



STATE OF MAINE  
COMMISSION ON GOVERNMENTAL ETHICS  
AND ELECTION PRACTICES  
135 STATE HOUSE STATION  
AUGUSTA, MAINE 04333-0135

Commission Meeting 09/29/2021  
Agenda Item #2

To: Commission  
From: Commission Staff  
Date: September 22, 2021  
Re: Request by the Center for Media and Democracy to Investigate Possible In-Kind Contributions from the American Legislative Exchange Council

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The Ethics Commission received the enclosed complaint from the Center for Media and Democracy (CMD) concerning the American Legislative Exchange Council (ALEC) and two members of the Maine Legislature. ETH. 1-120. CMD alleges that ALEC knowingly made in-kind contributions of voter management software (ALEC CARE) to legislative candidates in Maine that may have violated contribution limits and restrictions.

**Relevant Maine Election Law (ETH. 358-361)**

*Standard for Initiating an Investigation.* The Commission is required to review every request to investigate an alleged violation of campaign finance law and to conduct an “investigation if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred.” 21-A M.R.S. § 1003(2).

*Definition of Contribution.* The term contribution includes “[a] gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office ....” 21-A M.R.S. § 1012(2)(A)(1). Influence means “to promote, support, oppose or defeat.” 21-A M.R.S. § 1012(4-A).

The Commission’s Rules define an in-kind contribution as follows: “Unless specifically exempted under 21-A M.R.S. §§ 1012 and 1052 or this section, the provision of any goods or services without charge or at a charge that is less than the usual and customary charge for such goods or services is an in-kind contribution. Examples of such goods and services include, but are not limited to: equipment, facilities, supplies, personnel, advertising, and campaign literature. If goods or services are provided at less than the usual and customary charge, the amount of the in-kind contribution is the difference between the usual and customary charge and the amount charged the candidate or political committee.” 94-270 C.M.R. Ch. 1, § 6(4).

*Content of Reports – Itemized Contributions.* Candidates are required to disclose all contributions (cash and in-kind) in regularly scheduled campaign finance reports. 21-A M.R.S. § 1017(5).

*Limits on Contributions to Traditionally Financed Candidates.* A political committee or organization may not make contributions to a traditionally financed candidate to promote their election that exceed the contribution limits in 21-A M.R.S. § 1015(2). For the 2020 elections, the contribution limit for legislative candidates was \$400 per election.

Section 1015(2) focuses on the *making* of a contribution to a candidate by a political committee, corporation or other organization. If a candidate *accepts* a contribution that exceeds the limits in § 1015, the candidate is subject to a penalty under 21-A M.R.S. § 1004-A(2).

*Limits on Contributions to Maine Clean Election Act (MCEA) Candidates.* Once certified to receive public campaign funding, an MCEA candidate may not accept any cash or in-kind contributions. 21-A M.R.S. § 1125(6).

### **Complaint by CMD**

CMD requests the Commission investigate and determine (1) whether Sen. Stewart and Rep. Harrington received in-kind contributions from ALEC; (2) if so, whether those should have been reported on their 2020 campaign finance reports; and (3) issue penalties associated with violations of the law. ETH. 7-8. CMD further requests that the Commission subpoena the full list of ALEC members in Maine who received similar benefits during the 2020 election; whether the software in question was used by legislators and their staff on state time or in state offices; and the original funder(s) paying Voter Gravity to provide legislators access to their program. ETH. 8-9.

A large portion of CMD's request focuses on its complaint to the Internal Revenue Service regarding political activities that may not be allowed under ALEC's 501(c)(3) tax exemption, and a lobbying disclosure complaint before the Minnesota Campaign Finance and Disclosure Board. ETH. 3, 11-37. Sen. Stewart and Rep. Harrington are the only publicly known members of ALEC in Maine, which is why CMD has not listed other candidates or legislators in this complaint. Sen. Stewart is an ALEC state chair and national board member, and Rep. Harrington is an ALEC state chair. During the 2020 election Sen. Stewart was an MCEA

candidate who was prohibited from receiving any in-kind contributions. Rep. Harrington was a traditionally financed candidate who could not accept contributions exceeding \$400 (either cash or in-kind).

CMD alleges that ALEC provided the legislators with in-kind contributions valued between \$2,376 and \$3,000 for access to the ALEC CARE (Constituent Analytics Research Exchange) program, which is included on the list of benefits to legislative memberships costing \$100 per year. ETH. 7. Legislative memberships also include model legislative policies; issue analysis, studies, and seminars; lectures; access to the ALEC website; and task forces. The membership page of the ALEC website indicates that members must separately sign up for the ALEC CARE benefit.<sup>1</sup>

CMD alleges that ALEC CARE is described as a “constituent services” program but is actually a “voter contact platform” created by a private company, Voter Gravity, that is linked to the Republican National Committee (RNC) voter database. ETH. 4-5. CMD’s research indicates that Voter Gravity was created by Ned Ryun, a conservative political activist, to help legislators get reelected. CMD makes these links through the similarity of Voter Gravity’s advertising, messaging, and information on the ALEC CARE website, and emails from ALEC staff. ETH. 4.

The allegation that ALEC CARE would have a value of \$2,376 - \$3,000 to Maine legislative candidates is based on CMD’s research of Voter Gravity’s pricing structure and recent a January 2021 email from ALEC claiming the software benefit would normally cost \$3,000 to purchase. ETH. 5.

The complaint states that Sen. Stewart and Rep. Harrington have accepted illegal in-kind contributions. However, no information was provided in the complaint indicating that the legislators actually used ALEC CARE.

### **Subsequent Submissions by the Parties**

Through their attorney, Sen. Stewart and Rep. Harrington acknowledge that the ALEC CARE software was included with their membership. ETH. 128. They deny using the program. Id. ALEC responded through a September 17, 2021 letter from its counsel, Jason Torchinsky, that it could not have made a contribution because it instructs members not to use the program for

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<sup>1</sup> <https://www.alec.org/membership-type/legislative-membership/>.

campaign purposes. ETH. 129-140. ALEC also relies on a provision in the Commission's Rules stating a candidate's receipt of a discounted service from a commercial vendor is not an in-kind contribution if the vendor regularly provides a similar discount to other customers in the ordinary course of business. In a reply memo, CMD notes that ALEC could have removed the voter engagement features of ALEC CARE but has chosen not to. ETH. 141-144. CMD requests that if the Commission does not choose to investigate whether the candidates are in violation, the Commission should nevertheless investigate whether ALEC made over-the-limit contributions by obtaining a list of ALEC members in Maine and their usage data.

### **Discussion and Staff Recommendation**

Once a request for investigation is received by the Commission, state Election Law directs the Commission to conduct an investigation "if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred." 21-A M.R.S. § 1003(2). By carefully drawing connections between ALEC CARE and the Voter Gravity software, the Commission staff believes that CMD *has* raised a legitimate question of whether ALEC is providing software as part of its membership benefits that could assist state legislators nationally in their re-election campaigns. Nevertheless, based on the standard in Maine Election Law for whether to conduct a requested investigation and for pragmatic reasons, the Commission staff recommends not initiating an investigation:

- The preponderance of the evidence presently available suggests that Sen. Stewart and Rep. Harrington did not receive an illegal contribution because they did not use the ALEC CARE software for any campaign purpose. According to their counsel's letter, they assessed that the software would have no value in their election campaigns.
- We do not know whether Sen. Stewart's and Rep. Harrington's experience is emblematic of other Maine legislative candidates, but there is no substantial evidence in the CMD complaint suggesting that other Maine candidates would have found the software more useful for campaigning. Our general understanding is that voter data is already available to Maine legislative candidates from their state parties, if they are inclined to use it. We also know from our own experience of asking legislative candidates and officials to use new software that a significant portion of candidates in Maine have little interest in adapting to unfamiliar software unless they absolutely have to.

- Once the CMD complaint and response by the Legislators are taken into consideration, the CMD complaint does not present strong evidence that any candidate received a significant unfair campaign advantage over another.
- The issues of how to value the ALEC CARE software as a campaign tool are not necessarily as straightforward as CMD contends. Certain legal and factual questions would need to be sorted out before finding that a contribution limit violation had occurred.
- Any investigation of the ALEC CARE software would necessarily rely on the voluntary cooperation of ALEC, which may not be forthcoming. Although the Commission has subpoena power, that is not as efficient as some would presume.
- The Commission staff is not aware of other parties seeking to provide campaign software and voter data to legislative candidates in Maine at a reduced cost (other than voter data provided by Maine's two major political parties). If the Commission is concerned about this prospect in 2022 or beyond, there are ways to reduce this risk through educational activities rather than raising alarm among Maine candidates that membership in a national policy organization may subject them to a finding of violation.

In their counsel's letter, Sen. Stewart and Rep. Harrington acknowledge that the ALEC CARE software was made available to them as part of their membership in ALEC. They state that they independently assessed that the software "would be of no value to their respective campaigns" and "Neither . . . ever used the ALEC CARE software for any campaign activity." ETH. 128.

Disclosure of contributions and limits on contributions promote important governmental objectives. If, however, a candidate checks out a service that is offered to them and determines *not* to use it, in many situations it may be unreasonable and misleading to require the candidate to report the service as a contribution or to view the service as an over-the limit contribution.

Generally, a candidate has violated legal restrictions on contributions and the duty to disclose contributions *only if they have received or accepted* money or something of value:

- After qualifying for public campaign funding, an MCEA candidate “may not *accept* any contributions....” 21-A M.R.S. § 1025(6) (italics added).
- Under 21-A M.R.S. § 1004-A(2), “[a] person that *accepts* or makes a contribution that exceeds the limitations set out in section 1015 ... may be assessed a penalty....” (italics added).
- Campaign finance reports must contain “itemized accounts of contributions *received* during [the] report filing....” 21-A M.R.S. § 1017(5) (italics added).

If something of value is offered but the candidate does not access it or use it, the Commission staff has serious doubts whether that situation should be viewed as an illegal contribution.

Please consider this hypothetical situation which we view as analogous: an advocacy organization offers valuable polling data to a selection of candidates who are supportive of the organization’s policy agenda (*e.g.*, gun rights, or reproductive freedoms) to assist the candidates in their elections. If the candidate is aware that the data is available but never takes any action to access the data, the service probably should not be viewed as a contribution. The attempted election activity by the policy organization may violate restrictions on the organization’s tax-exempt status, but that would be a question for U.S. tax authorities.<sup>2</sup>

The issue of how to value the ALEC CARE software is not as straightforward as CMD argues in paragraph 12 of its complaint. CMD calculates that the value of the product for a 2020 legislative campaign to be at least \$2,376 (\$99/month for 24 months). Most individuals running for the Maine Legislature do not campaign for two years. Many candidates register nine or ten months before the general election, and actively campaign for less than that. Even if Maine legislative candidates used the ALEC CARE software, the value may be significantly less than alleged by CMD. Also, the complaint does not address that the candidates themselves have purchased the software as a membership benefit. If the candidate has accepted a contribution, the Commission may need to think through whether the contribution is partly from the candidate themselves.

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<sup>2</sup> Similarly, the Commission staff regularly advises candidates that if they receive a contribution by check in the U.S. Mail but they do not want to accept it, they may return it to the contributor without reporting their receipt of a contribution.

The issue of campaign software being offered to Maine legislative candidates at a discount appears to be an isolated compliance concern that is not going to arise often. The Commission staff is not aware of similar situations in which third-parties are offering Maine candidates free or discounted software that will assist them in campaign activities. If, however, the Commission views this as a potential problem in upcoming elections, an alternative or additional means of reducing this risk would be to sharpen the Commission's educational efforts to remind candidates that accepting software or valuable data at a discount could amount to an in-kind contribution if not reimbursed by the candidate. This could take the form of a targeted brochure distributed by email or U.S. Mail in the spring of 2022.

Finally, we note that an investigation of the ALEC CARE software and its value to candidates would likely require the voluntary cooperation by ALEC. While one would hope and expect ALEC to cooperate with an investigation by the Commission, it is worth noting that ALEC's tax exemption has been challenged before the U.S. Internal Revenue Service. ALEC may not be eager to have Commission staff closely examining the features of its software for campaign value. The Commission staff is already involved in two investigations in which requests for documents or interviews have been ignored, and respondents have used legal objections to avoid or delay compliance with subpoenas. In those investigations, court actions against out-of-state respondents to enforce subpoenas have been contemplated by the Commission staff, although not yet initiated. In weighing the benefit to the public of whether to initiate a discretionary investigation concerning ALEC, the Commission should consider the limits on the resources of the Commission staff and the Office of the Maine Attorney General.

We recognize that a decision to investigate is in the hands of the Commission. While we would appreciate your consideration of the above factors, if you weigh them differently and believe an investigation is warranted, we will engage in a thorough investigation of whatever areas you deem appropriate. If you would like, the staff will be prepared to discuss possible scope and next steps at your September 29, 2021 meeting.

Thank you for your consideration of this memo.



## Cover Sheet for Complaint Alleging Violation of Legislative Ethics

*Instructions: Under 1 M.R.S.A. § 1013, any person may file a complaint alleging a violation of legislative ethics. The complaint must be filed in writing, signed under oath before a notary public, and must specify the facts of the alleged violation and the provisions of Sections 1014 and 1015 (attached) that are alleged to have been violated. A complaint that does not meet these criteria will be returned to the complainant. The complaint may be in the form of a letter or memorandum addressed to the Commission. Please attach your sworn complaint to this cover sheet and submit it to the attention of the Commission's executive director. The Commission may consider only complaints against Legislators in office at the time of the filing of the complaint and which relate to activity that occurred or was ongoing within 2 years of the complaint.*

Party making the complaint: Center for Media and Democracy

Contact person: Arn Pearson

Contact's mailing address: Center for Media and Democracy  
520 University Ave., Suite 305 Madison, WI 53703

Contact's e-mail address: arn@prwatch.com

Contact's telephone number(s): 608-260-9713 (o), 207-272-2886 (c)

Legislators named in complaint: Rep. Matthew Harrington and Sen. Harold "Trey" Stewart III

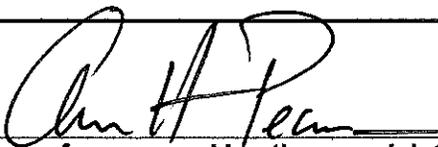
Brief summary of violation:  
(include dates of activity) As a benefit of their membership in ALEC, ALEC gave, and Sen. Stewart and Rep. Harrington received, free sophisticated voter management and campaign software for the 2020 election cycle worth thousands of dollars, despite ALEC's status as a 501(c)(3) tax-exempt corporation barred from engaging in electoral activity under federal law and in violation of 21-A M.R.S.A. §§1004, 1015(2), and 1017.

Specific provisions of 1 M.R.S.A. §§ 1014 or 1015 allegedly violated: §§1015(2)

### Confidentiality Agreement

I agree not to disclose any information about the complaint during the time the Commission is determining whether to pursue the complaint and during the investigation of the complaint.

I understand that any person who knowingly breaches this confidentiality restriction has committed a Class D crime under 1 M.R.S.A. § 1013(3-A).

  
Signature of person making the complaint

7/26/21  
Date

Unsworn falsification is a Class D crime. 17-A M.R.S.A. § 453.

The original written complaint which has been signed under oath must be submitted with this cover sheet.

ETH-1



**COMPLAINT FOR VIOLATION OF MAINE  
CAMPAIGN FINANCE LAWS**

**SUBMITTED BY THE CENTER FOR MEDIA AND DEMOCRACY**

Introduction

The Center for Media and Democracy (CMD) hereby files a complaint based on information providing reason to believe the American Legislative Exchange Council (ALEC), ALEC state chair Rep. Matthew Harrington, and ALEC state chair and national board member Sen. Harold “Trey” Stewart III have violated Maine’s contribution limits, reporting requirements, and the Maine Clean Elections Act through the giving and receipt of illegal in-kind campaign contributions as follows:

1. As a benefit of their membership in ALEC, ALEC gave, and Sen. Stewart and Rep. Harrington received, free sophisticated voter management and campaign software for the 2020 election cycle worth thousands of dollars, despite ALEC’s status as a 501(c)(3) tax-exempt corporation barred from engaging in electoral activity under federal law and in violation of 21-A M.R.S.A. §§1015(2), 1017, and 1125.
2. CMD has only named ALEC and its state chairs in this complaint because ALEC keeps its membership list secret from the public. However, as the same violations of law potentially apply to all ALEC members, CMD respectfully requests that the Maine Commission on Governmental Ethics and Election Practices (Commission) initiate a broader investigation into the alleged violations with respect to all members of ALEC who ran for election in 2020 and require ALEC to provide it with a full membership list.
3. In addition to this complaint, CMD has filed an Internal Revenue Service (IRS) whistleblower action against ALEC for violating its 501(c)(3) status by illegally engaging in political activity by virtue of its provision of the voter management software, training, and support to hundreds of Republican legislators. Ex. 1.

### Parties of Interest

4. ALEC is a national 501(c)(3) organization that brings legislators together with corporate lobbyists to develop and promote model legislation for passage in at least 47 states. In recruiting legislative members, ALEC describes itself as “one of America’s most dynamic public-private partnerships with nearly 300 corporate and private foundation members” who “work together to develop policies and programs.” Ex. 2.
5. Although ALEC claims to the IRS that it spends \$0 on lobbying, the Minnesota Campaign Finance and Public Disclosure Board found in 2015 that “ALEC’s primary purpose is the passage of state legislation in the various states and that all of its wide-ranging activities are in support of this primary purpose.” Ex. 3.
6. ALEC’s lobbying activities have been thoroughly documented in a 2012 IRS whistleblower complaint and three supplemental submissions by Common Cause and CMD. The filings and supporting documents can be found at <https://www.commoncause.org/resource/alec-whistleblower-complaint/>.
7. Sen. Trey Stewart and Rep. Matthew Harrington are ALEC’s current Maine public sector state chairs.
8. Sen. Stewart also serves on ALEC’s Board of Directors.
9. Voter Gravity is a for-profit company run by Ned Ryun, founder and president of American Majority, a right-wing candidate training operation, and American Majority Action, its voter mobilization affiliate. The organizations were the subject of an IRS complaint for excessive political activity and self-dealing filed by the Campaign for Accountability in July 2020. Ex. 4. American Majority Action holds an 84% ownership stake in Voter Gravity and shares the same P.O. Box address. Ex. 5. at p. 42. Voter Gravity’s website claims that it gives candidates everything they need to “turn [] data into votes.” Ex. 6.

### Factual Background

10. Since at least 2016, ALEC has provided its dues-paying members with “ALEC CARE” (Constituent Analytics Research Exchange) software, training, and assistance as an exclusive

membership benefit. While ALEC describes CARE as a “constituent services” program, it is in fact a “voter contact platform” developed by the company Voter Gravity and linked to the Republican National Committee’s (RNC) voter database. *See* David Armiak and Arn Pearson, “ALEC Gives Lawmakers Free Data Program Run by Republican Operatives,” Center for Media and Democracy (Feb. 8, 2021), <https://www.exposedbycmd.org/2021/02/05/alec-gives-lawmakers-free-data-program-run-republican-operatives/> (also attached as Ex. 13).

11. In its ALEC CARE promotional materials, ALEC claims purchasing an equivalent service “typically costs legislators thousands of dollars.” Ex. 7. ALEC members pay dues of \$100 per year.
12. Voter Gravity’s pricing structure shows that non-ALEC members pay between \$99 and \$5,000 a month for the service depending on the size of the voter file provided. Ex. 8. This non-ALEC member pricing constitutes the fair market value of this service. Based on the size of their districts, Sen. Stewart and Rep. Harrington would have had to pay \$99 per month to purchase this service without ALEC CARE, for a total of \$2,376 each over the course of the 2020 election cycle.
13. Alternatively, in a recent email obtained by CMD. ALEC claims that the software would normally cost \$3,000, “but is a member benefit.” Ex. 9
14. While ALEC publicly emphasizes the “constituent research and engagement” benefits of the service, the voter database and management software provided by ALEC is clearly designed to help ALEC legislators win reelection. Voter Gravity explicitly markets the software as a “powerful” tool for political campaigns from “an approved mobile app vendor for the Republican National Committee and fully integrated with the RNC’s database.” Ex 8.
15. Voter Gravity’s website extensively extolls the electoral purpose of its software package, which is exactly the same suite that ALEC provides to its members as “CARE,” stating that, “Voter Gravity empowers campaigns to unleash their voter contact efforts, making your strategy bigger, faster, and more targeted than ever before.” Indeed, Voter Gravity’s “Demo”

page on its website is captioned “Ready to Win?” and comes preloaded with a box to check if you are a member of ALEC. Ex. 10.

16. In 2015, Voter Gravity issued a press release announcing its “full integration” with the RNC, which its CEO Need Ryun said would “allow any candidate or state party who chooses to use Voter Gravity on the front end to put data back in real time into the RNC.” The company’s head of operations stated that, “We believe that this is going to help Republican candidates win in 2016.” Ryun added that the program’s goal was to “fully leverage all of our data technology” in order “to outmaneuver the left philosophically and politically.” Ex. 11.
17. ALEC’s legislative membership is almost exclusively Republican, and all of the 82 state chairs listed on ALEC’s website, including Sen. Stewart and Rep. Harrington, are members of the Republican party.
18. ALEC claims to have more than 2,000 legislative members. Using ALEC’s stated value of \$3,000 per member for the ALEC CARE program, CMD estimates that ALEC made more than \$6 million in unreported and illegal in-kind campaign contributions across the country in the 2020 elections.
19. Information provided to CMD by a whistleblower shows that ALEC members using CARE have access to party affiliation, ideology, issue interest, income, education, religion, Tea Party support, voter history, precinct information, and “turnout score” data for voters in their districts, and services that they can use to create walking lists for door-knocking, set door-knocking and phone calling goals, track supporters, and create Election Day “strike lists” to maximize the turnout of their supporters. Ex. 12; *see also* Ex. 10 at p. 5.
20. ALEC provided free access to Voter Gravity’s voter management software through its ALEC CARE program to Sen. Stewart and Rep. Harrington as a benefit of their membership, but CMD does not possess sufficient information to determine if they used it for their campaigns.
21. Neither Sen. Stewart nor Rep. Harrington have reported ALEC’s in-kind contribution on their campaign finance reports.

22. Sen. Stewart participated in the Maine Clean Elections Act in 2020 and was therefore not permitted to accept campaign contributions of any kind from a corporation.

#### Applicable Law

23. Under Maine law, a campaign contribution is “A gift, subscription, loan, advance or deposit of money or *anything of value* made for the purpose of influencing the nomination or election of any person to state, county or municipal office...” 21-A M.R.S.A. §1012 (emphasis added)

24. During the 2020 election cycle, individuals and organizations were limited to contributing \$400 to a privately funded legislative candidate in any one election, for a total of \$800 per cycle to a candidate who ran in both the primary and general elections. 21-A M.R.S.A. §1015.

25. Making or accepting a contribution in violation of Maine campaign finance laws, or making a false statement on a campaign finance report, is a Class E crime. 21-A M.R.S.A. §1004.

26. Candidates must disclose all campaign contributions and expenditures under 21-A M.R.S.A. §1017.

27. Candidates who participate in the Maine Clean Election Act (MCEA) public financing program may not accept any private contributions once they qualify, and are not permitted to accept contributions from corporations at any time during their candidacy. 21-A M.R.S.A. §1125(2)

28. Participating candidates found to have accepted improper donations may be decertified, required to return all funds distributed to the campaign, and subjected to a civil penalty under 21-A M.R.S.A. §1127.

#### Violations of Law

29. By providing free RNC-linked Voter Gravity software through ALEC CARE to Rep. Harrington and Sen. Stewart, ALEC knowingly made an illegal in-kind campaign contribution worth between \$2,376 and \$3,000 (i.e., the fair market value of the service) to

each as an entity barred by federal law from engaging in political activity and in excess of Maine's contribution limits in violation of 21-A M.R.S.A. §1015(2).

30. Provision of the voter management software to support election campaigns constitutes an illegal in-kind campaign contribution by ALEC whether or not ALEC members ultimately used it for their campaigns. ALEC's disclaimers and transparent repackaging of a powerful campaign tool as "constituent communications" do nothing to reduce its campaign value. The RNC-integrated software comes fully loaded with all campaign data and functions, and data entered by ALEC members get added to the RNC's database, thereby directly benefiting the Republican Party. ALEC's promotional pitch that, "With the opportunities afforded by CARE, our members can be ahead of their colleagues," is just coded language for what VoterGravity says to its users at its demo page: "Ready to win?" *See* Ex. 1 at p. 15-17; Ex. 10.
31. If Rep. Harrington used the Voter Gravity software provided by ALEC to support his campaign, he received an in-kind campaign contribution worth between \$2,376 and \$3,000 in excess of Maine's contribution limits and in violation of 21-A M.R.S.A. §1015(2).
32. If Sen. Stewart used the Voter Gravity software provided by ALEC to support his campaign, he received an in-kind campaign contribution worth between \$2,376 and \$3,000 as a Maine Clean Election Act candidate in violation of 21-A M.R.S. §1125(2).
33. If Sen. Stewart and Rep. Harrington used the Voter Gravity software provided by ALEC to support their campaigns, their failure to disclose it as an in-kind contribution on their campaign finance reports is a violation of 21-A M.R.S. §1017.

#### Action Requested

34. CMD respectfully requests that the Commission initiate an investigation into the above alleged violations of Maine campaign finance law by ALEC, Sen. Stewart, and Rep. Harrington, and impose the appropriate penalties for all violations of law found.
35. In light of the seriousness and scope of the alleged violations, CMD further requests that the Commission use its power of subpoena to obtain additional information, including:

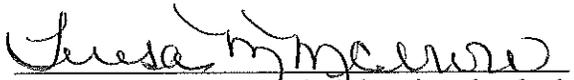
- a. The full list of ALEC members in Maine who received free RNC-linked voter management software for their 2020 campaigns;
- b. Whether the RNC-linked voter management software was used by legislators or their staff on state time or in state offices; and
- c. The original funder or funders paying Voter Gravity to grant ALEC members the in-kind campaign contribution of free use of its voter management software.

Respectfully submitted,



Arn H. Pearson, Esq.  
Executive Director  
Center for Media and Democracy

Sworn to and subscribed before me this 23 day of July, 2021



Signature of Person Administering the Oath

Notary  
Title of Person Administering the Oath

TERESA M. MCIRVIN  
Notary Public, State of Maine  
My Commission Expires JULY 1, 2027



# Exhibit 1

**SUBMISSION TO THE  
INTERNAL REVENUE SERVICE  
UNDER THE TAX WHISTLEBLOWER ACT,  
26 U.S.C. § 7623(b)**

**REGARDING IMPERMISSABLE ELECTORAL ACTIVITY  
OF THE  
AMERICAN LEGISLATIVE EXCHANGE COUNCIL  
IN CONTRAVENTION OF 26 U.S.C. § 501(c)(3)  
TAX-EXEMPT CHARITABLE STATUS**

**July 20, 2021**

**CONSTANTINE CANNON LLP  
By: /s/ Eric Havian  
Eric Havian  
Max Voldman  
150 California St.  
Suite 1600  
San Francisco, CA 94111**

## Introduction

The Center for Media & Democracy (CMD) submits this Form 211 exposing the American Legislative Exchange Council's (ALEC) severe and repeated violations of the prohibition on political campaign intervention by a tax-exempt nonprofit organization, under 26 U.S.C. § 501(c)(3). As reflected in prior submissions to the IRS, ALEC has abused its non-profit status for many years. Common Cause has filed a separate Form 211 submission to the IRS in collaboration with CMD, detailing ALEC's extensive lobbying activity and its actions for the private inurement of its corporate sponsors in violation of its 501(c)(3) status.<sup>1</sup> Moreover, a 2015 ruling by Minnesota's Campaign Finance and Public Disclosure Board found that "ALEC's primary purpose is the passage of state legislation in the various states and that all of its wide-ranging activities are in support of this primary purpose."<sup>2</sup>

ALEC is highly selective in the candidates it assists and the lobbying it performs. The organization is dedicated exclusively to advancing the agenda of its corporate members and the Republican Party and helping to elect conservative candidates. This submission describes the latest of ALEC's partisan schemes that masquerade as charitable activities and reveals information never before made public.

Based on information provided by ALEC's legislative members and other documents obtained through its investigations and open records requests, CMD has obtained conclusive evidence that ALEC has been providing sophisticated voter management and campaign software, run by partisan political operatives and linked to the Republican National Committee's voter file,

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<sup>1</sup> See Common Cause, *ALEC Whistleblower Complaint* (Oct. 1, 2016), <https://www.commoncause.org/resource/alec-whistleblower-complaint/> (providing Common Cause's original April 2012 submission to the IRS, as well as their supplemental submissions from July 2013, May 2015, and October 2016).

<sup>2</sup> See Exhibit 1, Minn. Campaign Fin. & Pub. Disclosure Bd., *Findings of Fact, Conclusions of Law, and Order in the Matter of the Complaint of Common Cause Minnesota Regarding the American Legislative Exchange Council* (Feb. 3, 2015), at 6.

to its legislative members since at least 2016 in continuing violation of its 501(c)(3) status. By ALEC's own admission, and other evidence provided below, these unreported in-kind campaign contributions to ALEC's 2,000-plus members, almost all of whom are Republicans, have a total value of more than \$6 million per election cycle.

As a registered tax-exempt organization under 26 U.S.C. § 501(c)(3), ALEC is forbidden from engaging in partisan political campaign activities. This prohibition is absolute: even *de minimis* interventions in political campaigns are prohibited under penalty of fines, sanctions, and revocation of nonprofit status. Yet since at least 2016, ALEC has provided valuable campaign assistance to its legislative members in the form of free, sophisticated voter management software and voter data, constituting an illegal and unreported in-kind campaign contribution.

The information in this submission is based upon two primary sources. First, CMD has conducted its own exhaustive investigation of ALEC's activities, resulting in extensive evidence that demonstrates ALEC's repeated violations of the tax laws. Second, as stated above, CMD has received confidential assistance from a current legislative member of ALEC ("Legislator"), a classic "insider" who wishes to remain anonymous. This unprecedented look inside ALEC's highly secretive operations provides irrefutable evidence of ALEC's longstanding unlawful electoral assistance provided to the overwhelmingly Republican legislative members of ALEC.

Pursuant to 26 U.S.C. § 7623 *et seq.* (the "Tax Whistleblower Act"), this Memorandum and accompanying Form 211 comprise CMD's submission to the Internal Revenue Service detailing ALEC's violations. CMD is also filing campaign finance complaints with the appropriate oversight agencies in 15 states.

## I. Factual Summary

Legislator is a state legislator, candidate for public office, and dues-paying member of ALEC. As a “membership benefit,” Legislator has been provided by ALEC with an expensive and sophisticated voter management software suite, called “Constituent Analytics and Research Exchange,” or ALEC CARE.

According to ALEC staff, who advertise CARE as an inducement for renewing membership in ALEC, the CARE software is a tool for constituent service: “[Y]our ALEC Membership comes with access to technology such as . . . **ALEC CARE**, the exclusive CRM [Constituent Relationship Management] tool for members,” one email, from ALEC’s legislative outreach coordinator to a GOP member of the Texas Statehouse, said (emphasis in original). “This program, developed by VoterGravity, typically costs legislators thousands of dollars.”<sup>3</sup> Indeed, the value of the CARE software and voter database exceed the \$100 annual dues charged to ALEC’s legislative members by many orders of magnitude.<sup>4</sup>

Upon further examination, however, Legislator realized that ALEC CARE was not like any other CRM software he had seen before. And while the CARE login page states that the tool cannot be used for political campaigns,<sup>5</sup> many of its features can have no other plausible use. The software came preloaded with individual-level *voting* information, including voter history and political party ideology; views on “hot button” electoral issues like taxation and gun control; income and donor status; metrics like “Turnout Score” and Republican National Committee (RNC)

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<sup>3</sup> See Exhibit 2, E-mail from Hunter Hamberlin to Ben Leman, *ALEC Membership Renewal 2020* (Sept. 24, 2020).

<sup>4</sup> See Exhibit 3, E-mail from Will Davies to Sine Kerr, Russell Smoldon & T.J. Shope, *ALEC State Chair Follow Up* (Jan. 7, 2021).

<sup>5</sup> See Exhibit 4, Screenshots of training video by American Legislative Exchange Council (ALEC), *What is ALEC CARE?*, YOUTUBE (Sept. 14, 2020), available at <https://www.youtube.com/watch?v=sbOpHimIm0s>, at 1 (referring to 0:11).

voter identification numbers;<sup>6</sup> and numerous other data points exceedingly helpful for a re-election campaign but largely irrelevant to “constituent service.”<sup>7</sup> Moreover, Legislator noted that CARE’s analytical and dashboard tools were also primarily campaign related and not particularly useful for constituent service, tracking elements like “Identified Supporters,” “Door Knocks,” “Walklist Stats,” and “Phone Bank Stats.”<sup>8</sup>

Understanding that as a legislator this sort of political information was subject to strict regulation, Legislator felt compelled to speak up regarding ALEC’s brazen electioneering. He informed CMD that legislators are not permitted to access this type of electoral software or voter data on state-run computers.

Legislator’s information confirmed other intelligence CMD had obtained from ALEC insider notes, documents, promotional materials, meetings, and correspondence regarding CARE. These insider materials, discussed in greater detail below, along with additional analysis and information acquired by CMD, form the basis of this Submission.

***A. ALEC’s CARE software donation goes far beyond “sharing research and educational info.”***

ALEC claims to the IRS on its Forms 990 that its mission and most significant activities are to “Assist State Legislators, Congress & the public by sharing research and educational info.”<sup>9</sup> This submission demonstrates ALEC’s representation to be undeniably false and fraudulent. CMD provides detailed evidence that ALEC has belied its stated mission and violated its tax status:

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<sup>6</sup> Voter identification numbers are used by political organizations, such as national political committees, to identify and track voters, often as part of their voter files. For more information on the contents and purpose of voter files, see generally Drew Desilver, *Q&A: The growing use of ‘voter files’ in studying the U.S. electorate*, PEW RESEARCH CENTER (Feb. 15, 2018), <https://www.pewresearch.org/fact-tank/2018/02/15/voter-files-study-qa/>.

<sup>7</sup> See Exhibit 5, Screenshots of ALEC CARE software by Legislator under his own login (redacted), at 1-4, 10-12.

<sup>8</sup> See *id.* at 7-9.

<sup>9</sup> See, e.g., American Legislative Exchange Council, *Return of Organization Exempt from Income Tax (Form 990)*, available at <https://projects.propublica.org/nonprofits/organizations/520140979> (signed Nov. 7, 2019).

ALEC has been providing services that benefit the political campaigns and fortunes of its legislative members since at least 2016, when it began testing the CARE software platform.<sup>10</sup>

An ALEC internal promotional document from that election year touts CARE as a “game-changing tool for legislators” to “gather and store information for targeted, insightful, and immediate reporting on constituent attitudes and policy positions.”<sup>11</sup> It also noted that a full rollout would follow in 2017, with CARE being “offered to all ALEC member legislators as a member benefit.” Moreover, ALEC’s partisan assistance is multi-layered. In addition to providing its legislative members with electioneering software, it has used the CARE platform to contribute in-kind voter data and information directly to the Republican National Committee.<sup>12</sup>

ALEC claims that the CARE platform is intended for “constituent management.”<sup>13</sup> Yet CMD’s analysis reveals that CARE has, from its inception, been (1) conceived, (2) built, (3) promoted, and (4) distributed for an entirely different purpose: benefitting the political campaigns of ALEC’s 2,000-plus legislative members and using their input of private voter information to augment the RNC’s voter file.

1. *The roots of ALEC CARE: software developed from the outset by Ned Ryun and VoterGravity to facilitate electioneering for conservative Republican candidates.*

The proprietary software behind ALEC CARE, called VoterGravity, was designed as a highly partisan tool from the beginning. It was conceived by Ned Ryun, conservative political operative, activist, and founder of the “campaign operative training group” American Majority,<sup>14</sup> with the explicit goal of creating a political campaign technology to “outmaneuver the left

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<sup>10</sup> See Exhibit 6, ALEC promotional flyer, *ALEC Constituent Analytics and Research Exchange (CARE)* (no date).

<sup>11</sup> *Id.*

<sup>12</sup> See Section I.B, *infra* 18-19.

<sup>13</sup> See Screenshots of ALEC training video, *supra* note 5, at 1; see generally Hunter Hamberlin e-mail, *supra* note 3 (“ALEC CARE . . . allows you to keep track of constituent research and engagement”).

<sup>14</sup> See Warner T. Huston, *CPAC 2015 Digital Action: Conservatives Have Fallen Behind in Campaign Tech*, BREITBART NEWS NETWORK (Feb. 27, 2015), <https://www.breitbart.com/politics/2015/02/27/cpac-2015-digital-action-conservatives-have-fallen-behind-in-campaign-tech>.

philosophically and politically . . . leverag[ing] all of our data technology for the center Right.”<sup>15</sup>

The software, rebranded by ALEC as “CARE,” was originally intended to be distributed in conjunction with American Majority—Ned Ryun’s conservative political operative and activist training group. Before the VoterGravity company and software took shape in 2012, it was called just “Gravity,” developed by a company called Political Gravity (formerly at [www.politicalgravity.com](http://www.politicalgravity.com)).<sup>16</sup> According to an article in *The Hill* from April 2012, the Ryun brothers were directly involved in the software’s original development: “[Drew] Ryun is working with his brother Ned, founder and president of American Majority, an affiliated educational organization. . . . American Majority Action developed the software in partnership with Political Gravity, a technology firm.”<sup>17</sup> At the time, the software was targeted at empowering Tea Party activists:

American Majority Action, a rising force among the conservative grass roots, has made a nearly \$1 million investment in technology to put Tea Party activists on even footing with President Obama’s election campaign. . . . The leadership at American Majority Action wants conservative candidates to do a better job of reaching independent voters likely to support them. . . . Its solution is **Gravity**, campaign management software that allows field directors to organize volunteers in real time through smartphones.

“**Gravity** will rocket conservatives past the high-tech approaches of the DNC and other progressive political groups,” said Drew Ryun, president of American Majority Action. “This is the fusion of old-school grassroots tactics with the state-of-the-art technology. In recent years, conservatives have been out-gunned by their more liberal counterparts in utilizing technology as a means of promoting their message and mobilizing voters” (emphasis added).<sup>18</sup>

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<sup>15</sup> See Press Release by Ned Ryun, *Voter Gravity Announces Integration with the RNC Database*, VOTER GRAVITY NEWS/BLOG (Aug. 25, 2015), <https://votergravity.com/integration-with-rnc-database>.

<sup>16</sup> See Exhibit 7, LinkedIn page of William Hogsett (screen print), available at <https://www.linkedin.com/in/williamhogsett> (taken July 14, 2021), at 2 (indicating by Hogsett, the former CEO of Political Gravity, that “Political Gravity [is] Now VoterGravity.com”). See also Alexander Bolton, *Conservative group makes \$1M high-tech investment to help Tea Party*, THE HILL (Apr. 12, 2012), <https://thehill.com/policy/technology/221151-conservative-group-makes-1m-high-tech-investment-to-help-tea-party-groups>.

<sup>17</sup> See Bolton, *supra* note 16.

<sup>18</sup> *Id.*

According to *The Hill*, “Their [the Ryun brothers’] plan [was] to distribute the software for free to local Tea Party groups, which often have plenty of motivation but little funding.”

In fact, the partnership with American Majority Action was originally thought to be critical to Gravity’s widespread adoption and success. According to a joint press release between the two organizations from July 2011, “The American Majority Action partnership adds **national distribution and a training vehicle** to get this technology in the hands of the people who can impact elections” (emphasis added).<sup>19</sup> In order to facilitate Gravity’s dissemination, and echoing the software’s later evolution into CARE, Political Gravity’s then CEO William Hogsett noted that, “We have also built a version of our toolbox that is **available at no cost to conservative grassroots groups**” (emphasis added).<sup>20</sup>

This partnership for development and distribution eventually precipitated a wholesale change in ownership. In December 2012, just after the 2012 elections, Hogsett sold Political Gravity to Ned Ryun, who re-branded the company to VoterGravity as its new “Founder and CEO.”<sup>21</sup> From this point on, VoterGravity has described itself as “the first integrated database platform on the center-right”; a “Voter Canvassing [tool] for Republican Operatives”; and, following a 2014 state senate race in Indiana, an indispensable program for unseating incumbent Democrats in “large, or small, size campaigns.”<sup>22</sup>

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<sup>19</sup> See Press Release by Political Gravity and American Majority Action, *Political Gravity and American Majority Action Form Powerful Partnership to Effect Political Change* (July 26, 2011), republished on Scribd by TEA\_Party\_Rockwall at <https://www.scribd.com/document/61051661/American-Majority-and-Political-Gravity-Partnership-Announcement>, at 1.

<sup>20</sup> *Id.*

<sup>21</sup> See Exhibit 8, LinkedIn page of Ned Ryun (screen print), available at <https://www.linkedin.com/in/nedryun> (taken July 14, 2021), at 1 (indicating that Ryun started as “Founder and CEO” of Voter Gravity in November 2012, with no mention of Political Gravity); see also William Hogsett LinkedIn, *supra* note 16, at 2 (indicating that “Political Gravity (Now VoterGravity.com)” was sold on December 21, 2012).

<sup>22</sup> See Exhibit 9, Screenshots of Voter Gravity website, available generally at <https://votergravity.com> (taken July 14, 2021), at 1-3.

After founding the new corporation, Ryun quickly began making good on VoterGravity’s grand ambitions. Within a few years, he closed a \$2 million round in new capital funding,<sup>23</sup> added to its board senior Republican leader Matt Schlapp,<sup>24</sup> and launched a “2.0” version of its software for a “bigger, faster, and more targeted voter contact effort.”<sup>25</sup>

In 2015, Ryun hosted several sessions at the Conservative Political Action Conference (CPAC), an annual meeting of officials, activists, legislators, and political operatives.<sup>26</sup> Among Ryun’s presentations was a session entitled “Back to the Future: Catching up on Political Technology,” for attendees of the conference’s “Operatives in Training—Candidate, Campaign Manager & Campaign Operative Track.”<sup>27</sup> According to a subsequent profile in Breitbart News Network, Ryun warned during this session that “the center right is woefully behind the curve in campaign technology, and if things don’t change, it will seriously hamper the electoral future of conservatives and Republicans both.”<sup>28</sup> Ryun then proceeded to introduce VoterGravity as his “new campaign data system,” which Breitbart noted at the time was “devised with the backing of the Koch brothers.”

But Ryun’s biggest win, by far, was securing a colossal distributional partner in ALEC. Previously, Gravity’s top institutional clients had been American Majority Action, FreedomWorks, the Republican Governor’s Association, and the (now-defunct) Scott Walker

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<sup>23</sup> See Byron Tau, *GOP data firm adds big name*, POLITICO (Dec. 4, 2013), <https://www.politico.com/story/2013/12/voter-gravity-matt-schlapp-100644> (“A new Republican technology firm has raised \$2 million in new capital and is adding a veteran political hand to its board”).

<sup>24</sup> See *id.* Politico describes Schlapp as “the former White House political director under President George W. Bush[.]. . . Schlapp was previously involved in fundraising for the Republican National Committee’s abandoned Data Trust project — which sought to outsource the committee’s voter file to a private company . . . [and] previously worked as vice president of federal affairs at Koch Industries.”

<sup>25</sup> See Allen Fuller, *Voter Gravity 2.0 arms campaigns with the power to turn data into votes*, VOTER GRAVITY NEWS/BLOG (June 26, 2013), <https://votergravity.com/voter-gravity-2-0-arms-campaigns-with-the-power-to-turn-data-into-votes>.

<sup>26</sup> See Exhibit 10, Agenda, CPAC “Pre-Game”: *Operatives in Training—Candidate, Campaign Manager & Campaign Operative Track* (Feb. 27, 2015).

<sup>27</sup> See *id.*; see also Huston, *supra* note 14.

<sup>28</sup> Huston, *supra* note 14.

Defense Fund;<sup>29</sup> ALEC, meanwhile, boasted higher annual revenues than these organizations *combined*.<sup>30</sup> Sometime around his noted 2015 CPAC “Operatives in Training” presentation, Ryun struck an agreement with ALEC to distribute VoterGravity’s voter management software across its entire 2,000-plus member Republican legislator base, and ALEC CARE was born.

That same year, VoterGravity announced another major win for the company: direct data integration into the Republican National Committee voter database. “We’re excited about these API integrations [connecting two otherwise separate databases via software],” Ryun said in a press release, which “will allow any candidate . . . to put data back in real time into the RNC.”<sup>31</sup> API is the acronym for Application Programming Interface, which is a software intermediary that allows two applications to talk to each other. Ryun’s head of operations Chris Littleton added candidly, “We believe that this is going to help more Republican candidates win in 2016.”

Throughout this period, Ryun continued to pursue a grand vision and aspirations for VoterGravity as a “campaign technology” company. “Our ultimate goal,” Ryun explained, “is to outmaneuver the left philosophically and politically. And the best way to accomplish this is to fully leverage all of our data technology for the center Right, while always keeping true to our strongly held beliefs.”<sup>32</sup> At the time of its integration with the RNC, VoterGravity already offered an impressive suite of political campaign tools, including mobile deployment, phone systems,

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<sup>29</sup> These were the clients featured on ex-CEO Hogsett’s LinkedIn page. *See* William Hogsett LinkedIn, *supra* note 16, at 2 (“Gravity clients include(d) Ted Cruz, American Majority Action, FreedomWorks, Republican Governors Association, Scott Walker Defense Fund and a multitude of Federal, State and local political candidates”).

<sup>30</sup> *See generally* Total Revenue (line 12), *Return[s] of Organization[s] Exempt from Income Tax (Form[s] 990)*, available at <https://projects.propublica.org/nonprofits/organizations/520140979> (pertaining to tax years 2015-18).

<sup>31</sup> *See* Ryun press release, *supra* note 15.

<sup>32</sup> *Id.*

touchstone surveys, Esri-based mapping, and walk-list cutting<sup>33</sup>—with more features promised.<sup>34</sup>

Today, the software’s additional features include voter-level information preloaded directly from the RNC voter file;<sup>35</sup> donor, voter, and volunteer management functionality; door knocking and mobile canvassing tools; and a “Campaign Intelligence Dashboard” to “Track and manage your campaign.”<sup>36</sup>

2. Despite efforts to conceal the connection, ALEC simply rebranded the VoterGravity software as CARE for its own dissemination and use.

ALEC credits the CARE software as being “developed by VoterGravity,”<sup>37</sup> but the true relationship between CARE and VoterGravity is actually more simple: ALEC CARE is VoterGravity, simply re-branded or “white labeled” as a separate (ostensibly non-electoral) product.

According to the “About Us” page of an archived, now-defunct version of VoterGravity’s website from 2017, “Gravity CRM and ALEC CARE” are *jointly* a “Solution for ALEC Members”; the two are listed side-by-side as being the *same tool*, “[o]ffered as an ALEC membership benefit.”<sup>38</sup> On Gravity CRM’s erstwhile homepage, meanwhile, the “Sign-Up” and “About Us” buttons under “ALEC CARE” and “Gravity CRM” contain the exact same links<sup>39</sup>—

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<sup>33</sup> Esri is a widely used supplier of geographic information system (GIS) software for location-based analysis. *See generally* Esri, <https://www.esri.com/en-us/home>. A walk list is a (sometimes computer generated) sequence of potential voters to door-to-door in an efficient manner as part of political campaign efforts. *See, e.g.*, Dan Gookin, *How to Create Voter Lists for Your Political Campaign*, DUMMIES: A WILEY BRAND, <https://www.dummies.com/education/politics-government/how-to-create-voter-lists-for-your-political-campaign> (last visited July 19, 2021).

<sup>34</sup> *See* Exhibit 11, Voter Gravity promotional document, *We Turn Data into Votes—We Engineer Victory: VoterGravity Features* (no date) [hereinafter “VoterGravity Features PDF”].

<sup>35</sup> *See supra* note 24.

<sup>36</sup> *See* VoterGravity Features PDF, *supra* note 34.

<sup>37</sup> *See, e.g.*, Hunter Hamberlin e-mail, *supra* note 3

(“This program [CARE], developed by VoterGravity, typically costs legislators thousands of dollars”).

<sup>38</sup> *See* Exhibit 12, Archived versions and screenshots of Gravity CRM website, *Gravity CRM and ALEC CARE* (archived Sept. 11, 2017), at 1. Today, VoterGravity’s website is available at <https://votergravity.com>, while versions of its former website, [www.gravitycrm.org](http://www.gravitycrm.org), are still available for various dates at <https://web.archive.org>. *See, e.g.*, <http://web.archive.org/web/20170911121057/http://www.gravitycrm.org/about-us> (archiving Gravity CRM’s “About Us” page on Sept. 11, 2017).

<sup>39</sup> *Id.* at 3-5 (archived July 14, 2017).

with the Sign-Up button leading to a description of how CARE is an ALEC benefit “powered by Gravity CRM.”<sup>40</sup>

Apparently realizing its tax law exposure, ALEC tried to erase these connections with VoterGravity. Sometime between 2017 and 2020, archived versions of Gravity CRM’s website cease to function, indicating that the above cited content was removed.<sup>41</sup> On ALEC’s own website, however, there are still traces of the former branding. One page describes an “ALEC CARE Training,” urging “ALEC Legislators [to] . . . Come see how ALEC CARE can benefit you.”<sup>42</sup> Underneath that description is a link to “sign up today at [www.gravitycrm.org](http://www.gravitycrm.org).”

Meanwhile, in 2018, the VoterGravity Client Relations Specialist responsible for servicing ALEC left VoterGravity to join ALEC directly. Aaron Gillham, previously the “Campaign Hacks” author for VoterGravity’s blog,<sup>43</sup> started at ALEC as a “C.A.R.E. Associate” in March 2018 according to that month’s ALEC State Chair Call Minutes.<sup>44</sup> Gillham’s LinkedIn page describes his role at ALEC as “Spearheading the full implementation of the [CARE] platform as a member benefit within ALEC,” among others tasks, and his job at VoterGravity as “providing the onboarding for all new clients” and “turn[ing] data into votes” at “the premier platform for Center-Right, voter contact tools.”<sup>45</sup>

3. *The features of ALEC CARE are largely irrelevant to “constituent management” but highly effective as electioneering tools.*

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<sup>40</sup> *Id.* at 6 (archived June 4, 2017).

<sup>41</sup> The websites and web archives display, as is still the case today with “gravitycrm.org,” pages which are active (that is, the domain can be accessed) but which show a permanent “loading” screen. *Id.* at 7 (taken July 13, 2021); see also Later archived versions at <https://web.archive.org>, *supra* note 38.

<sup>42</sup> See Exhibit 13, Screenshot of ALEC website, *ALEC CARE Training*, available at <https://www.alec.org/meeting-session/alec-care-training> (advertising an event on May 4, 2017).

<sup>43</sup> See, e.g., Aaron Gillham, *Campaign Hack: Creating a Better Target Audience*, VOTER GRAVITY BLOG (Jan. 6, 2016), <https://votergravity.com/campaign-hack-target-audience>.

<sup>44</sup> See Exhibit 14, Email from Wes Fisher to Wes Fisher, *March ALEC State Chair Call Minutes* (Apr. 2, 2018), at 1 (Introducing Gillham as “the newest staff member leading the charge on ALEC CARE . . . working in every state”).

<sup>45</sup> See Exhibit 15, LinkedIn page of Aaron G. (screen print), available at <https://www.linkedin.com/in/aarongillham> (taken July 14, 2021), at 2-3.

As discussed above, the Republican-leaning, campaign-focused nature of ALEC CARE has been sanitized and is no longer prominently advertised: there is little mention of ALEC on VoterGravity’s current website, nor much the other way. Indeed, ALEC is careful to brand CARE today as a “Constituent Relationship Management (CRM)” tool, as opposed to a political campaign platform.<sup>46</sup> But the partisan and political nature of CARE is still manifest in the software’s interface, features, functionality, and design.

As discussed above, the graphical user interface of ALEC CARE is exactly the same as that of VoterGravity, besides the “VoterGravity” banner topping the web page.<sup>47</sup> Comparing in-depth screenshots of Legislator’s CARE account to VoterGravity’s public website and promotional materials, CMD notes that the boxes, dials, buttons, and visual elements are identical between the two—including the red-and-white color scheme.<sup>48</sup> (ALEC’s typical colors resemble a cobalt blue,<sup>49</sup> but this aspect of the software was apparently not re-branded.) On VoterGravity’s website, next to “technology will completely change politics over the next few elections” and “[w]e place powerful data . . . into the hands of political campaigns . . . on the center-right,” are images of “Support Goal” (check mark), “Surveys Goal” (doc icon); “Doors Knocked Goal” (house icon); and “Phones Called Goal” (handset icon).<sup>50</sup> These same Goals and icons are also featured in ALEC’s “What is ALEC CARE” introductory video posted to its YouTube channel.<sup>51</sup>

But CARE’s purpose as a political campaign software goes beyond its associations with

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<sup>46</sup> See, e.g., Exhibit 16, Agenda of 45<sup>th</sup> ALEC Annual Meeting, *Louisiana: Welcome to the ALEC Annual Meeting* (Aug. 8, 2018), at 3-7 (“As one of the benefits of your ALEC membership, ALEC CARE is an internet-based, one-stop shop for Constituent Relationship Management (CRM) for lawmakers”) [hereinafter “ALEC annual meeting agenda”]; Hunter Hamberlin email, *supra* note 3.

<sup>47</sup> CARE is an internet-based tool that does not require downloading or installing a separate application. See *id.*

<sup>48</sup> Compare Screenshots of ALEC CARE, *supra* note 7, at 7, with Screenshots of Voter Gravity website, *supra* note 22, at 1.

<sup>49</sup> See, e.g., Screenshot of ALEC website, *supra* note 7.

<sup>50</sup> See Screenshots of Voter Gravity website, *supra* note 22, at 1.

<sup>51</sup> Compare Screenshots of ALEC CARE, *supra* note 7, at 1-4, 7 & 10-12, with Screenshots of ALEC training video, *supra* note 5, at 2-4 (referring to 0:35, 0:38, & 0:40).

VoterGravity—the very metrics and data fields CARE is built to track suggest a partisan and political use. Screenshots of CARE provided by Legislator show various examples of individual-level “Voter Profiles.”<sup>52</sup> Another ALEC legislator who attended a live CARE training session reported that according to the trainer, these “voter information and history” pages for a given legislator’s constituents are pre-populated directly from the RNC’s voter file, confirming claims made by VoterGravity.<sup>53</sup> Not surprisingly, many of the fields are thus highly electoral and partisan in nature, including:

- Political Ideology and Party Status with a partisan slant, including “Inferred Republican” and “Tea Party Supporter”
- Income and Donor Status
- “Election Details” (voting history), by election, down to primary vs. general elections
- Interest in partisan conservative issues, including “Tax Issues,” “Second Amendment Supporter,” etc.
- Turnout Score, Aristotle ID, and RNC ID
- Other election-related parameters, such as “Persuadable Voter”<sup>54</sup>

ALEC CARE also allows for filtering of constituents by RNC ID and Aristotle ID,<sup>55</sup> although the software does not provide any equivalent filtering functionality for Democratic or third-party attributes as far as Legislator and CMD can tell. In fact, while CARE even contains built-in API integrations for RNC Access (with an “Access Token”) and Anedot<sup>56</sup>—the noted favorite electronic donation platform of Never-Trump Republicans like the Lincoln Project<sup>57</sup>—

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<sup>52</sup> See Screenshots of ALEC CARE, *supra* note 7, at 1-4 & 10-12.

<sup>53</sup> See, e.g., Ryun press release, *supra* note 15.

<sup>54</sup> See Screenshots of ALEC CARE, *supra* note 7, at 1-4 & 10-12.

<sup>55</sup> See *id.* at 5.

<sup>56</sup> See *id.* at 6.

<sup>57</sup> See, e.g., Michael Graham, *In Fundraising Fight, Anti-Trump Republicans Embrace Anedot Software*, INSIDE SOURCES (May 29, 2020), <https://insidesources.com/in-fundraising-fight-anti-trump-republicans-embrace-anedot-software>.

there are no known integrations to any Democratic or third-party platforms or software as of this submission.

Despite ALEC’s re-branding of CARE as a constituent relationship platform, its purpose and provenance are clear. CARE started as, and still is, VoterGravity: a conservative-focused campaign management software package founded and funded by highly partisan Republican operatives and allies. As VoterGravity asks on its “Ready to win?” demo page, “Are you a member of the American Legislative Exchange Council?”<sup>58</sup> The implication being apparent that, if you are an ALEC member, you presumably already have access to their product—a product designed to help you win your election.

4. *ALEC promotes the CARE software as a “fundamental game changer” for Republican campaigns, not as a constituent management tool.*

Not only are the features of CARE plainly tailored to electioneering, but such a purpose is also how ALEC touts the software, at least in unguarded moments and private venues. According to notes obtained by CMD from an anonymous source, ALEC’s leaders were uncharacteristically blunt about their partisan objectives for rolling out CARE during an ALEC internal meeting in 2016. At that meeting, ALEC CEO Lisa Nelson declared (in reference to constituent analytics), “[W]hen you get into a campaign, you can take it one step further,” and CMO Bill Meierling called CARE a “fundamental game changer.” Later, the ALEC executives laid out a tantalizing and highly partisan vision for the program:

[A] federal Senate campaign doing statewide polling only needs 600 to 700 respondents . . . imagine if we could do that for all ALEC members in every state, and imagine if *you* were at the vanguard of that. ALEC serves as the backbone . . . Each member provided with a tool, in this case **Gravity CRM, from VoterGravity** . . . Having fundraisers . . . and using Gravity to integrate . . . 6 tools integrated into a back end . . . Analyze with ALEC staff assistance . . . **Individual and small group meetings with Voter Gravity team, as a member benefit** . . . Hope to routinize as a major ALEC function

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<sup>58</sup> See Screenshots of Voter Gravity website, *supra* note 22, at 4.

. . . Part of a long-term transition of ALEC; **not only a model policy creating org, but “trusted convenor”** (emphasis added).<sup>59</sup>

ALEC’s pivot from legislative idea exchange, as claimed on its Form 990, to “trusted convenor” for partisan political gain, violates its status as a 501(c)(3) nonprofit.

Since CARE’s rollout in 2017, ALEC has provided multiple training sessions for the “member benefit” at each of its annual meetings.<sup>60</sup> Although the CARE login page forbids use for “campaign related purpose[s]”<sup>61</sup> and CARE’s promotion has reframed its electoral and campaign elements as “constituent management,”<sup>62</sup> this is mere window dressing belied by the facts.

In addition to the previously described links to VoterGravity, CARE’s dissemination has also featured more direct references to electioneering. For example, in the introductory video on ALEC’s YouTube page from September 2020, the narrator introduces the CARE platform while Aaron Gillham’s email address appears; soon, viewers are told about features such as text messaging, touchtone polling, and “geomapped walklists,” while elements like “Voter Data,” “Door Knocks,” and “Turnout Score,” scroll by.<sup>63</sup> Yet a legislator doing constituent service would hardly need information like voting history or turnout score, which are core electoral elements.

ALEC even displays in its CARE training video a “Strikelists” feature, designed to mark people who have voted; this, as Ned Ryun himself explained on a VoterGravity blog post, is for “Maximizing GOTV [Get Out the Vote]” of the user’s supporters:

In order to make sure your identified supporters vote, you can use our **Voter Gravity Mobile Strike List feature** to mark down people who have voted. Do this on your phone at every polling location on election day, instantly sending the information to your campaign. This enables the campaign to contact any supporters which haven’t yet voted and track strike

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<sup>59</sup> See Exhibit 17, Notes from a 2016 ALEC internal meeting about CARE provided to CMD by an anonymous source.

<sup>60</sup> See, e.g., ALEC annual meeting agenda, *supra* note 46.

<sup>61</sup> See Screenshots of ALEC training video, *supra* note 5, at 1.

<sup>62</sup> See *id.*

<sup>63</sup> See Screenshots of ALEC training video, *supra* note 5, at 2-4.

list progress as it happens.

How do you do this? Simply create a target list of voters, assign the targeted voters to volunteers by precinct and make sure they select who has voted on their Voter Gravity app as lists of voters become available at each polling location.

As your campaign strikes voters off the list of those who should be voting, add those who still need to vote to phone and contact lists and give them friendly reminders.

**Don't waste your hard work. Give your campaign the best chance to make sure every identified supporter and target voter makes it to the polls. (emphasis added)**<sup>64</sup>

If ALEC were genuinely aiming to ensure that CARE would not be used for “any campaign related purpose,” then there would be no reason for distinctly election-minded features like Turnout Score and “Strikelists” to be promoted through the platform.<sup>65</sup>

5. *A \$3,000 campaign contribution, from ALEC to its member candidates.*

ALEC's provision of the CARE software suite free of charge to its legislative members cements its violation of the political campaign prohibition, and its approach to distributing CARE to its overwhelmingly Republican members is as brazenly partisan as the software's design.

ALEC openly touts to its members that CARE is a highly valuable benefit provided free of charge. In internal emails obtained by CMD, ALEC's Member Engagement Manager Will Davies and Legislative Outreach Coordinator Hunter Hamberlin share the following three facts:

- ALEC CARE is developed by VoterGravity<sup>66</sup>
- The CARE “software would cost \$3,000 if bought by a member”<sup>67</sup>

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<sup>64</sup> See Ned Ryun, *Maximizing GOTV*, VOTER GRAVITY BLOG (Oct. 29, 2014), <https://votergravity.com/maximizing-gotv>.

<sup>65</sup> While *non-partisan* Get-Out-the-Vote activity can lawfully be provided by a 501(c)(3) organization, ALEC's CARE tool is provided exclusively to ALEC's legislative members, who are overwhelmingly (perhaps exclusively) Republican and/or politically conservative, and the specific features of the software are clearly designed with partisan goals in mind. This partisan bias makes the behavior a prohibited political campaign intervention.

<sup>66</sup> See Hunter Hamberlin e-mail, *supra* note 3.

<sup>67</sup> See Will Davies e-mail, *supra* note 4.

- It is provided completely free of charge to its legislative members, who pay just \$100 per year to renew their membership in ALEC<sup>68</sup>

ALEC's internal valuation of the CARE software package tracks the software subscription price advertised by VoterGravity. The company's promotion sheet, boasting the bold title "We Turn Data into Votes—We Engineer Victory," contains a pricelist based on the number of voters in the subscriber's electoral district.<sup>69</sup> For most state legislative districts, the price is \$99 per month, which works out to \$2,376 for a two-year election cycle. VoterGravity subscriptions for larger state House races are \$240 per month, and \$558 per month for larger state Senate races. That means for some ALEC members, the true market value of CARE may be up to \$13,392 per election cycle. The pricelist tops out at \$5,000 per month for statewide candidates with above 10 million voters.

Using ALEC's own \$3,000 valuation—and given that ALEC boasts more than 2,000 legislative members—the value of ALEC's illegal in-kind campaign contributions is approximately \$6 million annually.

Despite ALEC's careful packaging, the free CARE tool constitutes a naked in-kind campaign contribution, designed specifically to advance partisan Republican interests and provided almost exclusively to Republican legislators. It also represents the audacious go-to-market of Ned Ryun's conservative data operation, first lauded at the 2015 CPAC conference.<sup>70</sup> And it functions, fundamentally, as a software for political campaign intervention by candidates for office—something no amount of "constituent management" verbiage can mask.

***B. ALEC also uses the CARE software to make in-kind contributions to the Republican National Committee.***

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<sup>68</sup> *Id.*

<sup>69</sup> See VoterGravity Features PDF, *supra* note 34, at 3.

<sup>70</sup> See Huston, *supra* note 14.

VoterGravity is, and was always intended to be,<sup>71</sup> a for-profit enterprise—yet it’s unclear how or whether the company is being compensated by ALEC for the distribution, maintenance, and support of its product. What VoterGravity *does* gain from the partnership, though, is *voter data*. Ryun’s company—and by extension the RNC—not only *provides* the voter file information that feeds CARE’s voter profiles,<sup>72</sup> but it also *receives* the data that is fed into CARE by its legislator users. Consider the aforementioned CARE training video on ALEC’s YouTube channel. In a testimonial for CARE, state Rep. Timothy Barr (R-GA) noted that, “There was a lady who needed some help, and I was able to make some notes right there while we were talking, get her information, populate the fields, and it—it’s amazing.”<sup>73</sup>

What Rep. Barr fails to mention is that *the personal constituent data he is entering into CARE is feeding real-time back into the RNC’s voter file*. Recall Ned Ryun’s press release from August 2015 announcing VoterGravity’s integration with the RNC database, in which he expresses excitement about “the[] API integrations. . . [which] will **allow any candidate or state party who chooses to use Voter Gravity on the front end to put data back in real time into the RNC**” (emphasis added).<sup>74</sup>

As noted above, VoterGravity’s board member Matt Schlapp formerly worked on the RNC’s project “to outsource the [C]ommittee’s voter file to a private company.”<sup>75</sup> That project, called Data Trust, may have been abandoned, but the RNC’s desire for a live-updating voter file apparently has not. While ALEC may claim that CARE is somehow distinct from VoterGravity’s two-way linkage with the RNC, Legislator’s screenshots show that CARE contains the same “RNC

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<sup>71</sup> See Bolton, *supra* note 16 (“The effort has been funded by investors but the founders stress it is a for-profit venture. They hope to recoup the costs of software development by selling Gravity to larger advocacy organizations”).

<sup>72</sup> See *supra* note 52.

<sup>73</sup> See Screenshots of ALEC training video, *supra* note 5, at 5 (referring to 0:26).

<sup>74</sup> See *supra* note 15.

<sup>75</sup> See Tau, *supra* note 23.

Integration” feature—which users access by entering an “RNC Access Token”—as featured in the paid VoterGravity suite.<sup>76</sup>

In fact, this two-way production of voter data is not a bug but rather a sought-after feature of VoterGravity, which was conceived from the start to prevent campaign “data loss.” As *The Hill* reports:

The drawback to [the] old-school hard-copy model, according to Drew Ryun, is that campaigns lose data. The Gravity program is designed to better capture voter data that gets lost. . . . [T]he stacks of hard-copy data [volunteers] return to headquarters do not get entered properly into campaign databases. American Majority Action hopes **conservative candidates can avoid this data loss by using the Gravity smartphone technology, which immediately updates voter profiles with the answers to survey questions**” (emphasis added).<sup>77</sup>

The big win for Ned Ryun was elevating his data-sharing operation from the individual campaign-level, to the national party-level, through his much-touted RNC integration—but for ALEC, a tax-exempt nonprofit, to participate in Ryun’s enterprise via CARE represents yet another instance of prohibited partisan electoral activity.

ALEC’s real-time delivery of voter data to the RNC constitutes an independent violation of the § 501(c)(3) prohibition on political campaign intervention. For VoterGravity, the data inputted by ALEC’s legislative members may serve as an attractive reason to “give away” its valuable software suite for free. But for ALEC, not only does the production of data for voter management purposes during ostensible “constituent service” interactions raise privacy and ethics concerns, more importantly, the sharing of this data with the RNC amounts to an unlawful in-kind campaign contribution, independent of ALEC’s provision of CARE to its members.

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<sup>76</sup> See Screenshots of ALEC CARE, *supra* note 7, at 6.

<sup>77</sup> See Bolton, *supra* note 16.

## II. Law

The Internal Revenue Code § 501(c)(3) absolutely forbids the participation of tax-exempt, tax-deductible organizations in any partisan political campaign activities. The relevant provisions of the Internal Revenue Code, 26 U.S.C. § 501, include the following: Section 501(a) provides that certain organizations are exempt from federal income taxation, § 501(b) specifies that these organizations are still subject to taxation to the extent of their “unrelated business income and certain other activities,” and § 501(c) details a “list of exempt organizations,” including, in § 501(c)(3):

Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition . . . , or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation . . . , and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

Scholars have noted that this provision amounts to a test, applied by the Internal Revenue Service, with five parts: (i) the organizational test; (ii) the operational test; (iii) the prohibition on private inurement; (iv) the limitation on lobbying activity; and (v) the prohibition on political campaign intervention.<sup>78</sup> ALEC’s in-kind contributions of the CARE software and associated voter data violate this test for two independent reasons.

The (v) prohibition on political campaign intervention is a specific prohibition on any partisan political campaign activities by 501(c)(3) nonprofit organizations. It forbids “directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition

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<sup>78</sup> Terri L. Helge, *Rejecting Charity: Why the IRS Denies Tax Exemption to 501(C)(3) Applicants*, 14 PITT. TAX REV. 1, 3-4 (2016).

to) any candidate for elective public office.”<sup>79</sup> This includes funding, contributions, support, oral or written statements of position made on behalf of the organization, etc.—all of which violate the prohibition and destroy the organization’s exempt status.<sup>80</sup> As numerous scholars have pointed out, the (v) prohibition on political campaign intervention is an absolute standard, wherein “even a *de minimis* amount of involvement in political campaign activities by [501(c)(3)] charities” will lead to their being re-classified as 501(c)(4) “action organization[s].”<sup>81</sup>

Under this unequivocal bar, it is forbidden for a 501(c)(3) organization to make “cash [] or ‘in kind’ contributions of services or use of facilities to particular candidates or political parties.”<sup>82</sup> Any contribution of this sort is absolutely prohibited by the Code and Treasury Regulations, as they violate the prohibition on political campaign intervention.

Critically, this prohibition bars contribution of services to facilitate political campaigns *even if such services are provided on a non-partisan basis*. The only question is whether the contribution constitutes electioneering on a candidate’s behalf. A 501(c)(3) organization cannot

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<sup>79</sup> See IRS, *The Restriction of Political Campaign Intervention by Section 501(c)(3) Tax-Exempt Organizations*, <https://www.irs.gov/charities-non-profits/charitable-organizations/the-restriction-of-political-campaign-intervention-by-section-501c3-tax-exempt-organizations> (last updated July 1, 2021). This is the Service’s main landing page on the political campaign prohibition, cited as authority in *Citizens Union of City of N.Y. v. AG of N.Y.*, 408 F. Supp. 3d 478, 483 nn. 4-5 (S.D.N.Y. 2019). See also, IRS, *Political Campaign Intervention by 501(c)(3) Tax Exempt Organizations - Educating Exempt Organizations*, <https://www.irs.gov/charities-non-profits/charitable-organizations/political-campaign-intervention-by-501c3-tax-exempt-organizations-educating-exempt-organizations> (last updated June 26, 2021) (Compiling “an array of educational tools” from the Service for section 501(c)(3) organizations to “educate[ them] about the ban and put[] them on notice of the enforcement program,” including Published Guidance, News Release & Fact Sheets, training materials, FAQs, and other resources).

<sup>80</sup> See Rev. Rul. 2007-41, 2007-1 C.B. 1421 (June 18, 2007).

