

2023 -- S 0846 SUBSTITUTE A

LC001870/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO ELECTIONS -- RHODE ISLAND CAMPAIGN CONTRIBUTIONS AND EXPENDITURES REPORTING

Introduced By: Senators Paolino, and E Morgan

Date Introduced: March 29, 2023

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-3, 17-25-7, 17-25-10.1, 17-25-11, 17-25-19, 17-25-20, 17-
2 25-21 and 17-25-22 of the General Laws in Chapter 17-25 entitled "Rhode Island Campaign
3 Contributions and Expenditures Reporting" are hereby amended to read as follows:

4 **17-25-3. Definitions.**

5 As used in this chapter, unless a different meaning clearly appears from the context:

6 (1) "Accounts payable" means credit extended to a candidate or political committee, for
7 campaign expenditures; provided that, the credit extended is in the ordinary course of the vendor's
8 business, and the terms are substantially similar, in risk and amount, to extensions of credit to
9 nonpolitical customers.

10 ~~(1)~~(2) "Business entity" means any corporation, whether for profit or not for profit,
11 domestic corporation or foreign corporation, as defined in § 7-1.2-106, financial institution,
12 cooperative, association, receivership, trust, holding company, firm, joint stock company, public
13 utility, sole proprietorship, partnership, limited partnership, or any other entity recognized by the
14 laws of the United States and/or the state of Rhode Island for the purpose of doing business. The
15 term "business entity" shall not include a political action committee organized pursuant to this
16 chapter or a political party committee or an authorized campaign committee of a candidate or office
17 holder. The term "business entity" shall not include any exempt nonprofit as defined herein or any
18 organization described in § 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent

1 corresponding internal revenue code of the United States, as amended from time to time, for the
2 purposes of chapter 25.3 of title 17.

3 ~~(2)~~(3) “Candidate” means any individual who undertakes any action, whether preliminary
4 or final, which is necessary under the law to qualify for nomination for election or election to public
5 office, and/or any individual who receives a contribution or makes an expenditure, or gives his or
6 her consent for any other person to receive a contribution or make an expenditure, with a view to
7 bringing about his or her nomination or election to any public office, whether or not the specific
8 public office for which he or she will seek nomination or election is known at the time the
9 contribution is received or the expenditure is made and whether or not he or she has announced his
10 or her candidacy or filed a declaration of candidacy at that time.

11 ~~(3)~~(4) “Conduit” or “intermediary” means any person who receives and forwards an
12 earmarked contribution to a candidate or a candidate’s authorized committee, except as otherwise
13 limited in this chapter.

14 ~~(4)~~(5) “Contributions” and “expenditures” include all transfers of money, credit or debit
15 card transactions, on-line or electronic payment systems such as “pay pal,” paid personal services,
16 or other thing of value to or by any candidate, committee of a political party, or political action
17 committee or ballot question advocate. A loan shall be considered a contribution of money until it
18 is repaid.

19 (i) Exception: The term “contributions” and “expenditures” does not include credit
20 extended for accounts payable, as that term is defined in subsection (24) of this section, by an
21 outside campaign vendor.

22 ~~(18)~~(6) “Covered transfer” means any transfer or payment of funds by any person, business
23 entity, or political action committee to another person, business entity, or political action committee
24 if the person, business entity, or political action committee making the transfer: (i) Designates,
25 requests, or suggests that the amounts be used for independent expenditures or electioneering
26 communications or making a transfer to another person for the purpose of making or paying for
27 such independent expenditures or electioneering communications; (ii) Made such transfer or
28 payment in response to a solicitation or other request for a transfer or payment for the making of
29 or paying for independent expenditures or electioneering communications or making a transfer to
30 another person for the purpose of making or paying for such independent expenditures or
31 electioneering communications; (iii) Engaged in discussions with the recipient of the transfer or
32 payment regarding independent expenditures or electioneering communications or making a
33 transfer to another person for the purpose of making or paying for such independent expenditures
34 or electioneering communications; or (iv) Made independent expenditures or electioneering

1 communications in an aggregate amount of five thousand dollars (\$5,000) or more during the two-
2 year (2) period ending on the date of the transfer or payment, or knew or had reason to know that
3 the person receiving the transfer or payment made such independent expenditures or electioneering
4 communications in such an aggregate amount during that two-year (2) period.

5 (A) Exceptions: The term “covered transfer” does not include:

6 (I) A transfer or payment made by a person, business entity, or political action committee
7 in the ordinary course of any trade or business conducted by the person, business entity, or political
8 action committee or in the form of investments made by the person, business entity, or political
9 action committee; or

10 (II) A transfer or payment made by a person, business entity, or political action committee
11 if the person, business entity, or political action committee making the transfer prohibited, in
12 writing, the use of such transfer or payment for independent expenditures, electioneering
13 communications, or covered transfers and the recipient of the transfer or payment agreed to follow
14 the prohibition and deposited the transfer or payment in an account that is segregated from any
15 account used to make independent expenditures, electioneering communications, or covered
16 transfers.

17 ~~(5)~~(7) “Earmarked” means a designation, instruction, or encumbrance, whether direct or
18 indirect, express or implied, oral or written, that results in all or any part of a contribution or
19 expenditure being made to, or expended on behalf of, a clearly identified candidate or a candidate’s
20 authorized committee.

