

2015 -- H 5124

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

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

Introduced By: Representatives Melo, Amore, Serpa, Lombardi, and Costantino

Date Introduced: January 15, 2015

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-2, 17-25-5, 17-25-7, 17-25-11, 17-25-19 and 17-25-20 of
2 the General Laws in Chapter 17-25 entitled "Rhode Island Campaign Contributions and
3 Expenditures Reporting" are hereby amended to read as follows:

4 **17-25-2. Declaration of policy.** -- (a) It is declared to be in the public interest and to be
5 the policy of the state to require the reporting of certain contributions received and expenditures
6 made to aid or promote the nomination, election, or defeat of all candidates for public office.

7 **(b) Any candidate for state or local office who has outstanding campaign finance reports**
8 **or fines due the board of elections shall be ineligible to qualify for election to any state or local**
9 **public office until all such reports are filed and/or all fines are paid.**

10 **17-25-5. Duties and powers of the board of elections.** -- (a) The board of elections is
11 authorized to perform any duties that are necessary to implement the provisions of this chapter.
12 Without limiting the generality of this provision, the board is authorized and empowered to:

13 (1) Develop forms for the making of the required reports to be filed with the board of
14 elections, which form shall contain a notice setting forth the times and dates when reports are
15 required to be filed;

16 (2) Prepare and publish a manual for all candidates, political party committees, political
17 action committees and ballot questions advocates prescribing the requirements of the law,
18 including uniform methods of bookkeeping and reporting and requirements as to the length of

1 time that any person required to keep any records pursuant to the provisions of this chapter shall
2 retain these records, or any class or category of records, or any other documents;

3 (3) Adopt rules and regulations to carry out the purposes of this chapter;

4 (4) (i) Prepare and make available for public inspection, through the office of the board
5 of elections, summaries of all reports grouped according to candidates and political parties;

6 (ii) Make all campaign finance reports available electronically on the board of election's
7 website no later than two (2) business days after the reports are received by the board of
8 elections;

9 (iii) Take any steps that may be necessary or appropriate to make all campaign finance
10 reports available in an electronic searchable format on the board of election's website no later
11 than one business day after the reports are received by the board of elections commencing with
12 the first quarterly reporting period in 2010.

13 (5) Prepare and publish, prior to May 1 or as soon as practicable thereafter of each year,
14 an annual report to the general assembly;

15 (6) Ascertain whether candidates or political party committees, political action
16 committees or ballot questions advocates, have failed to file reports or have filed defective
17 reports; and may for good cause shown extend the dates upon which reports are required to be
18 filed;

19 (7) (i) Conduct confidential investigations and/or closed hearings in accordance with this
20 title relative to alleged violations of this chapter either on its own initiative or upon receipt of a
21 verified written complaint, which complaint shall, under pain and penalty of perjury, be based
22 upon actual knowledge and not merely on information and belief. Upon completion of its
23 investigation and/or hearings, if the board has reason to believe that a violation of this chapter has
24 occurred or that a complainant has willfully sworn or affirmed falsely, the chairperson of the
25 board of elections is authorized to and ~~shall~~ may issue to the person found to be in violation of
26 this chapter a summons pursuant to § 12-7-11 to appear before the division of the district court
27 where the person resides and shall be prosecuted by the attorney general. Any action taken by the
28 board as a result of a written verified complaint shall, whenever possible, be completed no later
29 than five (5) business days after its receipt, and if no violation is found to exist, all records and
30 papers shall be kept confidential unless further legal proceedings are instituted.

31 (ii) The confidentiality of an audit, investigation, hearing, and/or findings may be waived
32 in writing only by the person or persons complained of or audited. However, once an audit is
33 complete and presented to the board, the audit will be a matter of public record.

34 (8) Conduct compliance reviews and audits of campaign accounts as necessary, and in a

1 manner consistent with the provisions of this chapter.

2 (b) The board of elections shall take any steps that may be necessary or appropriate to
3 furnish timely and adequate information, in appropriate printed summaries and in any other form
4 that it may see fit, to every candidate or prospective candidate for public office who becomes or is
5 likely to become subject to the provisions of this chapter, and to every treasurer duly designated
6 under the provisions of this chapter, informing them of their actual or prospective obligations and
7 responsibilities under this chapter.

8 (c) (1) The board of elections is authorized, upon written request, to render written
9 advisory opinions as to whether a given set of facts and circumstances set forth in the request
10 would constitute a violation of any of the provisions of this chapter, or whether a given set of
11 facts and circumstances set forth in the request would render any person subject to any of the
12 reporting requirements of this chapter; provided, that the requirement for a written opinion may
13 be voluntarily waived by the candidate or committee.

14 (2) Unless an extension of time is consented to by any person who submits a written
15 request for an advisory opinion, the board of elections shall, whenever possible, render its written
16 advisory opinion within five (5) business days of receipt of the request.

