ASSEMBLY BILL NO. 227-COMMITTEE ON ELECTIONS, PROCEDURES, AND ETHICS

FEBRUARY 23, 2001

Referred to Committee on Elections, Procedures, and Ethics

SUMMARY—Revises definition of committee for political action. (BDR 24-917)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in bolded italics is new; matter between brackets fomitted material is material to be omitted.

AN ACT relating to elections; revising the definition of a committee for political action; providing a civil penalty for failure to register as a committee for political action; and providing other matters properly relating thereto.

> THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 294A.0055 is hereby amended to read as follows: 294A.0055 1. "Committee for political action" means an organization which receives contributions, makes eandidates or other persons or makes expenditures] any group of natural persons or entities that solicits or receives contributions from any other person, group or entity and:

- (a) Makes or intends to make contributions to candidates or other persons; or
- 9 (b) Makes or intends to make expenditures, designed to affect the outcome of any primary, general or special election 10 or question on the ballot. [The term] 11
 - 2. "Committee for political action" does not include [a]:
 - (a) An organization made up of legislative members of a political party whose primary purpose is to provide support for their political
- (b) An entity solely because it provides goods or services to a candidate or committee in the regular course of its business at the same 16 17 price that would be provided to the general public. 18 19
 - (c) An individual natural person.

1

2

5

8

12

13 14 15

20

21

(d) An individual corporation or other business entity who has filed articles of incorporation or other documentation of organization with the secretary of state pursuant to Title 7 of NRS.



(e) A labor union.

(f) A personal campaign committee or the personal representative of a candidate who receives contributions or makes expenditures that are reported as campaign contributions or expenditures by the candidate.

(g) A committee for the recall of a public officer.

Sec. 2. NRS 294A.380 is hereby amended to read as follows:

294A.380 *1.* The secretary of state may adopt and promulgate regulations, prescribe forms in accordance with the provisions of this chapter and take such other actions as are necessary for the implementation and effective administration of the provisions of this chapter.

2. For the purposes of implementing and administering the provisions of this chapter regulating committees for political action:

(a) The secretary of state shall, in determining whether an entity or group is a committee for political action, consider a group's or entity's division or separation into units, sections or smaller groups only if it appears that such division or separation was for a purpose other than for avoiding the reporting requirements of this chapter.

(b) The secretary of state shall, in determining whether an entity or group is a committee for political action, disregard any action taken by a group or entity that would otherwise constitute a committee for political action if it appears such action is taken for the purpose of avoiding the reporting requirements of this chapter.

Sec. 3. NRS 294A.420 is hereby amended to read as follows:

294A.420 1. If the secretary of state receives information that a person or entity that is subject to the provisions of NRS 294A.120, 294A.140, 294A.150, 294A.180, 294A.200, 294A.210, 294A.220, 294A.230, 294A.270, 294A.280 or 294A.360 has not filed a report *or form for registration* pursuant to the applicable provisions of those sections, the secretary of state may, after giving notice to that person or entity, cause the appropriate proceedings to be instituted in the first judicial district court.

2. Except as otherwise provided in this section, a person or entity that violates an applicable provision of NRS 294A.112, 294A.120, 294A.130, 294A.140, 294A.150, 294A.160, 294A.170, 294A.180, 294A.200, 294A.210, 294A.220, 294A.230, 294A.270, 294A.280, 294A.300, 294A.310, 294A.320 or 294A.360 is subject to a civil penalty of not more than \$5,000 for each violation and payment of court costs and attorney's fees. The civil penalty must be recovered in a civil action brought in the name of the State of Nevada by the secretary of state in the first judicial district court and deposited with the state treasurer for credit to the state general fund.

3. If a civil penalty is imposed because a person or entity has reported its contributions, expenses or expenditures after the date the report is due, the amount of the civil penalty is:

(a) If the report is not more than 7 days late, \$25 for each day the report is late.

(b) If the report is more than 7 days late but not more than 15 days late, \$50 for each day the report is late.

(c) If the report is more than 15 days late, \$100 for each day the report is late.

4. For good cause shown, the secretary of state may waive a civil penalty that would otherwise be imposed pursuant to this section. If the secretary of state waives a civil penalty pursuant to this subsection, the secretary of state shall:

(a) Create a record which sets forth that the civil penalty has been waived and describes the circumstances that constitute the good cause shown; and

- shown; and
- (b) Ensure that the record created pursuant to paragraph (a) is available for review by the general public.