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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

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A N A C T

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

Introduced By: Representative Katherine S. Kazarian

Date Introduced: March 29, 2024

Referred To: House State Government & Elections

(by request)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-3, 17-25-7, 17-25-10, 17-25-11 and 17-25-12 of the General
2 Laws in Chapter 17-25 entitled "Rhode Island Campaign Contributions and Expenditures
3 Reporting" are hereby amended to read as follows:

4 **17-25-3. Definitions. [Effective January 1, 2024.]**

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~~ candidate
7 committee, political action committee or political party committee, for campaign expenditures;
8 provided that, the credit extended is in the ordinary course of the vendor's business, and the terms
9 are substantially similar, in risk and amount, to extensions of credit to nonpolitical customers.

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

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

3 (3) "Candidate" means any individual who undertakes any action, whether preliminary or
4 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 their
6 consent for any other person to receive a contribution or make an expenditure, with a view to
7 bringing about their nomination or election to any public office, whether or not the specific public
8 office for which they will seek nomination or election is known at the time the contribution is
9 received or the expenditure is made and whether or not they have announced their candidacy or
10 filed a declaration of candidacy at that time.

11 (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 (5) "Contributions" and "expenditures" include all transfers of money, credit or debit card
15 transactions, on-line or electronic payment systems such as "pay pal," paid personal services, or
16 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 (6) "Covered transfer" means any transfer or payment of funds by any person, business
20 entity, or political action committee to another person, business entity, or political action committee
21 if the person, business entity, or political action committee making the transfer: (i) Designates,
22 requests, or suggests that the amounts be used for independent expenditures or electioneering
23 communications or making a transfer to another person for the purpose of making or paying for
24 such independent expenditures or electioneering communications; (ii) Made such transfer or
25 payment in response to a solicitation or other request for a transfer or payment for the making of
26 or paying for independent expenditures or electioneering communications or making a transfer to
27 another person for the purpose of making or paying for such independent expenditures or
28 electioneering communications; (iii) Engaged in discussions with the recipient of the transfer or
29 payment regarding independent expenditures or electioneering communications or making a
30 transfer to another person for the purpose of making or paying for such independent expenditures
31 or electioneering communications; or (iv) Made independent expenditures or electioneering
32 communications in an aggregate amount of five thousand dollars (\$5,000) or more during the two-
33 year (2) period ending on the date of the transfer or payment, or knew or had reason to know that
34 the person receiving the transfer or payment made such independent expenditures or electioneering

1 communications in such an aggregate amount during that two-year (2) period.

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

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

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

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

18 (8) For the purposes of chapter 25.3 of this title, “donor” means a person, business entity,
19 or political action committee that makes a donation.

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

24 (10) “Election” means any primary, general, or special election or town meeting for any
25 public office of the state, municipality, or district, or for the determination of any question
26 submitted to the voters of the state, municipality, or district.

27 (11) “Election cycle” means the twenty-four month (24) period commencing on January 1
28 of odd number years and ending on December 31 of even number years; provided, with respect to
29 the public financing of election campaigns of general officers under §§ 17-25-19, 17-25-20, and
30 17-25-25, “election cycle” means the forty-eight month (48) period commencing on January 1 of
31 odd numbered years and ending December 31 of even numbered years.

32 (12) “Electioneering communication” means any print, broadcast, cable, satellite, or
33 electronic media communication not coordinated, as set forth in § 17-25-23, with any candidate,
34 authorized candidate campaign committee, or political party committee and that unambiguously

1 identifies a candidate or referendum and is made either within sixty (60) days before a general or
2 special election or town meeting for the office sought by the candidate or referendum; or thirty (30)
3 days before a primary election, for the office sought by the candidate; and is targeted to the relevant
4 electorate.

