

# **HOUSE . . . . . No. 4072**

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## The Commonwealth of Massachusetts

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HOUSE OF REPRESENTATIVES, September 16, 2019.

The committee on Election Laws to whom was referred the petition (accompanied by bill, Senate, No. 399) of Diana DiZoglio, Patrick M. O'Connor and other members of the General Court for legislation to enhance disclosure of campaign finance activity by expanding the depository reporting system to include legislative candidates, reports recommending that the accompanying bill (House, No. 4072) ought to pass.

For the committee,

JOHN J. LAWN, JR.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-First General Court  
(2019-2020)**  
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An Act relative to campaign finance.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. Section 1 of chapter 55 of General Laws, as appearing in the 2018 Official  
2 Edition, is hereby amended by inserting after the definition of “Contribution” the following  
3 definition:-

4           “County office”, offices of a district attorney, clerk of court, register of probate, registrar  
5 of deeds, county commissioner, county treasurer or sheriff.

6           SECTION 2. Section 1 of said chapter 55, as so appearing, is hereby amended by  
7 inserting after the definition of “Political party committee” the following definition:-

8           “State office”, the offices of governor, lieutenant governor, state secretary, attorney  
9 general, state treasurer and receiver general, state auditor, state senate, house of representatives  
10 or governor’s council.

11           SECTION 3. Section 3 of said chapter 55, as so appearing, is hereby amended by striking  
12 out the first paragraph and inserting in place thereof the following paragraph:-

13           There shall be a commission of campaign and political finance which shall consist of 5  
14 members, 1 of whom shall be the governor; 1 of whom shall be the attorney general; 1 of whom  
15 shall be the state secretary; and 2 of whom shall be appointed by a majority vote of the governor,  
16 attorney general and the state secretary, 1 of whom shall be an elected municipal official and 1 of  
17 whom shall be an elected county official. The state secretary shall serve as the chair of the  
18 commission. The terms of the elected municipal official and the elected county official shall be 6  
19 years but shall expire upon said official ceasing to hold elected office. Meetings of the  
20 commission may be called by the state secretary or by any three members of the commission.  
21 Not more than 3 commissioners shall be from the same political party.

22           SECTION 4. Said section 3 of said chapter 55, as so appearing, is hereby amended by  
23 striking out, in line 12, the word “unanimous” and inserting in place thereof the following  
24 words:- a four fifths.

25           SECTION 5. Said chapter 55 is hereby further amended by striking out section 18, as  
26 appearing in the 2018 Official Edition, and inserting in place thereof the following section:-

27           Section 18. (a) Each candidate and each treasurer of a political committee shall, except as  
28 provided in this section and section 24, file with the director reports of contributions received  
29 and expenditures made. A candidate and a committee organized on behalf of candidates seeking  
30 public office at a municipal election shall file such reports with the director, if the candidate is  
31 seeking the office of mayor in a municipality or if the committee is required to file such reports  
32 with the director pursuant to section 19. All other candidates seeking public office at a city or  
33 town election shall file reports with the city or town clerk. A committee organized under section  
34 5 to favor or oppose a question submitted to the voters shall file its reports with the director if the

35 question appears on ballots at a state election, or with the city or town clerk if the question  
36 appears on ballots at a city or town election or for use in a city or town at a state election.  
37 Reports of contributions received and expenditures made shall be filed using forms prescribed by  
38 the director. Reports required pursuant to this section shall be filed as follows:

39 (1) by each candidate for nomination or election to city or town office, and by the non-  
40 elected political committee organized on behalf of such candidate, except a candidate required to  
41 designate a depository by section 19 or a candidate seeking election as a member of a  
42 representative town meeting or of a town or city ward committee, and any non-elected political  
43 committee organized on behalf of such candidate, on or before: (1) the eighth day preceding a  
44 city or town preliminary or primary, including a caucus, the eighth day preceding a city or town  
45 election, and if a city election, as a final report, January 20th in the following year complete as to  
46 December 31st of the prior year, and if a town election, as a final report, the thirtieth day  
47 following said election; (2) the eighth day preceding a special primary, including a caucus, the  
48 eighth day preceding a special election, and, as a final report, the thirtieth day following a special  
49 election.

50 (2) by each candidate and each non-elected political committee required to designate a  
51 depository by section 19 on or before: (1) the third business day following the designation of  
52 such depository, and (2) as a final report, January 20th of the year following the election,  
53 complete as to December 31st of the prior year.

54 The reporting period of the initial report shall commence on the day following the  
55 preceding election for the office sought by the candidate, or on the day following the end of the

56 reporting period of the last report filed, if any, whichever period is shorter, and shall end as of  
57 the day such depository is designated.

58 The reporting period of the second report shall commence on the day following the  
59 designation of the depository and shall end as of December 31st of the year of the election.

60 (3) by the treasurer of each state committee referred to in section 1 of chapter 52 and  
61 required to designate a depository by section 19 , on or before: (1) the third business day  
62 following the designation of such depository, and (2) as a final report, January 20th of the year  
63 following the election complete as to December 31st of the prior year.