<sup>81</sup> Helge, *supra* note 78, at 16-17 (citing I.R.C. § 501 (c)(3); Treas. Reg. § 1.501 (c)(3)-1 (c)(3)(iv) (2014) & Treas. Reg. § 1.501(c)(3)-1(c)(3)(iii) (2014)) (internal citations omitted). See also, e.g., John P. Persons, John J. Osborn, Jr. & Charles F. Feldman, *Criteria for Exemption under Section 501(c)(3)*, 4 RESEARCH PAPERS IN WASH. DEPT. OF TREAS. 1909, 1931 (1977) (“As the *Exempt Organizations Handbook* states, the first point to be noted is that this is an absolute prohibition”) (internal quotations omitted); J. Patrick Whaley, *Political Activities of Section 501(c)(3) Organizations*, 29 MAJOR TAX PLAN. 195, 209 (1977) (“[I]t would seem that any participation in a campaign for or against a candidate for public office is absolutely prohibited. This is certainly the position of the Service.”) (citing Reg. § 1.501(c)(3)-1(b)(3) & (c)(3)(iii); Rev. Rul. 67-71, 1967-1 C.B. 125); David A. Wimmer, *Curtauling the Political Influence of Section 501(c)(3) Tax-Exempt Machines*, 11 VA. TAX REV. 605, 620 (1992) (“This is an absolute prohibition, one without the substantiality exception. . . .”) (citing I.R.C. § 501(h)(2)(A)).

<sup>82</sup> See Helge, *supra* note 78, at 17.

avoid the prohibition by making in-kind electioneering contributions to candidates of both parties. Unlike, say, voter education or turnout efforts, campaign contributions are equally impermissible even if given to both Republicans and Democrats.

Here, it is beyond dispute that the very purpose of the CARE software is to facilitate campaigning. This purpose is confirmed by explicit statements made by its creators and users, by the fact that its features and tools make sense only if used for electioneering, and by the express rationale for the tool's creation in the first instance. Without more, such in-kind contributions violate ALEC's 501(c)(3) tax-exempt status.

Alternatively, while ALEC's persistent partisan bias is not necessary to finding that ALEC has violated the law, such partisan bias provides an independent basis for holding ALEC's in-kind contributions to be unlawful. For a tax-exempt, tax-deductible organization, even when a given activity or contribution would *otherwise* be permissible, if that activity or contribution is conducted in a *biased manner* or has a *partisan effect*, then the activity or contribution will still be deemed unlawful. In other words, an act or contribution by a nonprofit organization necessarily constitutes unlawful political campaign intervention when that act or contribution demonstrates partisan bias for a candidate or candidates for public office.

This partisan bias rule has been the subject of increasing guidance and enforcement by the Service over time:

In 2004, the IRS initiated a process, although still informal, to address in real time allegations of partisanship by 501(c)(3) organizations during the time period around national elections, through targeted examinations, rather than just through the process of auditing returns . . . now known as the Political Activity Compliance Initiative . . . Also after a long hiatus, the IRS has issued precedential "revenue rulings" in recent years addressing the contours of what constitutes partisan election

intervention. More may be forthcoming.<sup>83</sup>

The rule was most recently detailed in a 2007 IRS Revenue Ruling entitled “Exempt organizations; political campaigns.”<sup>84</sup> The Ruling states that whether political campaign intervention has occurred turns primarily on whether an action or activity “shows a bias or preference . . . with respect to the views of a particular candidate . . . [or] for or against a particular candidate.” In order to evaluate the existence of bias (and therefore unlawful campaign intervention), the Rule further states that such a determination “depends upon all of the facts and circumstances of each case.” It gives note of the specific “facts and circumstances” which prove dispositive in twenty-one potentially ambiguous hypothetical fact patterns. Scholars conclude, based on this Ruling and others, that “the Service approaches these issues on a case-by-case basis under a highly factual inquiry and looks to see if the organization is supporting a candidate or remaining neutral.”<sup>85</sup>

In terms of the relevant “facts and circumstances,” the 2007 Ruling explains that bias or preference can be reflected in “content,” “structure,” “timing,” “distribution,” “procedure,” or any other such dimensions of a given act or contribution.<sup>86</sup> It can even be implicated in “coded” language, “such as ‘conservative,’ ‘liberal,’ ‘pro-life,’ ‘pro-choice,’ ‘anti-choice’ . . . etc.” which,

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<sup>83</sup> Rosemary E. Fei, Laurence E. Gold & David A. Levitt, *The Rules of the Game: A Guide to Election-Related Activities for 501(c)(3) Organizations*, ALLIANCE FOR JUSTICE ADVOCACY RESOURCE (2d. ed. 2010), at 9. Several publications by the Alliance for Justice are cited with favor in *Citizens Union*, *supra* note 79, e.g., nn. 2, 6, & 8.

<sup>84</sup> Rev. Rul. 2007-41, *supra* note 80, at 1421. This official Revenue Ruling, published in the Internal Revenue Bulletin on June 18, 2007, first began as a “Fact Sheet” release from the IRS Media Relations Office in February 2006. IRS, *Election Year Activities and the Prohibition on Political Campaign Intervention for Section 501(c)(3) Organizations*, FS-2006-17 (Feb. 2006), <https://www.irs.gov/pub/irs-news/fs-06-17.pdf>. In the release’s introduction, the IRS explained its goal of “provid[ing] information to help section 501(c)(3) organizations stay in compliance with the federal tax law,” since “[m]any of the types of political intervention activities addressed in the fact sheet were those that came under scrutiny during the 2004 election cycle.” At the same time, the IRS also stepped up its enforcement of the political activity restriction: “With the 2006 campaign season approaching, the IRS is launching enhanced education and enforcement efforts, based on the findings and analysis of the 2004 election cycle. The IRS is providing this fact sheet to help ensure that charities have enough advance notice of the types of problems that have occurred, the legal strictures against engaging in political activities and how to avoid these problems.”

<sup>85</sup> C. Joseph Boatwright, *Should the 501(c)(3) Political Prohibition Be Revoked*, 6 INT’L J. CIV SOC’Y L. 7, 14 (2008) (citing Rev. Rul. 80-282, 1980-2 C.B. 178 (1980)).

<sup>86</sup> Rev. Rul. 2007-41, *supra* note 80, at 1421-22.

when referencing a candidate or election, can constitute a violation.<sup>87</sup> The issue, according to commentators, is one of intent: the Service’s factual inquiry seeks to determine whether the organization *intended* to bias or favor a specific candidate or slate of candidates. If it did, then the non-profit has violated its tax-exempt status.<sup>88</sup>

When the specific campaign intervention at issue is a cash or in-kind contribution, the relevant “facts and circumstances” typically include: the nature of the item contributed, the parties to whom it was provided, and what level of fees (if any) was charged, among others. As explained in the 2007 Ruling,

In the context of a business activity of the organization . . . some of the factors to be considered in determining whether the organization has engaged in political campaign intervention include the following:

- Whether the good, service or facility is available to candidates in the same election on an equal basis,
- Whether the good, service, or facility is available only to candidates and not to the general public,
- Whether the fees charged to candidates are at the organization’s customary and usual rates, and
- Whether the activity is an ongoing activity of the organization or whether it is conducted only for a particular candidate.<sup>89</sup>

Each of these factors is independently sufficient to constitute bias or preference: If the contribution was offered to one candidate but not another candidate or the general public, if the prices charged to one candidate were different from those charged to another candidate or the general public, or if the contribution otherwise reflected inconsistent availability or treatment for a given candidate

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<sup>87</sup> See Boatwright, *supra* note 85, at 14 (citing Judith E. Kindell & John Francis Reilly, *Election Year Issues*, IRS 2002 EO CPE TEXT, 345 (2002)).

<sup>88</sup> *Id.* at 14-15.

<sup>89</sup> Rev. Rul. 2007-41, *supra* note 80, at 1425. See also Cong. Research Serv., *Tax-Exempt Organizations: Political Activity Restrictions and Disclosure Requirements*, RL33377 (Sept. 24, 2010), at 10 (“According to the IRS, factors that tend to indicate the activity is not biased towards any candidate or party include . . .”) (citing Rev. Rul. 2007-41, *supra* note 80; Kindell & Reilly, *supra* note 87, at 383-84).

or set of candidates, then a prohibited campaign activity has occurred.

Here, ALEC's in-kind contributions violate each of the four factors set forth in the 2007 Revenue Ruling. The CARE tool is not available to all candidates "on an equal basis"; the tool is not available "to the general public"; the tool is provided free of charge and worth many times the dues paid by ALEC's legislative members; and the tool is available only to "particular candidates," *i.e.*, conservatives and Republicans who are members of ALEC. This bias provides an independent basis upon which to find ALEC in violation of its tax-exempt status.

In 1983, the Supreme Court held in *Regan v. Taxation Without Representation of Wash.*, 461 U.S. 540, 544 (1983) that the classifications of various tax-exempt and tax-deductible organizations, such as 501(c)(3) nonprofit organizations and 501(c)(4) action organizations, reflected Congress's desire to subsidize some nonprofit activities more than others, and that the proscriptions placed upon 501(c)(3) organizations' political activities were to prevent "public funds [from] be[ing] spent on an activity Congress chose not to subsidize." This belief that tax-exempt, tax-deductible organizations should refrain from certain political activities—so as not to misuse taxpayers' subsidies—remains at the core of what it means to be a 501(c)(3) charity today.

ALEC has long pursued a non-charitable set of activities: it has brazenly helped to conceive, design, promote, and distribute partisan political campaign software under the guise of constituent service. It has also supplied the voter data from this software directly to the Republican National Committee on an ongoing basis. CMD thus submits to the Service that ALEC has intervened in countless political campaigns, on behalf of its overwhelmingly Republican membership, in stark violation of its duties under 26 U.S.C. § 501(c)(3).

# Exhibit 2



With over 2,000 members, ALEC is the nation's largest nonpartisan, individual membership association of state legislators. ALEC is one of America's most dynamic public-private partnerships with nearly 300 corporate and private foundation members. ALEC provides its public and private sector members with a unique opportunity to work together to develop policies and programs that effectively promote the Jeffersonian principles of free markets, limited government, federalism, and individual liberty.

Questions? Contact us by phone at (703) 373-0933

# Exhibit 3

**STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

**Findings of Fact, Conclusions of Law, and Order  
In the Matter of the Complaint of Common Cause Minnesota Regarding the  
American Legislative Exchange Council**

**I. The complaint**

On May 15, 2012, the Campaign Finance and Public Disclosure Board received a complaint from Common Cause Minnesota (Complainant) alleging violations by the American Legislative Exchange Council (ALEC) and an individual named Amy Kjose of certain of Minnesota's statutes related to lobbying.

The complaint alleges that as the director of an ALEC task force in 2011, Ms. Kjose was required to register as a lobbyist in Minnesota, but failed to do so or to file the required reports. The complaint further alleges that in 2011 ALEC was a "principal" as defined in Minnesota Statutes section 10A.01, subdivision 33, either by virtue of employing Ms. Kjose as a lobbyist, or by virtue of spending more than \$50,000 in a year on activities to influence Minnesota legislative action. The complaint alleges that ALEC failed to provide the annual report of expenditures required of every principal.

The Board notes that the complaint includes a significant amount of legal citation and argument with regard to ALEC's nonprofit tax status and its lobbying reporting obligation under federal law. Additionally, although the complaint specifically notes certain issue alerts sent to Minnesota legislators and identifies expenses reported by three Minnesota legislators to attend ALEC events, most of the allegations of the complaint are of a more general nature applicable to ALEC's activities to influence legislation in the various 50 states rather than only to ALEC's Minnesota activities. Apparently the Minnesota complaint is a derivation of a complaint on the same subject that Common Cause filed with the Internal Revenue Service. The Board has not considered any of the federal questions raised by the complaint.

During the course of the investigation the Board obtained and considered ALEC documents beyond those submitted by Complainant. These documents include internal ALEC documents that were initially disclosed in connection with a news report in *The Guardian* newspaper as well as additional documents from ALEC's public website and documents from other sources that are deemed reliable.

**II. The response**

On May 22, 2012, Board staff notified ALEC of the complaint and offered ALEC an opportunity to provide a general response.

Because of other Board matters more closely related to the 2012 election, in which two constitutional amendment questions were on the ballot, the Board laid the matter over at its June and July meetings. At its August meeting the Board directed the Executive Director to use staff resources on matters related to the upcoming election and to defer further work on the ALEC matter until resources were available. ALEC was notified of this approach in a letter dated August 8, 2012, and expressed no objection.

On March 13, 2013, the Board notified ALEC by letter that staff resources were now available to undertake investigation of the Common Cause complaint. The letter asked ALEC to provide comprehensive information that would allow the Board to make a determination of the legal status of ALEC under Minnesota's lobbying statutes. On April 12, 2013, ALEC responded through its legal counsel, Mike Wittenwyler. Mr. Wittenwyler provided general information about ALEC and its structure and operations, but did not address the Board's specific requests for information.

Board staff compared the information provided in ALEC's April 12 letter to the Board's March 13 request and concluded that the letter was almost entirely nonresponsive. Staff sent this analysis to ALEC on July 11, 2013, and asked ALEC to respond to the Board's specific requests. In a letter dated July 26, 2013, Mr. Wittenwyler provided an additional response that consisted of an explanation of why ALEC was not required to respond to the Board's requests.

The matter was subsequently laid over at successive Board meetings as staff researched the issues raised by the complaint and ALEC's response and sought additional documentary evidence from the internet and other sources. At its November 2013 meeting the Board reviewed in detail the status of the investigation and the difficulties posed by the continued refusal of ALEC to provide anything but the most basic information about its operations. At that time, the Executive Director explained that staff planned to make a request for information from ALEC that would be more limited than previous requests and would not require ALEC to identify any of its members; an approach that would address one of ALEC's key objections.

On February 13, 2014, staff sent ALEC the narrower request for information. On March 10, 2014, ALEC responded and once again declined to provide any information beyond that which was included in its initial response.

In general, the substance of ALEC's response is that it is an educational organization that does not engage in lobbying as that term is defined by the Internal Revenue Code. ALEC also claims that it cannot be required to disclose either its members or its communications with its members under constitutional law principles.

ALEC also argues that it is not a principal under Minnesota law because it employs no lobbyists and because it has never spent more than \$50,000 in a year to influence Minnesota officials; which is the financial trigger that makes an association a principal even if it does not employ lobbyists.

### **III. Further background**

At its meeting of April 1, 2014, the Board reviewed ALEC's reasons for declining to provide information and its contention that it did not fall under Minnesota's lobbying disclosure laws. The Board also reviewed the options available to compel ALEC to provide additional information. After discussion, the Board directed the Executive Director to develop a detailed legal and factual analysis that would allow the Board to evaluate whether the matter could be decided based on information provided by Complainant and assembled by staff from public sources.

The Board discussed staff's detailed analysis at its meeting of July 8, 2014. Mr. Wittenwyler also appeared at the meeting to urge the Board to dismiss the complaint. At its meeting of August 13, the Board further discussed the status of the matter, voted to set the scope of the investigation to include the years 2011 through 2014, and again laid the matter over.

At its meeting of September 2, 2014, the Board directed the Executive Director to continue the investigation by taking sworn testimony from individuals named as the public sector state co-chairs and the private sector state chair of ALEC. Sworn testimony was taken in November 2014 from Senator Mary Kiffmeyer and Representative Pat Garafalo, the ALEC public sector co-chairs, and from John Gibbs, the ALEC private sector state chair.

The Board discussed this matter at its November 2014 and January 2015 meetings. The Board considered draft findings, conclusions, and order at its February 2015 meeting.

#### IV. Analysis

ALEC argues that neither it nor its employees engage in lobbying under the Internal Revenue Code definition. That definition is, of course, not relevant in Minnesota. The Board's analysis considers whether Amy Kjose is a lobbyist under Minnesota Statutes section 10A.01, subdivision 21, and whether ALEC is a principal under section 10A.01, subdivision 33.

##### **Is Amy Kjose a Minnesota lobbyist?**

The complaint alleges that Amy Kjose is a lobbyist because she is paid by ALEC for activities that constitute lobbying. In Minnesota, a lobbyist is defined as follows:

[A]n individual engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials, or

who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials.

Minn. Stat. § 10A.01, subd. 21.

The complaint alleges, and ALEC does not dispute, that Ms. Kjose was the director of ALEC's Civil Justice Task Force during the time relevant to this matter. The complaint further alleges that Ms. Kjose's responsibilities require drafting and lobbying on model legislation and that Ms. Kjose has spent more than \$250 in a calendar year on lobbying. The complaint also alleges that the cost of the email system used to send issue alerts and the cost of ALEC conferences should be included when determining if Ms. Kjose spent more than \$250 on lobbying.

However, the Board interprets the \$250 spending trigger to apply only to individuals spending their own money, not to persons authorized by an association to spend the association's money.<sup>1</sup> The complaint does not allege that Ms. Kjose spent any of her own money to communicate with officials and the materials reviewed for this investigation do not suggest that she did so. Thus, Ms. Kjose is a lobbyist only if she was paid more than \$3,000 in a calendar year to communicate with Minnesota legislators or to urge others to do so.

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<sup>1</sup> The position that the \$250 threshold applies to spending personal funds is of longstanding application. The interpretation is in part based on the statutory language in the same provision that excludes costs of the subject individual's own travel expenses. This principle was recently restated in the Matter of the Complaint Regarding the Coalition for Sensible Siting and others, where the Board said that "An individual who spends more than \$250 of **their personal funds** in a calendar year on lobbying" is required to register as a lobbyist. (Emphasis added.)

The Board notes that the complaint does not allege that Ms. Kjose communicated with others to urge them to communicate with Minnesota legislators to influence legislative action and the Board has found no evidence that she did so. Thus, if a determination is to be made that Ms. Kjose is a lobbyist, it must be based on actions taken by her that constitute communication with Minnesota legislators to influence legislative action.

The evidence submitted by the Complainant includes four issue alerts that Ms. Kjose sent to certain Minnesota legislators in 2011.<sup>2</sup> The complaint also alleges that as a task force director, Ms. Kjose drafted model legislation and lobbied to get it passed.

In its response to the complaint, ALEC indicates that the value of staff time to prepare and send each issue alert is approximately \$30. The issue alerts provided by Complainant and those provided by ALEC indicate that issue alerts were sent by various ALEC staff members. The response confirms that four of the alerts sent in 2011 were from Ms. Kjose. Even assuming that the full cost of staff time for drafting the alert is included in the compensation paid to the staff member, and assuming a reasonable amount of time to draft the alert and a reasonable salary for the staff member, Ms. Kjose would not become a lobbyist based on the drafting and sending of issue alerts alone.

In its purest sense, communicating with an official takes the form of a direct interaction. However, such direct communication is not required and actions beyond the actual exchange of words between the individual and the official are included in the communication. If a person is paid to write a letter to officials to influence official action, the time spent writing the letter is a part of the communication.<sup>3</sup> Similarly, the Board has concluded that the creation of a website urging others to communicate with officials for the purpose of influencing a specific Minnesota administrative action is a communication that is included in the amount spent that can make an individual a lobbyist.<sup>4</sup>

Complainant is apparently arguing that all of the time Ms. Kjose spends drafting and editing model bills, researching and writing supporting papers and talking points, and preparing other materials<sup>5</sup> that *might* be used later in support of a direct communication with a Minnesota legislator should be counted as time spent communicating with Minnesota officials. However, these activities, undertaken with no particular Minnesota purpose, are significantly broader in scope than the activities the Board has previously included when deciding if an individual is a lobbyist.

The problem with this approach is that although it can be assumed that all of the work of an ALEC task force director is undertaken in furtherance of ALEC's overall mission, ALEC's overall mission is not to influence legislative action in Minnesota. It is to influence public attitudes and legislative action in the nation as a whole. With the exception of the Minnesota issue alerts,

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<sup>2</sup> ALEC's response also shows that Ms. Kjose sent one issue alert to Minnesota legislators in 2009 and no alerts in 2010. Although these years are outside the scope of the investigation, they demonstrate that Ms. Kjose's direct communication with Minnesota legislators over the years has been limited.

<sup>3</sup> In the Matter of a Complaint Regarding the Minnesota Licensed Beverage Association and others. [http://www.cfboard.state.mn.us/bdinfo/investigation/06\\_03\\_2014\\_Findings\\_Griffith\\_Bail\\_MLBA.pdf](http://www.cfboard.state.mn.us/bdinfo/investigation/06_03_2014_Findings_Griffith_Bail_MLBA.pdf). Last visited January 27, 2015

<sup>4</sup> In the Matter of the Complaint Regarding Coalition for Sensible Siting, and others. [http://www.cfboard.state.mn.us/bdinfo/investigation/04\\_03\\_2012\\_CSS\\_GWT.pdf](http://www.cfboard.state.mn.us/bdinfo/investigation/04_03_2012_CSS_GWT.pdf). Last visited January 27, 2015.

<sup>5</sup> For the purpose of this analysis, the Board assumes that these activities actually took place. Because the Board concludes that they are not within the scope of activities that constitute communicating with a Minnesota official, it is not necessary to determine the exact scope of an ALEC task force director's duties.

virtually all of a task force director's work is done in the abstract, without any specific Minnesota connection.

While some part of a task force director's work may eventually support a communication with a Minnesota legislator (if a legislator happens to attend a task force meeting or otherwise interacts with the task force director), most of the work of a task force director will never be used to support any communication with a Minnesota legislator. The nexus between the task force director's work and some future hypothetical communication with a Minnesota legislator therefore is insufficient to justify its inclusion in the scope of activities that would make a task force director a lobbyist.<sup>6</sup>

For the reasons discussed above, the Board does not adopt such a broad scope of activities to be included when determining if an individual meets the threshold of compensation to become a lobbyist. As a result, the Board concludes that Amy Kjose does not meet the compensation threshold to be a lobbyist in Minnesota.<sup>7</sup>

### **The criteria for determining whether an association is a principal**

An association that pays a lobbyist more than \$500 in a calendar year or that spends more than \$50,000 in a year on specified activities is a principal. Minn. Stat. § 10A.01, subd. 33. The Board concluded above that ALEC task force directors are not lobbyists. As a result, ALEC is a principal only if it spends more than \$50,000 in a year on the statutorily specified activities

The types of activities that are included to determine if the \$50,000 threshold is met are specified in Minnesota Statutes section 10A.04, subdivision 6, as follows:

all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state

and

all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state.

In addition to listing the types of activities that can make an association a principal, the statute includes another important requirement. The activities must be "related to legislative action . . . in this state" or "to influence legislative action . . . in this state." *Ibid.*

To clarify the statute and to ensure that its application does not extend to communications in which the state may not have a substantially significant disclosure interest, the Board interprets the phrases "related to legislative action" and "to influence legislative action" to mean "for the purpose of influencing legislative action." This narrowing construction ensures that

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<sup>6</sup> Because the relationship between bill drafting or similar activities and communication with Minnesota legislators is so tentative in the immediate matter, the Board need not determine here exactly how close the nexus must be before an individual's actions are a part of the individual's communication with officials.

<sup>7</sup> The Board recognizes that Complainant has provided evidence that three Minnesota legislators attended ALEC events in 2010 and that this investigation has disclosed other instances of Minnesota legislators attending ALEC events. However, neither the information provided by Complainant nor the evidence disclosed by this investigation suggests that any single task force director had sufficient contact with Minnesota legislators to support a conclusion that the task force director was paid more than \$3,000 in a calendar year for that Minnesota communication.

communication that is merely *about* legislation or legislative action, but does not try to influence official action will not make an association a principal.

Equally important is the limiting clause "in this state," which the Board interprets as modifying the legislative action under examination. In other words, the association's activities need not occur "in this state," but those activities must be for the purpose of influencing Minnesota legislative action.

### **Is ALEC a principal?**

ALEC's mission is to work "to advance limited government, free markets, and federalism at the state level. . . ." In advancing that mission, ALEC task forces have "considered, written and approved hundreds of model bills on a wide range of issues;" bills that ALEC considers to be "model legislation that will frame the debate today and far into the future."<sup>8</sup>

Beyond drafting legislation, "ALEC staff provides research, policy analysis, scholarly articles, reference materials, and expert testimony on a wide spectrum of issues."<sup>9</sup> ALEC's website and its publications make it clear that ALEC's mission is national rather than uniquely targeted to any particular state. As a result, ALEC bears many similarities to any number of associations operating as so-called "think tanks" whose overall mission is to change public opinion and to support those who want to advance the principles espoused by the association. Likewise, ALEC bears similarities to other associations that create and urge the adoption of model legislation.

If a distinction is to be made between ALEC and other national "think tanks" or model-law-writing organizations, that distinction must be based on the association's purpose with respect to influencing Minnesota legislative action, not on the question of *who* develops the policies advanced by the association.

Clearly, ALEC spends more than \$50,000 per calendar year to advance its mission. The types of activities that ALEC undertakes to advance this mission include the same activities that can make an association a principal. However, to decide that ALEC is a principal, it is also necessary to conclude that ALEC's activities are for the purpose of influencing legislative action *in this state*.

ALEC itself acknowledges that part of its goal is "to ensure that each of its legislative members is fully armed with the information, research, and ideas they need to be an ally of the free-market system."<sup>10</sup> Ultimately, the only way for legislators to be such an ally is by passing legislation that advances ALEC's principles. In fact, ALEC's bylaws *require* it to work to influence legislative action. One of ALEC's stated purposes is "to disseminate model legislation and promote the introduction of companion bills in Congress and state legislatures."<sup>11</sup>

Although the evidence supports a conclusion that ALEC's primary purpose is the passage of state legislation in the various states and that all of its wide-ranging activities are in support of this primary purpose, such a conclusion is not sufficient to further conclude that ALEC's activities are for the purpose of influencing legislative action *in this state* as the definition of principal requires.

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<sup>8</sup> The quotes in this paragraph are from the ALEC website at <http://www.alec.org/about-alec/history/> and <http://www.alec.org/about-alec/history/> last visited January 27, 2015.

<sup>9</sup> ALEC Private Sector Membership brochure, Exhibit 2 to the complaint.

<sup>10</sup> *ibid.*

<sup>11</sup> ALEC Bylaws, Exhibit 3 to the complaint.

The Board concludes that an activity directed at all 50 states in the abstract does not constitute an activity conducted for the purpose of influencing legislation *in this state* even though it may in some instances have that effect. Before an association's activity will be included in the activities that may make the association a principal, there must be some specific connection to Minnesota. With ALEC, that nexus is insufficient.

The Board reaches this conclusion based on its construction of Chapter 10A and the requirement that it give meaning to all of the words of each statute. In this case, the phrase "in this state" will be meaningless if all the activities of every national advocacy association are included when deciding if that association is a principal. Under such an approach, national associations whose activities never actually influence specific Minnesota legislative action might still be found to be principals in Minnesota.

The Board recognizes that over the years a small number of Minnesota legislators have attended ALEC conferences. As noted, it is possible that the communication by individual ALEC employees with Minnesota legislators at such conferences would be included when deciding if an ALEC employee is a lobbyist. However, the fact that ALEC offers conferences which Minnesota legislators may attend does not result in the cost of each conference being an expenditure "to influence legislation in this state."

Based on the same analysis, the Board concludes that the creation by an association of a public website and of content published on that website does not make the association a principal when the site has no specific Minnesota nexus. To conclude otherwise would result in principal status being determined based on who visits the site, rather than on a determination of whether the site and its content were produced for the purpose of influencing legislative action in Minnesota.

For these reasons, the Board concludes that ALEC has not reached the \$50,000 threshold necessary to be a principal in Minnesota.

**Based on the investigation and the record in this matter, the Board makes the following:**

#### **Findings of Fact**

1. ALEC is an association organized as a nonprofit corporation.
2. ALEC's primary purpose is to promote its "free market" principles throughout the United States. It does this in various ways, including by producing model state legislation that, if adopted, would incorporate its principles into state law.
3. ALEC's activities are conducted on a national platform. Although ALEC attempts to be active in every state, its programs and activities have no specific Minnesota connection.
4. Much of ALEC's efforts are directed toward advancing its principles through changing public perceptions and through advocacy of legislative action in the various states.
5. ALEC spends more than \$50,000 in each calendar year on communications in the form of publications, model legislation, conferences, and other activities to advance its principles.

6. ALEC's efforts have no particular nexus with Minnesota. Rather, they are directed at all of the states generally.
7. In at least some cases, Minnesota legislators have attended ALEC conferences and introduced legislation that is based on ALEC model legislation.
8. Amy Kjose had minimal communication with Minnesota legislators in 2009 and 2011 in the form of issue alerts she sent by email.
9. It is possible that Amy Kjose may have had additional minimal communications with Minnesota legislators at one or more ALEC events.
10. Amy Kjose did not spend any of her own money to influence Minnesota legislative action.
11. The total compensation paid to Amy Kjose in any calendar year for communications with Minnesota legislators did not exceed \$3,000.

### **Conclusions of Law**

1. To become a lobbyist based on spending \$250 or more under Minnesota Statutes section 10A.01, subdivision 21(a)(2), only the spending of the individual's own money is considered.
2. Amy Kjose is not a lobbyist under section 10A.02, subdivision 21(a)(2) because she did not spend any of her own money for communications to influence legislative action in Minnesota.
3. Amy Kjose is not a lobbyist under section 10A.01, subdivision 21(a)(1) because she was not paid more than \$3,000 in a calendar year for communications to influence legislative action in Minnesota.
4. Because Amy Kjose is not a lobbyist, ALEC is not a principal based on spending more than \$500 in a calendar year to compensate a lobbyist.
5. Although ALEC spends more than \$50,000 per year to advance its principles through activities that include promotion of model legislation in the various states, ALEC does not specifically target Minnesota in such a way that its general spending constitutes spending for activities conducted for the purpose of influencing legislation in this state.
6. ALEC is not a principal based on its spending to advance its principles or to influence legislation in the fifty states generally.

### **Order**

The investigation of this matter is concluded and the complaint is dismissed.

/s/ George A. Beck  
George A. Beck, Chair

February 3, 2015  
Date

**Documents incorporated into these Findings by reference:**

Complaint of Common Cause Minnesota Regarding the American Legislative Exchange Council Exhibits to the complaint

May 22, 2012, letter advising ALEC of the complaint

March 13, 2013, letter requesting information from ALEC

Response from ALEC, April 12, 2013

July 11, 2013, letter requesting information from ALEC

Response from ALEC, July 26, 2013

Letter to ALEC February 13, 2014

Response from ALEC March 10, 2014

## Referenced statutes

### 10A.01 Definitions

. . . .

Subd. 21. **Lobbyist.** (a) "Lobbyist" means an individual:

(1) engaged for pay or other consideration of more than \$3,000 from all sources in any year for the purpose of attempting to influence legislative or administrative action, or the official action of a metropolitan governmental unit, by communicating or urging others to communicate with public or local officials;

. . . .

Subd. 33. **Principal.** "Principal" means an individual or association that:

(1) spends more than \$500 in the aggregate in any calendar year to engage a lobbyist, compensate a lobbyist, or authorize the expenditure of money by a lobbyist; or

(2) is not included in clause (1) and spends a total of at least \$50,000 in any calendar year on efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units, as described in section 10A.04, subdivision 6.

### 10A.04 Lobbyist reports.

Subd. 6. **Principal reports.** (a) A principal must report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) Except as provided in paragraph (d), the principal must report the total amount, rounded to the nearest \$20,000, spent by the principal during the preceding calendar year to influence legislative action, administrative action, and the official action of metropolitan governmental units.

(c) Except as provided in paragraph (d), the principal must report under this subdivision a total amount that includes:

(1) all direct payments by the principal to lobbyists in this state;

(2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in this state; and

(3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in this state.

(d) A principal that must report spending to influence administrative action in cases of rate setting, power plant and powerline siting, and granting of certificates of need under section 216B.243 must report those amounts as provided in this subdivision, except that they must be reported separately and not included in the totals required under paragraphs (b) and (c).

# Exhibit 4

C A M P A I G N F O R  
**ACCOUNTABILITY**

July 30, 2020

**BY EMAIL: [eoclass@irs.gov](mailto:eoclass@irs.gov)**

IRS EO Classification  
Mail Code 4910DAL  
1100 Commerce St.  
Dallas, TX 75242-1198

**BY EMAIL: [DFICharitableOrgs@wi.gov](mailto:DFICharitableOrgs@wi.gov)**

Wisconsin Department of Financial Institutions  
PO Box 7879  
Madison, WI 53707-7879

**BY EMAIL: [Complaints@doj.ca.gov](mailto:Complaints@doj.ca.gov)**

Registry of Charitable Trusts  
Office of Attorney General  
P.O. Box 903447  
Sacramento, CA 94203-4470

**Re: Tax-Exempt Organization Complaint Against American Majority Inc (EIN: 26-1501154) and American Majority Action Inc (26-3594713)**

Dear Sir or Madam:

Campaign for Accountability (“CfA”), a non-partisan, nonprofit public watchdog organization, respectfully requests that the IRS, the Wisconsin Department of Financial Institutions (“DFI”), and the Office of the Attorney General of California investigate whether American Majority Inc (EIN: 26-1501154), a 501(c)(3) nonprofit, and its related 501(c)(4) advocacy arm, American Majority Action Inc (EIN: 26-3594713), violated their tax exempt status or relevant state laws by spending more than 50 percent of expenses on political purposes, submitting inaccurate information to regulators, and executing inappropriate transactions with related parties. Forms 13909, 2255, and CT-9 are enclosed.

## **Background**

Ned Ryun, a former presidential writer, founded American Majority Inc (“AM”) in 2007 and American Majority Action Inc (“AMA”) in 2008.<sup>1</sup> AM received its Determination Letter from the IRS effective December 3, 2007, and AMA received its determination letter effective September 30, 2008, under its previous name, Madison Majority Project.<sup>2</sup> AM’s website states that the organization is “the nation’s premier conservative training organization, helping put in place a truly unique, separate political infrastructure—for use before, during and after election dates. As a 501c(3) non-partisan, nonprofit, American Majority continually trains, organizes, mobilizes, and equips new grassroots conservative leaders.”<sup>3</sup> AMA’s website states that it “is a national conservative organization dedicated to engaging citizens in the political process by mobilizing them in support of candidates who favor limited government, individual freedom and protecting the free market.”<sup>4</sup> Between 2008 and 2018, AM and AMA received more than \$27 million in contributions and grants.<sup>5</sup>

In addition to their own activities, AM and AMA have been involved in several other entities. In 2011, the organizations set up a holding company called AM Action LLC. The holding company, in turn, set up a for profit data firm called Voter Gravity Inc in 2012. AM Action LLC also briefly invested in another data firm called Political Gravity. In subsequent years, the nonprofit entities extended loans to the for-profit companies, and they paid for some of the expenses for the for-profit companies. Additionally, board members and employees of the nonprofits have served in various roles at the for-profit companies.

The annual 990 tax filings for the nonprofit organizations, annual audits, and public records reveal a complicated web of interconnected transactions that raise questions as to whether the organizations deserve their charitable status or violated state laws.

## **Excessive Spending on Political Activity**

AMA appears to have violated requirements that 501(c)(4) organizations spend less than 50 percent of their expenditures on political activity. According to its annual 990 for the 2016 calendar year, AMA’s total expenses amounted to \$414,059.<sup>6</sup> AMA disclosed on its Schedule C filing that it spent \$350,000 on “direct and indirect political campaign activities” or approximately

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<sup>1</sup> <http://nedryun.com/about-ned/>.

<sup>2</sup> IRS Determination Letter, American Majority Inc, Aug. 19, 2008, *available at* <https://www.documentcloud.org/documents/6788560-AM-IRS-Determination-Letter.html>; IRS Determination Letter, American Majority Action (filed as Madison Majority Project Inc), Mar. 30, 2009, *available at* <https://www.documentcloud.org/documents/6788559-AMA-IRS-Determination-Letter.html>; **2009 Return of Organization Exempt from Income Tax, Form 990**, American Majority Action, Inc., June 1, 2010, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/2010\\_07\\_EO%2F26-3594713\\_990EO\\_200906](https://projects.propublica.org/nonprofits/display_990/263594713/2010_07_EO%2F26-3594713_990EO_200906).

<sup>3</sup> <https://www.americanmajority.org/about/>.

<sup>4</sup> <https://americanmajorityaction.org/>.

<sup>5</sup> <https://projects.propublica.org/nonprofits/organizations/261501154>;

<sup>6</sup> **2016 Return of Organization Exempt from Income Tax, Form 990**, American Majority Action, Inc., Nov. 15, 2017, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/12\\_2017\\_prefixes\\_26-27%2F263594713\\_2016\[2\\_990O\\_2017\]22915067215](https://projects.propublica.org/nonprofits/display_990/263594713/12_2017_prefixes_26-27%2F263594713_2016[2_990O_2017]22915067215).

85 percent of its expenses for the entire year.<sup>7</sup> Nonprofits organized under section 501(c)(4) must exist primarily for social welfare, and therefore, are prohibited from spending a majority of their expenses on politics.<sup>8</sup>

### **Financial Irregularities**

#### *Failure to Accurately Disclose Donors to Regulators*

Based on an analysis of AM's audit reports and 990s published on Guidestar, AM may have reported inaccurate donor information to the IRS and California regulators. Specifically, AM appears to have represented the name of a major donor incorrectly on either its 2016 or 2015 990 or both.

According to 990s uploaded to Guidestar, in 2016 AM received \$500,000 from the Donors Capital Fund of Alexandria, Virginia.<sup>9</sup> In 2015, AM reported a \$500,000 contribution from Leonard Leo at a different address in Alexandria.<sup>10</sup> While Mr. Leo reportedly has been linked to the Donors Capital Fund in the past, he does not appear to be an employee or officer of the organization.<sup>11</sup>

Despite claiming these separate sources as contributors, AM's audits suggest that this donation came from the same donor. By comparing the percentages listed in the donor concentration section of AM's 2016 and 2015 audits and the donor amounts listed on its 990s for those years, it is clear that "Contributor B" on the audits for both years is same entity – either Donors Capital Fund, Leonard Leo, or some other mystery donor.<sup>12</sup> While the audits make it clear that contributor B is the same entity, the 990s appear to be labeling that entity as Leonard Leo in one year and Donors Trust in the other.

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<sup>7</sup> *Id.*

<sup>8</sup> <https://www.irs.gov/pub/irs-tege/eotopic103.pdf>.

<sup>9</sup> 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., Form 199, Statement 1, page 48, prepared Nov. 14, 2017, available at <https://www.documentcloud.org/documents/6788667-American-Majority-2016-Form-990.html>.

<sup>10</sup> 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., Form 199, Statement 1, prepared Jan. 12, 2017, available at <https://www.documentcloud.org/documents/6788670-American-Majority-2015-Form-990.html>.

<sup>11</sup> <https://www.prwatch.org/news/2018/03/13329/donors-trust-right-wing-secret-money-machine-doled-out-667-million-2016>.

990s

<sup>12</sup> Financial Statements and Independent Auditor's Report for 2016 and 2015, American Majority, Inc., Nov. 15, 2017, available at <https://www.documentcloud.org/documents/6788674-American-Majority-2016-Audit.html>; Financial Statements and Independent Auditor's Report for 2015 and 2014, American Majority, Inc., Nov. 30, 2016, available at <https://www.documentcloud.org/documents/6788673-American-Majority-2015-Audit.html>.

**AM's 2016 990**

<u>CONTRIBUTOR'S NAME</u>	<u>AMOUNT</u>
THE LYNDE & HARRY BRADLEY FOUNDATION	345,000.
ED UIHLEIN FAMILY FOUNDATION	125,000.
DONORS CAPITAL FUND, INC.	500,000.
<b>TOTAL INCLUDED ON LINE 3</b>	<b>970,000.</b>

**AM's 2015 990**

<u>CONTRIBUTOR'S NAME</u>	<u>AMOUNT</u>
THE LYNDE & HARRY BRADLEY FOUNDATION	200,000.
RETAIL INDUSTRY LEADERS ASSOCIATION	40,000.
BRADLEY IMPACT FUND, INC.	42,000.
LEONARD LEO	500,000.
ED UIHLEIN FAMILY FOUNDATION	125,000.
<b>TOTAL INCLUDED ON LINE 3</b>	<b>907,000.</b>

**AM's 2016 Audit**

	<u>2016</u>	<u>2015</u>
	<u>Contributions</u>	<u>Contributions</u>
Contributor A	34.2%	14.3%
Contributor B	44.0%	35.7%
Contributor C	11.0%	8.9%

**AM's 2015 Audit**

	<u>2015</u>	<u>2014</u>
	<u>Contributions</u>	<u>Contributions</u>
	14.3%	50.7%
	35.7%	16.3%

Donors Capital Fund and its related entity Donors Trust have received attention in the media for acting as a pass through for conservative donors.<sup>13</sup> Rather than a clerical error, AM's inaccurate disclosure may be a direct attempt to deceive regulators by failing to disclose the true source its funding.

**Related Party Transactions**

*Undisclosed Transactions Between AM and AMA*

Throughout their histories, AM and AMA have transferred a substantial amount of money between the two organizations. Each organization has disclosed some of the transactions but not others. Below is a chart of all of the related transactions between the two organization that they have disclosed on their annual 990s. Generally, the 501(c)(3) organization paid for, took out loans for, and contributed money to the 501(c)(4) organization. However, the transactions are not consistently reported across both organizations. For instance, on its fiscal year 2011 990, AMA

<sup>13</sup> *Id.*

reported receiving a \$34,000 contribution from AM. That donation, however, does not appear on AM's 2010 or 2011 calendar year 990s.<sup>14</sup>

Schedule R Transactions Between AM and AMA					
Disclosed by American Majority			Disclosed by American Majority Action		
Calendar Year	Schedule R Designations	Amount	Tax Year	Schedule R Designations	Amount
2011	D	\$11,601.00	2011	C	\$34,000.00
2011	M		2011	E	\$117,800.00
2011	N		2011	M	\$14,627.00
2011	P	\$118,401.00	2011	N	\$14,649.00
2012	B	\$100,000.00	2011	O	\$174,500.00
2012	L	\$1.00	2012	C	\$100,000.00
2012	N	\$1.00	2012	E	\$75,000.00
2012	O	\$1.00	2014	D	\$142,458.00
2012	Q	\$12,971.00	2014	L	
2013	Q	\$7,943.00	2014	N	
2016	D	\$54,253.00	2014	P	
2016	E	\$145,411.00			
2017	Q	\$93,461.00			
2018	Q	\$134,154			

In addition to the inconsistent disclosure, there are several other conflicts of interest between the two organizations including largely overlapping boards of directors. For instance, in 2017, the two nonprofits had identical boards of directors. In 2016, both organizations had eight members on their boards, and seven individuals served on both boards. In 2015, both organizations again had eight members and six individuals served on both boards.<sup>15</sup>

The conflicts extend beyond the boards. According to AMA's 990 for the tax year beginning on 7/1/2013 and ending 6/30/2014, "One member of the board is an investor in a

<sup>14</sup> <https://projects.propublica.org/nonprofits/organizations/261501154>;  
<https://projects.propublica.org/nonprofits/organizations/263594713>.

<sup>15</sup> Calendar Year 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part IV, filed Aug. 25, 2017, available at <https://www.documentcloud.org/documents/6789633-American-Majority-Action-990-July-2015-to.html>; see also 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., Form 199, Statement 1, prepared Jan. 12, 2017, available at <https://www.documentcloud.org/documents/6788670-American-Majority-2015-Form-990.html>.

company started and operated by another board member.”<sup>16</sup> Additionally, in 2012 and in preceding years, Mr. Ryun’s brother, Andrew, served on the boards of both AMA and AM.<sup>17</sup>

### *AM Action LLC*

Beyond the conflicts between the two nonprofits, the organizations have also executed many transactions with for-profit entities that draw into question their tax-exempt status. In 2011, a company called AM Action LLC filed Articles of Organization with the State Corporation Commission of Virginia.<sup>18</sup> According to AMA’s 990 for the tax year beginning July 1, 2011 and ending July 30, 2012, both AMA and AM invested in AM Action LLC. The 990 states that AMA is the “direct controlling entity” of AM Action LLC with 67 percent ownership.<sup>19</sup> The purpose of AM Action LLC is to “invest in, develop and make use of software to be used in organizations functions or made available to others.”<sup>20</sup> AM’s 2012 990 indicates AM acquired a 33 percent ownership stake in the company that year while AMA’s 2012 990 indicated it owned the rest of the company and was in control of it.<sup>21</sup>

AM and AMA have delivered hundreds of thousands of dollars to AM Action LLC, yet the company has lost a staggering amount of money.<sup>22</sup> Between 2011 and 2014, AM and AMA awarded grants to and issued loans to AM Action LLC of more than \$750,000 while receiving less than \$35,000 in interest. During that same time period, AM Action LLC reported a negative income totaling nearly \$150,000. Since 2015, the nonprofits have not disclosed any additional contributions or loans to the company, but AM Action LLC has reported a negative income totaling more than \$1.7 million. Perhaps as a recognition of this poor investment, AMA’s 2016 990 includes a negative \$953,544 adjustment to total revenue for “Book Share of Investment in AM Action, LLC.”<sup>23</sup>

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<sup>16</sup> 2014 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule O Supplemental Information to Part VI, Line 2, filed June 12, 2015, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/2015\\_07\\_EO%2F26-3594713\\_990O\\_201406](https://projects.propublica.org/nonprofits/display_990/263594713/2015_07_EO%2F26-3594713_990O_201406).

<sup>17</sup> 2012 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., filed June 27, 2013, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/2013\\_07\\_EO%2F26-3594713\\_990O\\_201206](https://projects.propublica.org/nonprofits/display_990/263594713/2013_07_EO%2F26-3594713_990O_201206); 2012 Return of Organization Exempt from Income Tax, Form 990, American Majority, Inc., filed Feb. 3, 2014, *available at* [https://projects.propublica.org/nonprofits/display\\_990/261501154/2014\\_02\\_EO%2F26-1501154\\_990\\_201212](https://projects.propublica.org/nonprofits/display_990/261501154/2014_02_EO%2F26-1501154_990_201212).

<sup>18</sup> Articles of Organization, AM Action LLC, Virginia State Corporation Commission, filed Dec. 2, 2011, *available at* <https://www.documentcloud.org/documents/6775030-AM-Action-Llc-Articles-of-Organization.html>.

<sup>19</sup> 2012 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule L, Part IV, filed June 27, 2013, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/2013\\_07\\_EO%2F26-3594713\\_990O\\_201206](https://projects.propublica.org/nonprofits/display_990/263594713/2013_07_EO%2F26-3594713_990O_201206).

<sup>20</sup> *Id.*

<sup>21</sup> *Id.*; 2012 Return of Organization Exempt from Income Tax, Form 990, American Majority, Inc., Schedule R, Part V, filed Feb. 3, 2014, *available at* [https://projects.propublica.org/nonprofits/display\\_990/261501154/2014\\_02\\_EO%2F26-1501154\\_990\\_201212](https://projects.propublica.org/nonprofits/display_990/261501154/2014_02_EO%2F26-1501154_990_201212).

<sup>22</sup> This paragraph is drawn from an analysis of the annual tax forms filed by AM and AMA. *See* <https://projects.propublica.org/nonprofits/organizations/261501154>; <https://projects.propublica.org/nonprofits/organizations/263594713>.

<sup>23</sup> 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Action Inc., Schedule D, Part XIII, filed Nov. 15, 2017, *available at* <https://projects.propublica.org/nonprofits/organizations/263594713/201703199349309560/full>.

### *Political Gravity*

In 2011 or 2012, AM Action LLC purchased a 30 percent ownership stake in a company called Political Gravity LLC (“Political Gravity”), based in Texas.<sup>24</sup> Political Gravity’s creation and affiliation with AM and AMA deserves additional scrutiny. For instance, the timing of the partnership is questionable. Political Gravity and AMA issued a press release on July 26, 2011, announcing their collaboration.<sup>25</sup> The two organizations planned to “deliver leading edge mobile campaign technology to Conservative candidates and grassroots groups.”<sup>26</sup> Nevertheless, Political Gravity did not file a Certificate of Formation with the Secretary of State of Texas until December 21, 2011 with an effective date of January 2, 2012.<sup>27</sup> AMA’s 990 for the fiscal year ending June 30, 2012, does not mention Political Gravity, but states that the organization “[e]stablished relationship with software provider and made software available to 501(c)(3) groups consistent with principles and goals of organization.”<sup>28</sup>

In fact, Political Gravity worked with many explicitly partisan groups and candidates. For instance, during the 2012 election cycle, Political Gravity was paid more than \$50,000 by Republican candidates and party committees in Texas.<sup>29</sup> The company also seems to have been supported by much larger organizations. Reportedly, the conservative group FreedomWorks relied heavily on the app created by Political Gravity.<sup>30</sup>

Notably, there are conflicts of interest involved in this relationship as well. Andrew Ryun, Mr. Ryun’s brother, is one of two directors listed Political Gravity’s Certificate of Formation.<sup>31</sup> At the time, Andrew Ryun also served on the boards of AM and AMA.<sup>32</sup> The same year that Andrew Ryun created Political Gravity, AM purchased \$100,000 worth of assets from the

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<sup>24</sup> Financial Statements and Independent Auditor’s Report for 2013 and 2012, American Majority, Inc. prepared Feb. 6, 2015, *available at* <https://www.documentcloud.org/documents/6789615-American-Majority-2013-Audit.html>.

<sup>25</sup> Press Release, Political Gravity and American Majority Action Form Powerful Partnership to Effect Political Change, Political Gravity and American Majority Action, July 26, 2011, *available at* <http://www.teaparty911.com/articles/american-majority-political-gravity-press-release.pdf>.

<sup>26</sup> *Id.*

<sup>27</sup> Certificate of Formation, Political Gravity, Inc., Secretary of State of Texas, Dec. 21, 2011, *available at* <https://www.documentcloud.org/documents/6775548-Political-Gravity-Certificate-of-Formation.html>.

<sup>28</sup> 2012 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule O, filed June 27, 2013, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/2013\\_07\\_EO%2F26-3594713\\_990O\\_201206](https://projects.propublica.org/nonprofits/display_990/263594713/2013_07_EO%2F26-3594713_990O_201206).

<sup>29</sup> Campaign Finance Search, Texas Ethics Commission, accessed Feb. 14, 2020, *available at* <https://www.ethics.state.tx.us/search/cf/AdvancedSearch.php>.

<sup>30</sup> David Weigel, Why the Tea Party Failed, *Slate*, Nov. 9, 2012, *available at* <https://slate.com/news-and-politics/2012/11/the-tea-party-lost-big-on-election-night-and-must-now-work-with-gop-to-bounce-back.html>.

<sup>31</sup> Certificate of Formation, Political Gravity, Inc., Secretary of State of Texas, Dec. 21, 2011, *available at* <https://www.documentcloud.org/documents/6775548-Political-Gravity-Certificate-of-Formation.html>.

<sup>32</sup> Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule L, Part IV, filed June 27, 2013, *available at* [https://projects.propublica.org/nonprofits/display\\_990/263594713/2013\\_07\\_EO%2F26-3594713\\_990O\\_201206](https://projects.propublica.org/nonprofits/display_990/263594713/2013_07_EO%2F26-3594713_990O_201206); 2012 Return of Organization Exempt from Income Tax, Form 990, American Majority, Inc., filed Feb. 3, 2014, *available at* [https://projects.propublica.org/nonprofits/display\\_990/261501154/2014\\_02\\_EO%2F26-1501154\\_990\\_201212](https://projects.propublica.org/nonprofits/display_990/261501154/2014_02_EO%2F26-1501154_990_201212).

company.<sup>33</sup> In 2012, AM purchased a 5 percent ownership stake in Political Gravity.<sup>34</sup> Essentially, Andrew Ryun was on both sides of these transactions.

Ned Ryun also appears to have drummed up support for the company without disclosing his conflict of interest. After the 2012 election, Mr. Ryun wrote an op-ed in *Human Events* praising the company:

Where most on the Right have struggled is in taking what is useful data and actually having a front-end interface or application that makes it deliverable in a practical, on-the-ground way for the grassroots user.

That's one of the aspects of the technology that American Majority Action and the tech firm Political Gravity have delivered with their joint product, Gravity: not only super-solid data, but also a practical online system in which grassroots workers can punch in a precinct, put in filter (e.g., every female Republican who voted in 2010 primaries in the precinct), and then come up with a list of the voter files requested. From there, identified voting households can be put into the most efficient walk route on a volunteer's iPad, tablet or smartphone.<sup>35</sup>

Mr. Ryun also submitted a positive review on Political Gravity's Facebook page stating, "It was a bit of a no brainer for me to use Voter Contact: they saved me lots of money and got me a better product."<sup>36</sup> A review of campaign finance disbursement data indicates Political Gravity may have stopped acting as a vendor for political campaigns after the 2012 election.<sup>37</sup>

#### *Voter Gravity*

Following his relationship with Political Gravity, Mr. Ryun started another data analytics firm called Voter Gravity, LLC ("Voter Gravity"). Mr. Ryun is listed as the initial registered agent, and an initial director of the company, which filed its Articles of Incorporation on December 24, 2012.<sup>38</sup> The company operates an app that provides data about campaign donors, voters, and activists to political campaigns.<sup>39</sup> In 2013, AM appears to have acquired a 29.9 percent stake in Voter Gravity.<sup>40</sup>

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<sup>33</sup> *Id.*

<sup>34</sup> *Id.*; 2011 Return of Organization Exempt from Income Tax, Form 990, American Majority, Inc., filed Nov. 20, 2012, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/2012\\_12\\_EO%2F26-1501154\\_990\\_201112](https://projects.propublica.org/nonprofits/display_990/261501154/2012_12_EO%2F26-1501154_990_201112).

<sup>35</sup> Ned Ryun, Invest in Grassroots Now, or Lose Again, *Human Events*, Dec. 19, 2012, available at <https://humanevents.com/2012/12/19/ned-ryun-invest-in-grassroots-now-or-lose-again/>.

<sup>36</sup> <https://www.facebook.com/pg/votercontact.org/reviews/>.

<sup>37</sup> Campaign Finance Search, Federal Election Commission, accessed February 20, 2019, available at <https://www.fec.gov/data/>.

<sup>38</sup> Articles of Incorporation, Voter Gravity Inc, Virginia State Corporation Commission, filed Dec. 24, 2012, available at <https://www.documentcloud.org/documents/6789624-Voter-Gravity-Articles-of-Incorporation.html>.

<sup>39</sup> <http://votergravity.com>.

<sup>40</sup> Return of Organization Exempt from Income Tax, Form 990, American Majority, Inc., filed Aug. 14, 2014, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/2015\\_02\\_EO%2F26-1501154\\_990\\_201312](https://projects.propublica.org/nonprofits/display_990/261501154/2015_02_EO%2F26-1501154_990_201312)

Notably, Mr. Ryun receives compensation from AM, AMA, and Voter Gravity. According to 2017 990s for the nonprofits, Mr. Ryun received \$64,800 from AMA, \$78,201 from AM, and an estimated \$27,000 from Voter Gravity, for a total of \$170,001.<sup>41</sup> In 2016, Mr. Ryun received \$48,600 from AMA, \$53,726 from AM, and an estimated \$64,800 from Voter Gravity, for a total of \$167,126.<sup>42</sup> According to the 2018 990 for AM, Mr. Ryun received \$75,517 from AM, and a combined \$108,733 from AMA and Voter Gravity, for a total of \$184,250.<sup>43</sup>

Beyond Mr. Ryun's conflicted compensation, the nonprofits also invested in Voter Gravity, yet do not appear to have received a return on their investment. The numbers disclosed for Voter Gravity roughly parallel the investments for AM Action LLC, which is the controlling entity of Voter Gravity, and also represent a staggering loss of money for the nonprofits. Initially, the nonprofits reported receiving some compensation from Voter Gravity, but eventually the company became a major drag on the nonprofits' finances. While most of the financial information for Voter Gravity is reported on AMA's tax returns, in 2014 AM reported nearly \$200,000 in negative income from Voter Gravity.<sup>44</sup> AMA, for its part, reported in its 990 for the tax year starting July 1, 2013 and ending June 30, 2014, that Voter Gravity had assets of nearly \$1.3 million and received \$6,630 in income.<sup>45</sup>

Voter Gravity's financial outlook declined dramatically in subsequent years. In 2015, AMA reported negative income for Voter Gravity of nearly \$1.9 million while listing its assets at more than \$1.2 million by the end of the reporting period.<sup>46</sup> In 2016, income was more than

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<sup>41</sup> 2017 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., filed May 18, 2018, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/02\\_2019\\_prefixes\\_25-26%2F261501154\\_201712\\_990\\_2019021116085208](https://projects.propublica.org/nonprofits/display_990/261501154/02_2019_prefixes_25-26%2F261501154_201712_990_2019021116085208); 2017 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., filed Nov. 14, 2018, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/02\\_2019\\_prefixes\\_25-26%2F261501154\\_201712\\_990\\_2019021116085208](https://projects.propublica.org/nonprofits/display_990/261501154/02_2019_prefixes_25-26%2F261501154_201712_990_2019021116085208).

<sup>42</sup> 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., filed Nov. 15, 2017, available at [https://projects.propublica.org/nonprofits/display\\_990/263594713/12\\_2017\\_prefixes\\_26-27%2F263594713\\_201612\\_990O\\_2017122915067215](https://projects.propublica.org/nonprofits/display_990/263594713/12_2017_prefixes_26-27%2F263594713_201612_990O_2017122915067215); 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., prepared Nov. 14, 2017, available at <https://www.documentcloud.org/documents/6788667-American-Majority-2016-Form-990.html>.

<sup>43</sup> <https://projects.propublica.org/nonprofits/organizations/261501154/201903199349312700/full>

<sup>44</sup> 2014 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., Schedule R, Part IV, filed March 21, 2016, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/2016\\_07\\_EO%2F26-1501154\\_990\\_201412](https://projects.propublica.org/nonprofits/display_990/261501154/2016_07_EO%2F26-1501154_990_201412).

<sup>45</sup> 2014 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part IV, filed June 12, 2015, available at [https://projects.propublica.org/nonprofits/display\\_990/263594713/2015\\_07\\_EO%2F26-3594713\\_990O\\_201406](https://projects.propublica.org/nonprofits/display_990/263594713/2015_07_EO%2F26-3594713_990O_201406).

<sup>46</sup> This includes an 18-month window from July 1, 2014 to December 31, 2015, when AMA switched its reporting cycle from fiscal year to calendar year. See Fiscal Year 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part IV, filed Oct. 27, 2016, available at <https://www.documentcloud.org/documents/6789632-American-Majority-Action-990-July-2014-to-June.html>; Calendar Year 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part IV, filed Aug. 25, 2017, available at <https://www.documentcloud.org/documents/6789633-American-Majority-Action-990-July-2015-to.html>.

\$800,000 in the red and assets had plummeted to less than \$500,000.<sup>47</sup> In 2017, income was nearly \$400,000 in the negative and assets consisted of nearly \$250,000.<sup>48</sup> AMA appears to have reported to the IRS that the value of Voter Gravity declined dramatically and that AMA's ownership interest share in Voter Gravity is now negative.

Beyond the income loss, AMA also took out loans on behalf of Voter Gravity. In 2015, AMA reported a loan of \$157,513 for Voter Gravity, and in 2016, reported a loan of more than \$150,000.<sup>49</sup> In 2017, AMA reported a loan of nearly \$300,000.<sup>50</sup> Most recently, in 2018, AMA loaned Voter Gravity more than \$300,000.<sup>51</sup> Despite this bleak financial picture, Voter Gravity continued to pay a salary to Mr. Ryun.

### Jurisdiction

#### *IRS*

The IRS is charged with investigating possible violations of federal tax law. As 501(c)(3) and 501(c)(4) organizations, AM and AMA must adhere to all federal tax laws to maintain their tax-exempt status.

#### *DFI*

DFI is charged with enforcing Chapter 202, subchapters I and II, of the Wisconsin Statutes, which govern charitable organizations operating in Wisconsin.<sup>52</sup> AM and AMA have been actively involved in Wisconsin, and they have received DFI licenses to operate. AM first received

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<sup>47</sup> 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part IV, Nov. 15, 2017, available at [https://projects.propublica.org/nonprofits/display\\_990/263594713/12\\_2017\\_prefixes\\_26-27%2F263594713\\_201612\\_990O\\_2017122915067215](https://projects.propublica.org/nonprofits/display_990/263594713/12_2017_prefixes_26-27%2F263594713_201612_990O_2017122915067215).

<sup>48</sup> 2017 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part IV, filed May 18, 2018, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/02\\_2019\\_prefixes\\_25-26%2F261501154\\_201712\\_990\\_2019021116085208](https://projects.propublica.org/nonprofits/display_990/261501154/02_2019_prefixes_25-26%2F261501154_201712_990_2019021116085208).

<sup>49</sup> Calendar Year 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part V, filed Aug. 25, 2017, available at <https://www.documentcloud.org/documents/6789633-American-Majority-Action-990-July-2015-to.html>; 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part V, Nov. 15, 2017, available at [https://projects.propublica.org/nonprofits/display\\_990/263594713/12\\_2017\\_prefixes\\_26-27%2F263594713\\_201612\\_990O\\_2017122915067215](https://projects.propublica.org/nonprofits/display_990/263594713/12_2017_prefixes_26-27%2F263594713_201612_990O_2017122915067215).

<sup>50</sup> 2017 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part V, filed May 18, 2018, available at [https://projects.propublica.org/nonprofits/display\\_990/261501154/02\\_2019\\_prefixes\\_25-26%2F261501154\\_201712\\_990\\_2019021116085208](https://projects.propublica.org/nonprofits/display_990/261501154/02_2019_prefixes_25-26%2F261501154_201712_990_2019021116085208).

<sup>51</sup> 2018 Return of Organization Exempt from Income Tax, Form 990, American Majority Action, Inc., Schedule R, Part V, Nov. 14, 2019, available at [https://apps.irs.gov/pub/epostcard/cor/263594713\\_201812\\_990O\\_2020021817155283.pdf](https://apps.irs.gov/pub/epostcard/cor/263594713_201812_990O_2020021817155283.pdf).

<sup>52</sup> <https://wdfi.org/CharitableOrganizations/>.

a license in 2010 and received an updated license in 2017, which expired on July 31, 2018. AMA first received a license in 2012 and received an updated license on February 6, 2020.<sup>53</sup>

Additionally, one of AM's major donors is located in Wisconsin. In 2018, AM received \$200,000 from the Lynde & Harry Bradley Foundation, Inc, which is based in Milwaukee, Wisconsin.<sup>54</sup> Between 2015 and 2017, the foundation contributed \$645,000 to AM.<sup>55</sup> In 2016, Bradley's \$345,000 contribution constituted around 34 percent of AM's total contributions and grants.<sup>56</sup> Beyond Bradley, AM has received donations from other nonprofits based in Wisconsin including the Einhorn Family Foundation and the John N & Kathleen S MacDonough Foundation.<sup>57</sup>

To lead its Wisconsin efforts, AM maintains an office in the state, which hosts events.<sup>58</sup> Additionally, AM and AMA have financially supported candidates running for office in Wisconsin. According to quotation from an AM representative in a press release on its website:

Since opening our Wisconsin office in October 2010, we have trained 169 new leaders who've gone on to victory across Wisconsin. American Majority is helping to bring conservative reform to the state of Wisconsin by providing candidates the tools to be successful in their campaigns. We're very proud of the results thus far, and we will continue to build on these successes in the future.<sup>59</sup>

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<sup>53</sup> Credential Lookup, Wisconsin Department of Financial Institutions, accessed Feb. 28, 2020, *available at* <https://wdfi.org/ice/berg/Registration/OrgCredentialSearchResults.aspx?CredentialType=800&LicenseNumber=&FirmName=american+majority>.

<sup>54</sup> 2018 Return of Private Foundation, Form 990, The Lynde and Harry Bradley Foundation, Inc., filed Nov. 13, 2019, *available at* [https://projects.propublica.org/nonprofits/display\\_990/396037928/12\\_2019\\_prefixes\\_38-42%2F396037928\\_201812\\_990PF\\_2019122716981869](https://projects.propublica.org/nonprofits/display_990/396037928/12_2019_prefixes_38-42%2F396037928_201812_990PF_2019122716981869).

<sup>55</sup> 2017 Return of Private Foundation, Form 990, The Lynde and Harry Bradley Foundation, Inc., filed Nov. 12, 2018, *available at* [https://projects.propublica.org/nonprofits/display\\_990/396037928/02\\_2019\\_prefixes\\_38-41%2F396037928\\_201712\\_990PF\\_2019020716072237](https://projects.propublica.org/nonprofits/display_990/396037928/02_2019_prefixes_38-41%2F396037928_201712_990PF_2019020716072237); 2016 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., Form 199, Statement 1, prepared Nov. 14, 2017, *available at* <https://www.documentcloud.org/documents/6788667-American-Majority-2016-Form-990.html>; 2015 Return of Organization Exempt from Income Tax, Form 990, American Majority Inc., Form 199, Statement 1, prepared Jan. 12, 2017, *available at* <https://www.documentcloud.org/documents/6788670-American-Majority-2015-Form-990.html>.

<sup>56</sup> Financial Statements and Independent Auditor's Report for 2016 and 2015, American Majority, Inc., Nov. 15, 2017, *available at* <https://www.documentcloud.org/documents/6788674-American-Majority-2016-Audit.html>.

<sup>57</sup> 2016 Return of Private Foundation, Form 990, Einhorn Family Foundation Inc, filed April 28, 2017, *available at* <https://projects.propublica.org/nonprofits/organizations/396643717/201721219349101027/IRS990PF>; 2013 Return of Private Foundation, Form 990, John N & Kathleen S MacDonough Foundation Inc., filed May 14, 2014, *available at* <https://projects.propublica.org/nonprofits/organizations/391924028/201441349349100319/IRS990PF>.

<sup>58</sup> <https://www.americanmajority.org/wisconsin/>; <https://www.americanmajority.org/events/appleton-wi-new-leaders-training/>.

<sup>59</sup> <https://www.americanmajority.org/blog-2/32-american-majority-trained-new-leaders-win/>.

## *California*

AM registered as a charity with the Attorney General of California on September 22, 2009.<sup>60</sup> AMA registered on August 9, 2013. Since then, both organizations have ceased to maintain their registration. On January 9, 2017, the Attorney General issued a delinquency notice to AMA highlighting several problems with AMA's registration. On July 9, 2018, the Attorney General issued a final notice of revocation, which, according to the Attorney General's website, was ultimately revoked on January 11, 2019. On February 7, 2020, the Attorney General issued a notice of intent to suspend AM following several problems with AM's registration paperwork.

Despite its problematic registration, AM has continued to receive contributions in California. In 2014, the Jim Hicks Family Foundation, which is based in Hacienda Heights, California, contributed to AM.<sup>61</sup> In 2015, the Motion Picture Association of America, which is based in Sherman Oaks, California, contributed to AM.<sup>62</sup> In 2017, the Lebherz Family Foundation, based in San Mateo, California, contributed to AM.<sup>63</sup>

### **Alleged Violations**

#### *Excessive Political Spending*

A section 501(c)(4) organization may participate in political activities provided that those activities are not the primary purpose of the organization.<sup>64</sup> In determining whether a particular activity is political campaign activity, the IRS will look at all relevant facts and circumstances.<sup>65</sup> Accordingly, some activities that are not explicitly regulated under state or federal campaign finance law may be still be considered to be political campaign activities under the Code. Factors the IRS considers in determining whether an activity should be treated as political campaign activity, include but are not limited to:

- whether an individual is identified in her capacity as a candidate instead of as a public official;
- whether the activity occurred during an electoral campaign, targeted at voters in a particular election;
- whether it identifies a candidate's position on a public policy issue that has been raised during the campaign to distinguish the candidate from others; and,

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<sup>60</sup> Registry Verification Search, California Office of the Attorney General, *available at* <http://rct.doj.ca.gov/Verification/Web/Search.aspx?facility=Y>.

<sup>61</sup> **2014 Return of Private Foundation, Form 990**, The Jim Hicks Family Foundation, filed Feb. 9, 2016, *available at* <https://projects.propublica.org/nonprofits/organizations/271357705/201620409349100207/IRS990PF>.

<sup>62</sup> **2015 Return of Organization Exempt From Income Tax, Form 990**, Motion Picture Association of America, filed Nov. 2, 2016, *available at* <https://projects.propublica.org/nonprofits/organizations/131068220/201613209349309586/IRS990ScheduleI>.

<sup>63</sup> **2017 Return of Private Foundation, Form 990**, The Lebherz Family Foundation, filed Nov. 14, 2018, *available at* <https://projects.propublica.org/nonprofits/organizations/273048346/201843189349101324/IRS990PF>.

<sup>64</sup> Treas. Reg. § 1.501(c)(4)-1(a)(2).

<sup>65</sup> Rev. Rul. 2004-6 I.R.B. (Jan. 26, 2004). *See also* Rev. Rul. 2007-41, 2007-25 I.R.B. (June 18, 2007) (discussing what is "political" activity under the Code in the context of prohibited activities by a section 501(c)(3) organization).

- whether it is part of an ongoing advocacy campaign on public policy issues.<sup>66</sup>

The limitation on political activity is implicit in the statutory requirement that a section 501(c)(4) organization must be “operated exclusively for the promotion of social welfare” and that political activity is not promoting social welfare.<sup>67</sup> IRS regulations state that “operated exclusively” means “primarily engaged in” but no exact percentage or test has been provided to determine when an organization may be found to operating with a political purpose instead of one for the betterment of social welfare. “Primarily” therefore suggests that political activity must at least be less than 50 percent.

Although there are no numerical guidelines as to the precise level of political campaign activity that would be impermissible for a 501(c)(4) organization, the IRS’s creation of a streamlined application option available to certain section 501(c)(4) applicant organizations offers some indication of acceptable spending and activity levels. Organizations can receive 501(c)(4) status more quickly if they can certify: (i) they devote 60 percent or more of their spending and time on activities that promote social welfare, and (ii) political campaign intervention consumes 40 percent or less of both their spending and time.<sup>68</sup> AMA cannot make such a certification, especially during election years.

AMA’s activities, however, clearly violate this threshold. As noted above, in 2016, AMA spent more than 85 percent of its expenditures on politics, far exceeding the 50 percent threshold.

#### *Failure to Accurately Disclose Donor Information*

As noted above, according to AM’s returns uploaded on Guidestar, AM appears to have submitted incorrect information regarding a major donor to the state of California on its 2015 or 2016 990s or both. Notably, the California return states:

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Additionally, California Government Code Section 12591.1(a) states that anyone who violates any provision of the Uniform Supervision of Trustees for Charitable Purposes Act may be liable for civil penalties of up to \$10,000 and Section 12591.1(b)(2) states that the Attorney General may

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<sup>66</sup> Rev. Rul. 2004-6 I.R.B. (Jan. 26, 2004).

<sup>67</sup> Treas. Reg. § 1.501(c)(4)-1(a)(2)(ii).

<sup>68</sup> IRS Fact Sheet 2013-8, *IRS Offers New Streamlined Option to Certain 501(c)(4) Groups Caught in Application Backlog*, June 2013 (FS 2013-8, 06/24/2013).

issue a cease and desist letter to anyone who “[h]as made a material false statement in an application, statement, or report required to be filed...”<sup>69</sup>

### *Related Transactions*

AM and AMA have used their nonprofit status to preside over a web of interlocking transactions involving multiple nonprofit and for-profit entities. The organizations have disclosed some but not all of these transactions to the IRS. Additionally, the nonprofits have provided substantial sums of money to for profit entities, yet they have received little in return. Given this complicated web of transactions, it is incumbent on the IRS, DFI, and the California Attorney General to determine whether any of these disclosed transactions or other undisclosed transactions violated the nonprofits’ tax-exempt status.

### **Conclusion**

Tax-exempt status is a privilege and organizations that receive that status must adhere to the federal and state laws governing nonprofits. AM and AMA appear to have directly violated laws governing spending on politics. The organizations may have violated other provisions requiring the accurate disclosure of their donors and conducting inappropriate transactions with related entities. Therefore, CfA requests that the IRS, DFI, and the California Attorney General investigate AM and AMA and, if they have violated the law, assess appropriate penalties for the organizations.

