

LC01503

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2005

A N A C T

RELATING TO ELECTIONS -- RHODE ISLAND CLEAN ELECTIONS ACT

Introduced By: Representatives Ajello, Dennigan, Davey, Rice, and Naughton

Date Introduced: March 01, 2005

Referred To: House Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-1, 17-25-2, 17-25-3, 17-25-4, 17-25-5, 17-25-7, 17-25-7.2,
2 17-25-7.3, 17-25-7.4, 17-25-7.6, 17-25-8, 17-25-10, 17-25-10.1, 17-25-11, 17-25-11.1, 17-25-17
3 and 17-25-29 of the General Laws in Chapter 17-25 entitled "Rhode Island Campaign
4 Contributions and Expenditures Reporting" are hereby amended to read as follows:

5 **17-25-1. Short title. --** This chapter shall be known and may be cited as the "Rhode
6 Island ~~Campaign Contributions and Expenditures Reporting~~ Clean Elections Act".

7 **17-25-2. Declaration of policy. --** (A) Public financing of election campaigns – Findings
8 and general purpose. – Notwithstanding any other provisions of this chapter, it is declared to be in
9 the public interest to create a system of public financing for election to general offices and to the
10 general assembly. The current system for regulating campaign finances has not provided
11 sufficiently competitive campaigns, and it undermines competitive elections in the state of Rhode
12 Island in the following principal ways:

13 (1) It may allow large campaign contributors to have a disproportionate influence on the
14 political process;

15 (2) It may raise voters' concern that campaign contributions result in unfair financial
16 benefits for large donors;

17 (3) It may undermine public confidence in the democratic process, democratic institutions
18 and the integrity of public officials;

19 (4) It may compromise elected officials' accountability to their constituents by

1 compelling them to rely on major campaign contributors whose interests are directly affected by
2 their governmental decisions;

3 (5) It places qualified challengers without access to large contributors or personal
4 fortunes at a competitive disadvantage, because large campaign contributors tend to give their
5 money to incumbents;

6 (6) It leaves candidates without access to substantial campaign funds virtually unable to
7 communicate with voters and reduces the voters' ability to learn about competing candidates;

8 (7) It may place elected officials on fundraising treadmills and may thus decrease their
9 available time and their independence as they seek to serve in the public interest.

10 (B) The general assembly finds and declares that providing a voluntary clean elections
11 campaign finance system for Rhode Island state primary and general elections would enhance
12 democracy in the following principal ways:

13 (1) It would strengthen public confidence in the governmental and election processes;

14 (2) It would lessen the pressures of special interest campaign contributions on public
15 officials in Rhode Island state government;

16 (3) It would lessen the impact of wealth as a determinant of whether a person becomes a
17 candidate;

18 (4) It would foster more meaningful participation by small contributors in the political
19 process;

20 (5) It would provide candidates who participate in the program with a competitive level
21 of resources for reaching voters;

22 (6) It would help restore the core first amendment value of open and robust debate in the
23 political process;

24 (7) It would increase the accountability of elected officials to their constituents;

25 (8) It would reduce the pressure on candidates to raise campaign money and would allow
26 officeholders more time to carry out their official duties.

27 (C) It is declared to be in the public interest and to be the policy of the state to establish a
28 voluntary state-funded system to finance election campaigns as defined in sections 17-25-18
29 through § 17-25-32. This system will be known as the "clean elections campaign funding
30 system."

31 (D) It is declared to be in the public interest and to be the policy of the state to require all
32 candidate for public office who elect not to participate in the "clean elections campaign funding
33 system" to report ~~the reporting of certain~~ private contributions received and expenditures of
34 private campaign contributions made to aid or promote the nomination, election, or defeat of all

1 candidates for public office.

2 (E) It is further declared that candidates for public office who participate in one of the
3 two systems, the “clean elections campaign funding system” or the private financing system, are
4 ineligible to participate in the other system except as permitted herein.

5 **17-25-3. Definitions. --** As used in this chapter, unless a different meaning clearly
6 appears from the context, the following terms relating to the reporting of private campaign
7 contributions and expenditures of private campaign contributions have the meanings ascribed to
8 them in this section:

9 (1) "Business entity" means any corporation, whether for profit or not for profit,
10 domestic corporation or foreign corporation, as defined in section 7-1.1-2, financial institution,
11 cooperative, association, receivership, trust, holding company, firm, joint stock company, public
12 utility, sole proprietorship, partnership, limited partnership, or any other entity recognized by the
13 laws of the United States and/or the state of Rhode Island for the purpose of doing business. The
14 term "business entity" shall not include a political action committee organized pursuant to this
15 chapter or a political party committee or an authorized campaign committee of a candidate or
16 office holder.

17 (2) "Candidate" means any individual who undertakes any action, whether preliminary or
18 final, under either the voluntary clean elections campaign funding system or the private campaign
19 funding system, which is necessary under the law to qualify for nomination for election or
20 election to public office, and/or any individual who receives a contribution or makes an
21 expenditure, under either the voluntary clean elections campaign funding system or the private
22 campaign funding system, or gives his or her consent for any other person to receive a
23 contribution or make an expenditure, with a view to bringing about his or her nomination or
24 election to any public office, whether or not the specific public office for which he or she will
25 seek nomination or election is known at the time the contribution is received or the expenditure is
26 made and whether or not he or she has announced his or her candidacy or filed a declaration of
27 candidacy at that time. In relation to the clean elections campaign funding system or the private
28 funding system:

29 (a) A “participating candidate” means a candidate for representative or senator in the
30 general assembly or for general office who qualifies for clean elections campaign funding.

31 (b) "Nonparticipating candidate" means a candidate for representative or senator in the
32 general assembly or for general office who is on the ballot but has chosen not to apply for clean
33 elections campaign funding or who has applied for clean elections funding but not satisfied the
34 requirements for receiving clean elections funding. “Nonparticipating candidate” also includes

any individual who receives a private contribution or makes an expenditure of private campaign contributions, or gives his or her consent for any other person to receive a private contribution or make an expenditure of private campaign contributions, with a view to bringing about his or her nomination or election to any public office, whether or not the specific public office for which he or she will seek nomination or election is known at the time the private contribution is received or the expenditure of private campaign contributions is made and whether or not he or she has announced his or her candidacy or filed a declaration of candidacy at that time.

(3) ~~"Contributions" and "expenditures" include all transfers of money, paid personal services, or other thing of value to or by any candidate, committee of a political party, or political action committee. A loan shall be considered a contribution of money until it is repaid.~~

(4) "Election" means any primary, general, or special election or town meeting for any public office of the state, municipality, or district or for the determination of any question submitted to the voters of the state, municipality, or district.

(5) "Election cycle" means the twenty-four (24) month period commencing on January 1 of odd number years and ending on December 31 of even number years; provided, with respect to the public financing of election campaigns of general officers under ~~sections 17-25-19, 17-25-20, and 17-25-25,~~ sections 17-25-18.1 through 17-25-32, "election cycle" means the forty-eight (48) month period commencing on January 1 of odd numbered years and ending December 31 of even numbered years.

(5.1) "Expenditure(s) of private campaign contributions" means all transfers of money, paid personal services, or other thing of value given to or received by any nonparticipating candidate by or from any individual or source other than the clean elections campaign fund, including any committee of a political party, or political action committee.

(6) "Other thing of value" means any item of tangible real or personal property of a fair market value in excess of one hundred dollars (\$100).

(7) "Paid personal services" means personal services of every kind and nature, the cost or consideration for which is paid or provided by someone other than the committee or nonparticipating candidate for whom the services are rendered, but shall not include personal services provided without compensation by persons volunteering their time.

(8) "Person" means an individual, partnership, committee, association, corporation, and any other organization.

(9) "Political action committee" means any group of two (2) or more persons that accepts any contributions to be used for advocating the election or defeat of any candidate or candidates or to be used for advocating the approval or rejection of any question or questions submitted to

1 the voters. Only political action committees that have accepted contributions from fifteen (15) or
2 more persons in amounts of ten dollars (\$10.00) or more within an election cycle shall be
3 permitted to make contributions, and those committees must make contributions to at least five
4 (5) candidates for state or local office within an election cycle.

5 (9.1) "Private contributions" means all transfers of money, paid personal services, or any
6 thing of value given to or received by any nonparticipating candidate, committee or political
7 party, or political action committee from any individual or source other than the clean elections
8 campaign fund.

9 (10) "Public office" means any state, municipal, school, or district office or other
10 position that is filled by popular election, except political party offices. "Political party offices"
11 means any state, city, town, ward, or representative or senatorial district committee office of a
12 political party or delegate to a political party convention, or any similar office.

13 (11) "State" means state of Rhode Island.

14 (12) "Testimonial affair" means an affair of any kind or nature including, but not limited
15 to, cocktail parties, breakfasts, luncheons, dinners, dances, picnics, or similar affairs expressly
16 and directly intended to raise campaign funds in behalf of a candidate to be used for nomination
17 or election to a public office in this state, or expressly and directly intended to raise funds in
18 behalf of any state or municipal committee of a political party, or expressly and directly intended
19 to raise funds in behalf of any political action committee.

20 **17-25-4. Applicability.** -- The provisions of ~~this chapter~~ sections 17-25-2 through 17-25-
21 17 inclusive shall apply in any primary, general, or special election or town meeting for any
22 public office of the state, municipality, or district or for the determination of any question
23 submitted to the voters of the state, municipality, or district.

