Overview of H.619 As Passed By House An act relating to permitted candidate expenditures

I. General Summary

H.619 As Passed House would explicitly allow a **candidate** to make campaign expenditures for the **cost of care of a dependent family member** if the cost of that care is incurred **as a direct result of campaign activity**. It does so by providing that campaign expenditures "may include those expenses that are necessary to allow a candidate to campaign," and provides dependent family member care as an example of those expenses.

The bill would amend the current law definition of what constitutes a campaign "expenditure." "Expenditure" is currently defined as "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,¹ advocating a position on a public question, or supporting or opposing one or more candidates."

Unlike in some other states and the federal government, Vermont's current campaign finance law does not provide explicit details on a candidate's permitted uses of campaign funds, other than Vermont's current "expenditure" definition (which, as described above, is generally anything of value paid or promised to be paid for the purpose of influencing an election), and <u>17</u> V.S.A. § 2924, which prohibits a candidate from converting surplus funds to personal use and lists permitted ways to use those funds. For example:

- Under federal law, <u>52 U.S.C. § 30114</u> defines the permitted and prohibited uses of a federal candidate's campaign funds. For example, permitted uses include expenses incurred as a result of holding office if the candidate wins the election, whereas certain expenses for noncommercial airline flights are prohibited.
- CA's <u>9 C.S.A. § 89513</u> defines when campaign funds can be used for travel, clothing, fines, tickets, professional services, etc.
- IL's <u>10 ILCS 5/9-8.10(a)</u> provides in part: (5) clothes may be rented, but costumes may be purchased; (7) expenses for health club dues are prohibited;
 (9) when expenses are permissible for motor vehicle purchases; (10) education expenses related to political or official duties are permissible.

This bill would provide explicit authority for a candidate to use the candidate's campaign funds to pay for the care of a dependent family member that are incurred as a direct result of campaign activity.

¹ The Supreme Court of Vermont interprets "influencing an election" to be general language regarding advocacy for a vote in a particular way in an election. <u>State v. Green Mountain Future</u>, 194 Vt. 625, 647-648 (2013) ("[W]e note that the specifically defined phrases ('supporting or opposing one or more candidates' and 'advocating a position on a public question') are of a particular class: they both refer to advocacy for a vote in a particular way in an election. We therefore interpret the more general language 'for the purpose of . . . influencing an election' to refer only to this class of advocacy. In other words, 'influencing' means encouraging a vote for or against a candidate or a vote 'yes' or 'no' on a public question.").

II. Similar Provisions Currently Allowed or Proposed Elsewhere

Some other jurisdictions allow some form of using campaign funds for child care or similar expenses or are proposing to do so. None of these jurisdictions appear to define "child care expenses." Some states allow/would allow this only for candidates, and only during campaigning (CA, CO). Other states allow/would allow it for both candidates and PACs and for both during the campaign in while in public office (IL, NY). IL would specifically allow these expenditures for campaign staff and volunteers.

Generally: See this NCSL blog.

Federal Law:

- <u>FEC Adv. Op. 2019-13</u> and prior advisory opinions cited within it allowed candidates to use their campaign funds for child care expenses that are a direct result of campaign activity.
- <u>2019, H.R. 1623</u> would amend federal law to allow candidate expenditures for "child care services," "elder care services," and similar services for dependent relatives "if the services are necessary to enable the participation of the candidate in campaign-connected activities."

<u>CA</u>: <u>2019</u>, <u>HB.225</u> would amend <u>9 C.S.A. § 89513(b)</u> (professional services) by allowing candidate expenditures "to pay or reimburse a candidate for the cost of securing child care for the candidate's dependent child if the child care costs are incurred as a direct result of campaign activity."

<u>CO</u>: <u>Enacted 2019, SB.229</u>:

- Added <u>§ 1-45-103.7(6.5)</u> to allow a candidate "to expend contributions . . . to reimburse the candidate for reasonable and necessary expenses for the care of children or other dependents the candidate incurs directly in connection with the candidate's campaign activities during the election cycle." They are required to be disclosed in the same manner as any other expenditures.
- Cross-referenced that new subdiv. (6.5) in <u>§ 1-45-106(1)(D)(II)</u>, which otherwise prohibits surplus funds from being used for "for personal purposes not reasonably related to supporting the election of the candidate."

<u>IL</u>: <u>2019</u>, <u>SB.33</u> would amend <u>10 ILCS 5/9-8.10</u> to allow PAC funds to be used for full- or parttime child care incurred *by any person*, including candidates, campaign staff, and volunteers, so long as that child care is necessary for political, governmental, or public policy purposes, regardless of whether the need for child care predated the campaign. <u>NY</u>: <u>2019</u>, <u>Act No. A01108</u> provides an exception from the prohibition on converting candidate or PAC funds to personal use by allowing "childcare expenses . . . incurred in the campaign or in the execution of the duties of public office or party position."

<u>RI</u>: <u>2019</u>, <u>S.323</u> would add to the list of examples of a permitted "expense that results from campaign or officeholder activity" "child care expenses that are incurred as a result of campaign activity."

<u>UT</u>: <u>Enacted 2019, H.B. 129</u> provides that a prohibited "personal use expenditure" does <u>not</u> include an expenditure made to pay "childcare expenses" of "a candidate while the candidate is engaging in campaign activity" or "an officeholder while the officeholder is engaging in the duties of an officeholder."