

AN ACT

ENTITLED, An Act to revise certain provisions concerning campaign finance.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 12-27-16 be amended to read as follows:

12-27-16. The following apply to independent expenditures by individuals and organizations related to communications advocating for or against candidates, public office holders, ballot questions, or political parties:

- (1) Any person or organization that makes a payment or promise of payment totaling one hundred dollars or more, including an in-kind contribution, for a communication which expressly advocates for or against a candidate, public office holder, ballot question, or political party shall append to or include in each communication a disclaimer that clearly and forthrightly:
 - (a) Identifies the person or organization making the independent expenditure for that communication;
 - (b) States the address or website address of the person or organization;
 - (c) States that the communication is independently funded and not made in consultation with any candidate, political party, or political committee; and
 - (d) If the independent expenditure is undertaken by an organization not including a candidate, public office holder, political party, or political committee, then the following notation must also be included: "Top Five Contributors" followed by a listing of the names of the five persons making the largest contributions to an organization during the twelve months preceding that communication.

A violation of this subdivision is a Class 1 misdemeanor;

- (2) Any person or organization that makes a payment or promise of payment of one hundred

dollars or more, including an in-kind contribution, for a communication described in subdivision (1) shall file a statement within forty-eight hours of the time that the communication is disseminated, broadcast, or otherwise published;

- (3) The statements required by this section shall include the name, street address, city, and state of the person or organization and, any expenditures made for communications described in subdivision (1) during that calendar year but not yet reported on a prior statement, the name of each candidate, public office holder, ballot question, or political party mentioned or identified in each communication, the amount spent on each communication, and a description of the content of each communication.

For an organization, the statement shall also include the name and title of the person filing the report, the name of its chief executive, if any, and the name of the person who authorized the expenditures on behalf of the organization;

- (4) For an organization whose majority ownership is owned by, controlled by, held for the benefit of, or comprised of twenty or fewer persons, partners, owners, trustees, beneficiaries, participants, members, or shareholders, the statement shall identify by name and address each person, partner, owner, trustee, beneficiary, participant, shareholder, or member who owns, controls, or comprises ten percent or more of the organization;
- (5) An organization shall also provide supplemental statements, as defined in subdivision (3), for any of its partners, owners, trustees, beneficiaries, participants, members, or shareholders identified pursuant to subdivision (4) which are owned by, controlled by, held for the benefit of, or comprised of twenty or fewer persons, partners, owners, trustees, beneficiaries, participants, members, or shareholders, until no organization identified in the supplemental statements meets the ownership test set forth in subdivision (4);

- (6) For the purposes of this section, the term, communication, does not include:
- (a) Any news articles, editorial endorsements, opinion, or commentary writings, or letter to the editor printed in a newspaper, magazine, flyer, pamphlet, or other periodical not owned or controlled by a candidate, political committee, or political party;
 - (b) Any editorial endorsements or opinions aired by a broadcast facility not owned or controlled by a candidate, political committee, or political party;
 - (c) Any communication by a person made in the regular course and scope of the person's business or ministry or any communication made by a membership organization solely to members of the organization and the members' families; and
 - (d) Any communication that refers to any candidate only as part of the popular name of a bill or statute.

Section 2. That § 12-27-17 be amended to read as follows:

12-27-17. Any political committee, organization, person, or political party that makes a payment or promise of payment totaling one hundred dollars or more, including an in-kind contribution, for a communication that clearly identifies a candidate or public office holder, but does not expressly advocate the election or defeat of the candidate or public office holder, and that is disseminated, broadcast, or otherwise published, shall file a statement with the secretary of state disclosing the name, street address, city, and state of such political committee, organization, person, or political party. The statement shall also include the name of the candidate or public office holder mentioned in the communication, the amount spent on the communication, and a description of the content of the communication. The statement shall be received and filed within forty-eight hours of the time that the communication is disseminated, broadcast, or otherwise published.

