 public policy or the name and address of, and the office
5 sought by, each candidate on whose behalf that expenditure
6 was made;

7 (13) the full name and mailing address of each person
8 to whom an expenditure for personal services, salaries, and
9 reimbursed expenses in excess of \$150 has been made and
10 that is not otherwise reported, including the amount, date,
11 and purpose of the expenditure;

12 (14) the value of each asset held as an investment, as
13 of the final day of the reporting period;

14 (15) the total sum of expenditures made by the
15 committee during the reporting period; and

16 (16) the full name and mailing address of each person
17 to whom the committee owes debts or obligations in excess
18 of \$150 and the amount of those debts or obligations.

19 For purposes of reporting campaign receipts and expenses,
20 income from investments shall be included as receipts during
21 the reporting period they are actually received. The gross
22 purchase price of each investment shall be reported as an
23 expenditure at time of purchase. Net proceeds from the sale of
24 an investment shall be reported as a receipt. During the period
25 investments are held they shall be identified by name and
26 quantity of security or instrument on each semi-annual report

1 during the period.

2 (b) Each report of a campaign contribution of \$1,000 or
3 more required under subsection (c) of Section 9-10 shall
4 disclose the following:

5 (1) the name and address of the political committee;

6 (2) the name and address of the person submitting the
7 report on behalf of the committee, if other than the
8 chairman or treasurer; and

9 (3) the full name and mailing address of each person
10 who has made a contribution of \$1,000 or more.

11 (c) Each quarterly report shall include the following
12 information regarding any independent expenditures made during
13 the reporting period: (1) the full name and mailing address of
14 each person to whom an expenditure in excess of \$150 has been
15 made in connection with an independent expenditure; (2) the
16 amount, date, and purpose of such expenditure; (3) a statement
17 whether the independent expenditure was in support of or in
18 opposition to a particular candidate; (4) the name of the
19 candidate; (5) the office and, when applicable, district,
20 sought by the candidate; and (6) a certification, under penalty
21 of perjury, that such expenditure was not made in cooperation,
22 consultation, or concert with, or at the request or suggestion
23 of, any candidate or any authorized committee or agent of such
24 committee. The report shall also include (I) the total of all
25 independent expenditures of \$150 or less made during the
26 reporting period and (II) the total amount of all independent

1 expenditures made during the reporting period.

2 (d) The Board shall by rule define a "good faith effort".

3 The reports of campaign contributions filed under this
4 Article shall be cumulative during the reporting period to
5 which they relate.

6 (e) Each report shall be verified, dated, and signed by
7 either the treasurer of the political committee or the
8 candidate on whose behalf the report is filed and shall contain
9 the following verification:

10 "I declare that this report (including any accompanying
11 schedules and statements) has been examined by me and, to the
12 best of my knowledge and belief, is a true, correct, and
13 complete report as required by Article 9 of the Election Code.
14 I understand that willfully filing a false or incomplete
15 statement is subject to a civil penalty of up to \$5,000."

16 (f) A political committee may amend a report filed under
17 subsection (a) or (b). The Board may reduce or waive a fine if
18 the amendment is due to a technical or inadvertent error and
19 the political committee files the amended report, except that a
20 report filed under subsection (b) must be amended within 5
21 business days. The State Board shall ensure that a description
22 of the amended information is available to the public. The
23 Board may promulgate rules to enforce this subsection.

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

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.