21 ~~(6)~~(8) “Election” means any primary, general, or special election or town meeting for any
22 public office of the state, municipality, or district, or for the determination of any question
23 submitted to the voters of the state, municipality, or district.

24 ~~(7)~~(9) “Election cycle” means the twenty-four month (24) period commencing on January
25 1 of odd number years and ending on December 31 of even number years; provided, with respect
26 to the public financing of election campaigns of general officers under §§ 17-25-19, 17-25-20, and
27 17-25-25, “election cycle” means the forty-eight month (48) period commencing on January 1 of
28 odd numbered years and ending December 31 of even numbered years.

29 ~~(8)~~(10) “Electioneering communication” means any print, broadcast, cable, satellite, or
30 electronic media communication not coordinated, as set forth in § 17-25-23, with any candidate,
31 authorized candidate campaign committee, or political party committee and that unambiguously
32 identifies a candidate or referendum and is made either within sixty (60) days before a general or
33 special election or town meeting for the office sought by the candidate or referendum; or thirty (30)
34 days before a primary election, for the office sought by the candidate; and is targeted to the relevant

1 electorate.

2 (i) A communication that refers to a clearly identified candidate or referendum is “targeted
3 to the relevant electorate” if the communication can be received by two thousand (2,000) or more
4 persons in the district the candidate seeks to represent or the constituency voting on the referendum.

5 (ii) Exceptions: The term “electioneering communication” does not include:

6 (A) A communication appearing in a news story, commentary, or editorial distributed
7 through the facilities of any broadcasting station, unless such facilities are owned or controlled by
8 any political party, political committee, or candidate;

9 (B) A communication that constitutes a candidate debate or forum conducted pursuant to
10 regulations adopted by the board of elections or that solely promotes such a debate or forum and is
11 made by or on behalf of the person sponsoring the debate or forum;

12 (C) A communication made by any business entity to its members, owners, stockholders,
13 or employees;

14 (D) A communication over the internet, except for (I) Communications placed for a fee on
15 the website of another person, business entity, or political action committee; and (II) Websites
16 formed primarily for the purpose, or whose primary purpose is, to expressly advocate the election
17 or defeat of a clearly identified candidate or the passage or defeat of a referendum; or

18 (E) Any other communication exempted under such regulations as the board of elections
19 may promulgate (consistent with the requirements of this paragraph) to ensure the appropriate
20 implementation of this paragraph.

21 ~~(21)~~(11) “Exempt nonprofit” means any organization described in § 501(c)(4) of the
22 Internal Revenue Code that spends an aggregate annual amount of no more than ten percent (10%)
23 of its annual expenses or no more than fifteen thousand dollars (\$15,000), whichever is less, on
24 independent expenditures, electioneering communications, and covered transfers as defined herein
25 and certifies the same to the board of elections seven (7) days before and after a primary election
26 and seven (7) days before and after a general or special election.

27 (12) “Fair market value” means the usual and normal charge for goods and services as
28 determined by the marketplace from which they ordinarily would have been purchased at a usual
29 and normal charge in an arms length transaction.

30 (i) For purposes of this subsection, “usual and normal charge for goods” means the price
31 of those goods in the market from which they ordinarily would have been purchased at the time of
32 the contribution. “Usual and normal charge for services”, other than those provided by an unpaid
33 volunteer, means the hourly or piecework charge for the services at a commercially reasonable rate
34 prevailing at the time the services are rendered.

1 ~~(19)~~(13) For the purposes of chapter 25.3 of title 17, “donation” means all transfers of
2 money, credit or debit card transactions, on-line or electronic payment systems such as “pay pal,”
3 paid personal services, or other thing of value to or by any person, business entity, or political
4 action committee. A loan shall be considered a donation of money until it is repaid.

5 ~~(20)~~(14) For the purposes of chapter 25.3 of title 17, “donor” means a person, business
6 entity, or political action committee that makes a donation.

7 ~~(22)~~(15) For purposes of chapter 25.3 of title 17, “referendum” means the same as the
8 definition set forth in § 17-5-1.

9 ~~(17)~~(16) “Independent expenditure” means an expenditure that, when taken as a whole,
10 expressly advocates the election or defeat of a clearly identified candidate, or the passage or defeat
11 of a referendum, or amounts to the functional equivalent of such express advocacy, and is in no
12 way coordinated, as set forth in § 17-25-23, with any candidate’s campaign, authorized candidate
13 committee, or political party committee. An expenditure amounts to the functional equivalent of
14 express advocacy if it can only be interpreted by a reasonable person as advocating the election,
15 passage, or defeat of a candidate or referendum, taking into account whether the communication
16 mentions a candidate or referendum and takes a position on a candidate’s character, qualifications,
17 or fitness for office. An independent expenditure is not a contribution to that candidate or
18 committee.

