



PAC Filing Guidelines

Fair Campaign Practices Act ♦ Election 2012

Elections Division ♦ Office of the Secretary of State ♦ State of Alabama
Beth Chapman, Secretary of State

POLITICAL ACTION COMMITTEE (PAC)

Alabama's Fair Campaign Practices Act (FCPA) defines a political action committee as:

Any political committee, club, association, political party, or other group of one or more persons which receives or anticipates receiving contributions or makes or anticipates making expenditures to or on behalf of any elected official, proposition, candidate, principal campaign committee, or other political action committee . . .
[Code of Alabama, 1975, §17-5-2(a)(10)]

STATEMENT OF ORGANIZATION

A political action committee (other than a *Principal Campaign Committee* formed by a candidate) must file a *Statement of Organization Form* within 10 days of receiving contributions or making expenditures in an aggregate that exceeds \$1,000 or within 10 days of anticipating receiving contributions or making contributions in an aggregate that exceeds \$1,000. The statement and subsequent campaign finance reports are filed with the Secretary of State's office, if the PAC supports candidates or issues at the state level, or with the local probate judge, if it supports county or municipal candidates or issues.

Federal PACs are not subject to the Fair Campaign Practices Act. Each federal PAC is required to comply with federal campaign finance law by submitting any required reports to the Federal Election Commission (FEC).

FINANCIAL DISCLOSURE REPORTS

PACs are required to file when they participate in an election, but all PACs must file the Annual Report that is due by January 31 each year. [§17-5-8(b)]

Campaign finance reports are filed at specific times [§17-5-8]:

- ▶ on the last day of each month 12 months prior to the election if the PAC receives contributions or makes expenditures with a view toward influencing such election's result
- ▶ on the last day of each week in the month preceding the election
- ▶ daily, for PACs that file with the Secretary of State, beginning on the 8th day prior to the election, if the political action committee receives or spends in the aggregate of \$5,000 or more on any day with a view toward influencing an election's results.
- ▶ if the PAC receives any single contribution of \$20,000 or more, within two business days of receipt of the contribution, if it is not included in a monthly, weekly, or daily report.

NOTIFICATION OF MATERIAL CHANGE

Changes in officers, phone number or address, or a name change for a political action committee must be reported within 10 days of the change. [§17-5-5(8)(c)] An *Update Form* is available for reporting new information.

TERMINATION OF COMMITTEE

Once a PAC becomes inactive, the chairperson should dissolve the committee by filing a *Statement of Dissolution* with the secretary of state or probate judge. This form must be accompanied by a final report showing all contributions and expenditures not previously reported and stating how any excess funds will be distributed. [§17-5-5(d)]

PROHIBITED SOURCES & DISTRIBUTION OF FUNDS

In addition to prohibiting contributions from one PAC to another, the FCPA prohibits a principal campaign committee from making contributions to PACs. [§17-5-7]

The FCPA prohibits a PAC from making expenditures to or receiving contributions from the following types of entities [§17-5-15(b)]:

- ▶ Other PACs
- ▶ 527 Organizations
- ▶ Private Foundations

PAC POINTS

The FCPA requires that receipts and cancelled checks must be kept for two years from the date of expenditure. [§17-5-3(d)]

The law specifies that the political committee's money shall not be commingled with any personal funds of officers, members or associates of the political committee. [§17-5-3(b)]

TAX INFORMATION

Some state PACs are not tax exempt. For additional information, contact the State Revenue Department (334-242-1170) and the Internal Revenue Service.

ADVERTISING

When a PAC sponsors any political advertising for or against a candidate or ballot issue, the advertising must be clearly identified by the PAC. For further information, ask for the handout, *Campaign Advertising Guidelines*, produced by the Office of Secretary of State.

FEDERAL ELECTIONS

PACs participating in federal elections are subject to federal campaign finance law and regulations.

These PACs should call or write the Federal Election Commission for filing information.

Telephone:

1-800-424-9530

Mail:

Federal Election Commission
999 E. Street, NW
Washington, DC 20463

DISCLAIMER

This document is not a substitute for the Code of Alabama. This document is provided as a guide and is not intended to be an authoritative statement of law.

For further legal information, please consult the Code of Alabama or other appropriate legal resources.