

1 H.299

2 Introduced by Representative Lorber of Burlington

3 Referred to Committee on

4 Date:

5 Subject: Elections; campaign financing; public financing

6 Statement of purpose: This bill proposes to revise comprehensively Vermont's
7 public campaign financing laws.

8 An act relating to the Vermont campaign finance option

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 Sec. 1. FINDINGS

11 The general assembly finds that:

12 (1) Public financing of campaigns for the general assembly, conditioned
13 on an appropriate number of qualifying contributions and expenditure limits
14 for participating candidates, will increase citizen participation and will limit
15 the time spent soliciting contributions, and will reduce the need of elected
16 officials to respond to, and provide access to, contributors. As a result,
17 candidates will be freed to devote more time and energy to debate of the issues,
18 and elected officials will be able to spend more time responding to constituents
19 and to performing their official duties.

1 (2) Public financing of campaigns for the general assembly will increase
2 public confidence in the integrity of government by reducing the role of special
3 interests in financing campaigns and the potential conflicts of interest that arise
4 from private financing of campaigns.

5 (3) Public financing of campaigns for the general assembly will
6 encourage participation by a broader range of candidates, including qualified
7 candidates who currently are discouraged from seeking office by the cost of
8 campaigns, and will provide resources to independent candidates, all of which
9 will increase the robust debate of issues and ideas.

10 (4) Public financing of campaigns for the general assembly will
11 ultimately save taxpayers money by reducing the likelihood of subsidies and
12 special privileges for special interests that contribute heavily to campaigns.

13 Sec. 2. 17 V.S.A. chapter 59, subchapter 6 is amended to read:

14 Subchapter 6. Vermont Campaign Finance Option

15 § 2851. DEFINITIONS

16 As used in this subchapter, unless the context otherwise indicates:

17 ~~(1) “Affidavit” means the Vermont campaign finance affidavit required~~
18 ~~under section 2852 of this title.~~

19 ~~(2) “General election period” means the period beginning the day after~~
20 ~~the primary election and ending the day of the general election.~~

1 ~~(3) “Primary election period” means the period beginning the day after~~
2 ~~primary petitions must be filed under section 2356 of this title and ending the~~
3 ~~day of the primary election.~~

4 ~~(4) “Vermont campaign finance qualification period” means the period~~
5 ~~beginning February 15 of each even numbered year and ending on the date on~~
6 ~~which primary petitions must be filed under section 2356 of this title.~~

7 ~~(5) “Secretary” means the secretary of state.~~

8 (1) “Certified candidate” means a candidate running for the office of
9 state senator or state representative who chooses to participate in the Vermont
10 campaign finance option and who is certified under subsection 2853(g) of this
11 title.

12 (2) “Fund” means the fund established in section 2856 of this title.

13 (3) “Nonparticipating candidate” means a candidate running for the
14 office of state senator or state representative who does not choose to participate
15 in the Vermont campaign finance option and who is not seeking to be certified
16 under subsection 2853(g) of this title.

17 (4) “Participating candidate” means a candidate who is running for the
18 office of state senator or state representative and who is seeking to be certified
19 under subsection 2853(g) of this title.

20 (5) “Qualifying contribution” means a donation:

1 (A) in an amount up to \$25.00 in the form of a check or a money
2 order payable to the fund, signed by the contributor, and made in support of a
3 candidate;

4 (B) made by a registered voter within the electoral district of the
5 office a candidate is seeking and whose voter registration has been verified by
6 the secretary of state;

7 (C) made during the designated qualifying period; and

8 (D) that the contributor acknowledged was made with his or her
9 personal funds and in support of the candidate and was not given in exchange
10 for anything of value; and that the candidate acknowledged was obtained with
11 the candidate's knowledge and approval, and that nothing of value was given
12 in exchange for the contribution, on forms provided by the secretary of state.

13 (6) "Qualifying period" means the period beginning on February 15 of
14 each even-numbered year of the two-year general election cycle and ending at
15 5:00 p.m. on the date on which primary petitions must be filed under section
16 2356 of this title.

17 (7) "Seed money contribution" means a contribution of no more than
18 \$50.00 made to a participating candidate by an individual, including the
19 candidate or the candidate's family.