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

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

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

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

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

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

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

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

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

33 (i) For purposes of this subsection, “usual and normal charge for goods” means the price
34 of those goods in the market from which they ordinarily would have been purchased at the time of

1 the contribution. “Usual and normal charge for services”, other than those provided by an unpaid
2 volunteer, means the hourly or piecework charge for the services at a commercially reasonable rate
3 prevailing at the time the services are rendered.

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

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

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

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

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

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

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

30 (16) “In-kind contributions” means the monetary [fair market](#) value of other things of value
31 or paid personal services donated to, or benefiting, any person required to file reports with the board
32 of elections, [including the difference between the amount paid by a reporting person and the fair](#)
33 [market value or a thing of value or personal service](#).

34 (17) “Other thing of value” means any item of tangible real or personal property of a fair-

1 market value in excess of one hundred dollars (\$100).

2 (18) "Paid personal services" means personal services of every kind and nature, the cost or
3 consideration for which is paid or provided by someone other than the committee or candidate for
4 whom the services are rendered, but shall not include personal services provided without
5 compensation by persons volunteering their time.

6 (19) "Person" means an individual, partnership, committee, association, corporation,
7 union, charity, and/or any other organization. The term "person" shall not include any exempt
8 nonprofit as defined herein or any organization described in § 501(c)(3) of the Internal Revenue
9 Code of 1986, or any subsequent corresponding internal revenue code of the United States, as
10 amended from time to time, for the purposes of chapter 25.3 of this title only.

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

17 (21) "Public office" means any state, municipal, school, or district office or other position
18 that is filled by popular election, except political party offices. "Political party offices" means any
19 state, city, town, ward, or representative or senatorial district committee office of a political party
20 or delegate to a political party convention, or any similar office.

21 (22) For purposes of chapter 25.3 of this title, "referendum" means the same as the
22 definition set forth in § 17-5-1.

23 (23) "State" means state of Rhode Island.

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

30 **17-25-7. Contents of reports to be filed by treasurers of candidates and committees.**

31 **[Effective January 1, 2024.]**

32 (a) Each campaign treasurer of a candidate, each state and municipal committee of a
33 political party, and each political action committee shall keep accurate records and make a full
34 report, upon a form prescribed by the board of elections, of all contributions received, and

1 expenditures made, by it in excess of a total of two hundred dollars (\$200), from any one source
2 within a calendar year, in furtherance of the nomination, election, or defeat of any candidate or the
3 approval or rejection of any question submitted to the voters, or at any financial town meeting,
4 financial town referendum, or other election at which amendments to a city or town charter are
5 proposed, during the period from the date of the last report, or in the case of the initial report,
6 beginning on the date of the appointment of the campaign treasurer for state and municipal
7 committees and political action committees and on the date a person becomes a “candidate” as
8 defined in § 17-25-3 for individual candidates. The report shall contain the name, address, and
9 place of employment of each person or source from whom the contributions and expenditures in
10 excess of two hundred dollars (\$200), were received or made and the amount contributed or
11 expended by each person or source. If such an expenditure constitutes a significant disbursement
12 to a controlling person within the meaning of § 17-25-7.7, the campaign treasurer shall submit a
13 separate notice of the significant disbursement to the state board of elections on a form prescribed
14 by the board affirmatively demonstrating that the requirements of § 17-25-7.7(c) were satisfied.
15 The report shall be filed with the board of elections on the dates designated in § 17-25-11. The
16 campaign treasurer of the candidate or committee reporting shall certify to the correctness of each
17 report. Notwithstanding any other provisions contained in this title, this subsection shall apply to
18 any person or entity advocating the approval or rejection of any question presented to voters at any
19 financial town meeting, financial town referendum, or other election at which amendments to a city
20 or town charter are proposed, which shall file reports of contributions or expenditures in accordance
21 with the filing schedule established by § 17-25-11 if the total of the money so expended exceeds
22 two hundred dollars (\$200), in a calendar year. As used in this subsection, the word “entity” means
23 any political action committee, political party committee, authorized campaign committee of a
24 candidate or officer holder, corporation, whether for profit, not-for-profit, or exempt nonprofit
25 pursuant to 26 U.S.C. § 501(c)(3) of the Internal Revenue Code, domestic corporation or foreign
26 corporation, as defined in § 7-1.2-106, financial institution, cooperative, association, receivership,
27 partnership, committee, union, charity, trust, holding company, firm, joint stock company, public
28 utility, sole proprietorship, limited partnership, or any other entity recognized by the laws of the
29 United States and/or the state of Rhode Island.

