

1 S.32

2 Introduced by Senator Pearson

3 Referred to Committee on Government Operations

4 Date: January 18, 2019

5 Subject: Elections; campaign finance; public finance option; eligible

6 candidates; qualifying contributions; grants; additional contributions

7 Statement of purpose of bill as introduced: This bill proposes to amend the
8 State's public campaign finance option to allow:

9 (1) candidates for all statewide and legislative offices to qualify for
10 public finance grants;

11 (2) a person to become a publicly financed candidate at the beginning of
12 the two-year general election cycle, rather than February 15 of the general
13 election year;

14 (3) a publicly financed candidate to obtain during the primary election
15 period portions of the general election grant to match his or her opponent's
16 accepted contributions or expenditures; and

17 (4) a publicly financed candidate to solicit, accept, and expend
18 additional contributions to match his or her opponent's accepted contributions
19 or expenditures.

20 An act relating to the public financing of campaigns

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

2 ~~Sec. 1. 17 V.S.A., chapter 61, subchapter 5 is amended to read:~~

3 Subchapter 5. Public Financing Option

4 § 2981. DEFINITIONS

5 As used in this subchapter:

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

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

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

13 (4) "Vermont campaign finance qualification period" means the period
14 beginning ~~February 15 of each even-numbered year~~ at the start of the two-year
15 general election cycle and ending on the date on which primary petitions must
16 be filed under section 2356 of this title.

17 § 2982. FILING OF VERMONT CAMPAIGN FINANCE AFFIDAVIT

18 (a) A candidate for the office of Governor or, Lieutenant Governor,
19 Treasurer, Secretary of State, Auditor of Accounts, Attorney General, State
20 Senator, or State Representative who intends to seek Vermont campaign
21 ~~finance grants from the Secretary of State Services Fund shall file a Vermont~~

1 ~~campaign finance affidavit on the date on or before which primary petitions~~
2 must be filed, whether the candidate seeks to enter a party primary or is an
3 independent candidate.

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

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

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

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

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

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

2 § 2983. VERMONT CAMPAIGN FINANCE GRANTS; CONDITIONS

3 (a) A person shall not be eligible for Vermont campaign finance grants if:

4 (1) ~~prior to February 15 of the general election year during any two-year~~
5 ~~general election cycle~~ the Vermont campaign finance qualification period, he

6 or she becomes a candidate ~~by announcing that he or she seeks an elected~~

7 ~~position as Governor or Lieutenant Governor or~~ for one of the offices set forth

8 in subsection 2982(a) of this subchapter by accepting contributions totaling

9 \$2,000.00 or more or by making expenditures totaling \$2,000.00 or more; or

10 (2) except for the contributions permitted under subdivision (1) of this

11 subsection, prior to accepting any Vermont campaign finance grant, he or she

12 solicits or accepts any contributions, other than qualifying contributions.

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

14 (1) not solicit, accept, or expend any contributions except qualifying

15 contributions, Vermont campaign finance grants, and contributions authorized

16 ~~under section~~ sections 2985 and 2985a of this chapter subchapter, which

17 contributions may be solicited, accepted, or expended only in accordance with

18 the provisions of this subchapter;

19 (2) deposit all qualifying contributions, Vermont campaign finance

20 ~~grants, and any contributions accepted in accordance with the provisions of~~

1 ~~section 2985 or 2985a of this chapter subchapter in a federally insured~~

2 non-interest-bearing checking account; and

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

7 § 2984. QUALIFYING CONTRIBUTIONS

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

12 (1) ~~for~~ For Governor, a total amount of ~~no~~ not less than \$35,000.00
13 collected from ~~no~~ not fewer than 1,500 qualified individual contributors
14 making a contribution of ~~no~~ not more than \$50.00 each; ~~or,~~

15 (2) ~~for~~ For Lieutenant Governor, Treasurer, Secretary of State, Auditor
16 of Accounts, or Attorney General, a total amount of ~~no~~ not less than
17 \$17,500.00 collected from ~~no~~ not fewer than 750 qualified individual
18 contributors making a contribution of ~~no~~ not more than \$50.00 each.