1 § 2852. ~~FILING OF VERMONT CAMPAIGN FINANCE AFFIDAVIT~~

2 OPTION

3 (a) ~~A candidate for the office of governor or lieutenant governor who~~
4 ~~intends to seek Vermont campaign finance grants from the Vermont campaign~~
5 ~~fund shall file a Vermont campaign finance affidavit on the date on or before~~
6 ~~which primary petitions must be filed, whether the candidate seeks to enter a~~
7 ~~party primary or is an independent candidate.~~

8 (b) ~~The secretary of state shall prepare a Vermont campaign finance~~
9 ~~affidavit form, informational materials on procedures and financial~~
10 ~~requirements and notification of the penalties for violation of this subchapter.~~
11 ~~The Vermont campaign finance affidavit shall set forth the conditions of~~
12 ~~receiving grants under this subchapter and provide space for the candidate to~~
13 ~~agree that he or she will abide by such conditions and all expenditure and~~
14 ~~contribution limitations, reporting requirements, and other provisions of this~~
15 ~~chapter. The affidavit shall also state the candidate's name, legal residence,~~
16 ~~business or occupation, address of business or occupation, party affiliation, if~~
17 ~~any, the office sought and whether the candidate intends to enter a party~~
18 ~~primary. The affidavit shall also contain a list of all the candidate's qualifying~~
19 ~~contributions together with the name and town of residence of the contributor~~
20 ~~and the date each contribution was made. The affidavit may further require~~
21 ~~affirmation of such other information as deemed necessary by the secretary for~~

1 ~~the administration of this subchapter. The affidavit shall be sworn and~~
2 ~~subscribed to by the candidate.~~

3 The campaign financing option is hereby established and shall be available
4 to candidates for the office of state senator or state representative. A pilot
5 project of the Vermont campaign financing option shall be established during
6 two election cycles for candidates for elections to be held beginning in the year
7 2010. The pilot project shall be limited to house and senate races in one
8 county and shall be the same county for both election cycles. The secretary of
9 state shall administer the provisions of this subchapter and the fund.

10 Candidates participating in the Vermont campaign finance option shall comply
11 with all other applicable election and campaign laws except as specifically
12 provided in this subchapter.

13 § 2853. ~~VERMONT CAMPAIGN FINANCE GRANTS; CONDITIONS~~

14 TERMS OF PARTICIPATION

15 ~~(a) A person shall not be eligible for Vermont campaign finance grants if,~~
16 ~~during a two-year general election cycle, he or she becomes a candidate by~~
17 ~~announcing that he or she seeks an elected position as governor or lieutenant~~
18 ~~governor, or by accepting contributions totaling \$2,000.00 or more or by~~
19 ~~making expenditures totaling \$2,000.00 or more, prior to February 15 of the~~
20 ~~general election year.~~

21 ~~(b) A candidate who accepts Vermont campaign finance grants, shall:~~

1 ~~(1) Not solicit, accept or expend any contributions except qualifying~~
2 ~~contributions, Vermont campaign finance grants and contributions authorized~~
3 ~~under section 2855 of this title, which contributions may be solicited, accepted~~
4 ~~or expended only in accordance with the provisions of this subchapter.~~

5 ~~(2) Deposit all qualifying contributions, Vermont campaign finance~~
6 ~~grants and any contributions accepted in accordance with the provisions of~~
7 ~~section 2855 of this title in a federally insured noninterest bearing checking~~
8 ~~account.~~

9 ~~(3) Not later than 40 days after the general election, deposit in the~~
10 ~~Vermont campaign fund, after all permissible expenditures have been paid, the~~
11 ~~balance of any amounts remaining in the account established under subdivision~~
12 ~~(2) of this subsection.~~

13 (a) Declaration of intent. A participating candidate shall file a declaration
14 of intent to seek certification under this subchapter and to comply with the
15 requirements of this chapter. The declaration of intent shall be filed with the
16 secretary of state prior to or during the qualifying period according to forms
17 and procedures developed by the secretary of state. A participating candidate
18 shall file a declaration of intent within five business days of collecting
19 qualifying contributions under this subchapter. Qualifying contributions
20 collected more than five business days before the declaration of intent has been

1 filed shall not be counted as qualifying contributions under subsection (e) of
2 this section.

3 (b)(1) Contribution limits for participating candidates. After becoming a
4 candidate as defined by subdivision 2801(1) of this title and prior to
5 certification, a participating candidate may not accept contributions except for
6 seed money contributions. A participating candidate may accept a total of seed
7 money contributions up to the following amounts:

8 (A) For the office of state senator, \$1,500.00.