17 (d) (1) For each quarterly report required to be filed, the board shall send a postcard by
18 regular mail to each person and entity required to file a report, which will notify the person or
19 entity that a report required to be filed is due within fourteen (14) days.

20 (2) The failure to receive this notice shall not absolve the person or entity of the
21 reporting requirements contained in this chapter.

22 **17-25-7. Contents of reports to be filed by treasurers of candidates and committees.**

23 == (a) Each campaign treasurer of a candidate, each state and municipal committee of a political
24 party, and each political action committee shall keep accurate records and make a full report,
25 upon a form prescribed by the board of elections, of all contributions received and expenditures
26 made by it in excess of a total of one hundred dollars (\$100) from any one source within a
27 calendar year, in furtherance of the nomination, election, or defeat of any candidate or the
28 approval or rejection of any question submitted to the voters, or at any financial town meeting,
29 financial town referendum, or other election at which amendments to a city or town charter are
30 proposed, during the period from the date of the last report, or in the case of the initial report,
31 beginning on the date of the appointment of the campaign treasurer for state and municipal
32 committees and political action committees and on the date a person becomes a "candidate" as
33 defined in § 17-25-3(2) for individual candidates. The report shall contain the name, address and
34 place of employment of each person or source from whom the contributions and expenditures in

1 excess of one hundred dollars (\$100) were received or made and the amount contributed or
2 expended by each person or source. The report shall be filed with the board of elections on the
3 dates designated in § 17-25-11. The campaign treasurer of the candidate, or committee reporting,
4 shall certify to the correctness of each report. This subsection shall apply to any entity advocating
5 the approval or rejection of any question presented to voters at any financial town meeting, which
6 shall file reports of contributions or expenditures every seven (7) days if the total of the money so
7 expended exceeds one hundred dollars (\$100) in a calendar year notwithstanding any other
8 provisions contained in this title.

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

15 (e) Any report filed pursuant to the provisions of this section shall include contributions
16 received from any "testimonial affair", as defined in § 17-25-3, held since the date of the most
17 recent report filed.

18 **17-25-11. Dates for filing of reports by treasurers of candidates or of committees. --**

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

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

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

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

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

6 (i) The name and address and place of employment of each person from whom
7 contributions in excess of a total of one hundred dollars (\$100) within a calendar year were
8 received;

9 (ii) The amount contributed by each person;

10 (iii) The name and address of each person to whom expenditures in excess of one
11 hundred dollars (\$100) were made; and

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

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

24 (c) Once the campaign treasurer certifies that the campaign fund has completed its
25 business and been dissolved, no contribution which 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, even if such contributions or expenditures shall be zero, at ninety (90) day
30 intervals commencing with the next quarterly report following the election; however, the time to
31 file under this subsection shall be no later than the last day of the month following the ninety (90)
32 day period, except when the last day of the month filing deadline following the ninety (90) day
33 reporting period occurs less than twenty-eight (28) days before an election, in which case the
34 report shall be filed pursuant to the provisions of subdivisions (a)(1) and (2) of this section.

1 Provided, however, if the last day of the month falls on a weekend or a holiday, the report shall be
2 due on the following business day.

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

7 ~~(2) However, even though the aggregate amount expended on behalf of the candidacy~~
8 ~~does not exceed one thousand dollars (\$1,000), reports must be made listing the source and~~
9 ~~amounts of all contributions in excess of a total of one hundred dollars (\$100) from any one~~
10 ~~source within a calendar year. Even though the aggregate amount expended on behalf of the~~
11 ~~candidacy does not exceed one thousand dollars (\$1,000) and no contribution from any one~~
12 ~~source within a calendar year exceeds one hundred dollars (\$100), the report shall state the~~
13 ~~aggregate amount of all contributions received. In addition, the report shall state the amount of~~
14 ~~aggregate contributions that were from individuals, the amount from political action committees,~~
15 ~~and the amount from political party committees.~~

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

21 ~~(f) A campaign treasurer must file a report containing an account of contributions~~
22 ~~received and expenditures made at the ninety (90) day intervals provided for in subsection (e) of~~
23 ~~this section for any ninety (90) day period in which the campaign received contributions in excess~~
24 ~~of a total of one hundred dollars (\$100) within a calendar year from any one source and/or made~~
25 ~~expenditures in excess of one thousand dollars (\$1,000) within a calendar year; however, the time~~
26 ~~to file under this subsection shall be no later than the last day of the month following the ninety~~
27 ~~(90) day period, except when the last day of the month filing deadline following the ninety (90)~~
28 ~~day reporting period occurs less than twenty eight (28) days before an election, in which case the~~
29 ~~report shall be filed pursuant to the provisions of subdivisions (a)(1) and (2) of this section.~~
30 ~~Provided, however, if the last day of the month falls on a weekend or a holiday, the report shall be~~
31 ~~due on the following business day.~~

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

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

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

13 **17-25-19. Public financing of election campaigns -- Outlined. --** (a) To effectuate the
14 purpose stated in § 17-25-18, public funds shall be made available under the terms and conditions
15 of this section and §§ 17-25-20 -- 17-25-27 to qualifying candidates for general office who agree
16 to abide by a limitation on the total amount of campaign contributions received and expenditures
17 made for election purposes.

