

2021 -- H 5757

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO ELECTIONS -- CAMPAIGN FINANCE REPORTING

Introduced By: Representatives Casimiro, Noret, and Fenton-Fung

Date Introduced: February 24, 2021

Referred To: House State Government & Elections

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-11, 17-25-13, and 17-25-28 of the General Laws in Chapter  
2 17-25 entitled "Rhode Island Campaign Contributions and Expenditures Reporting" are hereby  
3 amended to read as follows:

4 **17-25-11. Dates for filing of reports by treasurers of candidates or of committees.**

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

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

18 (2) In a contested election, on the twenty-eighth (28th) and seventh (7th) days next  
19 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) within a calendar year were  
9 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) 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).

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

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

31 (f) A campaign treasurer must file a report containing an account of contributions received  
32 and expenditures made at the ninety-day (90) intervals provided for in subsection (c) of this section  
33 for any ninety-day (90) period in which the campaign received contributions in excess of a total of  
34 one hundred dollars (\$100) within a calendar year from any one source and/or made expenditures

1 in excess of one thousand dollars (\$1,000) within a calendar year; however, the time to file under  
2 this subsection shall be no later than the last day of the month following the ninety-day (90) period,  
3 except when the last day of the month filing deadline following the ninety-day (90) reporting period  
4 occurs less than twenty-eight (28) days before an election, in which case the report shall be filed  
5 pursuant to the provisions of subdivisions (a)(1) and (2) of this section. Provided, however, if the  
6 last day of the month falls on a weekend or a holiday, the report shall be due on the following  
7 business day.

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

11 (2) Any person or entity required to file reports with the board of elections pursuant to this  
12 section and who or that has not filed the report by the required date, unless granted an extension  
13 pursuant to subdivision (1) of this subsection, shall be fined for a first offense twenty-five dollars  
14 (\$25.00), for a second offense one hundred dollars (\$100), for a third offense five hundred dollars  
15 (\$500), and for all subsequent offenses, one thousand dollars (\$1,000). Notwithstanding any of the  
16 provisions of this section, the board of elections shall have the authority to waive late filing fees  
17 for good cause shown.

18 (3) The board of elections shall send a notice of non-compliance, by certified mail, to any  
19 person or entity who or that fails to file the reports required by this section. A person or entity who  
20 or that is sent a notice of non-compliance and fails to file the required report within seven (7) days  
21 of the receipt of the notice, shall be fined ~~two dollars (\$2.00)~~ five dollars (\$5.00) per day from the  
22 day of receipt of the notice of non-compliance until the day the report has been received by the  
23 state board. Notwithstanding any of the provisions of this section, the board of elections shall have  
24 the authority to waive late filing fees for good cause shown.

25 **17-25-13. Penalties.**

26 (a) Any person who willfully and knowingly violates the provisions of this chapter shall,  
27 upon conviction, be guilty of a ~~misdemeanor~~ felony and shall be fined not more than ~~one thousand~~  
28 ~~dollars (\$1,000)~~ two thousand five hundred dollars (\$2,500) per violation.

29 (b) The state board may fine any person or entity who violates the provisions of this chapter  
30 in an amount not more than ~~one hundred dollars (\$100)~~ two hundred fifty dollars (\$250) per  
31 violation.

32 (c) Fines, fees and penalties imposed by the state board for violations of this chapter shall  
33 be paid for by the candidate, officeholder or entity against whose campaign the fines, fees or  
34 penalties have been levied. Fines, fees and penalties levied by the state board pursuant to this

1 chapter shall not be paid for from contributions or funds available in a campaign account.

2 **17-25-28. Board of elections -- Regulation and auditing of matching fund program.**

3 In addition to all other powers and duties established by law, the board of elections is  
4 empowered to adopt and enforce rules, regulations, and auditing procedures required to fulfill the  
5 mandates of §§ 17-25-19 -- 17-25-27. The board is empowered, among other things, to:

6 (1) Ascertain whether any contributions to or expenditures for candidates for general office  
7 have exceeded limits prescribed by §§ 17-25-18 -- 17-25-27. Ascertain the amount and source of  
8 contributions received and expenditures made by all candidates for general offices, whether or not  
9 the candidate chose to participate in public financing.

10 (2) Issue advisory opinions upon its own initiative or upon application of any candidate.