Sincerely,



Daniel E. Stevens  
Executive Director

Encls: Form 13909  
Form 2255  
Form CT-9

---

<sup>69</sup> <https://oag.ca.gov/sites/all/files/agweb/pdfs/charities/gov-12580-12599.8.pdf>.

# Exhibit 5

Form **990**  
 Department of the Treasury  
 Internal Revenue Service

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)  
 ▶ Do not enter social security numbers on this form as it may be made public  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No 1545-0047  
2018  
**Open to Public Inspection**

**A For the 2019 calendar year, or tax year beginning 01-01-2018, and ending 12-31-2018**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization AMERICAN MAJORITY ACTION INC  Doing business as  Number and street (or P O box if mail is not delivered to street address) Room/suite PO BOX 309  City or town, state or province, country, and ZIP or foreign postal code PURCELLVILLE, VA 20134	<b>D</b> Employer identification number 26-3594713  <b>E</b> Telephone number (540) 338-1251  <b>G</b> Gross receipts \$ 848,205
<b>F</b> Name and address of principal officer NED RYUN PO BOX 309 PURCELLVILLE, VA 20134		<b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) ( 4 ) ◀ (insert no ) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>L</b> Year of formation 2010 <b>M</b> State of legal domicile VA
<b>J</b> Website: ▶ AMERICANMAJORITYACTION.ORG		
<b>K</b> Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities PROMOTING SOCIAL WELFARE AND CIVIC BETTERMENT THROUGH PROMOTION OF CONSERVATIVE PRINCIPLES	
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) . . . . .	3
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) . . . . .	2
	<b>5</b> Total number of individuals employed in calendar year 2018 (Part V, line 2a) . . . . .	6
	<b>6</b> Total number of volunteers (estimate if necessary) . . . . .	8
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 . . . . .	0
	<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34 . . . . .	0
<b>Revenue</b>	<b>Prior Year</b>	<b>Current Year</b>
	<b>8</b> Contributions and grants (Part VIII, line 1h) . . . . .	500,000
	<b>9</b> Program service revenue (Part VIII, line 2g) . . . . .	0
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) . . . . .	65
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) . . . . .	0
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) . . . . .	500,065
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) . . . . .	0
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) . . . . .	0
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) . . . . .	146,881
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) . . . . .	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 78,312	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) . . . . .	85,570
	<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) . . . . .	232,451
	<b>19</b> Revenue less expenses Subtract line 18 from line 12 . . . . .	267,614
<b>Net Assets or Fund Balances</b>	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>20</b> Total assets (Part X, line 16) . . . . .	385,096
	<b>21</b> Total liabilities (Part X, line 26) . . . . .	34,147
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20 . . . . .	350,949

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

\*\*\*\*\*  
 Signature of officer \_\_\_\_\_ Date 2019-11-14  
 NED C RYUN CEO  
 Type or print name and title \_\_\_\_\_

**Paid Preparer Use Only**

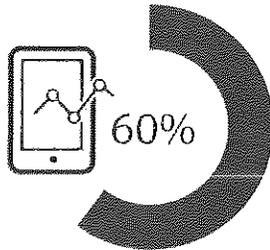
Print/Type preparer's name	Preparer's signature	Date 2019-11-13	Check <input type="checkbox"/> if self-employed	PTIN P01227829
Firm's name ▶ SPONSEL CPA GROUP LLC			Firm's EIN ▶ 27-0851983	
Firm's address ▶ 251 N ILLINOIS ST STE 450 INDIANAPOLIS, IN 46204			Phone no (317) 608-6699	



# Exhibit 6

## We turn data into votes

Innovative political leaders always look for better ways to make an impact with limited resources. Good news: Data and technology can now be integrated into our decision making, get out the vote operations, and messaging efforts, making it part of our political DNA. We believe that technology will completely change politics over the next few elections and the time to integrate is now.



By 2016, 60% of the US population will have a smartphone



## Targeted, insightful and immediate information for your campaign

Voter Gravity is a map and mobile based voter contact platform with an integrated suite of tools. We place powerful data and user friendly technology into the hands of political campaigns and groups of every size. Voter Gravity is the first integrated database platform on the center-right. Our tools are battle tested and ready to enable candidates and activists to get the right message to the right people as efficiently as possible this year and beyond.

# Exhibit 7

**From:** [Hunter Hamberlin](#)  
**To:** [Ben Leman](#)  
**Subject:** ALEC Membership Renewal 2020  
**Date:** Thursday, September 24, 2020 9:13:06 AM

---

Hi Representative Leman,

My name is Hunter Hamberlin and I am the ALEC Legislative Outreach Coordinator for Texas. Your annual [ALEC Membership](#) will be ending at the end of 2020 and will be up for renewal. We do not want you to miss out on the valuable ALEC resources that you have been taking advantage of since 2019.

The demand of everyday life from your family, to your career, to your other obligations, can wear you thin. As you've come to expect throughout your membership, the entire ALEC team is at your beckon call to provide decisionmakers with the necessary tools to create free-market policy solutions that your constituents deserve.

Beyond industry-leading policy resources, your ALEC Membership comes with access to technology resources such as ALEC CARE and CONNECT.

**ALEC CARE**, the exclusive CRM tool for members, allows you to keep track of constituent research and engagement to better serve your community. CARE allows you to customize constituent profiles, set up push text messages, and visualize data trends to improve legislative interactions. This program, developed by VoterGravity, typically costs legislators thousands of dollars. CARE is just one of the many great member benefits you get with your ALEC membership.

**ALEC CONNECT**, an online collaboration space for the 21<sup>st</sup> century, puts the ALEC national network of state leaders and partners at your fingertips. On ALEC CONNECT, you can join discussion pages to collaborate with partners, register for upcoming meetings, view the ALEC events calendar and much more.

With the winter meeting around the corner, [renew today](#) as legislators around the country come together to set their 2021 agendas.

Renew your membership by replying to this email or complete the online form at: [www.alec.org/join](http://www.alec.org/join)

As always, please let me know if you have any questions at 770-363-6076 or [hhamberlin@alec.org](mailto:hhamberlin@alec.org).

Thank you,

Hunter C. Hamberlin

# Exhibit 8

# WE TURN DATA INTO VOTES—WE ENGINEER VICTORY



Voter Gravity is a map and mobile-based voter contact platform with an integrated suite of tools. We place powerful data and user-friendly technology into the hands of political campaigns and groups of every size.

Voter Gravity is an approved mobile app vendor of the Republican National Committee and fully integrated with the RNC's database. Clients access voter data, connect with voters through mobile canvassing, conduct surveys and phone banks, and analyze results via a user-friendly dashboard.

## Voter Gravity Features



**Voter Data:** Access a statewide voter database with vote histories and rooftop geocodes. Pinpoint any voter in seconds with maps from Esri and its ArcGIS (Geographic Information System) maps and data.



**Customer Relationship Management System (CRM):** Better understand and manage donors, voters, and volunteers with editable individual profiles. Quickly create walk-lists and call-lists based on targeted criteria.



**Customized Dynamic Surveys:** Build and run an unlimited amount of surveys simultaneously for door knocking, phone banks or events. Smoothly switch surveys on a mobile device while speaking with voters at their doorsteps.



**Mobile Canvassing:** Gather voter data with any mobile device. Pull up walk-lists and run surveys that upon completion upload to the Voter Gravity database in real-time.



**Phone System:** Run a live phone bank with the Voter Gravity phone system or run an automated touch-tone survey "flash poll" on candidates and issues of any targeted voter universe you choose. Predictive dialing can also be set up through the Voter Gravity system to re-target voters.



**Web-based Integration Tools:** Integrate with hundreds of web apps including Facebook, MailChimp, Anedot, Survey Monkey, and Eventbrite in an automated process.



**Campaign Intelligence Dashboard:** Track and manage your campaign with the Intelligence Dashboard that gives you a real-time visualization of your most important data-points.



**Website Setup:** Clients can receive a fully-built and integrated website that is desktop, tablet, and mobile friendly, secure, stable, integrated, and SEO charged.



**24/7 Support:** Rely on a dedicated support team. In addition to a self-help center, our team of full-time software engineers is on call 24/7.





## Targeted, Insightful and Immediate Information

With all of its features, Voter Gravity produces targeted, insightful and immediate information about voters, donors, and activists that mean the most to a campaign. Easily access all of the voter data you need and turn that data into votes.

## Pricing

NUMBER OF VOTERS IN ACCOUNT	MONTHLY FEE
Up to 50,000	\$99 - All small races
50,000 - 150,000	\$240 - Larger state house and smaller counties
150,000 - 300,000	\$558 - State senate, medium counties
300,000 - 1,500,000	\$999 - Large county, Congressional, up to small statewide
LARGER STATEWIDE PRICING	MONTHLY FEE
1,500,000 to 3,000,000	\$1,500
3,000,000 to 5,000,000	\$2,000
5,000,000 to 8,000,000	\$2,500
8,000,000 to 10,000,000	\$3,000
Over 10,000,000	\$5,000

We challenge you to take voter contact to the next level. Contact our team at [sales@votergravity.com](mailto:sales@votergravity.com) or register for a demo at [votergravity.com/demo](http://votergravity.com/demo).

# Exhibit 9

## Norm Moore

---

**From:** Will Davies <wdavies@alec.org>  
**Sent:** Thursday, January 7, 2021 1:10 PM  
**To:** Sine Kerr; Russell Smoldon; T.J. Shope  
**Cc:** Emily Rice  
**Subject:** ALEC State Chair Call Follow Up  
**Attachments:** Arizona ALEC Membership Document.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hello Everyone,

I wanted to pass along the document Bill and I referenced during the call we had on Tuesday. The document has folks whose memberships are current, those whose memberships expired at the end of 2020 and those whose memberships expired at the end of 2019 or later. It also contains the amount of money in the travel reimbursement fund.

Below are some top-line things we covered during the call. Also, there will be a FAQ sheet in the State Chair Box we are sending out next week with everything you need to know.

### State Chair Monthly Touch Points

- **Week 1-Action Item Sent the First Wednesday of Every Month** – This updates you on the ALEC agenda for the month and a recruitment letter that is tailored for you to send to your delegation.
- **Week 2-The State Chairs Call Agenda and Calendar Invite and the State Intelligence Digest:** The agenda is what you should expect and look forward to the following week and the State Intelligence Digest is a comprehensive document put together by the membership team that highlights the political news and events happening in all 50 States.
- **Week 3-The State Chairs Call on the 3<sup>rd</sup> Friday of every month at Noon EST:** This 30-40 minute call serves as a check-in call. State Chairs hear about what is taking place at ALEC, they hear from an outside speaker such as pollster Scott Rasmussen or an ALEC policy expert who talks about a hot button policy issue taking place in the states.
- **Week 4-State Intelligence Digest is sent out**

### New Member Information

- Membership Costs: \$100 a year
- New this year...the ability to join two task forces.
- Within a week of joining they get a call from their membership representative.
- They receive a new member packet that has a welcome letter confirming their membership and task force, relevant information related to their Task Force choice, ALEC Member benefits such as CARE, CONNECT and other valuable information.
- 4-week email series
  - Welcome to ALEC
  - Taskforce Information
  - Policy Resources
  - Breakdown of ALEC Member Benefits (CARE and CONNECT)
    - CARE-Constituent Analytic Research Exchange is a CRM that allows legislators to communicate effectively with their constituents. This software would cost \$3,000 if bought by a member, but is a member benefit.

- CONNECT-Half search engine, half online forum. CONNECT is designed to help members find the policy documents they need while also allowing dialogue between legislators from all parts of the country.

I know things are in limbo in Arizona on whether the session will be in person or virtual. Once those details get hammered out, I will be happy to schedule an issue briefing on whatever y'all would like.

All the best,

Will

**Will Davies**  
Manager, Member Engagement  
American Legislative Exchange Council  
o: 571-482-5033

[wdavies@alec.org](mailto:wdavies@alec.org)



**Upcoming Meetings:**

2021 Annual Meeting, July 28 – 30, Salt Lake City UT

2021 States and Nation Policy Summit, December 1 – 3, San Diego CA

*The American Legislative Exchange Council is a 501(c)3 nonprofit organization and is the largest nonpartisan, voluntary membership organization of state legislators in the United States dedicated to the principles of limited government, free markets and federalism. The Council is governed by state legislators who comprise the National Board of Legislators and is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.*

**STATEMENT OF CONFIDENTIALITY**

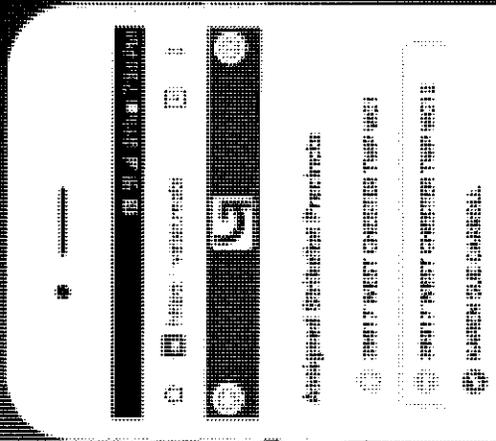
*The information contained in this electronic message and any attachments to this message are intended for the exclusive use of the addressee(s) and may contain confidential and/or privileged information. This message or any part thereof must not be disclosed, copied, distributed or retained by any person without specific and direct authorization from the addressee(s). If you are not the intended recipient, please notify Will Davies, ALEC, immediately at (571) 482-5033 and at [wdavies@alec.org](mailto:wdavies@alec.org) and destroy all copies of this message and any attachments.*

# Exhibit 10

# Request a demo

At the City of Chicago, we've developed a modern, secure, and compliant solution for managing your energy, water, utility, and transportation data. Before committing to this exciting opportunity, please

Request a demo





# Demo

## Ready to win?

Voter Gravity empowers campaigns to unleash their voter contact efforts, making your strategy bigger, faster, and more targeted than ever before.

Let's start a conversation today. Fill out the form below to get started.

Full Name \*

Organization

Email \*

Phone

Are you interested in speaking with someone about your direct mail or printing needs? \*

Are you a member of the American Legislative Exchange Council?

What else?

Please share any other thoughts or background information we should know before contacting you.

additional questions / comments

Submit

# Voter Canvassing for Republican Operatives



## In the Trenches: What Republican Operatives Need to Know About Voter Canvassing

When it comes to actually turning out voters, one of the most effective campaign methods is also the oldest: door-to-door canvassing. For decades, political scientists have analyzed and debated the effectiveness of various campaign tactics, and the utility of canvassing remains one of the few undisputed conclusions reached by major scholars of the subject.

### In the Trenches:



votergravity

This voter Gravity report brings you the latest research in door-to-door effectiveness:

What you'll learn:

Search

### Recent Posts

Political Independents and Why They Matter to You

How Social Media Impacts Elections

Does Direct Mail Still Matter for Your Campaign?

The Stats: Why The Ground Game is Key to Winning

Download Studies to Discover Impact of Social Media, Direct Mail, Voter Canvassing, and More



LOGIN

DEMO

PARTNERS

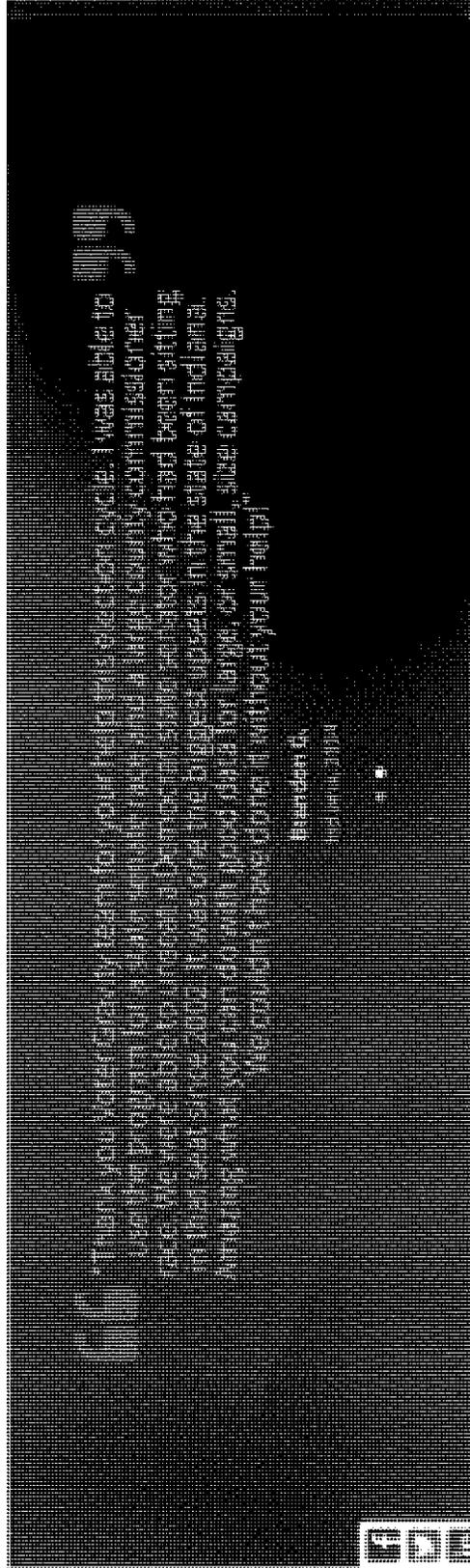
RESOURCES

BLOG

FEATURES

ABOUT

HOME



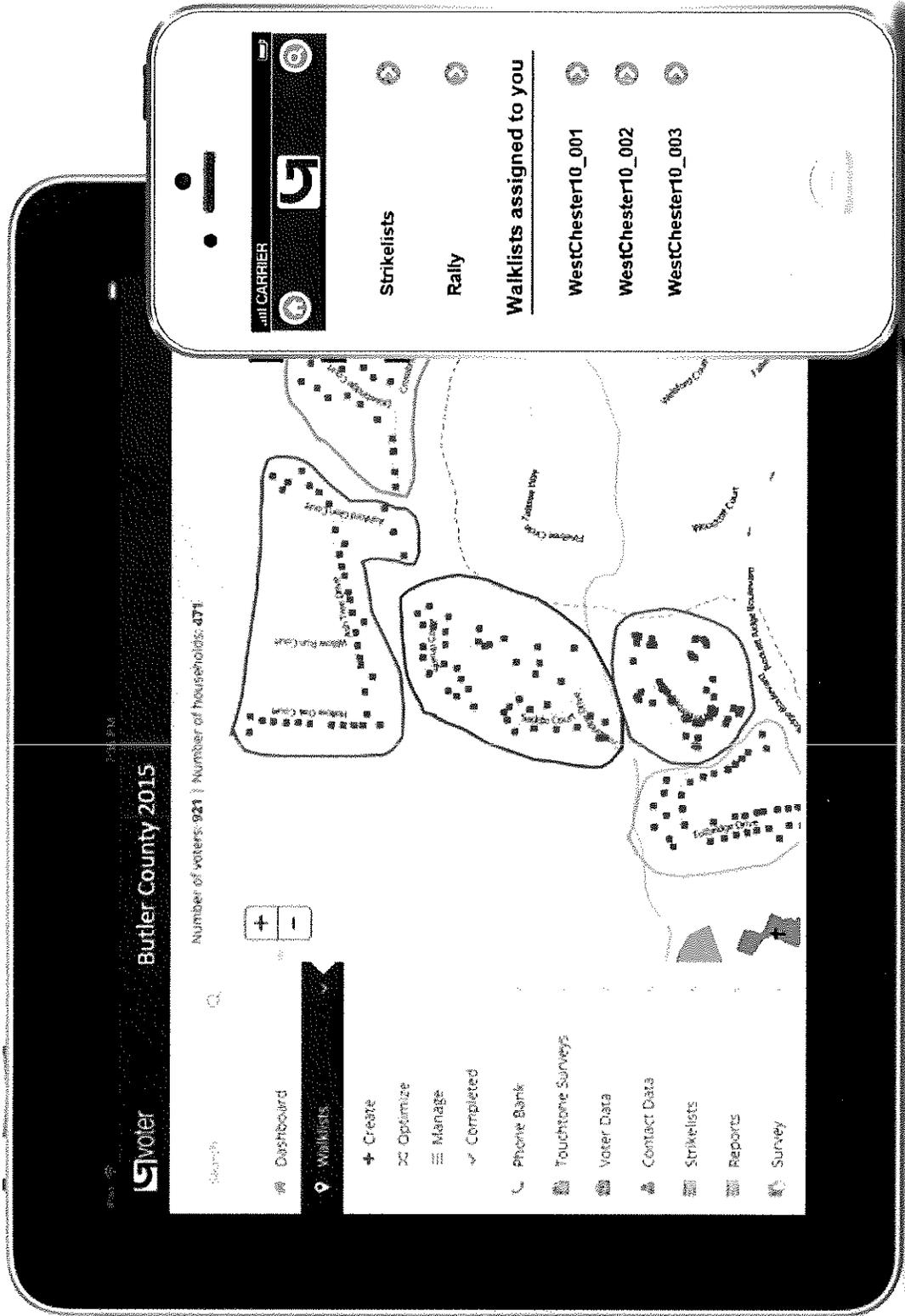
## Support

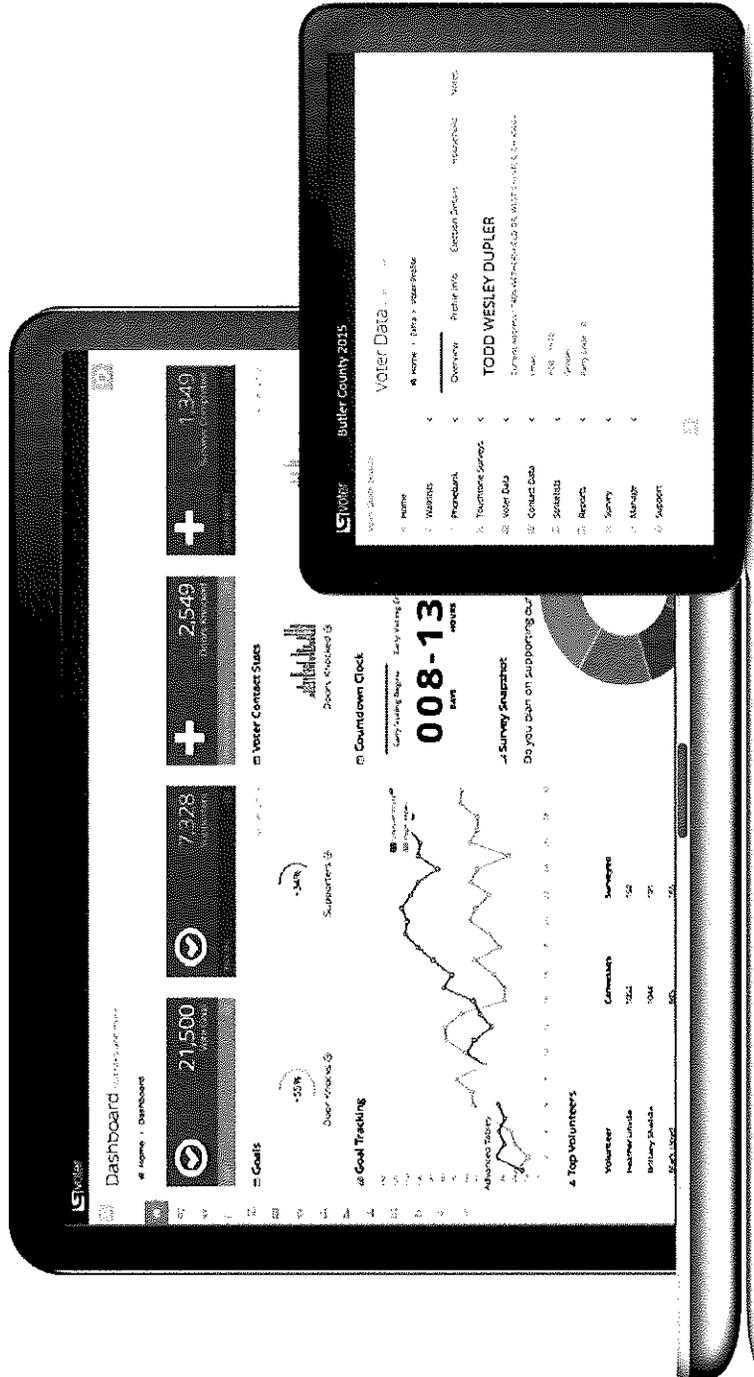
For user support and helpful instructions, please follow the button below. If you don't find what you're looking for, please feel free to contact us for further assistance.

## Newsletter

Receive exclusive news, updates and information from Voter Gravity.

Sign Up

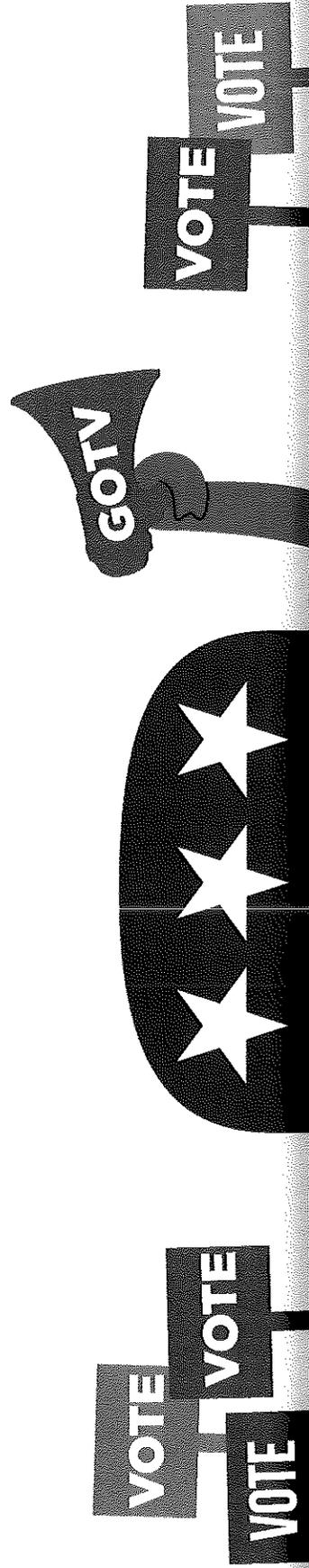




# In the Trenches:

What Republican Operatives Need to Know About Voter Canvassing

By Dr. George Hawley, Assistant Professor of Political Science, The University of Alabama



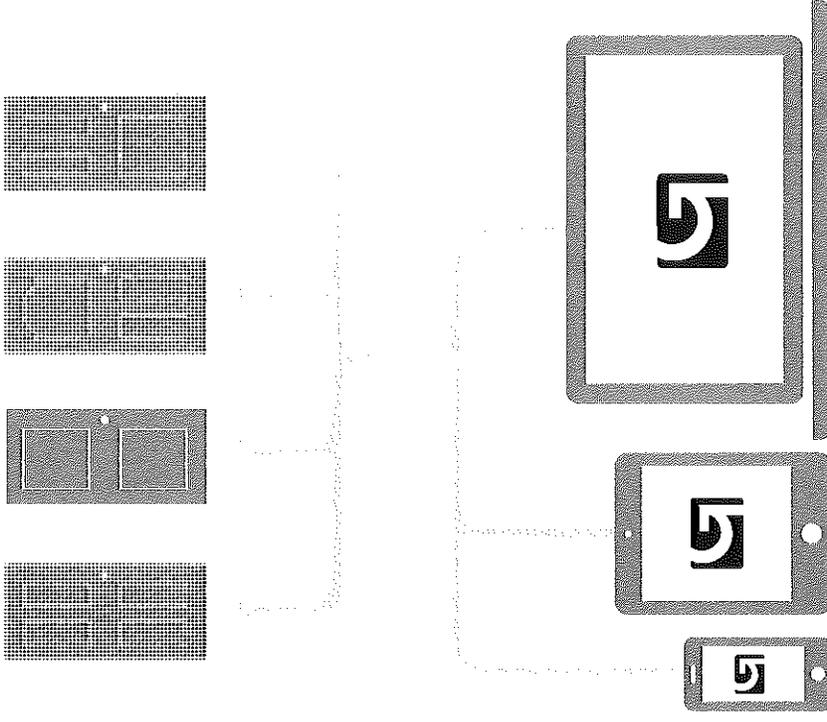
## Introduction

When it comes to actually turning out voters, one of the most effective campaign methods is also the oldest: door-to-door canvassing. Even in this age of expensive consultants and slick advertising, nothing beats face-to-face contact with actual voters. For decades, political scientists have analyzed and debated the effectiveness of various means of campaigning, and the utility of canvassing remains one of the few undisputed conclusions reached by major scholars of the subject.

Unfortunately, canvassing requires a colossal amount of time and lots of hard work. Even worse, if it is not conducted correctly, it can be useless or even counterproductive. It rarely makes sense to knock on every door in a neighborhood. It is waste of time to ring someone's doorbell if they are committed to voting for the opposing candidate and cannot be persuaded otherwise. Time – a candidate's own and that of volunteers – is a precious commodity of any campaign. To be effective, canvassing efforts must be properly targeted.

The good news is that the technology exists to coordinate a precisely targeted campaign. President Obama's reelection campaign represented a new peak in campaign technology. The techniques implemented by the president's campaign staff are ideologically neutral. What worked for them can work for others.

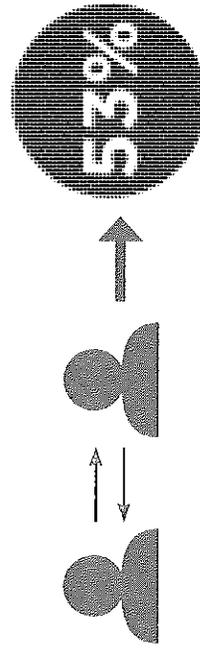
However, advanced technology alone is not enough to assure effective voter contact. Fortunately, the political science literature provides useful guidance for how to reach your potential voters and get them to the polls.



## Voter canvassing works

Donald Green and Alan Gerber are the most renowned scholars of campaign techniques. In a 2000 study, they estimated that face-to-face voter mobilization increases voter turnout by 53 percent among those canvassed in a local election.<sup>i</sup> These results are congruent with older studies, such as those conducted by Rosenstone and Hansen<sup>ii</sup> and Verba, Schlozman, and Brady.<sup>iii</sup>

In their analysis of all the major studies conducted on voter canvassing, Green and Gerber found that the overwhelming majority of all research on the subject indicates that voter canvassing boosts turnout. Based on their thorough examination of all the relevant research, they concluded that **one additional vote is generated for every fourteen voters that canvassers contact.**<sup>iv</sup> In a tight race, effective voter contact can make the difference between victory and defeat. As they noted in the conclusion of a 2003 study of canvassing in local elections (which concluded that as few as twelve face-to-face contacts with voters were necessary to earn an additional vote), at a large scale, voter canvassing can have an impressive effect and be worth the expense:



Face-to-face voter mobilization increases voter turnout by 53 percent

*Consider what this finding implies for a large scale GOTV campaign. Suppose one were to hire campaign workers at a rate of \$10 per hour. According to our records for Bridgeport and Columbus, where canvassers traveled in pairs but approached different doors, canvassers contacted eight voters per hour. In Raleigh and St. Paul, the rate was five contacts per hour, but this figure reflects the fact that in these sites canvassers not only traveled in pairs but also went in pairs up to every door. Had the teams of canvassers split up, the contacts per hour would presumably have doubled. If we imagine that **the average canvasser makes eight contacts per hour**, the cost per vote would be \$15.*

It is worth noting that voter canvassing has a different effect on different elements of the electorate. Importantly, canvassing has a greater impact on intended non-voters than intended voters.

**When someone who claims he or she is not going to vote is exposed to campaign efforts, this person becomes more likely to later decide to vote.<sup>v</sup>**

## When it comes to vote choice, party identification is key

The primacy of party identification when it comes to vote choice was one of the most important findings of political science in the 20<sup>th</sup> century. The party with which a voter identifies is a powerful predictor of who he or she will vote for in this election and many elections to come. For most people, party identification is stable over long periods in the absence of a major exogenous shock like a war or depression.

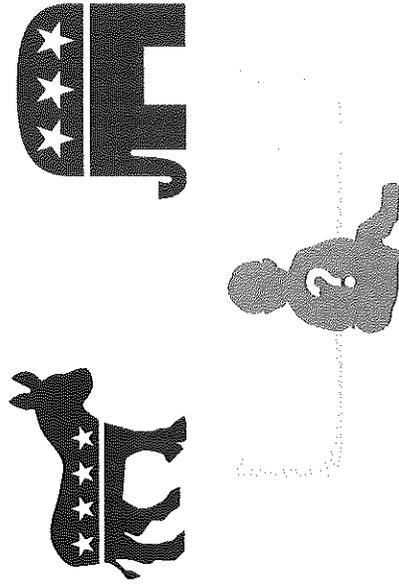
There are many competing theories of party identification. Some contend that party identification stems from early socialization, starting as early as childhood.<sup>vi</sup> Others have argued that party identification stems from our key social identities.<sup>vii</sup> A prominent political scientist has argued that our partisan identities are the result of our “running tallies” of government performance – if the party we typically support is leading to worse outcomes, we may abandon that party.<sup>viii</sup> Ultimately, however, the roots of party identification are not important for our purposes. Party identification is important because it predicts voter behavior.

Using party identification to target voters is easier in some states than in others. In many states, voters specifically register as members of political parties, and these membership lists are publicly available. Records of voting in closed primaries can also allow you to pinpoint party identifiers.

When identifying your core voters, these lists can be indispensable, but they are not enough.

Official party listings can become out of date. This can be a particular problem in the South where many older voters joined the Democratic Party decades ago, but have consistently voted Republican in all recent elections. More importantly, many people consistently support a political party in every general election cycle, but do not formally belong to a party.

Oftentimes, the best way to determine a voter’s party identification is to ask. However, even this has pitfalls.



**Party identification is important  
because it predicts voter behavior.**

# Don't immediately take independents at their word

During the 1970s, many scholars and commentators examined data indicating that the political parties were in trouble. Americans were ceasing to identify with either of the two major parties at an alarming rate. More and more Americans described themselves as “independents” when asked to name their political party. Many speculated that we had entered a new era in American politics, when campaigns would be issue and personality driven and voters would pay little attention to partisan labels when making decisions. Split ticket voting was expected to rise.

It turned out that these proclamations about the death of partisanship were premature. Yes, many Americans were calling themselves “independent,” but their voting behavior was not congruent with that classification.

Political scientists have since learned that party identification should not be categorized as a variable with only three possible values. It became clear that voters needed to be asked an important follow-up question. We now typically treat party identification as a seven-point scale, ranging from “strong Republican” to “strong Democrat.”

The common procedure in political science surveys is to ask self-described independents the following question: “If you had to choose, would you say you lean more toward the Republicans or the Democrats, or do you have no preference?”

It turns out that most of these so-called independents will admit to preferring one party over the other. The number of true independents is actually small, and always has been. More importantly, these independent “leaners” are often just as partisan as people who immediately admit to supporting a political party.<sup>ix</sup> In fact, they may be more dedicated to their party.

To demonstrate what I mean, we can look at the most recent American National Election Study, conducted during the 2012 presidential election. Below we see the vote choice of respondents based on their stated party identification.

First, let's take a look at the distribution when party identification is treated as a variable with three categories.



Percentage Voted for Romney

## Don't immediately take independents at their word (cont.)

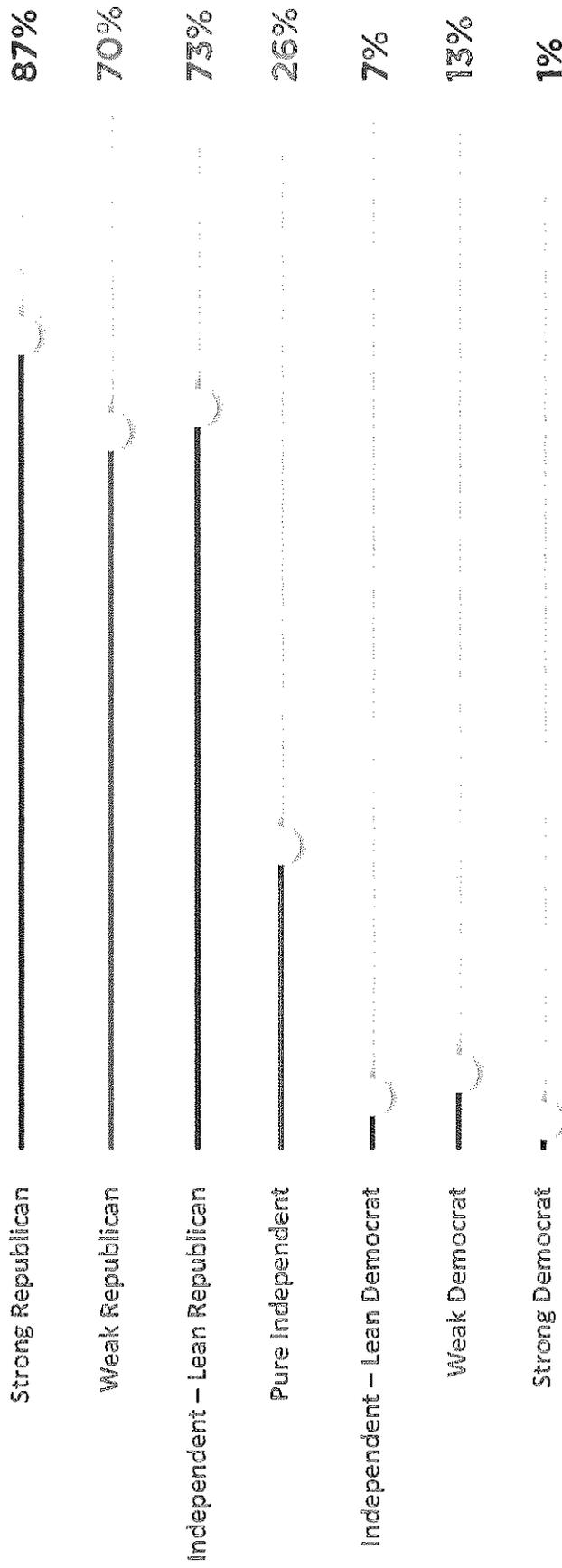
When we consider party identification this way, it appears that independents are split – though a strong majority of self-described independents voted against Romney in 2012.

Now it should become clear why some “independents” deserve more attention from your campaign than others.

When we expand our partisan categories, however, a different picture emerges.

Independents who, when pushed, admitted that they leaned toward the Republican Party, were actually *more likely* to vote for Romney than Republicans who said their party allegiance was not strong.

Percentage Voted for Romney



## The geography of campaign donations is not the same as the geography of partisan voting

Where a party can find money is not the same as where it can find votes. This is especially true of the Republican Party. As Gimpel, Lee, and Kaminski demonstrated, a community that gives a lot of money to one party is likely also a place where the opposing party can raise money.<sup>x</sup> It makes sense to write off certain communities as a major source of votes, but even if

a large majority of people within a geographic unit vote for the opposing party, that community may nonetheless contain many wealthy people willing to write your party a check. Republicans are able to raise a lot of money in Boston and San Francisco, even though the voters in those cities are overwhelmingly Democratic.

## Demographic classifications are not perfect predictors of vote choice, but they can offer clues

Following the 2004 presidential election, political analysts were quick to attribute the sophisticated “microtargeting” techniques of the Bush campaign for the president’s reelection. It was said that by accumulating massive amounts of consumer information, the Bush campaign was able to precisely target potential voters based on seemingly non-political attributes. Whether a person preferred Dr. Pepper or Pepsi supposedly told you how a person was going to vote.

It is my opinion that the hype about microtargeting was unjustified.



Gathering this kind of consumer information is expensive, and it is very unlikely that is worth the effort. For one, the relationship between consumer choices and voter behavior is likely spurious in many cases. After controlling for age, race, geographic location, home ownership, marital status, and income, whether

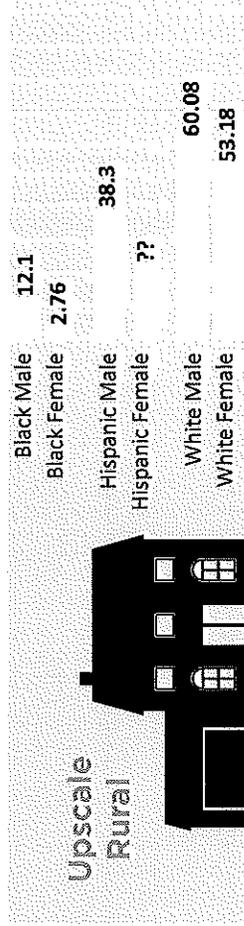
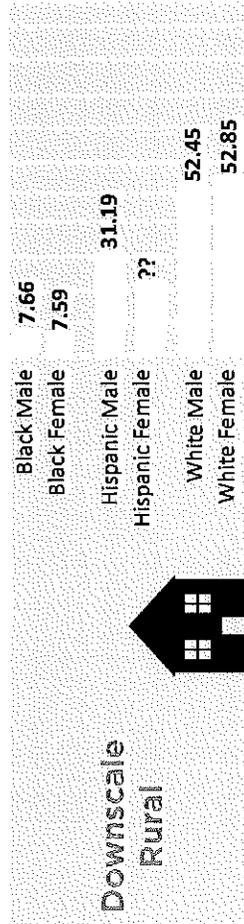
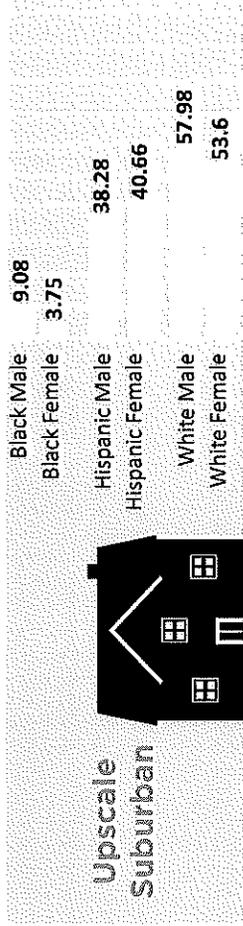
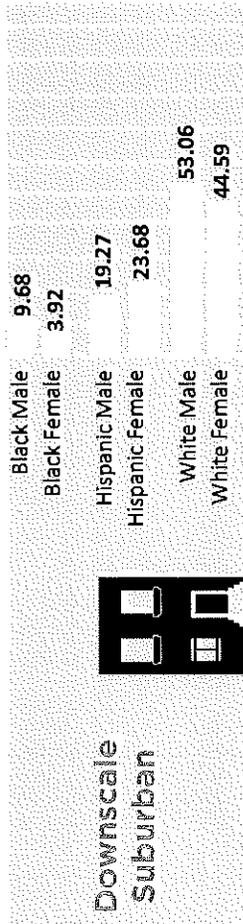
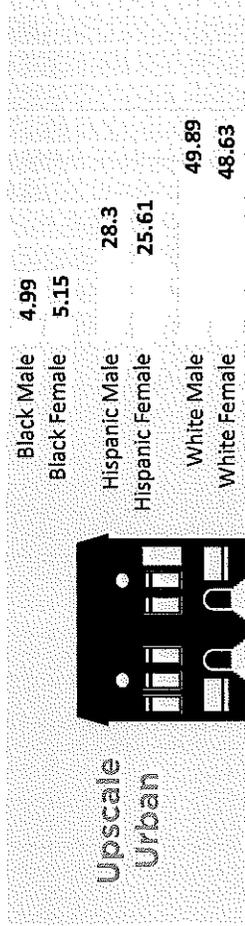
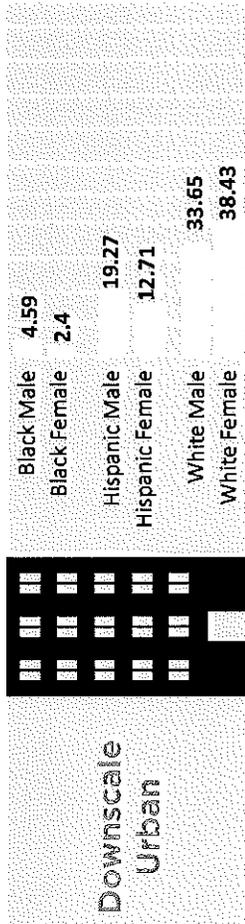
someone likes Busch Lite more than German Rieslings will almost certainly cease to be a statistically or substantively significant predictor of vote choice.

The good news is that other voter characteristics, which are publicly available, remain valuable predictors of voter behavior. Looking at exit polls for House elections from 2008 (I would have used 2012, but those raw data are not yet posted to ICPSR), we can plainly see that huge percentages of certain demographic categories vote for candidates of one party, and relatively few groups are evenly split.

I generated the figure using four very simple demographic and geographic predictors: race, gender, neighborhood type, and whether the voter lived in an upscale or a downscale neighborhood. It is true that we improve our accuracy as we include additional characteristics, but even a very simple analysis like this yields important information about where a campaign should look for votes, and where a campaign should not bother.



# Percentage that Voted Republican in 2008 U.S. House Elections



## Wedge issues are real, and can be used to peel away voters from the opposing candidate

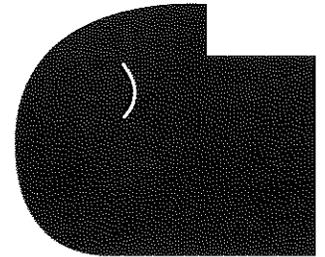
Affiliating with a party is one of the most important predictors of vote choice, but many of those who affiliate with the opposing party can be peeled away. Hillygus and Shields describe a category within the electorate called “persuadable voters.”<sup>xi</sup> These voters typically describe themselves as members of a political party, but they disagree with that party on one or more very important issue. Without a push, this issue is not likely

going to sway their standing decision to vote for a particular party. However, if a campaign pushes that issue, either through a targeted message or more generally, such voters can be persuaded to abandon their party on Election Day.

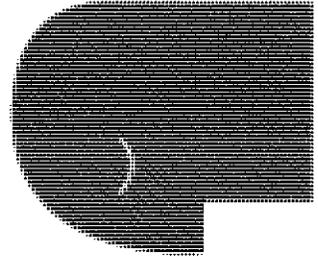
## When it comes to voter canvassing, the method seems to matter more than the message

One may be concerned about relying on an army of volunteers to engage in voter canvassing. Will volunteers stay on message? Will they be able to precisely gauge how to best present information to a potential voter? While proper training is important, training does not have to take long and one does not need to be a professional to be an effective canvasser.

Scholars have attempted to discern whether certain scripts are more effective than others when it comes to voter outreach. There is little evidence at this point that the content of the message matters very much. It is the personal contact, ideally with someone from the potential voter’s community<sup>xii</sup>, which matters the most.



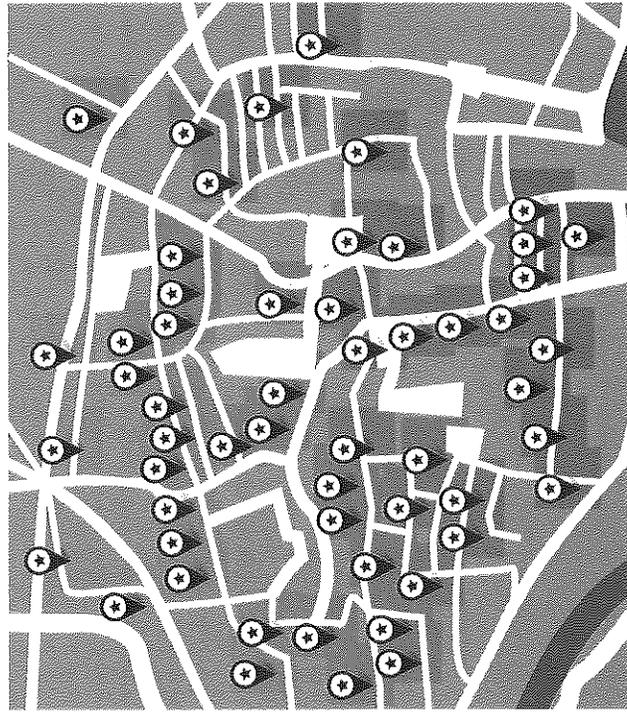
It's personal contact . . . which matters the most



# Voter canvassing is important to voter turnout *and* voter persuasion

The majority of all studies conducted on the effects of voter canvassing have focused on voter turnout. Does canvassing get voters to the polls? Whether canvassing can actually *change* vote choice is less examined. This is not because the subject is uninteresting or unimportant, but it is extraordinarily difficult to measure. Because states record whether a person voted, but not who they voted for, we do not have individual data on vote choice. Post-election surveys have value, but they are expensive and responses are not always perfectly reliable.

However, a handful of studies have considered whether or not voter canvassing can actually change minds, and we see some compelling evidence that this is the case. Kevin Arceneaux found that both door-to-door canvassing and the use of commercial phone banks can increase support for a candidate.<sup>xiii</sup> Lam and Peyton reached similar conclusions.<sup>xiv</sup>



## Additional useful tips

Experimental studies confirm what common sense already tells you. The most effective canvassers are dressed professionally, polite, appear to be upstanding citizens, and are adults in the prime of their lives. The least effective canvassers wear offensive clothing and express an inappropriate attitude.<sup>xv</sup>

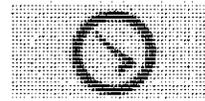
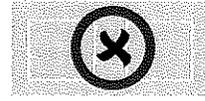
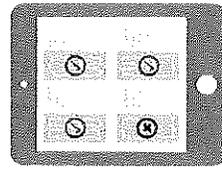
Voters, on average, prefer canvassers who are co-ethnics.<sup>xvi</sup>

The weather impacts the efficacy of canvassing. For whatever reason, door-to-door canvassing that occurs during unseasonably hot weather tends to be less effective when it comes to voter mobilization. The effectiveness of phone calls tends to decrease during precipitation.<sup>xvii</sup>

## Summary

**... until we directly ask them, we do not know for sure if a person is planning vote, for whom they plan to vote, or whether they can be persuaded**

To conclude, voter canvassing is an excellent use of campaign resources. In a close race, effective canvassing can make the difference between victory and defeat. However, in a world of limited time, money, and volunteers, you need to target your canvassing efforts on those who can be persuaded to vote for your candidate. Because we are dealing with human beings, there is always a stochastic element – until we directly ask them, we do not know for sure if a person is planning vote, for whom they plan to vote, or whether they can be persuaded. However, we now know enough about turnout and vote choice to make reasonable decisions regarding whom to target, and possess the technology to put that knowledge to work.



## About the Author

George Hawley is an assistant professor of political science at the University of Alabama. He received his PhD from the University of Houston. His research interests include demography, electoral behavior, political parties, immigration policy, and the U.S. Congress, and his doctoral dissertation and first book, *Voting and Migration Patterns in the U.S.*, focused on migration and the geographic partisan sort in the United States -- that is, he examined the degree to which migration is leading to an increasing number of politically homogeneous geographic units throughout the United States. His forthcoming book, *White Voters in 21<sup>st</sup> Century America*, examines the voting behavior of non-Hispanic whites, and speculates on how the changing demographic profile of the United States will influence American politics in the decades ahead.

He earned BA degrees in journalism and political science at Central Washington University, and earned his MA in political science at the University of Houston. He also has years of work experience in Washington, DC.

Dr. Hawley is a proud native of northwest Washington State, but presently enjoys life in Alabama with his wife and son.

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Voter Gravity is a campaign technology company that brings a powerful voter database, voter acquisition technology and a user-friendly mobile canvassing solution to campaigns and advocacy groups. Voter Gravity integrates innovative voter contact tools, an extensive voter database, and a user-friendly dashboard to capture voter contact information. For further product features, visit Voter Gravity's features page at [www.VoterGravity.com/features](http://www.VoterGravity.com/features).



# Exhibit 11



**FOR IMMEDIATE RELEASE**  
**August 25, 2015**

**Contact: Aubrey Blankenship**  
**aubrey@votergravity.com**

### **Voter Gravity Announces Integration with the RNC Database**

**Purcellville, VA-** Voter Gravity ([www.VoterGravity.com](http://www.VoterGravity.com)), a campaign technology company that helps users turn data into votes, announced today that it has fully integrated with the Republican National Committee database.

"We're excited about these API integrations," said Ned Ryun, CEO of Voter Gravity. "This will allow any candidate or state party who chooses to use Voter Gravity on the front end to put data back in real time into the RNC."

"We believe that this is going to help more Republican candidates win in 2016," said Chris Littleton, head of operations at Voter Gravity. "We're going to continue pushing the envelope on our software and make Voter Gravity an even more powerful, user-friendly system."

Voter Gravity's suite of tools and features include a mobile app, phone system, CRM, touchtone surveys, Esri-based maps and walk-list cutting, with more features being rolled out Fall of 2015.

"Our ultimate goal is to outmaneuver the left philosophically and politically," Ryun added. "And the best way to accomplish this is to fully leverage all of our data technology for the center Right, while always keeping true to our strongly held beliefs."

#### **About Voter Gravity**

Voter Gravity, a campaign technology company, gives users access to their voter data and the ability to integrate that data, leverage an up-to-date voter database, connect with voters through mobile canvassing and other tools, and analyze results via a user-friendly dashboard. For further product features, media should go to Voter Gravity's features page at [www.VoterGravity.com/features](http://www.VoterGravity.com/features).

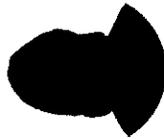
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# Exhibit 12

# Voter Profile voter information and history

[Home](#) > [Voter Profile](#)

[Overview](#) [Election Details](#) [Household](#) [Notes](#) [Tags](#) [Demographics](#)



Political Ideology - Conservative

Interested in Tax Issues

Children Present

Income [REDACTED]

Donor

Education - High School

Religion [REDACTED]

Tea Party Supporter

# Voter Profile voter information and history

[Home](#) > [Voter Profile](#)

[Overview](#) [Election Details](#) [Household](#) [Notes](#) [Tags](#) [Demographics](#)



Gender: Male

Party Affiliation: Inferred Republican

Registration Date: [Redacted]

Turnout Score: 30

Home Phone: [Redacted]

Cell Phone: [Redacted]

Home Email Address: [Redacted]

Work Email Address: [Redacted]

Other Email Address: [Redacted]

Twitter: [Redacted]

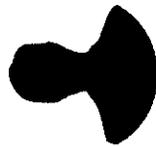
Aristotle ID: [Redacted]

RNC ID: [Redacted]

# Voter Profile voter information and history

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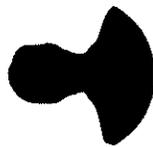
## Vote History

2020 General	✓
2020 Primary	✓
2020 Presidential Primary	✓
2019 Spring	✓
2018 Primary	✓
2018 Spring	✓
2018 General	✓
2017 Spring	✓
2017 General	✓
2017 Primary	✓
2016 Primary	✓
2016 General	✓
2016 Presidential Primary	✓
2015 Primary	✓
2015 General	✓

# Voter Profile voter information and history

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**Second Amendment Supporter**

**Environmentalist**

**Persuadable Voter**

**Political Ideology - Conservative**

**Interested in Tax Issues**

**Children Present**

**Income** [REDACTED]

**Education - Graduate School**

**Religion** [REDACTED]

# Voter Data Search

[Home](#) > [Voter Data](#) > [Search](#)

## Search Voter

Address
<input type="text"/>
Name
Address
Twitter
Email Address
RNC ID
Aristotle ID

Abbreviated Address

Submit

Last Name

Middle Name

g address search try abbreviating address (i.e. 10 S Main St).

Showing 0 to 0 of 0 entries

SurveyMonkey

Link SurveyMonkey Account

RNC Integration

Access Token

Enter RNC Access Token

Save

Eventbrite Integration

Link EventBrite Account

Anedot Integration

Username

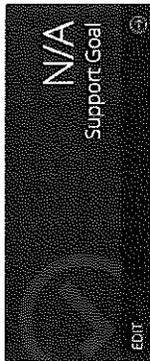
Username 

API Key

API Key

Save

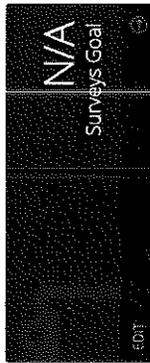
**GOAL TRACKING**



N/A%

Identified Supporters

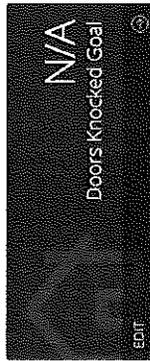
(Add a goal in the dashboard settings to track your progress)



N/A%

Completed Surveys

(Add a goal in the dashboard settings to track your progress)



N/A%

Door Knocks

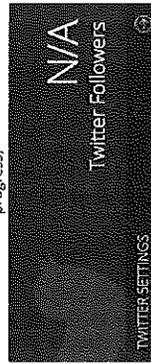
(Add a goal in the dashboard settings to track your progress)



N/A%

Phones Called

(Add a goal in the dashboard settings to track your progress)



**WALKLIST STATS**

N/A%

Walklist Survey Completion Rate

Walklist Supporter Identification

N/A%

Phone Survey Completion Rate

Phone Supporter Identification

**PHONE BANK STATS**

N/A%

Phones Called By Day

Phone Surveys Completed By Day

**WALKLIST ACTIVITY**

User Reached Surveyed

**PHONE ACTIVITY**

User Reached Surveyed

**GOAL TRACKING**

0

0

0

0

0

**COUNTDOWN CLOCK** (Time zone: America/New\_York)

0 DAYS 0 HRS 00 MIN 00 SEC

**SURVEY SNAPSHOT**

Select a survey and question under Manage Dashboard Settings

 Dashboard

 Walklists



 Phone Bank



 Email



 Campaigns

 Content Blocks

 Lists

 Settings

 SMS

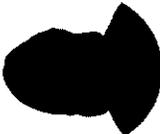


# Voter Profile

voter information and history

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[Redacted]

Military Supporter

Persuadable Voter

Political Ideology - Conservative

Interested In Tax Issues

Veteran

Children Present

Income [Redacted]

Donor

Education - High School

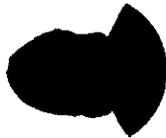
Religion [Redacted]

# Voter Profile

voter information and history

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Environmentalist

Political Ideology - Conservative

Interested in Tax Issues

Children Present

Income

Donor

Education - High School

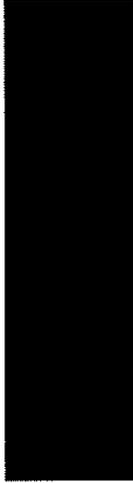
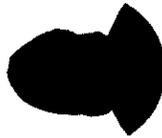
Religion

Tea Party Donor

# Voter Profile voter information and history

[Home](#) > [Voter Profile](#)

[Overview](#) [Election Details](#) [Household](#) [Notes](#) [Tags](#) [Demographics](#)



**Gender:** Female

**Party Affiliation:** Inferred Republican

**Registration Date:** [Redacted]

**Turnout Score:** 31

**Home Phone:** [Redacted]

**Cell Phone:** [Redacted]

**Home Email Address:** [Redacted]

**Work Email Address:** [Redacted]

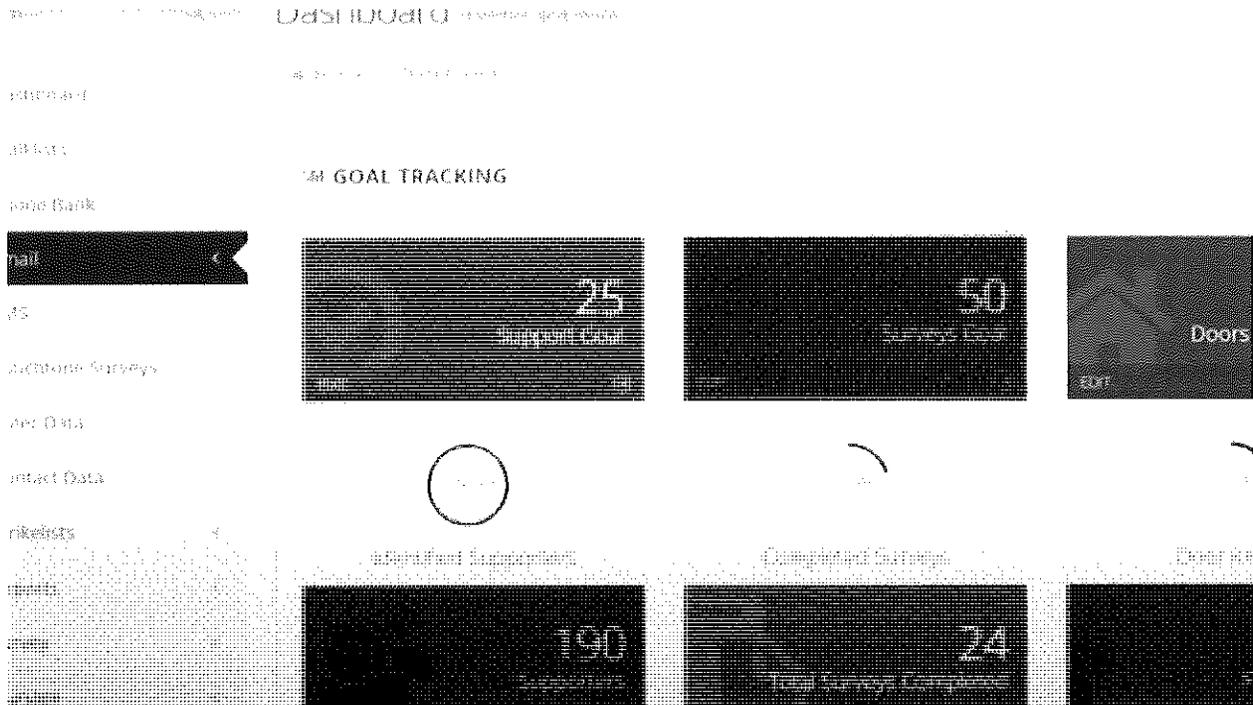
**Other Email Address:** [Redacted]

**Twitter:** [Redacted]

**Aristotle ID:** [Redacted]

**RNC ID:** [Redacted]

# Exhibit 13



Credit: ALEC/YouTube

## ALEC Gives Lawmakers Free Data Program Run by Republican Operatives

By David Armiak and Arn Pearson | February 8th, 2021 at 7:32 AM (CST)

ALEC, Bradley Files, Democracy, Featured Investigations, News

The American Legislative Exchange Council provides a “constituent management program” worth thousands of dollars and run by a leading Republican political data operation to its overwhelmingly Republican legislative members at no charge, in potential violation of its charitable tax status and state gift and campaign finance laws, the Center for Media and Democracy has learned.

As a registered 501(c)(3) nonprofit, the American Legislative Exchange Council (ALEC) is prohibited from engaging in any electoral activity as a condition of its charitable

tax-exempt status, and in most states, contributing something of value to legislators or their campaigns would trigger gift or campaign contribution limits subject to public disclosure.

In an email obtained by the Center for Media and Democracy (CMD) through an open records request, ALEC promotes the constituent communication software, called ALEC CARE (for "Constituent Analytics Research Exchange"), to a Texas legislator as an inducement for renewing his membership.

"ALEC CARE, the exclusive CRM tool for members, allows you to keep track of constituent research and engagement to better serve your community," wrote Hunter Hamberlin, ALEC's legislative outreach coordinator for Texas, in an email to Texas Rep. Ben Leman.

"The program, developed by VoterGravity, typically costs legislators thousands of dollars," Hamberlin said.

ALEC CARE "developed by VoterGravity, typically costs legislators thousands of dollars"  
(p. 1)

**ALEC CARE**, the exclusive CRM tool for members, allows you to keep track of constituent research and engagement to better serve your community. CARE allows you to customize constituent profiles, set up push text messages, and visualize data trends to improve legislative interactions. This program, developed by VoterGravity, typically costs legislators thousands of dollars. CARE is just one of the many great member benefits you get with your ALEC membership.

[View the entire document with DocumentCloud](#)

According to ALEC CARE training materials obtained by CMD, the program comes "preloaded with constituent information," and can enable robocalls or send text messages to constituents. The training also revealed that the "data vendor" (Voter Gravity) has access to users' data.

ALEC CARE Description (p. 1)



[View the entire document with DocumentCloud](#)

ALEC frames its CARE platform as a constituent relations service, but screenshots from its promotional video include clear electoral elements, such as door-knocking goals, party affiliation, precinct, and ward information, and a “turnout score.”



“With the opportunities afforded by CARE, our members can be ahead of their colleagues,” the video’s narrator states.

Unlike ALEC, the company is explicit about the electoral value of the services it offers. “Voter Gravity produces targeted, insightful and immediate information about voters,

donors, and activists that mean the most to a campaign,” its website claims, giving candidates everything they need to “turn that data into votes.”

Voter Gravity’s demo page states that, “Voter Gravity empowers campaigns to unleash their voter contact efforts, making your strategy bigger, faster, and more targeted than ever before,” and asks if the user is a member of ALEC.

ALEC provides multiple ALEC CARE training sessions for its legislative members at its annual meeting and other events.

The company was founded by its CEO, Ned Ryun, who is also the founder and president of a right-wing candidate training operation, American Majority, and its voter mobilization affiliate, American Majority Action, which are closely allied with the Tea Party.

American Majority Action’s latest available IRS filing shows that it owns 84 percent of Voter Gravity, and both list a post office box in Purcellville, Virginia as their address.

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.									
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
VOTER GRAVITY INC PO BOX 1112 PURCELLVILLE, VA 20124 46-1923442	SOFTWARE DEVELOPMENT	VA	AMERICAN MAJORITY ACTION INC	C	-11,968	101,187	84.350 %		

In March 2018, ALEC hired Voter Gravity’s client relations specialist, Aaron Gillham, to implement its ALEC CARE program. Gillham’s role at the company was “providing the onboarding for all new clients,” and he describes Voter Gravity as “the premier platform for Center-Right, voter contact tools” offering “map-based walkbook creation with smartphone executed canvassing.”

“We take voter contact to the next level, making your efforts efficient and meaningful,” Gillham wrote on his LinkedIn page.

Although ALEC tells its members that ALEC CARE data is “not shared with anybody,” a 2020 investigation by the cybersecurity firm UpGuard found that this is not the case. UpGuard’s research into a security vulnerability with the Republican canvassing app Campaign Sidekick revealed a “close relationship” with Voter Gravity. Campaign Sidekick is run by Ned Ryun’s twin brother Drew, which UpGuard says explains “how they fit within the ecosystem of GOP campaign apps.”

UpGuard also uncovered the “intermingling of code and sharing of data” between Voter Gravity and Campaign Sidekick with the Republican National Committee and FreedomWorks.

This follows a 2015 blog post where Voter Gravity announced that it was “fully integrated with the Republican National Committee database.” Ned Ryun added, “Our ultimate goal is to outmaneuver the left philosophically and politically.”

In 2014, voter data operations on the Right, including the Koch’s i360, the RNC, the NRCC, and Ryun, met with GOP operatives and candidates “behind closed doors to discuss how to synchronize their sometimes competing tech efforts,” Politico reported.

The previous year, Voter Gravity received an infusion of \$2 million from an unknown investor, and Matt Schlapp, a former lobbyist for Koch Industries, joined its board of directors. Koch Industries is a major funder of ALEC and holds a seat on ALEC’s corporate board.

The 2017 and 2018 IRS filings and a 2019 Annual Report from the Milwaukee-based Bradley Foundation, a consistent funder of American Majority’s Wisconsin efforts, show that the right-wing foundation earmarked \$1.1 million for ALEC CARE.

Ryun presented on Voter Gravity’s voter data operation at a 2015 Conservative Political Action Conference (CPAC) “Pre-Game: Operatives in Training” session attended by ALEC’s chief marketing officer, Bill Meierling.

Meierling described the data platform as a “fundamental game changer” in a subsequent ALEC CARE meeting.

According to Marcus Owens, former Director of the Exempt Organizations Division of the Internal Revenue Service, “The fact that ALEC’s constituent management program typically costs ‘thousands of dollars,’ but it is being provided free of charge to selected legislators, would constitute a contribution to the legislator, quite possibly violating the [IRS] proscription on electioneering...or, potentially, an illegal gift to a legislator, depending on relevant state law.”

“The fact that there may well be *sub rosa* links between databases created by the management program and organizations engaged in partisan political activity suggests another potential electioneering event,” Owens said.

On July 30, 2020, the public watchdog Campaign for Accountability filed a complaint with the IRS, the state of Wisconsin, and the California attorney general’s office claiming American Majority and American Majority Action are operating in violation of the federal tax code and various state laws.

The complaint argues that American Majority Action engages primarily in political activity in violation of its federal tax status and that Ned Ryun set up the nonprofits to further enrich himself and his for-profit companies.





STATE OF MAINE  
COMMISSION ON GOVERNMENTAL ETHICS  
AND ELECTION PRACTICES  
135 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0135

August 4, 2021

**VIA EMAIL AND USPS**

Senator Harold "Trey" L. Stewart, III  
312 State Street  
Presque Isle, ME 04769  
[trey@treystewart.com](mailto:trey@treystewart.com)

Representative Matthew A. Harrington  
P.O. Box 457  
Sanford, ME 04073  
[harringtonforhouse@yahoo.com](mailto:harringtonforhouse@yahoo.com)

Re: Request to Investigate Potential Campaign Finance Law Violations

Dear Senator Stewart and Representative Harrington:

As you are aware, the Maine Ethics Commission (the "Commission") received the enclosed request for investigation from the Center for Media and Democracy, which alleges that as a benefit to your membership with the American Legislative Exchange Council (ALEC):

- You received access to the ALEC CARE (Constituent Analytics Research Exchange) software during the 2020 election cycle, and
- Since you received access to this software you may be in violation of Maine's contribution limits, reporting requirements, and the Maine Clean Election Act (MCEA) through the receipt of in-kind contributions to your 2020 campaigns.

This letter is to provide you with an opportunity to respond to the request for investigation and to provide any factual information or legal argument that you believe is relevant to whether the Commission should conduct an investigation into this matter.

**Commission's Decision Whether to Investigate**

The Commission will consider whether to investigate or take any further action on this matter at a public meeting at 10:00 a.m., Wednesday, September 29, 2021 at the Commission's office. The Commission staff recommends that you attend the meeting to respond to the request for investigation and to answer any questions from the Commissioners.

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE  
WEBSITE: [WWW.MAINE.GOV/ETHICS](http://WWW.MAINE.GOV/ETHICS)

PHONE: (207) 287-4179

FAX (207) 287-6775

## **Relevant Law**

*Standard for Initiating an Investigation.* The Commission is required to review every request to investigate an alleged violation of campaign finance law and to conduct an “investigation if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred.” 21-A M.R.S. § 1003(2).

*Definitions of Contribution.* The term contribution includes “[a] gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office ....” 21-A M.R.S. § 1012(2)(A)(1). Influence means “to promote, support, oppose or defeat.” 21-A M.R.S. § 1012(4-A).

The Commission’s Rules define an in-kind contribution as follows: “Unless specifically exempted under 21-A M.R.S. §§ 1012 and 1052 or this section, the provision of any goods or services without charge or at a charge that is less than the usual and customary charge for such goods or services is an in-kind contribution. Examples of such goods and services include, but are not limited to: equipment, facilities, supplies, personnel, advertising, and campaign literature. If goods or services are provided at less than the usual and customary charge, the amount of the in-kind contribution is the difference between the usual and customary charge and the amount charged the candidate or political committee.” 94-270 C.M.R. Ch. 1, § 6(4).

*Content of Reports – Itemized Contributions.* Candidates are required to disclose all contributions (cash and in-kind) in regularly scheduled campaign finance reports. 21-A M.R.S. § 1017(5).

*Limits on Contributions to Traditionally Financed Candidates.* A political committee or organization may not contribute to a traditionally financed candidate to promote their election that exceeds the contribution limits in 21-A M.R.S. § 1015(2). For the 2020 elections, the contribution limit for legislative candidates was \$400 per election.