64 The reporting period of the initial report shall commence on the day following the  
65 preceding biennial state election, or on the day following the end of the reporting period of the  
66 last report filed, if any, whichever period is shorter, and shall end as of the day such depository is  
67 designated.

68 The reporting period of the second report shall commence on the day following the  
69 designation of the depository and shall end as of December 31st of the year of the election.

70 (4) by all other non-elected and elected political committees which are not required to file  
71 reports as aforesaid other than political action committees and people's committees as defined in  
72 section 1 and independent expenditure PACs organized pursuant to section 18A, on or before the  
73 same days and in accordance with the same schedule as set forth in subsection 1, if the political  
74 committee is aiding or promoting the success or defeat of one or more candidates, or is favoring  
75 or opposing a question submitted to the voters, in a city or town preliminary, primary general or  
76 special election or for use on ballots in a city or town at a state election.

77 (5) by each political committee organized under the provisions of section 5 to favor or  
78 oppose a question submitted to the voters, if the question appears on the ballot at the state  
79 election on: (1) the day of the organization; and (2) the sixtieth day prior to the election complete  
80 as of the preceding fifth day; on or before (3) the fifth and twentieth day of each month complete  
81 as of the preceding first and fifteenth day of the month, until the election, and, thereafter; (4)  
82 November 20th following such election complete as of November 15th; and (5) the January 20th  
83 of each year complete as of December 31st of the prior year until all declared liabilities of such  
84 committee have been discharged.

85 The reporting period of the initial report shall commence on the day following the  
86 preceding biennial state election, or on the day following the end of the reporting period of the  
87 last report filed, if any, whichever period is shorter, and shall end as of the day of organization.

88 The reporting period of the second report shall commence on the day following said day  
89 of organization and shall end as of the sixtieth day prior to the election.

90 The reporting period of all subsequent reports shall commence on the day following the  
91 end of the reporting period of the last report filed and shall end as of the first or fifteenth day of  
92 each month, as the case may be.

93 (6) by all candidates and all political committees, except those candidates seeking  
94 election as members of a representative town meeting, or of a city ward or town committee, and  
95 non-elected political committees organized on behalf of such candidates, on or before January  
96 20th in each year in which they are not otherwise required to file a report on or before January  
97 20th.

98 (b) For candidates, and non-elected political committees organized on behalf of such  
99 candidates for whom said report would be an initial report, the reporting period shall commence  
100 on the day following the preceding election for the office sought by such candidate and shall end  
101 as of December 31st of the year prior to the last day for filing; and for all other political  
102 committees for which said report would be an initial report, the reporting period shall commence  
103 on the day following the preceding state, city or town election, as the case may be, and in  
104 accordance with the provisions of this section governing said initial report of such committees,  
105 and shall end as of December 31st of the year prior to the last day for filing said report. For all  
106 candidates and all political committees, if said report is not an initial report, the reporting period  
107 of such reports required to be filed on or before July 20th in each odd-numbered year shall  
108 commence on January 1 of that year, or on the day following the end of the reporting period of  
109 the last report filed, if any, whichever period is shorter, and shall end as of June 30th of said  
110 year. The reporting period for the report required to be filed on or before January 20th in each  
111 odd-numbered year shall commence on the day following the end of the reporting period of the  
112 last report filed and shall end as of December 31st of the prior year.

113 The reports required to be filed in accordance with the provisions of paragraph (1) of  
114 subsection (a) except for the report to be filed in accordance with said provisions on or before  
115 January 20th of the year following the election, shall not be required of a candidate, or of the  
116 non-elected political committee organized on behalf of said candidate, if the candidate is not a  
117 candidate as defined in clause (2) of the definition of candidate of section 1 .

118 Notwithstanding the provisions of paragraphs (1), (2) and (3) of subsection (a) for those  
119 contributions received subsequent to the end of the reporting period of the last report filed, which  
120 was identified in said clauses as a final report, by a candidate or political committee, and

121 intended for application to the preceding election of said candidate or of said reporting political  
122 committee, an additional report, which shall be the final report for such candidates and  
123 committees shall be required. This report shall be filed on or before January 20th following the  
124 last day for filing said final report of paragraphs (1), (2) and (3) of subsection (a) and shall be  
125 complete as of December 31st of the prior year. The reporting period of said report shall  
126 commence on the day following the end of the reporting period of the last report, or final report  
127 required to be filed by said clauses.

128 (c) Except as otherwise provided, each candidate and the non-elected political committee  
129 organized on behalf of said candidate, shall, upon the filing of the initial report, include all  
130 contributions received and expenditures made since the day of the preceding election for the  
131 office sought by the candidate, or since the end of the reporting period of the last report filed, if  
132 any, whichever reporting period is shorter, and all other political committees shall, upon the  
133 filing of their initial report, include all contributions received and expenditures made since: (1)  
134 the day of the preceding biennial state election, or the end of the reporting period of the last  
135 report filed, if any, whichever period is shorter, if the political committee is either aiding or  
136 promoting the success or defeat of one or more candidates, or is favoring or opposing the  
137 adoption or rejection of a question submitted to the voters, at a state primary or election, or (2)  
138 the day of the preceding city or town election, or the end of the reporting period of the last report  
139 filed, if any, whichever period is shorter, if the political committee is either aiding or promoting  
140 the success or defeat of one or more candidates, or is favoring or opposing the adoption or  
141 rejection of a question submitted to the voters, at a city or town preliminary, primary or election.