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

1 correctness of each report.

2 (c)(1) Any report filed pursuant to the provisions of this section must include expenditures
3 or disbursements paid on behalf of or for the benefit of the reporting person by an agent or
4 independent contractor, including a vendor.

5 (2) An agent or contractor, including a vendor, who makes an expenditure or disbursement
6 on behalf of or for the benefit of a committee or person that is required to be reported under this
7 section shall promptly make known to the reporting committee or person all the information
8 required for reporting the expenditure or disbursement.

9 (3) If the electronic campaign finance reporting system is technologically capable of
10 displaying or otherwise providing information required by subsection (c) of this section to the
11 public, the state board of elections shall provide online public access to such information through
12 the system. If the electronic campaign finance reporting system is not technologically capable of
13 providing such information to the public, the board shall create an interim procedure for the public
14 to obtain the information reported under subsection (c) of this section.

15 ~~(e)~~(d) 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 **17-25-10. Lawful methods of contributing to support of candidates — Reporting —**
19 **Disposition of anonymous contributions.**

20 (a) No contribution shall be made or received, and no expenditures shall be directly made
21 or incurred, to support or defeat a candidate except through:

22 (1) The candidate or duly appointed campaign treasurer or deputy campaign treasurer of
23 the candidate;

24 (2) The duly appointed campaign treasurer or deputy campaign treasurer of a political party
25 committee;

26 (3) The duly appointed campaign treasurer or deputy campaign treasurer of a political
27 action committee.

28 (b) Any settlement of accounts payable between a creditor and a candidate, candidate
29 committee, political action committee, or political party committee for less than the full amount
30 owed must comply with the applicable contribution limitations under this chapter. The state board
31 of elections may determine that a settlement of accounts payable for less than the full amount owed
32 falls within the creditor's normal business practices and therefore does not constitute a contribution
33 subject to the applicable contribution limitations under this chapter.

34 (1) Any accounts payable by a candidate, candidate committee, political action committee

1 or political party committee shall be considered a loan if the accounts payable remains outstanding
2 in full or in part for a period of time that exceeds that which the entity to whom payment is owed
3 permits for persons that are not candidates, political action committee or political party committees.

4 (2) Notwithstanding subsection (b)(1) of this section, if any accounts payable by a
5 candidate, candidate committee, political action committee or political party committee remains
6 outstanding for one hundred twenty (120) days, the candidate, political action committee, or
7 political party shall submit a notice to the state board of elections within seventy two (72) hours on
8 a form prescribed by the board detailing the amount and purpose of such accounts payable and the
9 arrangements made for discharge of the unpaid amount. Any accounts payable by a candidate
10 political action committee or political party committee shall be considered a loan if the account
11 remains unpaid in full or in part for more than one hundred eighty (180) days.

12 (3) Any accounts payable by a candidate, candidate committee, political action committee
13 or political party committee that is considered a loan pursuant to subsections (b)(1) and (b)(2) of
14 this section is subject to contribution limitations under § 17-25-10.1 and the penalties provided in
15 § 17-25-13 for any resulting violation of that provision.