9 (B) For the office of state representative, \$500.00.

10 (2) Seed money accepted above the limits set forth in this subsection
11 shall be deducted from a participating candidate's fund distribution under
12 subdivision (m)(1) of this section.

13 (c) Seed money report. Seed money contributions and expenditures shall
14 be reported according to procedures developed by the secretary of state. A
15 candidate shall report the name, residential address, and occupation and
16 employer of every contributor.

17 (d) Seed money restrictions. To be eligible for certification, a candidate
18 may collect and spend only seed money contributions subsequent to becoming
19 a candidate as defined by subdivision 2801(1) of this title and prior to
20 certification. Unless excluded from the definition of contribution set forth in
21 subdivision 2801(3) of this title, all goods and services received prior to

1 certification shall be paid for with seed money contributions. Prior to
2 certification, a candidate may obligate an amount greater than the seed money
3 collected for goods and services but may only receive that portion of goods and
4 services which has been paid for or will be paid for with seed money. A
5 certified candidate may use any unspent seed money remaining after
6 certification to make campaign-related expenditures subject to the same
7 restrictions and guidelines for expenditures of fund revenues, except that a
8 certified candidate may use unspent seed money to pay for goods and services
9 received prior to certification. It shall be a violation of this chapter for a
10 candidate to use fund revenues received after certification to pay for goods and
11 services received prior to certification. A participating candidate who has
12 accepted contributions or made expenditures that do not comply with the seed
13 money restrictions under this chapter may petition the secretary of state to
14 remain eligible for certification under this chapter, if the failure to comply was
15 unintentional and does not constitute a significant infraction of these
16 restrictions.

17 (e)(1) Qualifying contributions. Participating candidates shall obtain
18 qualifying contributions during the qualifying period as follows:

19 (A) For a candidate for the office of state senator, at least 150
20 verified registered voters from the candidate's electoral division shall support
21 the candidacy by providing a qualifying contribution to that candidate; or

1 (B) For a candidate for the office of state representative, at least 50
2 verified registered voters from the candidate's electoral division shall support
3 the candidacy by providing a qualifying contribution to that candidate.

4 (2) A payment, gift, or anything of value may not be given in exchange
5 for a qualifying contribution. A candidate may pay the fee for a money order
6 for a qualifying contribution as long as the donor making the qualifying
7 contribution pays the amount reflected on the money order. Any money order
8 fees paid by a participating candidate shall be paid for with seed money and
9 reported in accordance with rules of the secretary of state. A money order
10 shall be signed by the contributor to be a valid qualifying contribution. The
11 secretary of state may adopt by rule a procedure for a qualifying contribution
12 to be made by a credit or debit transaction and by electronic funds transfer over
13 the Internet.

14 (3) It shall be a violation of this chapter for a candidate or an agent of
15 the candidate to misrepresent to a potential contributor the nature and purpose
16 of a qualifying contribution or the purpose of obtaining the contributor's
17 signed acknowledgment.

18 (4) Contributions may be accepted from individuals only, and not from
19 corporations, unions, or political action committees. Participating candidates
20 shall not accept contributions from lobbyists. The contribution limits shall also

1 apply to contributions made by the candidate and the candidate's immediate
2 family.

3 (f) Filing with secretary of state. A participating candidate shall submit
4 qualifying contributions, receipt and acknowledgment forms, proof of
5 verification of voter registration, and a seed money report to the secretary of
6 state during the qualifying period according to procedures adopted by the
7 secretary of state.

8 (g)(1) Certification of candidates. Upon receipt of a final submission of
9 qualifying contributions by a participating candidate, the secretary of state
10 shall determine whether the candidate has:

11 (A) Signed and filed a declaration of intent to participate in the
12 Vermont campaign finance option;

13 (B) Submitted the appropriate number of valid qualifying
14 contributions;

15 (C) Qualified as a candidate by petition or other means;

16 (D) Not accepted contributions, except for seed money contributions,
17 and otherwise complied with seed money restrictions;

18 (E) Not run for the same office as a nonparticipating candidate in a
19 primary election in the same election year;

20 (F) Not been found to have made a material false statement in a
21 report or other document submitted to the secretary of state;

1 (G) Not had prior requests for certification denied or certification
2 revoked on the basis of fraud or other substantial violations of this chapter;

3 (H) Not failed to pay any civil penalty assessed under this title,
4 except that a candidate shall have three business days from the date of the
5 request for certification to pay an outstanding penalty and remain eligible for
6 certification; and

7 (I) Otherwise met the requirements for participation in the Vermont
8 campaign finance option.