19 (i) Exceptions: The term “independent expenditure” does not include:

20 (A) A communication appearing in a news story, commentary, or editorial distributed
21 through the facilities of any broadcasting station, unless such facilities are owned or controlled by
22 any political party, political committee, or candidate;

23 (B) A communication that constitutes a candidate debate or forum conducted pursuant to
24 regulations adopted by the board of elections or that solely promotes such a debate or forum and is
25 made by or on behalf of the person sponsoring the debate or forum;

26 (C) A communication made by any business entity to its members, owners, stockholders,
27 or employees;

28 (D) A communication over the internet, except for (I) Communications placed for a fee on
29 the website of another person, business entity, or political action committee; and (II) Websites
30 formed primarily for the purpose, or whose primary purpose is, to expressly advocate the election
31 or defeat of a clearly identified candidate or the passage or defeat of a referendum; or

32 (E) Any other communication exempted under such regulations as the board of elections
33 may promulgate (consistent with the requirements of this paragraph) to ensure the appropriate
34 implementation of this paragraph.

1 ~~(8)~~(17) “In-kind contributions” means the monetary value of other things of value or paid
2 personal services donated to, or benefiting, any person required to file reports with the board of
3 elections.

4 ~~(9)~~(18) “Other thing of value” means any item of tangible real or personal property of a
5 fair-market value in excess of one hundred dollars (\$100).

6 ~~(10)~~(19) “Paid personal services” means personal services of every kind and nature, the
7 cost or consideration for which is paid or provided by someone other than the committee or
8 candidate for whom the services are rendered, but shall not include personal services provided
9 without compensation by persons volunteering their time.

10 ~~(11)~~(20) “Person” means an individual, partnership, committee, association, corporation,
11 union, charity, and/or any other organization. The term “person” shall not include any exempt
12 nonprofit as defined herein or any organization described in § 501(c)(3) of the Internal Revenue
13 Code of 1986, or any subsequent corresponding internal revenue code of the United States, as
14 amended from time to time, for the purposes of chapter 25.3 of title 17 only.

15 ~~(12)~~(21) “Political action committee” means any group of two (2) or more persons that
16 accepts any contributions to be used for advocating the election or defeat of any candidate or
17 candidates. Only political action committees that have accepted contributions from fifteen (15) or
18 more persons in amounts of ten dollars (\$10.00) or more within an election cycle shall be permitted
19 to make contributions, and those committees must make contributions to at least five (5) candidates
20 for state or local office within an election cycle.

21 ~~(13)~~(22) “Public office” means any state, municipal, school, or district office or other
22 position that is filled by popular election, except political party offices. “Political party offices”
23 means any state, city, town, ward, or representative or senatorial district committee office of a
24 political party or delegate to a political party convention, or any similar office.

25 ~~(14)~~(23) “State” means state of Rhode Island.

26 ~~(15)~~(24) “Testimonial affair” means an affair of any kind or nature including, but not
27 limited to, cocktail parties, breakfasts, luncheons, dinners, dances, picnics, or similar affairs
28 expressly and directly intended to raise campaign funds in behalf of a candidate to be used for
29 nomination or election to a public office in this state, or expressly and directly intended to raise
30 funds in behalf of any state or municipal committee of a political party, or expressly and directly
31 intended to raise funds in behalf of any political action committee.

32 **17-25-7. Contents of reports to be filed by treasurers of candidates and committees.**

33 (a) Each campaign treasurer of a candidate, each state and municipal committee of a
34 political party, and each political action committee shall keep accurate records and make a full

1 report, upon a form prescribed by the board of elections, of all contributions received, and
2 expenditures made, by it in excess of a total of ~~one hundred dollars (\$100)~~ two hundred dollars
3 (\$200), except self-funding by the candidate, from any one source within a calendar year, in
4 furtherance of the nomination, election, or defeat of any candidate or the approval or rejection of
5 any question submitted to the voters, or at any financial town meeting, financial town referendum,
6 or other election at which amendments to a city or town charter are proposed, during the period
7 from the date of the last report, or in the case of the initial report, beginning on the date of the
8 appointment of the campaign treasurer for state and municipal committees and political action
9 committees and on the date a person becomes a “candidate” as defined in § 17-25-3(2) for
10 individual candidates. The report shall contain the name, address, and place of employment of each
11 person or source from whom the contributions and expenditures in excess of ~~one hundred dollars~~
12 ~~(\$100)~~ two hundred dollars (\$200), except self-funding by the candidate, were received or made
13 and the amount contributed or expended by each person or source. The report shall be filed with
14 the board of elections on the dates designated in § 17-25-11. The campaign treasurer of the
15 candidate or committee reporting shall certify to the correctness of each report. Notwithstanding
16 any other provisions contained in this title, this subsection shall apply to any person or entity
17 advocating the approval or rejection of any question presented to voters at any financial town
18 meeting, financial town referendum, or other election at which amendments to a city or town charter
19 are proposed, which shall file reports of contributions or expenditures in accordance with the filing
20 schedule established by § 17-25-11 if the total of the money so expended exceeds ~~one hundred~~
21 ~~dollars (\$100)~~ two hundred dollars (\$200), except self-funding by the candidate, in a calendar year.
22 As used in this subsection, the word “entity” means any political action committee, political party
23 committee, authorized campaign committee of a candidate or officer holder, corporation, whether
24 for profit, not-for-profit, or exempt nonprofit pursuant to 26 U.S.C. § 501(c)(3) of the Internal
25 Revenue Code, domestic corporation or foreign corporation, as defined in § 7-1.2-106, financial
26 institution, cooperative, association, receivership, partnership, committee, union, charity, trust,
27 holding company, firm, joint stock company, public utility, sole proprietorship, limited partnership,
28 or any other entity recognized by the laws of the United States and/or the state of Rhode Island.

