

Journal of the Senate

THURSDAY, APRIL 18, 2013

The Senate was called to order by the President.

Devotional Exercises

Devotional exercises were conducted by the Reverend Rick Swanson of Stowe.

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule, were severally referred to the Committee on Appropriations:

H. 60.

An act relating to providing state financial support for school meals for children of low-income households.

H. 169.

An act relating to relieving employers' experience-rating records.

H. 182.

An act relating to search and rescue.

Bill Referred to Committee on Appropriations

S. 119.

Senate bill of the following title, appearing on the Calendar for notice and carrying an appropriation or requiring the expenditure of funds, under the rule was referred to the Committee on Appropriations:

An act relating to amending perpetual conservation easements.

Bills Referred

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

H. 200.

An act relating to civil penalties for possession of marijuana.

To the Committee on Rules.

H. 525.

An act relating to approval of amendments to the charter of the Town of Stowe.

To the Committee on Rules.

Committee Relieved of Further Consideration; Bills Committed**H. 198.**

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

An act relating to the Legacy Insurance Management Act,
and the bill was committed to the Committee on Finance.

H. 200.

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

An act relating to civil penalties for possession of marijuana,
and the bill was committed to the Committee on Judiciary.

H. 395.

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

An act relating to the establishment of the Vermont Clean Energy Loan Fund,

and the bill was committed to the Committee on Economic Development, Housing and General Affairs.

H. 521.

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

An act relating to making miscellaneous amendments to education law,
and the bill was committed to the Committee on Education.

H. 525.

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

An act relating to approval of amendments to the charter of the Town of Stowe,

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

H. 529.

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

An act relating to approval of an amendment to the charter of the Winooski Incorporated School District related to the term of district treasurer,
and the bill was committed to the Committee on Government Operations.

Bill Passed**S. 155.**

Senate bill of the following title was read the third time and passed:

An act relating to creating a strategic workforce development needs assessment and strategic plan.

Bill Passed in Concurrence**H. 531.**

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

An act relating to Building 617 in Essex.

Proposals of Amendment; Third Reading Ordered**H. 280.**

Senator Collins, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

An act relating to payment of wages.

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 21 V.S.A. § 341, in subdivision (5), by striking out the word "bonuses" and inserting in lieu thereof incentive pay

Second: By striking out Sec. 2 in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 21 V.S.A. § 342 is amended to read:

§ 342. WEEKLY PAYMENT OF WAGES

(a)(1) Any ~~person~~ employer having one or more employees doing and transacting business within the state State shall pay each week, in lawful money or checks, the wages earned by each employee to a day not more than six days prior to the date of such payment.

(2) After giving written notice to the employee or employees, any ~~person~~ employer having an employee or employees doing and transacting business within the ~~state~~ State may, notwithstanding subdivision (1) of this subsection, pay biweekly or semimonthly in lawful money or checks, each employee the wages earned by the employee to a day not more than six days prior to the date of the payment. If a collective bargaining agreement so provides, the payment may be made to a day not more than 13 days prior to the date of payment.

* * *

Third: In Sec. 3, 21 V.S.A. § 342a, in subsection (f), by inserting a sentence at the end of the subsection to read as follows: “The costs of transcription shall be paid by the requesting party.”

And that the bill ought to pass in concurrence with such proposals of amendment.

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

House Proposals of Amendment Concurred In

S. 159.

House proposals of amendment to Senate bill entitled:

An act relating to various amendments to Vermont’s land use control law and related statutes.

Were taken up.

The House proposes to the Senate to amend the bill as follows:

First: In Sec. 1, 10 V.S.A. § 6001, in subdivision (3)(D)(vii), by striking out the following: unless the chair of the district commission, after notice and opportunity for hearing, determines that action has been taken to circumvent the requirements of this chapter, and

Second: By striking out Sec. 6 (repeal of 10 V.S.A. § 6001e) in its entirety and inserting in lieu thereof the following: [Deleted.]