9 (2) The secretary of state shall certify a candidate complying with the
10 requirements of this section as soon as possible, but no later than three
11 business days after final submission of qualifying contributions and other
12 supporting documents required under this section. The secretary of state may
13 take additional time if further investigation is necessary to verify compliance
14 with this subchapter, provided that the secretary of state shall notify the
15 affected candidate regarding the anticipated schedule for conclusion of the
16 investigation.

17 (3) Failure by a certified candidate to comply with a requirement of this
18 chapter is a violation of this chapter.

19 (h)(1) Revocation of certification. The certification of a participating
20 candidate may be revoked at any time if the secretary of state determines that
21 the candidate or an agent of the candidate:

1 (A) did not submit the required number of valid qualifying
2 contributions;

3 (B) failed to qualify as a candidate by petition or other means;

4 (C) submitted a fraudulent qualifying contribution or qualifying
5 contribution that was not made by the named contributor;

6 (D) misrepresented to a contributor the nature and purpose of the
7 qualifying contribution or the reason for obtaining a contributor's signature on
8 the receipt and acknowledgment form;

9 (E) failed to fully comply with the seed money restrictions;

10 (F) knowingly accepted a contribution, including any in-kind
11 contribution, or used funds other than fund revenues distributed under this
12 chapter to make campaign-related expenditures without the permission of the
13 secretary of state;

14 (G) knowingly made a false statement or material misrepresentation
15 in any report or other document required to be filed under this chapter; or

16 (H) otherwise substantially violated the provisions of this chapter.

17 (2) The secretary of state shall provide notice before revoking the
18 certification of a candidate. A candidate whose certification is revoked shall
19 return all unspent funds to the secretary of state within three days of the
20 secretary of state's decision and may be required to return all funds distributed
21 to the candidate. In addition to the requirement to return funds, the candidate

1 may be subject to a civil penalty under section 2806 of this title. The candidate
2 may appeal the secretary of state's decision to revoke certification in the same
3 manner provided in subsection (s) of this section.

4 (i) Restrictions on contributions and expenditures for certified candidates.

5 After certification, a candidate shall limit the candidate's campaign
6 expenditures and obligations, including outstanding obligations, to the
7 revenues distributed to the candidate from the fund and any unspent seed
8 money remaining after certification. Candidates may also accept and spend
9 interest earned on fund revenues in campaign bank accounts. All revenues
10 distributed to a certified candidate from the fund shall be used for
11 campaign-related purposes. The candidate, the treasurer, the candidate's
12 committee, or any agent of the candidate and committee may not use these
13 revenues for any but campaign-related purposes. Candidates may not spend
14 fund revenues on payments to the candidate, a member of the candidate's
15 immediate family, or to a business or nonprofit entity affiliated with the
16 candidate, except to make payment for goods or property provided to the
17 candidate's campaign. Services provided to the campaign by members of the
18 candidate's immediate family shall be provided on a volunteer basis and may
19 not be paid for or reimbursed by the campaign with fund revenues. The
20 secretary of state shall publish guidelines outlining permissible
21 campaign-related expenditures.

1 (j) Assisting a person to become an opponent. A candidate or a person who
2 later becomes a candidate and who is seeking certification under subsection (g)
3 of this section or an agent of that candidate may not assist another person in
4 qualifying as a candidate for the same office if such candidacy would result in
5 the distribution of revenues under subsections (k) and (n) of this section for
6 certified candidates in a contested election.

7 (k)(1) Timing of fund distribution. The secretary of state shall distribute to
8 certified candidates revenues from the fund in amounts determined under
9 subsection (m) of this section in the following manner:

10 (A) Within three days after certification, for candidates certified prior
11 to the date on which primary petitions must be filed under section 2356 of this
12 title, revenues from the fund shall be distributed as if the candidates were in an
13 uncontested primary election.

14 (B) Within three days after certification, for all candidates certified
15 on or after the date on which primary petitions must be filed under section
16 2356 of this title, revenues from the fund shall be distributed according to
17 whether the candidate is in a contested or uncontested primary election.

