

1 H.384

2 Introduced by Representative Koch of Barre Town

3 Referred to Committee on

4 Date:

5 Subject: Elections; campaign finance

6 Statement of purpose: This bill proposes to repeal Vermont's current

7 campaign finance laws and provide for new campaign finance requirements.

8 An act relating to promoting full transparency of campaign contributions
9 and expenditures

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

11 Sec. 1. REPEAL

12 17 V.S.A. chapter 59 (campaign finance) is repealed.

13 Sec. 2. 17 V.S.A. chapter 59A is added to read:

14 CHAPTER 59A. CAMPAIGN FINANCE

15 § 2901. DEFINITIONS

16 As used in this chapter:

17 (1) "Candidate" means an individual who has taken affirmative action to
18 become a candidate for state, county, local, or legislative office in a primary,
19 special, general, or local election. An affirmative action shall include one or
20 more of the following:

1 (A) accepting contributions or making expenditures totaling \$500.00
2 or more;

3 (B) filing the requisite petition for nomination under this title or
4 being nominated by primary or caucus; or

5 (C) publicly announcing that he or she seeks an elected position as a
6 state, county, or local officer or a position as representative or senator in the
7 general assembly.

8 (2) “Clearly identified,” with respect to a candidate, means that:

9 (A) the name of the candidate appears;

10 (B) a photograph or drawing of the candidate appears; or

11 (C) the identity of the candidate is apparent by unambiguous
12 reference.

13 (3) “Contribution” means a payment, distribution, advance, deposit,
14 loan, or gift of money or anything of value paid or promised to be paid to a
15 person for the purpose of influencing an election, advocating a position on a
16 public question, or supporting or opposing one or more candidates in any
17 election. For purposes of this chapter, “contribution” shall not include any of
18 the following:

19 (A) a personal loan of money to a candidate from a lending
20 institution made in the ordinary course of business;

1 (B) services provided without compensation by individuals
2 volunteering their time on behalf of a candidate, political committee, or
3 political party;

4 (C) unreimbursed travel expenses incurred within the state of
5 Vermont and paid for by an individual who volunteers personal services to a
6 candidate, if the cumulative amount of these expenses does not exceed \$500.00
7 per election;

8 (D) unreimbursed campaign-related travel expenses incurred within
9 the state of Vermont and paid for by the candidate or the candidate's spouse or
10 civil union partner;

11 (E) the payment by a political party of the costs of preparation,
12 display, mailing, or other distribution of a party candidate listing;

13 (F) documents, in printed or electronic form, including party
14 platforms, single copies of issue papers, information pertaining to the
15 requirements of this title, lists of registered voters, and voter identification
16 information created, obtained, or maintained by a political party for the general
17 purpose of party building and provided to a candidate who is a member of that
18 party or to another political party;

19 (G) compensation paid by a political party to its employees whose
20 job responsibilities are not for the specific and exclusive benefit of a single
21 candidate in any election;

1 (H) campaign training sessions provided to three or more candidates;

2 (I) costs paid for by a political party in connection with a campaign

3 event at which three or more candidates are present;

4 (J) the use of offices, telephones, computers, and similar equipment

5 when that use does not result in additional cost to the provider;

6 (K) activity or communication designed to encourage individuals to

7 register to vote or to vote, if that activity or communication does not mention

8 or depict a clearly identified candidate; or

9 (L) compensation paid by a political party to its employees or

10 consultants for the purpose of providing assistance to another political party.

11 (4) "Election" means the procedure whereby the voters of this state or

12 any of its political subdivisions select a person to be a candidate for public

13 office or to fill a public office or to act on public questions including voting on

14 constitutional amendments. Each primary, general, special, run-off, or local

15 election shall constitute a separate election.

16 (5) "Expenditure" means a payment, disbursement, distribution,

17 advance, deposit, loan, or gift of money or anything of value paid or promised

18 to be paid for the purpose of influencing an election, advocating a position on a

19 public question, or supporting or opposing one or more candidates. For the

20 purposes of this chapter, "expenditure" shall not include any of the following:

1 (A) a personal loan of money to a candidate from a lending
2 institution made in the ordinary course of business;

3 (B) services provided without compensation by individuals
4 volunteering their time on behalf of a candidate, political committee, or
5 political party;

6 (C) unreimbursed travel expenses incurred within the state of
7 Vermont and paid for by an individual who volunteers personal services to a
8 candidate, if the cumulative amount of these expenses does not exceed \$500.00
9 per election; or

10 (D) unreimbursed campaign-related travel expenses incurred within
11 the state of Vermont and paid for by the candidate or the candidate's spouse or
12 civil union partner.

13 (6) "Full name" means an individual's full first name, middle name or
14 initial, if any, and full legal last name, making the identity of the person who
15 made the contribution apparent by unambiguous reference.

16 (7) "General election cycle" means the period that begins 38 days after a
17 general election and ends 37 days after the following general election.