*Limits on Contributions to MCEA Candidates.* Once certified, a MCEA candidate cannot accept any cash or in-kind contributions. 21-A M.R.S. § 1125(6)

August 4, 2021

### **Request for Response**

Please submit a written response to the request for investigation by Friday, September 3, 2021 with any information or legal argument you believe relevant to the Commission's decision whether to investigate. The Commission staff requests that your response address the following:

- Have you received access to the ALEC CARE software? If so, when?
- Was access to the ALEC CARE software part of your membership to ALEC, or was it charged separately? If separately, how much were you charged?
- Did you use the ALEC CARE software during the 2020 campaign? If so, please provide a general description of how you utilized this software.
- Should access to the ALEC CARE software program be considered in-kind contributions to your 2020 legislative campaign?

Thank you for your cooperation with this request and submitting a response to this office on or before September 3, 2021.

Sincerely,



Martha Currier  
Assistant Director

Enc.

cc: Mr. Arn Pearson, Center for Media and Democracy ([arn@prwatch.com](mailto:arn@prwatch.com))



STATE OF MAINE  
COMMISSION ON GOVERNMENTAL ETHICS  
AND ELECTION PRACTICES  
135 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0135

August 18, 2021

**By Email and Regular Mail**

Bartlett P. Cleland, Esq., Counsel  
American Legislative Exchange Council  
2900 Crystal Drive, 6th Floor  
Arlington, VA 22202

Re: Complaint by Center for Media and Democracy

Dear Mr. Cleland:

I am writing you on behalf of Maine's campaign finance agency, the Commission on Governmental Ethics and Election Practices. The Commission received the enclosed complaint from the Center for Media and Democracy (CMD) concerning the American Legislative Exchange Council (ALEC) and two members of the Maine Legislature. CMD alleges that ALEC knowingly made in-kind contributions of voter management software (ALEC CARE) to legislative candidates in Maine that may have violated contribution limits and restrictions.

At a meeting on September 29, 2021, the members of the Commission are tentatively scheduled to consider whether to conduct an investigation into the complaint. You are invited to voluntarily provide any information that you believe is relevant to this matter, including any argument whether the Commission should or should not conduct an investigation. This is ALEC's opportunity to correct any inaccurate or misleading information in CMD's complaint prior to the Commission's decision whether to conduct an investigation.

**Relevant Maine Election Law**

*Standard for Initiating an Investigation.* The Commission is required to review every request to investigate an alleged violation of campaign finance law and to conduct an "investigation if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred." 21-A M.R.S. § 1003(2).

*Definition of Contribution.* The term contribution includes “[a] gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office ....” 21-A M.R.S. § 1012(2)(A)(1). Influence means “to promote, support, oppose or defeat.” 21-A M.R.S. § 1012(4-A).

The Commission’s Rules define an in-kind contribution as follows: “Unless specifically exempted under 21-A M.R.S. §§ 1012 and 1052 or this section, the provision of any goods or services without charge or at a charge that is less than the usual and customary charge for such goods or services is an in-kind contribution. Examples of such goods and services include, but are not limited to: equipment, facilities, supplies, personnel, advertising, and campaign literature. If goods or services are provided at less than the usual and customary charge, the amount of the in-kind contribution is the difference between the usual and customary charge and the amount charged the candidate or political committee.” 94-270 C.M.R. Ch. 1, § 6(4).

*Content of Reports – Itemized Contributions.* Candidates are required to disclose all contributions (cash and in-kind) in regularly scheduled campaign finance reports. 21-A M.R.S. § 1017(5).

*Limits on Contributions to Traditionally Financed Candidates.* A political committee or organization may not contribute to a traditionally financed candidate to promote their election that exceeds the contribution limits in 21-A M.R.S. § 1015(2). For the 2020 elections, the contribution limit for legislative candidates was \$400 per election.

*Limits on Contributions to Maine Clean Election Act (MCEA) Candidates.* Once certified to receive public campaign funding, a MCEA candidate cannot accept any cash or in-kind contributions. 21-A M.R.S. § 1125(6)

### **Commission’s Decision Whether to Investigate**

The Commission will consider whether to investigate or take any further action on this matter at a public meeting at 10:00 a.m., Wednesday, September 29, 2021 at the Commission’s office. In addition to providing any written information, you are invited to participate in the meeting through a zoom videoconference.

Bartlett P. Cleland, Esq.

Page 3

August 18, 2021

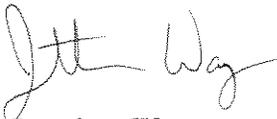
### **Opportunity to Respond**

ALEC is welcome to provide any information it deems relevant, including any argument whether the Commission should or should not investigate this matter. If you are able to respond by Friday, September 10, 2021, the staff will be able to consider your response and include it in a packet of written materials we will distribute to the Commission members prior to the September 29 meeting. To the extent that you are comfortable sharing this information, the Commission staff believes that responses to the following questions would assist the Commission in deciding whether to investigate:

- For what legislative or electoral purposes did ALEC provide the ALEC CARE software to members since January 1, 2019?
- In 2019-2020, could ALEC CARE be used for the electoral activities described in paragraph 19 of the complaint, such as creating walking lists, tracking supporters, creating strike lists for getting out the vote, etc.? Please elaborate.
- Is CMD correct that the ALEC CARE software provided to members in 2019-2020 is a repackaging of the Voter Gravity product? If not, please explain.

Thank you. If you have any questions about the Commission's consideration of the CMD complaint, please email me at [Jonathan.Wayne@maine.gov](mailto:Jonathan.Wayne@maine.gov) or call me at (207) 287-4179.

Sincerely,



Jonathan Wayne  
Executive Director

cc: Mr. Arn Pearson, Center for Media and Democracy ([arn@prwatch.com](mailto:arn@prwatch.com))  
Hon. Matt Harrington  
Hon. Harold Stewart

Joshua A. Tardy, Esq.  
[jtardy@rudmanwinchell.com](mailto:jtardy@rudmanwinchell.com)

Michael A. Hockenbury, Esq.  
[mhockenbury@rudmanwinchell.com](mailto:mhockenbury@rudmanwinchell.com)

September 15, 2021

Martha Currier  
Assistant Director – Maine Ethics Commission  
135 S.H.S  
Augusta, ME 04333-0135

RE: Senator Harold “Trey” L. Stewart, III and Representative Matthew A. Harrington  
Investigation into Potential Campaign Finance Law Violations

Dear Ms. Currier:

This firm represents Senator Harold “Trey” Stewart and Representative Matthew Harrington with regard to your letter dated August 4, 2021. Accordingly, please accept this letter as their response to your request for information.

First, it should be known that nearly identical complaints have been filed in: Arizona, Connecticut, Florida, Maine, Michigan, Minnesota, New Mexico, Ohio, Oklahoma, New York, Pennsylvania, Tennessee, Texas, Utah and Wisconsin, in what can only be dubbed a “fishing expedition” based upon speculation and conjecture in an attempt to drag various state agencies into what appears to be a decade long dispute.

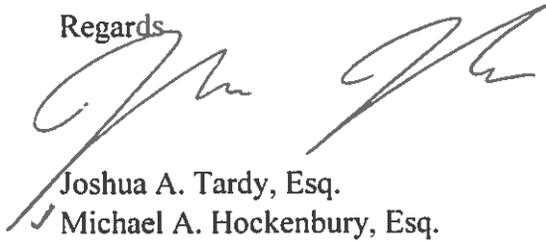
Arn Pearson, the complainant, makes three suppositional allegations in paragraphs 31, 32 and 33. The Complaint does not assert knowledge whether either Senator Stewart or Representative Harrington has made use of the software. In fact, it would appear that not none of the fifteen complaints filed by Arn Pearson across the various state agencies assert any knowledge or supporting evidence that any of the named lawmakers used the software. Hiding behind the word “if”, Mr. Pearson alleges that “if” our clients used the ALEC Care software in campaign activity, the Maine election law reporting requirements would be triggered. Each of the allegations in paragraphs 31, 32 and 33 is denied.

Neither Senator Stewart nor Representative Harrington has ever used the ALEC Care software for any campaign activity. Further, neither have ever used the software for any other non-campaign activity, including activity that might be referred to as “constituent services.”

Our clients acknowledge that they had access to the software product. They were never charged separately for that access and agree that it was available through their ALEC membership. Voter Gravity presented at an ALEC conference prior to the 2020 election cycle (it may have occurred in 2017). Organizations such as ALEC and its affiliated vendors frequently market their products and offerings to members and prospective members. Notwithstanding the marketing efforts, our clients have not used the product beyond the product introduction and their independent assessments concluded that the software would be of no value to their respective campaigns.

We hope this is helpful. Please let us know if you would like additional information.

Regards,

Handwritten signatures of Joshua A. Tardy and Michael A. Hockenbury. The signature on the left is for Joshua A. Tardy, Esq., and the signature on the right is for Michael A. Hockenbury, Esq.

Joshua A. Tardy, Esq.

Michael A. Hockenbury, Esq.

# Holtzman Vogel

HOLTZMAN VOGEL BARAN TORCHINSKY & JOSEFIAK PLLC

## CONFIDENTIAL

September 17, 2021

State of Maine Commission on Governmental Ethics and Election Practices

Attn: Jonathan Wayne

135 State House Station

Augusta, ME 04333-0135

*Submitted via email to:* Jonathan.Wayne@maine.gov

RE: ALEC's Response to the Center for Media and Democracy's Complaint

Mr. Wayne,

We represent the American Legislative Exchange Council, Inc. ("ALEC") in responding to the Complaint filed by the Center for Media and Democracy ("CMD") with your office on July 23, 2021. On August 18, 2021, you informed ALEC that the State of Maine Commission on Governmental Ethics and Election Practices (the "Commission") is "tentatively scheduled to consider whether to conduct an investigation into the complaint" and that ALEC may respond to the "alleg[ations] that ALEC knowingly made in-kind contributions of voter management software (ALEC CARE) to legislative candidates in Maine that may have violated contribution limits and restrictions." For the reasons stated below, the Commission should dismiss the Complaint and not initiate an investigation because there are not "sufficient grounds for believing that a violation may have occurred." *See* 21-A M.R.S. § 1003(2).

## SUMMARY OF FACTS

ALEC is a nonpartisan organization with a voluntary membership of state legislators who are dedicated to the principles of limited government, free markets, and federalism. It has existed for almost 50 years. Under the Internal Revenue Code, it is tax-exempt as an educational 501(c)(3) organization. ALEC's mission and activities are listed on its publicly available website, [www.alec.org](http://www.alec.org), and ALEC does not intervene in election campaigns. Senator Harold "Trey" Stewart III and Representative Matthew Harrington are members of ALEC.

Among the activities and information made available to ALEC's members is a data-software resource entitled ALEC Constituent Analytics Research Exchange ("ALEC CARE"). As a condition of using the software, ALEC prohibits usage for election-campaign purposes. The Complaint acknowledges that Complainants do not know whether Senator Stewart or Representative Harrington ever used the software.

Attached to this response is an affidavit from ALEC's Manager of Legislative Membership and Engagement. This affidavit confirms that neither Senator Stewart nor Representative

Page 1 of 9  
Letter from ALEC to the Commission  
September 17, 2021  
CONFIDENTIAL

ETH-129

# Holtzman Vogel

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Harrington used ALEC CARE for campaign purposes, nor did they use ALEC CARE at all during the period when the 2020 election cycle took place.

## LEGAL DISCUSSION

In Maine, a “corporation . . . may not make contributions to a candidate in support of the candidacy of one person” that exceed certain amounts when that candidate is a traditionally financed candidate. 21-A M.R.S. § 1015(2). If a candidate chooses to receive public campaign funding under the Maine Clean Election Act, however, then the candidate may not accept any contributions. 21-A M.R.S. § 1125(6). A “contribution” may be “[a] gift, subscription, loan, advance or deposit of money or anything of value,” M.R.S. § 1012(2)(A)(1), and “the provision of any goods or services without charge or at a charge that is less than the usual and customary charge for such goods or services is an in-kind contribution,” 94-270 C.M.R. Ch. 1, § 6(4). Critically, to be a “contribution” it must be “made for the purpose of influencing the nomination or election of any person to state, county or municipal office,” 21-A M.R.S. § 1012(2)(A)(1) (emphasis added), with “[i]nfluence” mean[ing] to promote, support, oppose or defeat,” 21-A M.R.S. § 1012(4-A). Thus, there must be a connection between any expenditure or contribution and an election campaign to be considered a “contribution” under Maine law.

Consequently, the provision of Maine law regarding the promotion or defeat of an individual campaigning for office limits the statute’s reach. For example, CMD alleges that ALEC’s disclaimer prohibiting legislators from using ALEC CARE for campaign purposes “do[es] nothing to reduce [ALEC CARE’s] campaign value.” Compl. ¶ 30. But this is wrong as a matter of law. By making ALEC CARE available to legislative members on the express condition that they do not use the software for campaign purposes, ALEC prevents this membership benefit from transforming into an in-kind contribution. *See, e.g., McCutcheon v. FEC*, 572 U.S. 185, 193 n.2 (2014) (stating that the federal base and aggregate contribution limits apply to committees that make contributions to candidates, but not to committees that only make independent expenditures); *SpeechNow.org. v. FEC*, 599 F.3d 686, 692, 695–96 (D.C. Cir. 2010) (*en banc*) (holding that while the First Amendment *permits* Congress to impose limits on contributions to committees that make contributions to candidates, it nonetheless *prohibits* contribution limits imposed on political committees that make only independent expenditures). Money, like data, may be fungible. But the purpose, usage, and conditions imposed on money and data by ALEC make all the difference under the law.

The Complaint acknowledges this limitation. The mere provision of (what the Complaint calls) “voter management software” is not a violation of Maine law. Rather, Maine law is violated if a contribution is given “to support election campaigns.” Compl. ¶ 30. The Complaint further underscores this point noting that if either Senator Stewart or Representative Harrington used the software “to support his campaign, he received an in-kind contribution.” *Id.* at ¶¶ 31–32 (emphasis added). Of course, the inverse of this argument is if ALEC made the software available to

# Holtzman Vogel

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legislative members only on the condition that the members use the software for constituent relationship management purposes—and not campaign purposes—then it has not violated the law.

Moreover, the provision that defines “an in-kind contribution” states that “[a] commercial vendor that has provided a discount to a candidate or political committee because of a defect in performance or *other business reason has not made a contribution if the vendor grants substantially similar discounts to other customers in the ordinary course of the vendor’s business.*” 94-270 C.M.R. Ch. 1, § 6(4)(A) (emphasis added). This exception is in accord with federal law. *See, e.g.*, FEC A.O. 2018-11 at 1, 3 (stating that it would not be a prohibited in-kind contribution for Microsoft “to offer a package of enhanced online account security services at no additional charge on a nonpartisan basis to its election-sensitive customers, including federal candidates and national party committees” since it “would be providing such services based on commercial and not political considerations, in the ordinary course of its business, and not merely for promotional consideration or to generate goodwill”); *id.* at 4 (“Indeed, a corporation ‘may charge different fees to political committee clients than it charges to non-political clients,’ with no in-kind contribution resulting, as long as ‘any variation in fees will be based on business considerations and will not be based on political considerations.’” (quoting FEC A.O. 2018-05 at 5)).

As discussed more fully in Part I below, making ALEC CARE available as a benefit not only increases the likelihood that a potential member will join ALEC, but using ALEC CARE enhances the worth of ALEC’s membership to all members. For example, a legislator member can use ALEC CARE to gather feedback on upcoming or potential legislation and then share that data with other ALEC members. Such information amplifies the effectiveness of ALEC’s discussions about its initiatives and increases the overall likelihood of their success. Consequently, even though ALEC is a nonprofit, the value proposition of ALEC CARE is akin to the commercial offerings in the for-profit scenarios above.

## **ALEC HAS NOT MADE ANY CONTRIBUTIONS**

The Complaint essentially claims that ALEC ran afoul of Maine’s campaign finance laws because providing ALEC CARE to its members allegedly constituted an in-kind campaign contribution that exceeded relevant contribution limits. However, the Complaint fails to provide any evidence that any member ever used ALEC CARE for campaign purposes or that ALEC members like Senator Stewart and Representative Harrington accepted or used ALEC CARE. In this case, neither member has ever used ALEC CARE for campaign purposes. Moreover, neither Senator Stewart nor Representative Harrington used ALEC CARE at any point during the period when the 2020 election cycle occurred. Even if they had, there can be no violation of Maine law unless such software—contrary to ALEC’s express conditions and instructions regarding ALEC CARE’s use—were used for campaign purposes. There is no evidence or allegation that any member used ALEC CARE for that purpose. Accordingly, ALEC made no contribution at all, let alone an illegal corporate contribution.

Page 3 of 9  
Letter from ALEC to the Commission  
September 17, 2021  
**CONFIDENTIAL**

# Holtzman Vogel

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Before discussing why the allegations in the Complaint are insufficient to state a violation, we note that this is not the first time CMD has filed a complaint against ALEC. CMD has filed nearly identical complaints with the relevant campaign finance authorities in multiple states. Decl. of Gillham ¶ 14. CMD jointly filed several of these complaints with Common Cause, who also joined CMD in similar attacks lodged against ALEC before the Internal Revenue Service. Decl. of Gillham ¶ 15; Compl. ¶ 3; Ex. 1 at 1. These complaints evidence a concerted campaign to harass ALEC, as well as a pattern of less than reputable tactics. For example, the Complaint mentions that Minnesota’s Campaign Finance and Public Disclosure Board previously found “that ‘ALEC’s primary purpose is the passage of state legislation in the various states and that all of its wide-ranging activities are in support of this primary purpose.’” Compl. ¶ 5. CMD spins that past finding as evidence that ALEC is improperly engaging in political activities. What it actually demonstrates, however, is CMD’s lack of transparency. Here is the whole sentence with omitted portions in bold:

**Although the evidence supports a conclusion that ALEC’s primary purpose is the passage of state legislation in the various states and that all of its wide-ranging activities are in support of this primary purpose, such a conclusion is not sufficient to further conclude that ALEC’s activities are for the purpose of influencing legislative action *in this state* as the definition of principal requires.**

Ex. 3 at 6 (*italics in the original*). The very same sentence cited by the Complaint effectively concludes that Minnesota’s Board must dismiss that complaint. *See* Ex. 3. Furthermore, Minnesota’s Board found that the nexus between an ALEC employee’s work supporting its mission, and that “some future hypothetical communication with a Minnesota legislator” is insufficient for ALEC to qualify as a lobbyist. *See id.* at 5.

Moreover, CMD did not disclose that Common Cause was the one who filed that complaint, which similarly asserted groundless allegations that ALEC violated lobbying laws. *See id.* In fact, like the Complaint here, Minnesota’s Board noted that the allegations that Common Cause made and referenced in Exhibit 3 were “more of a general nature” and referenced ALEC’s activities nationwide, rather than its activities in Minnesota. *Id.* at 1. Similarly, the Minnesota Board found that “the Minnesota complaint [wa]s a derivation of a complaint on the same subject that Common Cause filed with the Internal Revenue Service,” which is precisely the situation with the complaint submitted to this Commission. *See id.* Because CMD and Common Cause have joined forces to file similar (and similarly baseless) complaints in multiple states—like the Complaint at issue here—their claims depend on substantially similar, and equally ineffective, arguments that they have recycled since 2012. For example, although the Complaint alleges that ALEC has violated IRS rules, Compl. ¶ 6, it does not mention that the IRS has refrained from initiating any investigation against ALEC (to ALEC’s knowledge), nor has ALEC received any

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notice from the IRS that its tax-exempt status is in jeopardy, despite the 2012 Common Cause IRS complaint and the supplemental submissions filed by both CMD and Common Cause. *See id.*; Ex. 1 at 1 n.1.

Accordingly, the Commission should dismiss the Complaint for failing to allege sufficient grounds to believe that a violation may have occurred.

## **I. ALEC CARE Is Only Available to Members for Non-Campaign Purposes.**

ALEC is “the largest nonpartisan, voluntary membership organization of state legislators dedicated to the principles of limited government, free markets and federalism.”<sup>1</sup> Its legislative members include members of both the Republican and Democratic parties, and ALEC also has private sector members who include both for-profit and non-profit corporations. With this inclusive array of stakeholders, ALEC serves as a forum for the robust debate of ideas and policies, and it has left its mark on the marketplace of ideas for the past five decades.<sup>2</sup>

In furtherance of its mission, ALEC remains committed to the ideological diversity of its membership and to hearing all sides of a debate.<sup>3</sup> For example, both Republicans and Democrats have served as ALEC State Chairs.<sup>4</sup> Additionally, through participation in ALEC, business leaders are able to express their policy concerns to legislators, and legislators from one state can share their experiences with certain policies with legislators from other states. As such, “ALEC provides its public and private sector members with a unique opportunity to work together to develop policies and programs that effectively promote the Jeffersonian principles of free markets, limited government, federalism, and individual liberty.” Ex. 2. ALEC therefore serves as the critical forum in this Nation’s Public Square.

ALEC did not simply come by its legislative members. Rather, for the past several years, ALEC has assiduously built its membership base, attracting new members across the country.<sup>5</sup> Part of this effort has included providing its members with benefits, as well as studies and educational forums, while keeping the cost of membership low. One of these benefits is ALEC CARE, which helps members “keep track of constituent research and engagement to better serve [their] community.” Ex. 7. It is critical for legislative members to actively engage with their constituents about current and potential legislation, and ALEC CARE enables legislative members to communicate more effectively with them about such issues. As a result, ALEC CARE benefits ALEC’s entire membership, because legislative members are able to share what they’ve learned

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<sup>1</sup> See Br. of Amicus Curiae at 1, *Americans for Prosperity Foundation, et al. v. Bonta*, Nos. 19-251, 19-255 (U.S. March 1, 2021) (hereinafter, “AFP Brief”).

<sup>2</sup> *See id.*

<sup>3</sup> *See id.* at 7–8.

<sup>4</sup> *See id.* at 8.

<sup>5</sup> *See* AFP Brief at 7.

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from their constituents with the other ALEC members, and it also benefits legislative members' constituents, as it helps legislative members share what they've learned about "policies and programs that effectively promote the Jeffersonian principles of free markets, limited government, federalism, and individual liberty." *See* Ex. 2. ALEC CARE therefore is a powerful tool used to advance these ideals and further relevant legislation.

## **II. ALEC Prohibits Its Members from Using ALEC CARE for Campaign Purposes.**

### **A. ALEC Advises Its Members that They Cannot Use ALEC CARE for Campaign-Related Purposes.**

The ALEC CARE software program assists legislators in communicating with their constituents and acquiring a better understanding of what motivates the residents of a legislator's district.<sup>6</sup> The software includes several tools that allow a legislator to "track district events, and solicit direct feedback from constituents with customized surveys through text messaging and automated phone calls."<sup>7</sup>

ALEC also provides its members with training on the ALEC CARE software as well as consistent technical support.<sup>8</sup> Importantly, in all its training videos, ALEC shows the ALEC CARE login page, which reads:

ALEC CARE is a constituency management system that helps members better understand and communicate with constituents.

By signing in, you agree this system will not be used for any campaign related purpose.<sup>9</sup>

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<sup>6</sup> LEGISLATIVE MEMBERSHIP, <https://www.alec.org/membership-type/legislative-membership/> (last visited September 13, 2021).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> WHAT IS A DIGITAL CONSTITUENCY SERVICE, at 0:41–0:43, [https://www.youtube.com/watch?v=uoBF9a4\\_ue8](https://www.youtube.com/watch?v=uoBF9a4_ue8) (last visited Sept. 13, 2021); WHAT IS ALEC CARE?, at 0:12–0:14, <https://www.youtube.com/watch?v=sbOpHimIm0s> (last visited Sept. 13, 2021); *see also* ALEC CARE SMS, at 0:03–0:14 <https://www.alec.org/app/uploads/2018/07/CARE-Video-SMS.mp4> (last visited Sept. 13, 2021); ALEC CARE TAGS, at 0:02–0:14; <https://www.alec.org/app/uploads/2018/07/CARE-Video-Tags.mp4> (last visited Sept. 13, 2021); ALEC CARE DATA, at 0:02–0:15, <https://www.alec.org/app/uploads/2018/07/CARE-Video-Data.mp4> (last visited Sept. 13, 2021).

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ALEC requires each legislative member to go through this page before accessing the constituency service functions.

ALEC's Manager of Legislative Membership & Engagement, and the one responsible for the ALEC CARE platform, Aaron Gillham, provides training to legislators on how to use the ALEC CARE software. Decl. of Gillham ¶ 9. During his tenure as the Manager of Legislative Membership & Engagement, Mr. Gillham has provided approximately 150 trainings. *Id.* at ¶ 10. During these training sessions, Mr. Gillham consistently and repeatedly emphasizes to the legislators that they cannot use ALEC CARE for any campaign related purpose. *Id.* at ¶ 11. While demonstrating how the software functions, Mr. Gillham shows the legislators the login page for the software and consistently highlights the language: "By signing in, you agree this system will not be used for any campaign related purpose." *Id.* at ¶ 12.

## **B. The Complaint Does Not Allege that ALEC Made any Contribution, as Defined Under Maine Law.**

The Complaint never alleges that ALEC gave ALEC CARE to a legislator "for the purpose of influencing the nomination or election of any person to state, county or municipal office." The Complaint uses conclusory language, e.g., ALEC "knowingly made an illegal in-kind campaign contribution," but never alleges that ALEC gave the software to help Senator Stewart and Representative Harrington in their elections. *See* Compl. ¶ 29. Instead, the Complaint meekly alleges that, in Complainants' estimation, the ALEC CARE software has features that could be helpful for electioneering purposes. *See id.* at ¶ 19. But then the Complaint alleges that ALEC provided the software to Senator Stewart and Representative Harrington "as a benefit of their membership[]" not to benefit their campaigns. *Id.* at ¶ 20. And the Complaint admits they "do not possess sufficient information to determine *if* [Senator Stewart and Representative Harrington] used it for their campaigns." *Id.* (emphasis added). The Complaint never alleges that ALEC gave the software to Senator Stewart or Representative Harrington to promote their candidacies or defeat their opponent. Thus, the Complaint is based on speculation. Because the allegations of a legal violation are no more than conjecture based on how ALEC CARE *might* be misused (despite ALEC's express conditions and instructions not to use it for campaign purposes), the complaint must be dismissed.

Simply put, the Complaint cannot allege a legally sufficient violation. ALEC repeatedly told members that they could not use the software for electioneering or campaign purposes. In addition to affirming that they would not use ALEC CARE for campaign purposes before accessing the software, ALEC members are reminded of the prohibition during trainings and throughout the onboarding process when they become members. Furthermore, Senator Stewart and Representative Harrington did not even access the ALEC CARE software during the period when the 2020 election cycle occurred. Accordingly, the Commission should dismiss the Complaint and it should not initiate an investigation.

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## **C. ALEC Members, Senator Stewart and Representative Harrington, Have Not Accessed or Used the ALEC CARE Software.**

Because ALEC has the capability to provide technical support to each of its members, ALEC can determine who creates an account. Furthermore, the users of the software typically leave a digital trail when users login and use the software. Thus, ALEC is also able to ascertain who is using the software. Decl. of Gillham ¶¶ 3–4.

Mr. Gillham has reviewed the ALEC CARE software logs. *Id.* at ¶¶ 5, 7. Upon review, he was able to determine that Representative Harrington created an ALEC CARE account, but Mr. Gillham affirms that it appears that Representative Harrington never used the software because there is no trace of his logging into the software program and using it. *Id.* at ¶¶ 7–8.

Mr. Gillham was also able to determine that Senator Stewart created an ALEC CARE account. *Id.* at ¶ 5. Mr. Gillham ascertained that Senator Stewart used the ALEC CARE software to a limited extent, and his last use was in June 2017. *Id.* at ¶ 6. It therefore appears that to the extent that Mr. Stewart used the ALEC CARE software, he did so as a member of Maine’s House of Representatives rather than as a member of Maine’s Senate.<sup>10</sup> Mr. Gillham affirms that there is no indication that Senator Stewart used ALEC CARE for anything other than constituent relationship management.

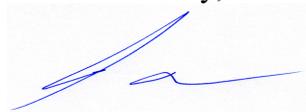
## **CONCLUSION**

For the foregoing reasons, this Commission should dismiss the Complaint and not initiate an investigation.

Nothing in this response should be interpreted as a waiver of any assertion of privilege, objection, defenses, or arguments that ALEC may have. In fact, ALEC preserves all privileges, objections, defenses, or arguments that it may have.

ALEC thanks the Commission for its time and consideration.

Sincerely,



Jason Torchinsky

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<sup>10</sup> See Senator Trey Stewart, <https://mesenategop.com/senator-trey-stewart/> (last visited Sept. 15, 2021).

# Holtzman Vogel

HOLTZMAN VOGEL BARAN TORCHINSKY & JOSEFIAK PLLC

Counsel to ALEC<sup>11</sup>

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<sup>11</sup> Although I am not admitted to practice law in the State of Maine, it is my understanding that the Maine Rules of Professional Conduct 5.5(c)(4) permit an out-of-state lawyer to practice law before this tribunal when the subject-matter before the Commission is one that is reasonably related to the attorney's home practice. I have practiced political law for 20 years and am a partner at a law firm that is considered a political law boutique firm. If, however, this Commission deems that I must have local counsel in order to comply with Maine's rules regarding the practice of law, please let me know and we will make those arrangements promptly.

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## State of Maine Commission on Governmental Ethics and Election Practices

Comes Now Aaron Gillham, Manager, Legislative Membership & Engagement, at the American Legislative Exchange Council (“ALEC”), and states as follows:

1. ALEC is a 501(c)(3) organization with its principal place of business located at 2900 Crystal Drive, 6th Floor, Arlington, VA 22202. I have been employed at ALEC since March 2018, and I am responsible for the ALEC Constituent Analytics Research Exchange (“ALEC CARE”) platform. I am over the age of 18 and authorized to make these statements on behalf of ALEC.

2. I make the statements below based on my personal knowledge, information, and belief.

3. In my position as Manager, Legislative Membership & Engagement, I have access to see which ALEC members have activated their ALEC CARE accounts.

4. When a legislator logs into the ALEC CARE software, the user generally leaves behind an electronic trail. This allows me to see that the legislator has used the system.

5. On August 4, 2021, I reviewed ALEC’s records and ascertained that ALEC member and Maine state chair Senator Harold “Trey” Stewart III had activated his ALEC CARE account.

6. However, after reviewing ALEC’s records, there is no indication that Senator Stewart accessed or used the account outside of a brief period in June 2017, which is shortly after Senator Stewart activated his account and likely during a training period. There is no indication that the account was used for campaign purposes.

7. On August 4, 2021, I reviewed ALEC's records and ascertained that ALEC member and Maine state chair Representative Matthew Harrington had activated his ALEC CARE account.

8. However, after reviewing ALEC's records, there is no indication that Representative Harrington accessed or used his account.

9. As part of my duties as ALEC's Manager of Legislative Membership & Engagement, I provide training on ALEC CARE software to legislative members.

10. During my tenure as the Manager of Legislative Membership & Engagement, I have provided approximately 150 trainings.

11. During these training sessions with legislators, I consistently and repeatedly emphasize that the legislators cannot use the ALEC CARE software for any campaign related purposes.

12. Part of the training sessions includes me showing the legislators the login page for ALEC CARE. I consistently highlight the language that reads: "By signing in, you agree this system will not be used for any campaign related purpose."

13. As part of my duties as ALEC's Manager of Legislative Membership & Engagement, I respond to inquiries about ALEC CARE. In that role, I am made aware when a state's campaign finance agency alerts ALEC of a complaint involving ALEC CARE.

14. At a minimum, the Center for Media and Democracy ("CMD") submitted complaints that are substantively similar to the complaint in this matter with the relevant campaign finance authorities in Arizona and Utah.

15. At a minimum, CMD and Common Cause submitted complaints that are substantively similar to the complaint in this matter with the relevant campaign finance authorities in Connecticut, Minnesota, Ohio, Texas, and Wisconsin.

I declare under penalty of perjury that everything I have stated in this document is true and correct.

Signed: *Aaron Gillham*  
Aaron Gillham

Date: 9/16/21

County: Hamilton

State: OH



STEVEN ARGENTIERO  
Notary Public, State of Ohio  
My Comm. Expires 10-20-2025

This 16<sup>th</sup> day of Sep, 2021. Before me  
Aaron Gillham signed.

*St. Lthi*  
9/16/2021

# EXPOSED by CMD

To: Maine Commission on Governmental Ethics and Election Practices

From: Arn Pearson, Esq., Executive Director

Date: September 21, 2021

Re: **Response to respondents' arguments and additional information concerning the CMD complaint against ALEC and its state chairs**

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On July 23, 2021, the Center for Media and Democracy (CMD) filed a complaint with the Maine Commission on Governmental Ethics and Elections Practices requesting an investigation into the American Legislative Exchange Council's (ALEC) provision of valuable "ALEC CARE" voter management software to its Maine legislative members, including potentially its state chairs, Sen. Trey Stewart and Rep. Matthew Harrington.

The complaint presents two main points: 1) ALEC's provision of the sophisticated campaign software amounts to an illegal and unreported in-kind contribution to Maine legislators; and 2) If ALEC's state chairs, named in the complaint – and any other legislators – used the software for their campaigns, that would constitute additional violations of law.

As ALEC keeps its Maine membership list and ALEC CARE usage data secret, CMD requested that the Commission conduct an investigation.

## ALEC's Response

ALEC's response to the complaint rests almost exclusively on the argument that its provision of ALEC CARE voter management software to its legislative members cannot be considered an in-kind campaign contribution because of its insertion of a disclaimer that legislators are not allowed to use it for campaign purposes.

The response is notable, however, for what it does not say. ALEC does not dispute the evidence presented by CMD that the ALEC CARE software is the exact same product as the sophisticated campaign software created by VoterGravity, an explicitly electoral tool developed by Republican operatives, marketed and sold to Republican candidates, and fully integrated with

the Republican National Committee's (RNC) voter file.<sup>1</sup> ALEC does not dispute that the software contains multiple functions with no other plausible use than for candidates' campaigns, including detailed individual voter information and history, political donor status, "Turnout Scores," RNC voter identification numbers, and tools for making and tracking identified supporters, door-to-door canvassing, phone banks, and election-day "Strike Lists."<sup>2</sup> And ALEC does not dispute that its leadership characterized ALEC CARE as a "fundamental game changer" for its legislative members.<sup>3</sup>

If ALEC intended to simply give its legislative members a "constituent communications" tool, it could have easily modified or disabled those electoral functions. It did not.

### State Chairs' Response

Sen. Stewart and Rep. Harrington aver that they never used ALEC CARE for their campaigns, as does Aaron Gillham, who manages the program for ALEC. If the Commission is satisfied with that response, it may decide not to pursue the complaint with respect to those two ALEC members.

Nonetheless, CMD believes that the provision of the campaign software by ALEC constitutes a violation of law in and of itself,<sup>4</sup> and urges the Commission to investigate whether other ALEC legislative members in Maine used the software for their campaigns.

It is important to emphasize here that the main thrust of the complaint is against ALEC, as we have direct evidence, presented in the complaint, about the electoral nature of its ALEC CARE program, but no direct evidence of who in Maine took advantage of the ill-conceived program for their campaigns.

ALEC CARE has been a major initiative of ALEC's for the past two election cycles, and its state chairs have been explicitly tasked with promoting it as a member benefit and recruitment tool for new members.

Since 2017, ALEC has received at least \$1.7 million from the Bradley Foundation to operate the controversial voter management data program.<sup>5</sup> In Mar. 2018, ALEC hired Mr. Gillham, a Client

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<sup>1</sup> See complaint at ¶¶ 10-16 and Ex. 1 at 5-11.

<sup>2</sup> See complaint at ¶ 19 and Ex. 1 at 3-4 and 11-16.

<sup>3</sup> See Ex. 1 at 14.

<sup>4</sup> See complaint at ¶¶ 29-30.

<sup>5</sup> See <https://www.exposedbycmd.org/2021/08/20/bradley-foundation-bankrolls-controversial-alec-voter-software/> and attached.

Relation Specialist at VoterGravity – the partisan, for-profit outfit that developed the software package – as its CARE Associate to “spearhead[] the full implementation of the...platform as a member benefit within ALEC, through marketing strategies, trainings, and conference presentations.”<sup>6</sup>

In keeping with its funding and program goals, ALEC tasks its state chairs with promoting ALEC CARE as a membership benefit to their legislative colleagues. In a Jan. 8, 2021 email about “the role of being a State Chair” obtained by CMD, ALEC specifically lists CARE as “software that would cost \$3,000 if bought by a member, but is a member benefit,” and provides a pre-drafted recruitment letter for the chairs to send out that prominently features ALEC CARE. (Both documents are attached to this memo.)

ALEC’s assessment of \$3,000 as the value for the software is clearly based on what VoterGravity would charge an average state legislative candidate for the full voter management package over an election cycle for his or her campaign.<sup>7</sup>

As early as June 2016, ALEC’s national leadership was pushing ALEC CARE to its state chairs as “a ‘hook’ to get your colleagues signed up for membership.” (See attached State Chair Minutes.)

Based on the extensive evidence presented in the complaint to this Commission and our parallel whistleblower complaint to the Internal Revenue Service,<sup>8</sup> it is clear that ALEC CARE is designed to help ALEC’s members get reelected, despite ALEC’s attempted rebranding of the campaign software as a “constituent communications” tool.

We believe, therefore, that ALEC’s provision of the software to its Maine legislative members constitutes an illegal and unreported in-kind expenditure.

#### Basis for Further Investigation

Which legislators obtained a login for the CARE software and whether they used it for their campaigns, on the other hand, will require additional investigation. For that reason, CMD has asked to Commission to use its subpoena powers to obtain a list of those legislators and their usage data from ALEC.

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<sup>6</sup> See <https://www.linkedin.com/in/aarongillham/> and Ex. 1.

<sup>7</sup> See Ex. 8, VoterGravity software features and pricelist.

<sup>8</sup> See Ex. 1. The IRS complaint and full set exhibits can also be accessed here, <https://www.documentcloud.org/documents/21012929-alec-irs-whistleblower-complaint-72021>; <https://www.documentcloud.org/documents/21012938-alec-irs-whistleblower-complaint-72021-exhibts>.

Based on his affidavit, Mr. Gillham has full access to the login and usage data for Maine legislators using ALEC CARE, and could easily provide that information to the Commission.<sup>9</sup> In addition, an email to Arizona's ALEC state chairs makes it clear that ALEC tracks the number of legislators who use ALEC CARE. (See attached AZ ALEC Update email.)

CMD urges the Commission to obtain a list of ALEC legislators using ALEC CARE and their detailed usage data.

Please let me know if you have any questions about the evidence we have presented or would like any additional information.

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<sup>9</sup> See Gillham aff. at ¶¶ 3-8.

Dear Colleague,

As we head into the 2021 session, I want to invite you to join me as a member of the American Legislative Exchange Council (ALEC).

I currently serve as the (insert state) ALEC State Chair and have found ALEC to be the best membership organization for state legislators who want to provide effective change for their constituents.

For just \$100 for an annual membership, ALEC provides members with non-partisan, limited government and free-market solutions on a wide range of policies. In 2020, when COVID-19 struck, ALEC worked quickly to provide policy prescriptions for legislators across the country.

Each year, ALEC hosts two major policy conferences and several regional educational academies. These gatherings are great opportunities to meet like-minded legislators from across the country, debate and create model policy and hear from national political and private sector leaders. The relationships I have developed with other national leaders at ALEC meetings have been helpful when I needed perspective from someone who has dealt with similar challenges.

ALEC didn't let COVID-19 slow them down. The ALEC team put together virtual meetings and issue briefings that delivered real solutions that I plan on using when making decisions in 2021. The ALEC team recorded every session of the most recent States and Nation Policy Summit that happened in early December. Follow this [link](#) to see the value ALEC provides

Beyond the nationwide network of state legislators, ALEC offers tech tools to make you more effective:

- ALEC CONNECT
  - Online collaboration platform and shared resource library
  - View and register for upcoming events in real-time
  - Live chat with ALEC staff for support
- ALEC CARE
  - Web-based system to encourage interaction between elected officials and constituents
  - Customize constituent profiles, set up push text messages, and visualize data trends to better engage with your community
  - Utilize CARE to improve legislative interactions, track district events, and solicit feedback from constituents

**Please reach out to me or ALEC membership representative, Will Davies ([wdavies@alec.org](mailto:wdavies@alec.org)) with questions about joining.** I am always happy to discuss how ALEC has positively impacted me throughout my time in the legislature.

**From:** [Will Davies](#)  
**To:** [j.spencer.roach@gmail.com](mailto:j.spencer.roach@gmail.com)  
**Cc:** [Fischer, Jason](#); [Jason Fischer](#)  
**Subject:** Post Call Recap  
**Date:** Friday, January 08, 2021 4:16:44 PM  
**Attachments:** [FL State Chair Document - New chair Call.docx](#)  
[2021-01-05 - Action Item \(Will\).docx](#)

**EXTERNAL EMAIL:** This email originated from outside of the Legislature. USE CAUTION when clicking links or opening attachments unless you recognize the sender and know the content is safe.

Hello Representative Roach,

Thank you for taking the time yesterday to go over the role of being a State Chair. I am excited to work with you and Representative Fischer. I wanted to pass along the document Bill and I referenced during the call we had yesterday. The document has folks whose memberships are current, those whose memberships expired at the end of 2020 and those whose memberships expired at the end of 2019 or later. It also contains the amount of money in the travel reimbursement fund.

The action item is also attached if you and Representative Fischer wanted to send that out.

Below are some top-line things we covered during the call. Also, there will be a FAQ sheet in the State Chair Box with everything you need to know.

#### State Chair Monthly Touch Points

- **Week 1-Action Item Sent the First Wednesday of Every Month** – This updates you on the ALEC agenda for the month and a recruitment letter that is tailored for you to send to your delegation.
- **Week 2-The State Chairs Call Agenda and Calendar Invite and the State Intelligence Digest:** The agenda is what you should expect and look forward to the following week and the State Intelligence Digest is a comprehensive document put together by the membership team that highlights the political news and events happening in all 50 States.
- **Week 3-The State Chairs Call on the 3<sup>rd</sup> Friday of every month at Noon EST:** This 30-40 minute call serves as a check-in call. State Chairs hear about what is taking place at ALEC, they hear from an outside speaker such as pollster Scott Rasmussen or an ALEC policy expert who talks about a hot button policy issue taking place in the states.
- **Week 4-State Intelligence Digest is sent out**

#### New Member Information

- Membership Costs: \$100 a year
- New this year...the ability to join two task forces.
- Within a week of joining they get a call from their membership representative.
- They receive a new member packet that has a welcome letter confirming their membership and task force, relevant information related to their Task Force choice, ALEC Member benefits such as CARE, CONNECT and other valuable information.
- 4 week email series
  - Welcome to ALEC
  - Taskforce Information
  - Policy Resources
  - Breakdown of ALEC Member Benefits (CARE and CONNECT)
    - CARE-Constituent Analytic Research Exchange is a CRM that allows legislators to communicate effectively with their constituents. This software would cost \$3,000 if bought by a member, but is a member benefit.
    - CONNECT-Half search engine, half online forum. CONNECT is designed to help members find the policy documents they need while also allowing dialogue between legislators from all parts of the country.

Best,

Will

**Will Davies**

Manager, Member Engagement  
American Legislative Exchange Council  
o: 571-482-5033  
c: 770-597-9078  
[wdavies@alec.org](mailto:wdavies@alec.org)



LIMITED GOVERNMENT • FREE MARKETS • FEDERALISM

Upcoming Meetings:

2021 Annual Meeting, July 28 – 30, Salt Lake City UT

2021 States and Nation Policy Summit, December 1 – 3, San Diego CA

*The American Legislative Exchange Council is a 501(c)3 nonprofit organization and is the largest nonpartisan, voluntary membership organization of state legislators in the United States dedicated to the principles of limited government, free markets and federalism. The Council is governed by state legislators who comprise the National Board of Legislators and is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.*

STATEMENT OF CONFIDENTIALITY

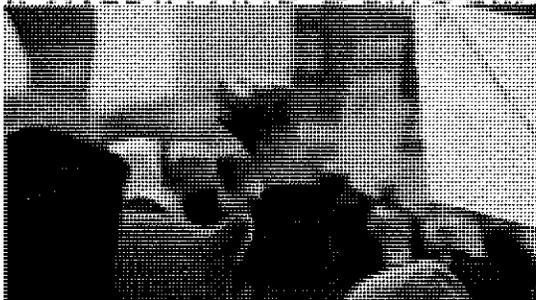
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# EXPOSED by CMD investigating power

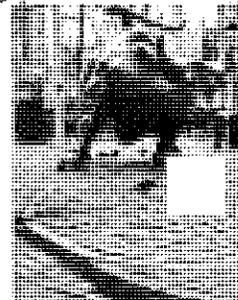
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DEMOCRACY



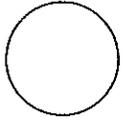
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🏠 Featured Investigations › Bradley Foundation Bankrolls Controversial ALEC Voter Software



Offices of The Lynde & Harry Bradley Foundation

# Bradley Foundation Bankrolls Controversial ALEC Voter Software



By David Armiak

August 20th, 2021

at 12:43 PM (CDT)

ALEC, Bradley Files, Democracy, Featured Investigations, Wisconsin

Leave a Comment



The Milwaukee-based Bradley Foundation has earmarked \$600,000 for the American Legislative Exchange Council’s controversial voter management campaign software and other activities this year, bringing the total contributed for distribution of the software to ALEC’s legislative members to at least \$1.7 million since 2017.

The Center for Media and Democracy (CMD) filed an IRS whistleblower complaint against ALEC in July, charging that the voter software program, owned by Republican operatives and directly linked to the Republican National Committee’s voter file, amounted to more than \$6 million in illegal political expenditures during the 2020 election cycle. As a tax-exempt 501(c)(3) organization, ALEC is not allowed to engage in any activity designed to influence elections.

CMD, Common Cause, and Alliance for a Better Utah are also pursuing campaign finance complaints against ALEC and its legislative leaders in 15 states for their brazen scheme to help ALEC’s overwhelmingly Republican members win reelection.

In all, Bradley has given ALEC \$5.4 million between 2011 and 2021 according to IRS filings and grants disclosed online, with its donor advised fund, Bradley Impact Fund, chipping in another \$10,500 in 2019.

Prior to 2016, Bradley gave ALEC less than \$100,000 per year in grants. The increase in funding followed a 2013 unrestricted transfer of \$203 million to Bradley that enabled it to strategically weaponize its grantmaking to strengthen and build right-wing infrastructure to influence state policy making and elections.

The Bradley Foundation, which had assets of \$934.4 million as of its latest available 2019 IRS filing, is one of the largest funders of the Right, providing millions in grants to groups working to suppress the unions, and spread climate misinformation, and to right-wing media outlets.

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Dubbed “ALEC CARE,” the software, provided for free to ALEC legislative members and valued by ALEC at \$3,000 per legislator, is owned and operated by VoterGravity, a Republican voter data company conceived and run by Ned Ryun.

Ryun, is the founder and president of a right-wing candidate training operation, American Majority, and its voter mobilization affiliate, American Majority Action, which are closely allied with the Tea Party. American Majority Action’s latest available IRS filing shows that it owns 84% of Voter Gravity, and both list a post office box in Purcellville, Virginia as their address.

Between 2010 and 2019, Bradley gave American Majority \$2.6 million, with Bradley Impact Fund providing another \$142,000, according to tax filings reviewed by CMD.

## **ALEC Uses CARE to Recruit Legislative Members**

ALEC CARE is used as an important recruitment tool in convincing state lawmakers to join ALEC, emails obtained by CMD detail.

A recruitment letter from January, written by ALEC and circulated to ALEC state chairs to distribute to colleagues, touts ALEC CARE as one of two “tech tools to make you more effective.”

In another email, ALEC’s manager of member engagement Will Davies outlines what new members will receive upon joining for \$100 a year. Information on ALEC CARE will be provided in a “new member packet” and within four weeks, new members will receive a “breakdown of ALEC Member Benefits (CARE and CONNECT).” CARE is described as a “CRM that allows legislators to communicate effectively with their constituents. This software would cost \$3,000 if bought by a member, but is a member benefit.”

## **CMD State Complaints Get Hearing Dates**

The state complaints against ALEC and its legislative leaders asks oversight agencies to investigate the ALEC CARE scheme, use their subpoena powers to determine the full list of ALEC state legislators receiving the voter software, and determine whether the software was used by legislative staff on state time or in state offices.

The state complaints can be viewed here as they are filed.

On August 4, Connecticut’s State Elections Enforcement Commission voted to authorize investigation of the complaint.

Minnesota’s Campaign Finance Board has found that the complaint states a valid violation and will hold a hearing on Oct. 6 to determine if a formal investigation is warranted.

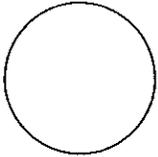
Maine’s Ethics Commission will take up the complaint at its Sept. 29 meeting, and the oversight commissions in Ohio and Wisconsin will consider the complaints on Oct. 7.

Other states have asked ALEC or its leaders to provide a response, but have not yet set hearing da

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Stayed tuned to ExposedbyCMD.org for updates on the complaints as investigations proceed.

---



### About David Armiak

David Armiak is research director with the Center for Media and Democracy. David joined CMD in 2015, has conducted extensive investigations on dark money, corporate corruption, and right-wing networks, and is responsible for filing and analyzing hundreds of public records requests every year. David has a strong research interest in social movements and political power, and has delivered many talks on the subject. He has a Bachelor's degree in philosophy and anthropology from Boston University and a Master's degree in Anthropology from the University of Wisconsin-Madison.

All articles by David Armiak

---

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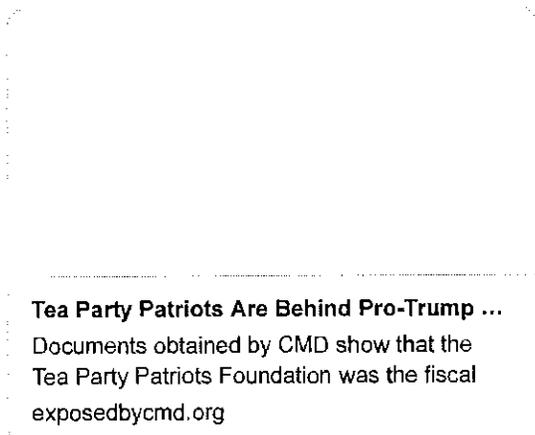


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.@EXPOSEDbyCMD revealed that the Tea Party Patriots are behind a group of pro-Trump doctors who push fake Covid cures & scam patients seeking vaccine alternatives.

[exposedbycmd.org/2021/09/09/tea...](https://exposedbycmd.org/2021/09/09/tea...)



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**From:** Jeff Lambert <jlambert@alec.org>  
**Subject:** June State Chair Call Minutes  
**Date:** June 21, 2016 at 5:23:12 PM CDT  
**To:** Membership and Events <membershipandevents@alec.org>  
**Attachments:** State Chair Agenda.pdf (99.8 KB), State and Task Force Chair Agenda.pdf (97.9 KB), Board Nomination Form ALEC 2016 - Members.pdf (106.1 KB), State Night Form.pdf (131.0 KB)

---

Dear State Chairs,

Here are the notes from Friday's monthly State Chairs call.

State Chair Call Notes 6/17/16

**Representative Alan Clemmons, (SC), Chair of State Chairs**, began the call with a reminder for the State Chairs to raise funds for their reimbursement accounts in the run-up to the Indianapolis Annual Meeting, which is coming up very soon. He then introduced **Senator Leah Vukmir (WI), the 2016 ALEC National Chairman**.

**Leah Vukmir** announced some exciting news: at Annual Meeting, we will be launching our ALEC Center for Free Speech. Because the left can't win with arguments, we have seen them make efforts to stop speech. In my home state of Wisconsin, this has been a big issue. But the Center for Free Speech will allow us to fight back. The Center will develop a free speech policy toolkit; publish State Factors; report on legislation; post updates to traditional and new media; hold seminars, seminars and briefings; and serve as a clearinghouse of information for those interested in what they can do to advance free speech.

**Alan Clemmons** thanked Chairman Vukmir for her report and introduced **Jeff Lambert, Vice President of Member Relations at ALEC**.

**Jeff Lambert** We are holding a registration contest. The state with the largest percentage of its delegation attending the meeting will be awarded \$2,000 from ALEC to its scholarship fund. We will announce the winner at the opening session. Please encourage your members to register! Some of you have personally sent emails inviting your colleagues to sign up—please continue to do this.

Please fill out the attached State Night Form in order to hold your State Nights. This is very important, because it allows us to keep track of all the different State Nights. Please also make sure that you know everyone who RSVPs to your State Night.

There will be a joint State Chair-Task Force Chair meeting on Tuesday, July 26<sup>th</sup> at 1 p.m. At this event, the ALEC Board and the Executive Committee will discuss with you the 2016-2018 ALEC Strategic Plan, as well as other opportunities to get involved with ALEC leadership.

Then, on Wednesday, July 27<sup>th</sup>, we will hold our usual business meeting for State Chairs. We will hold Board elections—if you want to run for Board or nominate someone to run, please fill out the attached form.

**Alan Clemmons** thanked the State Chairs for giving him the opportunity to serve as Chair of State Chairs the last two years. He encouraged all of the State Chairs to look for new leadership opportunities in ALEC. He then introduced **Bill Meierling, Vice President of Public Affairs at ALEC.**

**Bill Meierling** announced that ALEC has begun an exciting program: the Constituent Analytics and Research Exchange, or ALEC CARE. At Annual Meeting, we will explain it in more detail and get you signed up. This program allows you to better interact with your constituents, and to keep track of this interaction. Thus far, ALEC has traveled to South Carolina, Utah, Oklahoma, Pennsylvania and West Virginia, and over 60 legislators have signed up for ALEC CARE. Not only does ALEC CARE offer a chance for ALEC to expand its membership value, but it also offers you as State Chairs a “hook” to get your colleagues signed up for membership.

**Representative Jason Saine, North Carolina State Chair,** said that he had recently invited legislative staffers to a lunch during which he introduced them to ALEC CARE, in the expectation that they would talk to their bosses about the program. There were a lot of good questions. **Representative Saine** encourages all of you to sit down with everyone from staff to leadership to discuss ALEC CARE.

**Senator Jan Angel, Washington State Chair,** asked for information on how to sign up for ALEC CARE and how much time is involved in explaining it to colleagues and leadership.

**Bill Meierling** indicated that you can visit [aleccare.org](http://aleccare.org) or email him at [wmeierling@alec.org](mailto:wmeierling@alec.org) to get signed up. After the Annual Meeting, you will have plenty of information about ALEC CARE to present to your caucuses and leadership. Bill is happy to come to your state, as well, to present.

**Bill Meierling** also asked the State Chairs to read a new book by Kim Strassel of *The Wall Street Journal*. This book, called *The Intimidation Game*, offers a look at some of the manufactured attacks on ALEC and traces how the left has chilled speech and intimidated people. If you know of any legislators who are apprehensive about ALEC, this book is for you and them alike.

**Jeff Lambert** thanked the State Chairs for their participation. See you in Indianapolis!

**Jeff Lambert, CAE**  
Vice President, Member Relations

American Legislative Exchange Council  
2900 Crystal Drive, Suite 600  
Arlington, VA 22202

P: (571) 482-5018  
C: (703) 283-5904  
F: (703) 373-0927  
Email: [jlambert@alec.org](mailto:jlambert@alec.org)



**Upcoming Meetings:**

2016 Annual Meeting – July 27-29, 2016 – Indianapolis, Indiana  
2016 States and Nation Policy Summit – November 30 – December 2, 2016 – Washington, D.C.  
2017 Spring Task Force Summit – May 5, 2017 – Charlotte, North Carolina

*The American Legislative Exchange Council is a 501(c)3 nonprofit organization and is the largest nonpartisan, voluntary membership organization of state legislators in the United States dedicated to the principles of limited government, free markets and federalism. The Council is governed by state legislators who comprise the National Board of Legislators and is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.*

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**From:** [Gabriella Uli](#)  
**To:** [Sine Kerr](#); [Thomas T.J. Shope](#); [rsmoldon@b3strategies.com](mailto:rsmoldon@b3strategies.com)  
**Subject:** AZ ALEC Update  
**Date:** Friday, July 16, 2021 8:47:27 AM  
**Attachments:** [image001.png](#)  
[State Report - ARIZONA \(7.15.21\).pdf](#)  
[2021-7-16 - AM Registration List - AZ.xlsx](#)

---

State Chairs –

Please see our latest State Report as well as the registration list for the upcoming Annual Meeting attached. Please let me know of any questions you may have sooner so that I can address them prior to the meeting.

Looking forward to connecting with you on our State Chairs Call this afternoon.

As always, feel free to text, call, or email me!

Sincerely,  
Gabriella

Gabriella M. Uli  
Legislative Outreach Manager  
American Legislative Exchange Council  
Cell: 703-732-5608



Upcoming Meetings:

*2021 Annual Meeting, July 28 – 30, Salt Lake City UT*

*2021 States and Nation Policy Summit, December 1 – 3, San Diego CA*

# ARIZONA

**STATE FUND**  
**\$ 28,556.97**

Public Sector Chairs	Email	Phone
Sen. Sine Kerr	skerr@azleg.gov	[REDACTED]
Sen. TJ Shope	tshope@azleg.gov	[REDACTED]
Private Sector Chairs	Email	Phone
Russell Smoldon	rsmoldon@b3strategies.com	[REDACTED]

## Legislative Membership

	Senate	House	Total
Total Number	10	21	31
Percentage of State	33.3%	35%	34.4%
Percentage of ALEC			2.9%
CARE Users			11

## TOP 5 LEADERBOARD

1. Nebraska 33.00%
2. Mississippi 32.76%
3. Arizona 31.11%
4. Utah 29.81%
5. South Carolina 29.41%

## MEETING ATTENDANCE

Annual Meeting 2021 – Salt Lake City	Annual Meeting 2019 – Austin	SNPS 2018 - D.C.	Annual Meeting 2018 – New Orleans
20	27	31	17

## UPCOMING EVENTS

WHERE	WHAT	WHEN
Midland, Michigan	Tax Academy	August 2021
La Jolla, California	Life Sciences Academy	September 2021
Manchester Grand Hyatt – San Diego, CA	2021 States & Nation Policy Summit	December 1-3, 2021

YOUR MEMBERSHIP TEAM	PHONE	EMAIL
Bill Meierling <i>Executive Vice President, External Relations</i>	[REDACTED]	wmeierling@alec.org
Gabriella Uli <i>Manager, Legislative Engagement</i>	[REDACTED]	guli@alec.org

First Name	Last Name	Email Address
Sine	Kerr	[REDACTED]
Aundrea	DeGravina	[REDACTED]
Nicholas	Willis	[REDACTED]
Michael	Vargas	[REDACTED]
David	Cook	[REDACTED]
Arthur	Harding	[REDACTED]
Quang	Nguyen	[REDACTED]
Michelle	Ugenti-Rita	[REDACTED]
Jason	Bedrick	[REDACTED]
Timothy	Dunn	[REDACTED]
Ingrid	Garvey	[REDACTED]
Nancy	Barto	[REDACTED]
Michael	Hunter	[REDACTED]
Ilse	Contreras Rivera	[REDACTED]
Heather	Curry	[REDACTED]
Brian	Murray	[REDACTED]
Andrew	Wilder	[REDACTED]
Paul	Boyer	[REDACTED]
Jorge	Fuentes	[REDACTED]
Shawwna	Bolick	[REDACTED]
Gail	Griffin	[REDACTED]
Stacy	Derstine	[REDACTED]
Marie	Isaacson	[REDACTED]
Joshua Kredit	Kredit	[REDACTED]
Sabrina	Vazquez	[REDACTED]
Megan	Martin	[REDACTED]
Katherine	Dauphinais	[REDACTED]
Kimberly	Lawson	[REDACTED]
Venden	Leach	[REDACTED]
David	Gowan	[REDACTED]
Darbi	Jenkins	[REDACTED]
John	Kavanagh	[REDACTED]
Steven	Kaiser	[REDACTED]
Mark	Finchem	[REDACTED]
Nicholas	Schilligo	[REDACTED]
Thomas	Shope	[REDACTED]
Thomas	Dorn	[REDACTED]
Jacob	Hoffman	[REDACTED]
Benjamin	Toma	[REDACTED]
Justin	Wilmeth	[REDACTED]
Edith	Lefevre	[REDACTED]
Joseph	Chaplik	[REDACTED]
Chad	Heinrich	[REDACTED]

Frank  
Russell  
Andrew  
Steven  
John

Carroll  
Smoldon  
Pappas  
Voelier  
Allen



**Company Name**

Arizona State Legislature  
Molera Alvarez  
DeMenna Public Affairs  
Arizona Public Service Company  
Arizona State Legislature  
Office of the Arizona Governor  
Arizona State Legislature  
Arizona Legislature  
EdChoice  
Arizona State Legislature  
Maricopa County Treasurer's Office  
Arizona State Legislature  
Arizona House of Representatives  
DeMenna Public Affairs  
Goldwater Institute  
Summit Consulting Group  
Arizona House of Representatives  
Arizona State Legislature  
Arizona State Legislature  
Arizona State Legislature  
Arizona State Legislature  
Arizona Public Service Company  
Isaacson Law Firm, P.C.  
Arizona Attorney General  
University of Arizona  
Salt River Project  
ExcelinEd  
Guardian/

**Title**

Senator  
Associate of State Legislative Affairs  
Legislative Director  
Director of State and Local Affairs  
Representative  
Deputy Director, Legislative Affairs  
Representative  
Senator  
Director of Policy  
Representative  
Chief Deputy Treasurer  
Senator  
Chief of Staff  
Director of Special Projects  
Director, Strategic Engagement  
partner  
Director of Communications  
Senator  
Senior Policy Advisor & Staff Attorney  
Representative  
Representative  
Vice President of External Affairs  
Principal  
Deputy Attorney General  
Assistant VP State Relations  
Sr. Gov't Relations Representative  
Regional Advocacy Director-West

Arizona State Legislature  
B3 Strategies  
Arizona House of Representatives  
University of Arizona  
Maricopa County Treasurer

Representative  
CEO  
General Counsel  
Vice President, Government and Community Relations  
County Treasurer

<b>Registration Type</b>	<b>Work State/Prov.</b>
ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC Legislative Non-Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC Legislative Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ALEC Legislative Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC Legislative Member	Arizona
ALEC Legislative Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC Legislative Member	Arizona
ALEC Legislative Member	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Member	Arizona

ALEC Legislative Member	Arizona
ALEC/ACCE Private Sector Member	Arizona
ALEC/ACCE Government/Legislative Staff	Arizona
ALEC/ACCE Private Sector Non-Member	Arizona
ACCE Elected Official Member	Arizona

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**Primary Registrant (Guest of)**

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Kerr, Sine  
DeGravina, Aundrea  
Willis, Nicholas  
Vargas, Michael  
Cook, David  
Harding, Arthur  
Nguyen, Quang  
Ugenti-Rita, Michelle  
Bedrick, Jason  
Dunn, Timothy  
Garvey, Ingrid  
Barto, Nancy  
Hunter, Michael  
Contreras Rivera, Ilse  
Curry, Heather  
Murray, Brian  
Wilder, Andrew  
Boyer, Paul  
Fuentes, Jorge  
Bolick, Shawwna  
Griffin, Gail  
Derstine, Stacy  
Isaacson, Marie  
Kredit, Joshua Kredit  
Vazquez, Sabrina  
Martin, Megan  
Dauphinais, Katherine  
Lawson, Kimberly  
Leach, Venden  
Gowan, David  
Jenkins, Darbi  
Kavanagh, John  
Kaiser, Steven  
Finchem, Mark  
Schilligo, Nicholas  
Shope, Thomas  
Dorn, Thomas  
Hoffman, Jacob  
Toma, Benjamin  
Wilmeth, Justin  
Lefevre, Edith  
Chaplik, Joseph  
Heinrich, Chad

Carroll, Frank  
Smoldon, Russell  
Pappas, Andrew  
Voeller, Steven  
Allen, John

**From:** LB  
**Subject:** Biden Stands Up for Voter Suppression  
**Date:** Thursday, July 15, 2021 8:08:46 AM

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Another great article on how Biden and Democrats are actually trying to pass laws that that would open our election system to massive voting fraud and election cheating! Their words say one thing as their actions and proposed bills do the opposite! The Democrat party is the party that supported slavery, that imposed Jim Crow laws, that opposed opening voting to black Americans, that supported and even had members in the KuKluxKlan...so now we are supposed to accept what Biden says about voting?!

Read this article to become better informed!

BIDEN WATCH

# Biden Stands Up for Voter Suppression

*And, of course, plays the race card.*

July 15, 2021, 12:07 AM

*President Biden gives speech on voting rights, Philadelphia, Pennsylvania, July 13, 2021 (YouTube screenshot)*



by JEFFREY LORD

**E**arlier this week President Joe Biden went to Philadelphia, the birthplace of the United States, and urged voter suppression. And, of course, he played the race card. Of course he did — that's what his Party of Race always does.

Among other things, Biden said this:

*From denying enslaved people full citizenship until the 13th, 14th, and 15th Amendments after the Civil War; to denying women the right to vote until the 19th Amendment 100 years ago; to poll taxes and literacy tests, and the Ku Klux Klan campaigns of violence and terror that lasted into the '50s and '60s; to the Supreme Court decision in 2013 and then again just two weeks ago — a decision that weakened the landmark Voting Rights Act; to the willful attacks — election attacks in 2020; and then to a whole other level of threat — the violence and the deadly insurrection on the Capitol on January 6th.*

What did he leave out there?

**It was his party — the Democratic Party — that supported slavery and was created as a political party in the first place by slave masters.**

**It was his party — the Democratic Party — whose members of Congress voted against the 13th Amendment that at  
against the 14th Amendment that gave blacks due process rights, and voted against the 15th Amendment that gave**

It was a leader of his party — the “progressive” Democrat Woodrow Wilson — who opposed giving women the right to vote  
immense pressure from suffragettes, grudgingly caving on the issue late in his second term.

**It was Joe Biden’s Democratic Party that imposed poll taxes and literacy tests — Jim Crow laws — on black voters.**

**It was Joe Biden’s Democratic Party that used the Ku Klux Klan as its military arm to terrify, to lynch, black Amer**

**It was Joe Biden who gave the eulogy for Sen. Robert Byrd, his friend who had been a leader in the Ku Klux Klan.**

And Jan. 6? Where was Joe Biden when one American city after another — all run by Democrats — were being burned and  
2020? He was silent as a church mouse.

And voting rights? Really? Who is kidding whom? Over at the *Daily Signal* there is [this article](#) about election law and voting  
home state of Delaware — the state he represented in the U.S. Senate for a full 36 — say again, 36! — years:

*Biden has called Georgia’s voting law “Jim Crow in the 21st century.”*

*Unlike Georgia, however, Biden’s home state of Delaware has never allowed early in-person voting. The state will beg  
according to the National Conference of State Legislatures.*

*“I was just actually looking at a comparison of the two states that somebody did [that] one of our legislators ... sent out  
Brian Kemp, a Republican, told The Daily Signal last week. “It’s really interesting, especially when you look at the opt  
early in our state versus Delaware. I mean, it’s a world of difference. The president should be worried about his own st*

of Georgia.”

Moreover, even when Delaware does allow it, Georgia will still provide seven more days of early in-person voting than president represented in the Senate from 1973 to 2009.

“Delaware offers early voting beginning in 2022 for 10 days before the election, a little more than half the number of a Georgia,” said Snead, of the Honest Elections Project. “This undercuts the narrative that Georgia is trying to restrict v

Similar to Georgia, Delaware under its new law will allow Saturday and Sunday voting.

The Washington Post’s fact-check columnist who gave Biden “four Pinocchios,” the newspaper’s highest rating for a f

“We were curious what the early-voting rules were in Delaware, Biden’s home state. It turns out Delaware did not allow voting in 2020. A law signed in 2019 will permit early voting starting in 2022. (Voting hours are 7 a.m. to 8 p.m. on Ele

Delaware, the first state to ratify the U.S. Constitution, is among the last in the country to allow early voting, as 43 states do, according to the National Conference of State Legislatures. The average for early voting is 19 days.

In other words, by Biden’s sudden new standards his own state of Delaware has been suppressing the vote for years — and 36 years.

So what do we have here?

**What we have is the president of the United States going to Philadelphia’s National Constitution Center and flat-out card — yet again.** He said, “The 21st century Jim Crow assault is real. It’s unrelenting, and we’re going to challenge it vig

Anyone who watched the vote counting in Philadelphia on TV saw legal election observers being kept a minimum of six feet away from the counting. Kept behind bicycle racks. Which is to say, they were forcibly kept from doing their jobs as observe:

Yet there is Joe Biden saying this:

*It’s no longer just about who gets to vote or making it easier for eligible voters to vote. It’s about who gets to count the count whether or not your vote counted at all...*

*To me, this is simple: This is election subversion. It’s the most dangerous threat to voting and the integrity of free and fair history. Never before have they decided who gets to count — count — what votes count.*

In fact, the election subversion in Philadelphia was run by Joe Biden’s Democratic Party — to benefit Joe Biden.

Make no mistake. **What Joe Biden is about is exactly voter suppression. His party did it in Philadelphia in 2020, and they are determined to do it again.**

Shocking.

Not.

“Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies....” Grouch Marx

**In order to prevent the spread of Junk mail and viruses, please delete my name and e mail address when forwarding this message.**

**From:** Fair Lines America News  
**Subject:** Brnovich v. DNC - July 1, 2021  
**Date:** Thursday, July 1, 2021 11:35:11 AM  
**Attachments:** [image001.png](#)  
[image005.png](#)  
[image007.png](#)  
[image004.png](#)

**Redistricting News**

**FAIR LINES AMERICA  
FOUNDATION**

**July 1, 2021**

**National News**

**Brnovich v. DNC**

In a 6-3 opinion, the U.S. Supreme Court found that Arizona's out-of-precinct ballot policy and its ballot collection law do not violate Section 2 of the Voting Rights Act because the minimal burdens imposed by these time, place, and manner voting rules did not lead to Arizona's electoral system being less open to minority voters. The majority explained that many of the totality of circumstances factors used to analyze racial vote dilution claims under Section 2 are "plainly inapplicable" to challenges to facially neutral time, place, and manner election rules, with their only purpose in this context being to establish past discrimination and whether those effects remain today.

The court provided a list of relevant circumstances for analyzing claims like these, including:

- the size of the burden imposed by the rule beyond the "usual burdens of voting,"
- the historical and current usage of the challenged rule or practice by the state and its usage in other jurisdictions
- the size of the racial or ethnic disparities in its impact
- and the strength of the state's interest for adopting the rule.

Additionally, the majority stated that such rules must be assessed in the context of the state's entire election system, including the availability of other voting methods. Finally, the majority explicitly rejected that disparate impact alone was sufficient to prove a violation of Section 2 and the additional requirement that a state show the rule at issue was the least restrictive means to accomplish their policy objective.

Justice Alito penned the majority opinion, joined by Chief Justice Roberts and Justices Thomas, Gorsuch, Kavanaugh, and Barrett. Justice Kagan wrote a dissent, joined by Justices Breyer and Sotomayor.



Did we miss something? Forward relevant news to [clips@fairlines.org](mailto:clips@fairlines.org).

To subscribe email clips @ FairLines.org with the subject "Subscribe". To unsubscribe email us with the subject "Unsubscribe".