16 ~~(b)~~(c) It shall be lawful for any person, not otherwise prohibited by law and not acting in
17 concert with any other person or group, to expend personally from that person's own funds a sum
18 that is not to be repaid to him or her for any purpose not prohibited by law to support or defeat a
19 candidate; provided, that any person making the expenditure shall be required to report all of his or
20 her expenditures and expenses, if the total of the money so expended exceeds one hundred dollars
21 (\$100) within a calendar year, to the board of elections within seven (7) days of making the
22 expenditure and to the campaign treasurer of the candidate or political party committee on whose
23 behalf the expenditure or contribution was made, or to his or her deputy, within seven (7) days of
24 making the expenditure. The treasurer or his or her deputy shall cause the expenditures and
25 expenses to be included in his or her reports to the board of elections. Whether a person is "acting
26 in concert with any other person or group" for the purposes of this subsection shall be determined
27 by application of the standards set forth in § 17-25-23.

28 ~~(c)~~(d) Any anonymous contribution received by a candidate, campaign treasurer, or deputy
29 campaign treasurer shall not be used or expended, but shall be returned to the donor, if the donor's
30 identity can be ascertained; if not, the contribution shall escheat to the state.

31 **17-25-11. Dates for filing of reports by treasurers of candidates or of committees.**

32 **[Effective January 1, 2024.]**

33 (a) During the period between the appointment of the campaign treasurer for state and
34 municipal committees and political action committees, or in the case of an individual the date on

1 which the individual becomes a “declared or undeclared candidate” as defined in § 17-25-3(3),
2 except when the ninety-day (90) reporting period ends less than forty (40) days prior to an election
3 in which case the ninety-day (90) report shall be included as part of the report required to be filed
4 on the twenty-eighth (28th) day next preceding the day of the primary, general, or special election
5 pursuant to subsection (a)(2) of this section, and the election, with respect to which contributions
6 are received, accounts payable, or expenditures made by him or her in behalf of, or in opposition
7 to, a candidate, the campaign treasurer of a candidate, a political party committee, or a political
8 action committee shall file a report containing an account of contributions received, and
9 expenditures made, on behalf of, or in opposition to, a candidate:

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

12 (2) In a contested election, on the twenty-eighth (28th) and seventh (7th) days next
13 preceding the day of the primary, general, or special election; provided, that in the case of a primary
14 election for a special election where the twenty-eighth (28th) day next preceding the day of the
15 primary election occurs prior to the first day for filing declarations of candidacy pursuant to § 17-
16 14-1, the reports shall be due on the fourteenth (14th) and seventh (7th) days next preceding the
17 day of the primary election for the special election; and

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

20 (i) The name and address and place of employment of each person from whom
21 contributions in excess of a total of two hundred dollars (\$200), within a calendar year were
22 received;

23 (ii) The amount contributed by each person;

24 (iii) The name and address of each person to whom expenditures in excess of two hundred
25 dollars (\$200), were made; ~~and~~

26 (iv) The amount and purpose of each expenditure; ~~and~~

27 (v) For any accounts payable outstanding at the time of the final report, the amount and
28 purpose of such accounts payable.

29 (b) Concurrent with the report filed on the twenty-eighth (28th) day following an election,
30 or at any time thereafter, the campaign treasurer of a candidate, or political party committee, or
31 political action committee, may certify to the board of elections that the campaign fund of the
32 candidate, political party committee, or political action committee having been instituted for the
33 purposes of the past election, has completed its business and been dissolved or, in the event that
34 the committee will continue its activities beyond the election, that its business regarding the past

1 election has been completed. The certification shall be accompanied by a final accounting of the
2 campaign fund, or of the transactions relating to the election, including the final disposition of any
3 balance remaining in the fund at the time of dissolution or the arrangements that have been made
4 for the discharge of any obligations remaining unpaid at the time of dissolution. [Any committee](#)
5 [that reports accounts payable cannot be dissolved until such accounts are fully paid.](#)