18 (C) For candidates in contested primary elections receiving a
19 distribution under subdivision (A) of this subdivision (1), additional revenues
20 from the fund shall be distributed within three days of the date on which the
21 opponent's petition is filed.

1 (D) No later than three days after the primary election results are
2 certified, for general election certified candidates, revenues from the fund shall
3 be distributed according to whether the candidate is in a contested or
4 uncontested general election.

5 (2) Funds may be distributed to certified candidates under this section
6 by any mechanism that is expeditious, ensures accountability, and safeguards
7 the integrity of the fund.

8 (1) Deposit into account. The candidate or candidate's committee shall
9 deposit all revenues from the fund in a campaign account with a bank or other
10 financial institution. The campaign funds shall be segregated from and may
11 not be commingled with any other funds.

12 (m) Amount of fund distribution. By July 1, 2009 and at least every two
13 years after that date, the secretary of state shall determine the amount of funds
14 to be distributed to participating candidates based on the type of election and
15 office as follows:

16 (1) \$250.00 for house uncontested primary elections and \$1,000.00 for
17 senate uncontested primary elections;

18 (2) \$500.00 for house contested primary elections and \$2,000.00 for
19 senate contested primary elections;

20 (3) \$1,000.00 for house uncontested general elections and \$5,000.00 for
21 senate uncontested general elections;

1 (4) \$2,000.00 for house contested general elections and \$10,000.00 for
2 senate contested general elections.

3 (5) A certified candidate who is an incumbent of the office being sought
4 shall be entitled to receive a grant in an amount equal to 90 percent of the
5 applicable amount listed in subdivision (1), (2), (3), or (4) of this subsection,
6 whichever is applicable.

7 (6) An allocation from the fund to which a certified candidate would
8 otherwise be entitled under this section shall be reduced by an amount equal to
9 the aggregate amount of seed money contributions received by the candidate
10 over the applicable limit set forth in subsection (b) of this section.

11 (n) Limited matching funds. A qualifying candidate who receives his or
12 her initial grant allocation may continue to raise contributions throughout the
13 campaign in the amount of up to \$25.00 from individuals as outlined in
14 subdivision (e)(4) of this section. These funds shall be matched based on a 5:1
15 ratio from the fund, up to an aggregate limit that is 300 percent of the initial
16 allocation.

17 (o) Other procedures. The secretary of state shall establish procedures for
18 qualification, certification, disbursement of fund revenues, and return of
19 unspent fund revenues for races involving special elections, recounts,
20 vacancies, withdrawals, or replacement candidates.

1 (p) Reporting; unspent revenue. Notwithstanding any other provision of
2 law, participating and certified candidates shall report any money collected and
3 all campaign expenditures, obligations, and related activities to the secretary of
4 state according to procedures developed by the secretary of state. Upon the
5 filing of a final report for any primary election in which the candidate was
6 defeated and for all general elections, that candidate shall return all unspent
7 fund revenues to the secretary of state. In developing these procedures, the
8 secretary of state shall utilize existing campaign reporting procedures
9 whenever practicable. The secretary of state shall ensure timely public access
10 to campaign finance data and may utilize electronic means of reporting and
11 storing information.

12 (q)(1) Required records. The campaign treasurer shall obtain and keep:

13 (A) Bank or other account statements for the campaign account
14 covering the duration of the campaign;

15 (B) A vendor invoice stating the particular goods or services
16 purchased for every expenditure of \$50.00 or more; and

17 (C) A record proving that a vendor received payment for every
18 expenditure of \$50.00 or more in the form of a cancelled check, receipt from
19 the vendor, or bank or credit card statement identifying the vendor as the
20 payee.

1 (2) The treasurer shall preserve the records for two years following the
2 candidate's final campaign finance report for the two-year general election
3 cycle. The candidate and treasurer shall submit photocopies of the records to
4 the secretary of state upon his or her request.