For the purposes of this section, the term, communication, does not include:

- (1) Any news articles, editorial endorsements, opinion or commentary writings, or letter to the editor printed in a newspaper, magazine, flyer, pamphlet, or other periodical not owned or controlled by a candidate, political committee, or political party;
- (2) Any editorial endorsements or opinions aired by a broadcast facility not owned or controlled by a candidate, political committee, or political party;
- (3) Any communication by a person made in the regular course and scope of the person's business or ministry or any communication made by a membership organization solely to members of the organization and the members' families;
- (4) Any communication that refers to any candidate only as part of the popular name of a bill or statute; and
- (5) Any communication used for the purpose of polling if the poll questions do not expressly advocate for or against a candidate, public office holder, ballot question, or political party.

Section 3. That chapter 12-27 be amended by adding thereto a NEW SECTION to read as follows:

Any political committee, organization, person, or political party that makes a communication as defined in § 12-27-17, which does not expressly advocate for or against a candidate, public office holder, ballot question, or political party, shall append to or include in each communication a disclaimer that:

- (1) Identifies the political committee, organization, person, or political party making the communication; and
- (2) States the address or website address of the political committee, organization, person, or political party.

If the communication is an independent expenditure made by a person or organization, then the disclaimer shall include the following: "This communication is independently funded and not made

in consultation with any candidate, political party, or political committee." If the independent expenditure is undertaken by an organization not including a candidate, public office holder, political party, or political committee, then the following notation must also be included: "Top Five Contributors" followed by a listing of the names of the five persons making the largest contributions to an organization during the twelve months preceding that communication.

A violation of this section is a Class 1 misdemeanor.

Section 4. That § 12-27-3 be amended to read as follows:

12-27-3. The treasurer for a political action committee shall file a statement of organization with the secretary of state not later than fifteen days after the date upon which the committee made contributions, received contributions, or paid expenses in excess of five hundred dollars. However, if such activity falls within thirty days of any statewide election, the statement of organization shall be filed within forty-eight hours. A candidate shall file a statement of organization for a candidate campaign committee with the secretary of state not later than fifteen days after becoming a candidate pursuant to this chapter. The statement or organization may be filed electronically pursuant to § 12-27-41. A political committee that regularly files a campaign finance disclosure statement with another state or the Federal Election Commission or a report of contributions and expenditures with the Internal Revenue Service is not required to file a statement of organization. A violation of this section is a Class 2 misdemeanor.

Section 5. That § 12-27-6 be amended to read as follows:

12-27-6. The statement of organization shall include:

- (1) The name, street address, postal address, and daytime telephone number of the committee;
- (2) The name, street address, postal address, and daytime telephone number of the chair and the treasurer of the committee;
- (3) A statement of the type of political committee that has been or is being organized;

- (4) In the case of a candidate campaign committee, the name, street address, and postal address of the candidate;
- (5) In the case of a political action committee or ballot question committee, a concise statement of its purpose and goals, and the full name, street address, and postal address of the organization with which the committee is connected or affiliated, or if the committee is not connected or affiliated with any one organization, the trade, profession, or primary interest of the committee;
- (6) If the committee is organized as a corporation under federal or state laws for liability purposes only as authorized by § 12-27-4, a statement affirming such organization; and
- (7) The name, street address, postal address, and telephone number of each financial institution where an account or depository is maintained.

The statement shall be signed by the candidate and treasurer for a candidate campaign committee and by the chair and treasurer for other political committees or filed electronically pursuant to § 12-27-41. A political committee continues to exist until a termination statement is filed pursuant to §§ 12-27-25 and 12-27-26.

The treasurer of a political committee shall file an updated statement of organization not later than fifteen days after any change in the information contained on the most recently filed statement of organization.

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I certify that the attached Act
originated in the

SENATE as Bill No. 200

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 200
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,

20__ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

=====
STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State