6 (c)(1) Once the campaign treasurer certifies that the campaign fund has completed its
7 business and been dissolved, no contribution that is intended to defray expenditures incurred on
8 behalf of, or in opposition to, a candidate during the campaign can be accepted. Until the time that
9 the campaign treasurer certifies that the campaign fund has completed its business and been
10 dissolved, the treasurer shall file reports containing an account of contributions received and
11 expenditures made at ninety-day (90) intervals commencing with the next quarterly report
12 following the election; however, the time to file under this subsection shall be no later than the last
13 day of the month following the ninety-day (90) period, except when the last day of the month filing
14 deadline following the ninety-day (90) reporting period occurs less than twenty-eight (28) days
15 before an election, in which case the report shall be filed pursuant to the provisions of subsections
16 (a)(1) and (a)(2) of this section. Provided, however, if the last day of the month falls on a weekend
17 or a holiday, the report shall be due on the following business day.

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

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

33 (2) However, even though the aggregate amount expended on behalf of the candidacy does
34 not exceed two thousand dollars (\$2,000), reports must be made listing the source and amounts of

1 all contributions in excess of a total of two hundred dollars (\$200) from any one source, within a
2 calendar year. Even though the aggregate amount expended on behalf of the candidacy does not
3 exceed two thousand dollars (\$2,000) and no contribution from any one source, within a calendar
4 year two hundred dollars (\$200), the report shall state the aggregate amount of all contributions
5 received. In addition, the report shall state the amount of aggregate contributions that were from
6 individuals, the amount from political action committees, and the amount from political party
7 committees.

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

13 (f) A campaign treasurer must file a report containing an account of contributions received
14 and expenditures made at the ninety-day (90) intervals provided for in subsection (c) of this section
15 for any ninety-day (90) period in which the campaign received contributions in excess of a total of
16 two hundred dollars (\$200), within a calendar year from any one source and/or made expenditures
17 in excess of two thousand dollars (\$2,000) within a calendar year; however, the time to file under
18 this subsection shall be no later than the last day of the month following the ninety-day (90) period,
19 except when the last day of the month filing deadline following the ninety-day (90) reporting period
20 occurs less than twenty-eight (28) days before an election, in which case the report shall be filed
21 pursuant to the provisions of subsections (a)(1) and (a)(2) of this section. Provided, however, if the
22 last day of the month falls on a weekend or a holiday, the report shall be due on the following
23 business day.

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

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

32 (3) The board of elections shall send a notice of non-compliance, by certified mail, to any
33 person or entity who or that fails to file the reports required by this section. A person or entity who
34 or that is sent a notice of non-compliance and fails to file the required report within seven (7) days

1 of the receipt of the notice, shall be fined two dollars (\$2.00) per day from the day of receipt of the
2 notice of non-compliance until the day the report has been received by the state board.
3 Notwithstanding any of the provisions of this section, the board of elections shall have the authority
4 to waive late filing fees for good cause shown.

5 **17-25-12. Prohibited contributions.**

6 No contributions shall be made, and no expenditure shall be made or incurred, **whether**
7 anonymously, in a fictitious name, or by one person or group in the name of another, to support or
8 defeat a candidate in a primary, general, or special election. No person or group shall knowingly
9 help or assist any other person or group in making a contribution or expenditure contrary to the
10 provisions of this section. No treasurer or candidate shall solicit or knowingly accept any
11 contribution contrary to the provisions of this section.

12 (b) Notwithstanding the provisions of § 17-25-13:

13 (1) Any person or group who violates the provisions of this section shall be fined not less
14 than the amount contributed, and not more than two thousand dollars (\$2,000) or double the amount
15 contributed, whichever is greater;

16 (2) Any person or group who willfully and knowingly violates the provisions of this section
17 shall upon conviction be guilty of a misdemeanor and shall be fined not less than double the amount
18 contributed and not more than ten thousand dollars (\$10,000) or triple the amount contributed,
19 whichever is greater.

20 (3) The state board of elections may impose civil fines as described in subsection (b)(1) of
21 this section and order disgorgement of contributions to the general fund.