**From:** [Fair Lines America News](#)  
**Subject:** Census Data Release Announcement - August 5, 2021  
**Date:** Thursday, August 5, 2021 11:52:07 AM  
**Attachments:** [image001.png](#)  
[image005.png](#)  
[image007.png](#)  
[image004.png](#)  
**Importance:** High

<b>Redistricting News</b>	<b>FAIR LINES AMERICA FOUNDATION</b>	<b>August 5, 2021</b>
<b>National News</b>		
<b>Census Data Release Announcement</b>		
<p>The U.S. Census Bureau <u>announced today</u> that the 2020 Census legacy format data will be released on August 12th at 1 p.m., four days earlier than expected. The Bureau will hold a press conference on the release date to discuss initial analysis of the results.</p>		
		
<p>Did we miss something? Forward relevant news to <a href="mailto:clips@fairlines.org">clips@fairlines.org</a>.</p> <p>To subscribe email clips @ FairLines.org with the subject "Subscribe". To unsubscribe email us with the subject "Unsubscribe".</p>		

**From:** [Lisa B. Nelson](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** CEO Update: Our Union is A Process  
**Date:** Thursday, July 1, 2021 1:28:11 PM

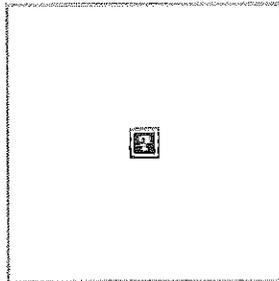
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*Bring Your Ideas to the Table*

Email not displaying correctly?  
[View it in your browser.](#)



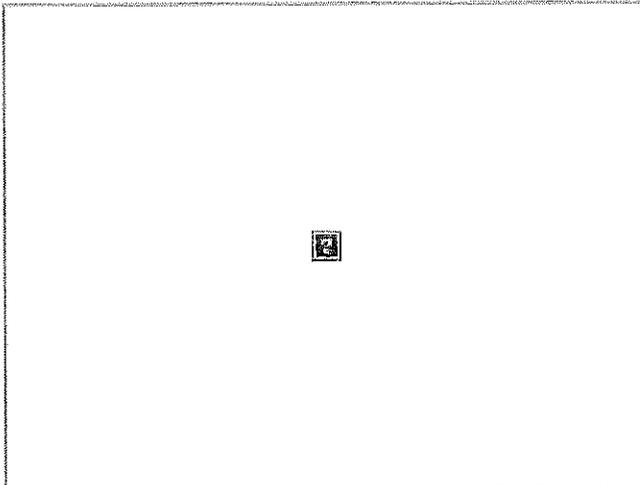
Friends,



In 1776, delegates from what would become the states signed the Declaration of Independence, marking our political separation from Great Britain and the birth of a new nation. Years after its ratification, again in Philadelphia, our Founding Fathers spent several hot summer months in even more heated debates and discussions to write what we know today as the U.S. Constitution. Still, years later, the First Federal Congress added the bill of rights to the Constitution, which among other things divides enshrined free speech rights and codified the role of states in view of the federal government.

You see, the “more perfect union” envisioned by our founders isn’t a destination. It is a process—one we revisit every day with added context encompassing various perspectives as well as new challenges brought about by societal evolution.

It is in this vein ALEC exists. We meet in an academic environment to engage in deliberative debate. Any legislator can submit a policy for consideration. This means all ideas are welcome, but only the best ideas—the ideas vetted and amended through debate—become ALEC model policies. It is why ALEC models become law with incredible frequency. It is also why so many target ALEC with uneducated attacks aimed at confusing the public about the importance of good model policy.



It is the tactic of cancel culture waged in the marketplace of ideas.

Because no one has a monopoly on good ideas, we offer a seat at the table for everyone. We are open for business, and all ideas are welcome. We exist to find consensus on an exploration on the impact of the issues. Along the way, we encounter speed bumps, challenges, arguments and ultimately, compromise—it’s iron sharpening iron. And that’s

the point.

Every one of our task forces has a great diversity in members from across all 50 states and industry sectors. Every legislator's and entrepreneur's perspective looks completely different. Again, this is why ALEC exists.

Ten years ago, ALEC members took positions on all sides of the education/Common Core issue. Today we have members on multiple sides of issues like environmental stewardship and technology innovation. In each case—and over time—consensus is the objective.

The diversity of ideas and perspective is reflected in our [model policy library](#), and the draft policies we will consider at the [48<sup>th</sup> ALEC Annual Meeting in Salt Lake City](#).

Be part of developing that consensus. Participate in the debate at Annual Meeting. Thousands of state legislators and stakeholders from across the states will come together to take policy deep dives. Topics for discussion range from technology regulation and energy to direct-to-consumer sales issues and sustainable energy development. We want to find the best policy, and that's what the ALEC Annual Meeting is all about.

We're seeing record registration as people gear up to engage in these discussions, including first-time attendees who are looking forward to bringing new fuel and ideas to the table, and taking home the real solutions and results guaranteed at our meetings.

It's clear—the ALEC family is ready to come together and engage in the time-honored tradition of debate that has made our country the greatest democracy in the history of the world. The only way to make the potential for positive change into a reality is to look up from our smartphones, cross the divide built between us and put our heads together to do what our state legislators do best: make sure our government works for all.

Our states are the laboratories of democracy, and the ALEC Annual Meeting is where state leaders formulate the policy solutions to address our biggest issues. Join us in the discussion—models up for consideration at Annual Meeting went [on the website](#) yesterday.

Have a safe Fourth of July with family and friends, and remember that while we celebrate our independence, ALEC is here to ensure our founding principles of individual liberty and free enterprise live on.

Your Friend,



Lisa B. Nelson  
Chief Executive Officer  
American Legislative Exchange Council

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***In Memoriam: Donald Rumsfeld (1932-2021)***

*As many of you have probably heard, Donald Rumsfeld passed away earlier this week. The former Secretary was a friend of limited government and free market causes, a long-time financial supporter of ALEC and a civil servant who will be missed. I'd like to share [this clip](#), which depicts a reenactment of the now-famous 1974 dinner between ALEC Scholar and Rich States Poor States author, Laffer, Rumsfeld, Wanniski and Cheney in*

*which Dr. Laffer scribbled his Laffer Curve on a napkin.*

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American Legislative Exchange Council  
2000 Crystal Drive  
Arlington, Va 22202

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**From:** Tyler Duvelius  
**To:** Tyler Duvelius  
**Subject:** Conservative Energy Network Happy Hour  
**Date:** Tuesday, July 27, 2021 8:05:26 AM  
**Attachments:** [image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[CEN ALEC Reception.pdf](#)

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Good morning,

Attached, please find an invitation to the Conservative Energy Network Happy Hour tomorrow evening (7/28) at Caffe Molise. The happy hour will be from 4:30pm to 6:30pm. Drinks and hors d'oeuvres will be provided. Caffe Molise is a short, 8 minute walk from The Grand America Hotel.

I also wanted to draw your attention to the Resolution to Protect Access for All Electric Generation Technologies, sponsored by State Representative Steve Handy of Utah. This resolution is designed to protect markets across the country and to make sure that government is not in the business of picking 'winners and losers'. Instead of outright bans on specific energy or electricity types, states should be open to transparent discussions on energy and electricity investments and adopt a balanced 'all of the above' approach based on market dynamics and customer preference.

Please do not hesitate to contact me by phone or text at [REDACTED] with any questions about our reception or the above resolution. I look forward to seeing you soon!

Many thanks!



***Tyler M. Duvelius***

Director of External Affairs

m: [REDACTED]



*A project of the Conservative Energy Network*



# JOIN US

FOR A HAPPY HOUR  
RECEPTION

DRINKS & hors d'oeuvres  
to be provided

JULY 28, 2021

CAFFE MOLISE  
404 S. West Temple  
Salt Lake City, Utah 84101  
4:30PM - 6:30PM

HOSTED BY THE CONSERVATIVE ENERGY NETWORK

QUESTIONS CONTACT THE EVENT COORDINATOR  
OR EMAIL ID@CEI.UTAH.GOV  
OR VISIT CEI.UTAH.GOV

CASE NO. 5 IS AN A MINUTE WALK  
FROM THE GRAND AMERICA HOTEL

**From:** [Lourdes Bautista](#)  
**To:** [Lourdes Bautista](#)  
**Cc:** [Bartlett Cleland](#); [Madison Crawley](#)  
**Subject:** Criminal Justice Task Force Meeting- AM 21 Salt Lake City, Utah- Speaker Registration  
**Date:** Tuesday, July 27, 2021 4:57:35 PM  
**Importance:** High

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Dear Criminal Justice Task Force Speakers,

Thank you again for agreeing to speak at our Criminal Justice Task Force meeting this Thursday, **July 29<sup>th</sup>**, at **2:00 pm** in the **Murano room, 1<sup>st</sup> floor**. We are very excited to have you join us and hear about your experiences in the criminal justice field.

Before our meeting, please make sure you have registered for our Annual Meeting. **If you have not done so already, please let me know at your earliest convenience to help you connect with our event team and set you up before your presentation.**

If you are planning to present any material to the task force members (power point presentations, articles, publications, reports, etc.), please plan to arrive 15 min earlier to test audio and check ppps. You can also send me these materials before the meeting as a contingency plan.

If you have any additional questions, please do not hesitate to contact me at (239) 771-0665.

I look forward to seeing you on Thursday!

Best Regards,

**Lourdes Bautista**

Policy Analyst

American Legislative Exchange Council

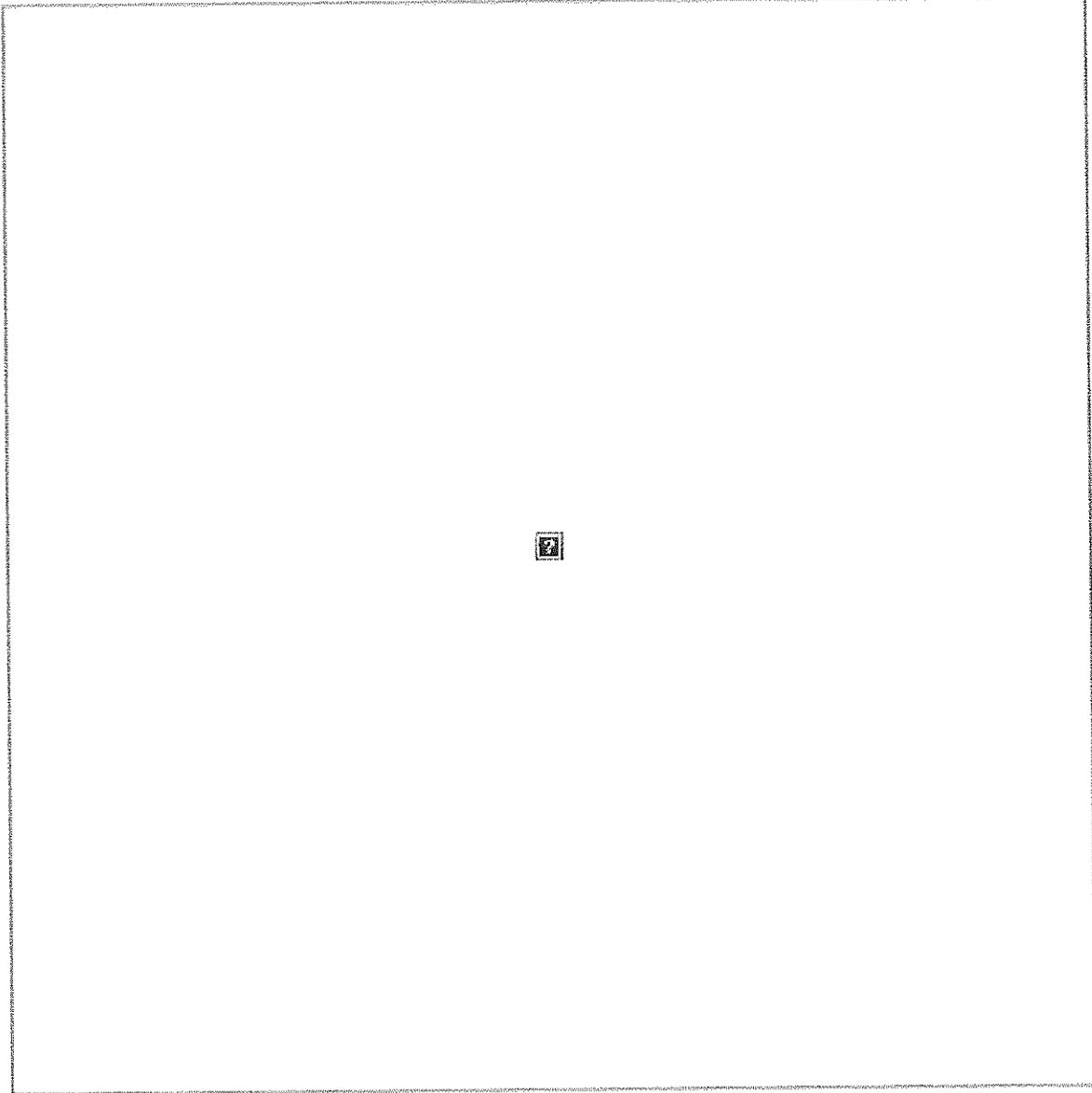
[lbautista@alec.org](mailto:lbautista@alec.org)

D: [REDACTED]

C: [REDACTED]

**From:** [ALEC Events](#)  
**To:** [David Gowat](#)  
**Subject:** Day 2 of Virtual Subcommittees for the 48th/8th ALEC & ACCE Annual Meeting  
**Date:** Wednesday, July 21, 2021 7:04:53 AM

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Dear David,

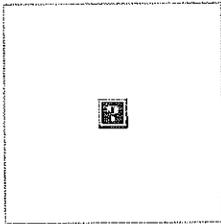
We are looking forward to seeing you at the virtual subcommittee meetings taking place today! Be sure to read through this note to learn more about exciting programming taking place next week in Salt Lake City.

As a reminder, we will be hosting the subcommittee meetings in a virtual format. The subcommittees will take place on the Zoom platform. To help keep the exchange of ideas interactive, you will be required to join these meetings via a web camera. Please note, dialing into the meeting via a phone line will not be an option for these meetings.

See below for the links to join the task force subcommittee meetings taking place from

July 21 - July 23, 2021. [Click here](#) for a full agenda of the ALEC Annual Meetings.

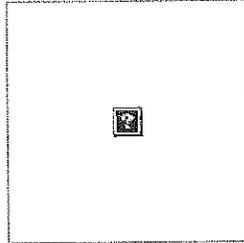
Note, all times listed below are in EDT.



Energy,  
Environment and  
Agriculture  
Subcommittee

Wednesday, July  
21

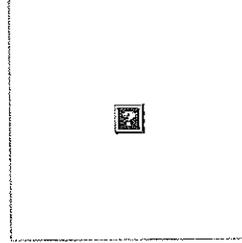
11:00AM -  
2:00PM



Health and  
Human Services  
Subcommittee

Wednesday, July  
21

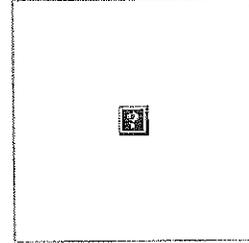
3:00PM - 4:00PM



Tax and Fiscal  
Policy  
Subcommittee

Wednesday, July  
21

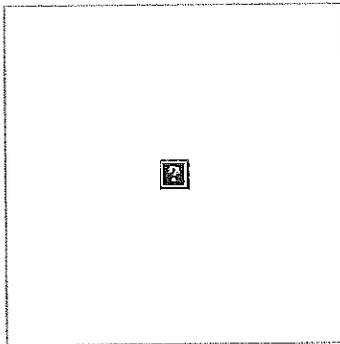
3:00PM - 5:30PM



Homeland  
Security  
Subcommittee

Wednesday, July  
21

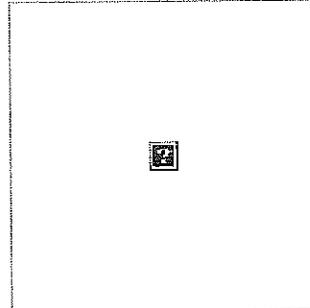
4:00PM - 5:00PM



Criminal Justice  
Subcommittee

Thursday, July 22

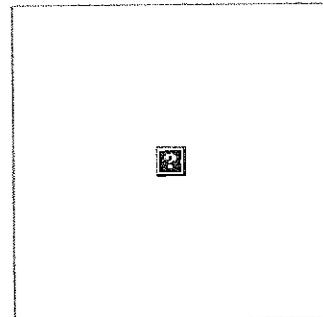
11:30AM - 1:00PM



Education and Workforce  
Development  
Subcommittee

Thursday, July 22

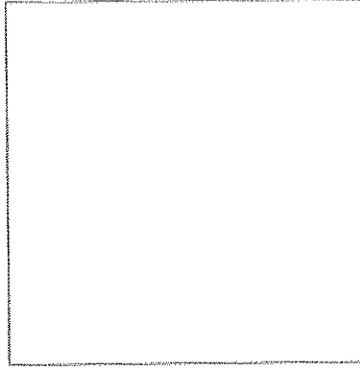
12:30PM - 3:00PM



Federalism and  
International Relations  
Subcommittee

Thursday, July 22

2:00PM - 5:30PM



Commerce, Insurance and Economic Development Subcommittee

Friday, July 23

2:00PM - 4:00PM

**Check out these tips & tricks for a successful virtual meeting!**

- Test your internet connection prior to joining.
- Download a background to professionalize your space.
- Remember to check if you are muted or unmuted before speaking.
- Utilize the chat feature. If you have a question, ask it!

**Getting excited to join ALEC in Salt Lake City?**

**Be sure to catch these can't miss workshops next week!**

- Free Market Reforms to Promote Housing Affordability
- Tech Talk: Content Moderation on Social Media Platforms
- School Choice: Legislative Wrap Up
- Short-Term Rentals and Online Travel Agents-Driving the Travel and Tourism Recovery
- Avoiding a Broadband Boondoggle: Strategies for Oversight and Smart Spending of American Rescue Plan Funds
- China vs. the US: Will China Overtake the US Economically?
- Genetic Data Privacy: Best Practices for American Companies to Protect Customers' Data
- Pharmaceutical Pricing Legislation: Voter Priorities, Legislative Proposals, and State and National Impact
- The High Stakes of Donor Privacy: A Real-Life Story of Threats, Harassment and Reprisals

A Legislator's Primer on How Elections Work in America

- The Fallibility of Human Systems: How welfare, unemployment, and even election processes are built for failure
- Taxing Tech: Will State Regulation Harm Consumers and Raise Prices?
- How Technology Can Help Foster Children Have Families, Drive Government Efficiency and Save Taxpayer Money

Have a question? Contact the ALEC Events Team at [meetings@alec.org](mailto:meetings@alec.org).

Sincerely,

The ALEC Events Team  
American Legislative Exchange Council

[meetings@alec.org](mailto:meetings@alec.org)

If you no longer want to receive emails from ALEC Events, please [Opt-Out](#).



**From:** [ALEC Events](#)  
**To:** [David Gowan](#)  
**Subject:** Day 3 of Virtual Subcommittees for the 48th/8th ALEC & ACCE Annual Meeting  
**Date:** Thursday, July 22, 2021 8:05:52 AM

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Dear David,

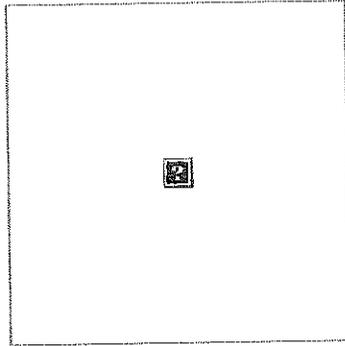
Today is the third day of subcommittee meetings! We hope you will join us for what we know will be another day of great policy debate and exchanging of ideas. With our in-person meeting kicking off in just under one week, see below for additional programming and great opportunities!

As a reminder, we will be hosting the subcommittee meetings in a virtual format. The subcommittees will take place on the Zoom platform. To help keep the exchange of ideas interactive, you will be required to join these meetings via a web camera. Please note, dialing into the meeting via a phone line will not be an option for these meetings. **For entree into the meeting, please make sure your name on the Zoom account**

**matches the name you registered with.**

See below for the links to join the task force subcommittee meetings taking place on July 22 and July 23, 2021. [Click here](#) for a full agenda of the ALEC Annual Meetings.

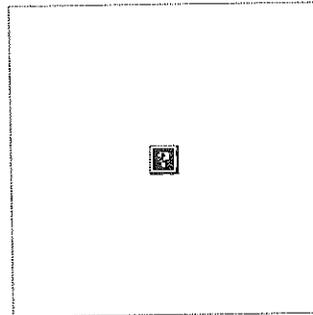
Note, all times listed below are in EDT.



Criminal Justice  
Subcommittee

Thursday, July 22

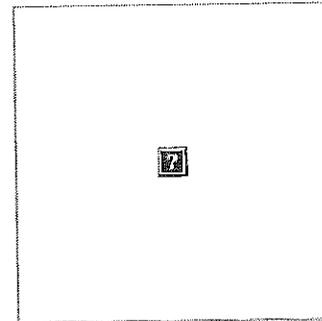
11:30AM - 1:00PM



Education and Workforce  
Development  
Subcommittee

Thursday, July 22

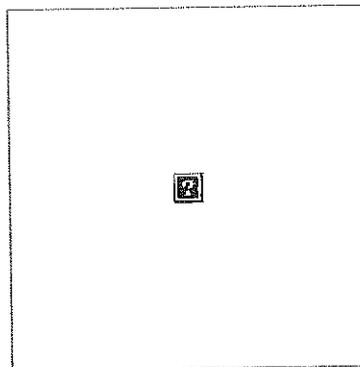
12:30PM - 3:00PM



Federalism and  
International Relations  
Subcommittee

Thursday, July 22

2:00PM - 5:30PM



Commerce, Insurance and Economic Development Subcommittee

Friday, July 23

2:00PM - 4:00PM

**Check out these tips & tricks for a successful virtual meeting!**

- Test your internet connection prior to joining.
- Download a background to professionalize your space.
- Remember to check if you are muted or unmuted before speaking.
- Utilize the chat feature. If you have a question, ask it!

**This time next week, we will be together in Salt Lake City! Take advantage of these great trainings and opportunities.**

CARE Training (Rolling 30-Minute Sessions)

CONNECT Training (Rolling 30-Minute Sessions)

Writing The History Of The Future: Messaging Strategies To Reclaim States' Power & American Exceptionalism

Legislative Staff Training

How You Implement an America First Agenda

Modern Polling: Getting Participation and Accurate Results

**Media Row at the ALEC Annual Meeting**

Fill out [this quick form](#) to participate in a media junket during the 48<sup>th</sup> Annual Meeting in Salt Lake City, UT. Once you complete the form, the ALEC booking team will be in touch.

With questions, please contact ALEC Press Secretary Alexis Jarrett ([ajarrett@alec.org](mailto:ajarrett@alec.org)).

**While in the capitol city of Utah, do not miss the opportunity to see the Utah State Capitol!**

Reservations are available for tours starting at 2:30 PM on Friday, July 30. Transportation will be on your own to the captiol. For more information, please contact [meetings@alec.org](mailto:meetings@alec.org).

Have a question? Contact the ALEC Events Team at [meetings@alec.org](mailto:meetings@alec.org).

Sincerely,

The ALEC Events Team  
American Legislative Exchange Council

[meetings@alec.org](mailto:meetings@alec.org)

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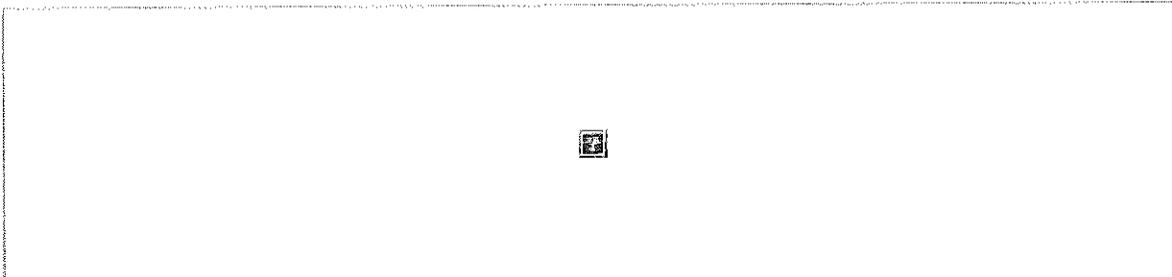


**From:** [American Legislative Exchange Council](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** Day Two at the 48th ALEC Annual Meeting  
**Date:** Thursday, July 29, 2021 8:54:02 PM

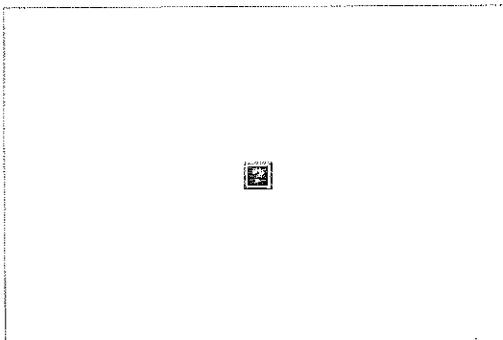
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48th ALEC Annual Meeting

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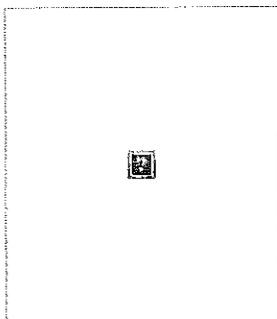


## Welcome to the 48th ALEC Annual Meeting

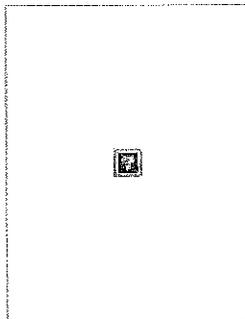


### Thursday, July 29 Recap

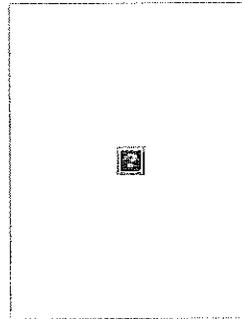
#### Today's Plenary Speakers



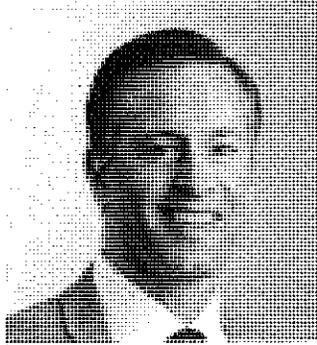
**Governor Greg Abbott**  
Texas  
[Watch Here](#)



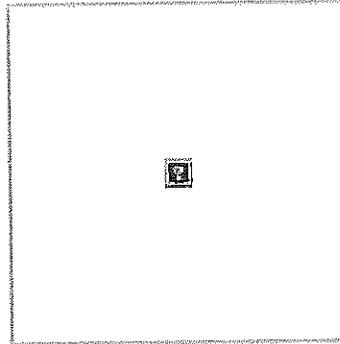
**Congressman Blake Moore**  
Utah  
[Watch Here](#)



**Congressman John Curtis**  
Utah  
[Watch Here](#)

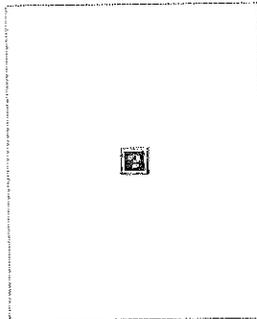


**Scott Pulsipher**  
Western Governor's University  
[Watch Here](#)

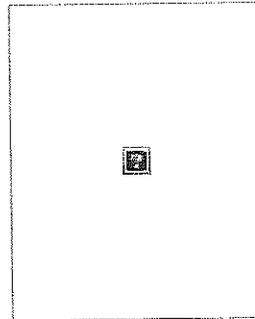


**Marc Harrison**  
Intermountain Healthcare  
[Watch Here](#)

**Thursday Lunch**



**Governor Spencer Cox**  
Utah  
[Watch Here](#)



**Dennis Quaid**  
[Watch Here](#)

And Special Panel Discussions from:

**The American Conservative Union**

[Watch Here](#)

and

**ACCE: The American City County Exchange**

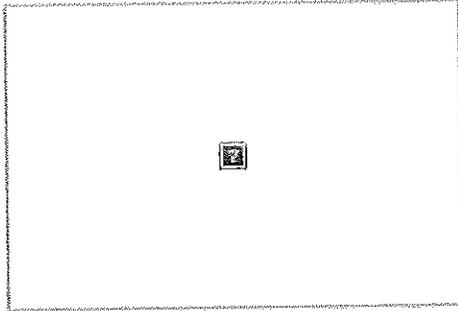
[Watch Here](#)



**Get your voice heard**



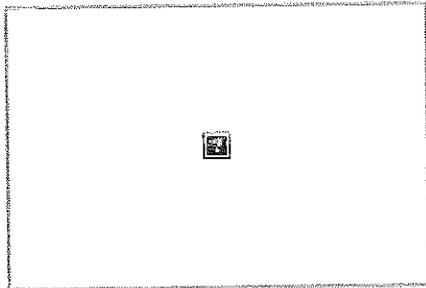
**ALEctv Highlights**



The Annual Meeting also will have numerous opportunities to make yourself available to media and bring your message to the airwaves, the presses and the podcasts. Click below to fill out a **Media Form** to help us facilitate booking you.



**Workshop Tomorrow: Medical Marijuana**

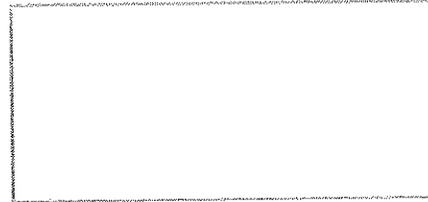


As marijuana continues to grow as an accepted alternative treatment for many medical conditions, legislators are looking at their policies in new ways. This workshop will discuss medical marijuana as a treatment, and the laws, regulations and public policy issues that surround state legislation.

Join us at 10:30 AM in Imperial Ballroom  
A



**Tomorrow's Plenary Speakers**



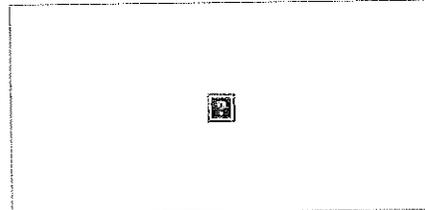
Matthew Fisher sits down with Joe DeSantis of Gingrich 360 to discuss healthcare reform ideas and ways to reduce medical costs.

**[Watch Here](#)**



Michelle Bekkering National Engagement Director for the US Global Leadership Coalition, sits down with Kelley Currie, former U.S. Ambassador-at-Large for Global Women's Issues, Kelley Currie and Roya Rahmani, A fghan ambassador to the United States of America to discuss the importance of women in foreign policy and international relations.

**[Watch Here](#)**

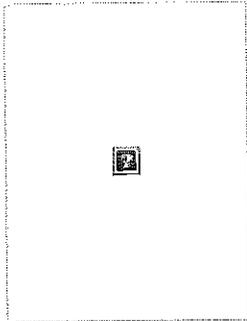


John Ramsey, founder of the Bill of Financial Responsibility Project, stops by ALECtv to discuss the importance of fiscal responsibility, accountability, and so much more.

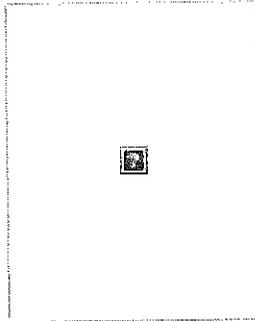
**[Watch Here](#)**

**[There's Much More from ALECtv, Check Out All Videos Here](#)**

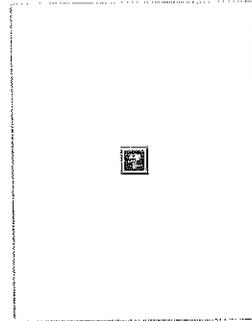
**Friday Breakfast**



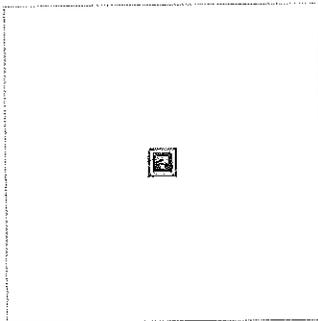
**Former Sec. Energy Rick Perry**



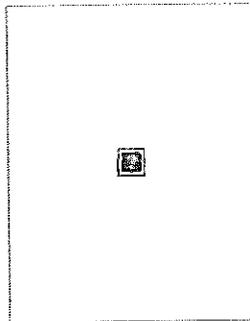
**Senator Mike Lee  
Utah**



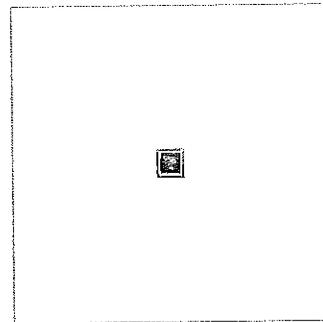
**Congressman Chris Stewart  
Utah**



**Ambassador H.E. Khim-Hsiao  
Taiwan**

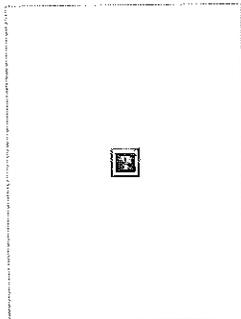


**Sen. Tim Scott  
South Carolina**

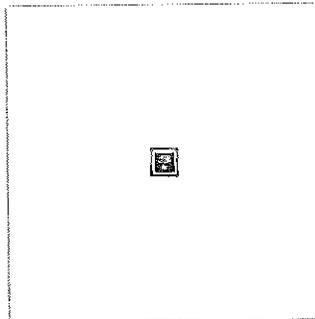


**Dan Liljenquist  
Intermountain Healthcare**

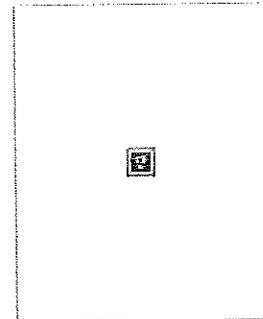
**Friday Lunch**



**Former Congressman Jason  
Chaffetz**

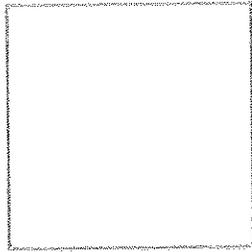


**Rikki Schlott**

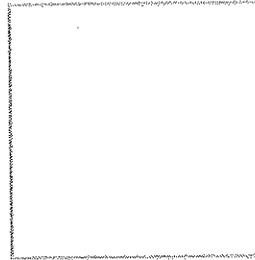


**Congressman Burgess  
Owens  
Utah**

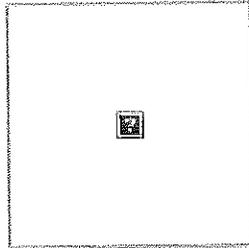
**And an Education Panel Featuring:**



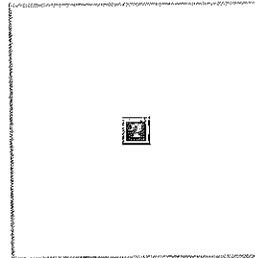
**State Sen. Patricia Rucker**  
West Virginia



**Dr. Tony Bennett**  
Stride, Inc.



**Bryan Flood**  
Stride, Inc.



**Corey DeAngelis**  
Cato Institute

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**From:** Carly Good  
**To:** Sine Kerr  
**Subject:** EEA Annual Meeting Update  
**Date:** Wednesday, July 7, 2021 1:33:03 PM

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Energy, Environment and Agriculture Task Force Update

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Hi EEA Legislators,

I am so excited to meet you all in Salt Lake City! We have an amazing lineup of presentations and model policies for consideration this cycle. All of the most updated agenda items can be found on our website – I have linked the [EEA event page here](#) for easy access.

**A few exciting things for your radars –**

EEA is hosting a tour and policy briefing at the world's largest open-pit copper mine on Tuesday July 27<sup>th</sup> located in SLC, and you are all invited! Due to capacity restrictions, we have a very limited number of slots available and registration will be first come first serve. You can register for the event and find more details on the Eventbrite page linked [here](#). Once we receive your registration, we will confirm with you if we are able to accommodate your spot.

Also on the evening of July 27<sup>th</sup>, we will be hosting a task force dinner for all EEA legislative members to kick off the conference. Be sure and book your travel accordingly if you'd like to attend. More details to come soon.

**IMPORTANT:** Please remember to [register for Annual Meeting](#) by **JULY 16<sup>th</sup>** in order to participate in the virtual EEA subcommittee meeting on July 21<sup>st</sup>. We will be having **all model policy presentations during the subcommittee meeting**, so make sure you are able to tune in if you have any questions or comments on any of the model policies.

As always, please feel free to reach out to me directly if you have any questions! I look forward to a great meeting with you all!

All the best,

Carly Good  
Manager, Energy, Environment and Agriculture Task Force  
American Legislative Exchange Council

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**From:** [Carly Good](#)  
**To:** [Carly Good](#)  
**Cc:** [Lee Schalk](#)  
**Subject:** EEA Subcommittee Meeting TOMORROW  
**Date:** Tuesday, July 20, 2021 9:04:45 AM  
**Attachments:** [image001.png](#)  
[EEA AM21 Subcommittee Agenda - public.docx](#)  
**Importance:** High

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Hi EEA participants,

This week marks the start of ALEC Annual Meeting 2021!

As a final reminder – our EEA subcommittees meeting will take place **TOMORROW, July 21<sup>st</sup>, from 11:00am-2:00pm EASTERN.** Here is the link to join that meeting: <https://zoom.us/j/96798929855?pwd=QWIFTUZIVWU4NzZEa21LMXhidUFWUT09>

Please come prepared with questions/comments on the model policies. I have linked the [EEA event page here](#) for easy access to all of the policies. I have also attached the agenda for tomorrow's meeting to this email.

I look forward to seeing you all (virtually) tomorrow and in Salt Lake City next week!

Best,

**Carly Good**

Task Force Manager  
Energy, Environment and Agriculture  
American Legislative Exchange Council

C: [REDACTED]

O: [REDACTED]

Email: [cgood@alec.org](mailto:cgood@alec.org)



Upcoming Meetings:

2021 Annual Meeting, July 28 – 30, Salt Lake City UT

2021 States and Nation Policy Summit, December 1 – 3, San Diego CA

The American Legislative Exchange Council is a 501(c)3 nonprofit organization and is the largest nonpartisan, voluntary membership organization of state legislators in the United States dedicated to the principles of limited government, free markets and federalism. The Council is governed by state legislators who comprise the National Board of Legislators and is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.

## **EEA Subcommittees Meeting Agenda**

**Annual Meeting | Virtual  
Wednesday, July 21, 2021 | 11:00am-2:00pm EST**

- 11:00 AM Call to Order, Welcome and Introductions**
- 11:10 AM Model Policy Palooza! (15 minutes each)**
- 11:10 AM Hydrogen Tax Incentives Act**
- 11:25 AM Resolution Supporting States Establish Electric Vehicle Charging Stations as a Competitive Market Free From Utility Commission Regulation**
- 11:40 AM Resolution Supporting the Preservation of the Existing Nuclear Fleet and Deployment of Advanced Nuclear Technologies**
- 11:55 PM Act to Establish Statewide Uniformity for Essential Plastic Regulations**
- 12:10 PM Safeguarding Greenhouse Gas Regulatory Authority Act**
- 12:25 PM Resolution on Environmental and Economic Stewardship**
- 12:40 PM Resolution to Protect Market Access for All Electricity Generators**
- 12:55 PM Energy Discrimination Elimination Act**
- 1:10 PM Affordable, Abundant, Reliable Electricity Act**
- 1:25 PM Resolution Supporting Reliable and Affordable Energy**
- 1:40 PM Adjournment**

**From:** American Legislative Exchange Council  
**To:** J.D. Mesnard  
**Subject:** Every Child Deserves a Family  
**Date:** Friday, July 2, 2021 9:27:56 AM

*Adoption Policy in the States*

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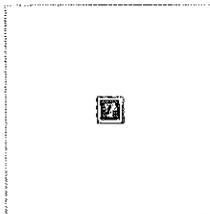
## Every Child Deserves a Family

On Independence Day, many of us will gather with family to celebrate our great nation. But not all are so lucky. As part of the foster care system, more than 400,000 children in America don't have a family. Former foster youth represent 30% of the homeless and 25% of the prison population. Getting foster care systems wrong has major human and financial costs.

At the [48th ALEC Annual Meeting in Salt Lake City from July 28-30](#), learn how you can change outcomes for children and save taxpayer money in Arizona from [Binti](#).

Every state in the U.S. currently pays millions—or tens of millions—of dollars per year maintaining a state child welfare IT system.

At the [ALEC Annual Meeting](#), learn how child welfare administrators and advocates are making change and improving outcomes in New Mexico, Florida, North Carolina and other states—all while saving taxpayer money by partnering with [Binti Child Welfare](#).



Felicia Curcuru  
Binti Co-Founder  
and CEO



Brian Blalock  
New Mexico  
Secretary of Child  
welfare



Sixto Cancel  
Think of Us CEO



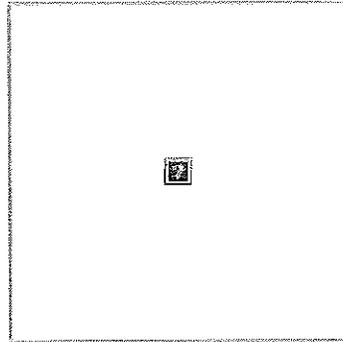
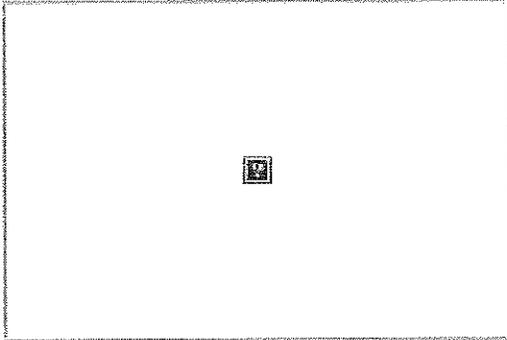
Matthew Anderson  
Children's Home  
Society of North  
Carolina VP of  
Programs



Jenn Petion  
Family Support  
Services of North  
Florida President



## **Learn More About Binti on ALEC TV and the Across the States Podcast**



**Felicia Curcuru on ALEC TV**

**Across the States Podcast:  
Ep. 10, Adoption in the States**

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**Subject:** Fair Lines America Foundation News - July 7, 2021  
**Date:** Wednesday, July 7, 2021 7:33:33 AM  
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<b>Redistricting News</b>	<b>FAIR LINES AMERICA FOUNDATION</b>	<b>July 7, 2021</b>
<b>National News</b>		
<b>2020 Census</b>  Census 2020 administrators are concerned that the coronavirus pandemic resulted in an <u>undercount of persons renting apartments</u> .		
<b>Redistricting News</b> Multiple news outlets looked out how <u>Republicans may address</u> medium-to-large cities <u>like Nashville</u> in the upcoming redistricting.		
<b>State News</b>		
<b>Colorado</b> The Colorado Congressional redistricting commission's first draft map is reportedly <u>favorable to Democrats</u> .	<b>Florida</b> State Senator Ray Rodrigues was <u>selected to serve as Chair</u> of the Florida Senate's Committee on Reapportionment in the upcoming legislative session.	
<b>New Mexico</b> The state's new redistricting committee <u>approved an online portal</u> for receiving public input on the redistricting process but <u>rejected a proposed rule</u> that sought to bar or require disclosure of members' conversations with non-members about new congressional or legislative redistricting maps.	<b>Virginia</b> One of the Republican-appointed members of the state's redistricting commission <u>resigned this week</u> and the remaining commissioners hope to vote on his replacement in mid-July.	

## Wisconsin

Republican leadership in the State Legislature have asked the Wisconsin Supreme Court to review a state court's ruling earlier this year that they improperly hired private attorneys with taxpayer funds to represent them in future redistricting challenges.

## The American Redistricting Project

New content at The American Redistricting Project includes a new Redistricting Weekly, a 2020 Apportionment blog post, an updated blog post on Redistricting Control, and updates on our litigation page and ballot measure tracker.



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<b>Redistricting News</b>	<b>FAIR LINES AMERICA FOUNDATION</b>	<b>July 14, 2021</b>
<b>National News</b>		
<b>Redistricting News</b> Due to the redistricting data delay, 2022 congressional candidates for both parties have <u>begun their campaigns</u> without knowledge of which district they will be running in.		
<b>State News</b>		
<b>Colorado</b> The state's congressional redistricting commission <u>will ask the Colorado Supreme Court</u> whether final maps can be delivered after the state's constitutional deadline. Eastern Colorado officials expressed concern as to the <u>placement of Washington County</u> in the legislative commission's preliminary plan.	<b>Georgia</b> High school and college age persons are <u>speaking up</u> in redistricting town halls asking for simpler district shapes and for communities of interest to be kept intact.	
<b>Iowa</b> State Democrats appointed an Iowa attorney to serve as a <u>replacement commissioner</u> on the Temporary Redistricting Advisory Commission.	<b>Kansas</b> Population movements will require Kansas' districts to be <u>reconfigured</u> , with district 3 now overpopulated and the other 3 underpopulated.	
<b>Maine</b> Hampered by census data delays, the state's apportionment commission is hoping the Maine Supreme Court will	<b>Maryland</b> After Governor Hogan established his Citizens Redistricting Commission in January, State Democratic leaders	

give it more time to complete redistricting beyond the state constitutional deadlines.

### **Massachusetts**

Local officials urged members of the Legislature's Committee on Redistricting to not split towns and cities when redrawing the state's congressional districts.

### **Missouri**

Governor Parson appointed 40 people to serve on the House and Senate Independent Bipartisan Citizens Commissions, which are tasked with redrawing Missouri's legislative districts. The state's legislative committee for redistricting expects a bipartisan and non-confrontational redistricting process in a special session later in the year.

### **New Jersey**

The New Jersey Supreme Court's chief justice requested that state party leaders submit their list of candidates for the 11<sup>th</sup> commissioner on the state's redistricting commission by August 10.

### **Washington**

The Washington State Redistricting Commission released the first phase of its publicly available mapping tool.

unveiled their own 7-member Legislative Redistricting Advisory Commission to aid in redistricting the state.

### **Michigan**

The Michigan Supreme Court denied a request by the state's redistricting commission to delay their redistricting deadlines, stating that to do so would be pre-emptive and unwarranted

### **Montana**

The state's Districting and Apportionment Commission agreed on criteria for congressional redistricting and, after lengthy debate, for legislative redistricting.

### **Ohio**

The ACLU of Ohio is suing the leaders of the Ohio Legislature, seeking documents related to the state's new redistricting process pursuant to the Ohio Public Records Act.

### **West Virginia**

State lawmakers expect to begin the redistricting process in the late summer, but will want to wait for the

census data to draw their maps.

### The American Redistricting Project

New content at The American Redistricting Project includes a new Redistricting Weekly, a 2020 Apportionment blog post, an updated blog post on Redistricting Control, and updates on our litigation page and ballot measure tracker.



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**Redistricting News**

**FAIR LINES AMERICA  
FOUNDATION**

**July 21, 2021**

**State News**

**Arizona**

In a public hearing Arizona's redistricting commission heard testimony about how the Census Bureau's new differential privacy tool will affect their ability to draw districts in compliance with federal law, among other concerns from residents. The commission aims to finish legislative and congressional plans by late December, but observers do not expect the state's delegation to change much.

**Colorado**

The state's redistricting commission filed a petition with the Colorado Supreme Court requesting that the deadlines for proposing and adopting a congressional plan be extended.

**Illinois**

A three-judge panel of federal judges will decide whether the state legislature's enacted legislative

**California**

A Sacramento Bee op-ed urges the state's redistricting commission to stop holding closed door meetings and increase transparency in the redistricting process. The commission will ask the California Supreme Court for another extension of its redistricting deadlines, citing the need for additional public participation.

**Idaho**

Republican leaders in the state initially selected their three appointees to the Idaho Citizens Committee for Reapportionment, but one of the appointees removed himself from consideration due to eligibility requirements.

**Maine**

The Maine Supreme Court granted a petition to extend the state's congressional and legislative

redistricting plan based upon population estimates is constitutional, but state Democrats are trying to have the challenge dismissed.

### **Michigan**

Republicans are renewing their focus on redistricting in states that lost congressional seats in the recent reapportionment, like Michigan.

### **New Mexico**

The state's new redistricting committee launched a website to solicit plans and comments from the public during the redistricting process.

### **Oregon**

National Democrats are at odds with Oregon's Democratic leadership following a legislative compromise which gave Republicans another seat on the House Redistricting Committee, making it an even party split.

### **Utah**

The Utah Independent Redistricting Commission launched its new website to allow state residents to participate in the map drawing process.

### **Washington**

The state's redistricting commission

redistricting deadlines, but declined to do so for county commissioner districts.

### **New Jersey**

The New Jersey Supreme Court will select the thirteenth member of the state's congressional redistricting commission after the state parties were unable to reach an agreement by their deadline.

### **Ohio**

The ACLU filed a lawsuit against the Ohio House of Representatives, seeking records pertaining to the redistricting process pursuant to Ohio's public records law.

### **Pennsylvania**

Pennsylvania Republicans promised to undertake the "most transparent redistricting process" in the state's history, including public hearings throughout the state and public map submissions.

### **Virginia**

Virginia Republicans appointed a Lynchburg attorney to replace the commissioner who resigned from the state's redistricting commission earlier this month.

released the first phase of its publicly available mapping tool and indicated they aim to release congressional and legislative maps in late September.

### **The American Redistricting Project**

New content at The American Redistricting Project includes a new Redistricting Weekly, a 2020 Apportionment blog post, an updated blog post on Redistricting Control, and updates on our litigation page and ballot measure tracker.



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<b>Redistricting News</b>	<b>FAIR LINES AMERICA FOUNDATION</b>	<b>July 28, 2021</b>
<b>National News</b>		
<b>Redistricting News</b> According to a <a href="#">recent analysis</a> , “multiple officials in states controlled by Democrats are busily renegeing on promises to get politics out of the redistricting process.”		
<b>State News</b>		
<b>Colorado</b> Colorado’s redistricting commissions are <a href="#">still awaiting the state Supreme Court’s decision</a> on their request to extend redistricting deadlines. The commissions have <a href="#">proposed time-saving changes</a> to their public input and mapping procedures in the event the court rejects their deadline extension request.	<b>Maine</b> The Maine Supreme Court granted <a href="#">state lawmakers’ request to extend the state’s redistricting deadlines</a> . Under the new timeline, the state’s redistricting commission has 45 days from the receipt of census data to deliver congressional and legislative plans to the legislature.	
<b>Maryland</b> The leaders of Maryland’s General Assembly are <a href="#">considering convening a special session</a> in early December to handle congressional redistricting.	<b>Montana</b> Montana’s legislative redistricting <a href="#">commission adopted criteria</a> for the creation of new legislative redistricting plans later this year.	
<b>New Jersey</b> The Chief Justice of the New Jersey Supreme Court requested that state party leaders reconvene the state’s	<b>New York</b> As the state’s redistricting commission began holding its public hearings, the head commissioner	

redistricting commission to reach a consensus as to who the eleventh, tie-breaking commissioner will be, but Republicans have already objected to the Democrats' second proposed candidate. Republicans on the redistricting commission have given the Secretary of State until August 2 to answer questions on how incarcerated persons will be reallocated for redistricting purposes.

### **Ohio**

In a recent court filing, the U.S. Census Bureau stated that it still expects to provide state officials with the data necessary for redistricting, albeit in a legacy format, by mid-August.

### **Washington**

At the Washington State Redistricting Commission's latest public hearing, residents of several currently divided areas pushed for the new legislative districts to keep their communities whole.

emphasized his desire for all New Yorkers to have an equal say in the redistricting process.

### **South Dakota**

The chair of South Dakota's legislative redistricting commission expects to begin their work at the end of next month.

## **The American Redistricting Project**

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**Date:** Wednesday, August 4, 2021 9:32:39 AM  
**Attachments:** [image001.png](#)  
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<b>Redistricting News</b>	<b>FAIR LINES AMERICA FOUNDATION</b>	<b>August 4, 2021</b>
<b>National News</b>		
<p><b>2020 Census</b></p> <p>The Census Bureau announced it would not release the results from the <u>2020 American Community Survey</u>, citing incurable data inaccuracies caused by the pandemic. Recently released documents show that at the end of the 2020 census count, the Census Bureau had <u>no population data for nearly one-fifth</u> of the nation's college dorms, nursing homes, and prisons. On August 5, the Census Bureau will host an <u>informational webinar</u> in advance of the release of the 2020 census legacy format data. Fair Lines America Foundation <u>withdrew a request</u> for a court order requiring the Census Bureau to release <u>2020 census group quarters records</u> following a Census Bureau filing claiming that its disclosure would delay the release of data by up to six months.</p> <p><b>Redistricting News</b></p> <p>Democrats' rush to file <u>redistricting lawsuits</u> before census data has been released points to a strategy of involving courts in the map drawing process as much as possible.</p>		
<b>State News</b>		
<p><b>Colorado</b></p> <p>The state's congressional redistricting commission <u>extended its deadlines</u> for adopting a final plan to September 28 and for <u>final map submissions</u> to the state Supreme Court to October 1.</p>	<p><b>Idaho</b></p> <p><u>All six members</u> of the Idaho Commission for Reapportionment were appointed.</p>	
<p><b>Illinois</b></p> <p>MALDEF <u>amended its complaint</u></p>	<p><b>Indiana</b></p> <p>State activists are asking state</p>	

challenging the Illinois General Assembly's enacted legislative redistricting maps to address certain issues raised by the defendants as cause for dismissal.

### **Kansas**

Before the first redistricting town hall, State Republican and Democratic lawmakers already have disagreements over the state's redistricting process.

### **New Jersey**

State Republicans criticized their Democratic counterparts for their handling of the nomination process for the tie-breaking member on the state's redistricting commission, and the parties have since told the New Jersey Supreme Court they are unable to agree on who the final commissioner should be.

lawmakers to extend their redistricting process timeline to allow for more public involvement.

### **Maryland**

At a recent public hearing, residents of Prince George's County urged the Maryland Citizens Redistricting Commission to keep their communities whole when drawing new legislative and congressional districts.

### **Pennsylvania**

Activists publicly testified to state redistricting authorities on the importance of maps being drawn based on public input and efforts to communities intact. The General Assembly's redistricting committees launched an online public mapping tool for the public to draw and submit congressional plans.

## **The American Redistricting Project**

New content at The American Redistricting Project includes a new Redistricting Weekly, a 2020 Apportionment blog post, an updated blog post on Redistricting Control, and updates on our litigation page and ballot measure tracker.



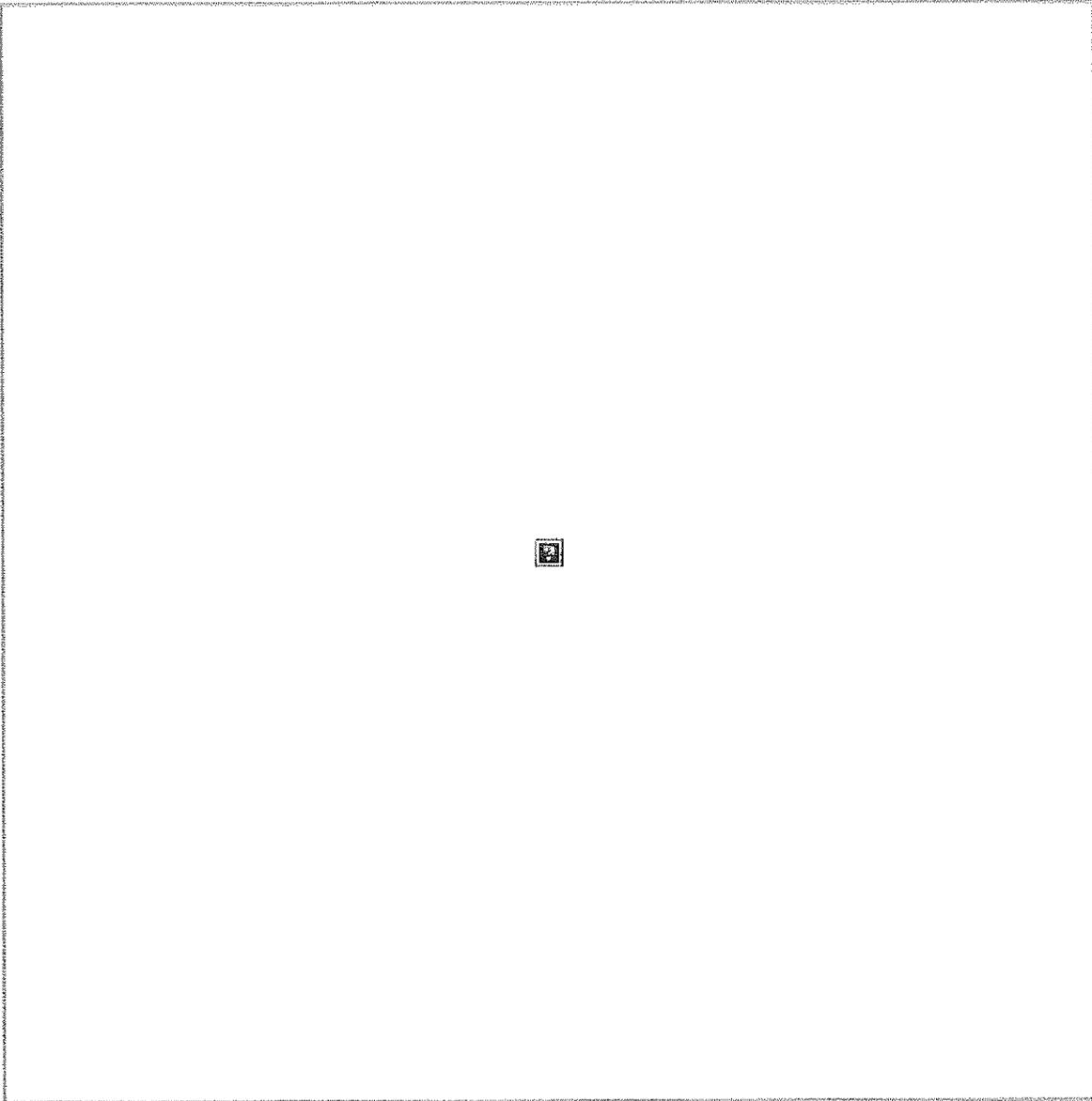
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**From:** [ALEC Events](#)  
**To:** [David Gowan](#)  
**Subject:** Final Day of Virtual Subcommittees for the 48th/8th ALEC & ACCE Annual Meeting  
**Date:** Friday, July 23, 2021 9:46:15 AM

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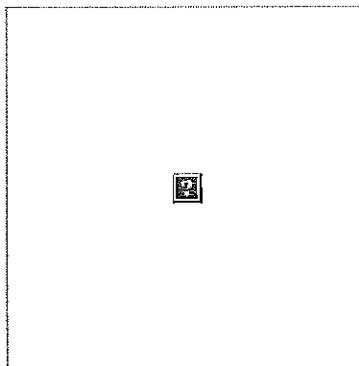
Dear David,

As we wrap up the final day of subcommittee meetings today, we look forward to seeing you next week in Salt Lake City. Stay tuned for additional emails coming your way today on information about the meeting app and details to help you have a great conference experience.

As a reminder, we will be hosting the subcommittee meetings in a virtual format. The subcommittees will take place on the Zoom platform. To help keep the exchange of ideas interactive, you will be required to join these meetings via a web camera. Please note, dialing into the meeting via a phone line will not be an option for these meetings. **For entry into the meeting, please make sure your name on the Zoom account**

**matches the name you registered with.**

See below for the link to join the task force subcommittee meeting taking place on July 23, 2021. [Click here](#) for a full agenda of the ALEC Annual Meeting.



Commerce, Insurance and Economic Development Subcommittee

Friday, July 23

2:00PM - 4:00PM EDT

Note, this meeting will include the Regulatory State Reform subcommittee meeting which is a joint meeting with the Civil Justice Task Force.

**Check out these tips & tricks for a successful virtual meeting!**

- Confirm your Zoom name matches the name you registered with.
- Test your internet connection prior to joining.
- Download a background to professionalize your space.
- Remember to check if you are muted or unmuted before speaking.
- Utilize the chat feature. If you have a question, ask it!

**Next week at the ALEC Annual Meeting, you will hear from incredible speakers and policy leaders. Here is a sneak peek to some of the exciting line-up:**

Governor Spencer Cox (UT)

Lt. Governor Mark Robinson (NC)

Congressman Jason Chaffetz (UT)

U.S. Senator Mike Lee (UT)

Economic powerhouses Dr. Arthur B. Laffer, Stephen Moore and Donna Arduin

Taiwanese Ambassador H.E. Bi-khim Hsiao

Secretary Rick Perry

Journalist Rikki Schlott

Thank you for your participation in the subcommittee meetings this week. We look forward to seeing you in Salt Lake City for the 48th/8th ALEC & ACCE Annual Meeting!

Have a question? Contact the ALEC Events Team at [meetings@alec.org](mailto:meetings@alec.org).

Sincerely,

The ALEC Events Team  
American Legislative Exchange Council

[meetings@alec.org](mailto:meetings@alec.org)

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**From:** [Kylie Bongaardt](#)  
**Subject:** FW: Census Data Release Announcement - August 5, 2021  
**Date:** Thursday, August 5, 2021 12:04:33 PM  
**Attachments:** [image001.png](#)  
[image005.png](#)  
[image007.png](#)  
[image004.png](#)  
**Importance:** High

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I wanted to flag this notice for you from Fair Lines America Foundation. If you have not subscribed to Fair Lines America Foundation's newsletter you can email [clips@fairlines.org](mailto:clips@fairlines.org) with "Subscribe" in the subject line.

**From:** Fair Lines America News <[clips@fairlines.org](mailto:clips@fairlines.org)>  
**Sent:** Thursday, August 5, 2021 2:52 PM  
**Subject:** Census Data Release Announcement - August 5, 2021  
**Importance:** High

<b>Redistricting News</b>	<b>FAIR LINES AMERICA FOUNDATION</b>	<b>August 5, 2021</b>
<b>National News</b>		
<b>Census Data Release Announcement</b>		
<p>The U.S. Census Bureau <u>announced today</u> that the 2020 Census legacy format data will be released on August 12th at 1 p.m., four days earlier than expected. The Bureau will hold a press conference on the release date to discuss initial analysis of the results.</p>		
		
<p>Did we miss something? Forward relevant news to <a href="mailto:clips@fairlines.org">clips@fairlines.org</a>. To subscribe email clips @ FairLines.org with the subject "Subscribe". To unsubscribe email us with the subject "Unsubscribe".</p>		

**From:** Marcus Costantino  
**To:** mjamés@letusvoteforBBA.org; Karla Jones; David Biddulph ( [REDACTED] ); Kelly Townsend; Dave@ [REDACTED] ; mikekapig [REDACTED] ; k.ivory [REDACTED] ; tomdirecto [REDACTED]  
**Cc:** Neal Schurer; Wendy Reeves; Kevin Lundberg  
**Subject:** FW: Special Edition for all State Legislators  
**Date:** Wednesday, July 21, 2021 8:51:49 AM  
**Attachments:** image001.png

---

Hi team,

FYI, Kevin Lundberg sent the below invitation to the SLAVC email list.

Thank you, Kevin!

*Marcus*

Marcus Costantino  
Media Manager  
[REDACTED]



*Supporting the legislative initiative to organize an Article V convention of states to consider constitutional amendments.*

**From:** State Legislator's Article V Caucus < [REDACTED] >  
**Sent:** Wednesday, July 21, 2021 7:38 AM  
**To:** [REDACTED]  
**Subject:** Special Edition for all State Legislators

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*Special Edition July 2021  
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## Special Edition for State Legislators...

- **Virtual and In-person Academy of States on July 30**

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**Questions? Please contact Karla Jones**

[kjones@alec.org](mailto:kjones@alec.org) \* 

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We look forward to your vote!

Click here to register for the event.

<https://www.eventbrite.com/e/aiec-academy-article-v-and-bba-tickets-158932947725>

---

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The Caucus Steering Committee is Co-chaired by:

Former Colorado State Senator **Kevin Lundberg** ( [REDACTED] )  
and New Mexico Congresswoman **Yvette Herrell** ( [REDACTED] )

And Includes:

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Official Web Site: [www.ArticleVCaucus.com](http://www.ArticleVCaucus.com)

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**From:** [Vince Leach](#)  
**To:** [Vince Leach](#)  
**Subject:** Fwd: ALEC Direct-to-Consumer Shipping Law Proposal  
**Date:** Wednesday, July 21, 2021 10:46:29 AM  
**Attachments:** [ALEC Opposing Points One-Pager 7-15-21.pdf](#)

---

Begin forwarded message:

**From:** Steve Barclay [REDACTED]  
**Date:** July 20, 2021 at 4:41:02 PM MDT  
**To:** Vince Leach <VLeach@azleg.gov>  
**Cc:** Tom Farley [REDACTED], Steve Barclay  
**Subject:** ALEC Direct-to-Consumer Shipping Law Proposal

Dear Senator Leach --

I heard from Sarah Lamson at the National Beer Wholesalers Association that she had a chance to chat with you while at the RSLC Meeting in Colorado Springs this week. She said she really enjoyed visiting with you.

Sarah mentioned that you expressed concerns about the model legislation "statement of principles" being proposed within ALEC and set for discussion in Salt Lake City later this month, dealing with the subject of direct-to-consumer shipments of alcohol (DTC). My client, the Beer and Wine Distributors of Arizona (BWDA) is very opposed to this proposed legislation -- as is NBWA (as I'm sure Sarah mentioned to you). We have several concerns with this idea -- for example, it would hamper important luxury tax collections by ADOR here. Attached is a fact sheet that explains other reasons why this is an ill-advised proposal and should certainly not be adopted as a model bill.

There was a bill based on this DTC idea introduced last session at the urging of Mike Williams, but it was viewed as so problematic that it never got a hearing in the House.

Our many concerns with the DTC proposal are shared by Tom Farley's client, the Wine and Spirits Wholesalers Association of Arizona too. He and I have been lobbying Arizona lawmakers who are on the ALEC CIED task force considering the idea (Sen. Ugenti Rita, Reps. Cook, Dunn and Wilmeth) to ask them to vote no, if a

vote is taken on adopting the model bill. If you happen to have a chance to speak to any of them at ALEC and can reinforce that this idea is wrongheaded and should be rejected, Tom and I would sure appreciate it.

Thanks, and I would be happy to discuss this issue with you further, at your convenience. I hope you are enjoying some relaxing time off.

Steve Barclay

**BARCLAY LEGAL** PLC

One Renaissance Square  
2 N. Central Avenue, Suite 1800  
Phoenix, Arizona 85004

Cell: [REDACTED]  
Email: [REDACTED]

## **WHY STATES SHOULD REJECT DIRECT-TO-CONSUMER SHIPPING**

*Opposing Points to ALEC's Statement of Principles on  
Direct-to-Consumer Shipping of Liquor*



**America's Beer  
Distributors**

At their upcoming Annual Meeting, the ALEC CIED Task Force is being asked to consider a statement of principles supporting direct-to-consumer shipping of liquor. Alcohol policy is generally not an area where model policy works since each state regulates the product so differently, but a model policy trying to equate all alcohol and open up channels many states have rejected is an especially bad idea. Below are a few reasons why this statement of principles should be opposed.

## **THE PRINCIPLE OF FEDERALISM**

One of the three principles of ALEC is federalism. Alcohol regulation represents federalism to its core, as it is the only consumer product with a Constitutional Amendment specifically giving states regulatory authority over it. This is why the United States essentially has 50 different alcohol markets and not one national market. How states treat and regulate liquor is perhaps the best example of this. 17 states have decided that the state itself would control the sale of liquor as their way to control access. Even in the remaining license states, many have purposely limit the number of outlets that can sell liquor. Creating a model policy around liquor direct shipping would fly in the face of many states' public policy goals of controlling and limiting the sale of liquor within their borders.

## **MODEL DTC SHIPPING IS NOT VIABLE**

ALEC is not the first stop for DISCUS in their attempt to achieve a model liquor direct shipping policy. DISCUS attempted to have the Uniform Law Commission (ULC) pass similar model shipping language, and for the last 2 years the ULC has spent hundreds of hours discussing and debating model shipping policy. While the process is still ongoing, the ULC did reach one conclusion: Liquor DTC shipping is not an issue where model policy made any sense. They have now narrowed their scope to only considering model winery-to-consumer shipping. Again, this decision was reached by the ULC commissioners after years of discussions with a wide array of industry stakeholders.

## WHY STATES SHOULD REJECT DIRECT-TO-CONSUMER SHIPPING

*Opposing Points to ALEC's Statement of Principles on  
Direct-to-Consumer Shipping of Liquor*



## ALL ALCOHOL IS NOT THE SAME

Alcohol is most definitely not all the same. Every state and the federal government have hundreds of laws that treat beer, wine, and liquor very differently. Tax rates, access and available outlets, payment terms, marketing, trade practices and yes, direct shipping are among the issues where states treat the different product categories differently. Speaking specifically to beer, not only is it regulated differently, it has vastly different characteristics to liquor, such as its' perishability and need to be temperature controlled throughout the supply chain.

Additionally, a states' interest in limiting or controlling the sale of liquor versus beer or wine is present across the country. 17 states have control models where the state handles the sale of liquor while many more have limits on the number of outlets that can sell liquor. Opening up unlimited direct sales would contradict the policy goals of limiting sales of these high-alcohol products and blow a huge hole in state budgets as revenue losses will be massive.

## DTC LIMITATIONS ARE UPHELD IN COURTS

The legal description by ALEC in its second principle is misleading. The U.S. Supreme Court in both *Granholm v. Heald*, 544 U.S. 460 (2005) and the *Tenn. Wine & Spirits Retailers Ass'n. v Thomas*, 139 U.S. 1449 (2019) upheld that **"the three-tier system is unquestionably legitimate."** As a result, there are 50 different state alcohol markets in the U.S., each with their own unique approach to regulating the alcohol industry.

Additionally, courts have held that laws that limit DTC sales to producers below a certain size are valid (see *Blackstar Farms v. Arizona*, 9th Circuit). Volume caps are a perfectly acceptable state policy option and further some of the stated goals of allowing "small" producers access to remote markets. These laws are very common in the beer industry. Lastly, courts have upheld the states' ability to require a face-to-face transaction (see *Baude v. Heath*, 7th Cir.) as a trigger for DTC sales as well.

**From:** [Mike Kapic](#)  
**Subject:** Fwd: FW: Special Edition for all State Legislators  
**Date:** Saturday, July 24, 2021 9:33:57 AM  
**Attachments:** [image.png](#)

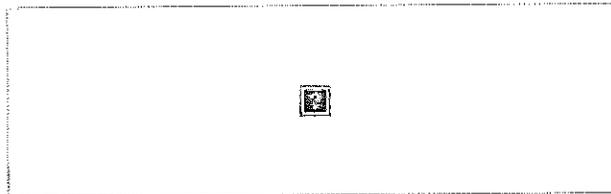
---

You are invited to participate in the ALEC Academy of States "No Runaway" Article V Convention for proposing amendments on July 30, 2:30-6:30 PM MDT, either in-person in Salt Lake City or online. See the details below and the [link](#) at the bottom of this email.

