

2012 -- S 2569

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO ELECTIONS -- DISCLOSURE OF POLITICAL CONTRIBUTIONS AND
EXPENDITURES

Introduced By: Senators Pichardo, Paiva Weed, Algieri, Ruggerio, and Goodwin

Date Introduced: February 28, 2012

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. The legislature hereby finds and declares as follows:

2 (1) The amount of money spent in elections by persons, business entities or political
3 action committees that are not coordinated with a candidate or political party is playing a greater
4 role in elections.

5 (2) The Supreme Court's decision in Citizens United v. FEC has accelerated these trends
6 by allowing unlimited political spending by outside groups via independent expenditures. This
7 spending is often extremely difficult or impossible to trace, being funneled through "shadow
8 groups" that are able to avoid many current campaign finance disclosure regulations.

9 (3) The legislature finds it to be in the public and governmental interest to revise Rhode
10 Island's campaign finance disclaimer and disclosure laws to keep pace with the aforementioned
11 developments and to protect and enhance core democratic values and maintain the integrity of
12 elections.

13 (i) The source of political spending is vital information for voters, allowing them to make
14 knowledgeable decisions at election time. Disclosure allows voters to properly weigh speakers
15 and messages based on their affiliations and other contexts, such as whether the speaker stands to
16 personally benefit from their advocated positions.

17 (ii) The United States Supreme Court has repeatedly upheld disclaimer and disclosure
18 provisions as constitutionally protected methods of improving the integrity of electoral processes

1 without unnecessarily restricting First Amendment free speech rights. The Court has noted that
2 these requirements “impose no ceiling on campaign related activities” (Buckley v. Valeo) and “do
3 not prevent anyone from speaking” (McConnell v. FEC). Whatever level of burden disclaimer
4 and disclosure do place on the ability to speak is justified by a valid government interest in
5 providing the electorate with information.

6 (iii) New communications technologies greatly increase the value and potential for
7 disclosure by making disclosed information easily available to the average citizen. This potential
8 should be embraced by encouraging electronic filing of campaign finance reports as much as is
9 practicable and making this information as accessible as possible. New media and technological
10 platforms also bring with them a risk of circumvention of existing regulation by funneling money
11 through mediums unaddressed by extant law. Extension of disclaimer laws to new media will
12 ensure that the interests bolstered by disclosure and disclaimer remain well supported.

13 (iv) By bringing political spending out into the light, stronger, modernized disclaimer and
14 disclosure rules can serve as a powerful check on actual government corruption as well as reduce
15 the perception of corruption. Armed with information about political spending, citizens can better
16 detect improper political favors and then use this knowledge to hold those politicians accountable
17 at the ballot box. By preventing the flooding of elections with untraceable money, these rules will
18 leave the public with less reason to perceive “bought elections” in which the outcome is
19 determined by outside or even out-of-state groups. Thus, improved disclosure and disclaimer laws
20 can help restore citizen trust in government.

21 (v) Disclaimer and disclosure can also further the rights and interests of shareholders and
22 group members. In both cases, an organization acts in a role representing its constituents’
23 interests, including in its political actions. However, if information on a group’s spending is not
24 disclosed to members and shareholders, their interests are compromised as they may support or
25 oppose certain political spending but not be made aware of the spending being done in their
26 names.

27 (vi) At present, spending between the final pre-election filing date and election day is
28 hidden from public view until after the election is over. This deprives voters of knowledge when
29 it would be most relevant to their decision-making and reduces disclosure’s effectiveness in
30 promoting accountability in the political process.

31 (vii) Stronger disclosure rules can also assist in the gathering of information necessary to
32 avoid circumvention of other existing rules. Existing law, such as bans on campaign contributions
33 by foreign nationals and contribution limits, rely on the type of transparency in political spending
34 that these regulations would create.

1 SECTION 2. Section 17-25-3 of the General Laws in Chapter 17-25 entitled "Rhode
2 Island Campaign Contributions and Expenditures Reporting" is hereby amended to read as
3 follows:

4 **17-25-3. Definitions.** -- As used in this chapter, unless a different meaning clearly
5 appears from the context:

6 (1) "Business entity" means any corporation, whether for profit or not for profit,
7 domestic corporation or foreign corporation, as defined in section 7-1.2-106, financial institution,
8 cooperative, association, receivership, trust, holding company, firm, joint stock company, public
9 utility, sole proprietorship, partnership, limited partnership, or any other entity recognized by the
10 laws of the United States and/or the state of Rhode Island for the purpose of doing business. The
11 term "business entity" shall not include a political action committee organized pursuant to this
12 chapter or a political party committee or an authorized campaign committee of a candidate or
13 office holder.