22 SECTION 2. Section 17-25.3-1 of the General Laws in Chapter 17-25.3 entitled
23 "Independent Expenditures and Electioneering Communications" is hereby amended to read as
24 follows:

25 **17-25.3-1. Independent expenditures and electioneering communications for**
26 **elections.**

27 (a) It shall be lawful for any person, business entity or political action committee, not
28 otherwise prohibited by law and not acting in coordination with a candidate, authorized candidate
29 campaign committee, political action committee, or political party committee, to expend personally
30 from that person's own funds a sum which is not to be repaid to him or her for any purpose not
31 prohibited by law to support or defeat a candidate or referendum. Whether a person, business entity
32 or political action committee is "acting in coordination with a candidate, authorized candidate
33 campaign committee, political action committee or political party committee" for the purposes of
34 this subsection shall be determined by application of the standards set forth in § 17-25-23. All terms

1 used in this chapter shall have the same meaning as defined in § 17-25-3.

2 (b) Any person, business entity or political action committee making independent
3 expenditures, electioneering communications, or covered transfers shall report all such campaign
4 finance expenditures and expenses to the board of elections, provided the total of the money so
5 expended exceeds one thousand dollars (\$1,000) within a calendar year, to the board of elections
6 within seven (7) days of making the expenditure.

7 (c) A person, business entity or political action committee who makes or contracts to make
8 independent expenditures, electioneering communications, or covered transfers with an aggregate
9 value of one thousand dollars (\$1,000) or more shall electronically file a campaign finance report
10 to the board of elections describing the expenditures.

11 (d) After a person, business entity or political action committee files a report under
12 subsection (b), the person, business entity or political action committee shall file an additional
13 report after each time the person, business entity or political action committee makes or contracts
14 to make independent expenditures, electioneering communications, or covered transfers
15 aggregating an additional one thousand dollars (\$1,000) with respect to the same election as that to
16 which the initial report relates.

17 (e) When a report is required by subsection (c) or (d) of this section within thirty (30) days
18 prior to the election to which the expenditure was directed, it shall be filed within twenty-four (24)
19 hours of the expenditure. When such a report is required at any other time, it shall be filed within
20 seven (7) days after the expenditure.

21 (f) Reports of independent expenditures, electioneering communications, or covered
22 transfers by a person shall contain the name, street address, city, state, zip code, occupation,
23 employer (if self-employed, the name and place of business), of the person responsible for the
24 expenditure, the name, street address, city, state, and zip code of the person receiving the
25 expenditure the date and amount of each expenditure, and the year to date total.

26 (1) Any report filed pursuant to the provisions of this section must include expenditures or
27 disbursements paid on behalf of or for the benefit of the reporting person by an agent or independent
28 contractor including a vendor.

29 (2) An agent or contractor including a vendor, who makes an expenditure or disbursement
30 on behalf of or for the benefit of a committee or person that is required to be reported under this
31 section shall promptly make known to the reporting committee or person all the information
32 required for reporting the expenditure or disbursement.

33 (3) If the electronic campaign finance reporting system is technologically capable of
34 displaying or otherwise providing the information required by this subsection to the public, the

1 [state board of elections shall provide online public access to such information through the system.](#)
2 [If the electronic campaign finance reporting system is not technologically capable of providing](#)
3 [such information to the public, the board shall create an interim procedure for the public to obtain](#)
4 [the information reported under this subsection.](#)

5 (g) The report shall also include a statement identifying the candidate or referendum that
6 the independent expenditure or electioneering communication is intended to promote the success
7 or defeat, and affirm under penalty of false statement that the expenditure is not coordinated with
8 the campaign in question, and provide any information that the board of elections requires to
9 facilitate compliance with the provisions of this chapter.