19 (3) For State Senator:

20 (A) for a one-member senatorial district, a total amount of not less
21 than \$1,000.00 collected from not fewer than 50 qualified individual

1 Contributors within the district making a contribution of not more than \$50.00

2 each;

3 (B) for a two-member senatorial district, a total amount of not less
4 than \$2,000.00 collected from not fewer than 100 qualified individual
5 contributors within the district making a contribution of not more than
6 \$50.00 each;

7 (C) for a three-member senatorial district, a total amount of not less
8 than \$3,000.00 collected from not fewer than 150 qualified individual
9 contributors within the district making a contribution of not more than
10 \$50.00 each; or

11 (D) for a six-member senatorial district, a total amount of not less
12 than \$6,000.00 collected from not fewer than 300 qualified individual
13 contributors within the district making a contribution of not more than
14 \$50.00 each.

15 (4) For State Representative:

16 (A) for a one-member representative district, a total amount of not
17 less than \$500.00 collected from not fewer than 25 qualified individual
18 contributors within the district making a contribution of not more than
19 \$50.00 each; or

20 (B) for a two-member representative district, a total amount of no
21 less than \$1,000.00 collected from not fewer than 50 qualified individual

1 ~~contributors within the district making a contribution of not more than~~

2 ~~\$50,000 each.~~

3 ~~(b)(1)(A) A candidate shall not accept more than one qualifying~~
4 ~~contribution from the same contributor and a contributor shall not make more~~
5 ~~than one qualifying contribution to the same candidate in any Vermont~~
6 ~~campaign finance qualification period. For the purpose of~~

7 ~~(B) As used in this section, a qualified individual contributor means~~
8 ~~an individual who is registered to vote in Vermont. No~~

9 ~~(2) For the statewide candidates set forth in subdivisions (a)(1) and (2)~~
10 ~~of this section, not more than 25 percent of the total number of qualified~~
11 ~~individual contributors may be residents of the same county.~~

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

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

20 ~~expenditures for purposes of this chapter.~~

~~2985. VERMONT CAMPAIGN FINANCE GRANTS, AMOUNTS,~~

~~TIMING~~

~~(a)(1) 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.~~

~~(2)(A) To cover any campaign finance grants to candidates who have qualified under this subchapter, the Secretary of State shall report to the Commissioner of Finance and Management, who shall anticipate receipts to the Services Fund and issue warrants to pay for those grants.~~

~~(B) The Commissioner shall report any such anticipated receipts and warrants issued under this subdivision to the Joint Fiscal Committee on or before December 1 of the year in which the warrants were issued.~~

~~(b)(1) Whether Except as provided in subdivision (2) of this subsection and subsection (c) of this section, whether a candidate has entered a primary or is an independent candidate, Vermont campaign finance grants shall be in the following amounts:~~

~~(1)(A) 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.~~

1 ~~(2)(B) For Lieutenant Governor, Treasurer, Secretary of State, Auditor~~
2 ~~of Accounts, or Attorney General, \$50,000.00 in a primary election period and~~
3 ~~\$150,000.00 in a general election period, provided that the grant for a primary~~
4 ~~election period shall be reduced by an amount equal to the candidate's~~
5 ~~qualifying contributions;~~

6 (C) For State Senator:

7 (i) for a one-member senatorial district, \$1,500.00 in a primary
8 election period and \$4,500.00 in a general election period, provided that the
9 grant for a primary election period shall be reduced by an amount equal to the
10 candidate's qualifying contributions;

11 (ii) for a two-member senatorial district, \$3,000.00 in a primary
12 election period and \$9,000.00 in a general election period, provided that the
13 grant for a primary election period shall be reduced by an amount equal to the
14 candidate's qualifying contributions;

15 (iii) for a three-member senatorial district, \$4,500.00 in a primary
16 election period and \$13,500.00 in a general election period, provided that the
17 grant for a primary election period shall be reduced by an amount equal to the
18 candidate's qualifying contributions; or

19 (iv) for a six-member senatorial district, \$9,000.00 in a primary
20 election period and \$27,000.00 in a general election period, provided that the

1 ~~grant for a primary election period shall be reduced by an amount equal to the~~
2 ~~candidate's qualifying contributions.~~

3 ~~(D) For State Representative:~~

4 ~~(i) for a one-member representative district, \$750.00 in a primary~~
5 ~~election period and \$2,250.00 in a general election period, provided that the~~
6 ~~grant for a primary election period shall be reduced by an amount equal to the~~
7 ~~candidate's qualifying contributions; or~~