24 **17-25-5. Duties and powers of the board of elections.** -- (a) The board of elections is
25 authorized to perform any duties that are necessary to implement the provisions of this chapter.
26 Without limiting the generality of this provision, the board is authorized and empowered to:

27 (1) Develop forms for the making of the required reports to be filed with the board of
28 elections, which form shall contain a notice setting forth the times and dates when reports are
29 required to be filed;

30 (2) Prepare and publish a manual for all candidates, political party committees, and
31 political action committees prescribing the requirements of the law, including uniform methods of
32 bookkeeping and reporting and requirements as to the length of time that any person required to
33 keep any records pursuant to the provisions of this chapter shall retain these records, or any class
34 or category of records, or any other documents;

1 (3) Adopt rules and regulations to carry out the purposes of this chapter;

2 (4) Prepare and make available for public inspection, through the office of the board of
3 elections, summaries of all reports grouped according to [participating candidates](#),
4 [nonparticipating](#) candidates, and political parties;

5 (5) Prepare and publish, prior to May 1 or as soon as practicable thereafter of each year,
6 an annual report to the general assembly;

7 (6) Ascertain whether [participating or, nonparticipating](#) candidates or political party
8 committees, or political action committees, have failed to file reports or have filed defective
9 reports; and may for good cause shown extend the dates upon which reports are required to be
10 filed;

11 (7) (i) Conduct confidential investigations and/or closed hearings in accordance with this
12 title relative to alleged violations of this chapter either on its own initiative or upon receipt of a
13 verified written complaint, which complaint shall, under pain and penalty of perjury, be based
14 upon actual knowledge and not merely on information and belief. Upon completion of its
15 investigation and/or hearings, if the board has reason to believe that a violation of this chapter has
16 occurred or that a complainant has willfully sworn or affirmed falsely, the chairperson of the
17 board of elections is authorized to and shall issue to the person found to be in violation of this
18 chapter a summons pursuant to section 12-7-11 to appear before the division of the district court
19 where the person resides and shall be prosecuted by the attorney general. Any action taken by the
20 board as a result of a written verified complaint shall, whenever possible, be completed no later
21 than five (5) business days after its receipt, and if no violation is found to exist, all records and
22 papers shall be kept confidential unless further legal proceedings are instituted.

23 (ii) The confidentiality of an audit, investigation, hearing, and/or findings may be waived
24 in writing only by the person or persons complained of or audited. However, once an audit is
25 complete and presented to the board, the audit will be a matter of public record.

26 (8) Conduct compliance reviews and audits of campaign accounts as necessary, and in a
27 manner consistent with the provisions of this chapter.

28 (b) The board of elections shall take any steps that may be necessary or appropriate to
29 furnish timely and adequate information, [both](#) in appropriate printed summaries and in any other
30 form that it may see fit, to every candidate or prospective candidate for public office who
31 becomes or is likely to become subject to the provisions of this chapter, and to every treasurer
32 duly designated under the provisions of this chapter, informing them of their actual or prospective
33 obligations and responsibilities under this chapter. [Any such timely and accurate information
34 produced in printed summaries shall be duplicated exactly on the official web site of the Rhode](#)

1 Island board of elections.

2 (c) (1) The board of elections is authorized, upon written request, to render written
3 advisory opinions as to whether a given set of facts and circumstances set forth in the request
4 would constitute a violation of any of the provisions of this chapter, or whether a given set of
5 facts and circumstances set forth in the request would render any person subject to any of the
6 reporting requirements of this chapter; provided, that the requirement for a written opinion may
7 be voluntarily waived by the candidate or committee.

8 (2) Unless an extension of time is consented to by any person who submits a written
9 request for an advisory opinion, the board of elections shall, whenever possible, render its written
10 advisory opinion within five (5) business days of receipt of the request.

11 (d) (1) For each quarterly report required to be filed, the board shall send a postcard by
12 regular mail to each person and entity required to file a report, which will notify the person or
13 entity that a report required to be filed is due within fourteen (14) days.

14 (2) The failure to receive this notice shall not absolve the person or entity of the
15 reporting requirements contained in this chapter.

16 **17-25-7. Contents of reports to be filed by treasurers of candidates and committees.**

17 -- (a) Each campaign treasurer of ~~a~~ each candidate, participating candidate, nonparticipating
18 candidate, each state and municipal committee of a political party, and each political action
19 committee shall keep accurate records and make a full report, upon a form prescribed by the
20 board of elections, of all private contributions received by it in excess of a total of one hundred
21 dollars (\$100) from any one source within a calendar year, in furtherance of the nomination,
22 election, or defeat of any candidate or the approval or rejection of any question submitted to the
23 voters during the period from the date of the last report, or in the case of the initial report,
24 beginning on the date of the appointment of the campaign treasurer for state and municipal
25 committees and political action committees and on the date a person becomes a "candidate", as
26 defined in section 17-25-3(2) for individual candidates. The report shall contain the name and
27 address and place of employment of each person or source from whom the contributions in excess
28 of one hundred dollars (\$100) were received, and the amount contributed by each person or
29 source. The report shall be filed with the board of elections on the dates designated in section 17-
30 25-11. The campaign treasurer of the candidate, or committee reporting, shall certify to the
31 correctness of each report.

32 (b) Each state and municipal committee of a political party shall also file with the board
33 of elections, not later than March 1 of each year, an annual report setting forth in the aggregate all
34 private contributions received and all expenditures of private contributions made during the

1 previous calendar year, whether or not these expenditures were made, incurred, or authorized in
2 furtherance of the election or defeat of any candidate. The treasurer of the committee or
3 organization reporting shall certify to the correctness of each report.

4 (c) Any report filed pursuant to the provisions of this section shall include contributions
5 received from any "testimonial affair", as defined in section 17-25-3, held since the date of the
6 most recent report filed.

7 **17-25-7.2. Personal use of campaign funds prohibited.** -- (a) The personal use by any
8 elected public office holder or by any candidate, participating candidate, or nonparticipating
9 candidate for public office, as defined in section 17-25-3, of public or private campaign funds
10 ~~contributed after April 29, 1992,~~ is prohibited. For the purposes of this section, "personal use" is
11 defined as any use other than expenditures related to gaining or holding public office and for
12 which the candidate for public office or elected public official would be required to treat the
13 amount of the expenditure as gross income under section 61 of the Internal Revenue Code of
14 1986, 26 U.S.C. section 61, or any subsequent corresponding Internal Revenue Code of the
15 United States, as from time to time amended.

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

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

20 (2) Mortgage, rent, or utility payments for any part of any non-residential property that is
21 owned by a candidate or officeholder or a member of a candidate's or officeholder's family and
22 used for campaign purposes, to the extent the payments exceed the fair market value of the
23 property usage;

24 (3) Funeral, cremation, or burial expenses, including any expenses related to deaths
25 within a candidate's or officeholder's family;

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

27 (5) Tuition payments;

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

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

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

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

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

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

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

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

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

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

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

28 (7) Food and beverages which are purchased as part of a campaign or officeholder
29 activity.

30 (d) Any [private](#) campaign funds not used to pay for the expenses of gaining or holding
31 public office may:

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

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

- 1 (3) Be transferred in whole or in part into a newly established political action committee;
- 2 (4) Be donated to a tax exempt charitable organization as that term is used in section
- 3 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. section 501, or any subsequent
- 4 corresponding internal revenue code of the United States as from time to time amended;
- 5 (5) Be donated to the state of Rhode Island; or
- 6 (6) Be returned to the donor.

7 **17-25-7.3. Testimonial proceeds intended for personal use prohibited.** -- It is

8 unlawful for any candidate for public office, as defined in section 17-25-3, or any elected public

9 office holder to accept the proceeds of any testimonial, as defined in section 17-25-3, for personal

10 use, as defined in section 17-25-7.2, ~~which were received after April 29, 1992~~. Nothing in this

11 section shall be construed to prohibit the use of testimonials for the lawful purpose of raising

12 campaign funds.

13 **17-25-7.4. Limitations on repayment of loans.** -- ~~Campaign~~ Private campaign

14 contributions received pursuant to this chapter shall not be used to repay cumulative personal

15 loans ~~that were made on or after April 29, 1992~~, to a campaign by a nonparticipating candidate in

16 excess of two hundred thousand dollars (\$200,000) during an election cycle.

17 **17-25-7.6. Electronic reporting.** -- (a) The filing of campaign finance reports to the

18 board of elections shall commence in accordance with the following schedule:

19 (1) Candidates for general office shall commence filing campaign finance reports

20 electronically beginning with the report required to be filed for the first quarterly reporting period

21 in 2002.

22 (2) All other candidates for public office and political parties, other than state political

23 parties, shall commence filing campaign finance reports electronically beginning with the first

24 quarterly reporting period in 2004; provided, that all candidates may commence filing campaign

25 finance reports electronically beginning with the first report required to be filed for the first

26 quarterly reporting period in 2002.

27 (3) State political parties, political action committees and vendors required to file

28 campaign finance reports shall do so commencing with the first report required to be filed for the

29 first quarterly reporting period in 2002.

30 (b) Notwithstanding the provisions in subdivision (a)(2) of this section, any candidate

31 who raises or expends more than five thousand dollars (\$5,000) annually, or whose report shows

32 a balance of five thousand dollars (\$5,000) or more in his or her campaign fund as of December

33 31st of the previous year, shall file his or her campaign finance reports electronically.

34 (c) The board of elections shall have the authority to adopt regulations to implement and

1 administer the provisions of this section.

2 (d) Notwithstanding anything else in this section and subject to the implementation of an
3 electronic reporting and tracking system, the board of elections shall have the authority to delay
4 implementation of the requirements of this section by up to ninety (90) days.

5 [\(e\) The provisions of this section apply to all candidates, regardless of which campaign](#)
6 [financing system they elect to join.](#)

7 **17-25-8. Appointment of campaign treasurer by candidate -- Filings. --** (a) Each
8 candidate in an election, [regardless of which campaign financing system they elect to join,](#) shall
9 file a "notice of organization" with the board of elections and appoint one campaign treasurer
10 before receiving any contribution or expending any money in furtherance or aid of the candidate's
11 candidacy. The "notice of organization" shall include the name and address of the candidate, the
12 campaign treasurer and the committee being established.

13 (b) A candidate may appoint deputy campaign treasurers as required. The candidate shall
14 file the names and addresses of deputy campaign treasurers with the board of elections.

15 (c) A candidate may remove a campaign treasurer or deputy campaign treasurer. In the
16 case of the death, resignation, or removal of a campaign treasurer, the candidate shall appoint a
17 successor as soon as practicable and shall file his or her name and address with the board of
18 elections within ten (10) days. A candidate may serve as his or her own campaign treasurer, and
19 upon failure to designate a treasurer, the candidate shall be designated his or her own treasurer by
20 the board of elections.

21 **17-25-10. Lawful methods of contributing to support of candidates -- Reporting --**
22 **Disposition of anonymous contributions. --** (a) No contribution shall be made or received, and
23 no expenditures shall be directly made or incurred, to support or defeat a candidate or to advocate
24 the approval or rejection of any question in any election except through:

25 (1) The duly appointed campaign treasurer, or deputy campaign treasurers, of the
26 candidates, [regardless of which campaign financing system they elect to join;](#)

27 (2) The duly appointed campaign treasurer or deputy campaign treasurers of a political
28 party committee;

29 (3) The duly appointed campaign treasurer or deputy campaign treasurer of a political
30 action committee.

31 (b) It shall be lawful for any person, not otherwise prohibited by law and not acting in
32 concert with any other person or group, to expend personally from that person's own funds a sum
33 which is not to be repaid to him or her for any purpose not prohibited by law to support or defeat
34 a candidate or to advocate the approval or rejection of any question; provided, that any person

1 making the expenditure shall be required to report all of his or her expenditures and expenses, if
2 the total of the money so expended exceeds one hundred dollars (\$100) within a calendar year, to
3 the board of elections within seven (7) days of making the expenditure and to the campaign
4 treasurer of the candidate or political party committee on whose behalf the expenditure or
5 contribution was made, or to his or her deputy, within seven (7) days of making the expenditure,
6 who shall cause the expenditures and expenses to be included in his or her reports to the board of
7 elections. Whether a person is "acting in concert with any other person or group" for the purposes
8 of this subsection shall be determined by application of the standards set forth in ~~section 17-25-23~~
9 subsection 17-25-10(d).

10 (c) Any anonymous contribution received by a campaign treasurer or deputy campaign
11 treasurer shall not be used or expended, but shall be returned to the donor, if the donor's identity
12 can be ascertained; if not, the contribution shall escheat to the state.

13 (d) Any funds expended by a person, committee of a political party, or political action
14 committee to directly influence the outcome of the electoral contest involving a candidate shall be
15 considered a contribution received by or an expenditure made by the candidate, or if one or more
16 of the following relationships between the candidate and the person, committee of a political
17 party, or political action committee is present:

18 (1) There is any arrangement, coordination, or direction with respect to the expenditure
19 between the candidate or the candidate's agent and the person making the expenditure;

20 (2) In the same election cycle, the person making the expenditure, including any officer,
21 director, employee, or agent of the person, is or has been authorized to raise or expend funds on
22 behalf of the candidate or the candidate's authorized committees, or is or has been an officer of
23 the candidate's authorized committees, or is or has been receiving any form of compensation or
24 reimbursement from the candidate, the candidate's authorized committees, or the candidate's
25 agent;

26 (3) The person making the expenditure, including any officer, director, employee, or
27 agent of the person, has communicated with, advised, or counseled the candidate or the
28 candidate's agents at any time on the candidate's plans, projects, or needs relating to the
29 candidate's pursuit of election to general office in the same election cycle, including any advice
30 relating to the candidate's decision to seek election to general office;

31 (4) The person making the expenditure retains the professional services of any individual
32 or other person also providing those services to the candidate in connection with the candidate's
33 pursuit of election to general office in the same election cycle, including any services relating to
34 the candidate's decision to seek election to general office;

1 (5) The person making the expenditure, including any officer, director, employer, or
2 agent of the person, has communicated or consulted at any time during the same election cycle
3 about the candidate's plans, projects, or needs relating to the candidate's pursuit of election to
4 general office, with:

5 (i) Any officer, director, employee, or agent of a party committee that has made or
6 intends to make expenditures or contributions, in connection with the candidate's campaign; or

7 (ii) Any person whose professional services have been retained by a political party
8 committee that has made or intends to make expenditures or contributions.

9 (6) The expenditure is based on information provided to the person making the
10 expenditure directly or indirectly by the candidate or the candidate's agents about the candidate's
11 plans, projects, or needs; provided, that the candidate or the candidate's agents are aware that the
12 other person has made or is planning to make expenditures expressly advocating the candidate's
13 election; or

14 (7) The expenditure is made by a person with the intention of seeking or obtaining any
15 governmental benefit or consideration from the candidate by reason of the expenditure.

16 **17-25-10.1. Political contributions -- Limitations.** -- (a) (1) No person, other than the
17 candidate to his or her own campaign, nor any political action committee shall make a
18 contribution or contributions to any candidate, as defined by section 17-25-3, or political action
19 committee or political party committee which in the aggregate exceed one thousand dollars
20 (\$1,000) within a calendar year, nor shall any person make contributions to more than one state or
21 local candidate, to more than one political action committee, or to more than one political party
22 committee, or to a combination of state and local candidates and political action committees and
23 political party committees which in the aggregate exceed ten thousand dollars (\$10,000) within a
24 calendar year, nor shall any political action committee make such contributions which in the
25 aggregate exceed twenty-five thousand dollars (\$25,000) within a calendar year, nor shall any
26 candidate or any political action committee or any political party committee accept a contribution
27 or contributions which in the aggregate exceed one thousand dollars (\$1,000) within a calendar
28 year from any one person or political action committee.

29 (2) Notwithstanding the provisions of subdivision (1) of this subsection, a person or
30 political action committee or political party committee may contribute an amount which in the
31 aggregate does not exceed ten thousand dollars (\$10,000) within a calendar year to a political
32 party committee, which funds can be utilized for organizational and party building activities, but
33 shall not be used for contributions to candidates for state and local ~~for~~ public office.

34 (b) Contributions to a named candidate made to any political committee authorized by

1 that candidate to accept contributions on the candidate's behalf shall be considered to be
2 contributions made to the candidate. Contributions to a candidate by a political committee for
3 another person shall be considered to be contributions by that person.

4 (c) Expenditures made by any person in cooperation, consultation or concert with, or at
5 the request or suggestion of, a candidate, the candidate's authorized political committees, or their
6 agents shall be considered to be a contribution to the candidate.

7 (d) The financing by any person of the dissemination, distribution, or republication, in
8 whole or in part, of any broadcast or any written, graphic, or other form of campaign materials
9 prepared by the candidate, the candidate's campaign committees, or their authorized agents shall
10 be considered to be a contribution to a candidate.

11 (e) Nothing in this section shall be construed to restrict political party committees
12 organized pursuant to this title from making contributions to the candidates of that political party;
13 provided, that these contributions, other than allowable "in-kind" contributions, shall not exceed,
14 in the aggregate, twenty-five thousand dollars (\$25,000) to any one candidate within a calendar
15 year, nor shall any candidate accept a contribution or contributions, other than allowable "in-
16 kind" contributions, which in the aggregate exceed twenty-five thousand dollars (\$25,000) within
17 a calendar year from all committees of his or her political party. There shall be no restriction on
18 the amount of "in-kind" contributions that a political party committee may make to a candidate of
19 its political party; provided, that for the purposes of this subsection only, the cost of any
20 preparation and airing of television and/or radio advertisements and the cost of any print
21 advertisements shall not be considered an allowable "in-kind" contribution and shall be subject to
22 the aggregate limitation of twenty-five thousand dollars (\$25,000).

23 (f) (1) A contribution from an individual's dependent children, as defined in section 36-
24 14-2, shall be deemed a contribution from the individual for the purpose of determining whether
25 aggregate contributions exceed either the one hundred dollar (\$100) threshold for reporting
26 purposes or the one thousand dollar (\$1,000) maximum for contributions to a single candidate or
27 political action committee or the ten thousand dollar (\$10,000) maximum for contributing to all
28 candidates and political action committees within a calendar year.

29 (2) No dependent child shall contribute an amount which, when added to contributions
30 already made by that child's parent or legal guardian and by other dependent children of that
31 parent or legal guardian, exceed the one thousand dollar (\$1,000) maximum for contributions to a
32 single candidate or political action committee or exceed the ten thousand dollar (\$10,000)
33 maximum for contributions to all state or local candidates and political action committees within
34 a calendar year.

(g) Nothing in this section shall be construed to restrict the amount of money that a candidate can borrow in his or her own name, and subsequently contribute or loan to his or her own campaign.

(h) (1) It shall be unlawful for any corporation, whether profit or non-profit, domestic corporation or foreign corporation, as defined in section 7-1.1-2, or other business entity to make any campaign contribution or expenditure, as defined in section 17-25-3, to or for any candidate, political action committee, or political party committee, or for any candidate, political action committee, or political party committee to accept any campaign contribution or expenditure from a corporation or other business entity. Any contribution made in the personal name of any employee of a corporation or other business entity, for which the employee received or will receive reimbursement from the corporation or other business entity, shall be considered as a contribution by the corporation or other business entity, in violation of this section.

(2) Any voluntary payroll deduction and/or [private](#) contribution made by employees of a corporation or other business entity shall not be deemed a contribution of a corporation or other business entity, notwithstanding that the contributions were sent to the recipient by the corporation or other business entity.

(i) All contributions of funds shall be by check, money order, or credit card and may be made over the Internet, but in each case the source of the funds must be identified; provided, that candidates may accept contributions in cash which do not exceed twenty-five dollars (\$25.00) in the aggregate from an individual within a calendar year. The cash contribution must be delivered directly by the donor to the candidate, his or her campaign treasurer, or deputy treasurer. The treasurer or deputy treasurer shall maintain a record of the name and address of all persons making these cash contributions.

(j) Except as provided in subsection (h) of this section, no entity other than an individual, a political action committee which is duly registered and qualified pursuant to the terms of this chapter, political party committee authorized by this title, or an authorized committee of an elected official or candidate established pursuant to this chapter shall make any contribution to or any expenditure on behalf of or in opposition to any candidate, ballot question, political action committee, or political party.

17-25-11. Dates for filing of reports by treasurers of candidates or of committees. --

(a) During the period between the appointment of the campaign treasurer for state and municipal committees and political action committees, or in the case of an individual, the date on which the individual becomes a "declared or undeclared candidate", as defined in section 17-25-3(2), except when the ninety (90) day reporting period ends less than forty (40) days prior to an election, in

1 which case the ninety (90) day report shall be included as part of the report required to be filed on
2 the twenty-eighth (28th) day next preceding the day of the primary, general, or special election
3 pursuant to subdivision (2) of this subsection, and the election, with respect to which
4 contributions are received or expenditures made by him or her in behalf of or in opposition to a
5 candidate or question, the campaign treasurer of a candidate, a political party committee, or a
6 political action committee shall file a report containing an account of contributions received and
7 expenditures made on behalf of or in opposition to a candidate or question:

8 (1) At ninety (90) day intervals commencing on the date on which the individual first
9 becomes a candidate, as defined in section 17-25-3(2);

10 (2) In a contested election, on the twenty-eighth (28th) and seventh (7th) days next
11 preceding the day of the primary, general, or special election; provided, that in the case of a
12 primary election for a special election, where the twenty-eighth (28th) day next preceding the day
13 of the primary election occurs prior to the first day for filing declarations of candidacy pursuant to
14 section 17-14-1, the reports shall be due on the fourteenth (14th) and seventh (7th) days next
15 preceding the day of the primary election for the special election; and

16 (3) A final report on the twenty-eighth (28th) day following the election. The report shall
17 contain:

18 (i) The name and address and place of employment of each person from whom
19 contributions in excess of a total of one hundred dollars (\$100) within a calendar year were
20 received;

21 (ii) The amount contributed by each person;

22 (iii) The name and address of each person to whom expenditures in excess of one
23 hundred dollars (\$100) were made; and

24 (iv) The amount and purpose of each expenditure.

