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LC002140/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO ELECTIONS -- CAMPAIGN FINANCE

Introduced By: Senators McCaffrey, Paiva Weed, Ruggerio, Goodwin, and Sheehan

Date Introduced: March 12, 2015

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 17-25 of the General Laws entitled "Rhode Island Campaign
2 Contributions and Expenditures Reporting" is hereby amended by adding thereto the following
3 sections:

4 **17-25-5.2. Segregation of campaign funds. --** (a) All campaign funds received and
5 expended by a candidate, office holder, treasurer, or deputy treasurer, subject to the provisions of
6 this chapter, shall be segregated from all other accounts. The candidate or office holder must
7 maintain a separate campaign account, which shall not contain any non-campaign funds, at a
8 financial institution which has a physical branch within this state. The comingling of a candidate's
9 personal or business funds with campaign funds is expressly prohibited. As used herein, the term
10 "financial institution" includes a bank or a credit union.

11 (b) Applicability to political action committees. - The provisions of this section shall
12 apply to political action committees, as well as to individual candidates and office holders.

13 **17-25-11.2. Requirements for appointment of a treasurer or deputy treasurer -**
14 **Examination and certification of accounts. --** (a) Appointment of treasurer or deputy treasurer.
15 Whenever a campaign account containing campaign funds received and expended by a candidate,
16 office holder, or treasurer, subject to the provisions of this chapter, receives or expends at least
17 ten thousand dollars (\$10,000) in any year, the account shall require the appointment of a
18 treasurer or deputy treasurer, who shall be a person other than the candidate. For such accounts, a
19 candidate may remain as either a treasurer or deputy treasurer on his or her campaign account;

1 provided, the treasurer or deputy treasurer who is not the candidate shall examine all campaign
2 account records and shall certify to the substantial accuracy of the campaign finance report at the
3 time of filing with the board of elections, on a form to be prepared by the board of elections.

4 (b) Applicability to political action committees. The provisions of this section as to
5 examination and certification shall be applicable to political action committees.

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

9 **17-25-10. Lawful methods of contributing to support of candidates -- Reporting --**
10 **Disposition of anonymous contributions. --** (a) No contribution shall be made or received, and

11 no expenditures shall be directly made or incurred, to support or defeat a candidate except
12 through:

13 (1) The candidate, duly appointed campaign treasurer, or deputy campaign treasurers, of
14 the candidates;

15 (2) The duly appointed campaign treasurer or deputy campaign treasurers of a political
16 party committee;

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

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

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

34 **17-25-11. Dates for filing of reports by treasurers of candidates or of committees. --**

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

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

14 (2) In a contested election, on the twenty-eighth (28th) and seventh (7th) days next
15 preceding the day of the primary, general, or special election; provided, that in the case of a
16 primary election for a special election, where the twenty-eighth (28th) day next preceding the day
17 of the primary election occurs prior to the first day for filing declarations of candidacy pursuant to
18 § 17-14-1, the reports shall be due on the fourteenth (14th) and seventh (7th) days next preceding
19 the day of the primary election for the special election; and

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

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

25 (ii) The amount contributed by each person;

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

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

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

1 regarding the past election has been completed; and the certification shall be accompanied by a
2 final accounting of the campaign fund, or of the transactions relating to the election, including the
3 final disposition of any balance remaining in the fund at the time of dissolution or the
4 arrangements which have been made for the discharge of any obligations remaining unpaid at the
5 time of dissolution.

6 (c)(1) Once the campaign treasurer certifies that the campaign fund has completed its
7 business and been dissolved, no contribution which 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 (90) day 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
13 last day of the month following the ninety (90) day period, except when the last day of the month
14 filing deadline following the ninety (90) day reporting period occurs less than twenty-eight (28)
15 days before an election, in which case the report shall be filed pursuant to the provisions of
16 subdivisions (a)(1) and (2) of this section. Provided, however, if the last day of the month falls on
17 a weekend or a holiday, the report shall be due on the following business day.

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

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

34 (2) However, even though the aggregate amount expended on behalf of the candidacy

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

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

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

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

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

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

1 sent a notice of non-compliance and fails to file the required report within seven (7) days of the
2 receipt of the notice shall be fined two dollars (\$2.00) per day from the day of receipt of the
3 notice of non-compliance until the day the report has been received by the state board.
4 Notwithstanding any of the provisions of this section, the board of elections shall have the
5 authority to waive late filing fees for good cause shown.

6 SECTION 3. This act shall take effect on January 1, 2016.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO ELECTIONS -- CAMPAIGN FINANCE

1 This act would require the segregation of campaign funds by a candidate or office holder,
2 from any other personal or business accounts maintained by such person. The act would also
3 apply to political action committees.

4 The act would also require the appointment of a treasurer or deputy treasurer, other than
5 the candidate or office holder, whenever monies contained in the segregated account are received
6 or expended in excess of \$10,000 in any year. The obligation would be upon the non-candidate
7 treasurer or deputy treasurer to examine all campaign account records, which must be certified by
8 the non-candidate in the candidate or office holder's finance report filed with the board of
9 elections.

10 This act would further require a paper copy of the candidate's or officeholder's segregated
11 account statement be filed with the board of elections after the filing of the fourth quarterly
12 campaign expense report.

13 This act would take effect on January 1, 2016.

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