8 ~~(ii) for a two-member representative district, \$1,500.00 in a~~
9 ~~primary election period and \$4,500.00 in a general election period, provided~~
10 ~~that the grant for a primary election period shall be reduced by an amount~~
11 ~~equal to the candidate's qualifying contributions.~~

12 ~~(3)(2) A candidate who is an incumbent of the office being sought shall~~
13 ~~be entitled to receive a grant in an amount equal to 85 percent of the amount~~
14 ~~listed in subdivision (1) or (2) of this subsection.~~

15 (c) In an uncontested general election and in the case of a candidate who
16 enters a primary election and is unsuccessful in that election, an otherwise
17 eligible candidate shall not be eligible for a general election period grant.

18 However, such candidate may solicit and accept contributions and make
19 expenditures as follows: contributions shall be subject to the limitations set
20 forth in subchapter 3 of this chapter, and expenditures shall be limited to an

1 ~~amount equal to the amount of the grant set forth in subsection (b) of this~~

2 ~~section for the general election for that office.~~

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

6 (e)(1) ~~Vermont campaign finance grants for a primary election period shall~~
7 ~~be paid to qualifying candidates within the first 10 business days of the~~
8 ~~primary election period.~~

9 (2) ~~Vermont campaign finance grants for a general election period shall~~
10 ~~be paid to qualifying candidates during the first 10 business days of the general~~
11 ~~election period.~~

12 § 2985a. PUBLICLY FINANCED CANDIDATES; PERMITTED

13 ADVANCED GRANT AND ADDITIONAL CONTRIBUTIONS

14 (a) Primary election period; advanced general election grant.

15 (1)(A) Notwithstanding the timing of grants set forth in subsection
16 2985(e) of this subchapter, a candidate who has received a campaign finance
17 grant in a primary election period (publicly financed primary candidate) may
18 obtain and expend during the primary election period up to one-half the total
19 combined amount of his or her primary election period and general election
20 period grants if his or her opponent in the primary did not receive grants under
21 this subchapter and accepted contributions or made expenditures in an amount

1 that exceeds the amount of the candidate's qualifying contributions and
2 primary election period grant.

3 (B) The amount of the general election period grant such a publicly
4 financed primary candidate is permitted to obtain shall be not more than the
5 larger amount of either his or her opponent's accepted contributions or
6 expenditures that exceeds the amount of the candidate's qualifying
7 contributions and primary election period grant, based on the reports his or her
8 opponent is required to file under section 2964 of this chapter.

9 (C) The permitted general election period grant amount shall be
10 distributed to the publicly financed primary candidate within three business
11 days of the candidate's written request for such amount.

12 (D) A publicly financed primary candidate who obtains general
13 election period grants under this subdivision (1) shall be limited to the
14 remaining balance of the general election grant amount during the general
15 election period.

16 (2) If, after the publicly financed primary candidate obtains the
17 maximum amount of the general election period grant permitted under
18 subdivision (1) of this subsection, his or her opponent's reports under
19 section 2964 of this chapter demonstrate that either the opponent's accepted
20 contributions or expenditures exceed that maximum amount, the publicly
21 financed primary candidate may solicit, accept, and expend additional

1 contributions during the primary election period in accordance with

2 subsection (b) of this section.

3 (b) Additional contributions.

4 (1) A publicly financed primary candidate described in
5 subdivision (a)(2) of this section or a candidate who has received a campaign
6 finance grant in a general election period under this subchapter may solicit and
7 accept contributions subject to the limitations set forth in subchapter 3 of this
8 chapter and may expend those contributions, in addition to his or her
9 qualifying contributions and grant, if his or her opponent in the election did
10 not receive grants under this subchapter and accepted contributions or made
11 expenditures for the election in an amount that exceeds the amount of the
12 candidate's qualifying contributions and grant.

13 (2) The amount of the additional contributions a candidate is permitted
14 to solicit, accept, and expend under this subsection shall be not more than the
15 larger amount of either his or her opponent's accepted contributions or
16 expenditures that exceeds the amount of the candidate's qualifying
17 contributions and grant, based on the reports his or her opponent is required to
18 file under section 2964 of this chapter.

