

2023 -- S 0961

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

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A N A C T

RELATING TO ELECTIONS -- RHODE ISLAND CAMPAIGN CONTRIBUTIONS AND
EXPENDITURES REPORTING

Introduced By: Senators Paolino, Rogers, de la Cruz, DeLuca, DiPalma, Murray, and
Burke

Date Introduced: May 01, 2023

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 17-25 of the General Laws entitled "Rhode Island Campaign
2 Contributions and Expenditures Reporting" is hereby amended by adding thereto the following
3 section:

4 **17-25-31. Campaign funds -- Designation of depository.**

5 (a) Candidates for state office or for municipal office, or mayor, and candidates for city
6 council in a city with a total population, as determined by the most recent decennial federal census,
7 of sixty-five thousand (65,000) or more persons and the treasurer of each state committee, the
8 treasurer of the nonelected political committee authorized by any of the aforesaid candidates and
9 the treasurers of people's committees and political action committees that file with the board other
10 than independent expenditure PACs shall immediately, upon the organization of the political
11 committee or upon becoming a candidate in accordance with this chapter, designate a financial
12 institution as a depository for the campaign funds of the candidate or political committee. The
13 financial institution shall be:

14 (1) A national bank, federal savings bank, federal savings and loan association or federal
15 credit union; provided, however, that the bank, association or credit union may transact business
16 and have its main office or a branch office in the state; or

17 (2) A trust company, credit union, co-operative bank or savings bank; provided, however,
18 that the company, credit union or bank is organized and exists under the laws of the state or any

1 other state or otherwise may transact business in the state and have its main office or a branch office
2 in the state. A candidate and the treasurer of a political committee shall file with the board, on or
3 before, the third business day following the designation of the depository, a certificate of
4 appointment containing the name of the financial institution so designated and the name of the
5 candidate or political committee and shall authorize the financial institution to submit the reports
6 required by subsection (d) of this section. The certificate of appointment reflecting the financial
7 institution's agreement to comply with this section shall also be signed by an authorized employee
8 of the financial institution.

9 (b)(1) A candidate and the treasurer of a political committee required to designate a
10 depository shall deposit contributions in the form received within seven (7) days of receipt.

11 (2) Any candidate or treasurer required to designate a depository, except a candidate or a
12 treasurer of a candidate's committee for nomination or election to the state senate or house of
13 representatives, shall file with the board, by the fifth day of each month, the following information:

14 (i) A list of all contributions of more than fifty dollars (\$50.00) deposited as of the last day
15 of the preceding month and since the last statement, including an alphabetical list of names and
16 addresses of each person making a contribution;

17 (ii) For a person who has made a contribution in an amount of or with a value of two
18 hundred dollars (\$200) or more in any calendar year, the occupation and employer of the contributor
19 and the information for each contribution of less than two hundred dollars (\$200) if the aggregate
20 of all contributions received from the contributor within any calendar year is two hundred dollars
21 (\$200) or more; and

22 (iii) A summary of all contributions of fifty dollars (\$50.00) or less deposited that are not
23 itemized on the report.

24 (3) A candidate or a treasurer of a candidate's committee for nomination or election to the
25 state senate or house of representatives shall file with the board the information required pursuant
26 to subsection (2) of this section according to the following schedule:

27 (i) On or before:

28 (A) In each odd-numbered year: January 20, complete as to December 31 of the previous
29 year; April 20, complete as to March 31; July 20, complete as to June 30; and October 20, complete
30 as to September 30; and

31 (B) In each even-numbered year: January 20, complete as to December 31 of the previous
32 year; April 20, complete as to March 31; July 20, complete as to June 30; the eighth day preceding
33 a primary; and the eighth day preceding a biennial state election.

34 (ii) Each such candidate participating in a special election shall file the following additional

1 reports, on or before: the eighth day preceding a special primary, including a convention or a
2 caucus; the eighth day preceding a special election; the thirtieth day following a special election;
3 and January 20 of the following year, complete as to the December 31 of the prior year.