10 (h) Reports of independent expenditures, electioneering communications, or covered
11 transfers by a person, business entity or political action committee shall also disclose the identity
12 of all donors of an aggregate of one thousand dollars (\$1,000) or more to such person, business
13 entity or committee within the current election cycle, if applicable, unless the person, business
14 entity or political action committee has established a separate campaign-related account for
15 independent expenditures, electioneering communications, and covered transfers as detailed in §
16 17-25.3-2 in which case this paragraph applies only to donors to the person's, business entity's or
17 political action committee's separate campaign-related account; provided that no person, business
18 entity, or political action committee shall be required to disclose in a report to the board of elections
19 the identity, which includes name, address, place of employment, and donation amount, of any
20 donor who makes no donation to such person, business entity, or political action committee after
21 the date of enactment of this section.

22 (i) If a person, business entity or political action committee and a donor mutually agree, at
23 the time a donation, payment, or transfer to the person, business entity or political action committee
24 which is required to disclose the identification under subsection (f) that the person, business entity
25 or political action committee will not use the donation, payment, or transfer for independent
26 expenditures, electioneering communications, or covered transfers, then not later than thirty (30)
27 days after the person, business entity or political action committee receives the donation, payment,
28 or transfer the person, business entity or political action committee shall transmit to the donor a
29 written certification by the chief financial officer of the person, business entity or political action
30 committee (or, if the organization does not have a chief financial officer, the highest ranking
31 financial official of the organization) that:

32 (1) The person, business entity or political action committee will not use the donation,
33 payment, or transfer for independent expenditures, electioneering communications, or covered
34 transfers; and

1 (2) The person, business entity or political action committee will not include any
2 information on the donor in any report filed by the person, business entity or political action
3 committee under this section with respect to independent expenditures, electioneering
4 communications, or covered transfers, so that the donor will not be required to appear in the list of
5 donors.

6 (3) Exception for payments made pursuant to commercial activities. Subsections (e) and
7 (f) do not apply with respect to any payment or transfer made pursuant to commercial activities in
8 the regular course of a person's, business entity's or political action committee's business.

9 (j) For the purposes of this chapter, two (2) or more entities (other than an exempt nonprofit
10 as defined in § 17-25-3 or an organization described in § 501(c)(3) of the Internal Revenue Code
11 of 1986, or any subsequent corresponding internal revenue code of the United States, as amended
12 from time to time) are treated as a single entity if the entities:

13 (1) Share the majority of members on their boards of directors;

14 (2) Share two (2) or more officers;

15 (3) A candidate committee and a political committee other than a candidate committee are
16 for the purposes of this section treated as a single committee if the committees both have the
17 candidate or a member of the candidate's immediate family as an officer;

18 (4) Are owned or controlled by the same majority shareholder or shareholders or persons;

19 (5) Are in a parent-subsidary relationship; or

20 (6) Have bylaws so stating.

21 (k) No donation, payments, or transfers shall be made, and no expenditure shall be made
22 or incurred, anonymously, in a fictitious name, or by one person or group in the name of another,
23 for the making of an independent expenditure or electioneering communication under this section.
24 No person or group shall knowingly permit the use of the person's or group's name to effect any
25 donation, payment, transfer, or expenditure contrary to the provisions of this section. No person or
26 group shall knowingly help or assist any other person or group in making any donation, payment,
27 transfer, expenditure contrary to the provisions of this section. No person, business entity, or
28 political action committee shall solicit or knowingly accept any donation, payment, or transfer
29 contrary to the provisions of this section.

30 (l) Notwithstanding § 17-25.3-4:

31 (1) Any person, business entity, or political action committee who violates the provisions
32 of subsection (k) of this section shall be fined not less than the amount contributed, and not more
33 than two thousand (\$2,000) or double the amount contributed, whichever is greater;

34 (2) Any person, business entity, or political action committee who willfully and knowingly

1 violates the provisions of subsection (k) of this section shall upon conviction be guilty of a
2 misdemeanor and fined not less than double the amount contributed and not more than ten thousand
3 dollars (\$10,000) or triple the amount contributed, whichever is greater;

4 (3) The state board of elections may impose civil fines as described in subsections (l)(1) of
5 this section and order disgorgement of donations, payments, or transfers in violation of this section
6 to the general fund.