18 (8) "Party candidate listing" means any communication by a political
19 party that:

20 (A) lists the names of at least three candidates for election to public
21 office;

1 (B) is distributed through public advertising such as broadcast
2 stations, cable television, newspapers, and similar media, or through direct
3 mail, telephone, electronic mail, publicly accessible sites on the internet, or
4 personal delivery;

5 (C) treats all candidates in the communication in a substantially
6 similar manner; and

7 (D) is limited to:

8 (i) the identification of each candidate, with which pictures may
9 be used;

10 (ii) the offices sought;

11 (iii) the offices currently held by the candidates;

12 (iv) the party affiliation of the candidates and a brief statement
13 about the party or the candidates' positions, philosophy, goals,
14 accomplishments, or biographies;

15 (v) encouragement to vote for the candidates identified; and

16 (vi) information about voting, such as voting hours and locations.

17 (9) "Political committee" means any formal or informal committee of
18 two or more individuals or a corporation, labor organization, public interest
19 group, or other entity, not including a political party, which receives
20 contributions of more than \$500.00 and makes expenditures of more than
21 \$500.00 in any one calendar year for the purpose of supporting or opposing

1 one or more candidates, influencing an election, or advocating a position on a
2 public question in any election or affecting the outcome of an election and
3 includes what is sometimes referred to as a “political action committee.”

4 (10) “Political party” means a political party organized under chapter 45
5 of this title and any committee established, financed, maintained, or controlled
6 by the party including any subsidiary, branch, or local unit thereof and shall be
7 considered a single, unified political party. The national affiliate of the
8 political party shall be considered a separate political party.

9 (11) “Public question” means an issue that is before the voters for a
10 binding or advisory decision.

11 (12) “Reporting period” means that period of time beginning with the
12 end of the period covered by a candidate’s or organization’s most recent
13 campaign finance report to 72 hours before the close of business on the day
14 that the next campaign finance report is due.

15 (13) “Single source” means an individual, partnership, corporation,
16 association, labor organization, or any other organization or group of persons
17 which is not a political committee or political party.

1 § 2902. CHECKING ACCOUNT; CANDIDATES; POLITICAL

2 COMMITTEES; POLITICAL PARTIES

3 (a) A candidate who has made an expenditure or received a contribution of
4 \$500.00 or more and each political committee shall be subject to the following
5 requirements:

6 (1) All expenditures shall be paid by check from a single checking
7 account in a single bank publicly designated by the candidate or political
8 committee.

9 (2) Each candidate and each political committee shall name a treasurer,
10 who may be the candidate or the candidate's spouse or civil union partner, who
11 is responsible for maintaining the checking account.

12 (b) Within ten days of reaching the \$500.00 threshold, each candidate,
13 political committee, and political party which has accepted contributions or
14 made expenditures of \$500.00 or more shall register with the secretary of state,
15 stating the candidate's or the organization's full name and address, the name of
16 the treasurer, and the name of the bank in which the candidate or organization
17 maintains the campaign checking account.

18 § 2903. MONETARY CONTRIBUTIONS

19 All monetary contributions in excess of \$50.00 shall be made by check.

1 § 2904. CONTRIBUTIONS AND EXPENDITURES TO BE REPORTED

2 (a) Each candidate for state or county office, each candidate for the general
3 assembly, each political committee, and each political party required to register
4 under section 2902 of this title shall file the information required under section
5 2905 of this title with the secretary of state by filing the information on the
6 secretary's website not later than:

7 (1) in any year which is not an election year for the office for which a
8 candidate is running, or for each political committee and each political party,
9 in each year in which there is not a general election, the 15th day of March,
10 June, September, and December; and

11 (2) in any year which is an election year for the office for which a
12 candidate is running, or for each political committee and each political party,
13 in each year in which there is a general election:

14 (A) the 15th day of each month from January through June;

15 (B) the first and 15th days of each month in July, August, and
16 September;

17 (C) the first, 11th, 21st, and 31st days of October;

18 (D) the 20th day of November; and

19 (E) the 41st day after the general election.

20 (b) Each candidate for local office and each political committee or political
21 party required to register under section 2902 of this title which has accepted

1 contributions or made expenditures of \$500.00 or more for the purpose of
2 influencing a local election or supporting or opposing one or more candidates
3 in a local election shall file the information required under section 2905 of this
4 title, in addition to other filings required by this chapter, ten days before and
5 ten days after the local election with the clerk of the municipality in which the
6 election is held and with the secretary of state.

7 (c) The secretary of state shall, without delay, post the information filed
8 under this section on a website maintained by the secretary for this purpose.