29 (b) Each state and municipal committee of a political party shall also file with the board of
30 elections, not later than March 1 of each year, an annual report setting forth in the aggregate all
31 contributions received and all expenditures made during the previous calendar year, whether or not
32 these expenditures were made, incurred, or authorized in furtherance of the election or defeat of
33 any candidate. The treasurer of the committee or organization reporting shall certify to the
34 correctness of each report.

1 (c) Any report filed pursuant to the provisions of this section shall include contributions
2 received from any “testimonial affair,” as defined in § 17-25-3, held since the date of the most
3 recent report filed.

4 **17-25-10.1. Political contributions — Limitations.**

5 (a)(1) No person, other than the candidate to his or her own campaign, nor any political
6 action committee shall make a contribution or contributions to any candidate, as defined by § 17-
7 25-3, or political action committee or political party committee that, in the aggregate, exceed ~~one~~
8 ~~thousand dollars (\$1,000)~~ two thousand dollars (\$2,000) within a calendar year; nor shall any
9 political action committee make such contributions that in the aggregate, exceed twenty-five
10 thousand dollars (\$25,000) within a calendar year; nor shall any candidate or any political action
11 committee or any political party committee accept a contribution or contributions that, in the
12 aggregate, exceed ~~one thousand dollars (\$1,000)~~ two thousand dollars (\$2,000) within a calendar
13 year from any one person or political action committee.

14 (2) Notwithstanding the provisions of subdivision (1) of this subsection, a person or
15 political action committee or political party committee may contribute an amount that in the
16 aggregate, does not exceed ten thousand dollars (\$10,000) within a calendar year to a political party
17 committee, which funds can be utilized for organizational and party building activities, but shall
18 not be used for contributions to candidates state and local for public office.

19 (b) Contributions to a named candidate made to any political committee authorized by that
20 candidate to accept contributions on the candidate’s behalf shall be considered to be contributions
21 made to the candidate. Contributions to a candidate by a political committee for another person
22 shall be considered to be contributions by that person.

23 (c) Expenditures made by any person in cooperation, consultation, or concert with, or at
24 the request or suggestion of, a candidate, the candidate’s authorized political committees, or their
25 agents shall be considered to be a contribution to the candidate.

26 (d) The financing by any person of the dissemination, distribution, or republication, in
27 whole or in part, of any broadcast or any written, graphic, or other form of campaign materials
28 prepared by the candidate, the candidate’s campaign committees, or their authorized agents shall
29 be considered to be a contribution to a candidate.

30 (e) Nothing in this section shall be construed to restrict political party committees
31 organized pursuant to this title from making contributions to the candidates of that political party;
32 provided, that these contributions, other than allowable “in-kind” contributions, shall not exceed,
33 in the aggregate, twenty-five thousand dollars (\$25,000) to any one candidate within a calendar
34 year; nor shall any candidate accept a contribution or contributions, other than allowable “in-kind”

1 contributions, that, in the aggregate, exceed twenty-five thousand dollars (\$25,000) within a
2 calendar year from all committees of his or her political party. There shall be no restriction on the
3 amount of “in-kind” contributions that a political party committee may make to a candidate of its
4 political party; provided, that for the purposes of this subsection only, the cost of any preparation
5 and airing of television and/or radio advertisements and the cost of any print advertisements shall
6 not be considered an allowable “in-kind” contribution and shall be subject to the aggregate
7 limitation of twenty-five thousand dollars (\$25,000).

8 (f)(1) A contribution from an individual’s dependent children, as defined in § 36-14-2, shall
9 be deemed a contribution from the individual for the purpose of determining whether aggregate
10 contributions exceed either the ~~one hundred dollar (\$100)~~ two hundred dollar (\$200) threshold for
11 reporting purposes or the ~~one thousand dollar (\$1,000)~~ two thousand dollar (\$2,000) maximum for
12 contributions to a single candidate or political action committee within a calendar year.

13 (2) No dependent child shall contribute an amount that, when added to contributions
14 already made by that child’s parent or legal guardian and by other dependent children of that parent
15 or legal guardian, exceed the ~~one thousand dollar (\$1,000)~~ two thousand dollar (\$2,000) maximum
16 for contributions to a single candidate or political action committee within a calendar year.

17 (g) Nothing in this section shall be construed to restrict the amount of money that a
18 candidate can borrow in his or her own name, and subsequently contribute or loan to his or her own
19 campaign.

20 (h)(1) It shall be unlawful for any corporation, whether profit or non-profit, domestic
21 corporation or foreign corporation, as defined in § 7-1.2-106, or other business entity to make any
22 campaign contribution or expenditure, as defined in § 17-25-3, to or for any candidate, political
23 action committee, or political party committee, or for any candidate, political action committee, or
24 political party committee to accept any campaign contribution or expenditure from a corporation
25 or other business entity. Any contribution made in the personal name of any employee of a
26 corporation or other business entity, for which the employee received or will receive reimbursement
27 from the corporation or other business entity, shall be considered as a contribution by the
28 corporation or other business entity, in violation of this section.