7 SECTION 3. Chapter 17-25 of the General Laws entitled "Rhode Island Campaign
8 Contributions and Expenditures Reporting" is hereby amended by adding thereto the following
9 section:

10 **17-25-7.7. Self-dealing with committee funds prohibited.**

11 (a) A contribution or donation received by a committee may be used for any purpose that
12 would otherwise be lawful under this chapter, unless prohibited by subsections (b) or (d) of this
13 section.

14 (b) Self-dealing by any controlling person of contributions or donations received by a
15 committee is prohibited. For the purposes of this section, the use of a contribution or donation shall
16 be presumed to be self-dealing if the contribution or donation is used to make a significant
17 disbursement to a controlling person.

18 (c) The presumption in subsection (b) of this section may be rebutted upon a showing that:

19 (1) The significant disbursement to the controlling person is a bona fide payment for goods
20 or services at no greater than fair market value;

21 (2) The significant disbursement was negotiated at arms' length by and approved by an
22 agent of the committee who was neither the controlling person nor in an employment relationship
23 directly or indirectly subject to the direction or control of the controlling person;

24 (3) The agent who negotiated and approved the significant disbursement obtained and
25 relied upon appropriate data as to fair market value prior to approving the disbursement;

26 (4) The agent documented the basis for the approval determination concurrently with
27 making that determination; and

28 (5) At the time the significant disbursement was made, the aggregate total of itemized
29 contributions to the committee during the election cycle exceeded the aggregate total of
30 disbursements to controlling persons by the committee during the election cycle.

31 (d) In addition to the presumption in subsection (b) of this section, the use of contributions
32 or donations for the following purposes to benefit a controlling person shall be considered self-
33 dealing and is specifically prohibited:

34 (1) Any residential or household items, supplies, or expenditures, including mortgage, rent,

1 or utility payments for any part of any personal residence;

2 (2) Mortgage, rent, or utility payments for any part of any nonresidential property that is
3 owned by a controlling person and used for campaign purposes, to the extent the payments exceed
4 the fair-market value of the property usage;

5 (3) Funeral, cremation, or burial expenses, including any expenses related to deaths within
6 a controlling person's family;

7 (4) Clothing, other than items of de minimis value that are used in the campaign;

8 (5) Tuition payments;

9 (6) Dues, fees, or gratuities at a country club, health club, recreational facility or other
10 nonpolitical organization, unless they are part of a specific fundraising event that takes place on the
11 organization's premises;

12 (7) Admission to a sporting event, concert, theater, or other form of entertainment unless
13 part of a specific campaign or officeholder activity; and

14 (8) Payment of any fines, fees, or penalties assessed pursuant to this chapter.

15 (e) For purposes of this section:

16 (1) "Agent" means any person with actual authority, whether express or implied, to engage
17 in activities on behalf of another person.

18 (2) "Committee" means an authorized campaign committee of a candidate or officeholder,
19 a political action committee, or a political party committee.

20 (3) "Controlling person" means any person who has authority or ability to direct or control
21 the committee's disbursements, any family member or business partner of such person, and any
22 business entity or other entity owned or controlled, in whole or in part, by such person, family
23 member, or business partner.

24 (4) "Significant disbursement" means a disbursement that exceeds one thousand dollars
25 (\$1,000) or, when aggregated with all other disbursements by the committee to the recipient within
26 the calendar year, exceeds five thousand dollars (\$5,000).

27 (f) Nothing in this section shall be construed to permit otherwise prohibited personal uses
28 of campaign funds under § 17-25.7.2.

29 SECTION 4. 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 amend various sections of law relating to campaign contributions and
2 expenditures including prohibitions on self-dealing with committee funds and would prohibit
3 donations made in fictitious names.

4 This act would take effect upon passage.

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