

Dear Senator Collamore:

I continue to follow the progress of H.474, and have reviewed the memorandum from Legislative Counsel dated April 24, 2025, as well as Draft No. 1.2 – H.474 dated 4/23/2025. I continue to be concerned that the Government Operations Committee is not being well served by Legislative Counsel or the Secretary of State's office, as some of the proposed changes in the campaign finance sections of the bill would make it less clear, and not improve transparency. In addition, some of the proposals demonstrate a lack of understanding of current campaign finance law. The average Vermonter should be able to read and understand the law so they can be participants in the political process, without fearing a potential \$10,000 fine for inadvertently violating the law.

Page numbers refer to Draft No. 1.2 – H.474 dated 4/23/2025. Changes from that draft are highlighted in green.

On Page 11, line 12 the requirement for PACs to file campaign finance reports has been struck. I can't imagine that was intended. I also think it would increase transparency if every candidate, PAC, and political party has to file a report, even if they have made no expenditures. Contributions should be disclosed, even if expenditures have not been made, as a candidate's source of funding is important for voters to know. If a candidate has no activity, filing is very simple. Under this proposal (unlike current law) one would not have to wonder if a candidate doesn't have to file, or if a candidate has neglected to file.

Sec. 14. 17 V.S.A. § 2964 is amended to read:

§ 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, or a two-

year-term county office ~~who has rolled over any amount of surplus into his or~~

~~her new campaign or who~~ **has made expenditures** ~~or accepted contributions of~~

~~\$500.00 or more during the two-year general election cycle and, except as~~

~~provided in subsection (b) of this section,~~ **each political committee that has not**

filed a final report pursuant to subsection 2965(b) of this chapter, 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:

* * *

(2) Each candidate for a four-year-term county office ~~who has rolled over any amount of surplus into his or her new campaign or 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 campaign finance reports as follows:

On Page 12, Eliminating a definition of independent-expenditure only PAC is problematic. That definition identifies those PACs that are not subject to contribution limits. The definition should be simplified, because the plain language of the definition is no longer enforced. This creates unfairness, as some people are aware, and others are not. Also, by defining independent expenditure, one can require a report of a self-funded person who makes independent expenditures, which I understand to be a goal of some of the proposals that have been made (even if the language proposed would not necessarily accomplish that goal.).

Proposed definitions:

(10) “Independent expenditure” has the same meaning as in 52 U.S.C. § 30101

(11) “Independent expenditure-only political committee” means a political committee that makes independent expenditures and conducts its activities entirely independent of candidates; does not give contributions to candidates, political committees, or political parties; and 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.

Renumber definitions accordingly.

On Page 13 – eliminate the changes to the definition of Political Committee/Political Action Committee. Keeping the change on Page 12, creating a potential Committee of one is reasonable as an individual raising money from others for political purposes (not self-funded) should have to file disclosures.

(12) “Political committee” or “political action committee” means any formal or informal committee of ~~two~~ one or more individuals or a

corporation, labor organization, public interest group, or other entity, not including a political party, that accepts contributions of \$1,000.00 or more ~~and~~ ~~or~~ 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, a public question campaign,~~ and a legislative leadership political committee.

Please eliminate the definition of “Public question campaign.” It is confusing and provides zero benefit. Public question advocacy and independent expenditures are two distinct things, subject to different levels of allowable regulation under Supreme Court precedents. Conflating the two in one definition is nonsensical.

~~(15) “Public question campaign” means a political campaign, specifically an effort to influence an election, that conducts its activities entirely independent of candidates; does not give contributions to candidates, political committees, or political parties; does not make any “related campaign expenditures” as defined in subsection 2944(b) of this title; and is not closely related to a political party or to a political committee that makes contributions to candidates or makes related expenditures. A “public question campaign” includes any campaign making independent expenditures as defined by 521 U.S.C. § 30101.~~

There is no need to create a new definition of, “self-funded person acting alone on a public question” or “self-funded person acting alone unaffiliated with candidate” as suggested by the Secretary of State in Appendix i of the Memorandum dated 4/25/2025. This concept already exists in state statute. The same thing could be accomplished more clearly by amending the definition of “single source” that already exists to make it clear it includes those self-funding.

(16) “Single source” means an individual, partnership, corporation, association, labor organization, or any other organization or group of persons that is not a

political committee or political party, **and includes those using their own funds to support or oppose candidates in an election, influence an election, or advocate a position on a public question.**

It should also be put explicitly into statute that independent expenditure only political committees are not subject to contribution limits, as that is currently not clear unless one is well acquainted with legislative history. In fact, I think this is the source of Legislative Counsel's confusion. They seem unaware that IEO PACs are in fact substantively different than other PACs because they are not subject to contribution limits.

§ 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, **nor to contributions made to an independent-expenditure only political committee.**

On Page 14, amending 17 V.S.A. §2970, instead of repealing it, would clarify that those political committees that advocate a position on a public question need to file disclosures of both expenditures and contributions, like all other PACs. As you can see, the current language mirrors language defining a political committee, but only requires disclosure of expenditures, not contributions. This language caused confusion in 2022, resulting in certain PACs advocating a position on the Constitutional amendment being able to keep their contributors secret. Also, since ballots go out 45 days before the election, the filing date could be moved so voters can have information before they vote. This is also a place to create a disclosure requirement for a single source that does independent expenditures, if you feel that is necessary. I am not sure there is any single source doing independent expenditures in Vermont.

17 V.S.A. § 2970. ~~Is repealed~~ Campaign reports; other entities; public questions **Single Source**

- (a) **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. A single source** that makes expenditures of \$1,000.00 or more during the election cycle for the purpose of advocating a position on a public question in any election shall file a report of its expenditures **30 45** days before, 10 days before, and two weeks after the election with the Secretary of State.
- (b) **A single source that makes independent expenditures of \$1,000 or more during the election cycle shall file a report of its independent expenditures 45 days before, 10 days before, and two weeks after the election with the Secretary of State.**

Also, 17 V.S.A. § 2971 does not need to be amended if the definition of independent-expenditure only political committee is retained. That section of the bill can be deleted.

Sec 16 [Deleted.]

I hope you find these recommendations helpful. I would be happy to answer any questions you might have about these proposals. Please feel free to contact me.

Regards,

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