

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred Senate
3 Bill No. 32 entitled “An act relating to the public financing of campaigns”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

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

8 Subchapter 5. Public Financing Option

9 § 2981. DEFINITIONS

10 As used in this subchapter:

11 (1) “Affidavit” means the Vermont campaign finance affidavit required
12 under section 2982 of this ~~chapter~~ subchapter.

13 (2) “General election period” means the period beginning the day after
14 the primary election and ending the day of the general election.

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

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

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§ 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

1 paid, the balance of any amounts remaining in the account established under
2 subdivision (2) of this subsection.

3 * * *

4 § 2985. VERMONT CAMPAIGN FINANCE GRANTS; AMOUNTS;

5 TIMING

6 (a)(1) The Secretary of State shall make grants from the Secretary of State
7 Services Fund in separate grants for the primary and general election periods to
8 candidates who have qualified for Vermont campaign finance grants under this
9 subchapter.

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

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

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

1 ~~(1)~~(A) For Governor, \$150,000.00 in a primary election period and
2 \$450,000.00 in a general election period, provided that the grant for a primary
3 election period shall be reduced by an amount equal to the candidate's
4 qualifying contributions.

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

9 ~~(3)~~(2) A candidate who is an incumbent of the office being sought shall
10 be entitled to receive a grant in an amount equal to 85 percent of the amount
11 listed in subdivision (1) ~~or (2)~~ of this subsection.

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

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

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

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

10 § 2985a. PRIMARY ELECTION PERIOD; PERMITTED ADVANCED

11 GENERAL ELECTION GRANT

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

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

19 (c)(1) A publicly financed primary candidate who obtains a portion of his
20 or her general election period grant under this section and who wins the

1 primary shall be limited to the remaining balance of the general election grant
2 amount during the general election period.

3 (2) A publicly financed candidate who obtains a portion of his or her
4 general election period grant under this section and who is unsuccessful in the
5 primary shall be required to deposit in the Secretary of State Services Fund an
6 amount equal to that portion of the general election period grant not later than
7 40 days after the two-year general election cycle.

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9 Sec. 2. PUBLIC CAMPAIGN FINANCE STUDY COMMITTEE; REPORT

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

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

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

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

19 (3) the Secretary of State or designee;

20 (4) the Attorney General or designee; and

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

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

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

9 (2) if Vermont should retain the Option:

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

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

15 (C) how it may be improved; and

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

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

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

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

3 (f) Meetings.

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

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

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

8 (g) Compensation and reimbursement.

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

14 (2) Other members of the Committee shall be entitled to per diem
15 compensation and reimbursement of expenses as permitted under 32 V.S.A.
16 § 1010 for not more than five meetings. These payments shall be made from
17 monies appropriated to the member's appointing authority.

18 Sec. 3. EFFECTIVE DATE

19 This act shall take effect on December 11, 2020.

1 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE