

# Journal of the Senate

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FRIDAY, APRIL 12, 2013

The Senate was called to order by the President.

## Devotional Exercises

Devotional exercises were conducted by the Reverend Mara Dowdall of Montpelier.

## Bills Referred

House bills of the following titles were severally read the first time and referred:

### H. 262.

An act relating to establishing a program for the collection and recycling of paint.

To the Committee on Rules.

### H. 527.

An act relating to approval of the adoption and the codification of the charter of the Town of Northfield.

To the Committee on Rules.

## Committee Relieved of Further Consideration; Bills Committed

### H. 50.

On motion of Senator Campbell, the Committee on Rules was relieved of further consideration of House bill entitled:

An act relating to the sale, transfer, or importation of pets,  
and the bill was committed to the Committee on Agriculture.

### H. 101.

On motion of Senator Campbell, the Committee on Rules was relieved of further consideration of House bill entitled:

An act relating to hunting, fishing, and trapping,  
and the bill was committed to the Committee on Natural Resources and Energy.

**H. 262.**

On motion of Senator Campbell, the Committee on Rules was relieved of further consideration of Senate bill entitled:

An act relating to establishing a program for the collection and recycling of paint,

and the bill was committed to the Committee on Natural Resources and Energy.

**H. 514.**

On motion of Senator Campbell, the Committee on Rules was relieved of further consideration of House bill entitled:

An act relating to the tax liability of certain agricultural workers and employers,

and the bill was committed to the Committee on Finance.

**H. 527.**

On motion of Senator Campbell, the Committee on Rules was relieved of further consideration of House bill entitled:

An act relating to approval of the adoption and the codification of the charter of the Town of Northfield,

and the bill was committed to the Committee on Government Operations.

**Committee Relieved of Further Consideration****S. 165.**

On motion of Senator Campbell, the Committee on Rules was relieved of further consideration of House bill entitled:

An act relating to collective bargaining for deputy state's attorneys,

Thereupon, under the rule, the bill was ordered placed on the Calendar for notice the next legislative day.

**Rules Suspended; Bill Committed**

Pending entry on the Calendar for notice, on motion of Senator Mazza the rules were suspended and House bill entitled:

**H. 510.** An act relating to the State's transportation program and miscellaneous changes to the State's transportation laws.

Was taken up for immediate consideration.

Thereupon, pending the reading of the report of the Committee on Transportation, Senator Mazza moved that Senate Rule 49 be suspended in order to commit the bill to the Committee on Finance with the report of the Committee on Transportation *intact*,

Which was agreed to.

**Bill Amended; Third Reading Ordered**

**S. 82.**

Senate bill entitled:

An act relating to campaign finance law.

Having been called up, was taken up.

Thereupon, pending the question, Shall the bill be amended as recommended by the Committee on Government Operations, as amended?, Senator White, on behalf of the Committee on Government Operations, moved to substitute an amendment for the recommendation of amendment of the Committee on Government Operations, as amended, by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) Unduly large campaign contributions reduce public confidence in the electoral process and increase the risk and the appearance that candidates and elected officials may be beholden to contributors and not act in the best interests of all Vermont citizens.

(2) When a person is able to make unduly large contributions to a candidate, there is a risk of voters losing confidence in our system of representative government because voters may believe that a candidate will be more likely to represent the views of persons who make those contributions and less likely to represent views of their constituents and Vermont citizens in general. This loss of confidence may lead to increased voter cynicism and a lack of participation in the electoral process among both candidates and voters.

(3) Lower limits encourage candidates to interact and communicate with a greater number of voters in order to receive contributions to help fund a campaign, rather than to rely on a small number of large contributions. This interaction between candidates and the electorate helps build a greater confidence in our representative government and is likely to make candidates more responsive to voters.

(4) Different limits on contributions to candidates based on the office they seek are necessary in order for these candidates to run effective

campaigns. Moreover, since it generally costs less to run an effective campaign for lower ticket races, a uniform limit on contributions for all offices could enable contributors to exert undue influence over those lower ticket races.

(5) Exempting certain activities of political parties from the definition of what constitutes a contribution is important so as to not overly burden collective political activity. These activities, such as using the assistance of volunteers, preparing party candidate listings, and hosting certain campaign events, are part of a party's traditional role in assisting candidates to run for office. Moreover, these exemptions help protect the right to associate in a political party.

(6) In order to provide the electorate with information regarding who seeks to influence their votes through campaign advertising; to make campaign financing more transparent; to aid voters in evaluating those seeking office; to deter actual corruption and avoid its appearance by exposing contributions and expenditures to the light of publicity; and to gather data necessary to detect violations of contributions limits, it is imperative that Vermont increase the frequency of campaign finance reports and include more information in electioneering communications.

(7) Increasing identification information in electioneering communications, such as requiring the names of top contributors to the political committee or political party that paid for the communication, will enable the electorate to immediately evaluate the speaker's message and will bolster the sufficiently important interest in permitting Vermonters to learn the sources of significant influence in our State's elections.

(8) The General Assembly is aware of reports of potential corruption in other states and in federal politics. It is important to enact legislation that will prevent corruption here and maintain the electorate's confidence in the integrity of Vermont's government.

(9) This act is necessary in order to implement more fully the provisions of Article 8 of Chapter I of the Constitution of the State of Vermont, which declares "That all elections ought to be free and without corruption, and that all voters, having a sufficient, evident, common interest with, and attachment to the community, have a right to elect officers, and be elected into office, agreeably to the regulations made in this constitution."

(10) J.R.S. 11, adopted in 2012, declared the General Assembly's support for a U.S. constitutional amendment "that provides that money is not speech and corporations are not persons under the U.S. Constitution."

(11) The General Assembly, in its findings in J.R.S. 11 in support of a constitutional amendment, noted that “in 1907, Congress enacted the Tillman Act prohibiting corporate financial contributions to federal election campaigns for public office.”

(12) The Tillman Act remains the law of the land and has reduced the corrupting influence of corporations and other special interests in congressional and presidential elections.

(13) The General Assembly reaffirms its support for J.R.S. 11, for the proposition that money is not speech, and for the Tillman Act.

Sec. 2. REPEAL

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

Sec. 3. 17 V.S.A. chapter 61 is added to read:

CHAPTER 61. CAMPAIGN FINANCE

Subchapter 1. General Provisions

§ 2901. DEFINITIONS

As used in this chapter:

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

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

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

(C) announcing that the individual seeks an elected position as a state, county, or local officer or a position as representative or senator in the General Assembly.

(2) “Candidate’s committee” means the candidate’s campaign staff, whether paid or unpaid.

(3) “Clearly identified,” with respect to a candidate, means:

(A) the name of the candidate appears;

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

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

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

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

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

(C) unreimbursed travel expenses paid for by an individual for himself or herself who volunteers personal services to a candidate;

(D) unreimbursed campaign-related travel expenses paid for by the candidate or the candidate’s spouse;

(E) the use by a candidate or volunteer of his or her own personal property, including offices, telephones, computers, and similar equipment;

(F) the use of a political party’s offices, telephones, computers, and similar equipment;

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

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

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

(J) compensation paid by a political party to its employees or consultants for the purpose of providing assistance to another political party;

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

(L) costs paid for by a political party in connection with a campaign event at which three or more candidates are present; or

(M) activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention or depict a clearly identified candidate.