29 (2) Any voluntary payroll deduction and/or contribution made by employees of a
30 corporation or other business entity shall not be deemed a contribution of a corporation or other
31 business entity, notwithstanding that the contributions were sent to the recipient by the corporation
32 or other business entity.

33 (i) All contributions of funds shall be by check, money order, or credit card and may be
34 made over the internet, but in each case the source of the funds must be identified; provided, that

1 candidates, political action committees, and political party committees may accept contributions in
2 cash that do not exceed twenty-five dollars (\$25.00) in the aggregate from an individual within a
3 calendar year. The cash contribution must be delivered directly by the donor to the candidate, the
4 campaign treasurer, or deputy treasurer. The treasurer or deputy treasurer shall maintain a record
5 of the name and address of all persons making these cash contributions.

6 (j) Except as provided in subsection (h) of this section, no entity other than an individual,
7 a political action committee which is duly registered and qualified pursuant to the terms of this
8 chapter, political party committee authorized by this title, or an authorized committee of an elected
9 official or candidate established pursuant to this chapter shall make any contribution to or any
10 expenditure on behalf of or in opposition to any candidate, political action committee, or political
11 party.

12 (k) For purposes of the limitations imposed by this section, all contributions made by a
13 person, either directly or indirectly, on behalf of a particular candidate, including contributions that
14 are in any way earmarked or otherwise directed through an intermediary or conduit to such
15 candidate, shall be treated as contributions from such person to such candidate. The intermediary
16 or conduit shall report the original source and the intended recipient of such contribution to the
17 board of elections and to the intended recipient, in accordance with regulations and reporting
18 requirements promulgated by the board of elections.

19 **17-25-11. Dates for filing of reports by treasurers of candidates or of committees.**

20 (a) During the period between the appointment of the campaign treasurer for state and
21 municipal committees and political action committees, or in the case of an individual the date on
22 which the individual becomes a “declared or undeclared candidate” as defined in § 17-25-3(2),
23 except when the ninety-day (90) reporting period ends less than forty (40) days prior to an election
24 in which case the ninety-day (90) report shall be included as part of the report required to be filed
25 on the twenty-eighth (28th) day next preceding the day of the primary, general, or special election
26 pursuant to subdivision (2) of this subsection, and the election, with respect to which contributions
27 are received or expenditures made by him or her in behalf of, or in opposition to, a candidate, the
28 campaign treasurer of a candidate, a political party committee, or a political action committee shall
29 file a report containing an account of contributions received, and expenditures made, on behalf of,
30 or in opposition to, a candidate:

31 (1) At ninety-day (90) intervals commencing on the date on which the individual first
32 becomes a candidate, as defined in § 17-25-3(2);

33 (2) In a contested election, on the twenty-eighth (28th) and seventh (7th) days next
34 preceding the day of the primary, general, or special election; provided, that in the case of a primary

1 election for a special election where the twenty-eighth (28th) day next preceding the day of the
2 primary election occurs prior to the first day for filing declarations of candidacy pursuant to § 17-
3 14-1, the reports shall be due on the fourteenth (14th) and seventh (7th) days next preceding the
4 day of the primary election for the special election; and

5 (3) A final report on the twenty-eighth (28th) day following the election. The report shall
6 contain:

7 (i) The name and address and place of employment of each person from whom
8 contributions in excess of a total of ~~one hundred dollars (\$100)~~ two hundred dollars (\$200), except
9 self-funding by the candidate, within a calendar year were received;

10 (ii) The amount contributed by each person;

11 (iii) The name and address of each person to whom expenditures in excess of ~~one hundred~~
12 ~~dollars (\$100)~~ two hundred dollars (\$200), except self-funding by the candidate, were made; and

13 (iv) The amount and purpose of each expenditure.

14 (b) Concurrent with the report filed on the twenty-eighth (28th) day following an election,
15 or at any time thereafter, the campaign treasurer of a candidate, or political party committee, or
16 political action committee, may certify to the board of elections that the campaign fund of the
17 candidate, political party committee, or political action committee having been instituted for the
18 purposes of the past election, has completed its business and been dissolved or, in the event that
19 the committee will continue its activities beyond the election, that its business regarding the past
20 election has been completed. The certification shall be accompanied by a final accounting of the
21 campaign fund, or of the transactions relating to the election, including the final disposition of any
22 balance remaining in the fund at the time of dissolution or the arrangements that have been made
23 for the discharge of any obligations remaining unpaid at the time of dissolution.

24 (c)(1) Once the campaign treasurer certifies that the campaign fund has completed its
25 business and been dissolved, no contribution that is intended to defray expenditures incurred on
26 behalf of, or in opposition to, a candidate during the campaign can be accepted. Until the time that
27 the campaign treasurer certifies that the campaign fund has completed its business and been
28 dissolved, the treasurer shall file reports containing an account of contributions received and
29 expenditures made at ninety-day (90) intervals commencing with the next quarterly report
30 following the election; however, the time to file under this subsection shall be no later than the last
31 day of the month following the ninety-day (90) period, except when the last day of the month filing
32 deadline following the ninety-day (90) reporting period occurs less than twenty-eight (28) days
33 before an election, in which case the report shall be filed pursuant to the provisions of subdivisions
34 (a)(1) and (2) of this section. Provided, however, if the last day of the month falls on a weekend or

1 a holiday, the report shall be due on the following business day.