25 (b) Concurrent with the report filed on the twenty-eighth (28th) day following an
26 election, or at any time thereafter, the campaign treasurer of a candidate, or political party
27 committee or political action committee, may certify to the board of elections that the campaign
28 fund of the candidate, political party committee, or political action committee having been
29 instituted for the purposes of the past election, has completed its business and been dissolved or,
30 in the event that the committee will continue its activities beyond the election, that its business
31 regarding the past election has been completed; and the certification shall be accompanied by a
32 final accounting of the campaign fund, or of the transactions relating to the election, including the
33 final disposition of any balance remaining in the fund at the time of dissolution or the
34 arrangements which have been made for the discharge of any obligations remaining unpaid at the

1 time of dissolution.

2 (c) Once the campaign treasurer certifies that the campaign fund has completed its
3 business and been dissolved, no contribution which is intended to defray expenditures incurred on
4 behalf of or in opposition to a candidate or to advocate the approval or rejection of any question
5 during the campaign can be accepted. Until the time that the campaign treasurer certifies that the
6 campaign fund has completed its business and been dissolved, the treasurer shall file reports
7 containing an account of contributions received and expenditures made at ninety (90) day
8 intervals commencing with the next quarterly report following the election; however, the time to
9 file under this subsection shall be no later than thirty (30) days following the ninety (90) day
10 period, except when the thirty (30) days filing deadline following the ninety (90) day reporting
11 period occurs less than twenty-eight (28) days before an election, in which case the report shall be
12 filed pursuant to the provisions of subdivisions (a)(1) and (2) of this section.

13 (d) (1) There shall be no obligation to file the reports of expenditures required by this
14 section on behalf of or in opposition to a candidate or question if the total amount to be expended
15 in behalf of the candidacy or question by the candidate, by any political party committee, by any
16 political action committee, or by any person shall not in the aggregate exceed one thousand
17 dollars (\$1,000).

18 (2) However, even though the aggregate amount expended on behalf of the candidacy
19 does not exceed one thousand dollars (\$1,000), reports must be made listing the source and
20 amounts of all [private](#) contributions in excess of a total of one hundred dollars (\$100) from any
21 one source within a calendar year. Even though the aggregate amount expended on behalf of the
22 candidacy does not exceed one thousand dollars (\$1,000) and no contribution from any one
23 source within a calendar year exceeds one hundred dollars (\$100), the report shall state the
24 aggregate amount of all contributions received. In addition, the report shall state the amount of
25 aggregate contributions that were from individuals, the amount from political action committees,
26 and the amount from political party committees.

27 (e) On or before the first date for filing contribution and expenditure reports, the
28 campaign treasurer may file a sworn statement that the treasurer will accept no contributions nor
29 make aggregate expenditures in excess of the minimum amounts for which a report is required by
30 this chapter. Thereafter, the campaign treasurer shall be excused from filing all the reports for that
31 campaign, other than the final report due on the twenty-eighth (28th) day following the election.

32 (f) A campaign treasurer must file a report containing an account of [private](#) contributions
33 received and expenditures made at the ninety (90) day intervals provided for in subsection (c) of
34 this section for any ninety (90) day period in which the campaign received contributions in excess

1 of a total of one hundred dollars (\$100) within a calendar year from any one source and/or made
2 expenditures in excess of one thousand dollars (\$1,000) within a calendar year; however, the time
3 to file under this subsection shall be no later than thirty (30) days following the ninety (90) day
4 period, except when the thirty (30) days filing deadline following the ninety (90) day reporting
5 period occurs less than twenty-eight (28) days before an election, in which case the report shall be
6 filed pursuant to the provisions of subdivisions (a)(1) and (2) of this section.

7 (g) (1) The board of elections may, for good cause shown and upon the receipt of a
8 written or electronic request, grant a seven (7) day extension for filing a report; provided, that the
9 request must be received no later than the date upon which the report is due to be filed.

10 (2) Any person or entity required to file reports with the board of elections pursuant to
11 this section and who has not filed the report by the required date, unless granted an extension
12 pursuant to subdivision (1) of this subsection, shall be fined twenty-five dollars (\$25.00).
13 Notwithstanding any of the provisions of this section, the board of elections shall have the
14 authority to waive late filing fees for good cause shown.

15 (3) The board of elections shall send a notice of non-compliance, by certified mail, to
16 any person or entity who fails to file the reports required by this section. A person or entity who is
17 sent a notice of non-compliance and fails to file the required report within seven (7) days of the
18 receipt of the notice shall be fined two dollars (\$2.00) per day from the day of receipt of the
19 notice of non-compliance until the day the report has been received by the state board.
20 Notwithstanding any of the provisions of this section, the board of elections shall have the
21 authority to waive late filing fees for good cause shown.

22 **17-25-11.1. Preservation of candidate or committee records.** -- (a) For every report
23 filed after the effective date of this chapter, the campaign treasurer of each candidate, [whether](#)
24 [participating or nonparticipating](#), seeking nomination for election or election to public office shall
25 maintain and preserve all records and supporting documentation for a period of four (4) years
26 from the filing date.

27 (b) For every report filed after the effective date of this chapter, the treasurer of each
28 political party committee and political action committee shall be required to maintain and
29 preserve all records in support of the committee reports filed pursuant to section 17-25-11 for a
30 period of four (4) years from the filing date.

31 **17-25-17. Severability.** -- (a) If the provisions of ~~this chapter~~ [sections 17-25-1 through](#)
32 [17-25-17](#) or their application to any person or circumstances is held invalid, the invalidity shall
33 not affect other provisions or applications of ~~the chapter~~ [sections 17-25-1 through 17-25-17](#)
34 which can be given effect without the invalid provision or application, and to this end the

1 provisions of the chapter are declared to be severable.

2 (b) Without limiting the generality of subsection (a) of this section, if the application of
3 any provision of this chapter to contributions and/or expenditures made in regard to ballot
4 questions is held invalid, the provision shall remain applicable to contributions and/or
5 expenditures made in regard to candidates.

6 **17-25-29. ~~Appropriations.~~ Appropriations – Clean elections fund. --** (A) There is
7 hereby created a special, dedicated, non-lapsing clean elections fund for the purpose of providing
8 public financing for the election campaigns of certified participating candidates and paying for
9 the administrative and enforcement costs of the board of elections related to this act. The fund
10 shall receive any funds generated by the tax credit of subsection 44-30-2(d), any fines assessed in
11 connection with this act, any qualifying contributions, any unspent funds of a participating
12 candidate remaining after the election for which the funds were distributed, any interest generated
13 by the fund, voluntary donations made to the clean elections fund, and an annual appropriation of
14 seven dollars (\$7.00) per resident of the state as calculated by the United States census bureau for
15 the year preceding the election. The fund shall be deposited in a manner that will secure the
16 highest rate of interest available consistent with the safety of the sums and with the requirement
17 that all sums on deposit be available for immediate payment to eligible candidates at any time
18 during the primary or general election campaign periods.

19 (B) In the event the funds generated by ~~the tax credit of section 44-30-2(d)~~ this section
20 fail to produce sufficient money to meet the requirements of the public financing of the electoral
21 system as set forth in sections ~~17-25-19—17-25-27~~ 17-25-18.1 through 17-25-32, then funds
22 sufficient to meet the levels of the public financing as set forth in this chapter shall be supplied
23 from the general fund of the state treasury. There is appropriated from the general treasury those
24 sums that may be necessary for carrying out the purposes of the public financing of the electoral
25 system, and an amount equal to the total of all maximum amounts of matching public funds
26 available to all party and independent candidates for general office qualifying and electing to
27 receive public funds in an election shall be transferred to the board of elections no later than
28 September 1 of each election year and deposited in a manner that will secure the highest rate of
29 interest available consistent with the safety of the sums and with the requirement that all sums on
30 deposit be available for immediate payment to eligible candidates at any time after the date of the
31 primary election. The state controller is authorized and directed to draw his or her orders upon the
32 general treasurer for transfer of all sums the board deems necessary to comply with this section.
33 There shall also be transferred to the board any additional sums that may be required until the
34 permitted limits are reached. The board shall account for all funds disbursed pursuant to this

chapter, and transfer upon the conclusion of any election for general office any and all undisbursed sums to the general treasurer for deposit in the general fund by December 1 in any year in which the election is held.

SECTION 2. Sections 17-25-18, 17-25-19, 17-25-20, 17-25-21, 17-25-22, 17-25-23, 17-25-24, 17-25-25, 17-25-26, 17-25-27, 17-25-28 and 17-25-30 of the General Laws in Chapter 17-25 entitled "Rhode Island Campaign Contributions and Expenditures Reporting" are hereby repealed.

17-25-18. Public financing of election campaigns -- General purpose. ~~Whereas, the general assembly finds that the cost of running for statewide office has risen over the last decade at a rate far in excess of the increase in the cost of living; and~~

~~Whereas, the general assembly finds that the need to raise ever larger sums of money to effectively compete for general office threatens the essence of our democratic system by excluding many well-qualified candidates; and~~

~~Whereas, the general assembly finds that the candidate's need to raise large sums of money can result in disproportionate and inappropriate influence being obtained by those who possess the financial ability to make large contributions to campaigns; and~~

~~Whereas, the general assembly finds that the state cannot impose limitations on the amount of private funds raised and expended for election purposes by a candidate unless it provides for at least partial public financing of campaigns;~~

~~Therefore, the general assembly determines that it is in the best interest of the citizens of the state to provide public financing to qualified candidates for general office.~~

17-25-19. Public financing of election campaigns -- Outlined. ~~(a) To effectuate the purpose stated in section 17-25-18, public funds shall be made available under the terms and conditions of this section and sections 17-25-20—17-25-27 to qualifying candidates for general office who agree to abide by a limitation on the total amount of campaign contributions received and expenditures made for election purposes.~~

~~(b) The nominees for general office of each political party, as defined in section 17-1-2(9), and independent candidates for those offices who meet the requirements set forth in section 17-25-20(6), shall be eligible to receive two dollars (\$2.00) of public funds for each qualified dollar (\$1.00) of private funds contributed which do not exceed an aggregate of five hundred dollars (\$500) from a single source within an election cycle and one dollar (\$1.00) of public funds for each qualified dollar (\$1.00) of private funds contributed which exceed an aggregate of five hundred dollars (\$500) from a single source within an election cycle but do not exceed the limitations on aggregate contributions which are eligible to be matched set in section 17-25-20(3);~~