14 (2) "Candidate" means any individual who undertakes any action, whether preliminary or
15 final, which is necessary under the law to qualify for nomination for election or election to public
16 office, and/or any individual who receives a contribution or makes an expenditure, or gives his or
17 her consent for any other person to receive a contribution or make an expenditure, with a view to
18 bringing about his or her nomination or election to any public office, whether or not the specific
19 public office for which he or she will seek nomination or election is known at the time the
20 contribution is received or the expenditure is made and whether or not he or she has announced
21 his or her candidacy or filed a declaration of candidacy at that time.

22 (3) "Contributions" and "expenditures" include all transfers of money, credit or debit
23 card transactions on-line or electronic payment systems such as "pay pal," paid personal services,
24 or other thing of value to or by any candidate, committee of a political party, or political action
25 committee or ballot question advocate. A loan shall be considered a contribution of money until it
26 is repaid.

27 (4) "Election" means any primary, general, or special election or town meeting for any
28 public office of the state, municipality, or district or for the determination of any question
29 submitted to the voters of the state, municipality, or district.

30 (5) "Election cycle" means the twenty-four (24) month period commencing on January 1
31 of odd number years and ending on December 31 of even number years; provided, with respect to
32 the public financing of election campaigns of general officers under sections 17-25-19, 17-25-20,
33 and 17-25-25, "election cycle" means the forty-eight (48) month period commencing on January
34 1 of odd numbered years and ending December 31 of even numbered years.

1 (6) "In-Kind Contributions" means the monetary value of other things of value or paid
2 personal services donated to, or benefiting, any person required to file reports with the board of
3 elections.

4 (7) "Other thing of value" means any item of tangible real or personal property of a fair
5 market value in excess of one hundred dollars (\$100).

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

10 (9) "Person" means an individual, partnership, committee, association, corporation,
11 [union, charity](#) and/or any other organization.

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

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

22 (12) "State" means state of Rhode Island.

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

29 [\(14\) "Electioneering communication" means any print, broadcast, cable, satellite, or](#)
30 [electronic media communication not coordinated, as set forth in section 17-25-23, with any](#)
31 [candidate, authorized candidate campaign committee, or political party committee and which](#)
32 [unambiguously identifies a candidate or referendum and is made either within sixty \(60\) days](#)
33 [before a general or special election or town meeting for the office sought by the candidate or](#)
34 [referendum; or thirty \(30\) days before a primary election, for the office sought by the candidate;](#)

1 and is targeted to the relevant electorate.

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

6 (ii) Exceptions: The term "electioneering communication" does not include:

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

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

13 (C) Any other communication exempted under such regulations as the board of elections
14 may promulgate (consistent with the requirements of this paragraph) to ensure the appropriate
15 implementation of this paragraph.

16 (15) "Independent expenditure" means an expenditure which expressly advocates the
17 election or defeat of a clearly identified candidate or referendum and is in no way coordinated, as
18 set forth in section 17-25-23, with any candidate's campaign, authorized candidate committee, or
19 political party committee. An independent expenditure is not a contribution to that candidate or
20 committee.

21 SECTION 3. Title 17 of the General Laws entitled "ELECTIONS" is hereby amended by
22 adding thereto the following chapter:

23 CHAPTER 25.3

24 INDEPENDENT EXPENDITURES AND ELECTIONEERING COMMUNICATIONS

25 **17-25.3-1. Independent expenditures and electioneering communications for**
26 **elections.** – (a) It shall be lawful for any person, business entity or political action committee, not
27 otherwise prohibited by law and not acting in coordination with a candidate, authorized candidate
28 campaign committee, political action committee, or political party committee, to expend
29 personally from that person's own funds a sum which is not to be repaid to him or her for any
30 purpose not prohibited by law to support or defeat a candidate or referendum. Whether a person,
31 business entity or political action committee is "acting in coordination with a candidate,
32 authorized candidate campaign committee, political action committee or political party
33 committee" for the purposes of this subsection shall be determined by application of the standards
34 set forth in section 17-25-23. All terms used in this chapter shall have the same meaning as

1 defined in section 17-25-3.

2 (b) Any person, business entity or political action committee making independent
3 expenditures or electioneering communications shall report all such campaign finance
4 expenditures and expenses to the board of elections, provided the total of the money so expended
5 exceeds two hundred and fifty dollars (\$250) 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
8 make independent expenditures or electioneering communications with an aggregate value of one
9 thousand dollars (\$1,000) or more shall electronically file a campaign finance report to the board
10 of elections describing the expenditures within twenty-four (24) hours.

