

HOUSE BILL 2940

By Dennis

AN ACT to amend Tennessee Code Annotated, Title 2,  
Chapter 10, relative to campaign finance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 2-10-304, is amended by adding the following as a new subsection thereto:

(c)

(1) Notwithstanding the provisions of subsection (a), a candidate for state or local office may not personally loan to such candidate's campaign, including the proceeds of a loan obtained by the candidate from a financial institution, an amount, the outstanding balance of which exceeds one hundred thousand dollars (\$100,000) per election. This subdivision (c)(1) shall not be construed as limiting the amount a candidate may contribute to such candidate's own campaign.

(2) A candidate may not charge interest on any loan the candidate personally made to the candidate's own campaign.

SECTION 2. Tennessee Code Annotated, Title 2, Chapter 10, is amended by adding the following sections as a new part thereto:

**2-10-01.**

(a) A candidate for any state or local office, not including offices elected by statewide election, may choose to accept voluntary spending limits for each election. Such limits shall be as follows:

(1) For state senate, eighty thousand dollars (\$80,000) per election; or

(2) For any other state or local public office, thirty thousand dollars (\$30,000) per election.

The amounts in this subsection (a) shall be increased to reflect the percentage of change in the average consumer price index (all items-city average) as published by the United States department of labor, bureau of labor statistics, on January 1 of every odd-numbered year starting in 2013. Any amount adjustment under this section shall be rounded to the nearest multiple of one thousand dollars (\$1,000). The registry of election finance shall publish the increased amount on its web site.

(b) A candidate's personal contributions to such candidate's own election shall count toward the spending limits set in subsection (a).

**2-10-\_02.**

(a) The acceptance of voluntary spending limits must be declared at the time the candidate files the appointment of treasurer statement with the registry of election finance. The registry of election finance shall create a form for acceptance of voluntary spending limits that shall be signed under oath by the candidate that explains in detail what the candidate is voluntarily agreeing to do and that the candidate may be assessed a civil penalty for failure to comply.

(b) The candidate may choose to accept voluntary spending limits for the primary election only, the general election only, both elections or neither election.

(c) The form may be amended up to two (2) times by a candidate, but no later than the deadline for filing nominating petitions for such election pursuant to § 2-5-105.

(d) Voluntary spending limits shall apply to any expenditures made during the period covered by the first report filed after the deadline for nominating petitions has occurred through the date of the general election.

**2-10-\_03.**

A candidate who accepts the voluntary spending limits in § 2-10-\_01 shall be allowed to have the contribution limits in § 2-10-101(a)(1), § 2-10-101(b)(1) and § 2-10-306(a)(1) doubled for each election to which the candidate has accepted such limits.

**2-10-\_04.**

A candidate who accepts the voluntary spending limits in § 2-10-\_01 may advertise such candidate's compliance with such limits.

**2-10-\_05.**

(a) The registry of election finance may impose a maximum civil penalty for a violation of this part of not more than ten thousand dollars (\$10,000) or one hundred fifteen percent (115%) of the amount of all expenditures made in excess of the limitations established by this part, whichever is greater.

(b) Penalties imposed under this part shall be deposited into the state general fund.

(c) To request a waiver or reduction or in any way to contest a penalty imposed by the staff of the registry, a person shall file a petition with the registry. Such petition shall be considered as a contested case proceeding under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(d) If a civil penalty lawfully assessed against a candidate is not paid within thirty (30) days after the assessment becomes final, the candidate shall be

ineligible to qualify for election to any state or local public office until such penalty is paid.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.