4 (iii) Except as otherwise provided, the end of the reporting period of each report required
5 to be filed under the provisions of this subsection shall be as of the tenth day preceding the last day
6 for filing. The beginning of the reporting period for each report subsequent to the initial report shall
7 be the day following the end of the reporting period of the last report filed.

8 The reports required to be filed by this subsection shall be cumulative during the calendar
9 year to which they relate.

10 (c) Except as otherwise provided in this section, all payments for campaign purposes made
11 by or for the benefit of a candidate or by the treasurer of a political committee which are in excess
12 of one hundred dollars (\$100) shall be made only from funds on deposit in the depository through
13 checks drawn on the depository and indicating that the checks are drawn on the campaign account
14 of the candidate or the political committee involved. All checks drawn on the campaign account
15 shall be payable either to the order of a named payee, not the candidate or treasurer, or, if the check
16 is for not more than one hundred dollars (\$100), may be payable to the candidate or treasurer. The
17 memo line of the check shall be used by the political committee issuing the check to indicate the
18 specific purpose of the expenditure. A political action committee or political party committee
19 making an expenditure to support or oppose a candidate shall identify the candidate on the check.

20 A candidate or treasurer of a political committee required to designate a depository may
21 make expenditures by wire transfer or other electronic means for broadcast, cablecast or other
22 media services and for payroll services made in connection with employee deductions and
23 withholdings. Expenditures may also be made by credit or debit card; provided, however, that a
24 candidate or treasurer making an expenditure shall ensure that the date, amount and specific
25 purpose of the expenditure is disclosed in accordance with regulations to be issued by the board;
26 provided further, that a candidate or a treasurer of a candidate's committee for nomination or
27 election to the state senate or house of representatives, shall provide such disclosures on the same
28 schedule as set forth in subsection (b)(3) of this section.

29 (d) The cashier or treasurer of the bank selected by any candidate or political committee as
30 provided in this section shall file with the board by the fifth day of each month the following
31 information:

32 (i) A statement of the balance as of the last day of the preceding month;

33 (ii) A summary of all credits to the account since the last statement; and

34 (iii) A list of all the debits to the account since the last statement. The bank shall also report,

1 to the extent such information is available, the names and addresses of the payees, the amount of
2 each check and the purposes for which the money was paid as indicated on the check.

3 (e) The accounts shall remain in existence until the election and so long thereafter as a
4 candidate or political committee has unpaid obligations still outstanding. Candidates and treasurers
5 required to file reports under this section shall continue to file year-end campaign finance reports
6 in accordance with this chapter.

7 (f) A committee required to designate a depository on behalf of a candidate that files with
8 the board in accordance with this section and which receives and deposits a contribution of five
9 hundred dollars (\$500) or more after the eighteenth day but more than seventy-two (72) hours
10 before the date of a special, preliminary, primary or general election shall file a report to disclose
11 the information required by this section within seventy-two (72) hours of depositing the
12 contribution. In addition, a state committee required to designate a depository pursuant to this
13 section and which receives a contribution of five hundred dollars (\$500) or more after the
14 eighteenth day but more than twenty-four (24) hours before the date of a special, preliminary,
15 primary or general election shall file a report to disclose the information required by this section
16 within seventy-two (72) hours of depositing the contribution.

17 (g) A political action committee or state committee of a political party organized pursuant
18 to this chapter shall, within seven (7) days of its depository bank disclosing an expenditure made
19 by the committee to support or oppose a candidate, review the bank's report and if the report does
20 not identify the candidate supported or opposed, append to the bank's report a disclosure containing
21 the name of the candidate and whether the expenditure supported or opposed the candidate. A
22 candidate or a political committee that fails to file any report required by this section shall be
23 assessed and shall pay to the state board a penalty not greater than twenty-five dollars (\$25.00) for
24 each day the candidate or political committee has not filed the report. A violation of this section
25 shall be punished by imprisonment for not more than six (6) months or by a fine of not more than
26 five hundred dollars (\$500).

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO ELECTIONS -- RHODE ISLAND CAMPAIGN CONTRIBUTIONS AND
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- 1 This act would require certain candidates for state and municipal political office and
- 2 political action committees designate a financial institution as a depository for campaign funds.
- 3 This act would take effect upon passage.

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