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 within twenty-four (24) hours after each time the person, business entity or political action
14 committee makes or contracts to make independent expenditures or electioneering
15 communications aggregating an additional one thousand dollars (\$1,000) with respect to the same
16 election as that to which the initial report relates.

17 (e) Reports of independent expenditures or electioneering communications by a person
18 shall contain the name, street address, city, state, zip code, occupation, employer (if self-
19 employed, the name and place of business), of the person responsible for the expenditure, the date
20 and amount of each expenditure, and the year to date total.

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

26 (f) Reports of independent expenditures or electioneering communications by a person,
27 business entity or political action committee shall also disclose the identity of all donors of at
28 least one thousand dollars (\$1000) within the past twelve (12) months, if applicable, unless the
29 person, business entity or political action committee has established a separate segregated account
30 for independent expenditures and electioneering communications as detailed in section 17-25.3-2
31 in which case this paragraph applies only to donors to the person's, business entity's or political
32 action committee's segregated campaign account.

33 (g) If a person, business entity or political action committee and a donor mutually agree,
34 at the time a donation, payment, or transfer to the person, business entity or political action

1 committee which is required to disclose the identification under subsection (f) that the person,
2 business entity or political action committee will not use the donation, payment, or transfer for
3 campaign-related activity, then not later than thirty (30) days after the person, business entity or
4 political action committee receives the donation, payment, or transfer the person, business entity
5 or political action committee shall transmit to the donor a written certification by the chief
6 financial officer of the person, business entity or political action committee (or, if the
7 organization does not have a chief financial officer, the highest ranking financial official of the
8 organization) that:

9 (1) The person, business entity or political action committee will not use the donation,
10 payment, or transfer for campaign-related activity; and

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

15 (3) Exception for payments made pursuant to commercial activities. Subdivision (e)(1)
16 does not apply with respect to any payment or transfer made pursuant to commercial activities in
17 the regular course of a person's, business entity's or political action committee's business.

18 (h) For the purposes of this chapter, two (2) or more entities are treated as a single entity
19 if the entities:

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

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

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

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

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

27 (6) Have bylaws so stating.

28 **17-25.3-2. Optional use of separate account by person, business entity or political action**
29 **committee for campaign-related activity.** – (a) (1) Establishment of account: (i) In general, at
30 its option, a person, business entity or political action committee may make disbursements for
31 campaign-related activity using amounts from a bank account established and controlled by the
32 person, business entity or political action committee to be known as the campaign-related activity
33 account (hereafter in this section referred to as the "account"), which shall be maintained
34 separately from all other accounts of the person, business entity or political action committee and

1 which shall consist exclusively of the deposits described in subdivision (2).

2 (ii) Mandatory use of account after establishment. If a person, business entity or political
3 action committee establishes an account under this section, it may not make disbursements for
4 campaign-related activity from any source other than amounts from the account, other than
5 disbursements for campaign-related activity which, on the basis of a reasonable belief by the
6 person, business entity or political action committee, would not be treated as disbursements for an
7 exempt function for purposes of section 527(f) of the Internal Revenue Code of 1986.

8 (iii) Exclusive use of account for independent expenditures and electioneering
9 communications. Amounts in the account shall be used exclusively for disbursements by the
10 person, business entity or political action committee for campaign-related activity. After such
11 disbursements are made, information with respect to deposits made to the account shall be
12 disclosed in accordance with section 17-25.3-1(f).

13 (2) The deposits described in this paragraph are deposits of the following amounts:

14 (i) Amounts donated or paid to the person, business entity or political action committee
15 by a person other than the person, business entity or political action committee for the purpose of
16 being used for campaign-related activity as described in section 17-25.3-1(g) and for which the
17 person, business entity or political action committee providing the amounts has designated that
18 the amounts be used for campaign-related activity with respect to a specific election or specific
19 candidate.

20 (ii) Amounts donated or paid to the person, business entity or political action committee
21 by a person other than the person, business entity or political action committee for the purpose of
22 being used for campaign-related activity as described in section 17-25.3-1(g) and for which the
23 person providing the amounts has not designated that the amounts be used for campaign-related
24 activity with respect to a specific election or specific candidate.

25 (iii) Amounts donated or paid to the person, business entity or political action committee
26 by a person other than the person, business entity or political action committee in response to a
27 solicitation for funds to be used for campaign-related activity.

28 (iv) Amounts transferred to the account by the person, business entity or political action
29 committee from other accounts of the organization, including from the person's, business entity's
30 or political action committee's general treasury funds but excluding any portion of those funds
31 whose donors have explicitly refused to have their donations used for campaign purposes as
32 described in section 17-25.3-1(g).