(5) “Election” means the procedure whereby the voters of this State or any of its political subdivisions select a person to be a candidate for public office or to fill a public office or to act on public questions including voting on constitutional amendments. Each primary, general, special, or local election shall constitute a separate election.

(6) “Electioneering communication” means any communication that refers to a clearly identified candidate for office and that promotes or supports a candidate for that office or attacks or opposes a candidate for that office, regardless of whether the communication expressly advocates a vote for or against a candidate, including communications published in any newspaper or periodical or broadcast on radio or television or over the Internet or any public address system; placed on any billboards, outdoor facilities, buttons, or printed material attached to motor vehicles, window displays, posters, cards, pamphlets, leaflets, flyers, or other circulars; or contained in any direct mailing, robotic phone calls, or mass e-mails.

(7) “Expenditure” means a payment, disbursement, distribution, advance, deposit, loan, or gift of money or anything of value, paid or promised to be paid, for the purpose of influencing an election, advocating a position on a public question, or supporting or opposing one or more candidates. For the purposes of this chapter, “expenditure” shall not include any of the following:

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

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

(C) unreimbursed travel expenses paid for by an individual for himself or herself who volunteers personal services to a candidate; or

(D) unreimbursed campaign-related travel expenses paid for by the candidate or the candidate’s spouse.

(8) “Full name” means an individual’s full first name, middle name or initial, if any, and full legal last name, making the identity of the person who made the contribution apparent by unambiguous reference.

(9) “Independent expenditure-only political committee” means a political committee that conducts its activities entirely independent of candidates; does not give contributions to candidates, political committees, or political parties; does not make related expenditures; and is not closely related to a political party or to a political committee that makes contributions to candidates or makes related expenditures.

(10) “Mass media activity” means a television commercial, radio commercial, mass mailing, mass electronic or digital communication, literature drop, newspaper or periodical advertisement, robotic phone call, or telephone bank, which includes the name or likeness of a clearly identified candidate for office.

(11) “Party candidate listing” means any communication by a political party that:

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

(B) is distributed through public advertising such as broadcast stations, cable television, newspapers, and similar media or through direct mail, telephone, electronic mail, a publicly accessible site on the Internet, or personal delivery;

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

(D) is limited to:

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

(ii) the offices sought;

(iii) the offices currently held by the candidates;

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

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

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

(12) “Political committee” or “political action committee” means any formal or informal committee of two or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, which accepts contributions of \$1,000.00 or more and makes expenditures of \$1,000.00 or more in any two-year general election cycle for the purpose of supporting or opposing one or more candidates, influencing an election, or advocating a position on a public question in any election, and includes an independent expenditure-only political committee.

(13) “Political party” means a political party organized under chapter 45 of this title and any committee established, financed, maintained, or controlled by the party, including any subsidiary, branch, or local unit thereof, and shall



be considered a single, unified political party. The national affiliate of the political party shall be considered a separate political party.

(14) “Public question” means an issue that is before the voters for a binding decision.

(15) “Separate segregated fund” means a bank account held separately from the general treasury of a corporation or labor union and which contains only contributions made by natural persons within the contribution limits of this chapter for those persons.

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

(17) “Telephone bank” means more than 500 telephone calls of an identical or substantially similar nature that are made to the general public within any 30-day period.

(18) “Two-year general election cycle” means the 24-month period that begins 38 days after a general election.

#### § 2902. EXCEPTIONS

The definitions of “contribution,” “expenditure,” and “electioneering communication” shall not apply to:

(1) any news story, commentary, or editorial distributed through the facilities of any broadcasting station, newspaper, magazine, or other periodical publication that has not been paid for or such facilities are not owned or controlled by any political party, committee, or candidate; or

(2) any communication distributed through a public access television station if the communication complies with the laws and rules governing the station and if all candidates in the race have an equal opportunity to promote their candidacies through the station.

#### § 2903. PENALTIES

(a) A person who knowingly and intentionally violates a provision of subchapter 2, 3, or 4 of this chapter shall be fined not more than \$1,000.00 or imprisoned not more than six months or both.

(b) A person who violates any provision of this chapter shall be subject to a civil penalty of up to \$10,000.00 for each violation and shall refund the unspent balance of Vermont campaign finance grants received under subchapter 5 of this chapter, if any, calculated as of the date of the violation.

(c) In addition to the other penalties provided in this section, a state’s attorney or the Attorney General may institute any appropriate action.

injunction, or other proceeding to prevent, restrain, correct, or abate any violation of this chapter.

§ 2904. CIVIL INVESTIGATION

(a)(1) The Attorney General or a state's attorney, whenever he or she has reason to believe any person to be or to have been in violation of this chapter or of any rule or regulation made pursuant to this chapter, may examine or cause to be examined by any agent or representative designated by him or her for that purpose any books, records, papers, memoranda, or physical objects of any nature bearing upon each alleged violation and may demand written responses under oath to questions bearing upon each alleged violation.

(2) The Attorney General or a state's attorney may require the attendance of such person or of any other person having knowledge in the premises in the county where such person resides or has a place of business or in Washington County if such person is a nonresident or has no place of business within the State and may take testimony and require proof material for his or her information and may administer oaths or take acknowledgment in respect of any book, record, paper, or memorandum.

(3) The Attorney General or a state's attorney shall serve notice of the time, place, and cause of such examination or attendance or notice of the cause of the demand for written responses personally or by certified mail upon such person at his or her principal place of business or, if such place is not known, to his or her last known address. Such notice shall include a statement that a knowing and intentional violation of subchapters 2 through 4 of this chapter is subject to criminal prosecution.

(4) Any book, record, paper, memorandum, or other information produced by any person pursuant to this section shall not, unless otherwise ordered by a court of this State for good cause shown, be disclosed to any person other than the authorized agent or representative of the Attorney General or a state's attorney or another law enforcement officer engaged in legitimate law enforcement activities unless with the consent of the person producing the same, except that any transcript of oral testimony, written responses, documents, or other information produced pursuant to this section may be used in the enforcement of this chapter, including in connection with any civil action brought under section 2903 of this subchapter or subsection (c) of this section.

(5) Nothing in this subsection is intended to prevent the Attorney General or a state's attorney from disclosing the results of an investigation conducted under this section, including the grounds for his or her decision as to whether to bring an enforcement action alleging a violation of this chapter or of any rule or regulation made pursuant to this chapter.

(6) This subsection shall not be applicable to any criminal investigation or prosecution brought under the laws of this or any state.

(b)(1) A person upon whom a notice is served pursuant to the provisions of this section shall comply with its terms unless otherwise provided by the order of a court of this State.

(2) Any person who, with intent to avoid, evade, or prevent compliance, in whole or in part, with any civil investigation under this section, removes from any place; conceals, withholds, or destroys; or mutilates, alters, or by any other means falsifies any documentary material in the possession, custody, or control of any person subject to such notice or mistakes or conceals any information shall be fined not more than \$5,000.00.

(c)(1) Whenever any person fails to comply with any notice served upon him or her under this section or whenever satisfactory copying or reproduction of any such material cannot be done and the person refuses to surrender the material, the Attorney General or a state's attorney may file, in the superior court in which the person resides or has his or her principal place of business or in Washington County if the person is a nonresident or has no principal place of business in this State, and serve upon the person a petition for an order of the court for the enforcement of this section.

