STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO ELECTIONS - RHODE ISLAND CAMPAIGN CONTRIBUTIONS AND EXPENDITURES REPORTING

Introduced By: Senators Goldin, Valverde, DiMario, Cano, and Murray

Date Introduced: January 19, 2021

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

SECTION 1. Section 17-25-7.2 of the General Laws in Chapter 17-25 entitled “Rhode Island Campaign Contributions and Expenditures Reporting” is hereby amended to read as follows:

17-25-7.2. Personal use of campaign funds prohibited.

(a) The personal use by any elected public office holder or by any candidate for public office, as defined in § 17-25-3, of campaign funds contributed after April 29, 1992, is prohibited. For the purposes of this section, “personal use” is defined as any use other than expenditures related to gaining or holding public office and for which the candidate for public office or elected public official would be required to treat the amount of the expenditure as gross income under § 61 of the Internal Revenue Code of 1986, 26 U.S.C. § 61, or any subsequent corresponding Internal Revenue Code of the United States, as from time to time amended.

(b) Expenditures that are specifically prohibited under this chapter include:

(1) Any residential or household items, supplies, or expenditures, including mortgage, rent, or utility payments for any part of any personal residence of a candidate or officeholder or a member of the candidate's or officeholder's family;

(2) Mortgage, rent, or utility payments for any part of any non-residential property that is owned by a candidate or officeholder or a member of a candidate's or officeholder's family and used for campaign purposes, to the extent the payments exceed the fair-market value of the property usage;
(3) Funeral, cremation, or burial expenses, including any expenses related to deaths within a candidate's or officeholder's family;

(4) Clothing, other than items of de minimis value that are used in the campaign;

(5) Tuition payments;

(6) Dues, fees, or gratuities at a country club, health club, recreational facility or other nonpolitical organization, unless they are part of a specific fundraising event that takes place on the organization's premises;

(7) Salary payments to a member of a candidate's family, unless the family member is providing bona fide services to the campaign. If a family member provides bona fide services to a campaign, any salary payments in excess of the fair-market value of the services provided is personal use;

(8) Admission to a sporting event, concert, theater, or other form of entertainment, unless part of a specific campaign or officeholder activity;

(9) Payment of any fines, fees, or penalties assessed pursuant to this chapter.

(c) Any expense that results from campaign or officeholder activity is permitted use of campaign funds. Such expenditures may include:

(1) The defrayal of ordinary and necessary expenses of a candidate or officeholder;

(2) Office expenses and equipment, provided the expenditures and the use of the equipment can be directly attributable to the campaign or the officeholder's duties and responsibilities;

(3) Donations to charitable organizations, provided the candidate or officeholder does not personally benefit from the donation or receive compensation from the recipient organization;

(4) Travel expenses for an officeholder, provided that the travel is undertaken as an ordinary and necessary expense of seeking, holding, or maintaining public office, or seeking, holding, or maintaining a position within the legislature or other publicly elected body. If a candidate or officeholder uses campaign funds to pay expenses associated with travel that involves both personal activities and campaign or officeholder activities, the incremental expenses that result from the personal activities are personal use, unless the person(s) benefiting from this use reimburse(s) the campaign account within thirty (30) days for the amount of the incremental expenses;

(5) Gifts of nominal value and donations of a nominal amount made on a special occasion such as a holiday, graduation, marriage, retirement, or death, unless made to a member of the candidate's or officeholder's family;

(6) Meal expenses that are incurred as part of a campaign activity or as a part of a function that is related to the candidate's or officeholder's responsibilities, including meals between and
among candidates and/or officeholders that are incurred as an ordinary and necessary expense of
seeking, holding, or maintaining public office, or seeking, holding, or maintaining a position within
the legislature or other publicly elected body;

(7) Food and beverages that are purchased as part of a campaign or officeholder activity;

(8) Communication access expenses that are incurred as part of a campaign activity and
operation to ensure that deaf and hard-of-hearing citizens are fully participating, are volunteers,
and/or are otherwise maintaining a position with the campaign committee. Examples of
communication access expenses include, but are not limited to, the following: captioning on
television advertisements; video clips; sign language interpreters; computer-aided real-time
(CART) services; and assistive listening devices.

(9) Child care expenses that are incurred as a result of campaign activity or officeholder's
responsibilities.

(d) Any campaign funds not used to pay for the expenses of gaining or holding public office
may:

(1) Be maintained in a campaign account(s);

(2) Be donated to a candidate for public office, to a political organization, or to a political
action committee, subject to the limitation on contributions in § 17-25-10.1;

(3) Be transferred, in whole or in part, into a newly established political action committee
or ballot question advocate;

(4) Be donated to a tax-exempt charitable organization as that term is used in § 501(c)(3)
of the Internal Revenue Code of 1986, 26 U.S.C. § 501, or any subsequent, corresponding internal
revenue code of the United States as from time to time amended;

(5) Be donated to the state of Rhode Island; or

(6) Be returned to the donor; provided, however:

e) Any funds remaining in a campaign account(s) of a candidate or officeholder, or former
candidate or former officeholder, who dies, after repayment of loans and accounts payable, shall
be disposed, in accordance with the instructions in writing, on a form prescribed by the board of
elections, which funds may:

(1) Be donated to a candidate for public office, to a political organization, or to a political
action committee, subject to the limitation on contributions in § 17-25-10.1;

(2) Be transferred, in whole or in part, into a newly established political action committee
or ballot question advocate;

(3) Be donated to a tax-exempt charitable organization as that term is used in § 501(c)(3)
of the Internal Revenue Code of 1986, 26 U.S.C. § 501, or any subsequent, corresponding internal
revenue code of the United States as from time to time amended; or

(4) Be returned to the donor.

(5) The candidate's or officeholder's, or former candidate's or former officeholder's, campaign account(s) shall be dissolved by the board of elections;

(6) Any penalties assessed to the candidate or officeholder, or former candidate or former officeholder, that are outstanding at the time of their death shall be waived by the board of elections.

SECTION 2. This act shall take effect upon passage.
EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

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This act would permit campaign funds to be used to pay all child care expenses that are
incurred as a direct result of campaign activity.

This act would take effect upon passage.

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