33 (3) The establishment and administration of an account in accordance with this
34 subsection shall not by itself be treated as the establishment or administration of a political

1 committee for any purpose of this chapter.

2 (b) Reduction in amounts otherwise available for account in response to demand of
3 general donors.

4 (1) If a person, business entity or political action committee which has established an
5 account obtains any revenues during a year which are attributable to a donation or payment from
6 a person other than the person, business entity or political action committee, and if the person,
7 business entity or political action committee and any such person have mutually agreed as
8 provided in section 17-25.3-1(g) that the person, business entity or political action committee will
9 not use the person's donation, payment, or transfer for campaign-related activity, the person,
10 business entity or political action committee shall reduce the amount of its revenues available for
11 deposit to the account which is described in subparagraph (a)(1)(i) during the year by the amount
12 of the donation or payment which is subject to the mutual agreement.

13 (2) Subsection (a) does not apply with respect to any payment made pursuant to
14 commercial activities in the regular course of a person's, business entity's or political action
15 committee's business.

16 **17-25.3-3. Disclaimers.** – (a) No person, business entity, political action committee, or
17 group of two (2) or more individuals who have joined to promote the success or defeat of a
18 referendum question shall make or incur any expenditure for any radio advertising or Internet
19 audio advertising which promotes the success or defeat of any referendum question unless the
20 advertising ends with an audio message, containing the relevant information specified below, and
21 indicating that those identified have approved the advertising. The information to be included is
22 determined as follows:

23 (1) In the case of a business entity, organization or association, the name of the business
24 entity, organization or association and the name of its chief executive officer or equivalent;

25 (2) In the case of a political committee, the name of the committee and the name of its
26 campaign treasurer;

27 (3) In the case of a party committee, the name of the committee; or

28 (4) In the case of a person or such a group of two (2) or more individuals, the name of the
29 group and the name and address of its agent.

30 (b) No person, business entity, political action committee or group of two (2) or more
31 individuals who have joined to promote the success or defeat of a referendum question shall make
32 or incur any expenditure for any written, typed, or other printed communication which promotes
33 the success or defeat of any referendum question unless such communication bears clearly upon
34 its face the words "paid for by" and the following:

1 (1) In the case of a business entity, organization or association, the name of the business
2 entity, organization or association and the name of its chief executive officer or equivalent;

3 (2) In the case of a political committee, the name of the committee and the name of its
4 campaign treasurer;

5 (3) In the case of a party committee, the name of the committee; or

6 (4) In the case of a person or such a group of two (2) or more individuals, the name of the
7 group and the name and address of its agent.

8 (c) The provisions of subsections (a), (b), (c) and (d) of this section shall not apply to:

9 (1) Any editorial, news story, or commentary published in any newspaper, magazine or
10 journal on its own behalf and upon its own responsibility and for which it does not charge or
11 receive any compensation whatsoever;

12 (2) Any banner;

13 (3) Political paraphernalia including pins, buttons, badges, emblems, hats, bumper
14 stickers or other similar materials; or

15 (4) Signs with a surface area of not more than thirty-two (32) square feet.

16 (d) No person, business entity or political action committee shall make or incur an
17 independent expenditure or electioneering communication for any written, typed, or other printed
18 communication, or any web-based, written or graphic communication, that promotes the success
19 or defeat of any candidate for nomination or election or promotes or opposes any political party
20 or solicits funds to benefit any political party or committee or that promotes the success or defeat
21 of a referendum, unless such communication bears upon its face the words "Paid for by" and the
22 name of the entity, the name of its chief executive officer or equivalent, and its principal business
23 address and the words "This message was made independent of any candidate or political party."

24 In the case of a person, business entity or political action committee making or incurring such an
25 independent expenditure or electioneering communication, which entity is a tax-exempt
26 organization under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent
27 corresponding internal revenue code of the United States, as amended from time to time, or an
28 incorporated tax-exempt political organization organized under Section 527 of said code, such
29 communication shall also bear upon its face the words "Top Five Contributors" followed by a list
30 of the five (5) persons or entities making the largest contributions to such person, business entity
31 or political action committee during the twelve (12) month period before the date of such
32 communication.