2 (2) In addition to the reports required pursuant to this section, a candidate or office holder
3 shall also file with the board of elections a paper copy of the account statement from the office
4 holder's campaign account, which account statement shall be the next account statement issued by
5 their financial institution after the filing of the fourth quarterly campaign expense report. The
6 account statement shall be submitted to the board within thirty (30) days of its receipt by the
7 candidate, officeholder, treasurer, or deputy treasurer. The account statement shall not be deemed
8 a public record pursuant to the provisions of chapter 2 of title 38. The board of elections, its agents,
9 and employees shall not publish, deliver, copy, or disclose, to any person or entity any account
10 statement or information contained therein for any candidate, former candidate, officeholder, party,
11 or political action committee. Provided, as to state and municipal political parties, the requirements
12 of this subsection (c)(2) shall apply to the annual report required pursuant to § 17-25-7.

13 (d)(1) There shall be no obligation to file the reports of expenditures required by this
14 section on behalf of, or in opposition to, a candidate if the total amount to be expended in behalf of
15 the candidacy by the candidate, by any political party committee, by any political action committee,
16 or by any person shall not in the aggregate exceed ~~one thousand dollars (\$1,000)~~ two thousand
17 dollars (\$2,000).

18 (2) However, even though the aggregate amount expended on behalf of the candidacy does
19 not exceed ~~one thousand dollars (\$1,000)~~ two thousand dollars (\$2,000), reports must be made
20 listing the source and amounts of all contributions in excess of a total of ~~one hundred dollars (\$100)~~
21 two hundred dollars (\$200) from any one source, except self-funding by the candidate, within a
22 calendar year. Even though the aggregate amount expended on behalf of the candidacy does not
23 exceed ~~one thousand dollars (\$1,000)~~ two thousand dollars (\$2,000) and no contribution from any
24 one source, except self-funding by the candidate, within a calendar year ~~one hundred dollars (\$100)~~
25 two hundred dollars (\$200), the report shall state the aggregate amount of all contributions received.
26 In addition, the report shall state the amount of aggregate contributions that were from individuals,
27 the amount from political action committees, and the amount from political party committees.

28 (e) On or before the first date for filing contribution and expenditure reports, the campaign
29 treasurer may file a sworn statement that the treasurer will accept no contributions nor make
30 aggregate expenditures in excess of the minimum amounts for which a report is required by this
31 chapter. Thereafter, the campaign treasurer shall be excused from filing all the reports for that
32 campaign, other than the final report due on the twenty-eighth (28th) day following the election.

33 (f) A campaign treasurer must file a report containing an account of contributions received
34 and expenditures made at the ninety-day (90) intervals provided for in subsection (c) of this section

1 for any ninety-day (90) period in which the campaign received contributions in excess of a total of
2 ~~one hundred dollars (\$100)~~ two hundred dollars (\$200), except self-funding by the candidate,
3 within a calendar year from any one source and/or made expenditures in excess of ~~one thousand~~
4 ~~dollars (\$1,000)~~ two thousand dollars (\$2,000) within a calendar year; however, the time to file
5 under this subsection shall be no later than the last day of the month following the ninety-day (90)
6 period, except when the last day of the month filing deadline following the ninety-day (90)
7 reporting period occurs less than twenty-eight (28) days before an election, in which case the report
8 shall be filed pursuant to the provisions of subdivisions (a)(1) and (2) of this section. Provided,
9 however, if the last day of the month falls on a weekend or a holiday, the report shall be due on the
10 following business day.

11 (g)(1) The board of elections may, for good cause shown and upon the receipt of a written
12 or electronic request, grant a seven-day (7) extension for filing a report; provided, that the request
13 must be received no later than the date upon which the report is due to be filed.

14 (2) Any person or entity required to file reports with the board of elections pursuant to this
15 section and who or that has not filed the report by the required date, unless granted an extension
16 pursuant to subdivision (1) of this subsection, shall be fined twenty-five dollars (\$25.00).
17 Notwithstanding any of the provisions of this section, the board of elections shall have the authority
18 to waive late filing fees for good cause shown.

19 (3) The board of elections shall send a notice of non-compliance, by certified mail, to any
20 person or entity who or that fails to file the reports required by this section. A person or entity who
21 or that is sent a notice of non-compliance and fails to file the required report within seven (7) days
22 of the receipt of the notice, shall be fined two dollars (\$2.00) per day from the day of receipt of the
23 notice of non-compliance until the day the report has been received by the state board.
24 Notwithstanding any of the provisions of this section, the board of elections shall have the authority
25 to waive late filing fees for good cause shown.

26 **17-25-19. Public financing of election campaigns — Outlined.**

27 (a) To effectuate the purpose stated in § 17-25-18, public funds shall be made available
28 under the terms and conditions of this section and §§ 17-25-20 — 17-25-27 to qualifying candidates
29 for general office and primary elections who agree to abide by a limitation on the total amount of
30 campaign contributions received and expenditures made for election purposes.