Learn and participate with legislators and Article V activists across the country about the latest Article V news.

Legislators and the general public register for free for this event. **Forward this invite** to others who might be interested in attending.

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**From:** [Jonathon Hauenschild](#)  
**To:** [Sonny Borrelli](#)  
**Subject:** Homeland Security Task Force Update  
**Date:** Friday, July 16, 2021 12:41:34 PM

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Homeland Security Task Force Update

Is this email not displaying correctly?  
[View it in your browser.](#)



## Homeland Security Task Force



Dear Homeland Security Task Force Members,

I trust you are ready for the [Annual Meeting](#) in a couple weeks. I wanted to take just a few minutes, remind you to register by COB today so that you can attend the virtual Emergency Powers Reform Working Group meeting, and provide some previews of discussions that will happen later this month.

First, you can use [this link](#) to register for the annual meeting. If you do so by the end of today, you will **receive a link on Monday** (sent to the email address used to register for the Annual Meeting) to attend the virtual Working Group meeting, which will occur on Wednesday between 4 PM and 5 PM EDT.

Voters are helping legislatures reclaim authority during prolonged emergencies in a few states. Hear from some of those legislators, learn the tactics taken, and how the citizens' decisions will make state emergency responses more effective in the future during the Working Group Meeting.

The Task Force agenda includes discussions with a former federal official who is also a former state senator as to what states can do to help mitigate the impact of the border crisis. Discussions during the task force will also include solving the tensions between law enforcement access to surveillance technologies and civil liberties. It will also look at threat detection and mitigation, especially for cyber threats that may impact the real world.

There will, of course, be additional topics, but you must register to attend the meeting. I am looking forward to seeing y'all later this month!

Jonathon Hauenschild, J.D.

Director, Task Force on Communications & Technology

American Legislative Exchange Council

E. [REDACTED]

C. [REDACTED]

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**From:** [Melissa Ballard](#)  
**To:** [jeanine.notter@leg.state.nh.us](mailto:jeanine.notter@leg.state.nh.us)  
**Subject:** Hydrogen Bill Documents for ALEC  
**Date:** Tuesday, July 20, 2021 2:03:50 PM  
**Attachments:** [HB0223.pdf](#)  
[Hydrogen Legislation Summary.pdf](#)

---

Fellow legislators,

Here's a copy of the bill and a summary that will be presented via zoom in the EEA ALEC Committee tomorrow at 11am EST, and next Thursday in person.

I hope it will be helpful for your state to open the door for additional hydrogen production and zero emission applications. We passed this in Utah. It is good to support business, get hydrogen on the books, and include hydrogen with other energies and uses across the states.

Reach out with any questions.

-Melissa

Representative Melissa Garff Ballard  
House District 20  
[mballard@le.utah.gov](mailto:mballard@le.utah.gov)



1                   **ALTERNATIVE FUEL INCENTIVES AMENDMENTS**

2                                   2021 GENERAL SESSION

3                                   STATE OF UTAH

4                   **Chief Sponsor: Melissa G. Ballard**

5                                   Senate Sponsor: David P. Hinkins

6   Cosponsors:                   Michael J. Petersen                   Keven J. Stratton  
7   Carl R. Albrecht                   Angela Romero  
8   Clare Collard                   Douglas V. Sagers  
   Steven J. Lund

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9  
10   **LONG TITLE**

11   **General Description:**

12           This bill modifies and enacts incentives related to alternative fuels.

13   **Highlighted Provisions:**

14           This bill:

- 15           ▶ enacts refundable corporate and individual income tax credits for systems that
- 16   produce hydrogen from renewable and nonrenewable sources; and
- 17           ▶ makes technical and conforming changes.

18   **Money Appropriated in this Bill:**

19           None

20   **Other Special Clauses:**

21           This bill provides a special effective date.

22   **Utah Code Sections Affected:**

23   AMENDS:

24           **59-7-614**, as last amended by Laws of Utah 2019, Chapter 247

25           **59-10-1106**, as last amended by Laws of Utah 2016, Third Special Session, Chapter 1

26   ENACTS:

27           **59-7-626**, Utah Code Annotated 1953

28 59-10-1113, Utah Code Annotated 1953

29 

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30 *Be it enacted by the Legislature of the state of Utah:*

31 Section 1. Section 59-7-614 is amended to read:

32 **59-7-614. Renewable energy systems tax credits -- Definitions -- Certification --**  
33 **Rulemaking authority.**

34 (1) As used in this section:

35 (a) (i) "Active solar system" means a system of equipment that is capable of:

36 (A) collecting and converting incident solar radiation into thermal, mechanical, or  
37 electrical energy; and

38 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate  
39 apparatus to storage or to the point of use.

40 (ii) "Active solar system" includes water heating, space heating or cooling, and  
41 electrical or mechanical energy generation.

42 (b) "Biomass system" means a system of apparatus and equipment for use in:

43 (i) converting material into biomass energy, as defined in Section 59-12-102; and

44 (ii) transporting the biomass energy by separate apparatus to the point of use or storage.

45 (c) "Commercial energy system" means a system that is:

46 (i) (A) an active solar system;

47 (B) a biomass system;

48 (C) a direct use geothermal system;

49 (D) a geothermal electricity system;

50 (E) a geothermal heat pump system;

51 (F) a hydroenergy system;

52 (G) a passive solar system; or

53 (H) a wind system;

54 (ii) located in the state; and

55 (iii) used:

- 56 (A) to supply energy to a commercial unit; or  
57 (B) as a commercial enterprise.
- 58 (d) "Commercial enterprise" means an entity, the purpose of which is to produce:  
59 (i) electrical, mechanical, or thermal energy for sale from a commercial energy system;  
60 or  
61 (ii) hydrogen for sale from a hydrogen production system.
- 62 (e) (i) "Commercial unit" means a building or structure that an entity uses to transact  
63 business.
- 64 (ii) Notwithstanding Subsection (1)(e)(i):  
65 (A) with respect to an active solar system used for agricultural water pumping or a  
66 wind system, each individual energy generating device is considered to be a commercial unit;  
67 or  
68 (B) if an energy system is the building or structure that an entity uses to transact  
69 business, a commercial unit is the complete energy system itself.
- 70 (f) "Direct use geothermal system" means a system of apparatus and equipment that  
71 enables the direct use of geothermal energy to meet energy needs, including heating a building,  
72 an industrial process, and aquaculture.
- 73 (g) "Geothermal electricity" means energy that is:  
74 (i) contained in heat that continuously flows outward from the earth; and  
75 (ii) used as a sole source of energy to produce electricity.
- 76 (h) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 77 (i) "Geothermal heat pump system" means a system of apparatus and equipment that:  
78 (i) enables the use of thermal properties contained in the earth at temperatures well  
79 below 100 degrees Fahrenheit; and  
80 (ii) helps meet heating and cooling needs of a structure.
- 81 (j) "Hydroenergy system" means a system of apparatus and equipment that is capable  
82 of:  
83 (i) intercepting and converting kinetic water energy into electrical or mechanical

84 energy; and

85 (ii) transferring this form of energy by separate apparatus to the point of use or storage.

86 (k) "Hydrogen production system" means a system of apparatus and equipment, located  
87 in this state, that uses:

88 (i) electricity from a renewable energy source to create hydrogen gas from water,  
89 regardless of whether the renewable energy source is at a separate facility or the same facility  
90 as the system of apparatus and equipment; or

91 (ii) uses renewable natural gas to produce hydrogen gas.

92 ~~[(k)]~~ (l) "Office" means the Office of Energy Development created in Section  
93 63M-4-401.

94 ~~[(t)]~~ (m) (i) "Passive solar system" means a direct thermal system that utilizes the  
95 structure of a building and ~~[its]~~ the structure's operable components to provide for collection,  
96 storage, and distribution of heating or cooling during the appropriate times of the year by  
97 utilizing the climate resources available at the site.

98 (ii) "Passive solar system" includes those portions and components of a building that  
99 are expressly designed and required for the collection, storage, and distribution of solar energy.

100 ~~[(m)]~~ (n) "Photovoltaic system" means an active solar system that generates electricity  
101 from sunlight.

102 ~~[(n)]~~ (o) (i) "Principal recovery portion" means the portion of a lease payment that  
103 constitutes the cost a person incurs in acquiring a commercial energy system.

104 (ii) "Principal recovery portion" does not include:

105 (A) an interest charge; or

106 (B) a maintenance expense.

107 (p) "Renewable energy source" means the same as that term is defined in Section  
108 54-17-601.

109 ~~[(o)]~~ (q) "Residential energy system" means the following used to supply energy to or  
110 for a residential unit:

111 (i) an active solar system;

- 112 (ii) a biomass system;
- 113 (iii) a direct use geothermal system;
- 114 (iv) a geothermal heat pump system;
- 115 (v) a hydroenergy system;
- 116 (vi) a passive solar system; or
- 117 (vii) a wind system.

118 ~~[(p)]~~ (r) (i) "Residential unit" means a house, condominium, apartment, or similar  
119 dwelling unit that:

- 120 (A) is located in the state; and
- 121 (B) serves as a dwelling for a person, group of persons, or a family.
- 122 (ii) "Residential unit" does not include property subject to a fee under:
  - 123 (A) Section 59-2-405;
  - 124 (B) Section 59-2-405.1;
  - 125 (C) Section 59-2-405.2;
  - 126 (D) Section 59-2-405.3; or
  - 127 (E) Section 72-10-110.5.

128 ~~[(q)]~~ (s) "Wind system" means a system of apparatus and equipment that is capable of:  
129 (i) intercepting and converting wind energy into mechanical or electrical energy; and  
130 (ii) transferring these forms of energy by a separate apparatus to the point of use, sale,  
131 or storage.

132 (2) A taxpayer may claim an energy system tax credit as provided in this section  
133 against a tax due under this chapter for a taxable year.

134 (3) (a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a  
135 nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer  
136 owns or uses if:

- 137 (i) the taxpayer:
  - 138 (A) purchases and completes a residential energy system to supply all or part of the  
139 energy required for the residential unit; or

140 (B) participates in the financing of a residential energy system to supply all or part of  
141 the energy required for the residential unit; and

142 [~~(ii) the residential energy system is completed and placed in service on or after~~  
143 ~~January 1, 2007; and]~~

144 [~~(iii)~~] (ii) the taxpayer obtains a written certification from the office in accordance with  
145 Subsection [~~(7)~~] (8).

146 (b) (i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection  
147 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy  
148 system installed with respect to each residential unit the taxpayer owns or uses.

149 (ii) A tax credit under this Subsection (3) may include installation costs.

150 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in  
151 which the residential energy system is completed and placed in service.

152 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax  
153 liability under this chapter for a taxable year, the taxpayer may carry forward the amount of the  
154 tax credit exceeding the liability [~~may be carried forward~~] for a period that does not exceed the  
155 next four taxable years.

156 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a  
157 residential energy system, other than a photovoltaic system, may not exceed \$2,000 per  
158 residential unit.

159 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a  
160 photovoltaic system may not exceed:

161 (i) for a system installed on or after January 1, 2018, but on or before December 31,  
162 2020, \$1,600;

163 (ii) for a system installed on or after January 1, 2021, but on or before December 31,  
164 2021, \$1,200;

165 (iii) for a system installed on or after January 1, 2022, but on or before December 31,  
166 2022, \$800;

167 (iv) for a system installed on or after January 1, 2023, but on or before December 31,

168 2023, \$400; and

169 (v) for a system installed on or after January 1, 2024, \$0.

170 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the  
171 tax credit under this Subsection (3):

172 (i) the taxpayer may assign the tax credit to the other person; and

173 (ii) (A) if the other person files a return under this chapter, the other person may claim  
174 the tax credit under this section as if the other person had met the requirements of this section  
175 to claim the tax credit; or

176 (B) if the other person files a return under Chapter 10, Individual Income Tax Act, the  
177 other person may claim the tax credit under Section 59-10-1014 as if the other person had met  
178 the requirements of Section 59-10-1014 to claim the tax credit.

179 (4) (a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a  
180 refundable tax credit under this Subsection (4) with respect to a commercial energy system if:

181 (i) the commercial energy system does not use:

182 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a  
183 total of 660 or more kilowatts of electricity; or

184 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;

185 (ii) the taxpayer purchases or participates in the financing of the commercial energy  
186 system;

187 (iii) (A) the commercial energy system supplies all or part of the energy required by  
188 commercial units owned or used by the taxpayer; or

189 (B) the taxpayer sells all or part of the energy produced by the commercial energy  
190 system as a commercial enterprise;

191 [~~(iv) the commercial energy system is completed and placed in service on or after  
192 January 1, 2007; and]~~

193 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)  
194 for hydrogen production using electricity for which the taxpayer claims a tax credit under this  
195 Subsection (4); and

196 (v) the taxpayer obtains a written certification from the office in accordance with  
197 Subsection ~~[(7)]~~ (8).

198 (b) (i) Subject to Subsections (4)(b)(ii) through ~~[(v)]~~ (iv), the tax credit is equal to 10%  
199 of the reasonable costs of the commercial energy system.

200 (ii) A tax credit under this Subsection (4) may include installation costs.

201 (iii) A taxpayer ~~[may claim]~~ is eligible to claim a tax credit under this Subsection (4)  
202 for the taxable year in which the commercial energy system is completed and placed in service.

203 ~~[(iv) A tax credit under this Subsection (4) may not be carried forward or carried back.]~~

204 ~~[(v)]~~ (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)  
205 may not exceed \$50,000 per commercial unit.

206 (c) (i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a  
207 commercial energy system installed on a commercial unit may claim a tax credit under this  
208 Subsection (4) if the taxpayer confirms that the lessor irrevocably elects not to claim the tax  
209 credit.

210 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this  
211 Subsection (4) only the principal recovery portion of the lease payments.

212 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this  
213 Subsection (4) for a period that does not exceed seven taxable years after the [date] day on  
214 which the lease begins, as stated in the lease agreement.

215 (5) (a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a  
216 refundable tax credit under this Subsection (5) with respect to a commercial energy system if:

217 (i) the commercial energy system uses wind, geothermal electricity, or biomass  
218 equipment capable of producing a total of 660 or more kilowatts of electricity;

219 (ii) (A) the commercial energy system supplies all or part of the energy required by  
220 commercial units owned or used by the taxpayer; or

221 (B) the taxpayer sells all or part of the energy produced by the commercial energy  
222 system as a commercial enterprise;

223 ~~[(iii) the commercial energy system is completed and placed in service on or after~~

224 ~~January 1, 2007; and]~~

225 (iii) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)  
226 for hydrogen production using electricity for which the taxpayer claims a tax credit under this  
227 Subsection (5); and

228 (iv) the taxpayer obtains a written certification from the office in accordance with  
229 Subsection ~~[(7)]~~ (8).

230 (b) (i) Subject to ~~[Subsections]~~ Subsection (5)(b)(ii) ~~[and (iii)]~~, a tax credit under this  
231 Subsection (5) is equal to the product of:

232 (A) 0.35 cents; and

233 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

234 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) ~~[may be~~  
235 ~~claimed]~~ for production occurring during a period of 48 months beginning with the month in  
236 which the commercial energy system is placed in commercial service.

237 ~~[(iii) A tax credit under this Subsection (5) may not be carried forward or carried back.]~~

238 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial  
239 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the lessor  
240 irrevocably elects not to claim the tax credit.

241 (6) (a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a  
242 refundable tax credit as provided in this Subsection (6) if:

243 (i) the taxpayer owns a commercial energy system that uses solar equipment capable of  
244 producing a total of 660 or more kilowatts of electricity;

245 (ii) (A) the commercial energy system supplies all or part of the energy required by  
246 commercial units owned or used by the taxpayer; or

247 (B) the taxpayer sells all or part of the energy produced by the commercial energy  
248 system as a commercial enterprise;

249 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed  
250 and will not claim a tax credit under Subsection (7) for hydrogen production using electricity  
251 for which a taxpayer claims a tax credit under this Subsection (6); and

252 ~~[(iv) the commercial energy system is completed and placed in service on or after~~  
253 ~~January 1, 2015; and]~~

254 ~~[(v) (iv) the taxpayer obtains a written certification from the office in accordance with~~  
255 ~~Subsection ~~[(7)] (8).~~~~

256 (b) (i) Subject to ~~[Subsections]~~ Subsection (6)(b)(ii) ~~[and (iii)]~~, a tax credit under this  
257 Subsection (6) is equal to the product of:

258 (A) 0.35 cents; and

259 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

260 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) ~~[may be~~  
261 ~~claimed for]~~ production occurring during a period of 48 months beginning with the month in  
262 which the commercial energy system is placed in commercial service.

263 ~~[(iii) A tax credit under this Subsection (6) may not be carried forward or carried back.]~~

264 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial  
265 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the lessor  
266 irrevocably elects not to claim the tax credit.

267 (7) (a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7)  
268 if:

269 (i) the taxpayer owns a hydrogen production system;

270 (ii) the hydrogen production system is completed and placed in service on or after  
271 January 1, 2022;

272 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own  
273 use in commercial units, the hydrogen produced from the hydrogen production system;

274 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),  
275 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the requirements of this  
276 Subsection (7); and

277 (v) the taxpayer obtains a written certification from the office in accordance with  
278 Subsection (8).

279 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)

280 is equal to the product of:

281 (A) \$0.12; and

282 (B) the number of kilograms of hydrogen produced during the taxable year.

283 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than  
284 5,600 metric tons of hydrogen per taxable year.

285 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for production  
286 occurring during a period of 48 months beginning with the month in which the hydrogen  
287 production system is placed in commercial service.

288 ~~(7)~~ (8) (a) Before a taxpayer may claim a tax credit under this section, the taxpayer  
289 shall obtain a written certification from the office.

290 (b) The office shall issue a taxpayer a written certification if the office determines that:

291 (i) the taxpayer meets the requirements of this section to receive a tax credit; and

292 (ii) the residential energy system ~~[or],~~ the commercial energy system, or the hydrogen  
293 production system with respect to which the taxpayer seeks to claim a tax credit:

294 (A) has been completely installed;

295 (B) is a viable system for saving or producing energy from renewable resources; and

296 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential  
297 energy system ~~[or],~~ the commercial energy system, or the hydrogen production system uses the  
298 state's renewable and nonrenewable energy resources in an appropriate and economic manner.

299 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
300 office may make rules:

301 (i) for determining whether a residential energy system ~~[or],~~ a commercial energy  
302 system, or a hydrogen production system meets the requirements of Subsection ~~[(7)]~~ (8)(b)(ii);  
303 and

304 (ii) for purposes of a tax credit under Subsection (3) ~~[or],~~ (4), or (6), establishing the  
305 reasonable costs of a residential energy system or a commercial energy system, as an amount  
306 per unit of energy production.

307 (d) A taxpayer that obtains a written certification from the office shall retain the

308 certification for the same time period a person is required to keep books and records under  
309 Section 59-1-1406.

310 (e) The office shall submit to the commission an electronic list that includes:

311 (i) the name and identifying information of each taxpayer to which the office issues a  
312 written certification; and

313 (ii) for each taxpayer:

314 (A) the amount of the tax credit listed on the written certification; and

315 (B) the date the renewable energy system was installed.

316 ~~[(8)]~~ (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
317 Act, the commission may make rules to address the certification of a tax credit under this  
318 section.

319 ~~[(9)]~~ (10) A tax credit under this section is in addition to any tax credits provided under  
320 the laws or rules and regulations of the United States.

321 Section 2. Section **59-7-626** is enacted to read:

322 **59-7-626. Refundable tax credit for nonrenewable hydrogen production system.**

323 (1) As used in this section:

324 (a) "Commercial enterprise" means an entity, the purpose of which is to produce  
325 hydrogen for sale from a hydrogen production system.

326 (b) "Commercial unit" means a building or structure that an entity uses to transact  
327 business.

328 (c) "Hydrogen production system" means a system of apparatus and equipment, located  
329 in this state, that produces hydrogen from nonrenewable sources.

330 (d) "Office" means the Office of Energy Development created in Section 63M-4-401.

331 (2) (a) A taxpayer may claim a refundable credit under this section if:

332 (i) the taxpayer owns a hydrogen production system;

333 (ii) the hydrogen production system is completed and placed in service on or after  
334 January 1, 2022;

335 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own

336 use in commercial units, the hydrogen produced from the hydrogen production system;  
337 (iv) the taxpayer has not claimed and will not claim a tax credit under Section 59-7-614  
338 for electricity used to meet the requirements of this section; and  
339 (v) the taxpayer obtains a written certification from the office in accordance with  
340 Subsection (3).

341 (b) (i) Subject to Subsections (2)(b)(ii) and (iii), a tax credit under this section is equal  
342 to the product of:

343 (A) \$0.12; and  
344 (B) the number of kilograms of hydrogen produced during the taxable year.

345 (ii) A taxpayer may not receive a tax credit under this section for more than 5,600  
346 metric tons of hydrogen per taxable year.

347 (iii) A taxpayer is eligible to claim a tax credit under this section for production  
348 occurring during a period of 48 months beginning with the month in which the hydrogen  
349 production system is placed in commercial service.

350 (3) (a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall  
351 obtain a written certification from the office.

352 (b) The office shall issue a taxpayer a written certification if the office determines that:

353 (i) the taxpayer meets the requirements of this section to receive a tax credit; and  
354 (ii) the hydrogen production system with respect to which the taxpayer seeks to claim a  
355 tax credit:

356 (A) has been completely installed; and  
357 (B) is safe, reliable, efficient, and technically feasible to ensure that the hydrogen  
358 production system uses the state's nonrenewable energy resources in an appropriate and  
359 economic manner.

360 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
361 office may make rules for determining whether a hydrogen production system meets the  
362 requirements of Subsection (3)(b)(ii).

363 (d) A taxpayer that obtains a written certification from the office shall retain the

364 certification for the same time period a person is required to keep books and records under  
 365 Section 59-1-1406.

366 (e) The office shall submit to the commission an electronic list that includes:

367 (i) the name and identifying information of each taxpayer to which the office issues a  
 368 written certification; and

369 (ii) for each taxpayer:

370 (A) the amount of the tax credit listed on the written certification; and

371 (B) the date the hydrogen production system was installed.

372 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 373 commission may make rules to address the certification of a tax credit under this section.

374 (5) A tax credit under this section is in addition to any tax credits provided under the  
 375 laws or rules and regulations of the United States.

376 Section 3. Section **59-10-1106** is amended to read:

377 **59-10-1106. Refundable renewable energy systems tax credits -- Definitions --**

378 **Certification -- Rulemaking authority.**

379 (1) As used in this section:

380 (a) "Active solar system" means the same as that term is defined in Section  
 381 59-10-1014.

382 (b) "Biomass system" means the same as that term is defined in Section 59-10-1014.

383 (c) "Commercial energy system" means the same as that term is defined in Section  
 384 59-7-614.

385 (d) "Commercial enterprise" means the same as that term is defined in Section  
 386 59-7-614.

387 (e) [(f)] "Commercial unit" means the same as that term is defined in Section 59-7-614.

388 [~~(ii) Notwithstanding Subsection (1)(e)(i):~~]

389 [~~(A) with respect to an active solar system used for agricultural water pumping or a~~  
 390 ~~wind system, each individual energy generating device is considered to be a commercial unit;~~

391 ~~or]~~

392 ~~[(B) if an energy system is the building or structure that a claimant, estate, or trust uses~~  
393 ~~to transact business, a commercial unit is the complete energy system itself.]~~

394 (f) "Direct use geothermal system" means the same as that term is defined in Section  
395 59-10-1014.

396 (g) "Geothermal electricity" means the same as that term is defined in Section  
397 59-10-1014.

398 (h) "Geothermal energy" means the same as that term is defined in Section 59-10-1014.

399 (i) "Geothermal heat pump system" means the same as that term is defined in Section  
400 59-10-1014.

401 (j) "Hydroenergy system" means the same as that term is defined in Section  
402 59-10-1014.

403 (k) "Hydrogen production system" means the same as that term is defined in Section  
404 59-7-614.

405 ~~[(k)]~~ (l) "Office" means the Office of Energy Development created in Section  
406 63M-4-401.

407 ~~[(l)]~~ (m) "Passive solar system" means the same as that term is defined in Section  
408 59-10-1014.

409 ~~[(m)]~~ (n) "Principal recovery portion" means the same as that term is defined in Section  
410 59-10-1014.

411 ~~[(n)]~~ (o) "Wind system" means the same as that term is defined in Section 59-10-1014.

412 (2) A claimant, estate, or trust may claim an energy system tax credit as provided in  
413 this section against a tax due under this chapter for a taxable year.

414 (3) (a) Subject to the other provisions of this Subsection (3), a claimant, estate, or trust  
415 may claim a refundable tax credit under this Subsection (3) with respect to a commercial  
416 energy system if:

417 (i) the commercial energy system does not use:

418 (A) wind, geothermal electricity, solar, or biomass equipment capable of producing a  
419 total of 660 or more kilowatts of electricity; or

- 420 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 421 (ii) the claimant, estate, or trust purchases or participates in the financing of the
- 422 commercial energy system;
- 423 (iii) (A) the commercial energy system supplies all or part of the energy required by
- 424 commercial units owned or used by the claimant, estate, or trust; or
- 425 (B) the claimant, estate, or trust sells all or part of the energy produced by the
- 426 commercial energy system as a commercial enterprise;
- 427 ~~[(iv) the commercial energy system is completed and placed in service on or after~~
- 428 ~~January 1, 2007, and]~~
- 429 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under
- 430 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust
- 431 claims a tax credit under this Subsection (3); and
- 432 (v) the claimant, estate, or trust obtains a written certification from the office in
- 433 accordance with Subsection ~~[(6)]~~ (7).
- 434 (b) (i) Subject to Subsections (3)(b)(ii) through ~~[(v)]~~ (iv), the tax credit is equal to 10%
- 435 of the reasonable costs of the commercial energy system.
- 436 (ii) A tax credit under this Subsection (3) may include installation costs.
- 437 (iii) A claimant, estate, or trust ~~[may claim]~~ is eligible to claim a tax credit under this
- 438 Subsection (3) for the taxable year in which the commercial energy system is completed and
- 439 placed in service.
- 440 ~~[(iv) A tax credit under this Subsection (3) may not be carried forward or carried back.]~~
- 441 ~~[(v)]~~ (iv) The total amount of tax credit a claimant, estate, or trust may claim under this
- 442 Subsection (3) may not exceed \$50,000 per commercial unit.
- 443 (c) (i) Subject to Subsections (3)(c)(ii) and (iii), a claimant, estate, or trust that is a
- 444 lessee of a commercial energy system installed on a commercial unit may claim a tax credit
- 445 under this Subsection (3) if the claimant, estate, or trust confirms that the lessor irrevocably
- 446 elects not to claim the tax credit.
- 447 (ii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim as a tax

448 credit under this Subsection (3) only the principal recovery portion of the lease payments.

449 (iii) A claimant, estate, or trust described in Subsection (3)(c)(i) may claim a tax credit  
450 under this Subsection (3) for a period that does not exceed seven taxable years after the [date]  
451 day on which the lease begins, as stated in the lease agreement.

452 (4) (a) Subject to the other provisions of this Subsection (4), a claimant, estate, or trust  
453 may claim a refundable tax credit under this Subsection (4) with respect to a commercial  
454 energy system if:

455 (i) the commercial energy system uses wind, geothermal electricity, or biomass  
456 equipment capable of producing a total of 660 or more kilowatts of electricity;

457 (ii) (A) the commercial energy system supplies all or part of the energy required by  
458 commercial units owned or used by the claimant, estate, or trust; or

459 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
460 commercial energy system as a commercial enterprise;

461 ~~[(iii) the commercial energy system is completed and placed in service on or after~~  
462 ~~January 1, 2007; and]~~

463 (iii) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
464 Subsection (6) for hydrogen production using electricity for which the claimant, estate, or trust  
465 claims a tax credit under this Subsection (4); and

466 (iv) the claimant, estate, or trust obtains a written certification from the office in  
467 accordance with Subsection ~~[(6)]~~ (7).

468 (b) (i) Subject to ~~[Subsections]~~ Subsection (4)(b)(ii) ~~[and (iii)]~~, a tax credit under this  
469 Subsection (4) is equal to the product of:

470 (A) 0.35 cents; and

471 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

472 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (4)  
473 ~~[may be claimed]~~ for production occurring during a period of 48 months beginning with the  
474 month in which the commercial energy system is placed in commercial service.

475 ~~[(iii) A tax credit under this Subsection (4) may not be carried forward or back.]~~

476 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed  
477 on a commercial unit may claim a tax credit under this Subsection (4) if the claimant, estate, or  
478 trust confirms that the lessor irrevocably elects not to claim the tax credit.

479 (5) (a) Subject to the other provisions of this Subsection (5), a claimant, estate, or trust  
480 may claim a refundable tax credit as provided in this Subsection (5) if:

481 (i) the claimant, estate, or trust owns a commercial energy system that uses solar  
482 equipment capable of producing a total of 660 or more kilowatts of electricity;

483 (ii) (A) the commercial energy system supplies all or part of the energy required by  
484 commercial units owned or used by the claimant, estate, or trust; or

485 (B) the claimant, estate, or trust sells all or part of the energy produced by the  
486 commercial energy system as a commercial enterprise;

487 (iii) the claimant, estate, or trust does not claim a tax credit under Subsection (3);

488 ~~[(iv) the commercial energy system is completed and placed in service on or after~~  
489 ~~January 1, 2015; and]~~

490 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
491 Subsection (6) for hydrogen production using electricity for which a taxpayer claims a tax  
492 credit under this Subsection (5); and

493 (v) the claimant, estate, or trust obtains a written certification from the office in  
494 accordance with Subsection ~~[(6)]~~ (7).

495 (b) (i) Subject to ~~[Subsections]~~ Subsection (5)(b)(ii) ~~[and (iii)]~~, a tax credit under this  
496 Subsection (5) is equal to the product of:

497 (A) 0.35 cents; and

498 (B) the kilowatt hours of electricity produced and used or sold during the taxable year.

499 (ii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (5)  
500 ~~[may be claimed]~~ for production occurring during a period of 48 months beginning with the  
501 month in which the commercial energy system is placed in commercial service.

502 ~~[(iii) A tax credit under this Subsection (5) may not be carried forward or carried back.]~~

503 (c) A claimant, estate, or trust that is a lessee of a commercial energy system installed

504 on a commercial unit may claim a tax credit under this Subsection (5) if the claimant, estate, or  
505 trust confirms that the lessor irrevocably elects not to claim the tax credit.

506 (6) (a) A claimant, estate, or trust may claim a refundable tax credit as provided in this  
507 Subsection (6) if:

508 (i) the claimant, estate, or trust owns a hydrogen production system;

509 (ii) the hydrogen production system is completed and placed in service on or after  
510 January 1, 2022;

511 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the  
512 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced from the  
513 hydrogen production system;

514 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
515 Subsection (3), (4), or (5) for electricity used to meet the requirements of this Subsection (6);  
516 and

517 (v) the claimant, estate, or trust obtains a written certification from the office in  
518 accordance with Subsection (7).

519 (b) (i) Subject to Subsections (6)(b)(ii) and (iii), a tax credit under this Subsection (6)  
520 is equal to the product of:

521 (A) \$0.12; and

522 (B) the number of kilograms of hydrogen produced during the taxable year.

523 (ii) A claimant, estate, or trust may not receive a tax credit under this Subsection (6) for  
524 more than 5,600 metric tons of hydrogen per taxable year.

525 (iii) A claimant, estate, or trust is eligible to claim a tax credit under this Subsection (6)  
526 for production occurring during a period of 48 months beginning with the month in which the  
527 hydrogen production system is placed in commercial service.

528 ~~[(6)]~~ (7) (a) Before a claimant, estate, or trust may claim a tax credit under this section,  
529 the claimant, estate, or trust shall obtain a written certification from the office.

530 (b) The office shall issue a claimant, estate, or trust a written certification if the office  
531 determines that:

532 (i) the claimant, estate, or trust meets the requirements of this section to receive a tax  
533 credit; and

534 (ii) ~~[the office determines that]~~ the commercial energy system or the hydrogen  
535 production system with respect to which the claimant, estate, or trust seeks to claim a tax  
536 credit:

537 (A) has been completely installed;

538 (B) is a viable system for saving or producing energy from renewable resources; and

539 (C) is safe, reliable, efficient, and technically feasible to ensure that the commercial  
540 energy system or the hydrogen production system uses the state's renewable and nonrenewable  
541 resources in an appropriate and economic manner.

542 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
543 office may make rules:

544 (i) for determining whether a commercial energy system or a hydrogen production  
545 system meets the requirements of Subsection ~~[(6)]~~ (7)(b)(ii); and

546 (ii) for purposes of a tax credit under Subsection (3), establishing the reasonable costs  
547 of a commercial energy system, as an amount per unit of energy production.

548 (d) A claimant, estate, or trust that obtains a written certification from the office shall  
549 retain the certification for the same time period a person is required to keep books and records  
550 under Section 59-1-1406.

551 (e) The office shall submit to the commission an electronic list that includes:

552 (i) the name and identifying information of each claimant, estate, or trust to which the  
553 office issues a written certification; and

554 (ii) for each claimant, estate, or trust:

555 (A) the amount of the tax credit listed on the written certification; and

556 (B) the date the commercial energy system or the hydrogen production system was  
557 installed.

558 ~~[(7)]~~ (8) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
559 Act, the commission may make rules to address the certification of a tax credit under this

560 section.

561 ~~[(8)]~~ (9) A tax credit under this section is in addition to any tax credits provided under  
562 the laws or rules and regulations of the United States.

563 ~~[(9)]~~ (10) A purchaser of one or more solar units that claims a tax credit under Section  
564 59-10-1024 for the purchase of the one or more solar units may not claim a tax credit under this  
565 section for that purchase.

566 Section 4. Section **59-10-1113** is enacted to read:

567 **59-10-1113. Refundable tax credit for nonrenewable hydrogen production system.**

568 (1) As used in this section:

569 (a) "Commercial enterprise" means the same as that term is defined in Section  
570 59-7-626.

571 (b) "Commercial unit" means the same as that term is defined in Section 59-7-626.

572 (c) "Hydrogen production system" means the same as that term is defined in Section  
573 59-7-626.

574 (d) "Office" means the Office of Energy Development created in Section 63M-4-401.

575 (2) (a) A claimant, estate, or trust may claim a refundable credit under this section if:

576 (i) the claimant, estate, or trust owns a hydrogen production system;

577 (ii) the hydrogen production system is completed and placed in service on or after  
578 January 1, 2022;

579 (iii) the claimant, estate, or trust sells as a commercial enterprise, or supplies for the  
580 claimant's, estate's, or trust's own use in commercial units, the hydrogen produced from the  
581 hydrogen production system;

582 (iv) the claimant, estate, or trust has not claimed and will not claim a tax credit under  
583 Section 59-10-1106 for electricity used to meet the requirements of this section; and

584 (v) the taxpayer obtains a written certification from the office in accordance with  
585 Subsection (3).

586 (b) (i) Subject to Subsections (2)(b)(ii) and (iii), a tax credit under this section is equal  
587 to the product of:

588           (A) \$0.12; and  
589           (B) the number of kilograms of hydrogen produced during the taxable year.  
590           (ii) A claimant, estate, or trust may not receive a tax credit under this section for more  
591 than 5,600 metric tons of hydrogen per taxable year.  
592           (iii) A claimant, estate, or trust is eligible to claim a tax credit under this section for  
593 production occurring during a period of 48 months beginning with the month in which the  
594 hydrogen production system is placed in commercial service.  
595           (3) (a) Before a claimant, estate, or trust may claim a tax credit under this section, the  
596 claimant, estate, or trust shall obtain a written certification from the office.  
597           (b) The office shall issue a claimant, estate, or trust a written certification if the office  
598 determines that:  
599           (i) the claimant, estate, or trust meets the requirements of this section to receive a tax  
600 credit; and  
601           (ii) the hydrogen production system with respect to which the claimant, estate, or trust  
602 seeks to claim a tax credit:  
603           (A) has been completely installed;  
604           (B) is safe, reliable, efficient, and technically feasible to ensure that the hydrogen  
605 production system uses the state's nonrenewable energy resources in an appropriate and  
606 economic manner.  
607           (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
608 office may make rules for determining whether a hydrogen production system meets the  
609 requirements of this Subsection (3)(b)(ii).  
610           (d) A claimant, estate, or trust that obtains a written certification from the office shall  
611 retain the certification for the same time period a person is required to keep books and records  
612 under Section 59-1-1406.  
613           (e) The office shall submit to the commission an electronic list that includes:  
614           (i) the name and identifying information of each claimant, estate, or trust to which the  
615 office issues a written certification; and

616           (ii) for each claimant, estate, or trust:  
617           (A) the amount of the tax credit listed on the written certification; and  
618           (B) the date the hydrogen production system was installed.  
619           (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
620 commission may make rules to address the certification of a tax credit under this section.  
621           (5) A tax credit under this section is in addition to any tax credits provided under the  
622 laws or rules and regulations of the United States.  
623           Section 5. **Effective date.**  
624           This bill takes effect for a taxable year beginning on or after January 1, 2022.

UTAH HOUSE OF REPRESENTATIVES

MELISSA BALLARD

DISTRICT 20

407 ELK HOLLOW CIRCLE  
NORTH SALT LAKE, UT, 84054

DISTRICT 20, DAVIS COUNTY



TEL: (801) 633-6561  
MBALLARD@LE.Utah.GOV

## Model Legislation for Hydrogen Incentive

### Definition for Renewable Hydrogen

"Renewable Hydrogen" means hydrogen that is produced from electricity from a renewable energy source to create hydrogen gas from water, regardless of whether the renewable energy source is at a separate facility or the same facility as the system of apparatus and equipment; or (ii) uses renewable natural gas to produce hydrogen gas.

### Hydrogen Tax Incentives - Melissa Ballard (HB 223 - UT 2021)

HB 223 enacts refundable corporate and individual income tax credits for systems that produce hydrogen from renewable and nonrenewable sources. The tax credit is equal to \$0.12 per kilogram of hydrogen produced during the taxable year. Up to 5,600 metric tons of hydrogen produced is eligible for the tax credit (worth up to \$672,000).

#### Partial model language:

(k) "Hydrogen production system" means a system of apparatus and equipment, located in this state, that uses:

- (i) electricity from a renewable energy source to create hydrogen gas from water, regardless of whether the renewable energy source is at a separate facility or the same facility as the system of apparatus and equipment; or
- (ii) uses renewable natural gas to produce hydrogen gas

(7) (a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7)

if:

- (i) the taxpayer owns a hydrogen production system;
- (ii) the hydrogen production system is completed and placed in service on or after January 1, 2022;
- (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own use in commercial units, the hydrogen produced from the hydrogen production system;

(v) the taxpayer obtains a written certification from the office in accordance with Subsection (8).

(b) (i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7) is equal to the product of:

(A) \$0.12; and

- (B) the number of kilograms of hydrogen produced during the taxable year.
- (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than 5,600 metric tons of hydrogen per taxable year.
  - (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for production occurring during a period of 48 months beginning with the month in which the hydrogen production system is placed in commercial service.
- (d) The director shall at least annually submit to the commission a list of all qualified taxpayers to which the director has issued a tax credit certificate and the amount of each tax credit represented by the tax credit certificates.
- (7) The tax credit under this section is allowed only:
- (a) against a tax owed under this chapter in the taxable year by the qualified taxpayer;
  - (b) for the taxable year in which the qualified purchase occurs; and
  - (c) once per vehicle.
- (8) A qualified taxpayer may not assign a tax credit or a tax credit certificate under this section to another person.
- (9) If the qualified taxpayer receives a tax credit certificate under this section that allows a tax credit in an amount that exceeds the qualified taxpayer's tax liability under this chapter for a taxable year, the qualified taxpayer may carry forward the amount of the tax credit that exceeds the tax liability for a period that does not exceed the next five taxable years.

**From:** [Gretchen Baldau](#)  
**To:** [Adrian Luth](#)  
**Subject:** Invitation – ALEC Legislative and Committee Staff Working Group – Webinar on Thursday, July 22nd at 2pm ET  
**Date:** Wednesday, July 14, 2021 1:02:59 PM  
**Attachments:** [image001.png](#)

---

Hi Adrian,

I hope your week is going well.

You are invited to the next **CIED Legislative and Committee Staff Working Group** scheduled for **Thursday, July 22<sup>nd</sup> at 2:00pm ET**. The webinar will feature speakers from the Pacific Legal Foundation, Ballotpedia, and Arizona Governor Ducey's office discussing **administrative law** and **regulatory reform** in the states.

**Webinar Information:**

Thursday, July 22<sup>nd</sup> at 2:00pm ET

Register in advance for this webinar: [https://zoom.us/webinar/register/WN\\_7xBObNb8Tn2axD-nLnpHLO](https://zoom.us/webinar/register/WN_7xBObNb8Tn2axD-nLnpHLO).

We would love to hear any questions and updates from your state or office during the Q&A section of the webinar. If you know other legislative or committee staff members who would be interested in joining this webinar or working group, please feel free to invite them and send me their contact information so I can send them updates.

Registration is still open for ALEC's Annual Meeting in Salt Lake City, UT from July 28<sup>th</sup>-30<sup>th</sup>. This year we are hosting a special workshop for legislative and committee staff on Thursday, July 29<sup>th</sup> at 9:30am MT. It will feature overviews of important ALEC policies and pressing issues facing legislatures across the states today. To register for the conference, [click here](#).

Thanks! I look forward to working with you.

Best,

Gretchen Baldau and Mike Slabinski  
Commerce, Insurance and Economic Development Task Force  
Direct: [REDACTED]  
2900 Crystal Drive, Suite 600  
Arlington, VA 22202



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Upcoming Meetings:

2021 Annual Meeting, July 28 – 30, Salt Lake City UT

2021 States and Nation Policy Summit, December 1 – 3, San Diego CA

**From:** American Legislative Exchange Council  
**To:** Nancy Barto  
**Subject:** Jason Bethke added you to the group Criminal Justice Task Force  
**Date:** Friday, July 16, 2021 11:21:07 AM

---

 **Welcome! You're now a member of Criminal Justice Task Force.**

[View](#)

You're receiving ALEC CONNECT emails.

To change or turn off ALEC CONNECT email, log in as [nbarto@azleg.gov](mailto:nbarto@azleg.gov).

*salesforce.com, Inc. The Landmark @ One Market, Suite 300 San Francisco, CA 94105*



**From:** American Legislative Exchange Council  
**To:** Nancy Barto  
**Subject:** Jason Bethke added you to the group Health and Human Services Task Force  
**Date:** Friday, July 16, 2021 11:20:47 AM

---



**Welcome! You're now a member of Health and Human Services Task Force.**

[View](#)

You're receiving ALEC CONNECT emails.

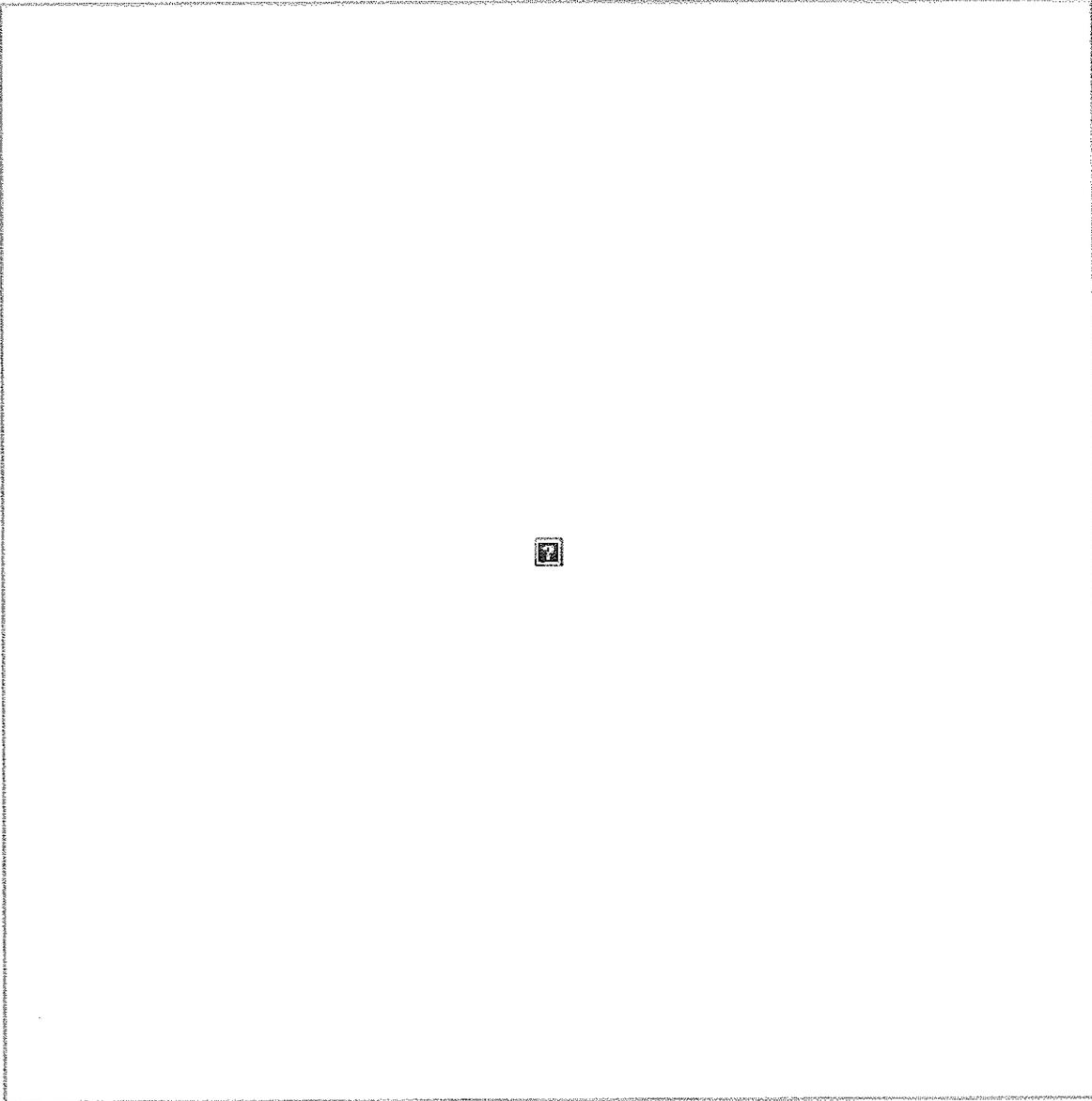
To change or turn off ALEC CONNECT email, log in as [nbarto@azleg.gov](mailto:nbarto@azleg.gov).

*salesforce.com, inc. The Landmark @ One Market, Suite 300 San Francisco, CA 94105*



**From:** [ALEC Events](#)  
**To:** [David Gowan](#)  
**Subject:** Know Before You Go - 48th/8th ALEC & ACCE Annual Meeting  
**Date:** Saturday, July 24, 2021 10:06:06 AM

---



Hi David,

We are excited you will be joining us at the 48th/8th ALEC & ACCE Annual Meeting in Salt Lake City, Utah. Here are a few things to Know Before You Go:

ALEC is committed to a creating safe and memorable experience! We are here to help you prepare for your trip to ensure your stay is safe and enjoyable! Providing a safe experience starts before your departure. We ask that you commit and acknowledge that you have not experienced symptoms, been exposed to or tested positive for COVID-19 in the past 10 days.

ALEC and The Grand America will be following all state and local guidelines. In line

with CDC guidance, masks are optional for fully vaccinated guests. PPE will be available throughout the meeting space.

A positive memorable experience is always our primary focus when offering training or in executing a meeting.

We look forward to seeing you in Salt Lake City, Utah!

**Check out the top 5 things to do in Salt Lake City and show off with our hashtags below!**

**#ALECIdeas #ALECinSCL #ALECTogether**

---

**Make sure that you stop by the registration desk to check-in and get your badge.**

Your badge is your key to attending all conference events such as meetings, workshops, meals, and receptions.

<b>Tuesday, July 27</b>	<b>Wednesday, July 28</b>	<b>Thursday, July 29</b>	<b>Friday, July 30</b>
2:00 PM - 5:00 PM	7:30 AM - 5:00 PM	7:30 AM - 5:00 PM	7:30 AM - 3:00 PM

In order to ensure safety for all attendees, ALEC has a **No Badge, No Entry Policy** for all official ALEC events. The registration desk will be located at the Grand Ballroom Registration Counters.

We also recommend you remove your badge when you are not at the conference.

---

### **Download the Mobile App Now!**

The 48th/8th ALEC & ACCE Annual Meeting is mobile with our event app! Stay connected with the app that will make this year's experience even more valuable for our attendees, sponsors and speakers. This app includes our agendas, speakers and much more all in the palm of your hand. Watch your email for more information!



---

### Conference Attire

Business attire is recommended for all events. The conference rooms can be chilly, so please plan to dress accordingly. Be sure to check the [weather](#) before you leave home.

---

### Exhibit Hall

**Wednesday, July 28**

8:00 AM - 5:00 PM

**Thursday, July 29**

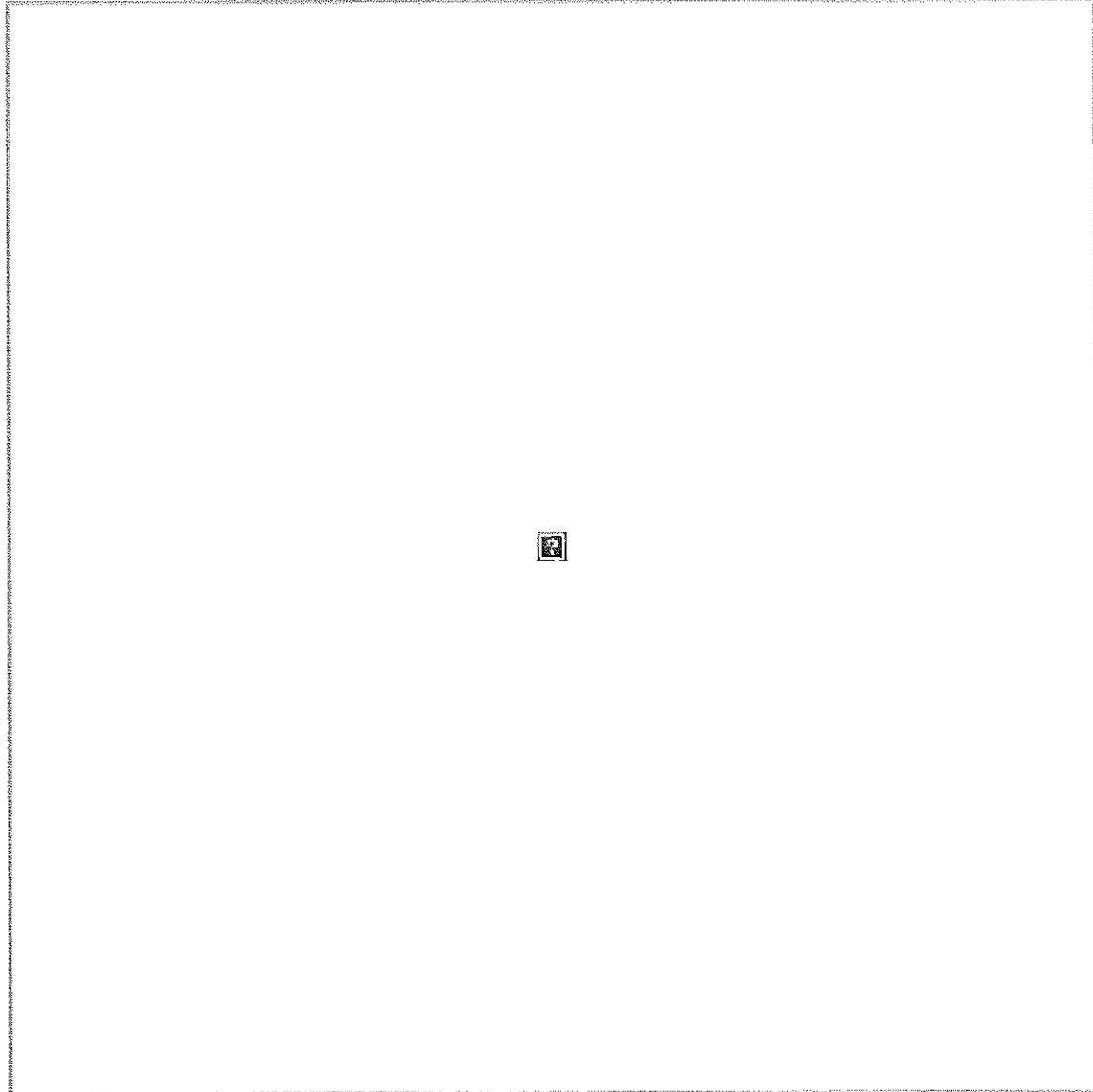
8:00 AM - 5:00 PM

**Friday, July 30**

8:00 AM - 2:00 PM

With over 30 exhibitors at this year's Annual Meeting, you will want be sure to explore and connect with our various partners!

---



**We are looking forward to seeing you in-person next week in Salt Lake City! See below for a few of the special events happening throughout the week:**

Go for the Gold at the Utah Welcome Reception hosted at the home of the 2002 Olympic Games, Utah Olympic Park.

**July 28th from 6:30 PM - 8:30 PM**

*Open to all registered attendees. Transportation will be provided. Dress is casual.*

- **July 27 at 8:00 PM** - Late Night Dessert & Scary Stories with Ken Cuccinelli
- **July 28 at 9:45 AM** - Task Force Town Hall
- **July 28 at 1:30 PM** - Bowwow Yappy Hour
- **July 29 at 9:30 AM** - Legislative Staff Training
- **July 29 at 1:45 PM** - Ice Cream Social
- **July 30 at 2:30 PM** - **Academy:** State Legislators take action on Next Steps to Save the American Dream from Unsustainable Deficit Spending via a “No-Runaway” Article V Convention (Contact [Karla Jones](#) for more information.)

**Next week at the ALEC Annual Meeting, you will hear from incredible speakers and policy leaders. Here is a sneak peek to some of the exciting line-up:**

Governor Spencer Cox (UT)  
Lt. Governor Mark Robinson (NC)  
Congressman Jason Chaffetz (UT)  
U.S. Senator Mike Lee (UT)  
Economic powerhouses Dr. Arthur B. Laffer, Stephen Moore and Donna Arduin  
Taiwanese Ambassador H.E. Bi-khim Hsiao  
Secretary Rick Perry  
Journalist Rikki Schlott

### **Media Row at the ALEC Annual Meeting**

Fill out [this quick form](#) to participate in a media junket during the 48<sup>th</sup> Annual Meeting in Salt Lake City, UT. Once you complete the form, the ALEC booking team will be in touch.

With questions, please contact ALEC Press Secretary Alexis Jarrett ([ajarrett@alec.org](mailto:ajarrett@alec.org)).

**While in the capitol city of Utah, do not miss the opportunity to see the Utah State Capitol!**

Reservations are available for tours starting at 2:30 PM on Friday, July 30. Transportation will be on your own to the captiol. For more information, please contact [meetings@alec.org](mailto:meetings@alec.org).

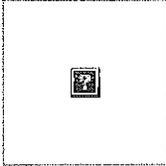
Sincerely,

The ALEC Events Team  
American Legislative Exchange Council

meetings@alec.org

If you no longer want to receive emails from ALEC Events, please [Opt-Out](#).

---



**From:** Elizabeth Taylor  
**To:** "dcasas@"; Marie Vulaj; doug@; "judson@";  
"jledford@"; Gabriella Uli; "chuck@";  
"emory.wilkerson"; Courtney Cook; "Sen Pres Karen Fann"; Lisa Nelson; "Philip Gunn  
(pgunn@)"; "jcarsonjr@"; "wcrozer@"; Wilhelm Meierling; "Stuart Adams";  
doug@  
**Cc:** ndandrea@; "Adrian Luth ("); James Lester; "Karen Fann"; "Martin, Chuck";  
Rick Cimerman; mkiely@; Karen Fann  
**Subject:** RE: 2022 ALEC Annual Meeting: Georgia Planning Meeting  
**Date:** Thursday, July 29, 2021 1:15:42 PM

---

Hi all –

We look forward to today's meeting this afternoon. For those able to attend in person, please plan on meeting in the Belvedere Room (3<sup>rd</sup> Floor) at 3:30pm MT.

Thank you!  
Elizabeth Taylor

-----Original Appointment-----

**From:** Elizabeth Taylor  
**Sent:** Monday, June 28, 2021 12:35 PM  
**To:** Elizabeth Taylor; 'dcasas@'; Marie Vulaj; doug@;  
'judson@'; 'jledford@'; Gabriella Uli; 'chuck@';  
'emory.wilkerson'; Courtney Cook; 'Sen Pres Karen Fann'; Lisa Nelson; 'Philip  
Gunn (pgunn@)'; 'jcarsonjr@'; 'wcrozer@'; Wilhelm Meierling;  
'Stuart Adams'  
**Cc:** ndandrea@; 'Adrian Luth ('); James Lester; 'Karen Fann';  
'Martin, Chuck'; Rick Cimerman; mkiely@; 'Karen Fann'  
**Subject:** 2022 ALEC Annual Meeting: Georgia Planning Meeting  
**When:** Thursday, July 29, 2021 3:30 PM-4:30 PM (UTC-07:00) Mountain Time (US & Canada).  
**Where:** Belvedere Room, Grand America Hotel | 1-800-704-9804,,14694484#

Location:  
Belvedere Conference Room  
Line: 1-800-704-9804  
Code: 14694484#

**From:** Garry Smith  
**To:** Gabriella Uli  
**Cc:** sen.david.wilson@akleg.gov; kyle.hall@ncleg.net; Lincoln Fillmore; sen.mary.kiffmeyer@senate.mn; jason.fischer@myfloridahouse.gov; Thomas T.J. Shope; rockandmarbleinc@ ; senatormasterson@ ; missythomasirvin@ ; scooch@ ; lincoln@ ; john.barker@house.ks.gov; tom.buford@rc.ky.gov; mke.holmes@alhouse.gov; brucethompson@orsenate@ ; linchan@leg.ne.gov; spencer.roach@myfloridahouse.gov; senatorroberts15@ ; dan.roberts@alsenate.gov; saine.jason@ ; arnold@ ; senatorjerseyjoe@ ; matt@ ; riddellnc64@ ; jim@ ; Sine Kerr  
**Subject:** Re: Canceled: State Chair Call  
**Date:** Thursday, July 8, 2021 8:39:50 AM

---

July 18th maybe?

Chairman Garry R. Smith  
South Carolina House of Representatives  
Greenville County - District 27

On Jul 8, 2021, at 9:52 AM, Gabriella Uli <guli@alec.org> wrote:

All –

Please join us Friday, June 18, 2021, at 12 PM Eastern Standard Time. This call will focus on the upcoming Annual Meeting in SLC. Agenda will be forthcoming.

You may access the meeting via the zoom link here: [REDACTED]

As many of you know, these calls take place on the third Friday of every month.

Sincerely,  
Gabriella

Gabriella M. Uli  
Legislative Outreach Manager  
American Legislative Exchange Council  
Cell: [REDACTED]



Upcoming Meetings:

2021 Annual Meeting, July 28 – 30, Salt Lake City UT

2021 States and Nation Policy Summit, December 1 – 3, San Diego CA

**ALEC State Chair Call**

**12:00 PM Eastern Time**

Zoom Link and Numbers:

Join Zoom Meeting

[Redacted content]

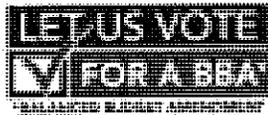
<mime-attachment.ics>

**From:** Tom Llewellyn  
**To:** Mae James  
**Cc:** [David Biddulph](#); [Ken Ivory](#); [Robert Natelson](#); [Barry W Poulson](#); [Yvette herrell](#); [Kelly Townsend](#); [John Ramsey](#); [David M Walker](#); [Karla Jones](#); [Rex Rice](#); [SC Senate District 2](#); [Mike Kopic](#); [Anthony Kern](#); [Bob Carlstrom](#); [Neal Schuerer](#); [Jim Rubens](#); [Jim Stalzer](#); [Bill Cowsert](#); [Kim Koppelman](#); [Representative Powers](#); [J.D. Campaign](#)  
**Subject:** Re: Conference Call: Final ALEC Academy Prep and an Update on SC  
**Date:** Thursday, July 15, 2021 10:21:19 PM  
**Attachments:** [Fiscal Responsibility Amendment Academy Conference package.docx](#)

---

Team FRAA,  
Please consider this outline of the planned material package for our Fiscal Responsibility Amendment Academy session.  
Trust we will talk about this on the conference call.  
Tom L.

On Thu, Jul 15, 2021 at 6:29 PM Mae James <[REDACTED]> wrote:



Dear LUVBBA Partners,

Please join us tomorrow as we make final preparations for our U.S. Fiscal Responsibility Amendment Academy in Salt Lake City on July 30, 2021. We will focus on final edits to our agenda and on any questions from or for our presenters. If you are presenting, your participation on tomorrow's call would be especially appreciated. Along with the most recent Academy agenda, I've attached the submitted PowerPoint presentations for your interest.

We will also be discussing recent developments in South Carolina and the potential for that state's application to become BBA #34. Thank you for the perspective you each bring to the conversation.

Meeting Information

Friday, July 16, 2021 at 4:00 PM ET

Join the Zoom Meeting

[REDACTED]

# **U.S. Fiscal Responsibility Amendment Academy**

**Page 1 - Introduction - *America's Fiscal Future in Jeopardy*** – David Walker

**Pages 2 & 3 – Executive Summary** – David Biddulph

**Pages 4 & 5 – Background of Federal Debt Issue** – Biddulph

Starting with Reagan, number of Congressional calls for BBA but lack of any admin., Convention Planning Arizona 2017 gathering, progress with 34 applications.

**Page 6 – Article V Constitutional Call to Action by State Legislatures** – Natelson

Framers design for Article V and built-in safeguards

**Page 7 – Dynamic Survey of State Legislatures** – Biddulph

Brief explanation of today's dynamic survey of State Legislatures and reporting

**Page 8 – Speaker Bio's** – Ivory, Walker, Biddulph, Natelson, Poulson, Herrell, Townsend, Ramsey

**Page 9 & 10 – Additional State Legislative Actions** – Yvette Herrell and Kelly Townsend

No-Runaway Convention Delegate Law, State Ratification Convention Law, Instructions for State Delegates on Article V No-Runaway Convention Rules, Preference of fiscal planning alternatives, State participation in federal lawsuit to compel Article V application admin. Action and appointing a delegate Liaison) to Phoenix Correspondence Commission to coordinate action related to Article V matters.

**Page 11 & 12 FOUR Fiscal Responsibility Proposals** – Ramsey, Walker, Polson & Biddulph

Bill of Financial Responsibilities, Debt-to-GDP, Merrifield-Poulson & Maximizing Prosperity & Security

**Page 13 – Next Steps Going Forward – Panel Discussion Outline**

Survey Results, final 34 & added BBA resolutions/applications, additional state legislative actions, lawsuit against Congress and participation in Phoenix Correspondence Commission.

**Appendix** – Organized by Speaker

**From:** [Carly Good](#)  
**To:** [Carly Good](#)  
**Cc:** [Lee Schalk](#)  
**Subject:** RE: EEA Check-In  
**Date:** Monday, July 26, 2021 3:08:04 PM  
**Attachments:** [image001.png](#)

---

Hello all,

Greetings from Salt Lake City! I am very excited to kick off Annual Meeting with tomorrow's programming.

As a reminder – if you are attending the Rio Tinto tour tomorrow, please do not forget your **proof of vaccination!** The bus will depart the **Grand America South Lot at 12p noon.** If you have any questions or would like to attend the energy briefing portion only, feel free to email or call/text me. Also, the EEA Legislator Dinner is all set for tomorrow night at **Lake Effect** in Downtown Salt Lake City. I hope to see you all there!

As always, feel free to reach out to me via email or phone if I can answer any questions. My direct cell is [REDACTED].

Best,

**Carly Good**

Task Force Manager  
Energy, Environment and Agriculture  
American Legislative Exchange Council

C: [REDACTED]

O: [REDACTED]

Email: [cgood@alec.org](mailto:cgood@alec.org)

---

**From:** Carly Good  
**Sent:** Thursday, July 22, 2021 9:56 AM  
**To:** Carly Good <[cgood@alec.org](mailto:cgood@alec.org)>  
**Cc:** Lee Schalk <[lschalk@alec.org](mailto:lschalk@alec.org)>  
**Subject:** EEA Check-In

Hi EEA members and participants,

Thank you all for a successful subcommittee meeting yesterday. All 10 model policies were recommended favorably by the subcommittee! Per the discussion, changes will be made to a few of the model policies on our website between now and the full **Task Force Meeting next Thursday, July 29<sup>th</sup>**. Make sure you are checking the [EEA webpage](#) for the most up-to-date versions of the policies.

A few reminders prior to next week –

The **Rio Tinto Mine Tour and Energy Policy Briefing** next Tuesday is filling up fast! Legislators are welcome to sign up through this link: <https://www.eventbrite.com/e/rio-tinto-mine-tour-and-energy-policy-briefing-tickets-160634675639>

\*NOTE – Rio Tinto is requiring proof of vaccination against COVID-19 to attend the tour. However, if you would like to attend the energy briefing only, feel free to reach out to me directly. There are no COVID-related requirements for this portion of the event.

Also, EEA legislators are all invited to the **EEA Task Force Dinner** on Tuesday night at Lake Effect in downtown Salt Lake City. Please RSVP for the dinner here: <https://www.eventbrite.com/e/eea-legislator-dinner-annual-meeting-2021-tickets-164006623225>

As always, feel free to reach out anytime. Have a great weekend, and I look forward to meeting you all in person next week!

All the best,

**Carly Good**

Task Force Manager  
Energy, Environment and Agriculture  
American Legislative Exchange Council

C: [REDACTED]

O: [REDACTED]

Email: [cgood@alec.org](mailto:cgood@alec.org)

---

**From:** Carly Good  
**Sent:** Tuesday, July 20, 2021 12:05 PM  
**To:** Carly Good <[cgood@alec.org](mailto:cgood@alec.org)>  
**Cc:** Lee Schalk <[lschalk@alec.org](mailto:lschalk@alec.org)>  
**Subject:** EEA Subcommittee Meeting TOMORROW  
**Importance:** High

Hi EEA participants,

This week marks the start of ALEC Annual Meeting 2021!

As a final reminder – our EEA subcommittees meeting will take place **TOMORROW, July 21<sup>st</sup>, from 11:00am-2:00pm EASTERN.** Here is the link to join that meeting: [REDACTED]

Please come prepared with questions/comments on the model policies. I have linked the [EEA event page here](#) for easy access to all of the policies. I have also attached the agenda for tomorrow's meeting to this email.

I look forward to seeing you all (virtually) tomorrow and in Salt Lake City next week!

Best,

**Carly Good**

Task Force Manager

Energy, Environment and Agriculture

American Legislative Exchange Council

C: [REDACTED]

O: [REDACTED]

Email: [cgood@alec.org](mailto:cgood@alec.org)



Upcoming Meetings:

2021 Annual Meeting, July 28 – 30, Salt Lake City UT

2021 States and Nation Policy Summit, December 1 – 3, San Diego CA

The American Legislative Exchange Council is a 501(c)3 nonprofit organization and is the largest nonpartisan, voluntary membership organization of state legislators in the United States dedicated to the principles of limited government, free markets and federalism. The Council is governed by state legislators who comprise the National Board of Legislators and is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.

**From:** [Brooklyn Roberts](#)  
**To:** [Nancy Barto](#)  
**Cc:** [Sen. Nancy Barto](#)  
**Subject:** Re: Safe Compounding model packet info  
**Date:** Tuesday, July 27, 2021 4:45:00 AM

---

Hi Nancy,

A couple of things—we probably won't have time to get these in the packets, but we can give them out with the folders as people check in. We have **very** limited printing capabilities, so you'd either need to bring copies or make them in the hotel's business center. Also, did you send these to Beverly or do you want me to forward them to her?

Brooklyn Roberts  
HHS Task Force Director  
American Legislative Exchange Council  
D: [REDACTED]  
M: [REDACTED]  
broberts@alec.org

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---

**From:** Nancy Barto <NBarto@azleg.gov>  
**Date:** Monday, July 26, 2021 at 8:08 PM  
**To:** Brooklyn Roberts <broberts@alec.org>  
**Cc:** Nancy Barto <[REDACTED]>  
**Subject:** Safe Compounding model packet info

Hi Brooklyn,

As a follow-up to the subcommittee discussion on the Safe Compounding model, Beverly Gossage requested further information about what the FDA was doing that threatened the practice of compounding. It might be helpful to include this article <https://a4pcnews.com/2021-03/smokinggun/> in the packets.

A longer much more extensive response to the NASEM report is here, but I do not believe it is

necessary to include that. We could have it available as a link: [https://media.thinkbrg.com/wp-content/uploads/2021/04/19201541/BRG-NASEM\\_Report-Analysis\\_2021-V1.pdf](https://media.thinkbrg.com/wp-content/uploads/2021/04/19201541/BRG-NASEM_Report-Analysis_2021-V1.pdf)

I've also attached a legal memo in defense of states controlling their health care practices. It would be great if that were included in the packet, if it's not too much information. Any thoughts?

Thanks much –  
Nancy

Legal memo prepared by  
**KURT M. ALTMAN, P.L.C.**  
**4848 East Cactus Rd, Suite 505-102**  
**Scottsdale, AZ 85254**  
[REDACTED]

**From:** [Nancy Barto](#)  
**To:** [Brooklyn Roberts](#)  
**Subject:** Re: Virtual hearing  
**Date:** Wednesday, July 21, 2021 7:50:53 AM

---

If there will be time enough for it, that would be much preferred. He's flying in for it too and was totally confused that this subcommittee was happening a week earlier when he was not able to prepare or schedule for it.

Sent from my iPhone

> On Jul 21, 2021, at 7:41 AM, Brooklyn Roberts <[BRoberts@alec.org](mailto:BRoberts@alec.org)> wrote:

>

> No worries as I already had him presenting at the meeting as well. Do you want me to take that one off the agenda for today's subcom or do you want to talk about it?

>

> Brooklyn Roberts  
> HHS Task Force Director  
> American Legislative Exchange Council  
> D: [REDACTED]  
> M: [REDACTED]  
> [broberts@alec.org](mailto:broberts@alec.org)

>

> The American Legislative Exchange Council is a 501(c)3 nonprofit organization and is the largest nonpartisan, voluntary membership organization of state legislators in the United States dedicated to the principles of limited government, free markets and federalism. The Council is governed by state legislators who comprise the National Board of Legislators and is advised by the Private Enterprise Advisory Council, a group of private, foundation and think tank members.

>

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Twitter <[http://www.twitter.com/alec\\_states](http://www.twitter.com/alec_states)> | Blog <<http://www.americanlegislator.org/>>

>

>

>

>

> On 7/21/21, 10:39 AM, "Nancy Barto" <[NBarto@azleg.gov](mailto:NBarto@azleg.gov)> wrote:

>

> Completely understand. See you next week!

>

> Sent from my iPhone

>

>> On Jul 21, 2021, at 7:34 AM, Keith Frederick <[REDACTED]> wrote:

>>

>> Hello Senator,

>>

>> Unfortunately it will not be possible for me to participate in today's virtual hearing.

>>

>> My office schedule of patients today and the fact that I am on call for several area Emergency Departments today will prevent me from participating.

>>

>> I do look forward to providing testimony to the Committee in Salt Lake next week.

>>

>> Thank you.