9 § 2905. FORM OF CAMPAIGN REPORT

10 (a) The secretary of state shall prescribe and provide on the secretary's
11 website a secure, uniform, interactive reporting form for all campaign finance
12 reports and shall require that all campaign finance reports be filed by using the
13 secretary's website. The reporting form shall be designed to show at least the
14 following information:

15 (1) the balance of cash on hand brought forward from the most recent
16 campaign finance report;

17 (2) for any contribution in excess of \$100.00, the full name, town of
18 residence, and mailing address of each contributor, a link to any website
19 address of any organizational contributor, the date of the contribution, and the
20 amount of the contribution;

1 (3) for any contribution of \$100.00 or less, the total amount of the
2 contribution and the total number of all such contributions;

3 (4) the amount, date, to whom paid, and purpose of an expenditure;

4 (5) the amount contributed or lent by the candidate to his or her own
5 campaign;

6 (6) the amount, date incurred, to whom owed, and purpose of a debt or
7 other obligation incurred; and

8 (7) the balance of cash on hand as of the close of the applicable
9 reporting period.

10 (b) The form shall require the reporting of all contributions and
11 expenditures accepted or spent during the applicable reporting period and
12 during the campaign to date, and shall require full disclosure of the manner in
13 which any indebtedness is discharged or forgiven. Contributions and
14 expenditures for the reporting period and for the campaign to date also shall be
15 totaled in an appropriate place on the form.

16 § 2906. FINAL CAMPAIGN FINANCE REPORTS; CANDIDATES FOR

17 STATE OFFICE, THE GENERAL ASSEMBLY, COUNTY

18 OFFICE; POLITICAL COMMITTEES AND POLITICAL PARTIES

19 (a) At any time, but not later than 41 days following the general election, a
20 candidate for state office, county office, or for the general assembly who has
21 made expenditures or received contributions of \$500.00 or more shall file with

1 the secretary of state a “final report,” which shall constitute the termination of
2 his or her campaign activities for that general election cycle. The report shall
3 provide an update of all contributions and expenditures and disclose the status
4 or disposition of any surplus campaign funds.

5 (b) A political committee or political party shall file a campaign finance
6 report not later than 41 days following the general election. At any time, a
7 political committee or a political party may file a “final report,” which shall
8 constitute the termination of its campaign activities for that general election
9 cycle. The report shall provide an update of all contributions and expenditures
10 and disclose the status or disposition of any surplus campaign funds.

11 (c) Each candidate for county office or for the general assembly required to
12 file a final campaign finance report under this section shall also file a copy of
13 the report with the officer with whom his or her nomination papers were filed.

14 § 2907. SURPLUS CAMPAIGN FUNDS

15 (a) No member of a political committee which has surplus funds after all
16 campaign debts have been paid shall convert the surplus to personal use.

17 (b) No candidate who has surplus funds after all campaign debts have been
18 paid shall convert the surplus to personal use other than to reduce personal
19 campaign debts.

20 (c) The “final report” of a candidate shall indicate the amount of the surplus
21 and how it has been or is to be liquidated.

1 § 2908. CAMPAIGN ADVERTISING

2 All campaign advertising or literature, whether in print, broadcast, Internet,
3 or any other media, purchased or authorized by a candidate, party committee,
4 or political committee shall clearly identify the candidate or organization who
5 paid for the advertising or literature.

6 § 2909. NEW CAMPAIGN ACCOUNTS

7 A candidate who chooses to open a new campaign account for public office
8 may close out his or her former campaign by filing a final report with the
9 secretary of state converting all debts and assets to the new campaign. This
10 final report shall disclose all contributions and expenditures and the disposition
11 of all debts and assets attributable to the former campaign as of the date of the
12 filing of the final report.

13 § 2910. PENALTIES

14 (a) A person who violates a provision of this chapter shall be fined not
15 more than \$2,500.00 or imprisoned not more than six months or both.

16 (b) A person who refuses or neglects to file a campaign finance report after
17 being notified by any person that a required report is overdue, or who
18 knowingly and intentionally submits false or misleading information on a
19 campaign finance report shall be fined not more than \$10,000.00 or imprisoned
20 not more than two years and one day or both.

1 Sec. 5. 32 V.S.A. § 586 is amended to read:

2 § 586. APPLICATION

3 The provisions of this subchapter shall not apply to funds established to
4 account for proceeds from the sale of bonds, to the general fund, the
5 transportation fund, the fish and wildlife fund, the tobacco litigation settlement
6 fund, or to any federal revenue funds, trust funds, enterprise funds, internal
7 service funds, or agency funds, or to public service enterprise funds established
8 to implement provisions of ~~sections~~ 30 V.S.A. §§ 211 and 212a through 212f
9 ~~of Title 30~~; the budget stabilization reserves created by sections 308 and 308a
10 of this title; the low-level radioactive waste fund created by ~~section~~ 10 V.S.A.
11 § 7013 ~~of Title 10~~; the Vermont campaign fund created by ~~section~~ 2856 ~~of~~
12 ~~Title 17~~; the lands and facilities trust fund created by ~~section~~ 3 V.S.A. § 2807
13 ~~of Title 3~~; the education fund created by ~~section~~ 16 V.S.A. § 4025 ~~of Title 16~~;
14 or the Vermont housing and conservation trust fund created by ~~section~~
15 10 V.S.A. § 312 ~~of Title 10~~.

16 Sec. 6. EFFECTIVE DATE

17 This act shall take effect on passage.