31 (b) Candidates for general office and primary elections shall be eligible to receive two
32 dollars (\$2.00) of public funds for each qualified dollar (\$1.00) of private funds contributed which
33 do not exceed an aggregate of five hundred dollars (\$500) from a single source within an election
34 cycle and one dollar (\$1.00) of public funds for each qualified dollar (\$1.00) of private funds

1 contributed which exceed an aggregate of five hundred dollars (\$500) from a single source within
2 an election cycle but do not exceed the limitations on aggregate contributions which are eligible to
3 be matched set in subdivision 17-25-20(3), subject to the provisions of subdivision 17-25-20(2).
4 The total amount of public funds provided to a candidate shall not exceed seven hundred fifty
5 thousand dollars (\$750,000) in matching funds for a total of one million five hundred thousand
6 dollars (\$1,500,000) for candidates for governor; and one hundred eighty-seven thousand five
7 hundred dollars (\$187,500) in matching funds for a total of three hundred seventy-five thousand
8 dollars (\$375,000) for candidates for other general offices.

9 (c) In order to be eligible for matching public funds, each candidate at the time he or she
10 becomes a candidate, as defined in subdivision 17-25-3(2), but no later than 4:00 pm on the last
11 day for filing declarations of candidacy for general office, must sign a statement under oath
12 pledging to comply with the limitations on campaign contributions and expenditures and with all
13 of the terms and conditions set forth in this chapter. Any candidate who fails to file the statement
14 with his or her declaration for office shall be ineligible to receive public funds.

15 **17-25-20. Eligibility criteria for matching public funds.**

16 In order to receive matching public funds under § 17-25-19, a qualifying candidate must
17 comply with the following requirements:

18 (1) The candidate must sign a statement under oath, as provided for in § 17-25-19, pledging
19 to comply with the limitations on contributions and expenditures for election purposes and with all
20 the terms and conditions set forth in this chapter. Upon the filing of the statement, a candidate for
21 general office shall be bound to abide by the limitations on contributions and expenditures set forth
22 in this chapter and may not withdraw from his or her obligation to abide by these restrictions.

23 (2)(i) Subject to the provisions of paragraph (ii) of this subdivision, no participating
24 candidate shall either receive or expend for election purposes more than a total of public and private
25 funds in the sum of one million five hundred thousand dollars (\$1,500,000) in an election cycle.
26 No participating candidate for general office other than governor shall receive or expend for
27 election purposes more than a total of public and private funds in the sum of three hundred seventy-
28 five thousand dollars (\$375,000) in an election cycle.

29 (ii) The limitations on contributions received from private sources, matching funds
30 available from the state, and total permitted expenditures shall apply in the 1994 general election
31 and, subject to appropriations by the general assembly, shall increase by a percentage to be
32 determined by the board of elections in January of each year in which a general election involving
33 general offices is held, beginning in 1998. In no case shall the increase exceed the total increase in
34 the consumer price index since the month in which the previous general election involving general

1 was held.

2 (3)(i) Only the first two thousand dollars (\$2,000) of the aggregate private monetary
3 contributions from a single private source within an election cycle shall be eligible for matching
4 public funds for candidates for governor; provided, that the entire amount contributed shall be
5 considered toward the dollar limits provided in subdivision (2) of this section.

6 (ii) Only the first one thousand dollars (\$1,000) of the aggregate private monetary
7 contributions from a single private source within an election cycle shall be eligible for matching
8 public funds for candidates for lieutenant governor, secretary of state, attorney general, and general
9 treasurer; provided, that the entire amount contributed shall be considered toward the dollar limits
10 provided for in subdivision (2) of this section.

11 (iii) Any private funds lawfully contributed during the current election cycle shall be
12 eligible for matching public funds subject to the terms and conditions of this section, and private
13 funds donated during a preceding election cycle shall not be eligible for matching public funds.

14 (4) The direct costs incurred in connection with raising campaign funds on behalf of a
15 candidate shall not be deemed to be expenditures for the purposes of the limitations on expenditures
16 set forth in subdivision (2) of this section. Direct costs shall include costs of printing and mailing
17 invitations to fundraising events, solicitations for contributions, costs of hosting fundraising events,
18 and travel to those events, but shall not include any portion of the salary or wages of campaign
19 employees, nor the cost of any radio, television, computer/Internet/electronic device, or printed
20 advertisement. The cost of a fundraising event must be less than the amount of money realized from
21 the gross proceeds generated by the fundraising event in order to qualify for this exclusion.

22 (5) If a candidate who has accepted public funds makes expenditures in excess of the
23 permitted amounts, the candidate shall be liable for a civil assessment payable to the state in an
24 amount equal to three (3) times the amount of excess funds expended. In addition, the candidate
25 shall be ineligible for further participation in the public financing program during the same election
26 cycle.