18 (b) Candidates for general office shall be eligible to receive two dollars (\$2.00) of public
19 funds for each qualified dollar (\$1.00) of private funds contributed which do not exceed an
20 aggregate of five hundred dollars (\$500) from a single source within an election cycle and one
21 dollar (\$1.00) of public funds for each qualified dollar (\$1.00) of private funds contributed which
22 exceed an aggregate of five hundred dollars (\$500) from a single source within an election cycle
23 but do not exceed the limitations on aggregate contributions which are eligible to be matched set
24 in subdivision 17-25-20(3), subject to the provisions of subdivision 17-25-20(2). The total
25 amount of public funds provided to a candidate shall not exceed seven hundred fifty thousand
26 dollars (\$750,000) in matching funds for a total of one million five hundred thousand dollars
27 (\$1,500,000) for candidates for governor; and one hundred eighty-seven thousand five hundred
28 dollars (\$187,500) in matching funds for a total of three hundred seventy-five thousand dollars
29 (\$375,000) for candidates for other general offices.

30 (c) In order to be eligible for matching public funds, each candidate may at the time he
31 or she becomes a candidate, as defined in subdivision 17-25-3(2), but no later than twenty-one
32 (21) days from the last 4:00 pm on the last day for filing declarations of candidacy for general
33 office, ~~must~~ sign a statement under oath pledging to comply with the limitations on campaign
34 contributions and expenditures and with all of the terms and conditions set forth in this chapter.

1 Any candidate who fails to file the statement ~~with his or her declaration for office~~ within the time
2 set forth shall be ineligible to receive public funds.

3 **17-25-20. Eligibility criteria for matching public funds.** -- In order to receive matching
4 public funds under § 17-25-19, a qualifying candidate must comply with the following
5 requirements:

6 (1) The candidate must sign a statement under oath, as provided for in § 17-25-19,
7 pledging to comply with the limitations on contributions and expenditures for election purposes
8 and with all the terms and conditions set forth in this chapter. Upon the filing of the statement, a
9 candidate for general office shall be bound to abide by the limitations on contributions and
10 expenditures set forth in this chapter and may not withdraw from his or her obligation to abide by
11 these restrictions. Any candidate who does not qualify to receive matching public funds, but
12 nonetheless signs a statement under oath, shall be allowed to withdraw from that pledge without
13 penalty.

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

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

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

31 (ii) Only the first one thousand dollars (\$1,000) of the aggregate private monetary
32 contributions from a single private source within an election cycle shall be eligible for matching
33 public funds for candidates for lieutenant governor, secretary of state, attorney general, and
34 general treasurer; provided, that the entire amount contributed shall be considered toward the

1 dollar limits provided for in subdivision (2) of this section.

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

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

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

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

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

23 (ii) Receive private contributions from a minimum of two hundred fifty (250) individuals
24 contributing at least twenty-five dollars (\$25.00) each for candidates for governor and receive
25 private contributions from a minimum of one hundred (100) individuals contributing at least
26 twenty- five dollars (\$25.00) each, for candidates for lieutenant governor, secretary of state,
27 attorney general and general treasurer; and

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

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

34 (8) No public funds shall be expended by the candidate, except for one or more of the

1 following uses directly related to the campaign of the candidate:

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

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

6 (iii) Purchase of advertising space on the computer/Internet/electronic ~~device~~ [devices](#)
7 and in newspapers and regularly published magazines and periodicals;

8 (iv) Payment of the cost of producing the material aired or displayed on radio, television,
9 outdoor signs or billboards, and computer/Internet/electronic ~~device~~ [devices](#) and in newspapers,
10 regularly published magazines, and periodicals;

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

12 (vi) Purchase of signs, bumper stickers, campaign buttons, and other campaign
13 paraphernalia;

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

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

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

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

21 (9) Contributions received and expended by any candidate for the purpose of defraying
22 any expense or satisfying any loan obligations incurred prior to January 1, 1991, by the candidate
23 in furtherance of his or her candidacy in a previous election cycle, as defined in subdivision 17-
24 25-3(5), shall not be counted toward any contribution or expenditure limitation in §§ 17-25-18 --
25 17-25-27.

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

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

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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 provide that any candidate for state or local office who has outstanding
2 campaign finance reports or fines due the board of elections would be ineligible to qualify for
3 election to any state or local public office until all such reports are filed and/or all fines are paid.
4 This act would also clarify filing requirements and increase compliance with Rhode Island
5 campaign contributions and expenditures reporting.

6 This act would take effect upon passage.

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