(2) Whenever any petition is filed under this section, the court shall have jurisdiction to hear and determine the matter so presented and to enter any order or orders as may be required to carry into effect the provisions of this section. Any disobedience of any order entered under this section by any court shall be punished as a contempt of the court.

(d) Any person aggrieved by a civil investigation conducted under this section may seek relief from Washington Superior Court or the superior court in the county in which the aggrieved person resides. Except for cases the court considers to be of greater importance, proceedings before superior court as authorized by this section shall take precedence on the docket over all other cases.

#### § 2905. ADJUSTMENTS FOR INFLATION

(a) Whenever it is required by this chapter, the Secretary of State shall make adjustments to monetary amounts provided in this chapter based on the Consumer Price Index. Increases shall be rounded to the nearest \$10.00 and shall apply for the term of two two-year general election cycles. Increases shall be effective for the first two-year general election cycle beginning after the general election held in 2016.

(b) On or before the first two-year general election cycle beginning after the general election held in 2016, the Secretary of State shall calculate and

publish on the online database set forth in section 2906 of this chapter each adjusted monetary amount that will apply to those two two-year general election cycles. On or before the beginning of each second subsequent two-year general election cycle, the Secretary shall publish the amount of each adjusted monetary amount that shall apply for that two-year general election cycle and the next two-year general election cycle.

§ 2906. CAMPAIGN DATABASE; CANDIDATE INFORMATION PUBLICATION

(a) Campaign database. For each two-year general election cycle, the Secretary of State shall develop and continually update a publicly accessible campaign database which shall be made available to the public through the Secretary of State's home page online service or through printed reports from the Secretary in response to a public request within 14 days of the date of the request. The database shall contain:

(1) at least the following information for all candidates for statewide, county, and local office and for the General Assembly:

(A) for candidates receiving public financing grants, the amount of each grant awarded; and

(B) the information contained in any reports submitted pursuant to subchapter 4 of this chapter;

(2) campaign finance reports filed by candidates for federal office;

(3) the adjustments for inflation made to monetary amounts as required by this chapter; and

(4) any photographs, biographical sketches, and position statements submitted to the Secretary pursuant to subsection (b) of this section.

(b) Candidate information publication.

(1) Any candidate for statewide office and any candidate for federal office qualified to be on the ballot in this State may submit to the Secretary of State a photograph, biographical sketch, and position statement of a length and format specified by the Secretary for the purposes of preparing a candidate information publication.

(2) Without making any substantive changes in the material presented, the Secretary shall prepare a candidate information publication for statewide distribution prior to the general election, which includes the candidates' photographs, biographies, and position statements; a brief explanation of the process used to obtain candidate submissions; and, with respect to offices for which public financing is available, an indication of which candidates are

receiving Vermont campaign finance grants and which candidates are not receiving Vermont campaign finance grants.

(3) The Secretary shall prepare, publish, and distribute the candidate information publication throughout the State no later than one week prior to the general election. The Secretary shall also seek voluntary distribution of the candidate information publication in weekly and daily newspapers and other publications in the State. The Secretary shall also make the candidate information publication available in large type, audiotape, and Internet versions.

§ 2907. ADMINISTRATION

The Secretary of State shall administer this chapter and shall perform all duties required under this chapter. The Secretary may employ or contract for the services of persons necessary for performance of these duties.

Subchapter 2. Registration and Maintenance Requirements

§ 2921. CANDIDATES; REGISTRATION; CHECKING ACCOUNT; TREASURER

(a) Each candidate who has made expenditures or accepted contributions of \$500.00 or more in a two-year general election cycle shall register with the Secretary of State stating his or her full name and address; the office the candidate is seeking; the name and address of the bank in which the candidate maintains his or her campaign checking account; and the name and address of the treasurer responsible for maintaining the checking account. A candidate's treasurer may be the candidate or his or her spouse.

(b) All expenditures by a candidate shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the candidate under subsection (a) of this section, or, if under \$250.00, the candidate may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the candidate for at least two years from the end of the two-year general election cycle in which the expenditure was made.

§ 2922. POLITICAL COMMITTEES; REGISTRATION; CHECKING ACCOUNT; TREASURER

(a) Each political committee shall register with the Secretary of State within 10 days of making expenditures of \$1,000.00 or more and accepting contributions of \$1,000.00 or more stating its full name and address; the name and address of the bank in which it maintains its campaign checking account;

and the name and address of the treasurer responsible for maintaining the checking account.

(b) All expenditures by a political committee shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the political committee under subsection (a) of this section, or, if under \$250.00, the political committee may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the political committee for at least two years from the end of the two-year general election cycle in which the expenditure was made.

(c) A political committee whose principal place of business or whose treasurer is not located in this State shall file a statement with the Secretary of State designating a person who resides in this State upon whom may be served any process, notice, or demand required or permitted by law to be served upon the political committee. This statement shall be filed at the same time as the registration required in subsection (a) of this section.

§ 2923. POLITICAL PARTIES; REGISTRATION; CHECKING ACCOUNTS; TREASURER

(a)(1) Each political party which has accepted contributions or made expenditures of \$1,000.00 or more in any two-year general election cycle shall register with the Secretary of State within 10 days of reaching the \$1,000.00 threshold. In its registration, the party shall state its full name and address, the name and address of the bank in which it maintains its campaign checking account, and the name and address of the treasurer responsible for maintaining the checking account.

(2) A political party may permit any subsidiary, branch, or local unit of the political party to maintain its own checking account. If a subsidiary, branch, or local unit of a political party is so permitted, it shall file with the Secretary of State within five days of establishing the checking account its full name and address, the name of the political party, the name and address of the bank in which it maintains its campaign checking account, and the name and address of the treasurer responsible for maintaining the checking account.

(b) All expenditures by a political party or its subsidiary, branch, or local unit shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the political party under subsection (a) of this section, or if under \$250.00, the political party may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the political party for at least two years from the end of the two-year general election cycle in which the expenditure was made.

(c) A political party or its subsidiary, branch, or local unit whose principal place of business or whose treasurer is not located in this State shall file a statement with the Secretary of State designating a person who resides in this State upon whom may be served any process, notice, or demand required or permitted by law to be served upon the political party, subsidiary, branch, or local unit. This statement shall be filed at the same time as the registration required in subsection (a) of this section.

§ 2924. CANDIDATES; SURPLUS CAMPAIGN FUNDS; NEW CAMPAIGN ACCOUNTS

(a) A candidate who has surplus funds after all campaign debts have been paid shall not convert the surplus to personal use, other than to reduce personal campaign debts or as otherwise provided in this chapter.

(b) Surplus funds in a candidate's account after payment of all campaign debts may be:

(1) contributed to other candidates, political parties, or political committees subject to the contribution limits set forth in this chapter;

(2) contributed to a charity;

(3) contributed to the Secretary of State Services Fund; or

(4) contributed using a combination of the provisions set forth in subdivisions (1)–(3) of this subsection.

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

(d)(1) A candidate who chooses to roll over any surplus contributions into a new campaign account for public office may close out his or her former campaign by filing a final report with the Secretary of State converting all debts and assets to the new campaign.

(2) A candidate who rolls over surplus contributions into a new campaign account shall be required to file a new bank designation form only if there has been a change in the treasurer or the location of the campaign account.

§ 2925. POLITICAL COMMITTEES; SURPLUS CAMPAIGN FUNDS

(a) A member of a political committee which has surplus funds after all campaign debts have been paid shall not convert the surplus to personal use.

(b) Surplus funds in a political committee's account after payment of all campaign debts may be:

(1) contributed to other candidates, political parties, or political committees subject to the contribution limits set forth in this chapter;

(2) contributed to a charity;

(3) contributed to the Secretary of State Services Fund; or

(4) contributed using a combination of the provisions set forth in subdivisions (1)–(3) of this subsection.

(d) The “final report” of a political committee shall indicate the amount of the surplus and how it has been or is to be liquidated.

#### § 2926. REQUIREMENTS FOR SEPARATE SEGREGATED FUNDS

(a) The separate segregated fund of a corporation or labor union shall be considered a political committee.

(b) Only a natural person may make a contribution to a separate segregated fund.

(c) A separate segregated fund may be used only to make contributions to candidates, political committees, or political parties.

#### Subchapter 3. Contribution Limitations

#### § 2941. LIMITATIONS OF CONTRIBUTIONS

In any two-year general election cycle:

(1) A candidate for state representative or for local office shall not accept contributions totaling more than:

(A) \$750.00 from a single source;

(B) \$750.00 from a political committee; or

(C) \$3,000.00 from a political party.

(2) A candidate for state senator or county office shall not accept contributions totaling more than:

(A) \$1,500.00 from a single source;

(B) \$1,500.00 from a political committee; or

(C) \$6,000.00 from a political party.

(3) A candidate for the office of Governor, Lieutenant Governor, Secretary of State, State Treasurer, Auditor of Accounts, or Attorney General shall not accept contributions totaling more than:

(A) \$3,000.00 from a single source;

(B) \$3,000.00 from a political committee; or



(C) \$85,000.00 from a political party.

(4) A political committee shall not accept contributions totaling more than:

(A) \$3,000.00 from a single source;

(B) \$3,000.00 from a political committee; or

(C) \$3,000.00 from a political party.

(5) A political party shall not accept contributions totaling more than:

(A) \$3,000.00 from a single source;

(B) \$3,000.00 from a political committee; or

(C) \$30,000.00 from a political party.

(6) A single source shall not contribute more than an aggregate of:

(A) \$25,000.00 to candidates; and

(B) \$25,000.00 to political committees and political parties.

(7) A single source, political committee, or political party shall not contribute more to a candidate, political committee, or political party than the candidate, political committee, or political party is permitted to accept under subdivisions (1) through (5) of this section.

#### § 2942. EXCEPTIONS

The contribution limitations established by this subchapter shall not apply to contributions to a political committee made for the purpose of advocating a position on a public question, including a constitutional amendment.

#### § 2943. LIMITATIONS ADJUSTED FOR INFLATION

The contribution limitations contained in this subchapter shall be adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter.

#### § 2944. ACCOUNTABILITY FOR RELATED EXPENDITURES

(a) A related campaign expenditure made on a candidate's behalf shall be considered a contribution to the candidate on whose behalf it was made.

(b) For the purposes of this section, a "related campaign expenditure made on the candidate's behalf" means any expenditure intended to promote the election of a specific candidate or group of candidates or the defeat of an opposing candidate or group of candidates if intentionally facilitated by, solicited by, or approved by the candidate or the candidate's committee.

(c)(1) An expenditure made by a political party or by a political committee that recruits or endorses candidates that primarily benefits six or fewer candidates who are associated with the political party or political committee making the expenditure is presumed to be a related expenditure made on behalf of those candidates, except that the acquisition, use, or dissemination of the images of those candidates by the political party or political committee shall not be presumed to be a related expenditure made on behalf of those candidates.

(2) An expenditure made by a political party or by a political committee that recruits or endorses candidates that substantially benefits more than six candidates and facilitates party or political committee functions, voter turnout, platform promotion, or organizational capacity shall not be presumed to be a related expenditure made on a candidate's behalf.

(3) For the purposes of this section, a "related campaign expenditure made on the candidate's behalf" does not mean:

(A) the cost of invitations and postage and of food and beverages voluntarily provided by an individual in conjunction with an opportunity for a group of voters to meet a candidate if the cumulative value of these items provided by the individual on behalf of any candidate does not exceed \$500.00 per event; or

(B) the sale of any food or beverage by a person for use at a campaign event providing an opportunity for a group of voters to meet a candidate if the charge to the candidate is at least equal to the cost of the food or beverages to the person and if the cumulative value of the food or beverages does not exceed \$500.00 per event.

(d)(1) A candidate may seek a determination that an expenditure is a related expenditure made on behalf of an opposing candidate by filing a petition with the superior court of the county in which either candidate resides.

(2) Within 24 hours of the filing of a petition, the court shall schedule the petition for hearing. Except as to cases the court considers of greater importance, proceedings before the superior court, as authorized by this section, and appeals therefrom take precedence on the docket over all other cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.

(3) The findings and determination of the court shall be prima facie evidence in any proceedings brought for violation of this chapter.

(e) The Secretary of State may adopt rules necessary to administer the provisions of this section.

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§ 2945. ACCEPTING CONTRIBUTIONS

(a) A candidate, political committee, or political party accepts a contribution when the contribution is deposited in the candidate's, committee's, or party's campaign account or two business days after the candidate, committee, or party receives it, whichever comes first.

(b) A candidate, political committee, or political party shall not accept a monetary contribution in excess of \$50.00 unless made by check, credit or debit card, or other electronic transfer.

§ 2946. CANDIDATE'S ATTRIBUTION TO PREVIOUS CYCLE

A candidate's expenditures related to a previous two-year general election cycle and contributions used to retire a debt of a previous two-year general election cycle shall be attributed to the earlier two-year general election cycle.

§ 2947. CONTRIBUTIONS FROM A CANDIDATE OR IMMEDIATE FAMILY

This subchapter shall not be interpreted to limit the amount a candidate or his or her immediate family may contribute to his or her own campaign. For purposes of this subsection, "immediate family" means a candidate's spouse, parent, grandparent, child, grandchild, sister, brother, stepparent, stepgrandparent, stepchild, stepgrandchild, stepsister, stepbrother, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, legal guardian, or former legal guardian.

§ 2948. PROHIBITION ON TRANSFERRING CONTRIBUTIONS

A candidate, political committee, or political party shall not accept a contribution which the candidate, political committee, or political party knows is not directly from the contributor but was transferred to the contributor by another person for the purpose of transferring the same to the candidate, political committee, or political party or otherwise circumventing the provisions of this chapter. It shall be a violation of this chapter for a person to make a contribution with the explicit or implicit understanding that the contribution will be transferred in violation of this subsection.

§ 2949. USE OF TERM "CANDIDATE"

For purposes of this subchapter, the term "candidate" includes the candidate's committee, except in regard to the provisions of section 2947 of this subchapter.

§ 2950. LIMITATIONS ON CONTRIBUTIONS; CORPORATIONS AND LABOR UNIONS; SEPARATE SEGREGATED FUNDS

(a) Notwithstanding any provision of law to the contrary and except as provided in subsection (b) of this section, a corporation or labor union shall not make a contribution to a candidate, political committee, or political party.

(b)(1) A corporation or labor union may:

(A) establish a separate segregated fund that may contribute to candidates, political committees, and political parties; and

(B) provide its meeting facilities to a candidate, political committee, or political party on a nondiscriminatory and nonpreferential basis.

(2) A corporation may use money, property, labor, or any other thing of monetary value of the corporation for the purposes of soliciting its stockholders, executive or administrative personnel, and the immediate families of those persons for contributions to the corporation's separate segregated fund and for financing the administration of that separate segregated fund. The corporation's employees and the immediate families of those employees to whom the foregoing authority does not extend may only be solicited in writing, and such solicitations may only take place two times in a calendar year.

(3) A labor union may use money, property, labor, or any other thing of monetary value of the labor union for the purposes of soliciting its members, executive or administrative personnel, and the immediate families of those persons for contributions to the labor union's separate segregated fund and for financing the administration of that separate segregated fund. The labor union's employees and the immediate families of those employees to whom the foregoing authority does not extend and stockholders and their immediate families of a corporation in which the labor union represents members working for the corporation may only be solicited in writing, and such solicitations may only take place two times in a calendar year.

(c) Notwithstanding any provision of law to the contrary, a candidate, political committee, or political party shall not accept a contribution from a corporation or labor union except from the separate segregated fund of that corporation or labor union.

(d) The provisions of this section shall not apply to a nonprofit corporation that:

(1) is not organized or operating for the principal purpose of conducting a business;

(2) has no shareholders or other persons affiliated so as to have a claim on its assets or earnings; and

(3) was not established by a business corporation or a labor union and has a policy not to accept significant contributions from those entities.

(e) As used in this section, “immediate families” means the spouse and the father, mother, sons, and daughters who live in the same household as a corporation or labor union’s stockholder, executive or administrative personnel, member, or employee.

#### Subchapter 4. Reporting Requirements; Disclosures

#### § 2961. SUBMISSION OF REPORTS TO THE SECRETARY OF STATE

(a)(1) The Secretary of State shall provide on the online database set forth in section 2906 of this chapter digital access to the form that he or she provides for any report required by this chapter. Digital access shall enable any person required to file a report under this chapter to file the report by completing and submitting the report to the Secretary of State online.

(2) The Secretary shall maintain on the online database reports that have been filed for each two-year general election cycle so that any person may have direct machine-readable electronic access to the individual data elements in each report and the ability to search those data elements as soon as a report is filed.

(b) Any person required to file a report with the Secretary of State under this chapter shall file the report digitally on the online database.

#### § 2962. REPORTS; GENERAL PROVISIONS

(a) Any report required to be submitted to the Secretary of State under this chapter shall contain the statement “I hereby certify that the information provided on all pages of this campaign finance disclosure report is true to the best of my knowledge, information, and belief” and places for the signature of the candidate or the treasurer of the candidate, political committee, or political party.

(b) Any person required to file a report under this chapter shall provide the information required in the Secretary of State’s reporting form. Disclosure shall be limited to the information required to administer this chapter.

(c) All reports filed under this chapter shall be retained in an indexed file by the Secretary of State and shall be subject to the examination of any person.

§ 2963. CAMPAIGN REPORTS; SECRETARY OF STATE; FORMS; FILING

(a) The Secretary of State shall prescribe and provide a uniform reporting form for all campaign finance reports. The reporting form shall be designed to show the following information:

(1) the full name, town of residence, and mailing address of each contributor who contributes an amount in excess of \$100.00, the date of the contribution, and the amount contributed, as well as a space on the form for the occupation and employer of each contributor, which the candidate, political committee, or political party shall make a reasonable effort to obtain;

(2) the total amount of all contributions of \$100.00 or less and the total number of all such contributions;

(3) each expenditure listed by amount, date, to whom paid, and for what purpose;

(4) the amount contributed or loaned by the candidate to his or her own campaign during the reporting period; and

(5) each debt or other obligation, listed by amount, date incurred, to whom owed, and for what purpose, incurred during the reporting period.

(b)(1) The form shall require the reporting of all contributions and expenditures accepted or spent during the reporting period and during the campaign to date and shall require full disclosure of the manner in which any indebtedness is discharged or forgiven.

(2) Contributions and expenditures for the reporting period and for the campaign to date also shall be totaled in an appropriate place on the form. The total of contributions shall include a subtotal of nonmonetary contributions and a subtotal of all monetary contributions.

(3) The form shall contain a list of the required filing times so that the person filing may designate for which time period the filing is made.

(4) Contributions accepted and expenditures spent after 5:00 p.m. on the third day prior to the filing deadline shall be reported on the next report.

§ 2964. CAMPAIGN REPORTS; CANDIDATES FOR STATE OFFICE, THE GENERAL ASSEMBLY, AND COUNTY OFFICE; POLITICAL COMMITTEES; POLITICAL PARTIES

(a)(1) Each candidate for state office, the General Assembly, and county office who has made expenditures or accepted contributions of \$500.00 or more during a two-year general election cycle, and, except as provided in subsection (b) of this section, each political committee and each political party

required to register under section 2923 of this chapter shall file with the Secretary of State campaign finance reports as follows, except that once a candidate, political committee, or political party is required to file these reports, subsequent reports shall only be required to be filed under this subdivision if the candidate, political committee, or political party has made expenditures or accepted contributions since the last required report:

(A) in the first year of the two-year general election cycle, on March 15 and November 15 of the odd-numbered year; and

(B) in the second year of the two-year general election cycle:

(i) on March 15;

(ii) on June 15, July 1, and July 15;

(iii) on September 1;

(iv) on October 1, October 15 and November 1; and

(v) two weeks after the general election.

(2) The failure of a candidate, political committee, or political party to file a report under this subsection shall be deemed an affirmative statement that a report is not required of the candidate, political committee, or political party under subdivision (1) of this subsection.

(b) A political committee or a political party which has accepted contributions or made expenditures of \$1,000.00 or more in any two-year general election cycle for the purpose of influencing a local election or supporting or opposing one or more candidates in a local election shall file campaign finance reports regarding that election 30 days before, 10 days before, and two weeks after the local election with the Secretary of State.

(c) Any formal or informal committee of two or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, which makes expenditures of \$1,000.00 or more in any two-year general election cycle for the purpose of advocating a position on a public question in any election shall file a report of its expenditures 30 days before, 10 days before, and two weeks after the election with the Secretary of State.

§ 2965. FINAL REPORTS; CANDIDATES FOR STATE OFFICE, THE GENERAL ASSEMBLY, AND COUNTY OFFICE; POLITICAL COMMITTEES; POLITICAL PARTIES

(a) At any time, but not later than December 15th following the general election, each candidate for state office, the General Assembly, and county office who has made expenditures or accepted contributions of \$500.00 or

more during the two-year general election cycle shall file with the Secretary of State a "final report" which lists a complete accounting of all contributions and expenditures since the last report and disposition of surplus and which shall constitute the termination of his or her campaign activities.

(b) At any time, a political committee or a political party may file a "final report" which lists a complete accounting of all contributions and expenditures since the last report and disposition of surplus and which shall constitute the termination of its campaign activities.

§ 2966. REPORTS BY CANDIDATES NOT REACHING MONETARY REPORTING THRESHOLD

Each candidate for state office, the General Assembly, and county office who has made expenditures or accepted contributions of less than \$500.00 during a two-year general election cycle shall file with the Secretary of State 10 days following the general election a statement that the candidate has not made expenditures or accepted contributions of \$500.00 or more during the two-year general election cycle.