1 ~~subject to the provisions of section 17-25-20(2). The total amount of public funds provided to a~~
2 ~~candidate shall not exceed seven hundred fifty thousand dollars (\$750,000) in matching funds for~~
3 ~~a total of one million five hundred thousand dollars (\$1,500,000) for candidates for governor; and~~
4 ~~one hundred eighty seven thousand five hundred dollars (\$187,500) in matching funds for a total~~
5 ~~of three hundred seventy five thousand dollars (\$375,000) for candidates for other general~~
6 ~~offices.~~

7 ~~-(c) In order to be eligible for matching public funds, each candidate at the time he or she~~
8 ~~becomes a candidate, as defined in section 17-25-3(2), must sign a statement under oath pledging~~
9 ~~to comply with the limitations on campaign contributions and expenditures and with all of the~~
10 ~~terms and conditions set forth in this chapter. Any candidate who fails to file the statement with~~
11 ~~his or her declaration for office shall be ineligible to receive public funds.~~

12 ~~**17-25-20. Eligibility criteria for matching public funds.** --- In order to receive matching~~
13 ~~public funds under section 17-25-19, a qualifying candidate must comply with the following~~
14 ~~requirements:~~

15 ~~-(1) The candidate must sign a statement under oath, as provided for in section 17-25-19,~~
16 ~~pledging to comply with the limitations on contributions and expenditures for election purposes~~
17 ~~and with all the terms and conditions set forth in this chapter. Upon the filing of the statement, a~~
18 ~~candidate for general office shall be bound to abide by the limitations on contributions and~~
19 ~~expenditures set forth in this chapter and may not withdraw from his or her obligation to abide by~~
20 ~~these restrictions.~~

21 ~~-(2) (i) Subject to the provisions of paragraph (ii) of this subdivision, no participating~~
22 ~~candidate shall either receive or expend for election purposes more than a total of public and~~
23 ~~private funds in the sum of one million five hundred thousand dollars (\$1,500,000) in an election~~
24 ~~cycle. No participating candidate for general office other than governor shall receive or expend~~
25 ~~for election purposes more than a total of public and private funds in the sum of three hundred~~
26 ~~seventy five thousand dollars (\$375,000) in an election cycle.~~

27 ~~-(ii) The limitations on contributions received from private sources, matching funds~~
28 ~~available from the state, and total permitted expenditures shall apply in the 1994 general election~~
29 ~~and, subject to appropriations by the general assembly, shall increase by a percentage to be~~
30 ~~determined by the board of elections in January of each year in which a general election involving~~
31 ~~general offices is held, beginning in 1998. In no case shall the increase exceed the total increase~~
32 ~~in the consumer price index since the month in which the previous general election involving~~
33 ~~general was held.~~

34 ~~-(3) (i) Only the first two thousand dollars (\$2,000) of the aggregate private monetary~~

1 ~~contributions from a single private source within an election cycle shall be eligible for matching~~
2 ~~public funds for candidates for governor; provided, that the entire amount contributed shall be~~
3 ~~considered toward the dollar limits provided in subdivision (2) of this section.~~

4 ~~-(ii) Only the first one thousand dollars (\$1,000) of the aggregate private monetary~~
5 ~~contributions from a single private source within an election cycle shall be eligible for matching~~
6 ~~public funds for candidates for lieutenant governor, secretary of state, attorney general, and~~
7 ~~general treasurer; provided, that the entire amount contributed shall be considered toward the~~
8 ~~dollar limits provided for in subdivision (2) of this section.~~

9 ~~-(iii) Any private funds lawfully contributed during the current election cycle shall be~~
10 ~~eligible for matching public funds subject to the terms and conditions of this section, and private~~
11 ~~funds donated during a preceding election cycle shall not be eligible for matching public funds.~~

12 ~~-(4) The direct costs incurred in connection with raising campaign funds on behalf of a~~
13 ~~candidate shall not be deemed to be expenditures for the purposes of the limitations on~~
14 ~~expenditures set forth in subdivision (2) of this section. Direct costs shall include costs of printing~~
15 ~~and mailing invitations to fundraising events, solicitations for contributions, costs of hosting~~
16 ~~fundraising events, and travel to those events, but shall not include any portion of the salary or~~
17 ~~wages of campaign employees, nor the cost of any radio, television, or printed advertisement. The~~
18 ~~cost of a fundraising event must be less than the amount of money realized from the gross~~
19 ~~proceeds generated by the fundraising event in order to qualify for this exclusion.~~

20 ~~-(5) If a candidate who has accepted public funds makes expenditures in excess of the~~
21 ~~permitted amounts, the candidate shall be liable for a civil assessment payable to the state in an~~
22 ~~amount equal to three (3) times the amount of excess funds expended. In addition, the candidate~~
23 ~~shall be ineligible for further participation in the public financing program during the same~~
24 ~~election cycle.~~

25 ~~-(6) In order to receive payments under this section, any independent candidate shall first~~
26 ~~meet the following additional minimum requirements:~~

27 ~~-(i) Raise an amount in qualified private contributions equal to twenty percent (20%) of~~
28 ~~the total amount eligible to be matched for election as to the office sought;~~

29 ~~-(ii) Receive private contributions from a minimum of two hundred fifty (250) individuals~~
30 ~~contributing at least twenty-five dollars (\$25.00) each; and~~

31 ~~-(iii) Comply with any and all applicable nomination provisions in this title and qualify~~
32 ~~for the general election ballot pursuant to the process set forth in this title.~~

33 ~~-(7) No public funds received by any candidate pursuant to sections 17-25-19—17-25-27~~
34 ~~of this chapter and no private funds used to qualify for the public funds shall be expended by the~~

1 ~~candidate for any purpose except to pay reasonable and necessary expenses directly related to the~~
2 ~~candidate's campaign.~~

3 ~~-(8) No public funds shall be expended by the candidate, except for one or more of the~~
4 ~~following uses directly related to the campaign of the candidate:~~

5 ~~-(i) Purchase of time on radio or television stations;~~

6 ~~-(ii) Purchase of rental space on outdoor signs or billboards;~~

7 ~~-(iii) Purchase of advertising space in newspapers and regularly published magazines and~~
8 ~~periodicals;~~

9 ~~-(iv) Payment of the cost of producing the material aired or displayed on radio, television,~~
10 ~~outdoor signs or billboards, and in newspapers, regularly published magazines, and periodicals;~~

11 ~~-(v) Payment of the cost of printing and mailing campaign literature and brochures;~~

12 ~~-(vi) Purchase of signs, bumper stickers, campaign buttons, and other campaign~~
13 ~~paraphernalia;~~

14 ~~-(vii) Payment of the cost of legal and accounting expenses incurred in complying with~~
15 ~~the public financing law and regulations as required by this chapter;~~

16 ~~-(viii) Payment of the cost of telephone deposits, installation charges, and monthly~~
17 ~~billings in excess of deposits;~~

18 ~~-(ix) Payment of the costs of public opinion polls and surveys; and~~

19 ~~-(x) Payment of rent, utilities and associated expenses connected with the operation of an~~
20 ~~election headquarters or satellite election offices.~~

21 ~~-(9) Contributions received and expended by any candidate for the purpose of defraying~~
22 ~~any expense or satisfying any loan obligations incurred prior to January 1, 1991, by the candidate~~
23 ~~in furtherance of his or her candidacy in a previous election cycle, as defined in section 17-25-~~
24 ~~3(5), shall not be counted toward any contribution or expenditure limitation in sections 17-25-18-~~
25 ~~17-25-27.~~

26 ~~-(10) No candidate who has elected to receive public funds shall contribute to or loan to~~
27 ~~his or her own campaign a sum in excess of five percent (5%) of the total amount that a candidate~~
28 ~~is permitted to expend in a campaign for the office pursuant to sections 17-25-19 and 17-25-21.~~

29 ~~**17-25-21. Primary elections.** --- Any candidate eligible to receive public funds and~~
30 ~~electing to receive these funds who is challenged for nomination for general office in a political~~
31 ~~party primary shall be permitted to raise and expend an additional amount of private funds equal~~
32 ~~to one third (1/3) of the maximum allowable expenditure amount for the office or equal to the~~
33 ~~total amount spent by the candidates' opponent or opponents in the primary, whichever amount is~~
34 ~~less. The additional amount received in contributions must be expended prior to the primary~~

1 ~~election. The additional private contributions shall not be eligible for matching public funds.~~

2 ~~**17-25-22. Time period for payment of public funds.** -- (a) No public funds shall be~~
3 ~~dispersed to candidates until after the date of the primary election. In order to receive matching~~
4 ~~public funds, the candidate must be the nominee for general office of a political party, as defined~~
5 ~~in section 17-12-1-12, or an independent candidate for general office who meets all of the~~
6 ~~requirements set forth in section 17-25-20(6). The candidate must submit to the board of elections~~
7 ~~proof of receipt of qualifying private contributions and supporting documentation as required by~~
8 ~~the board. The board of elections shall, within five (5) business days of the receipt of the request~~
9 ~~for payment of matching funds, either pay over funds to the candidate or disallow all or a portion~~
10 ~~of the request and state in writing the reasons for the disallowance.~~

11 ~~-(b) A candidate may submit supplemental applications for public funds until the time~~
12 ~~that the permitted limits are reached.~~

13 ~~**17-25-23. Funds expended by person, committee of a political party, or political**~~
14 ~~**action committee -- Private expenditure.** -- For the purposes of sections 17-25-19 and 17-25-~~
15 ~~20, any funds expended by a person, committee of a political party, or political action committee~~
16 ~~to directly influence the outcome of the electoral contest involving the candidate shall be~~
17 ~~considered a contribution received by or an expenditure made by the candidate for general office,~~
18 ~~or if one or more of the following relationships between the candidate and the person, committee~~
19 ~~of a political party, or political action committee is present:~~

20 ~~-(1) There is any arrangement, coordination, or direction with respect to the expenditure~~
21 ~~between the candidate or the candidate's agent and the person making the expenditure;~~

22 ~~-(2) In the same election cycle, the person making the expenditure, including any officer,~~
23 ~~director, employee, or agent of the person, is or has been authorized to raise or expend funds on~~
24 ~~behalf of the candidate or the candidate's authorized committees, or is or has been an officer of~~
25 ~~the candidate's authorized committees, or is or has been receiving any form of compensation or~~
26 ~~reimbursement from the candidate, the candidate's authorized committees, or the candidate's~~
27 ~~agent;~~

28 ~~-(3) The person making the expenditure, including any officer, director, employee, or~~
29 ~~agent of the person, has communicated with, advised, or counseled the candidate or the~~
30 ~~candidate's agents at any time on the candidate's plans, projects, or needs relating to the~~
31 ~~candidate's pursuit of election to general office in the same election cycle, including any advice~~
32 ~~relating to the candidate's decision to seek election to general office;~~

33 ~~-(4) The person making the expenditure retains the professional services of any individual~~
34 ~~or other person also providing those services to the candidate in connection with the candidate's~~

~~pursuit of election to general office in the same election cycle, including any services relating to the candidate's decision to seek election to general office;~~

~~-(5) The person making the expenditure, including any officer, director, employer, or agent of the person, has communicated or consulted at any time during the same election cycle about the candidate's plans, projects, or needs relating to the candidate's pursuit of election to general office, with:~~

~~-(i) Any officer, director, employee, or agent of a party committee that has made or intends to make expenditures or contributions, in connection with the candidate's campaign; or~~

~~-(ii) Any person whose professional services have been retained by a political party committee that has made or intends to make expenditures or contributions;~~

~~-(6) The expenditure is based on information provided to the person making the expenditure directly or indirectly by the candidate or the candidate's agents about the candidate's plans, projects, or needs; provided, that the candidate or the candidate's agents are aware that the other person has made or is planning to make expenditures expressly advocating the candidate's election; or~~

~~-(7) The expenditure is made by a person with the intention of seeking or obtaining any governmental benefit or consideration from the candidate by reason of the expenditure.~~

~~**17-25-24. Additional expenditures.** --- Any candidate eligible to receive public funds and electing to receive these funds whose opponent does not elect to receive public funds shall be permitted to raise additional private contributions and make additional expenditures for election purposes in an amount in excess of the candidate's maximum allowable expenditure limit equal to the amount by which the expenditures of the opponent exceed the maximum allowable expenditure limit that would have applied to the opponent's expenditures had the opponent elected to receive public funds.~~

~~**17-25-25. Surplus campaign funds.** --- Any candidate receiving public funds during any election cycle under the provisions of this chapter shall, within ninety (90) days after the completion of the election cycle, transfer to the general treasurer for deposit in the general fund fifty percent (50%) of any amount of the candidate's total campaign funds unexpended as of the last day of the election cycle. The candidate may convert the remaining fifty percent (50%) of the amount to use for any political purposes not otherwise prohibited by law. The remaining fifty percent (50%) of that amount may not be converted to personal use by the candidate.~~

~~**17-25-26. Equal apportionment of expenditures for joint advertisements.** --- Any expenditure jointly made by any two (2) or more candidates for any newspaper, radio, or television advertisement primarily benefiting the candidate shall be attributed to and apportioned~~

1 ~~equally among those candidates who are clearly identified in that advertisement. The~~
2 ~~apportionments shall constitute campaign expenditures subject to all reporting requirements of~~
3 ~~this chapter and shall be counted toward any total campaign expenditures limit that may apply to~~
4 ~~each or any of the candidates.~~

5 ~~**17-25-27. Post-audit of accounts -- Publication.**~~ The board may conduct a post-audit
6 ~~of all accounts and transactions for any election cycle and may conduct any other special audits~~
7 ~~and post-audits that it may deem necessary. The board shall publish a summary of the reports~~
8 ~~filed by candidates for general office pursuant to the public financing provision of this chapter on~~
9 ~~or before April 1 of the year following any year in which elections are held for statewide elective~~
10 ~~office.~~

11 ~~**17-25-28. Board of elections -- Regulation and auditing of matching fund program.**~~
12 ~~In addition to all other powers and duties established by law, the board of elections is~~
13 ~~empowered to adopt and enforce rules, regulations, and auditing procedures required to fulfill the~~
14 ~~mandates of sections 17-25-19 — 17-25-27. The board is empowered, among other things, to:~~

15 ~~(1) Ascertain whether any contributions to or expenditures for candidates for general~~
16 ~~office have exceeded limits prescribed by sections 17-25-18 — 17-25-27. Ascertain the amount~~
17 ~~and source of contributions received and expenditures made by all candidates for general offices,~~
18 ~~whether or not the candidate chose to participate in public financing.~~

19 ~~(2) Issue advisory opinions upon its own initiative or upon application of any candidate.~~

20 ~~(3) (i) Conduct investigations and/or hearings relative to alleged violations of sections~~
21 ~~17-25-18 — 17-25-27, either on its own initiative or upon receipt of a verified written complaint,~~
22 ~~which complaint shall, under pain and penalty of perjury, be based upon actual knowledge and~~
23 ~~not merely on information and belief.~~

24 ~~(ii) Upon receipt of a verified written complaint, or upon receipt of evidence which is~~
25 ~~deemed sufficient by the board, the board may initiate a preliminary investigation into any~~
26 ~~alleged violation of sections 17-25-18 — 17-25-27. All board proceedings and records relating to~~
27 ~~a preliminary investigation shall be confidential, except that the board may turn over to the~~
28 ~~attorney general evidence that may be used in a criminal proceeding. The board shall notify any~~
29 ~~person who is the subject of the preliminary investigation of the existence of the investigation and~~
30 ~~the general nature of the alleged violation by certified or registered mail, return receipt requested,~~
31 ~~within seven (7) days of the commencement of the investigation.~~

32 ~~(iii) If a preliminary investigation fails to indicate reasonable cause for belief that~~
33 ~~sections 17-25-18 — 17-25-27 have been violated, the board shall immediately terminate the~~
34 ~~investigation and notify, in writing, the complainant, if any, and the person who had been the~~

1 ~~subject of the investigation.~~

2 ~~-(iv) If a preliminary investigation indicates reasonable cause for belief that sections 17-~~
3 ~~25-18 — 17-25-27 have been violated, the board may, upon a majority vote, initiate a full~~
4 ~~investigation and appropriate proceedings to determine whether there has been a violation.~~

5 ~~-(v) All testimony in board proceedings shall be under oath. All parties shall have the~~
6 ~~right to call and examine witnesses, to introduce exhibits, to cross-examine witnesses who testify,~~
7 ~~to submit evidence, and to be represented by counsel. Before testifying, all witnesses shall be~~
8 ~~given a copy of the regulations governing board proceedings. All witnesses shall be entitled to be~~
9 ~~represented by counsel.~~

10 ~~-(vi) Any person whose name is mentioned during a proceeding of the board and who~~
11 ~~may be adversely affected by it may appear personally before the board on his or her own behalf~~
12 ~~or file a written statement for incorporation into the record of the proceeding.~~

13 ~~-(vii) Within fourteen (14) days after the end of proceedings, the board shall meet in~~
14 ~~executive session for the purpose of reviewing the evidence before it. Within thirty (30) days after~~
15 ~~completion of deliberations, the board shall publish a written report of its findings and~~
16 ~~conclusions.~~

17 ~~-(viii) (A) Upon a finding that there has been a violation of sections 17-25-18 — 17-25-27~~
18 ~~or any other campaign finance law, the board may issue an order requiring the violator to:~~

19 ~~-(I) Cease and desist from the violation;~~

20 ~~-(II) File any report, statements or other information as required by this chapter; and/or~~

21 ~~-(III) Pay a civil fine for each violation of any section of this chapter in an amount~~
22 ~~authorized by that section or, if no authorization exists, in amount not to exceed the greater of one~~
23 ~~thousand dollars (\$1,000) or three (3) times the amount the violator failed to properly report or~~
24 ~~unlawfully contributed, expended, gave, or received.~~

25 ~~-(B) The board may turn over to the attorney general any evidence that may be used in a~~
26 ~~subsequent criminal proceeding against any violator.~~

27 ~~-(ix) The board may file a civil action in superior court to enforce an order issued by it~~
28 ~~pursuant to this section.~~

29 ~~-(x) Any final action by the board made pursuant to this chapter shall be subject to review~~
30 ~~in superior court upon petition of any interested person filed within thirty (30) days after the~~
31 ~~action for which review is sought. The court shall enter a judgment enforcing, modifying, or~~
32 ~~setting aside the order of the board, or it may remand the proceeding to the board for any further~~
33 ~~action that the court may decide.~~

34 ~~**17-25-30. Public financing of election campaigns — Compliance benefits. — Any**~~

~~candidate eligible to receive public funds who complies in full with all eligibility criteria for receipt of the funds shall be:~~

~~-(1) Entitled to an additional benefit of free time on community antenna television to be allocated pursuant to rules determined by the administrator for the division of public utilities. During all allocated free time, the candidate shall personally appear and present the message of the advertisement;~~

~~-(2) Entitled to an additional benefit of free time on any public broadcasting station operating under the jurisdiction of the Rhode Island public telecommunications authority pursuant to rules determined by the authority. During all allocated free time, the candidate shall personally appear and personally present the message of the advertisement; and~~

~~-(3) Entitled to accept a contribution or contributions that in the aggregate do not exceed two thousand dollars (\$2,000) from any person or political action committee within a calendar year.~~

SECTION 3. Chapter 17-25 of the General Laws entitled "Rhode Island Campaign Contributions and Expenditures Reporting" is hereby amended by adding thereto the following sections:

17-25-18.1. Clean elections system. -- With the exception of the definition of "nonparticipating candidate" in section 17-25-19.1, sections 17-25-18.1 through 17-25-32 inclusive are binding on "participating candidates" as defined in sections 17-25-3 and 17-25-19.1.

17-25-19.1. Additional definitions. -- As used in this chapter, unless a different meaning clearly appears from context:

(1) The "exploratory period" means the period beginning the day following the previous general election for the office sought and ending on the last day of the qualifying period. The exploratory period is the period during which candidates who wish to become eligible for clean elections funding for the next elections are permitted to raise and spend a limited amount of private seed money for the purpose of testing their ability to run and of qualifying for clean elections funding.

(2) The "qualifying period" means the period beginning ninety (90) days before the beginning of the primary election campaign period and ending thirty (30) days before the day of the primary election. The qualifying period is the period in which candidates are permitted to collect qualifying contributions to become eligible for clean elections funding.

(3) The "primary election campaign period" means the period beginning ninety (90) days before the primary election and ending on the day of the primary election.

1 (4) The “general election campaign period” means the period beginning the day after the
2 primary election and ending on the day of the general election.

