

1 H.268

2 Introduced by Representative Howard of Rutland City

3 Referred to Committee on

4 Date:

5 Subject: Elections; campaign finance; campaign funds for personal use;
6 candidate salaries

7 Statement of purpose of bill as introduced: This bill proposes to prohibit
8 candidates in State elections from generally using campaign funds for personal
9 use, but to permit a candidate for statewide office to receive a salary from the
10 candidate's campaign funds.

11 An act relating to campaign expenditures and candidate salaries

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

13 Sec. 1. 17 V.S.A. § 2908 is added to read:

14 § 2908. CAMPAIGN FUNDS FOR PERSONAL USE

15 (a) Definitions. As used in this section:

16 (1) "Household member" means immediate family or an individual who,
17 for any period of time, is living or has lived together with the candidate, is
18 sharing or has shared occupancy of a dwelling with the candidate, or is in or
19 has entered into a social relationship of a romantic nature with the candidate.

20 (2) "Personal use" means:

1 (A) expenditures to fulfill any commitment, obligation, or expense
2 that would exist irrespective of the candidate's campaign;

3 (B) expenditures for the personal benefit of or to defray normal living
4 expenses of the candidate or the candidate's household members;

5 (C) expenditures for residential or household items, supplies,
6 maintenance, or other expenditures, including mortgage, rent, utilities, repairs,
7 or improvements for any part of any personal residence of a candidate or that
8 of the candidate's household member;

9 (D) expenditures for rent or utility payments that exceed fair market
10 value for use of any part of any nonresidential property owned by a candidate
11 or a member of a candidate's household used for campaign purposes;

12 (E) expenditures for salary payments or other compensation provided
13 to a candidate's household member, unless the household member is providing
14 bona fide services to the campaign and any salary payments or other
15 compensation not in excess of the fair market value of the services provided;

16 (F) expenditures for interest or any other finance charges for monies
17 loaned to the campaign by the candidate or the candidate's household member;

18 (G) expenditures for tuition payments for a candidate or the
19 candidate's household member;

20 (H) expenditures for dues, fees, or gratuities at private clubs,
21 recreational facilities or other nonpolitical organizations, unless connected to a

1 specific widely attended fundraising event that takes place on the
2 organization's premises;

3 (I) expenditures for automobile purchases or long-term leases, short-
4 term car rentals, and cellular equipment and services not used exclusively for
5 campaign purposes;

6 (J) expenditures for admission to sporting events, concerts, theaters,
7 or other forms of entertainment, unless part of a specific campaign activity;
8 and

9 (K) expenditures for payment of any fines, fees, or penalties assessed
10 pursuant to this chapter.

11 (b) Campaign funds for personal use. No person shall convert campaign
12 funds to a personal use that is unrelated to a political campaign.

13 (c) Candidate salary. Notwithstanding any provision of subsection (b) of
14 this section to the contrary, a candidate for statewide office may use the
15 candidate's campaign funds to provide themselves a salary, provided that:

16 (1) the candidate does not currently hold a statewide office;

17 (2) the candidate salary, in aggregate with any other gross income for
18 that taxable year, does not exceed the adjusted gross income the candidate
19 received in the previous taxable year based on the amount of adjusted gross
20 income indicated on the candidate's personal income tax return filed with the
21 Department of Taxes;

1 (3) the candidate has obtained the number of petition signatures required
2 for the statewide office pursuant to chapter 49 of this title;

3 (4) the candidate is in good standing with the Department of Taxes
4 pursuant to 32 V.S.A. § 3113(g);

5 (5) the candidate provides State income tax records for the taxable year
6 in which the candidate takes a candidate salary and the taxable year prior to the
7 year the candidate takes a candidate salary to the State's Attorney or the
8 Attorney General upon request by the State's Attorney or the Attorney
9 General;

10 (6) payments of salary are made on a pro-rata basis, which means that a
11 candidate shall not receive a whole year's salary if the candidate is not a
12 candidate for statewide office for an entire 12-month period;

13 (7) the first payment of salary is made not sooner than the petition filing
14 deadline for the statewide election in which the candidate is running for office;
15 and

16 (8) salary payments may continue until the date of the election in which
17 the candidate is running for statewide office or until the date of the candidate
18 announcing that the candidate is no longer seeking statewide office.

19 Sec. 2. EFFECTIVE DATE

20 This act shall take effect on July 1, 2023.