Third: In Sec. 14, 10 V.S.A. § 6089, in the last sentence, by striking out the following: 6001(3)(D)(vii) and inserting in lieu thereof the following: 6001e

Fourth: In Sec. 21, 10 V.S.A. § 8020(c) and (d), in subsection (d), in the first sentence, after the word document, by striking out the word and and inserting in lieu thereof the word or

Thereupon, the question, Shall the Senate concur in the House proposals of amendment?, was decided in the affirmative.

Consideration Resumed; Bill Amended; Bill Passed

S. 82.

Consideration was resumed on Senate bill entitled:

An act relating to campaign finance law.

Thereupon, pending the question, Shall the bill be amended as moved by Senator Galbraith?, Senator Galbraith requested and was granted leave to withdraw the recommendation of amendment.

Thereupon, pending third reading of the bill, Senators Nitka Flory, Ayer, Cummings, French, McAllister, and White moved to amend the bill 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."

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) "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.

(16) "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.

(17) “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. Any person who seeks relief and prevails may be awarded the costs of seeking relief, including reasonable attorney's fees.

§ 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 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 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 political committee shall indicate the amount of the surplus and how it has been or is to be liquidated.

Subchapter 3. Contribution Limitations§ 2941. LIMITATIONS OF CONTRIBUTIONSIn 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.

§ 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 campaign and contributions used to retire a debt of a previous campaign shall be attributed to the earlier campaign.

§ 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 section.

§ 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.

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 a two-year-term 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 such 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 July 15, August 1, and August 15;

(iii) on September 1;

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

(v) two weeks after the general election.

(2)(A) Each candidate for a four-year-term county office who has made expenditures or accepted contributions of \$500.00 or more during a four-year general election cycle shall file with the Secretary of State campaign finance reports as follows, except that once such a candidate is required to file these reports, subsequent reports shall only be required to be filed under this subdivision if the candidate has made expenditures or accepted contributions since the last required report:

(i) in the first three years of the four-year general election cycle, on March 15 and November 15; and

(ii) in the fourth year of the four-year general election cycle:

(I) on March 15;

(II) on July 15, August 1, and August 15;

(III) on September 1;

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

(V) two weeks after the general election.

(B) As used in this subdivision (2), "four-year general election cycle" means the 48-month period that begins 38 days after a general election.

(3) 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) or (2) 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.

§ 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 a two-year-term county office who has made expenditures or accepted contributions of \$500.00 or more during the two-year general election cycle and each candidate for a four-year-term county office who has made expenditures or accepted contributions of \$500.00 or more during the four-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

(a) Each candidate for state office, the General Assembly, and a two-year-term 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.

(b) Each candidate for a four-year-term county office who has made expenditures or accepted contributions of less than \$500.00 during a four-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 four-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. CAMPAIGN REPORTS; OTHER ENTITIES; PUBLIC QUESTIONS

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.

§ 2970. 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.

§ 2971. 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.

§ 2972. 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.

§ 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. § 2970 is amended to read:

§ 2970. 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. SECRETARY OF STATE; REPORT; CORPORATIONS AND LABOR UNIONS; SEPARATE SEGREGATED FUNDS

(a) By December 15, 2013, the Secretary of State shall report to the Senate and House Committees on Government Operations regarding any impact on

his or her office and on corporations and labor unions if corporations and labor unions were required to establish separate segregated funds in order to make contributions to candidates, political committees, and political parties as provided in 2 U.S.C. § 441b and related federal law.

(b) The report shall include an analysis of what entities would be subject to the requirement described in subsection (a) of this section and how those entities would otherwise be able to use their general treasury funds in relation to political activity.

Sec. 7. 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. § 2970, 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 on a roll call, Yeas 19, Nays 11.

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

Roll Call

Those Senators who voted in the affirmative were: Ayer, Bray, Campbell, Collins, Cummings, Doyle, Flory, French, Hartwell, Kitchel, Mazza, McAllister, Mullin, Nitka, Rodgers, Snelling, Starr, Westman, White.

Those Senators who voted in the negative were: Ashe, Baruth, Benning, Fox, Galbraith, Lyons, MacDonald, McCormack, Pollina, Sears, Zuckerman.

Thereupon, pending third reading of the bill, Senator Galbraith moved to amend the bill in Sec. 3, in 17 V.S.A. § 2941 (limitations of contributions), by adding a new subdivision to be subdivision (8) to read as follows:

(8)(A) For the purpose of calculating the limits on contributions from a single source under this section, if a single source is a natural person who owns a business which also makes contributions, the contributions from that business shall be considered a contribution from the single source.

(B) Except in the case of publicly traded corporations, if a business is owned by more than one natural person, the contributions from that business shall be calculated pro rata among those persons based on their ownership interest.

Thereupon, pending the question, Shall the bill be amended as moved by Senator Galbraith?, Senator Flory raised a point of order under Mason's Manual of Legislative Procedure in that during debate no person may impugn the motives of members.

Thereupon, the President *sustained* the point of order and cautioned that during debate no person may impugn the motives of members.

Thereupon, the question, Shall the bill be amended as moved by Senator Galbraith, was disagreed to on a roll call, Yeas 9, Nays 21.

Senator Galbraith 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, Benning, Galbraith, MacDonald, McCormack, Pollina, Westman, Zuckerman.

Those Senators who voted in the negative were: Ayer, Bray, Campbell, Collins, Cummings, Doyle, Flory, Fox, French, Hartwell, Kitchel, Lyons, Mazza, McAllister, Mullin, Nitka, Rodgers, *Sears, Snelling, Starr, White.

*Senator Sears explained his vote as follows:

Mr. President:

“The term serious has been used to often in this debate.”

Thereupon, pending third reading of the bill, Senator Galbraith moved to amend the bill as follows:

First: In Sec. 3, by striking out 17 V.S.A. § 2964 in its entirety and inserting in lieu thereof the following:

§ 2964. CAMPAIGN REPORTS; CANDIDATES FOR STATE OFFICE; POLITICAL COMMITTEES; POLITICAL PARTIES

(a)(1) Each candidate for state 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 such 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 July 15, August 1, and August 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

with the Secretary of State campaign finance reports regarding that election 30 days before, 10 days before, and two weeks after the local election.

Second: In Sec. 3, by adding a new section to be 17 V.S.A. § 2964a to read as follows:

§ 2964a. CAMPAIGN REPORTS; CANDIDATES FOR THE GENERAL ASSEMBLY

Each candidate for the General Assembly who has made expenditures or accepted contributions of \$500.00 or more during a two-year general election cycle shall file with the Secretary of State campaign finance reports as follows, except that once such a candidate is required to file these reports, subsequent reports shall only be required to be filed under this subdivision if the candidate has made expenditures or accepted contributions since the last required report:

(1) in the first year of the two-year general election cycle, on July 15; and

(2) in the second year of the two-year general election cycle, on July 15 and the 15th of each month thereafter until and including December 15.

Third: In Sec. 3, by striking out 17 V.S.A. § 2968 (campaign reports; local candidates) in its entirety and inserting in lieu thereof two new sections to be 17 V.S.A. § 2968 and 17 V.S.A. § 2968a to read as follows:

§ 2968. CAMPAIGN REPORTS; COUNTY OFFICE CANDIDATES

(a) Each candidate for county office who has made expenditures or accepted contributions of \$500.00 or more shall file campaign finance reports as follows, except that once such a candidate is required to file these reports, subsequent reports shall only be required to be filed if the candidate has made expenditures or accepted contributions since the last required report:

(1) 10 days before the primary election;

(2) 10 days before the general election;

(3) further campaign reports shall be filed on the 15th day of July and annually thereafter or until all contributions and expenditures have been accounted for and any indebtedness and surplus have been eliminated.

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

§ 2968a. CAMPAIGN REPORTS; LOCAL OFFICE CANDIDATES

Each candidate for local office who has made expenditures or accepted contributions of \$500.00 or more shall file campaign finance reports as follows, except that once such a candidate is required to file the first report, the second report shall only be required to be filed if the candidate has made expenditures or accepted contributions since the first report:

- (1) 10 days before the local election; and
- (2) 10 days after the local election.

Thereupon, Senator Galbraith requested and was granted leave to withdraw the recommendation of amendment.

Thereupon, pending third reading of the bill, Senator Galbraith moved to amend the bill as follows:

First: In Sec. 3, by striking out 17 V.S.A. § 2964 (campaign reports; candidates for state office, the General Assembly, and county office; political committees; political parties) in its entirety and inserting in lieu thereof the following:

§ 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 a two-year-term 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 such 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 of \$100.00 or more 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 July 15, August 1, and August 15;
- (iii) on September 1;

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

(v) two weeks after the general election.

(2)(A) Each candidate for a four-year-term county office who has made expenditures or accepted contributions of \$500.00 or more during a four-year general election cycle shall file with the Secretary of State campaign finance reports as follows, except that once such a candidate is required to file these reports, subsequent reports shall only be required to be filed under this subdivision if the candidate has made expenditures or accepted contributions of \$100.00 or more since the last required report:

(i) in the first three years of the four-year general election cycle, on March 15 and November 15; and

(ii) in the fourth year of the four-year general election cycle:

(I) on March 15;

(II) on July 15, August 1, and August 15;

(III) on September 1;

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

(V) two weeks after the general election.

(B) As used in this subdivision (2), "four-year general election cycle" means the 48-month period that begins 38 days after a general election.

(3) 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) or (2) 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 with the Secretary of State campaign finance reports regarding that election 30 days before, 10 days before, and two weeks after the local election.

Second: In Sec. 3, by striking out 17 V.S.A. § 2968 (campaign reports; local candidates) in its entirety and inserting in lieu thereof the following:

§ 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 of \$100.00 or more 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 of \$100.00 or more since the last required report.

Which was agreed to.

Thereupon, pending third reading of the bill, Senator Sears moved to amend the bill in Sec. 3, by striking out 17 V.S.A. § 2947 (contributions from a candidate or immediate family) in its entirety.

Which was agreed to.

Thereupon, the bill was read the third time and passed on a roll call, Yeas 29, Nays 1.

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

Roll Call

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

The Senator who voted in the negative was: *Galbraith.

*Senator Galbraith explained his vote as follows:

“This bill is a sham. It is intended to persuade Vermonters that we are serious about campaign finance reform when we are not.

“The bill purports to impose limits on the amount that an individual can contribute to a candidate when it does not. A wealthy donor can contribute

from his personal account and from each company that he owns. This enables wealthy donors to evade easily the limits in this bill. For example, a donor who owns five rental properties—each its own LLC—could contribute \$18,000 to a candidate for statewide office rather than the pretend limit in this bill of \$3000.

“For 107 years, federal law has banned direct corporate contributions to federal candidates. Two weeks ago, this Senate voted 22-8 to conform Vermont law to federal law. Today, we voted to undo that ban ostensibly because it might limit the ability of owners of small Vermont businesses to make political contributions. This argument doesn’t pass the laugh test. Any small business owner who wants to make a political contribution can do so just like anyone else—as an individual. And, if he wants to use funds from his business, he can make an owner’s draw to obtain the funds.