3 (5) A “seed money contribution” means a contribution of no more than one hundred
4 dollars (\$100) made by an individual during the exploratory period.

5 (6) A “qualifying contribution” means a contribution of five dollars (\$5.00) that is made
6 by a citizen residing within the election district and is received during the qualifying period by a
7 candidate seeking to become eligible for clean election funding.

8 (7) A “participating candidate” means a candidate for representative or senator in the
9 general assembly or for general office who qualifies for clean elections campaign funding.

10 (8) A “nonparticipating candidate” means a candidate for representative or senator in the
11 general assembly or for general office who is on the ballot but has chosen not to apply for clean
12 elections campaign funding or who has applied for clean elections funding but not satisfied the
13 requirements for receiving clean elections funding.

14 (9) “Express advocacy” means an expenditure made by a person or group other than a
15 candidate or a candidate’s committee that advocates the election or defeat of a candidate,
16 including all costs of designing, producing, or disseminating a communication that contains
17 phrases such as “vote for”, “re-elect”, “support”, “cast your ballot for”, “[name of candidate] for
18 [name of office]”, “[name of candidate] in [year]”, “vote against”, “defeat”, “reject”, or similar
19 phrases.

20 (10) (a) "Electioneering communication" means any communication broadcast by
21 television or radio, printed in a newspaper or on a billboard, directly mailed or delivered by hand
22 to personal residences, or otherwise distributed that:

23 (i) unambiguously refers to any candidate; and

24 (ii) is broadcast, printed, mailed, delivered, or distributed within thirty (30) days of a
25 primary election or sixty (60) days before a general election; and

26 (iii) is broadcast to, printed in a newspaper distributed to, mailed to, delivered by hand to,
27 or otherwise distributed to an audience that includes members of the electorate for such public
28 office.

29 (b) "Electioneering communication" does not include:

30 (i) any news articles, editorial endorsements, opinion or commentary, writings, or letters
31 to the editor printed in a newspaper, magazine or other periodical not owned or controlled by a
32 candidate or political party;

33 (ii) any editorial endorsements or opinions aired by a broadcast facility not owned or
34 controlled by a candidate or political party;

1 (iii) any communication by persons made in the regular course and scope of their
2 business or any communication made by a membership organization solely to members of such
3 organization and their families; or

4 (12) “Independent expenditures” means any funds spent on express advocacy or
5 electioneering communications that are not coordinated with any candidate’s campaign. The
6 board of elections shall adopt regulations to determine whether funds spent on express advocacy
7 or electioneering communications are coordinated expenditures. Coordinated expenditures on
8 express advocacy or electioneering communications are hereby defined as contributions.

9 (13) “Opposing funds” means funds spent opposing a participating candidate’s campaign.
10 the amount of opposing funds is calculated by first determining the opponent of the participating
11 candidate who has the highest total of contributions received and supportive independent
12 expenditures; the amount of opposing funds is calculated by totaling the contributions received by
13 that opponent, the amount spent on independent expenditures in support of that opponent, and the
14 amount spent on independent expenditures in opposition to the participating candidate. While
15 initial disbursements from the clean elections fund to participating candidates are counted as
16 contributions, matching funds as defined in section 17-25-29.1 do not count for purposes of
17 determining opposing funds. No independent expenditure may be counted as both opposing a
18 participating candidate and in support of that candidate’s opponent.

19 (14) A “party candidate” means a candidate in a primary election or a candidate who has
20 been nominated through a party primary.

21 (15) An “independent candidate” means a candidate who does not represent a political
22 party that has been granted ballot status.

23 (16) “Person” means an individual, partnership, committee, association, corporation, and
24 any other organization.

25 **17-25-20.1. Eligibility. --** (A) A party candidate qualifies as a participating candidate for
26 the primary election campaign period by:

27 (1) filing a declaration with the board of elections stating that the candidate has complied
28 with and will continue complying with all of the requirements of this chapter for participating
29 candidates;

30 (2) qualifying for the primary ballot; and

31 (3) collecting the required number of qualifying contributions during the qualifying
32 period:

33 (a) fifty (50) qualifying contributions for a candidate for representative;

34 (b) one hundred (100) qualifying contributions for a candidate for senator;

1 (c) two thousand five hundred (2,500) qualifying contributions for a candidate for
2 governor; or

3 (d) one thousand (1,000) qualifying contributions for a candidate for a general office
4 other than governor.

5 (B)(1) Each contributor of a qualifying contribution shall sign a receipt on a form
6 provided by the board of elections including the contributor's signature, printed name, home
7 address, and telephone number, and the name of the candidate on whose behalf the contribution is
8 made. In addition, the receipt shall state that the contributor understands that the purpose of the
9 qualifying contribution is to help the candidate qualify for clean elections funding and that the
10 contribution is made without coercion or reimbursement. The candidate receiving the qualifying
11 contribution shall submit a copy of the receipt to the board of elections.

12 (2) A contribution submitted as a qualifying contribution that does not include a signed
13 and fully completed receipt shall not be counted as a qualifying contribution.

14 (3) The candidate shall deposit all qualifying contributions, whether in the form of cash,
15 checks, or money orders in a campaign account.

16 (4) The candidate shall submit to the board of elections a single check for the total
17 amount of the qualifying contributions for deposit in the clean elections fund along with all of the
18 qualifying contribution receipts.

19 (C) A party candidate qualifies as a participating candidate for the general election
20 campaign period by qualifying as a participating candidate during the primary election campaign
21 period and by winning the primary election.

22 (D) An independent candidate qualifies as a participating candidate for both the primary
23 election campaign period and the general election campaign period by:

24 (1) filing a declaration with the board of elections stating that the candidate has complied
25 with and will continue complying with all of the requirements of this chapter for participating
26 candidates;

27 (2) qualifying for the general election ballot; and

28 (3) collecting the required number of qualifying contributions during the qualifying
29 period:

30 (a) seventy-five (75) qualifying contributions for a candidate for representative;

31 (b) one hundred fifty (150) qualifying contributions for a candidate for senator;

32 (c) five thousand (5,000) qualifying contributions for a candidate for governor; or

33 (d) one thousand two hundred fifty (1,250) qualifying contributions for a candidate for a
34 general office other than governor.

1 **17-25-21.1. Contributions. --** (A) During the primary and general election campaign
2 periods, a participating candidate may accept private contributions from the participating
3 candidate’s political party, seed money contributions, and qualifying contributions. No other
4 contributions from any source may be accepted. Volunteer activity does not constitute a
5 contribution.

6 (B) A participating candidate who accepts any benefits during the primary election
7 campaign period shall comply with this requirement during the general election campaign period
8 regardless of whether the participating candidate accepts any benefits during the general election
9 campaign period.

10 (C) During the primary and general election campaign period, a participating candidate
11 shall not solicit or receive political contributions for any other candidate or for any political party
12 or other political committee.

13 (D) No person shall make a contribution in the name of another person.

14 (E) During the primary and general election campaign periods, a participating candidate
15 shall pay for all campaign expenditures, except petty cash expenditures, by means of a “clean
16 elections debit card” issued by the board of elections.

17 (F) Participating candidates and persons seeking to become participating candidates shall
18 furnish complete campaign records, including all records of seed money contributions and
19 qualifying contributions, to the board of elections at regular filing times and upon request by the
20 board of elections. Participating candidates must cooperate with any audit or examination by the
21 board of elections.

22 **17-25-22.1. Campaign accounts for participating candidates. --** (A) During an election
23 cycle, each participating candidate shall conduct all campaign financial activities through a single
24 campaign account.

25 (B) A participating candidate may maintain a campaign account other than the campaign
26 account described in paragraph (A) above if the other campaign account is for the purpose of
27 retiring a campaign debt that was incurred during a previous election campaign in which the
28 candidate was not a participating candidate.

29 (C) Contributions for the purposes of retiring a previous campaign debt that are deposited
30 in the kind of “other campaign account” described in paragraph (B) shall not be considered
31 contributions to the candidate’s current campaign.

32 (D) Participating candidates shall file reports of financial activity related to the current
33 election cycle separately from reports of financial activity related to previous election cycles.

34 **17-25-23.1. Seed Money. --** (A) The only private contributions a candidate seeking to

1 become eligible for clean elections funding shall accept, other than qualifying contributions and
2 limited contributions from the candidate's political party, are seed money contributions
3 contributed by individuals prior to the end of the qualifying period.

4 (B) A seed money contribution shall not exceed one hundred dollars (\$100) per donor,
5 and the aggregate amount of seed money contributions accepted by a candidate seeking to
6 become eligible for clean elections funding shall not exceed:

7 (1) five hundred dollars (\$500) for a candidate running for representative;

8 (2) one thousand (\$1,000) for a candidate running for senator;

9 (3) ninety thousand (\$90,000) for a candidate running for the office of governor; or

10 (4) thirty-six thousand (\$36,000) for a candidate running for general office other than
11 governor.

12 (C) Receipts for seed money contributions under twenty-five (\$25.00) shall include the
13 contributor's signature, printed name, and address. Receipts for seed money contributions of
14 twenty-five (\$25.00) or more shall include the contributor's signature, printed name, street
15 address and zip code, telephone number, occupation, and name of employer. Candidates shall not
16 accept seed money contributions without receiving the required disclosure information.

17 (D) Seed money shall be spent only during the exploratory and qualifying periods. Seed
18 money shall not be spent during the primary or general election campaign periods, including the
19 portion of the primary election campaign period that is also part of the qualifying period.

20 (E) Candidates seeking to become participating candidates shall, upon filing their
21 qualifying contributions or upon the beginning of the primary election campaign period:

22 (1) Fully disclose to the board of elections all seed money contributions and expenditures
23 on a form provided by the board of elections; and

24 (2) Turn over to the board of elections for deposit in the clean elections fund any seed
25 money raised during the exploratory period that exceeds the aggregate seed money limit.

26 **17-25-24.1. Use of personal funds. --** (A) Personal funds contributed as seed money by a
27 candidate seeking to become eligible as a participating candidate or adult members of the
28 candidate's family shall not exceed the maximum of one hundred dollars (\$100) per contributor.

29 (B) Personal funds shall not be used to meet the qualifying contribution requirement
30 except for one five dollars (\$5.00) contribution from the candidate.

31 **17-25-25.1. Campaign advertisements. --** All broadcast and print advertisements placed
32 by participating candidates or their committees shall include a clear written or spoken statement
33 indicating that the candidate has approved of the contents of the advertisement.