5 (r) Distributions not to exceed amount in fund. The secretary of state may
6 not distribute revenues to certified candidates in excess of the total amount of
7 money deposited in the fund. Notwithstanding any other provisions of this
8 chapter, if the secretary of state determines that the revenues in the fund are
9 insufficient to meet distributions under subsections (k) and (n) of this section,
10 the secretary of state shall distribute the revenues in the fund proportionally to
11 anyone certified under this subchapter as of the beginning of the primary
12 petition filing period set forth in section 2356 of this title. Certified candidates
13 who do not receive the entire grant authorized by this subchapter because of a
14 shortfall in revenues may accept and spend contributions subject to the limits
15 set forth in section 2805 of this title, up to the applicable amounts set forth in
16 subsections (m) and (n) of this section, reduced by any seed money
17 contributions above the seed money limits set forth in subsection (b) of this
18 section, according to procedures established by the secretary of state.

19 (s)(1) Review. A candidate who has been denied certification under this
20 chapter or an opponent of a candidate who has been granted certification under
21 this chapter may seek review of the decision of the secretary of state by filing a

1 petition with the superior court in the county in which the candidate resides.
2 Within 24 hours of the filing of a petition, the court shall schedule the petition
3 for hearing. Except for cases the court considers of greater importance,
4 proceedings before the superior court, as authorized by this section and appeals
5 therefrom, shall take precedence on the docket over all cases and shall be
6 assigned for hearing and trial or for argument at the earliest practicable date
7 and expedited in every way.

8 (2) A candidate whose certification is revoked on completion of these
9 procedures shall return to the secretary of state any unspent revenues
10 distributed from the fund. If the court finds that a request for review or appeal
11 was made frivolously or to cause delay or hardship, the court may require the
12 moving party to pay costs of the secretary of state, court, and opposing parties,
13 if any.

14 § 2854. QUALIFYING CONTRIBUTIONS REPORTS

15 ~~(a) In order to qualify for Vermont campaign finance grants, a candidate for~~
16 ~~the office of governor or lieutenant governor must obtain during the Vermont~~
17 ~~campaign finance qualification period the following amount and number of~~
18 ~~qualifying contributions for the office being sought:~~

19 ~~(1) For governor, a total amount of no less than \$35,000.00 collected~~
20 ~~from no fewer than 1,500 qualified individual contributors making a~~
21 ~~contribution of no more than \$50.00 each.~~

1 ~~(2) For lieutenant governor, a total amount of no less than \$17,500.00~~
2 ~~collected from no fewer than 750 qualified individual contributors making a~~
3 ~~contribution of no more than \$50.00 each.~~

4 ~~(b) No candidate may accept more than one qualifying contribution from~~
5 ~~the same contributor and no contributor may make more than one qualifying~~
6 ~~contribution to the same candidate in any Vermont campaign finance~~
7 ~~qualification period. For the purpose of this section, a qualified individual~~
8 ~~contributor means an individual who is registered to vote in Vermont. No~~
9 ~~more than 25 percent of the total number of qualified individual contributors~~
10 ~~may be residents of the same county.~~

11 ~~(c) Each qualifying contribution must indicate the name and town of~~
12 ~~residence of the contributor, the date received, and be acknowledged by the~~
13 ~~signature of the contributor.~~

14 ~~(d) A candidate may retain and expend qualifying contributions obtained~~
15 ~~under this section. A candidate may expend the qualifying contributions for~~
16 ~~the purpose of obtaining additional qualifying contributions and may expend~~
17 ~~the remaining qualifying contributions during the primary and general election~~
18 ~~periods. Amounts expended under this subsection shall be considered~~
19 ~~expenditures for purposes of this chapter.~~

20 ~~(a) In addition to other reports required by law, a candidate for the office of~~
21 ~~state senator or state representative who is not certified under this subchapter~~

1 and who receives contributions or makes expenditures aggregating in excess of
2 the primary or general election distribution amounts for a certified candidate in
3 the same race shall file by any means acceptable to the secretary of state,
4 within 48 hours of that event, a report with the secretary of state detailing the
5 candidate's total campaign contributions, including any campaign balance
6 from a previous election, obligations, and expenditures to date.

7 (b) A nonparticipating candidate who is required to file a report required
8 under subsection (a) of this section shall file the following additional reports
9 detailing the candidate's total campaign contributions, including any campaign
10 balance from a previous election and expenditures to date, unless the date the
11 report is due occurs prior to the filing of the report required under subsection
12 (a) of this section:

13 (1) A report filed not later than 5:00 p.m. on the 40th day before the date
14 on which an election is held and complete as of the 42nd day before that date;

15 (2) A report filed no later than 5:00 p.m. on the 25th day before the date
16 on which an election is held and complete as of the 27th day before that date;

17 (3) A report filed no later than 5:00 p.m. on the 12th day before the date
18 on which an election is held and complete as of the 14th day before that date;

19 (4) A report filed no later than 24 hours after the nonparticipating
20 candidate makes additional expenditures or receives additional contributions

1 aggregating \$200.00 or more during the 13 days before the date on which the
2 election is held, to the extent not previously reported under this section.