33 (e) No person, business entity or political action committee shall make or incur an
34 independent expenditure or fund an electioneering communication for television advertising or

1 Internet video advertising, that promotes the success or defeat of any candidate for nomination or
2 election or promotes or opposes any political party or solicits funds to benefit any political party
3 or committee or that promotes the success or defeat of a referendum, unless at the end of such
4 advertising there appears simultaneously, for a period of not less than four (4) seconds:

5 (1) A clearly identifiable video, photographic or similar image of the entity's chief
6 executive officer or equivalent; and

7 (2) A personal audio message, in the following form: "I am (name of entity's chief
8 executive officer or equivalent), (title) of (entity). This message was made independent of
9 any candidate or political party, and I approved its content."

10 (f) In the case of a person, business entity or political action committee making or
11 incurring such an independent expenditure or electioneering communication, which person,
12 business entity or political action committee is a tax-exempt organization under Section 501(c) of
13 the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the
14 United States, as amended from time to time, or an incorporated tax-exempt political organization
15 organized under Section 527 of said code, such advertising shall also include a written message in
16 the following form: "The top five (5) contributors to the organization responsible for this
17 advertisement are" followed by a list of the five (5) persons or entities making the largest
18 contributions during the twelve (12) month period before the date of such advertisement.

19 (g) No person, business entity or political action committee shall make or incur an
20 independent expenditure or fund an electioneering communication for radio advertising or
21 Internet audio advertising, that promotes the election or defeat of any candidate for nomination or
22 election or promotes or opposes any political party or solicits funds to benefit any political party
23 or committee or that promotes the success or defeat of a referendum, unless the advertising ends
24 with a personal audio statement by the entity's chief executive officer or equivalent;

25 (1) Identifying the entity paying for the expenditure; and

26 (2) Indicating that the message was made independent of any candidate or political party,
27 using the following form: "I am (name of entity's chief executive officer or equivalent),
28 (title), of (entity). This message was made independent of any candidate or political party, and
29 I approved its content."

30 (h) In the case of a person, business entity or political action committee making or
31 incurring such an independent expenditure or electioneering communication, which entity is a
32 tax-exempt organization under Section 501(c) of the Internal Revenue Code of 1986, or any
33 subsequent corresponding internal revenue code of the United States, as amended from time to
34 time, or an incorporated tax-exempt political organization organized under Section 527 of said

1 code, such advertising shall also include:

2 (1) An audio message in the following form: "The top five (5) contributors to the
3 organization responsible for this advertisement are" followed by a list of the five (5) persons or
4 entities making the largest contributions during the twelve (12) month period before the date of
5 such advertisement; or

6 (2) In the case of such an advertisement that is thirty (30) seconds in duration or shorter,
7 an audio message providing a website address that lists such five (5) persons or entities. In such
8 case, the person, business entity or political action committee shall establish and maintain such a
9 website with such listing for the entire period during which such person, business entity or
10 political action committee makes such advertisement.

11 (i) No person, business entity or political action committee shall make or incur an
12 independent expenditure for automated telephone calls that promote the election or defeat of any
13 candidate for nomination or election or promotes or opposes any political party or solicits funds
14 to benefit any political party or committee or that promotes the success or defeat of a referendum,
15 unless the narrative of the telephone call identifies the person, business entity or political action
16 committee making the expenditure and its chief executive officer or equivalent. In the case of a
17 person, business entity or political action committee making or incurring such an independent
18 expenditure, which entity is a tax-exempt organization under Section 501(c) of the Internal
19 Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United
20 States, as amended from time to time, or an incorporated tax-exempt political organization
21 organized under Section 527 of said code, such narrative shall also include an audio message in
22 the following form: "The top five (5) contributors to the organization responsible for this
23 telephone call are" followed by a list of the five (5) persons or entities making the largest
24 contributions during the twelve (12) month period before the date of such telephone call.

25 **17-25.3-4. Penalties.** – (a) Any person who willfully and knowingly violates the
26 provisions of this chapter shall, upon conviction, be guilty of a felony and shall be fined not more
27 than ten thousand dollars (\$10,000) per violation or up to 2% of total expenditures.

28 (b) The state board may fine any person or entity who violates the provisions of this
29 chapter in an amount not more than one thousand dollars (\$1,000) per violation or up to 2% of
30 total expenditures.

31 (c) Fines, fees and penalties imposed by the state board for violations of this chapter shall
32 be paid for by the person, business entity or political action committee that incurred the obligation
33 for the independent expenditure or electioneering communication. Fines, fees and penalties levied
34 by the state board pursuant to this chapter shall not be paid for from contributions or funds

1 [available in a campaign account.](#)

2 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 -- DISCLOSURE OF POLITICAL CONTRIBUTIONS AND
EXPENDITURES

- 1 This act would impose a regulatory structure relating to the sources of political spending.
- 2 This act would take effect upon passage.

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