§ 2967. ADDITIONAL CAMPAIGN REPORTS; CANDIDATES FOR STATE OFFICE AND THE GENERAL ASSEMBLY

(a) In addition to any other reports required to be filed under this chapter, a candidate for state office or for the General Assembly who accepts a monetary contribution in an amount over \$2,000.00 within 10 days of a primary or general election shall report the contribution to the Secretary of State within 24 hours of receiving the contribution.

(b) A report required by this section shall include the following information:

(1) the full name, town of residence, and mailing address of the contributor; the date of the contribution; and the amount contributed; and

(2) the amount contributed or loaned by the candidate to his or her own campaign.

§ 2968. CAMPAIGN REPORTS; LOCAL CANDIDATES

(a)(1) Each candidate for local office who has made expenditures or accepted contributions of \$500.00 or more since the last local election for that office shall file with the Secretary of State campaign finance reports 30 days before, 10 days before, and two weeks after the local election.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, a candidate for local office required to file a report under that subdivision shall only be required to file subsequent reports under that subdivision if the



candidate has made expenditures or accepted contributions since his or her last required report.

(b) Within 40 days after the local election, each candidate for local office who has made expenditures or accepted contributions of \$500.00 or more shall file with the Secretary of State a “final report” which lists a complete accounting of all contributions and expenditures since the last report and a disposition of surplus and which shall constitute the termination of his or her campaign activities.

(c) The failure of a local candidate to file a campaign finance report shall be deemed an affirmative statement that the candidate has not accepted contributions or made expenditures of \$500.00 or more since the last local election for that office or has not made expenditures or accepted contributions since the last required report.

#### § 2969. REPORT OF MASS MEDIA ACTIVITIES

(a)(1) In addition to any other reports required to be filed under this chapter, a person who makes expenditures for any one mass media activity totaling \$500.00 or more, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter, within 45 days before a primary, general, county, or local election shall, for each activity, file a mass media report with the Secretary of State and send a copy of the report to each candidate whose name or likeness is included in the activity without that candidate’s knowledge.

(2) The copy of the mass media report shall be sent by e-mail to each candidate who has provided the Secretary of State with an e-mail address on his or her consent form and to any other candidate by mail.

(3) The mass media report shall be filed and the copy of the report shall be sent within 24 hours of the expenditure or activity, whichever occurs first. For the purposes of this section, a person shall be treated as having made an expenditure if the person has executed a contract to make the expenditure.

(b) The report shall identify the person who made the expenditure; the name of each candidate whose name or likeness was included in the activity; the amount and date of the expenditure; to whom it was paid; and the purpose of the expenditure.

(c) If the activity occurs within 30 days before the election and the expenditure was previously reported, an additional report shall be required under this section.

(d)(1) In addition to the reporting requirements of this section, an independent expenditure-only political committee that makes an expenditure

for any one mass media activity totaling \$5,000.00 or more, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter, within 45 days before a primary, general, county, or local election shall, for each such activity and within 24 hours of the expenditure or activity, whichever occurs first, file an independent expenditure-only political committee mass media report with the Secretary of State and send a copy of the report to each candidate whose name or likeness is included in the activity without that candidate's knowledge.

(2) The report shall include all of the information required under subsection (b) of this section, as well as the names, dates, and amounts of all contributions in excess of \$100.00 accepted since the filing of the committee's last report.

#### § 2970. IDENTIFICATION IN ELECTIONEERING COMMUNICATIONS

(a) An electioneering communication shall contain the name and mailing address of the person, candidate, political committee, or political party that paid for the communication. The name and address shall appear prominently such that a reasonable person would clearly understand by whom the expenditure has been made, except that:

(1) An electioneering communication transmitted through radio and paid for by a candidate does not need to contain the candidate's address.

(2) An electioneering communication paid for by a person acting as an agent or consultant on behalf of another person, candidate, political committee, or political party shall clearly designate the name and mailing address of the person, candidate, political committee, or political party on whose behalf the communication is published or broadcast.

(b) If an electioneering communication is a related campaign expenditure made on a candidate's behalf as provided in section 2944 of this chapter, then in addition to other requirements of this section, the communication shall also clearly designate the candidate on whose behalf it was made by including language such as "on behalf of" such candidate.

(c) In addition to the identification requirements in subsections (a) and (b) of this section, an electioneering communication paid for by or on behalf of a political committee or political party shall contain the name of any contributor who contributed more than 25 percent of all contributions and more than \$2,000.00 to that committee or party since the beginning of the two-year general election cycle in which the electioneering communication was made.

(d) The identification requirements of this section shall not apply to lapel stickers or buttons, nor shall they apply to electioneering communications made by a single individual acting alone who spends, in a single two-year

general election cycle, a cumulative amount of no more than \$150.00 on those electioneering communications, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter.

§ 2971. SPECIFIC IDENTIFICATION REQUIREMENTS FOR RADIO OR TELEVISION COMMUNICATIONS

(a) A person, candidate, political committee, or political party that makes an expenditure for an electioneering communication shall include in any communication which is transmitted through radio or television, in a clearly spoken manner, an audio statement of the name and title of the person who paid for the communication, that the person paid for the communication, and that the person approves of the content of the communication.

(b) If the person who paid for the communication is not a natural person, the audio statement required by this section shall include the name of that person, the name and title of the principal officer of the person, and a statement that the officer approves of the content of the communication.

Subchapter 5. Public Financing Option

§ 2981. DEFINITIONS

As used in this subchapter:

(1) "Affidavit" means the Vermont campaign finance affidavit required under section 2982 of this chapter.

(2) "General election period" means the period beginning the day after the primary election and ending the day of the general election.

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

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

§ 2982. FILING OF VERMONT CAMPAIGN FINANCE AFFIDAVIT

(a) A candidate for the office of Governor or Lieutenant Governor who intends to seek Vermont campaign finance grants from the Secretary of State Services Fund shall file a Vermont campaign finance affidavit on the date on or before which primary petitions must be filed, whether the candidate seeks to enter a party primary or is an independent candidate.

(b) The Secretary of State shall prepare a Vermont campaign finance affidavit form, informational materials on procedures and financial requirements, and notification of the penalties for violation of this subchapter.

(c)(1) The Vermont campaign finance affidavit shall set forth the conditions of receiving grants under this subchapter and provide space for the candidate to agree that he or she will abide by such conditions and all expenditure and contribution limitations, reporting requirements, and other provisions of this chapter.

(2) The affidavit shall also state the candidate's name, legal residence, business or occupation, address of business or occupation, party affiliation, if any, the office sought, and whether the candidate intends to enter a party primary.

(3) The affidavit shall also contain a list of all the candidate's qualifying contributions together with the name and town of residence of the contributor and the date each contribution was made.

(4) The affidavit may further require affirmation of such other information as deemed necessary by the Secretary of State for the administration of this subchapter.

(5) The affidavit shall be sworn and subscribed to by the candidate.

§ 2983. VERMONT CAMPAIGN FINANCE GRANTS; CONDITIONS

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

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

(1) not solicit, accept, or expend any contributions except qualifying contributions, Vermont campaign finance grants, and contributions authorized under section 2985 of this chapter, which contributions may be solicited, accepted, or expended only in accordance with the provisions of this subchapter;

(2) deposit all qualifying contributions, Vermont campaign finance grants, and any contributions accepted in accordance with the provisions of section 2985 of this chapter in a federally insured noninterest-bearing checking account; and

(3) not later than 40 days after the general election, deposit in the Secretary of State Services Fund, after all permissible expenditures have been paid, the balance of any amounts remaining in the account established under subdivision (2) of this subsection.