3 § 2855. ~~VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS;~~

4 ~~TIMING REPORT; INDEPENDENT EXPENDITURES~~

5 ~~(a) To the extent funds are available, the secretary of state shall make~~
6 ~~grants from the Vermont campaign fund in separate grants for the primary and~~
7 ~~general election periods to candidates who have qualified for Vermont~~
8 ~~campaign finance grants under this subchapter.~~

9 ~~(b) Whether a candidate has entered a primary or is an independent~~
10 ~~candidate, Vermont campaign finance grants shall be in the following amounts:~~

11 ~~(1) For governor, \$75,000.00 in a primary election period and~~
12 ~~\$225,000.00 in a general election period, provided that the grant for a primary~~
13 ~~election period shall be reduced by an amount equal to the candidate's~~
14 ~~qualifying contributions.~~

15 ~~(2) For lieutenant governor, \$25,000.00 in a primary election period and~~
16 ~~\$75,000.00 in a general election period, provided that the grant for a primary~~
17 ~~election period shall be reduced by an amount equal to the candidate's~~
18 ~~qualifying contributions.~~

19 ~~(3) A candidate who is an incumbent of the office being sought shall be~~
20 ~~entitled to receive a grant in an amount equal to 85 percent of the amount listed~~
21 ~~in subdivision (1) or (2) of this subsection.~~

1 ~~(c) In an uncontested general election and in the case of a candidate who~~
2 ~~enters a primary election and is unsuccessful in that election, an otherwise~~
3 ~~eligible candidate shall not be eligible for a general election period grant.~~
4 ~~However, such candidate may solicit and accept contributions and make~~
5 ~~expenditures as follows: contributions shall be subject to the limitations of~~
6 ~~section 2805 of this title and expenditures shall be limited to an amount equal~~
7 ~~to the amount of the grant set forth in subsection (b) of this section for the~~
8 ~~general election for that office.~~

9 ~~(d) Grants awarded in a primary election period, but not expended by the~~
10 ~~candidate in the primary election period, may be expended by the candidate in~~
11 ~~the general election period.~~

12 ~~(e) If the Vermont campaign fund contains insufficient revenues to provide~~
13 ~~Vermont campaign finance grants to all candidates under this section, the~~
14 ~~available funds shall be distributed proportionately among all qualifying~~
15 ~~candidates. If grants are reduced under this subsection, a candidate may solicit~~
16 ~~and accept additional contributions equal to the amount of the difference~~
17 ~~between the amount of the Vermont campaign finance grants authorized and~~
18 ~~the amount received under this section. Additional contributions authorized~~
19 ~~under this subsection shall be governed by the provisions of sections 2805 and~~
20 ~~2853 of this title.~~

1 ~~(f) Vermont campaign finance grants for a primary election period shall be~~
2 ~~paid to qualifying candidates within the first ten business days of the primary~~
3 ~~election period. Vermont campaign finance grants for a general election~~
4 ~~period shall be paid to qualifying candidates during the first ten business days~~
5 ~~of the general election period.~~

6 (a) When a single source, other than a candidate or candidate's committee,
7 political committee, or political party, in any contested election in which a
8 certified candidate is running makes expenditures other than by contribution to
9 a candidate or candidate's committee for an electioneering communication,
10 with respect to that election contest, the following reporting requirements shall
11 apply:

12 (1) If expenditures for electioneering communications exceed \$1,000.00
13 in the aggregate, the single source, political committee, or political party
14 making the expenditures shall, within 48 hours, file a report with the secretary
15 of state under subdivision (4) of this subsection if the \$1,000.00 threshold is
16 exceeded prior to 40 days before an election.

17 (2) If expenditures for electioneering communications exceed \$500.00
18 in the aggregate and have not been reported previously to the secretary of state,
19 the single source, political committee, or political party making the
20 expenditures shall, within 24 hours, file a report with the secretary of state
21 under subdivision (4) of this subsection if the \$500.00 threshold is exceeded

1 prior to 30 days before the election.