1 ~~§ 2986. MONETARY AMOUNTS ADJUSTED FOR INFLATION~~

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

5 Sec. 2. EFFECTIVE DATE

6 ~~This act shall take effect on December 11, 2020.~~

Sec. 1. 17 V.S.A. chapter 61, subchapter 5 is amended to read:

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~~ subchapter.

(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~~ at the start of the two-year general election cycle and ending on the date on which primary petitions must be filed under section 2356 of this title.

** * **

§ 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~~ the Vermont campaign finance qualification period, he or she becomes a candidate by ~~announcing that he or she seeks an elected position as for 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~~ subchapter, 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~~ subchapter 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.

* * *

§ 2985. VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS;
TIMING

(a)(1) 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.

(2)(A) To cover any campaign finance grants to candidates who have qualified under this subchapter, the Secretary of State shall report to the Commissioner of Finance and Management, who shall anticipate receipts to the Services Fund and issue warrants to pay for those grants.

(B) The Commissioner shall report any such anticipated receipts and warrants issued under this subdivision to the Joint Fiscal Committee on or before December 1 of the year in which the warrants were issued.

(b)(1) ~~Whether~~ Except as provided in subdivision (2) of this subsection and subsection (c) of this section, whether a candidate has entered a primary or is an independent candidate, Vermont campaign finance grants shall be in the following amounts:

~~(A)~~ 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.

~~(B)~~ 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)(2)~~ *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)(1) 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.

(2) 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.

§ 2985a. PRIMARY ELECTION PERIOD; PERMITTED ADVANCED
GENERAL ELECTION GRANT

(a) Notwithstanding the timing of grants set forth in subsection 2985(e) of this subchapter, a candidate who has received a campaign finance grant in a primary election period may also obtain and expend during the primary election period up to 25 percent of his or her general election period grant.

(b) The permitted general election period grant amount shall be distributed to the publicly financed primary candidate within three business days of the candidate's written request for such amount.

(c)(1) A publicly financed primary candidate who obtains a portion of his or her general election period grant under this section and who wins the primary shall be limited to the remaining balance of the general election grant amount during the general election period.

(2) A publicly financed candidate who obtains a portion of his or her general election period grant under this section and who is unsuccessful in the primary shall be required to deposit in the Secretary of State Services Fund an amount equal to that portion of the general election period grant not later than 40 days after the end of the two-year general election cycle.

* * *

Sec. 2. PUBLIC CAMPAIGN FINANCE STUDY COMMITTEE; REPORT

(a) Creation. There is created the Public Campaign Finance Study Committee to study and make recommendations regarding Vermont's current public campaign finance option.

(b) Membership. The Committee shall be composed of the following members:

(1) one current member of the Senate, who shall be appointed by the Committee on Committees and who shall be Co-Chair;

(2) one current member of the House of Representatives, who shall be appointed by the Speaker of the House and who shall be Co-Chair;

(3) the Secretary of State or designee;

(4) the Attorney General or designee; and

(5) the Executive Director of the State Ethics Commission or designee.

(c) Powers and duties. The Committee shall consult with interested stakeholders to study and make recommendations on Vermont's current public campaign finance option (Option), including the following issues:

(1) whether the structure of the Option is appropriate or whether Vermont should instead enact a different public campaign finance system, such as one based on vouchers as in the Seattle Democracy Voucher Program, or one that provides supplemental payments based on the amount of qualifying contributions as in the Maine Clean Election Act;

(2) if Vermont should retain the Option:

(A) whether the current qualifying contributions and grant amounts for candidates for Governor and Lieutenant Governor are appropriate;

(B) whether the Option should be extended to other offices and, if so, which offices and what the qualifying contributions and grant amounts should be for each office; and

(C) how it may be improved; and

(3) what the funding source should be for either the Option or any recommended substitute.

(d) Assistance. The Committee shall have the assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Report. On or before December 1, 2019, the Committee shall report to the Senate and House Committees on Government Operations with its findings

and any recommendations for legislative action. The report may be in the form of legislation.

(f) Meetings.

(1) The Co-Chairs shall call the first meeting of the Committee to occur on or before August 15, 2019.

(2) A majority of the membership shall constitute a quorum.

(3) The Committee shall cease to exist on December 1, 2019.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for not more than five meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the member's appointing authority.

Sec. 3. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on December 11, 2020.