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§ 2984. QUALIFYING CONTRIBUTIONS

(a) In order to qualify for Vermont campaign finance grants, a candidate for the office of Governor or Lieutenant Governor shall obtain during the Vermont campaign finance qualification period the following amount and number of qualifying contributions for the office being sought:

(1) for Governor, a total amount of no less than \$35,000.00 collected from no fewer than 1,500 qualified individual contributors making a contribution of no more than \$50.00 each; or

(2) for Lieutenant Governor, a total amount of no less than \$17,500.00 collected from no fewer than 750 qualified individual contributors making a contribution of no more than \$50.00 each.

(b) A candidate shall not accept more than one qualifying contribution from the same contributor and a contributor shall not make more than one qualifying contribution to the same candidate in any Vermont campaign finance qualification period. For the purpose of this section, a qualified individual contributor means an individual who is registered to vote in Vermont. No more than 25 percent of the total number of qualified individual contributors may be residents of the same county.

(c) Each qualifying contribution shall indicate the name and town of residence of the contributor and the date accepted and be acknowledged by the signature of the contributor.

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

§ 2985. VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS; TIMING

(a) The Secretary of State shall make grants from the Secretary of State Services Fund in separate grants for the primary and general election periods to candidates who have qualified for Vermont campaign finance grants under this subchapter.

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

(1) For Governor, \$150,000.00 in a primary election period and \$450,000.00 in a general election period, provided that the grant for a primary

election period shall be reduced by an amount equal to the candidate's qualifying contributions.

(2) For Lieutenant Governor, \$50,000.00 in a primary election period and \$150,000.00 in a general election period, provided that the grant for a primary election period shall be reduced by an amount equal to the candidate's qualifying contributions;

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

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

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

(e) Vermont campaign finance grants for a primary election period shall be paid to qualifying candidates within the first 10 business days of the primary election period. Vermont campaign finance grants for a general election period shall be paid to qualifying candidates during the first 10 business days of the general election period.

#### § 2986. MONETARY AMOUNTS ADJUSTED FOR INFLATION

The monetary amounts contained in sections 2983–2985 of this subchapter shall be adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter.

Sec. 4. 17 V.S.A. § 2969 is amended to read:

#### § 2969. REPORT OF MASS MEDIA ACTIVITIES

(a)(1) In addition to any other reports required to be filed under this chapter, a person who makes expenditures for any one mass media activity totaling \$500.00 or more, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter, within 45 days before a primary, general, county, or local election shall, for each activity, file a mass media report with the Secretary of State and send a copy of the report to each

candidate whose name or likeness is included in the activity without that candidate's knowledge.

(2) The copy of the mass media report shall be sent by e-mail to each candidate who has provided the Secretary of State with an e-mail address on his or her consent form and to any other candidate by mail.

(3) The mass media report shall be filed and the copy of the report shall be sent within 24 hours of the expenditure or activity, whichever occurs first. For the purposes of this section, a person shall be treated as having made an expenditure if the person has executed a contract to make the expenditure.

(b) The report shall identify the person who made the expenditure; the name of each candidate whose name or likeness was included in the activity; the amount and date of the expenditure; to whom it was paid; and the purpose of the expenditure.

(c) If the activity occurs within 30 days before the election and the expenditure was previously reported, an additional report shall be required under this section.

~~(d)(1) In addition to the reporting requirements of this section, an independent expenditure only political committee that makes an expenditure for any one mass media activity totaling \$5,000.00 or more, adjusted for inflation pursuant to the Consumer Price Index as provided in section 2905 of this chapter, within 45 days before a primary, general, county, or local election shall, for each such activity and within 24 hours of the expenditure or activity, whichever occurs first, file an independent expenditure only political committee mass media report with the Secretary of State and send a copy of the report to each candidate whose name or likeness is included in the activity without that candidate's knowledge.~~

~~(2) The report shall include all of the information required under subsection (b) of this section, as well as the names, dates, and amounts of all contributions in excess of \$100.00 accepted since the filing of the committee's last report. [Repealed.]~~

#### Sec. 5. EVALUATION OF 2014 PRIMARY AND GENERAL ELECTIONS

The House and Senate Committees on Government Operations shall evaluate the 2014 primary and general elections to determine the effect of the implementation of this act.

#### Sec. 6. EFFECTIVE DATES; TRANSITIONAL PROVISIONS

(a) This act shall take effect on passage, except that:

(1) in Sec. 3 of this act, 17 V.S.A. § 2961 (submission of reports to the Secretary of State) shall take effect on January 15, 2015;

(2) in Sec. 3 of this act, 17 V.S.A. § 2941(6) (limitations of contributions; aggregate limits on contributions from a single source) shall not take effect any sooner than January 15, 2015 and unless the final disposition, including all appeals, of *McCutcheon v. Federal Election Commission*, No. 12cv1034 (D.D.C. Sept. 28, 2012) holds that aggregate limits on contributions from single sources are constitutional; and

(3) Sec. 4 of this act, amending 17 V.S.A. § 2969, shall not take effect unless the final disposition, including all appeals, of *Vermont Right to Life Committee, Inc. v. Sorrell*, No. 2:09-cv-188 (D. Vt. June 21, 2012) holds that limits on contributions to independent expenditure-only political committees are constitutional.

(b) The provisions of 17 V.S.A. § 2941(4) (limitations of contributions; limits on contributions to a political committee) in Sec. 3 of this act shall not apply to independent expenditure-only political committees, except that those provisions shall apply to independent expenditure-only political committees if the final disposition, including all appeals, of *Vermont Right to Life Committee, Inc. v. Sorrell*, No. 2:09-cv-188 (D. Vt. June 21, 2012) holds that limits on contributions to independent expenditure-only political committees are constitutional.

(c) As used in this section, “independent expenditure-only political committee” shall have the same meaning as in Sec. 3, 17 V.S.A. § 2901(9), of this act.

Which was agreed to.

Thereupon, the recommendation of amendment as substituted, was agreed to, and third reading of the bill was ordered on a roll call, Yeas 24, Nays 3.

Senator Campbell having demanded the yeas and nays, they were taken and are as follows:

#### **Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Baruth, Bray, \*Campbell, Collins, Cummings, Doyle, Fox, French, Galbraith, Kitchel, Lyons, MacDonald, Mazza, McAllister, McCormack, Mullin, Nitka, Pollina, Sears, Starr, Westman, White, Zuckerman.

**Those Senators who voted in the negative were:** Flory, \*Hartwell, \*Snelling.

**Those Senators absent and not voting were:** Ayer, Benning, Rodgers.



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\*Senator Campbell explained his vote as follows:

“Mr. President,

“There are many things to be proud of in this Great state of ours. One of them deals with its legislature in which I am extremely proud to serve. As a member of the General Assembly over the past 12 years, I have never witnessed even the slightest hint of corruption of influence peddling that seems pervasive in Washington, DC.

“While I believe we are fortunate to be free of corruption or purchasing influences. I also believe it is essential that we have a campaign finance law that clearly and concisely sets forth the parameters, rules, and regulations that govern our election process.

“That is why this bill is so critical and why I will be supporting its passage. However, with that said, I feel it is important that I highlight the one section of this bill I cannot support for the sake of transparency in Vermont politics.