2 (3) If expenditures for electioneering communications exceed \$200.00
3 in the aggregate and have not been reported previously to the secretary of state,
4 the single source, political committee, or political party making the
5 expenditures shall, within 24 hours, file a report with the secretary of state
6 under subdivision (4) of this subsection if the \$200.00 threshold is exceeded
7 within 20 days prior to an election.

8 (4) A report required by this subsection shall contain an itemized
9 account of the expenditures aggregating in excess of the applicable threshold
10 amount under subdivision (1), (2), or (3) of this subsection; the date and
11 purpose of each expenditure; and the name of each payee or creditor. The
12 report shall state whether the expenditure is in support of or in opposition to
13 the candidate identified in the communication and shall include, under penalty
14 of perjury, a statement under oath or affirmation whether the expenditure was
15 made in cooperation, consultation or concert with, or at the request or
16 suggestion of a candidate or an authorized committee or agent of a candidate.

17 (b) The penalties provided under section 2806 of this title shall not apply to
18 a first-time violation of this section by a single source or political committee
19 that is not organized for the primary purpose of influencing elections for state
20 office if the violation was inadvertent, and if the required reports were made
21 within seven calendar days of any notice provided by the secretary of state,

1 attorney general, or state's attorney of noncompliance with the provisions of
2 this section.

3 § 2856. VERMONT CAMPAIGN FUND

4 (a) A Vermont campaign fund is created for distribution of Vermont
5 campaign finance grants to candidates for the offices of ~~governor and~~
6 ~~lieutenant governor~~ state senator and state representative. The fund shall be
7 administered by the state treasurer, and payments shall be made under warrants
8 issued by the secretary of state.

9 (b) The fund shall consist of revenues from the following sources:

10 (1) ~~Any amounts required to be deposited in the fund under section 2853~~
11 ~~of this title~~ Qualifying contributions required under subsection 2853(e) of this
12 title when those contributions are submitted to the secretary of state.

13 (2) Fund revenues that were distributed to a certified candidate and that
14 remain unspent after the candidate has lost a primary election or after the
15 general election.

16 (3) Other unspent fund revenues distributed to a certified candidate who
17 does not remain a candidate throughout the two-year general election cycle.

18 (4) All penalties and fines levied for violations of this chapter.

19 ~~(3)~~(5) Forty percent of the amounts paid as annual report fees by
20 domestic corporations under subdivision 1.22(a)(17) of Title 11A and 33

1 percent of the amounts paid as annual report fees by foreign corporations under
2 subdivision 1.22(a)(16) of Title 11A.

3 ~~(4) All amounts collected from the tax on lobbying expenditures~~
4 ~~imposed under 2 V.S.A. § 264a.~~

5 ~~(5)(6) All amounts collected under section 5862c of Title 32, the~~
6 Vermont campaign fund add-on.

7 ~~(6) Any gifts received by the fund.~~

8 (7) All amounts collected from the sale of unclaimed property pursuant
9 to chapter 14 of Title 27.

10 (8) Revenue from a tax checkoff program allowing a resident of the
11 state who files a tax return with the state treasurer to designate that \$5.00 be
12 paid into the fund. The checkoff shall not increase the tax liability of the filer
13 or filer's spouse or civil union partner. If spouses or civil union partners file a
14 joint return, each spouse or civil union partner may designate that \$5.00 be
15 paid into the fund. The state treasurer shall report annually the amount
16 designated for the fund and shall transfer that amount to the fund.

17 ~~(7)(9) Any amounts appropriated to the Vermont campaign fund by act~~
18 of the general assembly.

19 (c) All principal and interest remaining in the fund at the close of any fiscal
20 year shall not revert but shall remain in the fund for use in succeeding fiscal
21 years.

1 (d) By January 15 of an election year, the secretary of state shall determine
2 whether the fund will or will not have sufficient revenues to cover the likely
3 demand for funds from the Vermont campaign fund in an upcoming election
4 and shall provide a report of its projections of the balances in the Vermont
5 campaign fund to the general assembly and the governor.

6 Sec. 3. REPEAL

7 17 V.S.A. §§ 2805a (campaign expenditure limitations) and 2809
8 (accountability for related expenditures) are repealed.

9 Sec. 4. EFFECTIVE DATE

10 This act shall take effect upon passage and apply to the two-year general
11 election cycle for the 2010 general election.