27 (6) In order to receive payments under this section, any candidate for general office shall
28 first meet the following additional minimum requirements:

29 (i) Raise an amount in qualified private contributions equal to twenty percent (20%) of the
30 total amount eligible to be matched for election as to the office sought;

31 (ii) Receive private contributions from a minimum of two hundred fifty (250) individuals
32 contributing at least twenty-five dollars (\$25.00) each for candidates for governor and receive
33 private contributions from a minimum of one hundred (100) individuals contributing at least
34 twenty-five dollars (\$25.00) each, for candidates for lieutenant governor, secretary of state, attorney

1 general and general treasurer; ~~and~~

2 (iii) Comply with any and all applicable nomination provisions in this title and qualify for
3 the general election ballot pursuant to the process set forth in this title; and

4 (iv) Have no outstanding fines owed to the board of elections.

5 (7) No public funds received by any candidate pursuant to §§ 17-25-19 — 17-25-27 of this
6 chapter and no private funds used to qualify for the public funds shall be expended by the candidate
7 for any purpose except to pay reasonable and necessary expenses directly related to the candidate's
8 campaign.

9 (8) No public funds shall be expended by the candidate, except for one or more of the
10 following uses directly related to the campaign of the candidate:

11 (i) Purchase of time on radio or television stations; provided, however, the content of all
12 television time shall include captioning for the deaf and hard of hearing and the content of all radio
13 time must be available in a written or text format at the time of request;

14 (ii) Purchase of rental space on outdoor signs or billboards;

15 (iii) Purchase of advertising space on the computer/Internet/electronic device and in
16 newspapers and regularly published magazines and periodicals;

17 (iv) Payment of the cost of producing the material aired or displayed on radio, television,
18 outdoor signs or billboards, and computer/Internet/electronic device and in newspapers, regularly
19 published magazines, and periodicals;

20 (v) Payment of the cost of printing and mailing campaign literature and brochures;

21 (vi) Purchase of signs, bumper stickers, campaign buttons, and other campaign
22 paraphernalia;

23 (vii) Payment of the cost of legal and accounting expenses incurred in complying with the
24 public financing law and regulations as required by this chapter;

25 (viii) Payment of the cost of telephone deposits, installation charges, and monthly billings
26 in excess of deposits;

27 (ix) Payment of the costs of public opinion polls and surveys; and

28 (x) Payment of rent, utilities and associated expenses connected with the operation of an
29 election headquarters or satellite election offices.

30 (9) Contributions received and expended by any candidate for the purpose of defraying any
31 expense or satisfying any loan obligations incurred prior to January 1, 1991, by the candidate in
32 furtherance of his or her candidacy in a previous election cycle, as defined in subdivision 17-25-
33 3(7), shall not be counted toward any contribution or expenditure limitation in §§ 17-25-18 — 17-
34 25-27.

1 (10) No candidate who has elected to receive public funds shall contribute to or loan to his
2 or her own campaign a sum in excess of five percent (5%) of the total amount that a candidate is
3 permitted to expend in a campaign for the office pursuant to §§ 17-25-19 and 17-25-21.

4 **17-25-21. Primary elections.**

5 Any candidate eligible to receive public funds and electing to receive these funds who is
6 challenged for nomination for general office in a political party primary shall be permitted to raise
7 and expend an additional amount of ~~private~~ funds equal to one-third ($\frac{1}{3}$) of the maximum allowable
8 expenditure amount for the office or equal to the total amount spent by the candidates' opponent
9 or opponents in the primary, whichever amount is less. The additional amount received in
10 contributions must be expended prior to the primary election. ~~The additional private contributions~~
11 ~~shall not be eligible for matching public funds.~~ Any candidate eligible to receive public funds and
12 electing to receive these funds may use public funds made available pursuant to this chapter for
13 any allowable expense, as defined in § 17-25-20, to seek party nomination for general office.

14 **17-25-22. Time period for payment of public funds.**

15 (a) ~~No public funds shall be dispersed to candidates until after the date of the primary~~
16 ~~election.~~ In order to receive matching public funds, the candidate must be a candidate for general
17 office who meets all of the requirements set forth in subdivision 17-25-20(6). The candidate must
18 submit to the board of elections proof of receipt of qualifying private contributions and supporting
19 documentation as required by the board. The board of elections shall, within five (5) business days
20 of the receipt of the request for payment of matching funds, either pay over funds to the candidate
21 or disallow all or a portion of the request and state in writing the reasons for the disallowance.

22 (b) A candidate may submit supplemental applications for public funds until the time that
23 the permitted limits are reached.

24 SECTION 2. This act shall take effect upon passage.

=====
LC001870/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO ELECTIONS -- RHODE ISLAND CAMPAIGN CONTRIBUTIONS AND
EXPENDITURES REPORTING

1 This act would define accounts payable as credit extended by an outside vendor in the
2 ordinary course of business, and not as a campaign contribution. This act would also raise the
3 minimum aggregate reporting amount to two hundred dollars (\$200) per year and exempt the
4 candidate from the minimum aggregate reporting requirement. This act would also raise the
5 contribution limit for individuals and political action committees to two thousand dollars (\$2,000)
6 per year. Additionally, this act would prohibit public financing for any candidate with outstanding
7 fines owed to the board of elections. Finally, this act would define the terms “fair market value”
8 and “usual and normal charge for goods and services” for donated campaign expenditures.

9 This act would take effect upon passage.

=====
LC001870/SUB A
=====