“That section relates to corporate contributions and aims to curtail the possibility of political corruption, however, the reality of the section is very different: the reality is it takes away from transparency when it comes to corporate donations while only truly restricting small, local businesses as I will now further explain:

“It has been mentioned that this bill mirrors language from a 1907 federal law. That law, while still on the books, has been amended by 1971’s Federal Election Campaign Act, which allows corporations and unions to set up separate segregated funds to make contributions. However, under the Code of Federal Regulations, the name of a separate segregated fund has to include the full name of its connected organization.

“This amendment prevents corporations from donating money under their actual name and instead not only allows, but indeed forces, corporations to contribute to candidates and parties under the name of their PACs instead. While it is abundantly clear that it is our desire to move toward transparency in Vermont, this amendment only supports a second layer of anonymity.

“Currently, you could know a candidate's contribution comes from the XYZ Corporation directly, or, with this amendment, you will only know that the donation comes from Vermonters for Excellent Government, XYZ Corporation's new PAC.

“Mr. President, there are 91,202 incorporated entities in Vermont. The burden of this amendment would not fall on large corporations, which, through the political branch of their PACs, can easily influence elections, but on small

incorporated Vermont businesses. This unintended side effect of placing small businesses in a decided disadvantage over big corporations is unacceptable.

“In closing, Mr. President, while I am excited to see the Senate, re-establish our campaign finance law today, I am also saddened to see it contain this affront on transparency which is certainly not in the best interest of Vermont.”

\*Senator Hartwell explained his vote as follows:

Mr. President:

“I support the bill except for provisions regarding penalties (§ 2903) and civil investigation (§ 2904) which provisions make this bill a crime bill, inappropriate to members, candidates to the Vermont Legislature; in particular, and in addition to the unacceptable criminal process and fines and imprisonment, the civil investigation can result in wrongful conclusion which lends to a person having to seek redress at his/her expense which may be financially ruinous and ruinous of a candidacy; I support a campaign finance bill but not overly severe and unfair sanctions.”

\*Senator Snelling explained her vote as follows:

Mr. President:

“I strongly support campaign finance report and setting contribution limits. I will gladly comply with all requirements for reporting and disclosure as I always have. However, I strongly object to the premise throughout this legislation that implies that Vermont is like Washington and easily corrupted. I have yet to see any evidence of this. Thank you.”

### **Bill Passed in Concurrence with Proposal of Amendment**

#### **H. 511.**

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to “zappers” and automated sales suppression devices.

#### **Third Reading Ordered**

#### **H. 13.**

Senator French, for the Committee on Government Operations, to which was referred House bill entitled:

An act relating to statutory revision.

Reported that the bill ought to pass in concurrence.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and third reading of the bill was ordered.

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**Message from the House No. 43**

A message was received from the House of Representatives by Ms. H. Gwynn Zakov, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

**H. 198.** An act relating to the Legacy Insurance Management Act.

**H. 529.** An act relating to approval of an amendment to the charter of the Winooski Incorporated School District related to the term of district treasurer.

In the passage of which the concurrence of the Senate is requested.

The House has considered a bill originating in the Senate of the following title:

**S. 3.** An act relating to allowing participation in out-of-state contests requiring a fee to enter.

And has passed the same in concurrence.

The House has considered a bill originating in the Senate of the following title:

**S. 159.** An act relating to various amendments to Vermont's land use control law and related statutes.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

Pursuant to the request of the House for a Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

**H. 131.** An act relating to harvesting guidelines and procurement standards.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Malcolm of Pawlet  
Rep. Klein of East Montpelier  
Rep. Canfield of Fair Haven.

The House has adopted House concurrent resolutions of the following titles:

**H.C.R. 97.** House concurrent resolution honoring Girls on the Run of Vermont, Inc..

**H.C.R. 98.** House concurrent resolution congratulating the 2012 Randolph Union High School Galloping Ghosts Division III championship girls' cross-country team.

**H.C.R. 99.** House concurrent resolution honoring Lyndon State College and designating April 17, 2013 as Green and Gold Day.

**H.C.R. 100.** House concurrent resolution congratulating the 2013 Mt. Abraham Union High School Eagles Division II championship girls' basketball team.

**H.C.R. 101.** House concurrent resolution congratulating Joel Najman on his 30th anniversary as Vermont Public Radio's rock and roll impresario.

**H.C.R. 102.** House concurrent resolution congratulating Gandin Brothers, Inc. of South Ryegate on its 100th anniversary.

**H.C.R. 103.** House concurrent resolution commemorating the semiquincentennial anniversary of the Town of Westford.

**H.C.R. 104.** House concurrent resolution congratulating Christian DeKett of St. Johnsbury Academy on winning the 2013 Vermont State Poetry Out Loud championship.

In the adoption of which the concurrence of the Senate is requested.

The House has considered concurrent resolution originating in the Senate of the following title:

**S.C.R. 21.** Senate concurrent resolution congratulating iBrattleboro on its tenth anniversary.

And has adopted the same in concurrence.

#### **Senate Concurrent Resolution**

The following joint concurrent resolution, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, was adopted on the part of the Senate:

By Senator White,

#### **S.C.R. 21.**

Senate concurrent resolution congratulating iBrattleboro on its tenth anniversary.

#### **House Concurrent Resolutions**

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having

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requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were adopted in concurrence:

By Representative Stuart and others,

By Senators Ayer, Baruth, Bray, Campbell, Collins, Doyle, Flory, French, Galbraith, Hartwell, Lyons, MacDonald, McCormack, Nitka, Pollina, Rodgers, Snelling, White and Zuckerman,

**H.C.R. 97.**

House concurrent resolution honoring Girls on the Run of Vermont, Inc..

By Representatives French and Townsend,

**H.C.R. 98.**

House concurrent resolution congratulating the 2012 Randolph Union High School Galloping Ghosts Division III championship girls' cross-country team.

By Representative Batchelor and others,

By Senators Kitchel, Benning, Baruth, Collins, Cummings, Doyle, Mullin, Rodgers and Starr,

**H.C.R. 99.**

House concurrent resolution honoring Lyndon State College and designating April 17, 2013 as Green and Gold Day.

By Representative Fisher and others,

**H.C.R. 100.**

House concurrent resolution congratulating the 2013 Mt. Abraham Union High School Eagles Division II championship girls' basketball team.

By Representative Dakin and others,

By All Members of the Senate,

**H.C.R. 101.**

House concurrent resolution congratulating Joel Najman on his 30th anniversary as Vermont Public Radio's rock and roll impresario.

By Representative Larocque,

By Senators Benning and Kitchel,

**H.C.R. 102.**

House concurrent resolution congratulating Gandin Brothers, Inc. of South Ryegate on its 100th anniversary.

By Representative Heath,

**H.C.R. 103.**

House concurrent resolution commemorating the semiquincentennial anniversary of the Town of Westford.

By Representative Fay and others,

By Senators Benning and Kitchel,

**H.C.R. 104.**

House concurrent resolution congratulating Christian DeKett of St. Johnsbury Academy on winning the 2013 Vermont State Poetry Out Loud championship.

**Adjournment**

On motion of Senator Campbell, the Senate adjourned, to reconvene on Tuesday, April 16, 2013, at nine o'clock and thirty minutes in the forenoon pursuant to J.R.S. 25.