>>

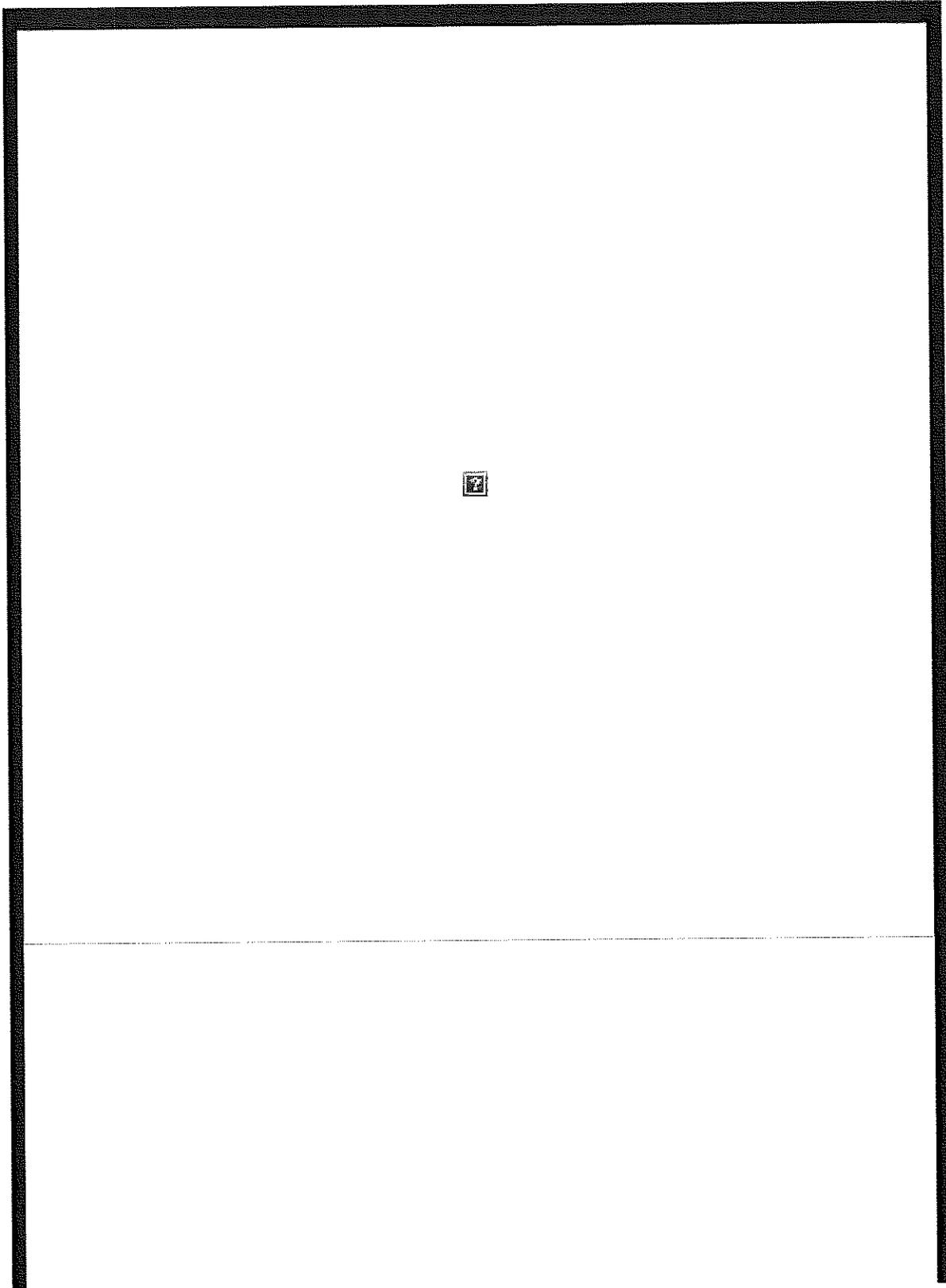
>> Sincerely,

>>

>> Keith  
>  
>

**From:** [Let Us Vote for a BBA Citizen's Campaign, Inc.](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** Registration is Open for the Fiscal Responsibility Amendment Academy  
**Date:** Thursday, July 22, 2021 7:00:43 AM

---



pexels-sobia-akhtar-5652364.jpg



Please join us at the  
**U.S. Fiscal Responsibility Amendment**  
Academy

Where attendees will chart a sustainable fiscal path for America

Friday, July 30, 2021 from 2:30 -6:30 PM MT  
Salt Lake City, UT (Virtual Participation Available)

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**Leveraging Our Children's Future**

In a June 16<sup>th</sup> address to the Senate Banking Committee, Federal Reserve Chairman Jerome Powell put

concerns about unsustainable levels of federal debt into very relatable terms. He said, "Over time, future generations – our kids and our grandkids – their tax dollars will be going to servicing the debt that we incurred to buy the stuff we wanted when we were in charge." He continued, "Every generation is entitled to spend what it wants to spend on the things it thinks it needs, but it really ought to pay for them in some sense rather than passing the bills onto [their] kids."

### The Article V Solution

After decades of bipartisan and accelerating deficit spending, it has become clear that Congress has no serious interest in solving the national debt crisis, and that unsustainable levels of debt pose a direct threat to Social Security, national security and the future prosperity of American families. However, under Article V of the U.S. Constitution, a convention of states may initiate the proposal of an amendment to address fiscal responsibility. As applications for this convention approach the constitutionally required two-thirds (34) threshold, we believe it is time for the states to prepare for this historic convention.

### Please Join Us

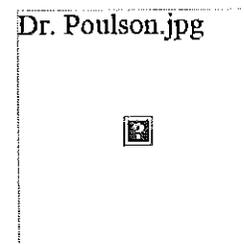
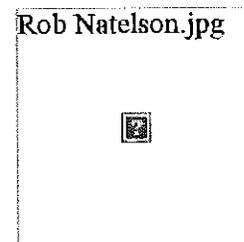
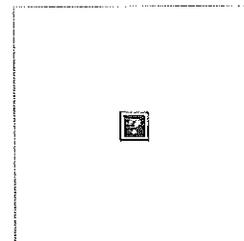
On Friday, July 30, 2021, from 2:30-6:15 PM MT, you are invited to participate (virtually, or in person) in a U.S. Fiscal Responsibility Amendment Academy where state legislators will be encouraged to consider next steps toward a "No-Runaway" Article V Convention to propose a federal fiscal responsibility amendment. Leading experts in constitutional law and economic policy will be available to answer questions on the safety and efficacy of an Article V convention, and state lawmakers will be invited to deliberate and cast their vote in support of recommended fiscal rules that would maximize America's prosperity for generations to come.

### Meet the Experts

---

The U.S. Fiscal Responsibility Academy will be hosted by former Utah State Representative Ken Ivory, and presenters will include:

- David M. Walker, former Comptroller General of the United States and CEO of the U.S. Government Accountability Office (GAO).
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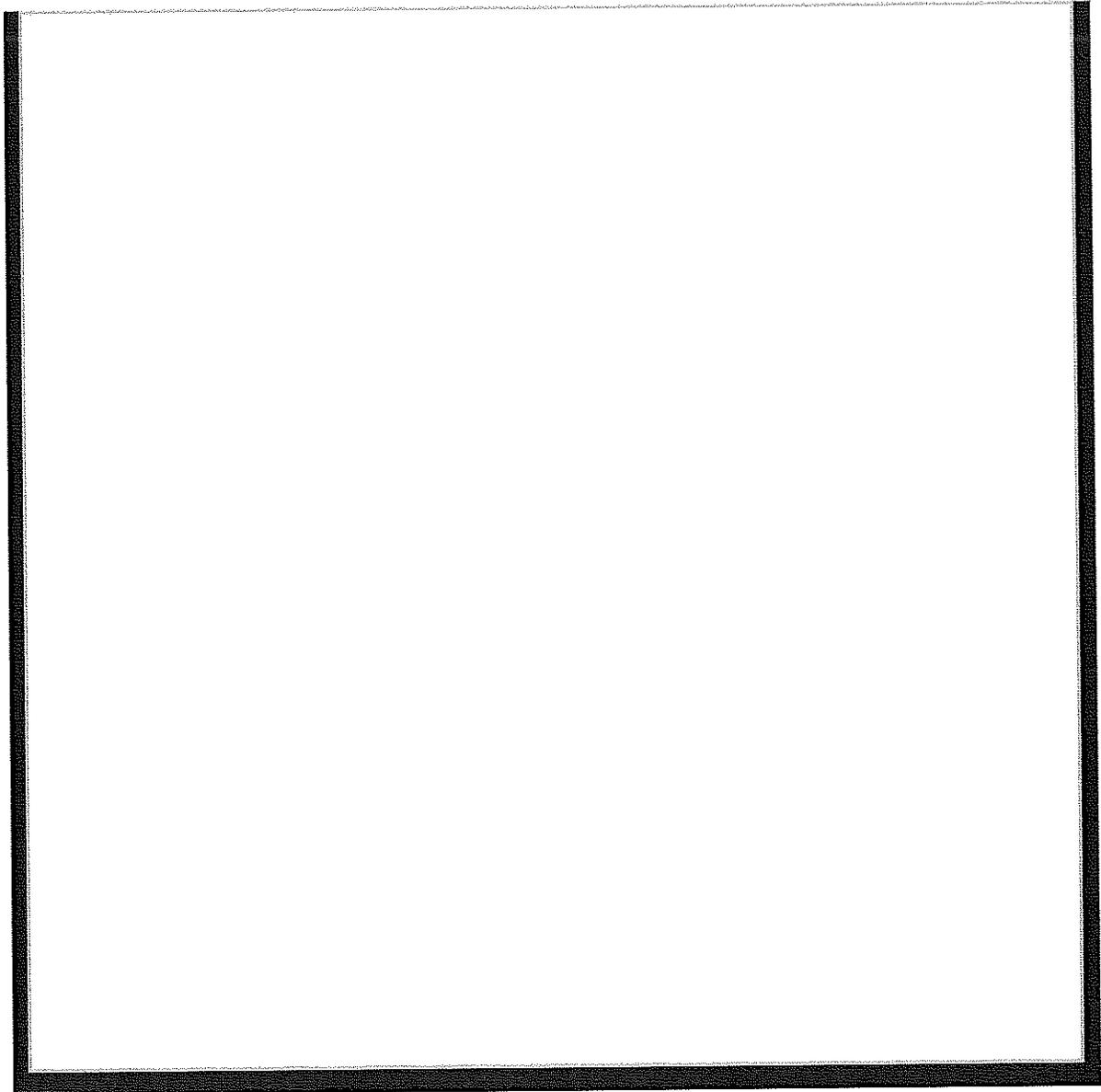


Academy registrants will receive a complimentary digital copy of A Fiscal Cliff in which co-editor Dr. Barry Poulson observes, "Unless we reform our fiscal rules and institutions, we are not likely to solve the debt crisis and restore sustainable fiscal policies. Given the dysfunction in Congress, there is growing interest in a state-drafted voter-ratified constitutional amendment, such as to require a balanced federal budget."

**Please complete your free registration here  
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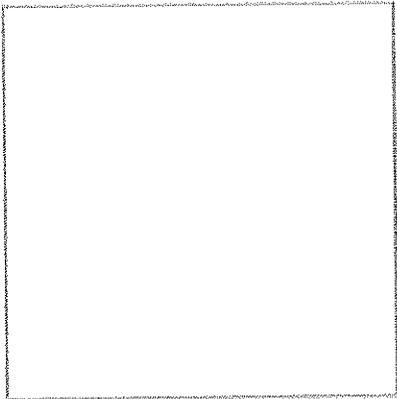


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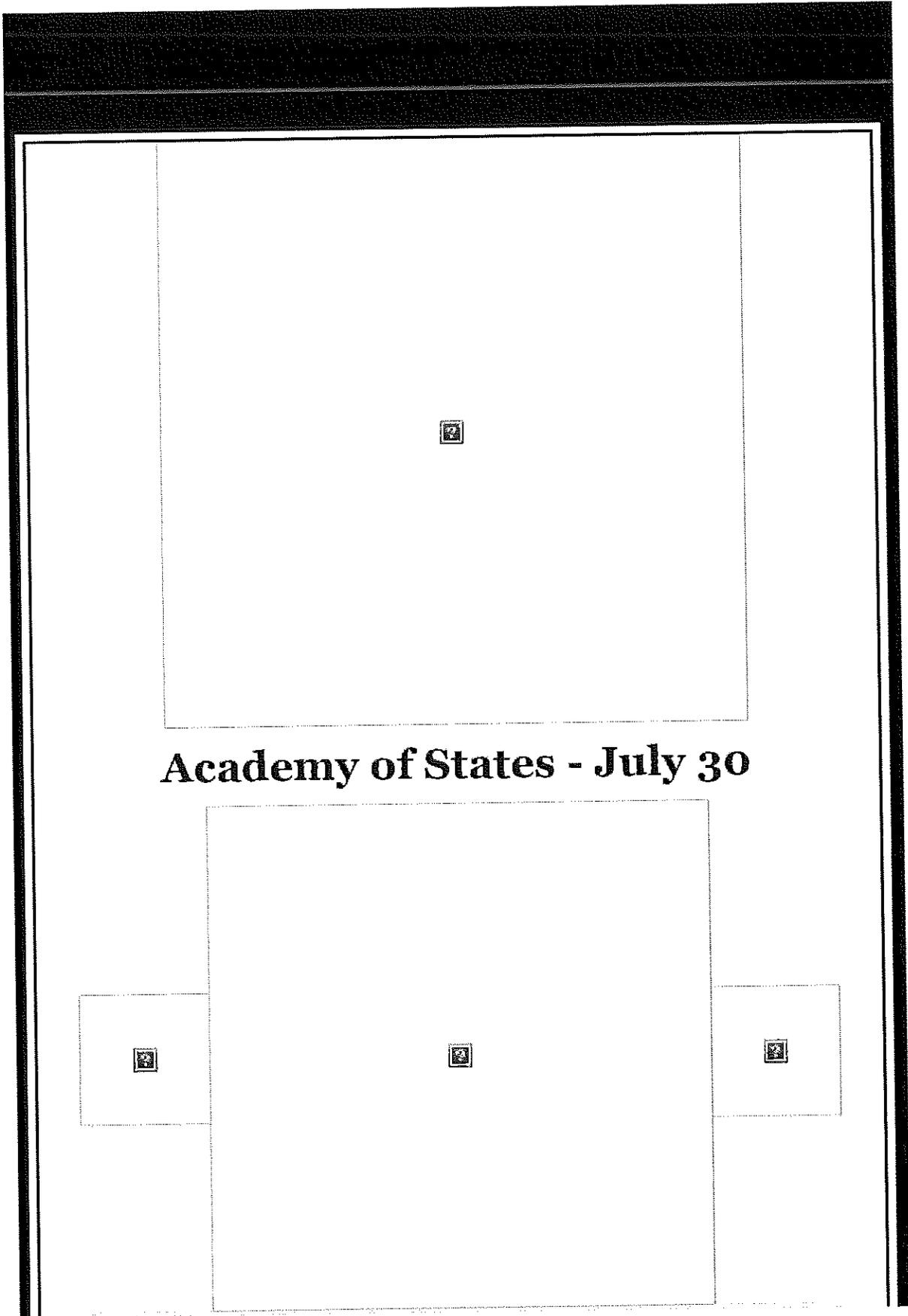
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We think it is a good idea for legislators to collaborate on issues big and small. **What do you think?**

Next week, there is a virtual **Academy of States** where legislators from all over the country will interact with each other, experts, and vote on issues that matter to voters.

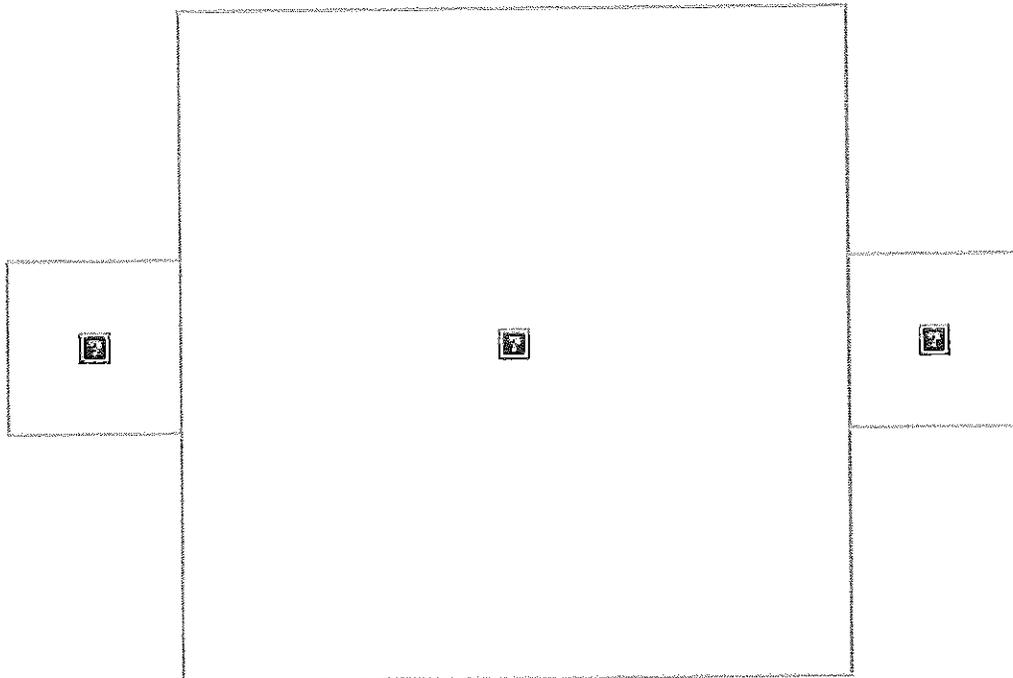
The event, hosted by the American Legislative Exchange Council and sponsored by Let Us Vote for a Balanced Budget Amendment, is designed with you, and the country, in mind.

Whether your constituents support the idea of changing the fiscal policies of the federal government or not, **you are invited to represent your voters** by attending, sharing ideas, and voting on measures to improve how Washington D.C. works.

[Learn More and Register](#)

**Friday, July 30**  
**2:30 - 6:30 pm MDT**

This virtual event is an interactive, bi-partisan Academy of States where you, as a state lawmaker, will cast your ballot to call a "No-Runaway" Article V Convention for proposing amendments. Whether you agree or disagree in the responsibility of the States to govern our nation, you need to be heard.



**Academy Moderator**  
*Ken Ivory, former State Representative, Utah*

**Panelists Include**  
*U.S. Congresswoman Yvette Herrell, New Mexico*

*Professor Robert G. Natelson*  
*Former U.S. Comptroller General David Walker*

*and more*

**Academy:**  
A place of study or training in a special field.

-----  
**Questions?**  
Please contact **Karla Jones**  
[kjones@alec.org](mailto:kjones@alec.org)

Register

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Path To Reform is part of ACT 2 Inc, an educational Colorado 501(c)(3) non-profit.

[PathToReform.org](http://PathToReform.org)  
Calling for an Article V Gathering

[Act2Reform.org](http://Act2Reform.org)  
Ideas to Fix the Future

[CampaignConstitution.com](http://CampaignConstitution.com)  
Vote on 30+ Amendment Ideas

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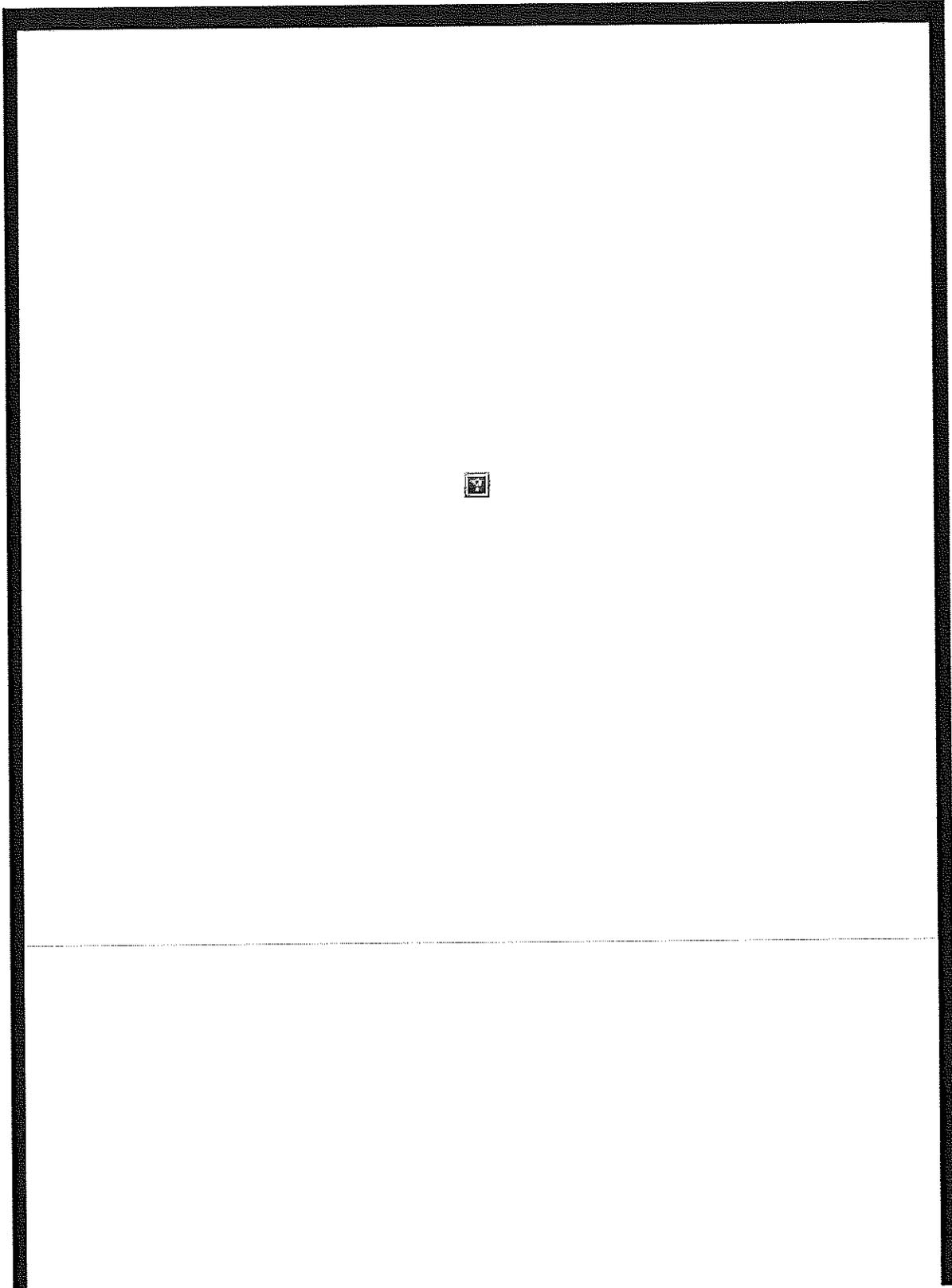


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**From:** [Let Us Vote for a BBA Citizen's Campaign, Inc.](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** Reminder: Registration is Open for the Fiscal Responsibility Amendment Academy  
**Date:** Sunday, July 25, 2021 11:00:49 AM

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pexels-sobia-akhtar-5652364.jpg



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Academy**

Where attendees will chart a sustainable fiscal path for America

Friday, July 30, 2021 from 2:30 -6:30 PM MT  
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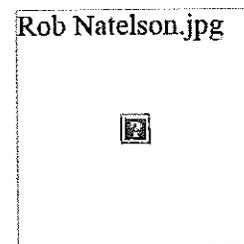
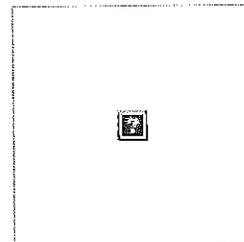
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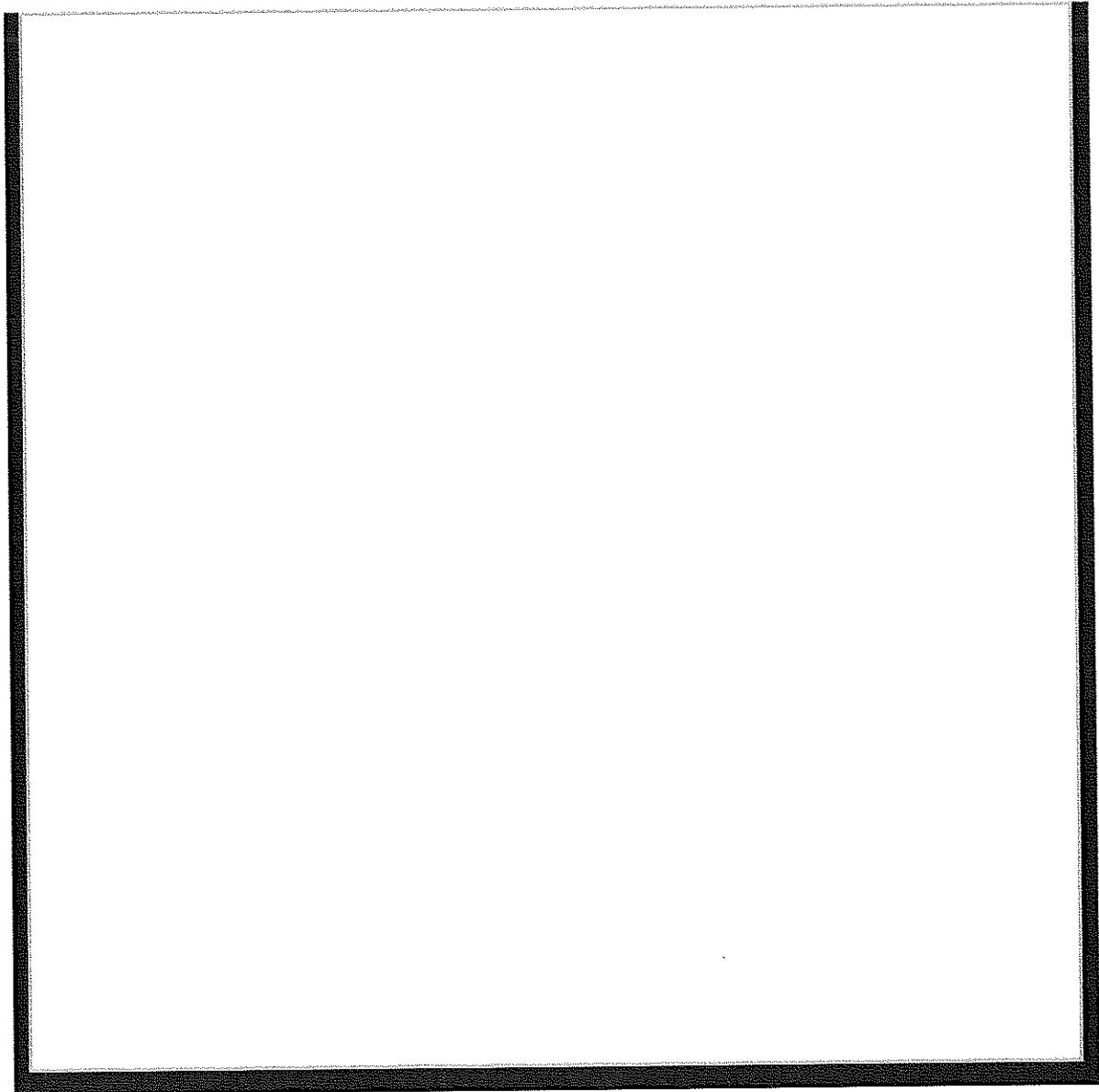


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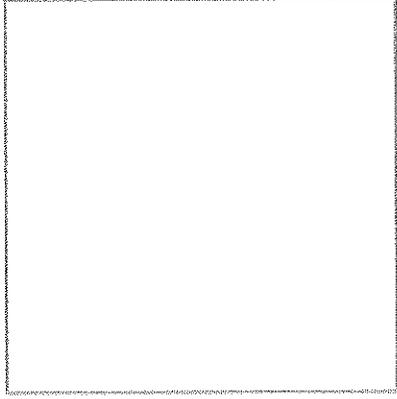


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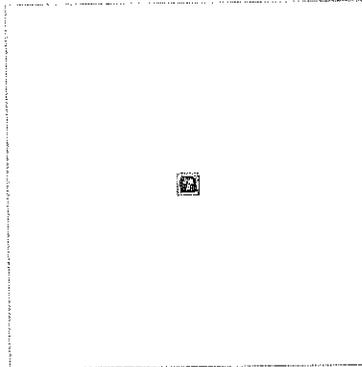


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**From:** [State Legislators' Article V Caucus](#)  
**To:** [David Livingston](#)  
**Subject:** Rep. Herrell Commits to Introduce Article V Call  
**Date:** Friday, August 6, 2021 7:42:09 AM

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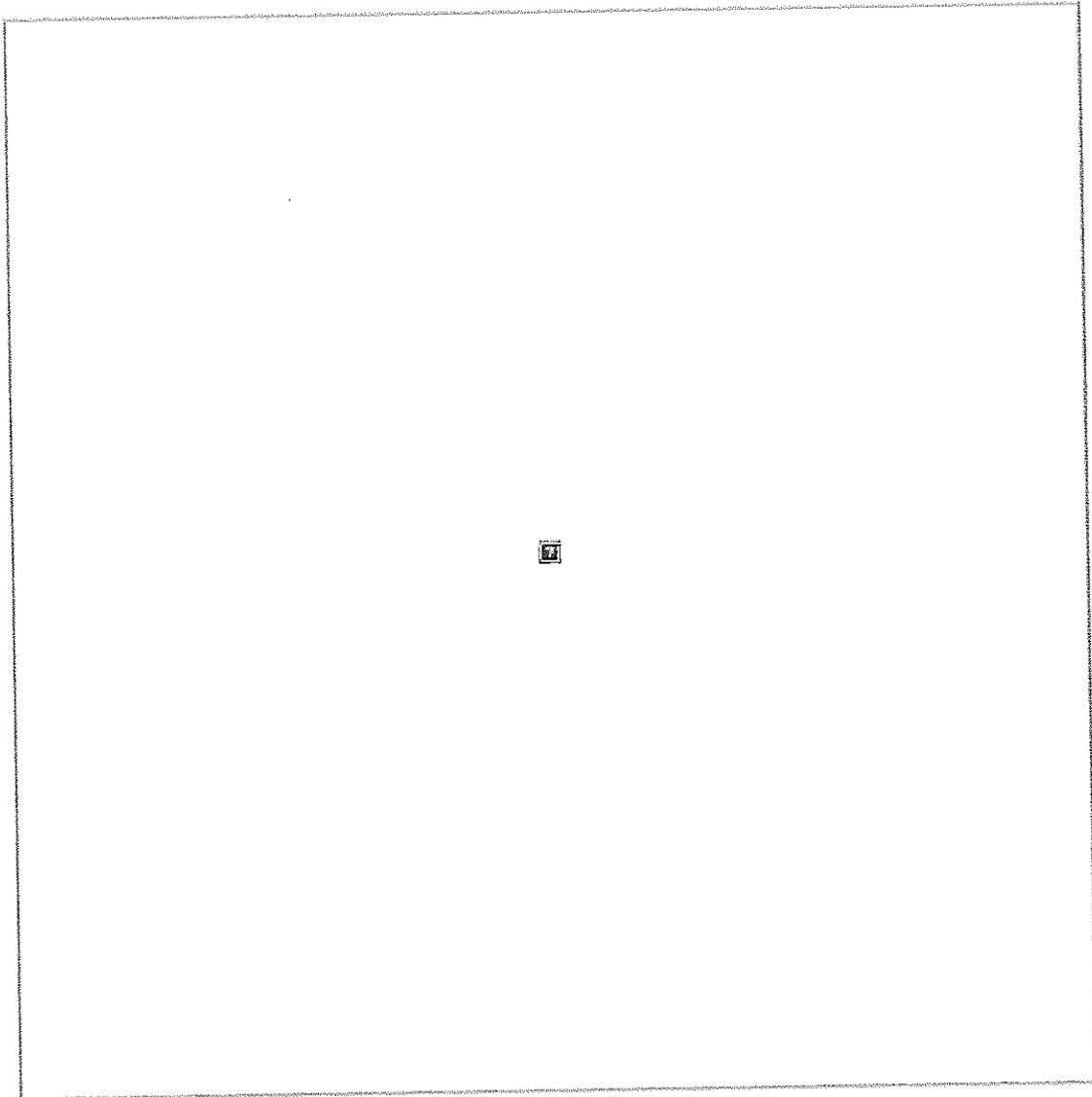
*Newsletter - Edition 103 August 2021*  
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## This Month...

- **Congresswoman Herrell Commits to Introduce Article V Call**
- **US Federal Fiscal Responsibility Academy**
- **Complete Video Record of the Academy**

### **Congresswoman Herrell Commits to Introduce Article V Call**

Here are Representative Yvette Herrell's remarks to the legislators attending the US Fiscal Responsibility Academy, including her commitment to introduce a resolution to call a convention as soon as the requisite number of state legislatures call for such convention. Click on her image to view the six minute speech, or go to: [https://www.youtube.com/watch?v=S6282\\_z39tE7](https://www.youtube.com/watch?v=S6282_z39tE7).



## **US Federal Fiscal Responsibility Academy**

reported by Vickie Deppe

Dozens of state legislators gathered in Salt Lake City on July 30, 2021 to learn about Article V's state convention mechanism for proposing constitutional amendments, and how it can be used to impose fiscal sanity on Washington.

Ken Ivory, former Utah State Representative and Chair of both the Convention of States Project's 2016 Williamsburg Convention and the 2017 Phoenix Convention, served as host and moderator. He was joined by

- David Walker: former Comptroller General and CEO of the US Government Accountability Office
- Professor Rob Natelson: Senior Fellow of Constitutional Jurisprudence at the Independence Institute
- Dr. Barry Poulson: University of Colorado Economics Professor Emeritus
- David Biddulph: co-founder of the Balanced Budget Amendment Task Force and Let Us Vote for a BBA
- Bob Carlstrom: President of AMAC Action, the lobbying arm of the Association of Mature American Citizens
- Congresswoman and former New Mexico State Representative Yvette Harrell
- South Carolina State Senator Rex Rice.

### **Panel Discussion**

The expert panel explored a wide range of topics including the existential threat posed by excessive spending and debt to our freedom, prosperity, and national security; the efficacy of amendments and safety of the state-convention method for proposing them; and the current convention application & aggregation landscape. The panel was unanimous in concluding that there is no reason to think Congress will reverse its out-of-control spending on its own: restraints will need to be imposed from the outside, and the United States Constitution puts that responsibility on the shoulders of state legislators.

### **The Current BBA Landscape**

Natelson opined that applications for a plenary convention (one at which any amendment is on the table) may be aggregated with limited-subject applications in order to call a limited-subject convention, but given its track record of antipathy towards Article V conventions, it will likely require intense political pressure on Congress before they will fulfill this responsibility.

There are currently 27 applications for an Article V convention to propose a Balanced Budget Amendment, and 6 for a plenary convention. South Carolina is poised to become the 28th state to pass a BBA application, putting the total at the necessary two-thirds of the states. Senator Rice reported that the application has been approved by the House and passed out of committee in the Senate, where nearly half of the members have signed on as sponsors. He anticipates a floor vote in January, possibly followed by reconciliation.

Mississippi's application restricts the convention to specific amendment language, and would need to be modified or replaced by an application from another state in order to hold a convention that permits meaningful consideration of multiple options.

Congresswoman Herrell pledged to file a resolution in Congress to call the first-ever Article V Convention in American history upon passage of the 34th application.

### **Proposed Amendments**

Attendees also learned about three possible approaches to achieving fiscal restraint in Washington.

- Citing a number of states whose legislators find ways to sidestep their state constitution's balanced budget requirement, Walker advocated instead for a cap on the debt-to-GDP ratio. The advantages of this approach include simplicity; concurrence among economists across the political spectrum that debt-to-GDP is an important metric; its potential to secure bipartisan support; and flexibility for Congress in meeting the objective.
- Dr. Poulson offered a Swiss Debt Break-style system, which requires controls on spending and equilibrium between spending and revenue. The main advantage of this approach is its documented success in Switzerland.
- Biddulph presented the Maximizing Americans' Prosperity plan, which requires that growth in Congressional spending from year to year may never exceed the growth in Americans' household income. This approach throttles the growth of spending instead of requiring actual spending cuts, which may make it more palatable to legislators and other influencers; and is endorsed by the Fitch credit rating agency.

Biddulph is also organizing political pressure on Congress to designate ratification for this amendment via state convention rather than state legislature, which would give voters a more direct voice in the ratification process. His polling indicates that 83% of respondents, no matter their political affiliation, support this approach.

All concurred that any amendment package must include a mechanism for emergencies like a declared war; transparency measures such as a constitutional requirement for an annual budget and GAAP-style accounting standards; and enforceability through penalties that can be imposed on individual members of Congress.

Carlstrom added that any proposal should address pay-down of existing debt. State Legislator Action Items

Attendees were provided with over a hundred pages of resource material. Ivory wrapped up by encouraging

state legislators to step up to the following tasks:

- Work to pass delegate selection & oversight and state ratifying convention laws
- Build consensus with colleagues about which fiscal controls make the most sense
- Begin to identify specific candidates to serve as delegates to the convention
- Pass an application for a BBA or, better yet, a plenary Article V convention to backfill Mississippi's application and any others that might be rescinded
- Encourage their congressional delegation to support the Herrell Resolution to call the convention
- Join the Phoenix Correspondence Commission

*"This will be the greatest hands-on civics lesson of our lifetime."*

~ Ken Ivory

Many thanks to Karla Jones at ALEC, Mae James at LUVBBA, and Neal Schuerer at Path to Reform for their support in making the Academy possible.

## **Complete Video Record of the Academy**

Here are the video links to the complete, unedited record of the July 30 Academy.

(The individual clips are listed in chronological order)

0. <https://youtu.be/sZ1zuIK-j2M>

1. <https://youtu.be/BSxiBYQnveQ>

2. <https://youtu.be/Kyhw68YRwlQ>

3. <https://youtu.be/-F-Vq4e-B-c>

4. <https://youtu.be/YxbilsEzGLQ>

5. [https://youtu.be/s\\_3vAFpX1EQ](https://youtu.be/s_3vAFpX1EQ)

6. <https://youtu.be/WCu6-5rEter>

7. <https://youtu.be/B3O1mXvpX4Y>

8. [https://youtu.be/Yb1blfm\\_sVU](https://youtu.be/Yb1blfm_sVU)

9. <https://youtu.be/vuDv0koCgvc>

10. <https://youtu.be/FgWaFFbhHWM>

11. <https://youtu.be/jcsHtUctHPc>

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This Newsletter is produced by the  
**State Legislators' Article V Caucus**

The Caucus Steering Committee is Co-chaired by:  
Former Colorado State Senator **Kevin Lundberg** (████████████████████)  
and New Mexico Congresswoman **Yvette Herrell** (████████████████████)

And includes:  
Arizona State Senator **Kelly Townsend** (████████████████████)  
North Dakota State Representative **Kim Koppelman** (████████████████████)  
Utah State Representative **Ken Ivory, Retired** (████████████████████)  
Iowa State Senator **Neaf Schuerer, Retired** (████████████████████)

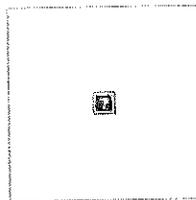
Official Web Site: [www.ArticleVCaucus.com](http://www.ArticleVCaucus.com)

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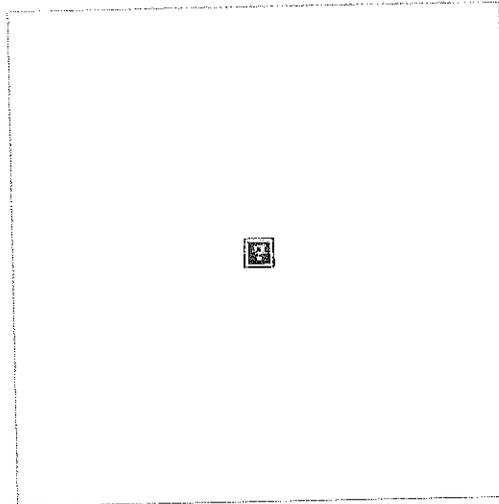
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**From:** [State Legislators' Article V Caucus](#)  
**To:** [David Gowan](#)  
**Subject:** Special Edition for all State Legislators  
**Date:** Saturday, July 24, 2021 12:11:44 PM

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*Special Edition July 2021*

*Providing Article V / Federalism News and Scholarly Resources Since 2013*

## **Special Edition for State Legislators...**

- **Virtual and In-person Academy of States on July 30**

Dear State Legislator,

You are invited to participate in an interactive, bi-partisan Academy of States where you, as a state lawmaker, can cast your ballot to call a "No-Runaway" Article V Convention for proposing amendments.

During this event, you will

- Discover why and how the States must act to protect Social Security, national security, and the American Dream for future generations from a U.S. Congress addicted to deficit spending.

- Compare and vote on the optimal fiscal constraints to maximize national security and prosperity while preserving Social Security.

- Learn about and vote for or against firewalls to ensure a successful “No-Runaway” Article V Convention. These “No-Runaway-Convention” measures include:

1. Delegate Instructions and Recall and Sanctions Laws as passed by 14 states.
2. Rules adopted for an Article V Convention as approved by 19 States.
3. Learn about the successful 1933 ratification of the 21st Amendment by State Conventions.

**The Academy will occur virtually on July 30, 2021, from 2:30-6:30 PM MDT.**

Those attending of the 2021 ALEC Annual Meeting in Salt Lake City are invited to remain at the conference and participate in person.

**Questions? Please contact Karla Jones**

[kjones@alec.org](mailto:kjones@alec.org) \* 

**Academy Moderator: Ken Ivory, former State Representative, Utah**

**U.S. Congresswoman Yvette Herrell** will discuss the protections against a runaway convention and announce her intent to introduce the LUVBBA Resolution in Congress upon receiving 34 active Article V BBA applications.

**Professor Robert G. Natelson** will present the history of safe and effective conventions and his Article V aggregation research, which includes 32 active applications toward a BBA convention.

**David Biddulph** will discuss the history of the ratification of the 21<sup>st</sup> Amendment, and the importance of a vote of the people through the Article

V Convention Ratification process. He will present the Maximizing Americans' Prosperity and Security Amendment to the U.S. Constitution. This proposal would limit the growth of federal spending to the prosperity of American families by establishing an annual federal spending limit corresponding to average percentage changes in household income and inflation with provisions for national emergencies, enforcement, and future amendment(s).

**State Senator Kelly Townsend** will present the significance of the 2017 Balanced Budget Amendment Planning Convention and the Model Rules the convention created.

**Former U.S. Comptroller General David Walker** will highlight his Public Debt/GDP Constitutional Amendment proposal. With broad-based consensus among economists and concerned politicians, this pro-growth amendment would allow Congress the flexibility to determine the specific spending and/or revenue adjustments necessary to achieve the public debt/GDP goals.

**Dr. Barry Poulson** will present the Balanced Budget Amendment with Expenditures Limitation Act. Based on the world's most effective enacted fiscal rules, this proposal will offer both a Balanced Budget Amendment to the U.S. Constitution and enabling statutory legislation with explicit fiscal targets and the measures required to meet them.

We look forward to your vote!

Click here to register for the event.

<https://www.eventbrite.com/e/aiec-academy-article-v-and-bba-tickets-158932947725>

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This Newsletter is produced by the

## State Legislators' Article V Caucus

The Caucus Steering Committee is Co-chaired by:  
Former Colorado State Senator Kevin Lundberg ( [REDACTED] )  
and New Mexico Congresswoman Yvette Herrell ( [REDACTED] )

And Includes:

Arizona State Senator Kelly Townsend ( [REDACTED] )  
North Dakota State Representative Kim Koppelman ( [REDACTED] )  
Utah State Representative Ken Ivory, Retired ( [REDACTED] )  
Iowa State Senator Neal Schuerer, Retired ( [REDACTED] )

Official Web Site: [www.ArticleVCaucus.com](http://www.ArticleVCaucus.com)

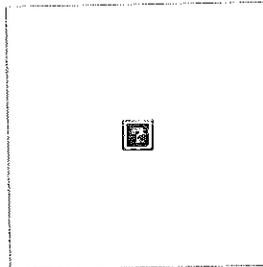
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**From:** Jonathan Williams  
**To:** J.D. Mesnard  
**Subject:** State Bonded Obligations and the ALEC Annual Meeting  
**Date:** Saturday, July 24, 2021 10:56:43 AM

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This Week at the Center for State Fiscal Reform

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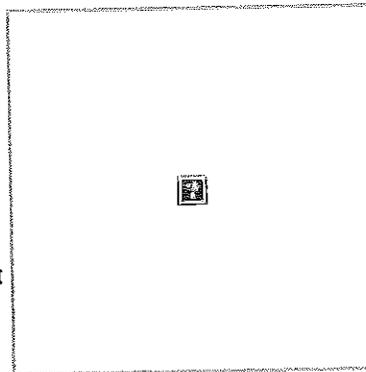


### A Note From the Executive Vice President of Policy

Friends,

This week, we released our latest publication, *State Bonded Obligations, 2020*, which finds total bonded obligations exceed \$1.25 trillion across the 50 states – more than \$3,800 per person nationally. The report analyzes the types of bonds issued and debt payment schedules, as well as total obligations and debt per capita in each state.

Next week, we look forward to seeing many of you in Salt Lake City for the 48<sup>th</sup> ALEC Annual Meeting, where our task forces will hear from thought leaders across policy topics and debate new draft model policy. More on this below.



All the best,

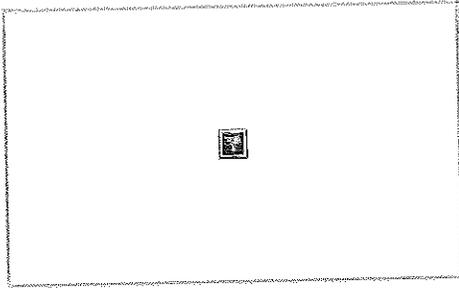
Jonathan Williams  
Chief Economist  
Executive Vice President of Policy  
American Legislative Exchange Council  
[jwilliams@alec.org](mailto:jwilliams@alec.org)  
Twitter: @taxeconomist  
Direct: [REDACTED]



**ALEC Annual Meeting in  
Salt Lake City**



**Podcast and Media  
Highlights on ALEC Debt  
Publications**



Next week in Salt Lake City, I have the privilege of interviewing an all-star panel of ALEC alumni state treasurers in our Tax and Fiscal Policy Task Force meeting. The task force will also consider four draft model policies which can be found [here](#).

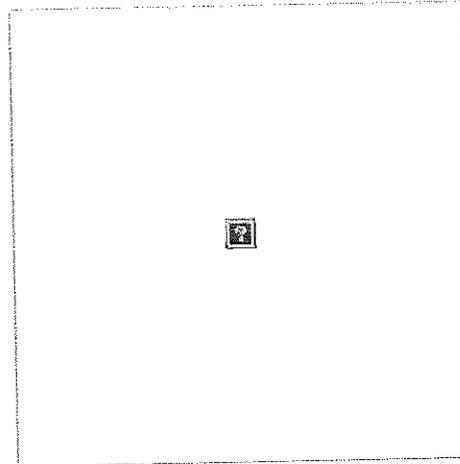
While online registration has closed, on-site registration will be available throughout Annual Meeting starting on Wednesday July 28<sup>th</sup> in Salt Lake City.



**Prosperity 101 Podcast:  
Competition Breeds  
Freedom**



I spoke with Linda Hansen on the Prosperity 101 Podcast to discuss Rich States, Poor States and the recipe for state economic growth.



On our team's latest ALEC podcast, we discuss our three recent publications: [Other Post-Employment Benefits Liabilities, 2020](#); [Unaccountable and Unaffordable, 2020](#); and [State Bonded Obligations, 2020](#).



I also covered unfunded liabilities on my latest "States of Play" segment for American Radio Journal.

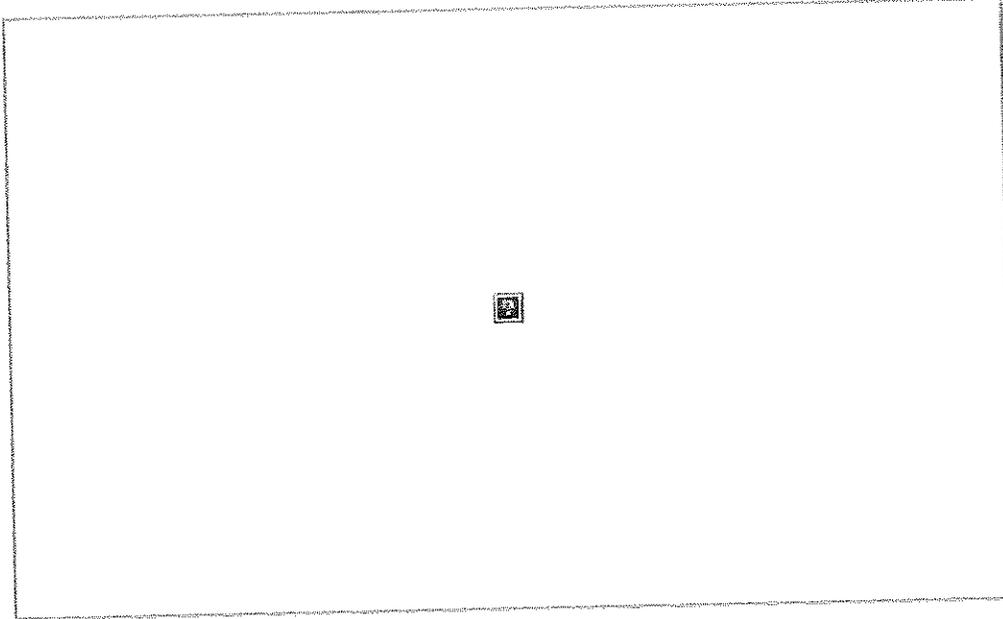


**Recent media highlights:**

- [Report: Hawaii Among Worst States Per Capita in Public Pension Liabilities](#)
- [A New Report Ranks Illinois Near the Bottom for States Funding Their Own Pension System](#)
- [Tennessee's Bond Obligations Amount to \\$1.3K Per Person](#)
- [Michigan 40<sup>th</sup> Among States in Total Bonded Obligations, According to New Report](#)



### Total Bonded Obligations Per Capita



This week's map of the week comes from our new publication, *State Bonded Obligations, 2020*. Total bonded obligations per capita shows each resident's share of their state's bonded debt. This is an indicator of potential tax burden taxpayers must bear to pay off these bonded obligations.

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**From:** [Jonathan Williams](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** State Bonded Obligations: Our New Report and Webinar  
**Date:** Saturday, July 17, 2021 8:26:57 AM

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This Week at the Center for State Fiscal Reform

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### A Note From the Executive Vice President of Policy

Friends,

On Tuesday, ALEC will release *State Bonded Obligations, 2020*, which finds states and their component units issued more than \$1.25 trillion in bonds. The report also highlights important policy reforms to avoid a debt crisis.

Please join us that afternoon (Tuesday, July 20) at 2:30 PM Eastern for our webinar with the report authors to discuss the report and its implications for your state. You can register for the webinar [here](#).

If you would like to request a presentation tailored to the needs in your state on debt, pensions, OPEB liabilities, or *Rich States, Poor States*, please let us know!

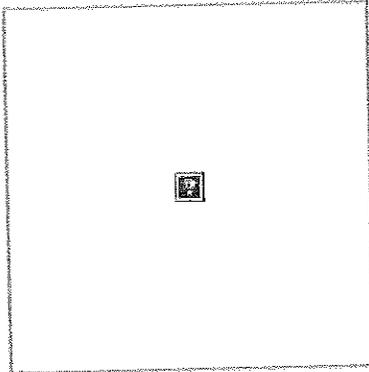
As always, please keep in touch, and let me know whenever we can be helpful to you.

All the best,

Jonathan Williams  
Chief Economist  
Executive Vice President of Policy  
American Legislative Exchange Council  
[jwilliams@alec.org](mailto:jwilliams@alec.org)  
Twitter: [@taxeconomist](#)  
Direct: [REDACTED]



### ALEC Annual Meeting in Salt Lake City



Our team is looking forward to seeing you in person at the ALEC Annual Meeting in Utah from July 28-30. We are thrilled with the record-breaking attendance numbers and hope to see you there. A few important reminders:

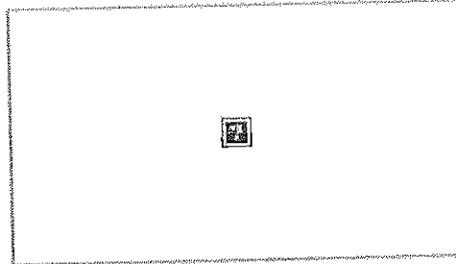
-Subcommittee meeting will be held virtually next week. Those who are registered for the ALEC Annual Meeting will receive the Zoom link to participate in subcommittee meetings on Monday, July 19<sup>th</sup>.

-The deadline for legislative members to select their task force assignments is **Monday July 19<sup>th</sup>**. Legislators can now join two ALEC task forces as voting members.

-While online registration has closed, on-site registration will be available throughout Annual Meeting starting on **Wednesday July 28<sup>th</sup>** in Salt Lake City.



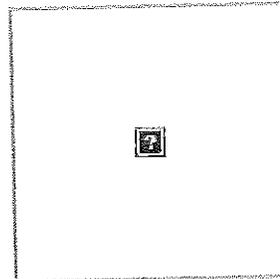
### Article: CNBC Praises ALEC Pension Research



Kelly Evans discusses the highlights of *Unaccountable and Unaffordable, 2020*.



### New "States of Play" Segment on Historic Arizona Tax Cuts



On my latest segment for American Radio Journal, I discuss Arizona's pro-taxpayer state budget that was just enacted, which includes a net tax cut of \$1.9 billion and additional resources to pay down debt.



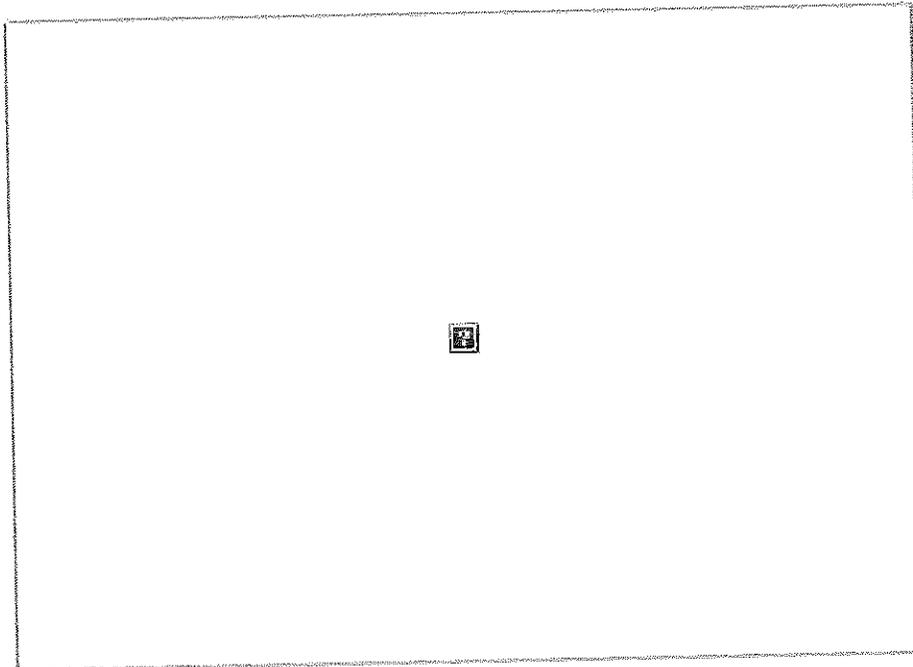
### Unfunded Pension and OPEB Liabilities

In case you missed it... our Center team also released the latest editions of *Unaccountable and Unaffordable, 2020* and *Other Post-Employment Benefit Liabilities, 2020*. These reports focus on the unfunded liabilities of pensions and other benefits such as retiree health insurance and Medicare supplement plans given to retired public employees.



## Map of the Week

### *Debt Service as a Share of Tax Revenue, 2021*



This week's map comes from the 14<sup>th</sup> edition of *Rich States, Poor States*. This variable calculates the interest paid on state and local debt as a percentage of state and local tax revenue. To learn more about the government debt costs in your state, [click here](#).

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**From:** [Carason Lehmann](#)  
**To:** [Carason Lehmann](#)  
**Subject:** Support for Principles on Direct-To-Consumer Shipping of Spirits  
**Date:** Monday, July 26, 2021 7:33:24 AM  
**Attachments:** [ALEC Letter FINAL.pdf](#)

---

Please accept this letter of support for the statement of principles on direct-to-consumer shipping of spirits (attached).



July 23, 2021

To Members of the Commerce Insurance and Economic Development Task Force  
of The American Legislative Exchange Council

Dear Task Force Members:

On behalf of the American Craft Spirits Association (ACSA) and its member distilleries, we are writing to urge you to support the "Statement of Principles on Direct-To-Consumer Shipping of Spirits", that will be considered at the upcoming meeting of the American Legislative Exchange Council (ALEC) in your Task Force. The adoption by ALEC of this policy is critically important to the over 2,200 distilleries in the United States.

America's independent craft distillers have become a vital part of the US economy, providing good manufacturing and agricultural jobs. In many large and small communities around the country, we are an anchor for the hospitality and tourism industries. We draw visitors not only from the region, but in many cases, from around the world. According to the most recent Craft Spirits Data Project (CSDP), a collaborative effort by Park Street, IWSR Drinks Market Analysis, and ACSA:

- The number of craft spirits producers in the U.S. grew by 142% between 2014 and 2019.
- Distillery gross sales topped \$6 billion in 2019, with total investments in expansions by producers of \$698 million.
- Across the U.S., distillers employed 30,849 people in 2019; each distillery having an average of 14.1 employees.
- Over 50% of craft producers have experienced a double-digit decrease in sales in the first half of 2020 compared to the first half of 2019.
- Although heavily impacted by COVID-19, over 80% of craft producers are confident that they will still be in business by the end of 2021, but more needs to be done to advance consumer sales in the new economy.

The impact of the COVID-19 pandemic over the past 15 months has fundamentally changed the way consumers purchase and receive goods. Today, there is a strong emphasis placed on convenience and easy access to products, and thus, the world of commerce must adapt and change rapidly to meet consumers demands. Direct-to-consumer shipping of spirits gives consumers access to products that may not be available to them locally. Allowing consumers to interact directly with the producers, whose spirits they enjoy, not only gives the consumers the choice they are looking for, but it helps the small distilleries begin to recover from the pandemic setbacks. More importantly, producers can continue building their customer base.



Expanding direct-to-consumer shipping of spirits builds on the successful track record of direct-to-consumer shipping of wine. Direct-to-consumer shipping of wine is permitted in 46 states and has been a common practice for over 25 years. As a result, consumers have been able to access products otherwise not available locally, and many wineries have built loyal followings through their wine clubs. Their experience also demonstrates that expanding direct-to-consumer shipping for spirits can be done with appropriate measures to ensure the responsible delivery to adult consumers and compliance with all state laws on tax collections and reporting requirements.

Direct-to-consumer shipping of spirits is not a replacement for the traditional role of distributors, it is in fact a natural on ramp for small producers to enter and interact with the traditional three-tier system of beverage alcohol distribution in a much more meaningful way. Granting producers the ability to directly sell and ship spirits to consumers will allow consumers to decide what they wish to try and will provide a springboard for brands to be carried by traditional wholesalers, thus strengthening the spirits business and the three-tier system.

It's time to modernize the laws governing who gets to decide what consumers have access to and meet the market demands that consumers expect and deserve.

For these reasons, we urge you on behalf of my fellow distillers to support this commonsense, consumer-friendly, free-market policy by endorsing the Principles at the upcoming ALEC Commerce, Insurance and Economic Development Task Force meeting later this month.

Thank you for your consideration. Please reach out if you have any questions or would like to discuss further.

Sincerely,

Becky Harris  
President, American Craft Spirits Association  
President, Catoctin Creek Distillery

Margie A.S. Lehrman  
CEO, American Craft Spirits Association

**From:** American Legislative Exchange Council  
**To:** J.D. Mesnard  
**Subject:** Thank You for Tuning into the 48th ALEC Annual Meeting!  
**Date:** Friday, July 30, 2021 9:39:55 PM

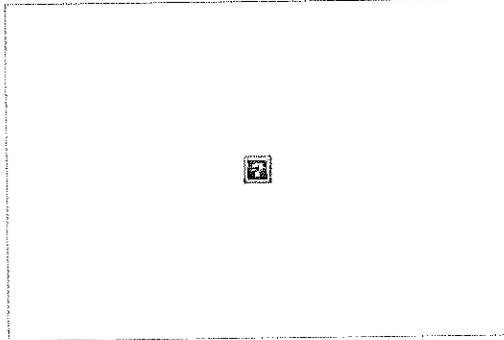
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48th ALEC Annual Meeting

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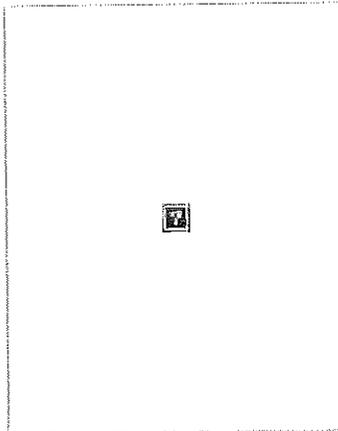
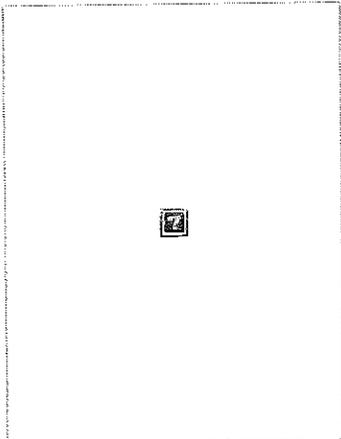


## Thank You For Participating in the 48th ALEC Annual Meeting



### Video Recap

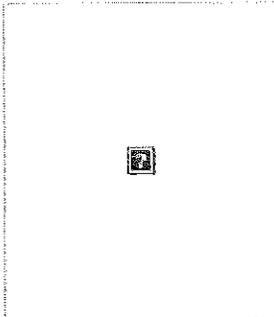
Wednesday



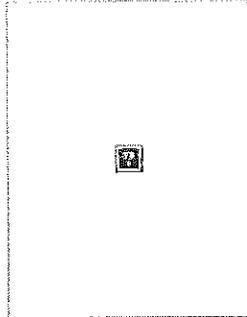
**Florida Governor Ron DeSantis**  
[Watch Here](#)

**North Carolina Lt. Governor Mark Robinson**  
[Watch Here](#)

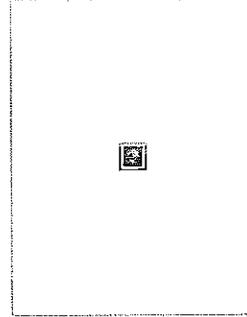
**Thursday**



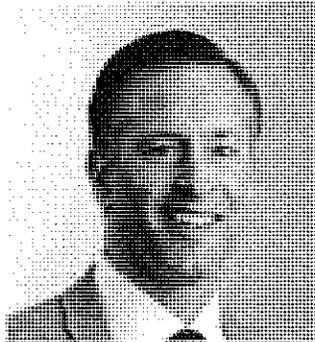
**Texas Governor Greg Abbott**  
Watch Here



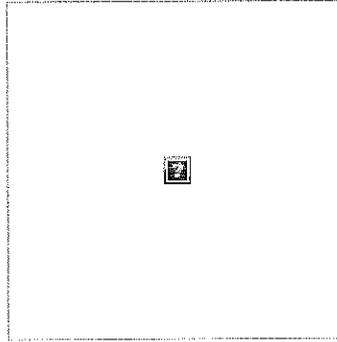
**Congressman Blake Moore**  
Utah  
Watch Here



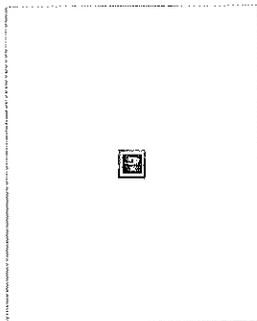
**Congressman John Curtis**  
Utah  
Watch Here



**Scott Pulsipher**  
Western Governor's University  
Watch Here

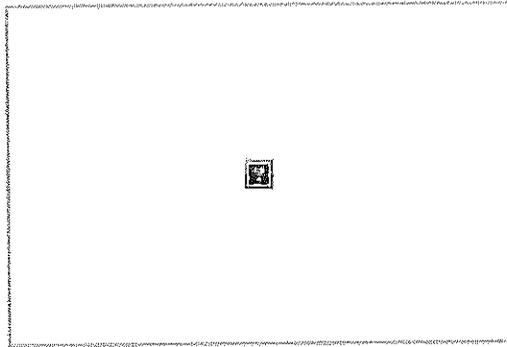


**Marc Harrison**  
Intermountain Healthcare  
Watch Here



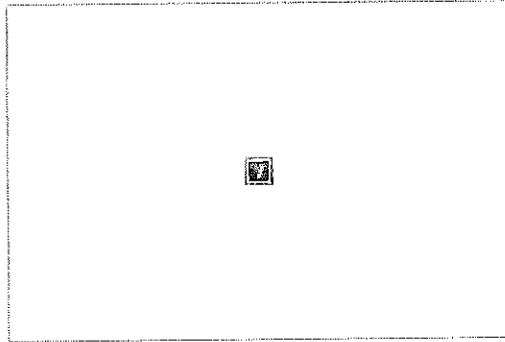
**Utah Governor Spencer Cox**  
Watch Here

The American Conservative Union



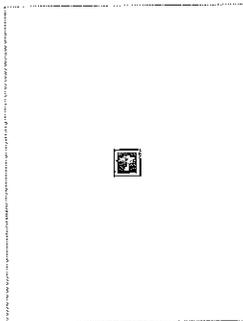
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**ACCE: The American City County Exchange**

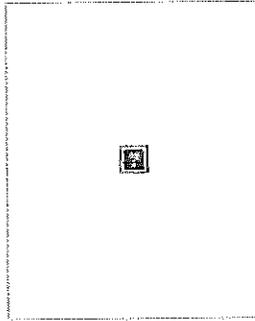


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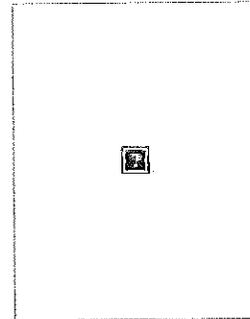
**Friday**



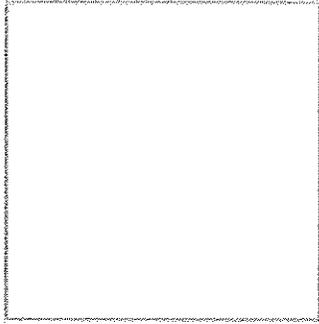
**Former Sec. Energy Rick  
Perry**  
Watch Here



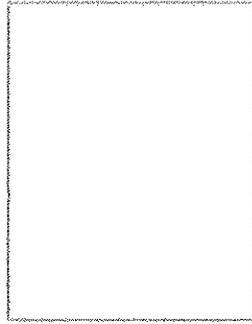
**Senator Mike Lee  
Utah**  
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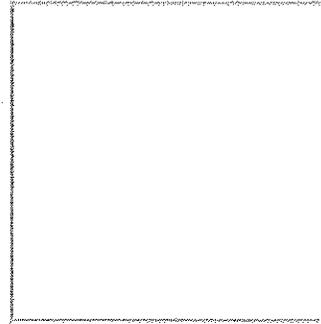
**Congressman Chris  
Stewart  
Utah**  
Watch Here



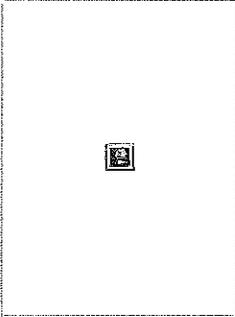
**Ambassador H.E. Khim-Hsiao**  
Taiwan  
[Watch Here](#)



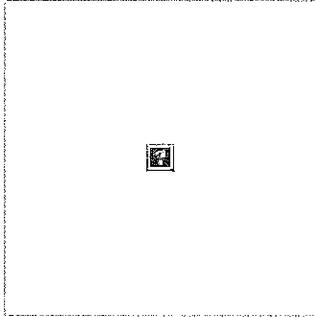
**Sen. Tim Scott**  
South Carolina  
[Watch Here](#)



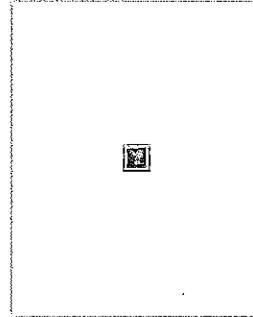
**Dan Liljenquist**  
Intermountain Healthcare  
[Watch here](#)



**Former Congressman  
Jason Chaffetz**  
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**Rikki Schlott**  
[Watch Here](#)



**Congressman Burgess  
Owens**  
Utah  
[Watch Here](#)

**And a panel on Education Choice**

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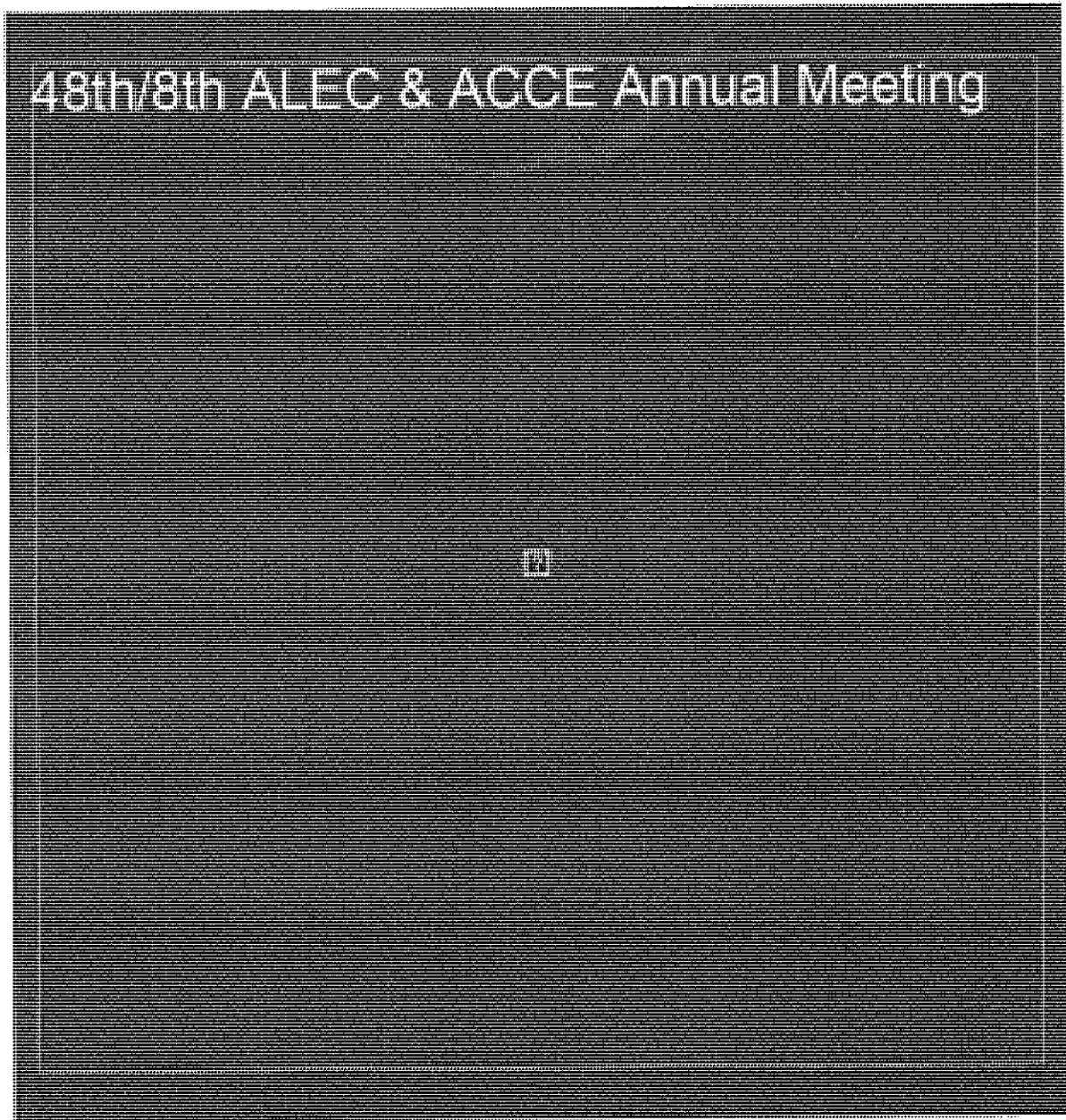
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**From:** [support@crowdcompassmail.com](mailto:support@crowdcompassmail.com) on behalf of **ALEC Events**  
**To:** **David Gowan**  
**Subject:** There's an app for 48th/8th ALEC & ACCE Annual Meeting!  
**Date:** Tuesday, July 27, 2021 10:23:33 AM

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Hi David Gowan,

We've built a mobile app for the 48th/8th ALEC & ACCE Annual Meeting! It has all the important information you'll need for the event, and features to enhance your event experience.