11 (3)(i) Conduct investigations and/or hearings relative to alleged violations of §§ 17-25-18  
12 -- 17-25-27, either on its own initiative or upon receipt of a verified written complaint, which  
13 complaint shall, under pain and penalty of perjury, be based upon actual knowledge and not merely  
14 on information and belief.

15 (ii) Upon receipt of a verified written complaint, or upon receipt of evidence which is  
16 deemed sufficient by the board, the board may initiate a preliminary investigation into any alleged  
17 violation of §§ 17-25-18 -- 17-25-27. All board proceedings and records relating to a preliminary  
18 investigation shall be confidential, except that the board may turn over to the attorney general  
19 evidence that may be used in a criminal proceeding. The board shall notify any person who is the  
20 subject of the preliminary investigation of the existence of the investigation and the general nature  
21 of the alleged violation by certified or registered mail, return receipt requested, within seven (7)  
22 days of the commencement of the investigation.

23 (iii) If a preliminary investigation fails to indicate reasonable cause for belief that §§ 17-  
24 25-18 -- 17-25-27 have been violated, the board shall immediately terminate the investigation and  
25 notify, in writing, the complainant, if any, and the person who had been the subject of the  
26 investigation.

27 (iv) If a preliminary investigation indicates reasonable cause for belief that §§ 17-25-18 --  
28 17-25-27 have been violated, the board may, upon a majority vote, initiate a full investigation and  
29 appropriate proceedings to determine whether there has been a violation.

30 (v) All testimony in board proceedings shall be under oath. All parties shall have the right  
31 to call and examine witnesses, to introduce exhibits, to cross-examine witnesses who testify, to  
32 submit evidence, and to be represented by counsel. Before testifying, all witnesses shall be given a  
33 copy of the regulations governing board proceedings. All witnesses shall be entitled to be  
34 represented by counsel.

1 (vi) Any person whose name is mentioned during a proceeding of the board and who may  
2 be adversely affected by it may appear personally before the board on his or her own behalf or file  
3 a written statement for incorporation into the record of the proceeding.

4 (vii) Within fourteen (14) days after the end of proceedings, the board shall meet in  
5 executive session for the purpose of reviewing the evidence before it. Within thirty (30) days after  
6 completion of deliberations, the board shall publish a written report of its findings and conclusions.

7 (viii)(A) Upon a finding that there has been a violation of §§ 17-25-18 -- 17-25-27 or any  
8 other campaign finance law, the board may issue an order requiring the violator to:

9 (I) Cease and desist from the violation;

10 (II) File any report, statements or other information as required by this chapter; and/or

11 (III) Pay a civil fine for each violation of any section of this chapter in an amount authorized  
12 by that section or, if no authorization exists, in amount not to exceed the greater of ~~one thousand~~  
13 ~~dollars (\$1,000)~~ two thousand five hundred dollars (\$2,500) or ~~three (3)~~ four (4) times the amount  
14 the violator failed to properly report or unlawfully contributed, expended, gave, or received.

15 (B) The board may turn over to the attorney general any evidence that may be used in a  
16 subsequent criminal proceeding against any violator.

17 (ix) The board may file a civil action in superior court to enforce an order issued by it  
18 pursuant to this section.

19 (x) Any final action by the board made pursuant to this chapter shall be subject to review  
20 in superior court upon petition of any interested person filed within thirty (30) days after the action  
21 for which review is sought. The court shall enter a judgment enforcing, modifying, or setting aside  
22 the order of the board, or it may remand the proceeding to the board for any further action that the  
23 court may decide.

24 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 -- CAMPAIGN FINANCE REPORTING

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1           This act would increase the fines for the late filing of campaign finance reports to one  
2 hundred dollars (\$100) for a second offense, five hundred dollars (\$500) for a third offense, and  
3 one thousand dollars (\$1,000) for all subsequent offenses. It would also increase the daily fine from  
4 two dollars (\$2.00) to five dollars (\$5.00) for failure to file campaign finance reports, after having  
5 received a non-compliance notice. Maximum fines for willingly and knowingly violating the  
6 campaign finance laws increased from one thousand dollars (\$1,000) to two thousand five hundred  
7 dollars (\$2,500) per violation. Criminal violation penalties of the campaign finance laws were  
8 increased from misdemeanors to felonies.

9           This act would take effect upon passage.

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