34 **17-25-26.1. Certification. --** (A) No more than five (5) days after a candidate applies for

clean elections benefits, the board of elections shall certify whether the candidate is eligible. If a participating candidate violates the requirements of this act, the board of elections shall revoke the candidate's eligibility and the candidate shall repay all clean elections funds expended.

(B) The candidate's request for certification shall be signed by the candidate and the candidate's campaign treasurer under penalty of perjury.

(C) The board of elections determination is final except that it is subject to examination and audit by the auditor general and to an expedited review in superior court.

17-25-27.1. Clean elections benefits. -- (A) Participating candidates shall receive clean elections funding from the board of elections for each election in the amounts specified in section 17-25-28.1. This funding may be used to finance any campaign expenses during the period for which it was allocated.

(B) No participating candidate shall spend any clean elections funds on personal use, as defined by section 17-25-7.2.

(C) Participating candidates shall receive additional clean elections funds to match any amount by which opposing funds exceed the initial allocation, as specified in section 17-25-29.1.

(D) A participating candidate shall receive clean elections funding for the primary election campaign period on the date on which the board of elections certifies the candidate as a participating candidate or the first day of the primary election campaign period, whichever is later.

(E) A participating candidate who is eligible for general election funding shall receive clean elections funding for the general election campaign period within forty-eight (48) hours after certification of the primary election results. If the primary election results for different parties are certified on different days, all participating candidates that are eligible for general election funding shall receive general election funds within forty-eight (48) hours of the last party's primary certification.

17-25-28.1. Clean elections funding amounts. -- (A)(1) For participating candidates who are party candidates, the amount of clean elections funding in a contested primary election is:

(a) eight thousand dollars (\$8,000) for a candidate running for the office of representative;

(b) sixteen thousand dollars (\$16,000) for a candidate running for the office of senator;

(c) one million five hundred thousand dollars (\$1,500,000) for a candidate running for the office of governor; and

(d) six hundred thousand dollars (\$600,000) for a candidate running for general office

1 other than governor.

2 (2) The clean elections funding amount for a participating party candidate in an
3 uncontested primary election is twenty-five percent (25%) of the amount provided in a contested
4 primary election.

5 (3) When a party candidate files to be a participating candidate, the candidate may
6 declare an expectation that the general election will not be contested. A participating candidate in
7 a contested primary election that makes this declaration shall receive the general election clean
8 elections funding amount instead of the primary election clean elections amount. During the
9 general election campaign period, a participating candidate who declared that the general election
10 would not be contested shall only be eligible only for the uncontested general election clean
11 elections amount, regardless of whether the general election is in fact contested. No matching
12 funds shall be available during the general election for candidates that have declared that the
13 general election would not be contested.

14 (4) In a contested general election in which a participating candidate is a party candidate,
15 if the participating candidate or all the candidates of that party that competed for nomination in
16 the primary election combined received at least twenty percent (20%) of the total number of votes
17 cast for all candidates seeking that office in the just-held primary election, or if the candidate of
18 the participating candidate's party received at least twenty percent (20%) of the total vote in the
19 previous general election, the participating candidate shall receive the full amount of clean
20 elections funding for the general election. The full amount of clean elections funding for the
21 general election is:

22 (a) twelve thousand dollars (\$12,000) for a candidate for representative;

23 (b) twenty-four thousand dollars (\$24,000) for a candidate for senator;

24 (c) two million two hundred fifty thousand dollars (\$2,250,000) for a candidate for
25 governor; and

26 (d) nine hundred thousand dollars (\$900,000) for a candidate for general office other than
27 governor.

28 (5) In a contested general election in which a participating candidate is a party candidate
29 who is not entitled to the full amount of clean elections funding for the general election under
30 subparagraph (4), the participating candidate shall receive public funding based on the higher of
31 the ratio of the percentage of votes received in the primary election by candidates of the
32 participating candidate's party to twenty percent (20%) or the ratio of the percentage of the vote
33 received by the nominee of the participating candidate's party in the previous general election to
34 twenty percent (20%).

1 (6) The clean elections funding amount in an uncontested general election is ten percent
2 (10%) of the amount provided for in a contested general election for the same office.

3 (B)(1) The clean elections funding available for a participating independent candidate in
4 a primary election period is twenty-five percent (25%) of the amount received by a party
5 candidate in a contested primary election.

6 (2) The clean elections funding amount for a participating independent candidate in the
7 general election is the same as the full amount received by a participating party candidate in the
8 general election.

9 (3) If the general election is uncontested, the funding amount is ten percent (10%) of the
10 amount provided for in a contested general election for the same office.

11 (C) For every election cycle after the first election cycle under this act, the board of
12 elections shall modify all clean elections funding amounts based on the rate of inflation or the
13 cost-of-living (COLA) index as determined by the United States government during a twenty-four
14 (24) month period ending in the immediately preceding year.

15 **17-25-29.1. Matching funds. --** (A) A nonparticipating candidate shall file with the
16 board of elections a report, signed under penalty of perjury, within five (5) days of when the
17 candidate's expenditures and obligations to make expenditures, or contributions received,
18 whichever is higher, exceeds eighty percent (80%) of the clean elections funding amount received
19 by any opponent. After the first such report, the nonparticipating candidate must file an
20 additional report within five (5) days of whenever the aggregate unreported expenditures and
21 obligations or contributions exceed five percent (5%) of the clean elections funding amount of
22 any opponent. Within twenty (20) days of the election, nonparticipating candidates must report
23 one percent increments within twenty-four (24) hours. All nonparticipating candidates must file
24 at least one report more than twenty (20) days prior to the election, at least one report within
25 twenty (20) days but more than seven (7) days prior to the election, and at least one report within
26 seven (7) days but more than forty-eight (48) hours before the election.

27 (B) Any person expending or entering into an obligation to spend at least one hundred
28 dollars (\$100) on independent expenditures must file a report, signed under penalty of perjury,
29 listing the independent expenditures, and itemizing the amounts spent or obligated and the
30 candidates supported or opposed, with the board of elections within five (5) days of the
31 expenditure. An additional report must be filed for every aggregate one hundred dollars (\$100)
32 spent or obligated. Independent expenditures within twenty (20) days of the election must be
33 reported within twenty-four (24) hours.

34 (C) Using the reports filed and any additional information available, the board of

1 elections shall track the opposing funds spent with regard to each participating candidate. When
2 the opposing funds exceed the clean elections funds provided to the participating candidate, the
3 board of elections shall make additional clean elections funds available to the candidate to match
4 the opposing funds. No participating candidate may receive more than two hundred percent
5 (200%) of the initial allotment of clean elections funds, for a total of three hundred percent
6 (300%) of the initial clean elections allotment. Matching funds provided during the primary
7 election campaign period do not count against eligibility for matching funds during the general
8 election campaign period.

9 (D) Any failure to file a required report or underreporting is punishable by a civil fine
10 payable by the candidate from personal funds of three (3) times the amount that was not reported.
11 Should a nonparticipating candidate fail to file a required report, any participating opponents shall
12 be entitled to the maximum amount of matching funds.

13 (E) The board of elections may reduce the amount of matching funds provided to a
14 participating candidate upon concluding that, due to a deliberate effort by any person to
15 manipulate the matching fund system, the opposing funds calculation does not accurately reflect
16 the opposition faced by the participating candidate. The board shall inform the participating
17 candidate of its reasoning in a detailed written statement and shall be subject to judicial review.

18 **17-25-31. Administration and dispersal of money from the fund. --** (A) Upon
19 determining that a candidate has met all the requirements for becoming a participating candidate
20 as provided for in this act, the board of elections shall issue to the candidate a “clean elections
21 debit card” and a line of debit entitling the candidate and members of the candidate’s staff to
22 draw clean elections funds from a board of elections account to pay for all campaign costs and
23 expenses up to the amount of clean elections funding the candidate has received.

24 (B) Neither a participating candidate nor any other person on behalf of a participating
25 candidate shall pay campaign costs by cash, check, money order, loan or by any other means
26 other than the clean elections debit card, except for petty cash expenditures as defined in
27 paragraph (C).

28 (C) Cash amounts of one hundred dollars (\$100) or less per day may be drawn on the
29 clean elections debit card and used to pay expenses of no more than twenty-five dollars (\$25.00)
30 each. Records of all such expenditures shall be maintained and reported to the board of elections.

31 **17-25-32. Political party contributions and expenditures. --** (A) Participating
32 candidates may accept monetary or in-kind contributions from political parties provided that the
33 aggregate amount of such contributions from all political party committees does not exceed the
34 equivalent of five percent (5%) of the original clean elections funding allotment for that office for

1 that election. These contributions and contributions under this aggregate amount to
2 nonparticipating candidates shall not be counted as opposing funds for any candidate. Additional
3 independent expenditures by political parties beyond the contributions provided for by this
4 section shall be counted towards opposing funds.

5 (B) Expenditures or contributions by a political party that are made to or on behalf of one
6 or more of the party's candidates during the primary or general election campaign periods shall
7 be reported under the requirements of section 17-25-29.1(B).

8 (C) Nothing in this act shall prevent political party funds from being used for: general
9 operating expenses of the party; conventions; nominating and endorsing candidates; identifying,
10 researching, and developing the party's position on issues; party platform activities; non-
11 candidate-specific voter registration; non-candidate-specific get-out-the-vote drives; travel
12 expenses for non-candidate party leaders and staff; and other non-candidate-specific party
13 building activities.

14 **17-25-33. Transition rule. --** During the first election cycle that occurs after the effective
15 date of this act, a candidate may be certified as a participating candidate, notwithstanding the
16 acceptance of contributions or making of expenditures from private funds before the date of
17 enactment that would, absent this section, disqualify the candidate as a participating candidate,
18 provided that:

19 (A) Any private funds accepted but not expended before the effective date of this act
20 shall be:

21 (1) returned to the contributor;

22 (2) held in a special campaign account and used only for retiring a debt from a previous
23 campaign; or

24 (3) submitted to the board of elections for deposit in the clean elections fund.

25 **17-25-34. Severability. --** If any provision of this act or the application thereof to any
26 person or circumstances shall be held invalid, such invalidity shall not affect other provisions or
27 applications of the act, which can be given effect without the invalid provision or application, and
28 to this end the provisions of the act are declared to be severable.

29 SECTION 4. This act shall take effect upon passage.

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LC01503
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO ELECTIONS -- RHODE ISLAND CLEAN ELECTIONS ACT

- 1 This act would establish the Rhode Island Clean Elections Act. This act would address
2 many aspects regarding funding for and contributions to candidates for public office.
3 This act would take effect upon passage.

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LC01503
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