**Step 1: Download the App!**

The first thing you'll need to do is download the app on the device you're bringing to the event.

*Don't have iOS or Android? Skip Step 1 and go straight to Step 2 to verify your account and use the mobile web version of the app.*

[Download the App](#)

### **Step 2: Verify Your Account**

Then, come back to this email using the same device from Step 1 and click **Verify Account** to unlock all of the app's advanced features.

[Verify Account](#)

Contact the ALEC Events Team if you have any questions.

Enjoy the event!

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**From:** [American Legislative Exchange Council](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** This Week at ALEC  
**Date:** Thursday, July 1, 2021 12:44:47 PM

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*This Week at ALEC*

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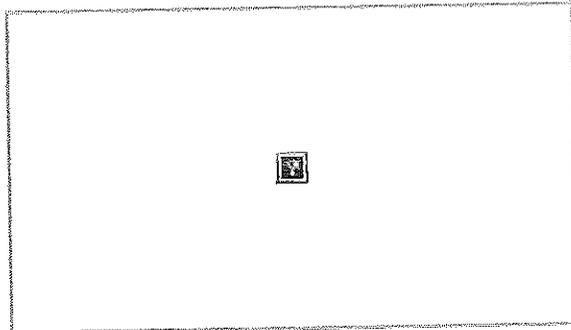


## This Week At ALEC



### ALEC Policy Hour: Cybersecurity and Pipelines

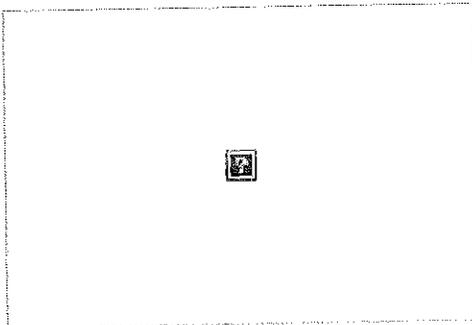
The recent attack on Colonial Pipeline illustrates how cyber attacks impact America's national security and harms consumers. Join us on the next ALEC Policy Hour **Friday, July 9 at 2:00 PM EST** as we discuss how the private sector and government can work together to harden networks, build resilience and prepare for the next cyber attack.



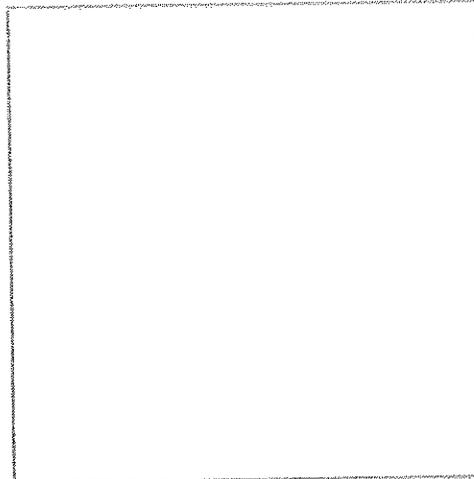
### *AFP v. Becerra*: Donor Disclosure Overturned



### Across the States Podcast: Free Speech and the FORUM Act



Earlier today, the Supreme Court released its opinion in *Americans for Prosperity v. Bonta*, formerly entitled *Americans for Prosperity v. Becerra*. Through the 6-3 decision, the Court upheld imperative constitutional speech rights, guaranteed by the First Amendment. Learn more about the case, the decision and the ramifications in ALEC Task Force Director Jonathon Hauenschild's latest.

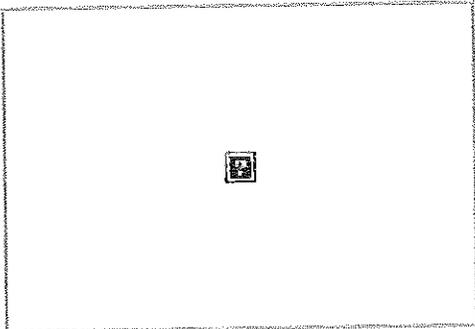


Freedom of speech has become a hotly contested matter on college campuses but the State of Montana is taking a stand for the First Amendment. Listen in as Matthew Fisher sits down with Rikki Schlott, freelance journalist and writer, and Andrew Handel, Director of the ALEC Education and Workforce Development Task Force, to discuss Montana's recently enacted FORUM Act and how it protects free speech in postsecondary education.

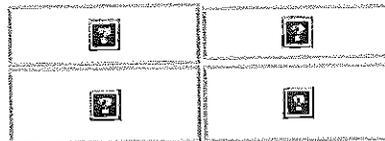


 **Hear from Finance Policy Experts at the ALEC Annual Meeting**

Rikki Schlott will join ALEC at the 48th Annual Meeting in Salt Lake City, Utah. Don't miss this opportunity to hear from a free speech leader on the importance of the FORUM Act and other free speech protections. The all-star lineup of speakers like Rikki will make this year's Annual Meeting a can't-miss event.

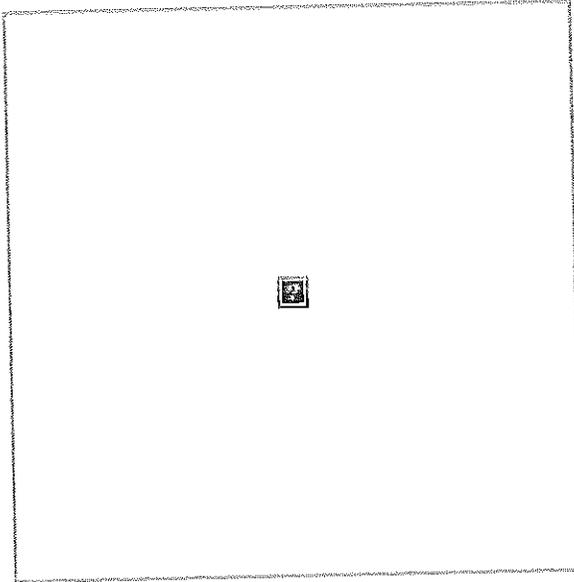


The Tax and Fiscal Policy Task Force is excited to announce a panel discussion hosted in partnership with the State Financial Officers Foundation at the 48th ALEC Annual Meeting. Hear from the leading policy experts on smart fiscal policy as the nation leaves COVID-19 in the rearview mirror.





**Mark your calendar with these additional important dates for the 48th ALEC Annual Meeting:**



**July 1 - On-site registration rates begin**

**July 16 – Must be registered in order to join virtual subcommittee meetings**

**July 19 – ALEC Members must have Task Force assignments confirmed**

**July 25 - Online registration closes (Registration will re-open on-site starting on July 27)**



Have questions about the 48th ALEC Annual Meeting? Contact our events team at [meetings@alec.org](mailto:meetings@alec.org)

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**From:** [American Legislative Exchange Council](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** This Week at ALEC  
**Date:** Thursday, July 8, 2021 10:15:41 AM

---

This Week at ALEC

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## This Week At ALEC



### Webinar Special: *AFPP v. Becerra* - Donor Disclosure Overturned

The Supreme Court released its opinion in *Americans for Prosperity v. Bonta*, formerly entitled *Americans for Prosperity v. Becerra*. Through the 6-3 decision, the Court upheld imperative constitutional speech rights, guaranteed by the First Amendment.

Tune in to a special webinar today Thursday, July 8 at 2:00 PM EST with ALEC Chief Counsel Bartlett Cleland and former FEC Commissioner Lee Goodman to get the blow-by-blow on the decision and it's implications for the future.



Also be sure to check out this piece by Bartlett Cleland and Lee Goodman in the *Orange County Register* for a sneak peek at the content for the webinar and to learn more about the amicus brief that ALEC filed on this case.



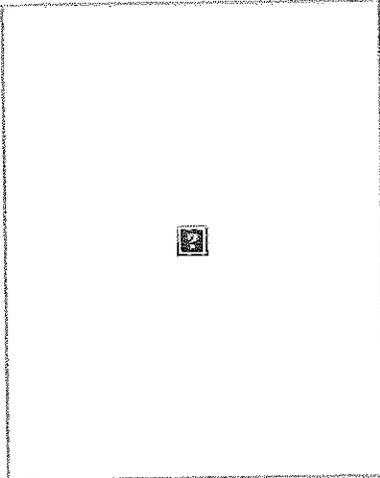
### Key Note Speaker: Senator Mike Lee at the 48th ALEC Annual Meeting

**Senator Mike Lee**, elected in 2010 as Utah's 16th Senator,

will be joining our roster of incredible speakers at our upcoming Annual Meeting.

Senator Lee has spent his career defending the fundamental liberties of all Americans and advocating for our founding constitutional principles.

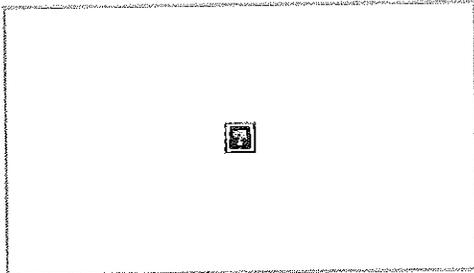
Come to the 48th ALEC Annual Meeting in Salt Lake City, Utah, July 28 - 30 to join the Senator and other policy experts for can't-miss meetings, workshops, and keynote addresses.



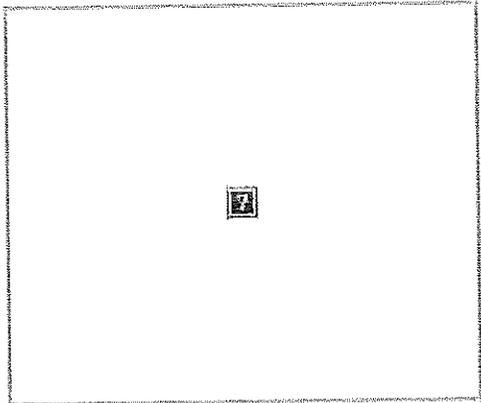
**ALEC Policy Hour:  
Cybersecurity and Pipelines**



**CIED Cannabis Working  
Group**



The recent attack on Colonial Pipeline illustrates how cyber attacks impact America's national security and harms consumers. Join us on the next ALEC Policy Hour Friday, July 9 at 2:00 PM EST as we discuss how the private sector and government can work together to harden networks, build resilience and prepare for the next cyber attack.

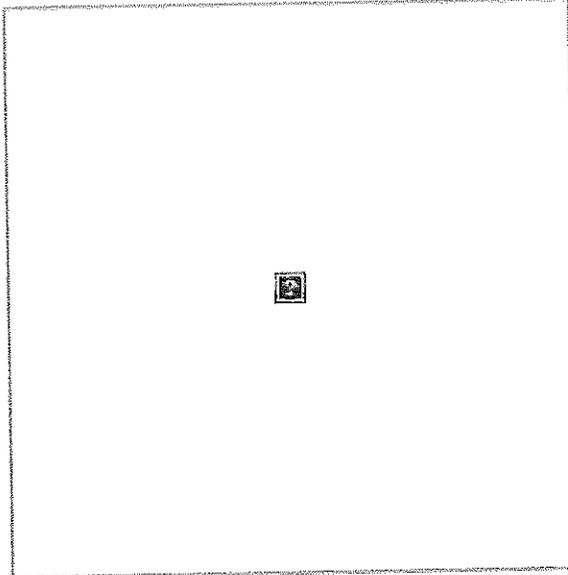


Join the ALEC Commerce, Insurance and Economic Development Task Force next Tuesday, July 13 at 2:00 PM EST for a webinar on the cannabis policy landscape and best practices for free markets.





**Mark your calendar with these additional important dates for the 48th ALEC Annual Meeting:**



**July 16 – Must be registered in order to join virtual subcommittee meetings**

**July 19 – ALEC Members must have Task Force assignments confirmed**

**July 25 - Online registration closes (Registration will re-open on-site starting on July 27)**



Have questions about the 48th ALEC Annual Meeting? Contact our events team at [meetings@alec.org](mailto:meetings@alec.org)

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**From:** American Legislative Exchange Council  
**To:** J.D. Mesnard  
**Subject:** This Week at ALEC  
**Date:** Thursday, July 15, 2021 9:33:31 AM

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*This Week at ALEC*

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## This Week At ALEC

**Reminder! You MUST be registered by tomorrow, July 16 in order to join virtual subcommittee meetings for the 48th ALEC Annual Meeting.**



**ALEC Policy Hour: Vaccines - Development, Transportation and Administration**

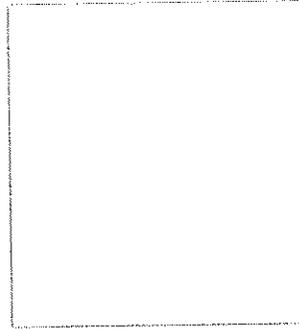
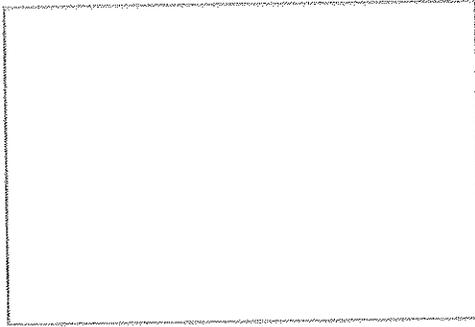
Tune in this Friday, July 16 at 2:00 PM EST to learn about the true feat of American innovation that was the production of the various COVID-19 vaccines. From the lab development, to the transportation distribution of doses across the states to the management of vaccination clinics on site, it is public-private partnership and competitive innovation that made this record breaking vaccine possible.



**Register for a special program in conjunction with the ALEC 48th Annual Meeting.**



**State Bonded Obligations Release Briefing**



**Friday, July 30 ~ 2:30pm MDT-6:15pm MDT  
~ Salt Lake City, UT (Limited Virtual  
Participation Available)**

Participate in an interactive convention of states where **YOU** – a state lawmaker – cast your ballot to call a "No-Runaway" Article V Convention for proposing Amendments to chart a new, sustainable fiscal path for America. The Congressional Budget Office has long warned that the national debt will bankrupt the nation and the federal government's current spending spree is threatening Social Security, national security and the financial security of our country. Discover why the states, which manage to balance their budgets, must act. Constitutional scholar **Rob Natelson** offers insights and answers your Article V questions while you consider and vote on options to reduce the national debt and prevent future unsustainable federal spending. A virtual appearance from ALEC Alumna Congresswoman Yvette Herrell is anticipated. Registrants will receive a digital copy of A Fiscal Cliff that includes submissions from panelists **David Walker** and **Barry Poulson**, and an innovative concept, the Bill of Financial Responsibilities will be introduced. Be a part of the debate and **propose your own ideas** at what is shaping up to be a modern-day convention of the states. **Your voice matters but must be heard to make a difference.** Your leadership is vital to solving America's dangerous spending habit.

Contact Karla Jones at [kjones@alec.org](mailto:kjones@alec.org) for more information or to register for the Academy.

Join the Center for State Fiscal Reform team **Tuesday, July 20, at 2:30 PM EST** for a special briefing on the release of their latest publication, **State Bonded Obligations**, which finds state governments' bonded obligations exceed \$1.25 trillion nationwide – an average of \$3,800 per person.

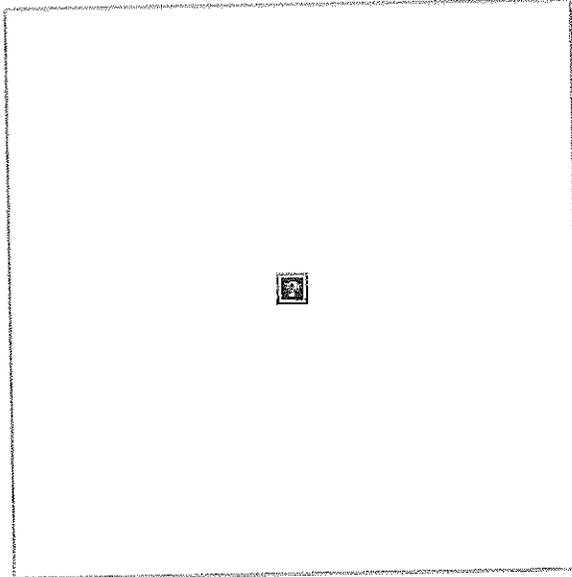


States issue a diverse array of bonded obligations, with a range of obligation strength, revenue sources, debt service schedules and other factors. This annual publication analyzes each state's level of debt and features policy solutions to address the root of state debt problems: government spending.

**Mark your calendar with these additional important dates for the 48th ALEC**



## Annual Meeting:



**July 16** – Must be registered in order to join virtual subcommittee meetings

**July 19** – ALEC Members must have Task Force assignments confirmed

**July 25** - Online registration closes (Registration will re-open on-site starting on July 27)



Have questions about the 48th ALEC Annual Meeting? Contact our events team at [meetings@alec.org](mailto:meetings@alec.org)

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**From:** [American Legislative Exchange Council](#)  
**To:** [J.D. Mesnard](#)  
**Subject:** This Week at ALEC  
**Date:** Thursday, July 22, 2021 12:15:50 PM

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This Week at ALEC

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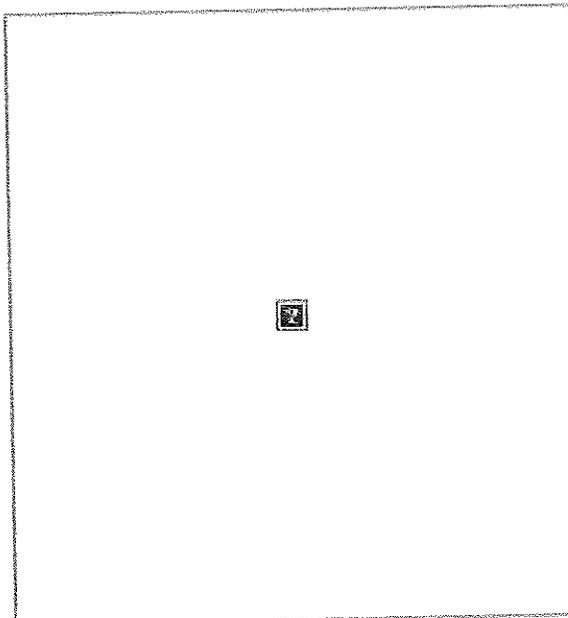


## This Week At ALEC



### ***State Bonded Obligations, 2020***

State governments borrow for a myriad of reasons and issue various types of bonded obligations. Today, their total bonded liabilities exceed \$1.25 trillion, representing just over \$3,800 per person nationally. *State Bonded Obligations, 2020* surveys the financial documents for state bonds of all 50 states. This report analyzes the types of bonds issued, debt payment schedules as well as total liabilities and liabilities per capita. This report uses data as recent as December of 2020. The differences between states offer important insights into state approaches to managing these obligations.



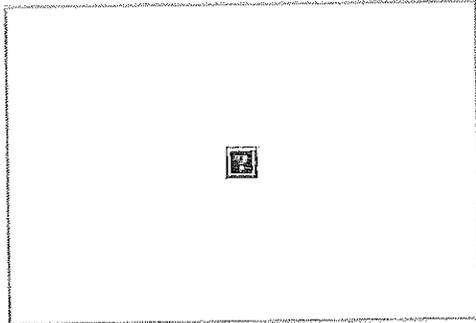
Learn more with the Center for State Fiscal Reform and read the report today:



**Register for a special program in conjunction with the ALEC 48th Annual Meeting**



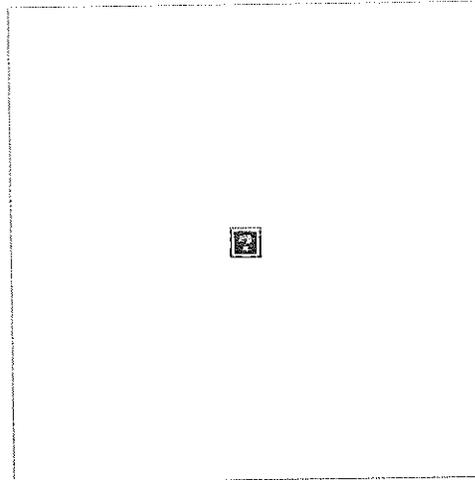
**Keeping the Promise to Retired Public Employees: The ALEC Debt Trilogy**



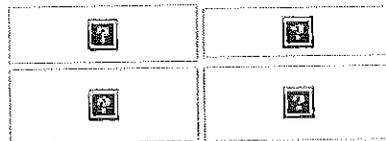
**Friday, July 30 from 2:30pm to 6:15pm  
MDT in Salt Lake City, UT  
(Limited Virtual Participation Available)**

Participate in an interactive convention of states where **YOU** – a state lawmaker – cast your ballot to call a "No-Runaway" Article V Convention for proposing Amendments to chart a new, sustainable fiscal path for America. The Congressional Budget Office has long warned that the national debt will bankrupt the nation and the federal government's current spending spree is threatening Social Security, national security and the financial security of our country. Discover why the states, which manage to balance their budgets, must act. Constitutional scholar **Rob Natelson** offers insights and answers your Article V questions while you consider and vote on options to reduce the national debt and prevent future unsustainable federal spending. A virtual appearance from ALEC Alumna Congresswoman **Yvette Herrell** is anticipated. Registrants will receive a digital copy of A Fiscal Cliff that includes submissions from panelists **David Walker** and **Barry Poulson**, and an innovative concept, the Bill of Financial Responsibilities will be introduced. Be a part of the debate and **propose your own ideas** at what is shaping up to be a modern-day convention of the states. **Your voice matters but must be heard to make a difference.** Your leadership is vital to solving America's dangerous spending habit.

Contact Karla Jones at [kjones@alec.org](mailto:kjones@alec.org) for more information or to register for the



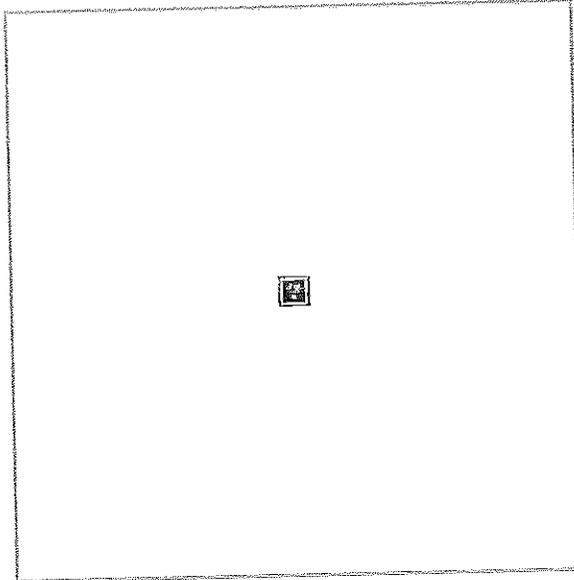
Did you know the states owe more than \$20,000 per person in unfunded liabilities? Millions of Americans and their hopes of a secure retirement are vulnerable to mismanagement and poor accounting by statehouses. Join **Matthew Fisher** as he sits down with **Jonathan Williams**, ALEC Chief Economist, **Lee Schalk**, Senior Director of the Center for State Fiscal Reform and **Thomas Savidge**, Research Manager for the Center for State Fiscal Reform as they discuss the newest release of the ALEC Debt Trilogy: Other Post-Employment Benefit Liabilities, Unaccountable and Unaffordable and State Bonded Obligations. Learn how ALEC is helping states steer their way onto stable financial ground.



Academy.



### Online Registration Closes Soon!



Online registration closes for the 48th ALEC Annual Meeting this Sunday, July 25! Registration will re-open on-site starting on July 27.



Have questions about the 48th ALEC Annual Meeting? Contact our events team at [meetings@alec.org](mailto:meetings@alec.org)

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**From:** [American Legislative Exchange Council](#)  
**To:** [David Livingston](#)  
**Subject:** This Week at ALEC  
**Date:** Thursday, August 5, 2021 9:01:42 AM

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*This Week at ALEC*

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## This Week At ALEC



### 48th ALEC Annual Meeting, By the Numbers

Just last week the American Legislative Exchange Council successfully wrapped up the 48th ALEC Annual Meeting. By the numbers, this year's Annual Meeting saw:

- Over 1,600 attendees
- 34 model policies considered across the Task Forces
- Over 100 speakers
- Countless friendships made and partnerships found



Check out all of the great presentations and resources available at [ALEC.org](#) and on YouTube



**48th Annual Meeting  
Speaker Rikki Schlott in  
the New York Post**



**Federalism and Making  
Government Work With Former  
Secretary Rick Perry**



Check out Rikki Schlott, featured in the recent 48th ALEC Annual Meeting, with her latest in the New York Post on free speech across America's campuses.

Read Rikki's article



Watch Rikki's Speech



Secretary of Energy Rick Perry sat down with the manager of the Energy, Environment and Agriculture Task Force, Carly Good last week on ALECTv to discuss federalism, energy and the accomplishments of the Lone Star State.

Watch the interview

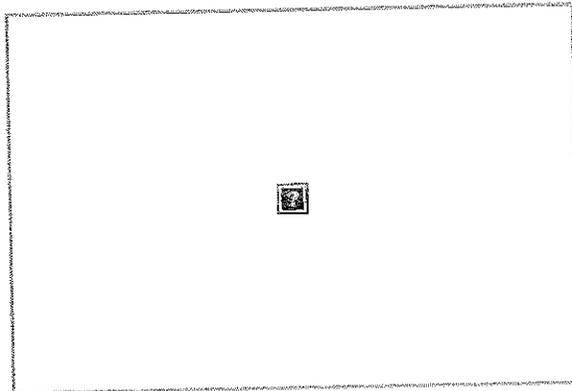


Don't miss out on Sec. Perry's Remarks



### As Delta Surges, States Look to Industry Partnerships for Public Health Solutions

With new awareness of the COVID-19 Delta Variant, learn about vaccine production, distribution, and what it all means for you with [this webinar](#). Check out these key insights from industry leaders like UPS, PhRMA and the National Association of Chain Drug Stores, to get the information you need to understand these developing issues.



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**From:** Will Coggin  
**To:** coggin@  
**Subject:** Today's "Essential Plastics" Model Policy  
**Date:** Thursday, July 29, 2021 10:42:44 AM

---

Dear EEA Task Force Members,

Since we only have 10 minutes to discuss model policies, I wanted to share some background information on the model policy "[Act to Establish Statewide Uniformity for Essential Plastic Regulations.](#)"

The policy does two things:

1. Creates state preemption against localities banning essential plastic products.
2. Defines what an essential plastic product is.

You may well be familiar that anti-plastic activists are moving on from bags and straws and looking to ban more "single-use" products. Bans are popping up in towns, airports, and universities.

Why define "essential plastics" specifically?

Activists have been effective in demonizing plastics. Recent polling found only 36% of Americans think plastic does more good than harm.

Yet many single-use plastics have a vital benefit to society. Plastic food wrap and packaging prevent food waste and bacterial contamination. Bottled water is vital after disasters and in areas with contaminated tap water. Many medical supplies are single-use plastics.

Recognizing the essential benefits of many plastic products allows a "reframing" of the discussion around plastic products by recognizing that plastic has an essential benefit to society. It is a way of changing the discussion away from "single-use is always bad" (a narrative pushed by anti-plastic groups) to "plastics are beneficial."

You can see a video and read more info at [EssentialPlastics.org](https://www.essentialplastics.org). I look forward to the discussion and hearing your thoughts!

Sincerely,

Will Coggin  
Managing Director  
Essential Plastics Coalition, a project of the Center for Organizational Research and Education

**From:** Mae James  
**To:** Kelly Townsend  
**Subject:** Travel Expenses for ALEC Meeting in Salt Lake City  
**Date:** Tuesday, July 6, 2021 3:57:04 PM

---

Senator Townsend,

Thank you so much for agreeing to speak at the Article V ALEC Academy scheduled for Friday, July 30, 2021 in Salt Lake City. I can't think of anyone more perfectly suited to discuss the BBA Planning Convention Rules and appointments to the Phoenix Correspondence Committee. David Biddulph has asked me to reach out to you regarding the coverage of your travel expenses and ALEC registration for your trip to Salt Lake City.

Primarily, we want to communicate that all expenses will be covered. I was asked to check, first of all, whether any expenses would be covered by your State Chair in Arizona. If not, I'll be happy to pursue other resource options with ALEC. And, should that fail, David Biddulph will cover your flight, hotel and registration personally.

Finally, David mentioned that he is looking for a "parliamentarian" to moderate the casting of votes by state during the workshop. We thought Ken Ivory would be perfect in a role like this, if he would be willing. Do you know if he is planning on attending the ALEC Meeting, or might be willing?

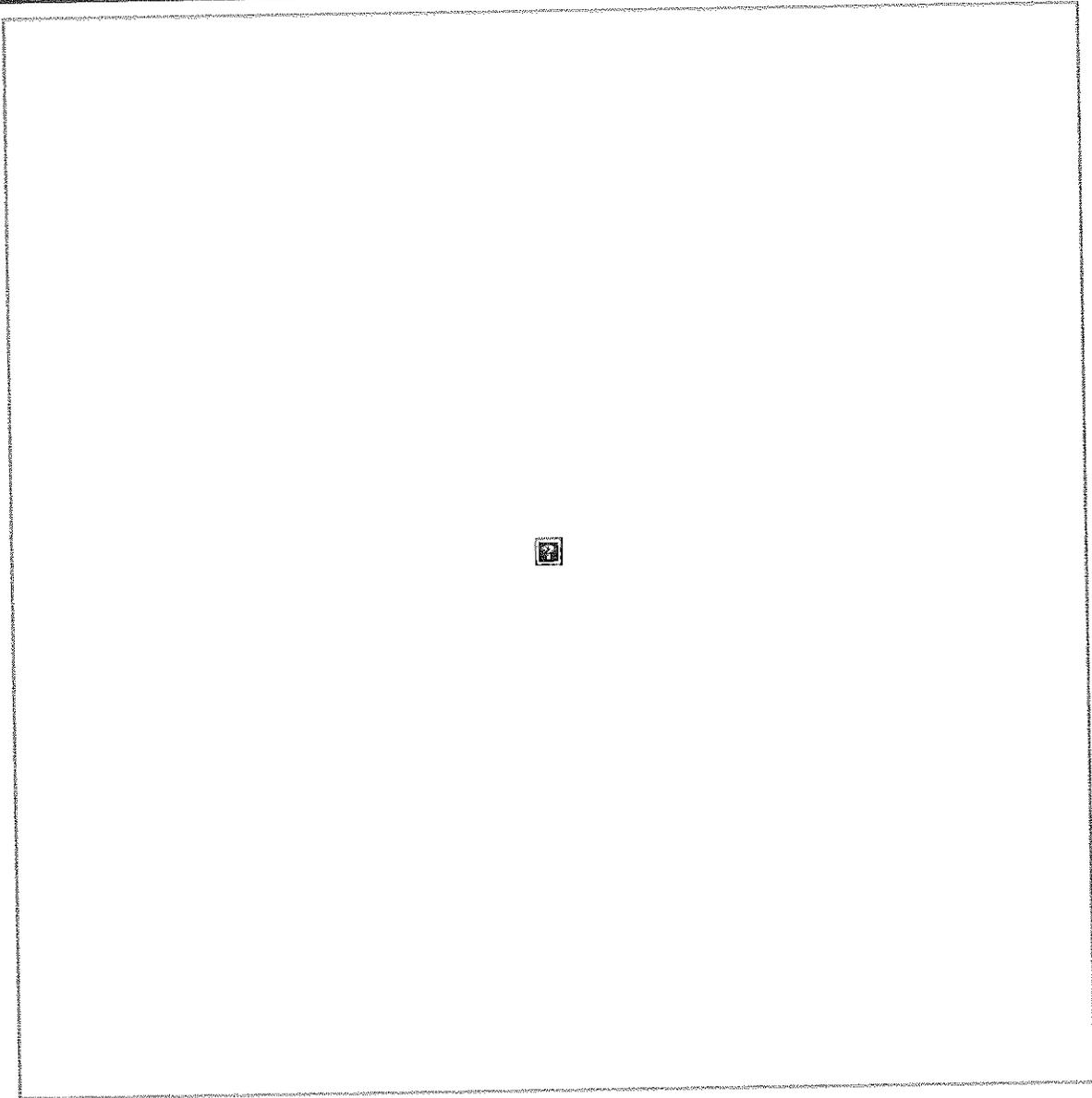
Thank you,

Mae James  
Executive Director  
Let Us Vote for a BBA Citizen's Campaign

  
<http://letusvoteforbba.org/>

**From:** [ALEC Events](#)  
**To:** [David Gowan](#)  
**Subject:** Virtual Subcommittee Details- 48th/8th ALEC & ACCE Annual Meeting  
**Date:** Monday, July 19, 2021 12:56:09 PM

---



Dear David,

Thank you for registering to attend the 48th/8th ALEC & ACCE Annual Meeting. This year, we will be hosting the subcommittee meetings in a virtual format. The subcommittees will take place on the Zoom platform. To help keep the exchange of ideas interactive, you will be required to join these meetings via a web camera. Please note, dialing into the meeting via a phone line will not be an option for these meetings.

See below for the links to join the task force subcommittee meetings taking place from July 20 - July 23, 2021. [Click here](#) for a full agenda of the ALEC Annual Meetings.

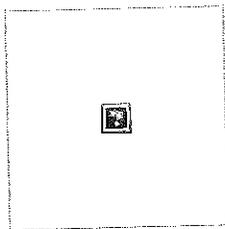
Note, all times listed below are in EST.



Communications and Technology Subcommittee

Tuesday, July 20

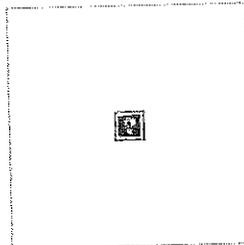
1:00PM - 3:00PM



Energy,  
Environment and  
Agriculture  
Subcommittee

Wednesday, July  
21

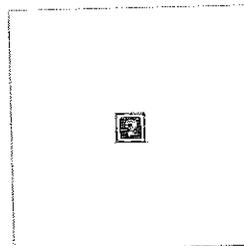
11:00AM -  
2:00PM



Health and  
Human Services  
Subcommittee

Wednesday, July  
21

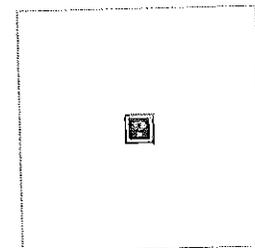
3:00PM - 4:00PM



Tax and Fiscal  
Policy  
Subcommittee

Wednesday, July  
21

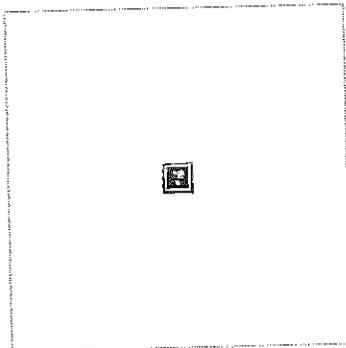
3:00PM - 5:30PM



Homeland  
Security  
Subcommittee

Wednesday, July  
21

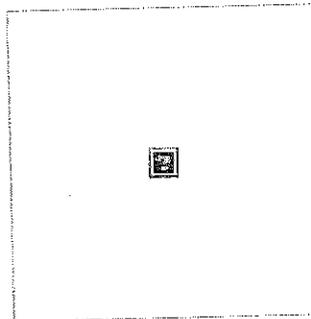
4:00PM - 5:00PM



Criminal Justice  
Subcommittee

Thursday, July 22

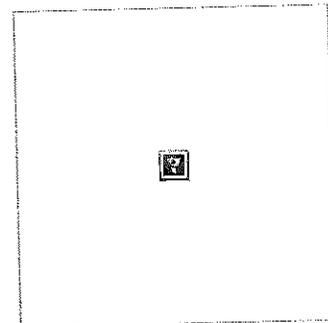
11:30AM - 1:00PM



Education and Workforce  
Development  
Subcommittee

Thursday, July 22

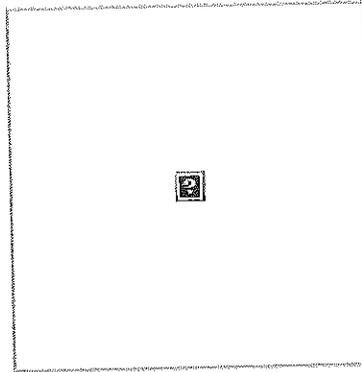
12:30PM - 3:00PM



Federalism and  
International Relations  
Subcommittee

Thursday, July 22

2:00PM - 5:30PM



Commerce, Insurance and Economic Development Subcommittee

Friday, July 23

2:00PM- 4:30PM

**Check out these tips & tricks for a successful virtual meeting!**

- Test your internet connection prior to joining.
- Download a background to professionalize your space.
- Remember to check if you are muted or unmuted before speaking.
- Utilize the chat feature. If you have a question, ask it!

**We are looking forward to seeing you in-person next week in Salt Lake City! See below for a few of the special events happening throughout the week:**

- **July 27 at 8:00 PM** - Late Night Dessert & Scary Stories with Ken Cuccinelli: The Attempted Federal Takeover of our Elections
- **July 28 at 9:45 AM** - Task Force Town Hall
- **July 28 at 1:30 PM** - Bowwow Yappy Hour
- **July 29 at 9:30 AM** - Legislative Staff Training
- **July 29 at 1:45 PM** - Ice Cream Social
- **July 30 at 2:30 PM** - **Academy:** State Legislators Vote on Next Steps to Save the American Dream from Unsustainable Deficit Spending via a “No-Runaway” Article V Convention (Contact [Karla Jones](#) for more information.)

Have a question? Contact the ALEC Events Team at [meetings@alec.org](mailto:meetings@alec.org).

Sincerely,

The ALEC Events Team  
American Legislative Exchange Council

meetings@alec.org

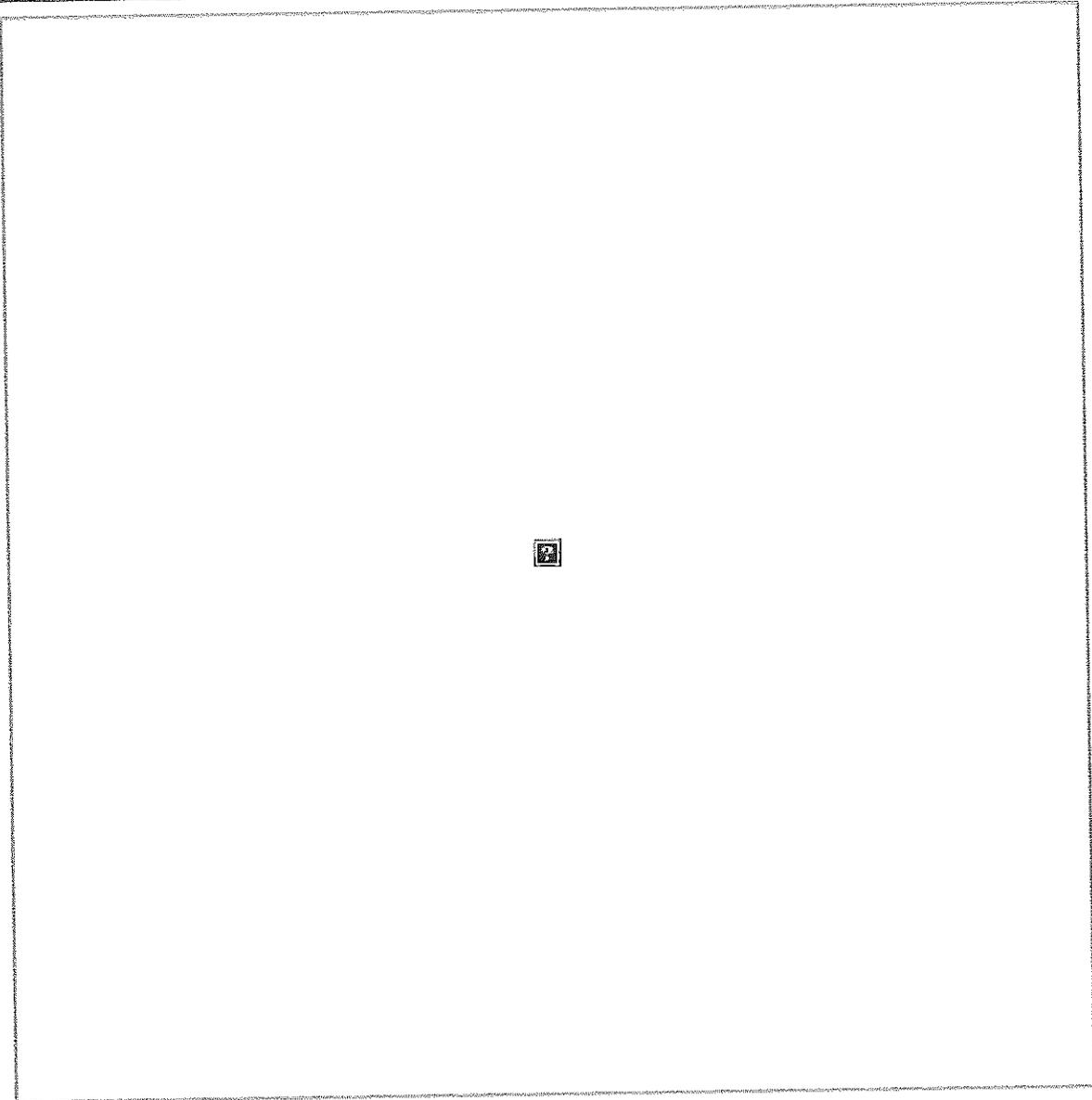
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**From:** [ALEC Events](#)  
**To:** [David Gowan](#)  
**Subject:** Virtual Subcommittees Start Today for the 48th/8th ALEC & ACCE Annual Meeting  
**Date:** Tuesday, July 20, 2021 7:45:50 AM

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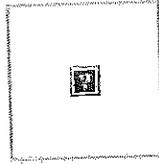


Dear David,

Today kicks off the first day of the ALEC virtual subcommittee meetings! As a reminder, we will be hosting the subcommittee meetings in a virtual format. The subcommittees will take place on the Zoom platform. To help keep the exchange of ideas interactive, you will be required to join these meetings via a web camera. Please note, dialing into the meeting via a phone line will not be an option for these meetings.

See below for the links to join the task force subcommittee meetings taking place from July 20 - July 23, 2021. [Click here](#) for a full agenda of the ALEC Annual Meetings.

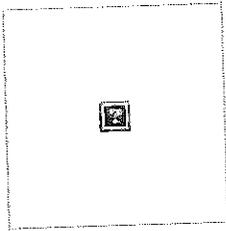
Note, all times listed below are in EST.



Communications and Technology Subcommittee

Tuesday, July 20

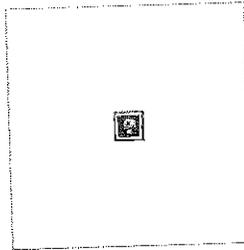
1:00PM - 3:00PM



Energy,  
Environment and  
Agriculture  
Subcommittee

Wednesday, July  
21

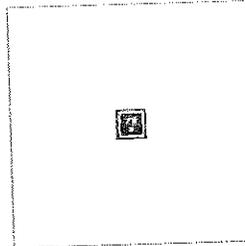
11:00AM -  
2:00PM



Health and  
Human Services  
Subcommittee

Wednesday, July  
21

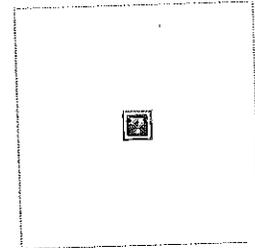
3:00PM - 4:00PM



Tax and Fiscal  
Policy  
Subcommittee

Wednesday, July  
21

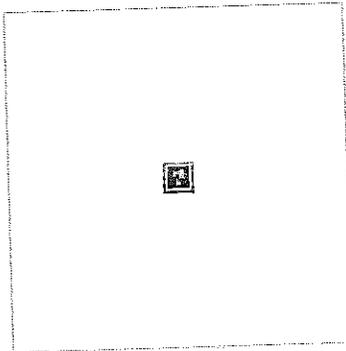
3:00PM - 5:30PM



Homeland  
Security  
Subcommittee

Wednesday, July  
21

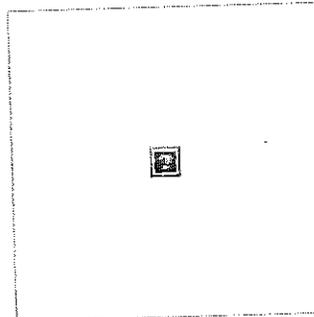
4:00PM - 5:00PM



Criminal Justice  
Subcommittee

Thursday, July 22

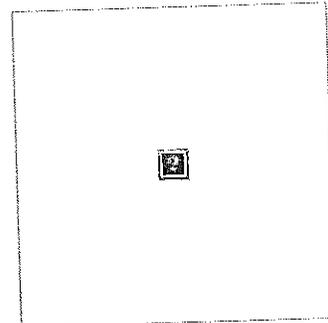
11:30AM - 1:00PM



Education and Workforce  
Development  
Subcommittee

Thursday, July 22

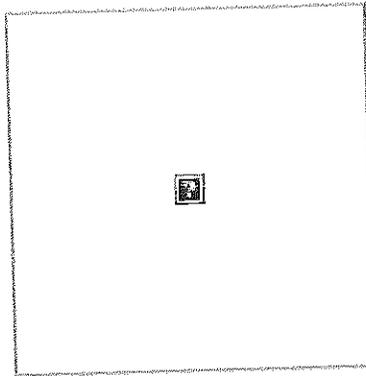
12:30PM - 3:00PM



Federalism and  
International Relations  
Subcommittee

Thursday, July 22

2:00PM - 5:30PM



Commerce, Insurance and Economic Development Subcommittee

Friday, July 23

2:00PM - 4:30PM

**Check out these tips & tricks for a successful virtual meeting!**

- Test your internet connection prior to joining.
- Download a background to professionalize your space.
- Remember to check if you are muted or unmuted before speaking.
- Utilize the chat feature. If you have a question, ask it!

**We are looking forward to seeing you in-person next week in Salt Lake City! See below for a few of the special events happening throughout the week:**

- **July 27 at 8:00 PM** - Late Night Dessert & Scary Stories with Ken Cuccinelli
- **July 28 at 9:45 AM** - Task Force Town Hall
- **July 28 at 1:30 PM** - Bowwow Yappy Hour
- **July 29 at 9:30 AM** - Legislative Staff Training
- **July 29 at 1:45 PM** - Ice Cream Social
- **July 30 at 2:30 PM** - **Academy:** State Legislators take action on Next Steps to Save the American Dream from Unsustainable Deficit Spending via a "No-Runaway" Article V Convention (Contact Karla Jones for more information.)

Have a question? Contact the ALEC Events Team at [meetings@alec.org](mailto:meetings@alec.org).

Sincerely,

The ALEC Events Team

American Legislative Exchange Council

meetings@alec.org

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**From:** [American Legislative Exchange Council](#)  
**To:** [David Gowan](#)  
**Subject:** Weekly ALEC CONNECT Digest for International Relations and Federalis...  
**Date:** Saturday, July 3, 2021 9:43:06 PM

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## Weekly Digest for International Relations and Federalis...

June 27, 2021 — July 4, 2021



Karla Jones (American Legislative Exchange Council)  
The *Wall Street Journal* Editorial Board has some advice to the Biden Administration on the best way to address America's spending habit. Read more here. The FIR Task Force will consider  
... More  
Saturday, July 3, 2021 10:16 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
The Supreme Court ruled in *Arthrex v. Smith & Nephew* that the administrative patent judges (APJs) who have invalidated thousands of patents under the 2011 America Invents Act did so in violation  
... More  
Saturday, July 3, 2021 10:09 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
Tariffs continue to exact a heavy price on American consumers. Read more from the *Bozeman Daily Chronicle* here.  
Saturday, July 3, 2021 10:07 PM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)  
On Wednesday, several US Senators sent a letter to the Biden Administration urging the federal government to end the self-inflicted harm from the trade war that is damaging many U.S. businesses.  
... More  
Saturday, July 3, 2021 10:05 PM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)  
The OECD offers advice on supply chain resilience and security. The FIR Task Force will consider model policy on strengthening the US-Taiwan partnership as one way to secure US supply chains  
... More  
Saturday, July 3, 2021 10:01 PM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)  
American pundits and policymakers are today raising a litany of complaints about Chinese industrial policies, trade practices, industrial espionage and military expansion. Some of these  
... More  
Saturday, July 3, 2021 9:58 PM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)  
Hackers hit a major IT software provider, which allowed their attack to spread downstream into many small businesses that now face ransom demands to unlock their computer networks. Read  
... More  
Saturday, July 3, 2021 9:56 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
Carnegie Endowment for International Peace scholars offer their ideas for the best way to "manage" US-Russia relations highlighting perceived missteps by the West in the decades following  
... More  
Saturday, July 3, 2021 9:53 PM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)  
Ukraine and NATO on Monday launched Black Sea drills that will involve dozens of warships, an exercise that follows last week's incident with a British destroyer off Crimea. [Read more here](#)  
... More  
Saturday, July 3, 2021 9:51 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
U.S. troops in eastern Syria came under rocket attack Monday, with no reported casualties, one day after U.S. Air Force planes carried out airstrikes near the Iraq-Syria border against what  
... More  
Saturday, July 3, 2021 9:50 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
China's Xi Jinping delivers a bellicose address on the occasion of the Chinese Communist Party's 100th anniversary. An overview of the speech is here. A coherent foreign policy is essential  
... More  
Saturday, July 3, 2021 9:48 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
This week Belarus retaliated against recent European Union (EU) sanctions by discontinuing cooperation to stem illegal migration and by denying entry to EU officials. [Read more here.](#)  
Saturday, July 3, 2021 9:42 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
Israel's foreign minister kicked off the highest-level visit by an Israeli official to the United Arab Emirates (UAE) this week, nine months after the two countries established relations  
... More  
Saturday, July 3, 2021 9:40 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
In the aftermath of Iran's recent "election", ultraconservative President-elect Ebrahim Raisi is due to take over from President Rouhani in August. This comes at a crucial time for the Islamic  
... More  
Saturday, July 3, 2021 9:38 PM [Comment](#)

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To: [David Gowan](#)  
Subject: Weekly ALEC CONNECT Digest for International Relations and Federalis...  
Date: Saturday, August 7, 2021 9:24:39 PM

## Weekly Digest for International Relations and Federalis...

August 1, 2021 — August 8, 2021



Karla Jones (American Legislative Exchange Council)  
According to the Wisconsin Institute for Law and Liberty's Will Flanders, "Across the nation, there is growing momentum behind bringing back COVID-19 restrictions. Recently, the CDC updated  
... More  
Friday, August 6, 2021 10:52 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
Attendees from the 48th ALEC Annual Meeting in Salt Lake City visited World Trade Center Utah (WTC-Utah) to learn how the state maximizes international trade to create jobs and economic  
... More  
Friday, August 6, 2021 10:45 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
An old idea made new again, industrial policy is having a moment as policy makers try to secure vital international supply chains of products like semiconductors. Read more from *the Wall*  
... More  
Friday, August 6, 2021 10:39 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
Mercatus scholars Christine McDaniel and Veronique de Rugy observe, "When domestic firms in the United States encounter foreign competition, they sometimes seek protection or import restrictions  
... More

[www.youtube.com](#)

<https://www.youtube.com/watch?v=351aBgtvmQY>

Friday, August 6, 2021 10:35 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
The Biden Administration has approved its first arms sale to Taiwan, with the provided goods valued at around \$750 Million. The deal, which must still go through a congressional review process,  
... More  
Friday, August 6, 2021 10:33 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
The Taliban appear on the verge of capturing Lashkar Gah. If they succeed, it will mark the fall of the first provincial capital to the group since they last controlled the country in the  
... More  
Edited Friday, August 6, 2021 10:36 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
The most recent edition of *POLITICO China Watcher*, details that the Chinese Government is concerned about the rapid Taliban advance currently occurring in Afghanistan. China is worried about  
... More  
Friday, August 6, 2021 10:15 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
In this event by the Hoover Institution, former National Security Advisor H.R. McMaster is joined by Congressman Mark E. Green M.D. to discuss Chinese influence within the Western Hemisphere,  
... More



5CHINA AND USA  
BF - BEST FRIENDS  
AND FOES  
FOREVER

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Friday, August 6, 2021 10:12 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
Following a recent rocket barrage by the Hezbollah Islamic militant group launched from Lebanon, the Israeli Defense Force said it launched strikes into southern Lebanon in retaliation.  
... More  
Friday, August 6, 2021 10:07 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
This commentary by the Heritage Foundation's Bruce Klingner explores the recent shift in Japanese defense policy regarding Taiwan. Post WW2 Japan, characterized with an emphasis on self-defense,  
... More

Friday, August 6, 2021 10:05 PM Comment



Karla Jones (American Legislative Exchange Council)

Despite security threats and growing local resentment, China continues to pump billions of dollars into Pakistan and invest in a wide range of sectors. Read more from *Deutsche Welle* here

... More  
Friday, August 6, 2021 10:01 PM Comment



Karla Jones (American Legislative Exchange Council)

In this episode of the Council on Foreign Relations' "The President's Inbox," former deputy secretary general of NATO Rose Gottemoeller joins to discuss the status of current efforts to

... More  
Friday, August 6, 2021 9:57 PM Comment



Karla Jones (American Legislative Exchange Council)

The United States Navy and Marine Corps are conducting their largest naval exercise since the end of the Cold War, starting on August 3rd and ending on the 16th. Large Scale Exercise 2021

... More  
Friday, August 6, 2021 9:54 PM Comment



Karla Jones (American Legislative Exchange Council)

Earlier this week, Mexico's Foreign Minister Marcelo Ebrard declared the Merida Initiative, the \$3 billion U.S.-Mexico security cooperation framework in place since the Felipe Calderón and

... More  
Friday, August 6, 2021 9:51 PM Comment



Karla Jones (American Legislative Exchange Council)

With Gaza hermetically sealed by Israel and Egypt on land, its underground tunnels blocked, and closed off from the sea, how does Hamas get its rockets, mortars, drones, and explosives?

... More  
Friday, August 6, 2021 9:45 PM Comment



Karla Jones (American Legislative Exchange Council)

The U.S. joins the U.K. and Israel in accusing Iran of mounting the fatal strike in the Arabian Sea. Read more from the *Wall Street Journal* here.

Friday, August 6, 2021 9:35 PM Comment



Karla Jones (American Legislative Exchange Council)

Iranian President Ebrahim Raisi was sworn into office earlier this week, starting a four year term that ensures that all branches of government in Iran are controlled by anti-western hardliners.

... More  
Friday, August 6, 2021 9:28 PM Comment



Karla Jones (American Legislative Exchange Council)

The House Appropriations Committee this month approved the annual foreign aid bill, a proposal that includes the Biden administration's full request to provide at least \$150 million, with

... More  
Friday, August 6, 2021 9:23 PM Comment



Karla Jones (American Legislative Exchange Council)

Ukraine has figured prominently in the news over the past month. In mid July, Vladimir Putin "published a remarkable essay" in which he denied Ukraine's very existence. In the coming weeks,

... More  
Friday, August 6, 2021 9:14 PM Comment



Karla Jones (American Legislative Exchange Council)

According to leaked documents, the Georgian State Security Service (SSG) has been spying on journalists, opposition and ruling party politicians, activists, priests, businesspeople, and

... More  
Friday, August 6, 2021 8:56 PM Comment



Karla Jones (American Legislative Exchange Council)

A new congressional report will tie Peter Daszak, the controversial director of the New York-based EcoHealth Alliance nonprofit, to the Chinese Communist Party's propaganda campaign about

... More  
Friday, August 6, 2021 8:53 PM Comment

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**Date:** Saturday, July 31, 2021 9:21:10 PM

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## Weekly Digest for International Relations and Federalis...

July 25, 2021 — August 1, 2021



Karla Jones (American Legislative Exchange Council)

The Mercatus Center's Weifeng Zhong emphasizes that US clarity in our resolve to defend Taiwan's sovereignty is crucial in deterring Chinese aggression. He expressed similar sentiments at

... [More](#)

Saturday, July 31, 2021 5:17 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)

In this *National Review* article, Dan McLaughlin considers the Keep Nine Amendment a viable way to prevent court packing.

Saturday, July 31, 2021 2:46 AM [Comment](#)

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Karla Jones (American Legislative Exchange Council)

This is the article that Stephen Ezell who spoke at the FIR Subcommittee referenced during his presentation. In it Stephen observes, "Nearly 20 years after joining the World Trade Organization,

... [More](#)

Saturday, July 31, 2021 1:15 AM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)

Earlier this week Secretary of Defense Lloyd Austin visited Singapore, Vietnam and the Philippines in an effort to thwart growing Chinese assertiveness in the South China Sea. Listen to

... [More](#)

Saturday, July 31, 2021 1:11 AM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)

AEI's Danielle Pletka who spoke at last week's FIR Subcommittee meeting details her concerns about the current Administration's resolve to do more than say the right things to support democratic

... [More](#)

Saturday, July 31, 2021 12:45 AM [Comment](#)

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Karla Jones (American Legislative Exchange Council)

Over 50 professors have resigned from the CUNY faculty union following a resolution that says Israel massacres Palestinians and to facilitate discussion of BDS support. Read more from the

... [More](#)

Saturday, July 31, 2021 12:32 AM [Comment](#)

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Karla Jones (American Legislative Exchange Council)

In an apparent coup, Tunisia's Prime Minister is forced out following COVID protests. Democracy in the country long considered an Arab Spring success story is under threat. Read more here

... [More](#)

Saturday, July 31, 2021 12:29 AM [Comment](#)

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Karla Jones (American Legislative Exchange Council)

How do the challenges that India is facing in controlling its COVID-19 outbreak affect Africa? Brookings explains here.

Saturday, July 31, 2021 12:14 AM [Comment](#)

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Date: Saturday, July 24, 2021 9:25:06 PM

## Weekly Digest for International Relations and Federalis...

July 18, 2021 — July 25, 2021

 Karla Jones (American Legislative Exchange Council)  
An "Academy of States" is scheduled for Friday, July 30 from 2 30pm MDT-6 30pm MDT in conjunction with the ALEC Annual Meeting in Salt Lake City. A virtual option to participate is available  
More

 Academy of States - ALEC and LUVBBA

 Download (pdf)

Saturday, July 24, 2021 4:11 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
At last week's Federalism & International Relations virtual Subcommittee Meeting, Utah Valley University's Kendra Savage described how federalism has gone global. A link to UVU's work on  
More

Saturday, July 24, 2021 4:02 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
Curt Levey, President of the Committee for Justice offered testimony supporting keeping SCOTUS at nine (attached) before the Presidential Commission on the Supreme Court which is contemplating  
More

 Levey-testimony

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Saturday, July 24, 2021 4:00 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
According to this Discourse article, "Industrial-era government is ill-suited to the internet age. Innovation is the key to growing state capacity without growing the state..." Read more  
More

Saturday, July 24, 2021 3:52 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
British Columbia's Fraser Institute published a study suggesting that with the surge in remote work current labor laws are increasingly obsolete. A successful regulatory reform experiment  
More

 TF Meeting Agenda-Speakers

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Saturday, July 24, 2021 3:50 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
AEI's Kevin Kosar observes that, "The Biden administration proposed more than eight hundred new regulations in its first four months in office. These new rules, which will have the force  
More

Saturday, July 24, 2021 3:39 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
Intellectual property (IP) is front and center due, in part, to the Administration's support of a proposal to waive the World Trade Organization's (WTO) Trade-Related Aspects of Intellectual  
More

Saturday, July 24, 2021 3:36 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
The Federalism and International Relations Task Force held a virtual subcommittee meeting on Thursday, July 22 that featured a robust discussion on what the Biden Administration's international  
More

Saturday, July 24, 2021 3:30 PM [Comment](#)

 Karla Jones (American Legislative Exchange Council)  
The Oklahoma Manufacturing Alliance in partnership with the Export Import Bank of the United States (EXIM) hosted a webinar "How EXIM Supports Oklahoma Manufacturing through Manufacturing"  
More

Saturday, July 24, 2021 3:24 PM [Comment](#)

Karla Jones (American Legislative Exchange Council)  
The US withdrawal from Afghanistan and the implications for Afghanis and for US national security is top of mind for many including ALEC



members. The Federalism & International Relations  
More



ALEC Draft Model  
Policy Supporting  
Protection of Afghan  
Interpreters

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Saturday, July 24, 2021 3:19 PM Comment



Karla Jones (American Legislative Exchange Council)  
The United States Innovation and Competition Act (USICA) of 2021, which passed the Senate in June, calls for \$52 billion in appropriations over five years to support semiconductor manufacturing

More

Saturday, July 24, 2021 3:06 PM Comment



Karla Jones (American Legislative Exchange Council)  
Lexington Institute's Loren Thompson offers the alternative, decidedly non-free market view of the decline in America's shipbuilding capacity in a Forbes article here. Cato Institute issue

More

Saturday, July 24, 2021 2:59 PM Comment



Karla Jones (American Legislative Exchange Council)  
Acting Assistant Secretary of State for Legislative Affairs Naz Durakoglu on Friday said the United States will continue to express support for Taiwan as China seeks to deter the island's

More

Saturday, July 24, 2021 2:41 PM Comment



Karla Jones (American Legislative Exchange Council)  
Considered one of the world's poorest countries in the 1960s, Vietnam today has emerged as a rising star in Asia and by 2035, Vietnam aims to graduate from lower- to upper-middle income

More

Saturday, July 24, 2021 2:34 PM Comment



Karla Jones (American Legislative Exchange Council)  
In this episode of the *Discourse Magazine* podcast series Ideas of India, Shrufti and Amartya Lahiri discuss the Indian economy in light of the country's socialist past, distrust of markets,

More

Saturday, July 24, 2021 2:24 PM Comment



Karla Jones (American Legislative Exchange Council)  
Subject matter experts discuss corruption in Cuba and Georgia and how Western governments can engage populations suffering under kleptocratic regimes, as well as promising developments in

More

Saturday, July 24, 2021 2:18 PM Comment



Karla Jones (American Legislative Exchange Council)  
This brief from the International Republican Institute outlines the role of diplomacy in mitigating electoral violence. It emphasizes the importance of long-term diplomatic engagement;

More

Saturday, July 24, 2021 2:11 PM Comment

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**Date:** Saturday, July 17, 2021 9:34:15 PM

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## Weekly Digest for International Relations and Federalis...

July 11, 2021 — July 18, 2021



Karla Jones (American Legislative Exchange Council)  
Idaho's Governor Little deployed the National Guard to combat wildfires there. See coverage here.  
Saturday, July 17, 2021 7:23 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
At the FIR Subcommittee Meetings (Thursday, July 22 ~ 2pmEDT-5:30pmEDT), model policy on strengthening supply chain resilience by strengthening the US-Taiwan partnership will be considered  
... [More](#)  
Saturday, July 17, 2021 7:21 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
At the upcoming **VIRTUAL** FIR Subcommittee Meeting on **Thursday, July 22 ~ 2pmEDT-5:30pmEDT**, we will consider model policy (here) aimed at protecting Afghan interpreters who served US and NATO  
... [More](#)  
Saturday, July 17, 2021 7:04 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
The Chair of the FIR's National Security Subcommittee will discuss the confirmation process of National Guard General Officers and the importance of directly questioning candidates with  
... [More](#)  
Saturday, July 17, 2021 6:58 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
Dr. Weifeng Zhong, a scholar at the Mercatus Center of GMU, explains the nature of Chinese propaganda in a podcast here. Dr. Zhong will present at ALEC's 48th Annual Meeting at a workshop  
... [More](#)  
Saturday, July 17, 2021 6:43 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
China, long a critic of America's engagement in Afghanistan, is now condemning the US withdrawal. Learn more here in this *New York Times* article which describes China's complicated relationship  
... [More](#)  
Saturday, July 17, 2021 6:36 PM [Comment](#)

---



Karla Jones (American Legislative Exchange Council)  
According to scholars in *Discourse*, an online journal established by the Mercatus Center of GMU, after years of "unrivaled superiority, the U.S. must now account for China's growing military  
... [More](#)  
Saturday, July 17, 2021 6:33 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)  
Protests against the government continue in Cuba, according to the *New York Times*, and despite arrests, protesters in Cuba feel emboldened. Read more here.  
Saturday, July 17, 2021 6:24 PM [Comment](#)

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Karla Jones (American Legislative Exchange Council)



Rule of law has collapsed in Haiti. Read more here from *Bloomberg News*.  
Saturday, July 17, 2021 6:21 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
Following the arrest of Jacob Zuma, South Africa experiences its worst protests in years. Read more from *Reuters* here.  
Saturday, July 17, 2021 6:19 PM [Comment](#)



Karla Jones (American Legislative Exchange Council)  
Israel's attempts to defend its citizens from deadly assault — in May alone, there were 4,300 rockets fired at Israelis by Palestinian terrorist organizations — are now met with an investigation ... [More](#)  
Saturday, July 17, 2021 6:17 PM [Comment](#)

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## Title 21-A Maine Revised Statutes

### § 1003. Investigations by commission

---

...

**2. Investigations requested.** A person may apply in writing to the commission requesting an investigation as described in subsection 1. The commission shall review the application and shall make the investigation if the reasons stated for the request show sufficient grounds for believing that a violation may have occurred.

...

### § 1004-A. Penalties

---

The commission may assess the following penalties in addition to the other monetary sanctions authorized in this chapter.

...

**2. Contribution in excess of limitations.** A person that accepts or makes a contribution that exceeds the limitations set out in section 1015, subsections 1 and 2 may be assessed a penalty of no more than the amount by which the contribution exceeded the limitation.

...

### § 1012. Definitions

---

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

...

**2. Contribution.** The term “contribution:”

**A. Includes:**

- (1) A gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office or for the purpose of liquidating any campaign deficit of a candidate, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;
- (2) A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;
- (3) Funds received by a candidate or a political committee that are transferred to the candidate or committee from another political committee or other source; and

(4) The payment, by any person other than a candidate or a political committee, of compensation for the personal services of other persons that are provided to the candidate or political committee without charge for any such purpose; and

...

**4-A. Influence.** “Influence” means to promote, support, oppose or defeat.

...

## **§ 1015. Limitations on contributions and expenditures**

---

...

**2. Contributions by party committees and political action committees.** Except as provided in paragraph A, a party committee under section 1013-A, subsection 3, a political action committee and any other committee may not make contributions to a candidate.

**A.** A party committee under section 1013-A, subsection 3, a leadership political action committee, a separate segregated fund committee, a caucus political action committee and any other political action committee may make contributions to a candidate in support of the candidacy of one person aggregating no more than the amount that an individual may contribute to that candidate under subsection 1, except that the committee may not make any monetary contributions to a candidate using funds that derive, in whole or in part, from a business entity. Nothing in this paragraph prohibits a separate segregated fund committee that receives nonmonetary contributions from a business entity under section 1056-D, subsection 2, paragraph A from making monetary contributions to a candidate within the limits described in this paragraph.

...

## **§ 1017. Reports by candidates**

---

...

**5. Content.** A report required under this section must contain the itemized accounts of contributions received during that report filing period, including the date a contribution was received, and the name, address, occupation, principal place of business, if any, and the amount of the contribution of each person who has made a contribution or contributions aggregating in excess of \$50. The report must contain the itemized expenditures made or authorized during the report filing period, the date and purpose of each expenditure and the name and address of each payee and creditor and any refund that a payee has made to the candidate or an agent of the candidate. If the payee is a member of the candidate’s household or immediate family, the candidate shall disclose the candidate’s relationship to the payee in a manner prescribed by the commission. The report must contain a statement of any loan to a candidate by a financial institution in connection with that candidate’s candidacy that is made during the period covered by the report, whether or not the loan is defined as a contribution under section 1012, subsection 2,

paragraph A. The candidate and the treasurer are jointly and severally responsible for the timely and accurate filing of each required report.

...

## **§ 1125. Terms of participation**

---

...

**6. Restrictions on contributions and expenditures for certified candidates.** After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission. Candidates may also accept and spend interest earned on fund revenues in campaign bank accounts. All revenues distributed to a certified candidate from the fund must be used for campaign-related purposes. The candidate, the treasurer, the candidate's committee authorized pursuant to section 1013-A, subsection 1 or any agent of the candidate and committee may not use these revenues for any but campaign-related purposes. The candidate, the treasurer, the candidate's committee authorized pursuant to section 1013-A, subsection 1 or any agent of the candidate and committee may not use these revenues for post-election parties. This section does not prohibit a candidate from using personal funds for post-election parties as governed by rules of the commission. The commission shall publish guidelines outlining permissible campaign-related expenditures.

...

# Code of Maine Rules 94-270

## Chapter 1 PROCEDURES

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...

### SECTION 6. CONTRIBUTIONS AND OTHER RECEIPTS

...

**4.** Unless specifically exempted under Title 21-A M.R.S.A. §§ 1012 and 1052 or this section, the provision of any goods or services without charge or at a charge that is less than the usual and customary charge for such goods or services is an in-kind contribution. Examples of such goods and services include, but are not limited to: equipment, facilities, supplies, personnel, advertising, and campaign literature. If goods or services are provided at less than the usual and customary charge, the amount of the in-kind contribution is the difference between the usual and customary charge and the amount charged the candidate or political committee.

**A.** A commercial vendor that has provided a discount to a candidate or political committee because of a defect in performance or other business reason has not made a contribution if the vendor grants substantially similar discounts to other customers in the ordinary course of the vendor's business.

**B.** If a candidate is a public official who is provided a vehicle for transportation by a public entity for the purpose of conducting official duties, the use of such vehicle for campaign purposes is considered to be an in-kind contribution to the candidate from the public entity unless the candidate reimburses the public entity for the use of the vehicle.

...