“Contributions from small corporations are not the issue. A survey of campaign finance filings in Vermont shows that very few small corporations make contributions. Contributions mostly come from large corporations including many multi-nationals. And, these corporations almost always support incumbents. In the last election, nearly 30% of the contributions to the winning candidate for Governor came from corporations while his opponent received next to none. In the contested 2010 Governor’s race many large corporations contributed to both parties. Obviously, they were not trying to influence the outcome. They were buying access and we should have put a stop to that.

“This Senate has proposed a constitutional amendment to undo Citizens United with the goal of getting corporate money out of politics. But our real message is: Let’s get corporate money out of politics but please don’t take away my corporate contribution. There is one word for this: hypocrisy.

“In the course of the debate on this bill, one Senator asked to be excused from voting on the Galbraith Amendment to ban corporate contributions on the grounds that he accepted corporate contributions and therefore had a financial interest in the vote. While he withdrew his request, he articulated a principle all Senators might consider applying. If we recused ourselves from voting on matters of interest to our corporate contributors, the problem of corporate influence in Vermont politics would disappear and my amendment would not be necessary.”

*Senator Snelling explained her vote as follows:

“I vote yes to move the bill forward in its current form. As always I am willing to comply with all requirements. However, I remain unconvinced that corruption from corporate contributions is a significant problem in Vermont. I believe we should be looking at the influence of special interests and lobbying during the session.”

Committee of Conference Appointed**H. 131.**

An act relating to harvesting guidelines and procurement standards.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Hartwell
Senator Rodgers
Senator Snelling

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Appointment of Senate Members to the Mental Health Oversight Committee

Pursuant to the provisions of Sec. 141c of No. 122 of the Acts of 2004, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Mental Health Oversight Committee for terms of two years:

Senator Ayer
Senator Rodgers
Senator Fox
Senator McAllister

Scenery Preservation Council

Pursuant to the provisions of 10 V.S.A. §425(a), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Scenery Preservation Council during this biennium:

Senator Mazza

Appointment of Senate Members to the Senate Sexual Harassment Panel

Pursuant to the provisions of Senate Rule 101, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Senate Sexual Harassment Panel (SSHP) during this biennium: (6 Members)

Senator Benning
Senator Baruth
Senator Zuckerman
Senator Fox
Senator Kitchel
Senator White

**Appointment of Senate Members to the Vermont Citizens Advisory
Committee on Lake Champlain's Future**

Pursuant to the provisions of 10 V.S.A. §1960, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Committee on Lake Champlain's Future for the current biennium:

Senator Lyons
Senator Ayer

Vermont Sentencing Commission

Pursuant to the provisions of Sec. 16(b) of No. 192 of the Acts of 2006, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Sentencing Commission during this biennium:

Senator Sears

**Appointment of Senate Member to Board of Directors of Vermont
Student Assistance Corporation (VSAC)**

Pursuant to the provisions of 16 V.S.A. §2831, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the board of directors of the Vermont Student Assistance Corporation (VSAC) for a term of six (6) years:

Senator Cummings

**Appointment of Senate Member to the Vermont Tobacco Evaluation and
Review Board**

Pursuant to the provisions of 18 V.S.A. §9505, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Vermont Tobacco Evaluation and Review Board for a term of two years:

Senator Pollina

Government Accountability Committee

Pursuant to the provisions of Sec. 5 of No. 206 of the Acts of 2008, the President, on behalf of the Committee on Committees, announced the appointment of the following two additional Senators to serve on the Joint Legislative Government Accountability for the current biennium:

Senator White
Senator Pollina
Senator Snelling
Senator Doyle

Vermont Child Poverty Council

Pursuant to the provisions of No. 68 § 1(b) of the Acts of 2007, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Vermont Child Poverty Council during this biennium:

Senator Campbell
Senator Ayer
Senator Mullin

Message from the House No. 46

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 a House bill of the following title:

H. 512. An act relating to approval of amendments to the charter of the City of Barre.

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

Adjournment

On motion of Senator Campbell, the Senate adjourned until ten o'clock and thirty minutes in the morning.