142 (d) Except as otherwise provided, the end of the reporting period of each report required  
143 to be filed under the provisions of this section shall be as of the tenth day preceding the last day

144 for filing. The beginning of the reporting period for each report subsequent to the initial report  
145 shall be the day following the end of the reporting period of the last report filed.

146 The reports required to be filed by this section shall be cumulative during the calendar  
147 year to which they relate.

148 Where there has been no change in an item included in a previous report, only the amount  
149 of the item need be carried forward.

150 Whether or not a contribution has been received or an expenditure has been made during  
151 any reporting period as described in this section, a candidate or political committee shall file the  
152 required report for said reporting period.

153 (e) Each report required to be filed pursuant to this section by a candidate or political  
154 committee shall disclose:

155 (1) the amount of money on hand at the beginning of the reporting period;

156 (2) the full name and residential address, listed alphabetically, of each person who has  
157 made a contribution, except for those contributions identified in clauses (4), (5) and (6) and  
158 which shall be reported therein, in an amount or value in excess of \$50 in the reporting period,  
159 and such information for each contribution of less than or equal to the sum of \$50, if the  
160 aggregate of all contributions received from such contributor within said reporting period is in  
161 excess of \$50 , as the case may be, and the amount or value and date of the contribution and the  
162 total of all contributions listed;

163 (3) the total amount or value of contributions made in the reporting period, and not  
164 otherwise reported under clause (2);

165 (4) the name and address, listed alphabetically, of each candidate or political committee  
166 from which was received any money or anything of value in a reporting period, together with the  
167 amount or value thereof and the date received;

168 (5) the name and address of the principal officers of any trust, foundation and association  
169 from which was received a contribution, as provided in section 10;

170 (6) the amount or value and date of each loan to or from any person, in the reporting  
171 period, together with the name and residential address of the lender and endorser, if any, listed  
172 alphabetically;

173 (7) the total sum of all contributions received, in the reporting period, which is the sum of  
174 paragraphs (2), (3), (4), (5) and (6) of this subsection;

175 (8) the full name and address, listed alphabetically, of each person to whom an  
176 expenditure is made, in the reporting period, except for those identified in clause (10), and shall  
177 report therein, for each amount or value in excess of \$50, the amount and value, date and purpose  
178 of each expenditure and the total of all expenditures listed, and in the case of a political party  
179 committee organized in accordance with chapter 52 or a political committee supporting more  
180 than 1 candidate, the name and address, the elective office held, if any, and office sought by each  
181 candidate on whose behalf the expenditure was made;

182 (9) the total amount or value of expenditures made in the reporting period, and not  
183 otherwise reported under paragraph (8) of this subsection;

184 (10) in the case of a candidate or political committee, the name and address, listed  
185 alphabetically, of each candidate or political committee to which was transferred any money or

186 anything of value, in the reporting period, together with the amount or value thereof and the date  
187 of such transfer;

188 (11) the total sum of expenditures made, in the reporting period, which is the sum of  
189 paragraphs (8), (9) and (10) of this subsection;

190 (12) the amount and date of each then existing liability remaining unfulfilled and in force  
191 when the report is made, the name and address of the person to whom the liability exists, and a  
192 clear statement of the purpose for which it was incurred;

193 (13) a listing of all banks or other financial institutions used;

194 (14) in the event of a dissolution of a political committee, a statement of such dissolution  
195 detailing the intended or actual disposition of any residual funds; and

196 (15) in the event of a dissolution of a political action committee, a statement that the  
197 political action committee has not received contributions pursuant to section 9A or, if it has  
198 received such contributions, a statement that the political action committee has given 60 days  
199 written notice of its intended dissolution to any contributor and said contributor's bank or other  
200 financial institution currently making contributions pursuant to said section 9A.

201 (f) In addition, each report required to be filed under the provisions of this section shall  
202 also include the name, residential address, and amount contributed in that reporting period, of  
203 each person whose contributions in the aggregate exceed more than \$50 in the calendar year, for  
204 those contributions where said information does not otherwise appear on the report.

205 (g) In addition, each report required to be filed under the provisions of this section shall  
206 also include the occupation and name of employer or employers for each person whose

207 contribution or contributions in the aggregate equals or exceeds the sum of \$200 within any  
208 calendar year; provided, however, that no candidate or political committee shall be required to  
209 include such occupation and employer if, upon compliance with the requirements of section 2  
210 concerning the inclusion of such occupation and employer, said candidate or political committee  
211 has not been able to obtain such information.

212 (h) Each year-end campaign finance report filed by a candidate or non-elected political  
213 committee required to designate a depository by section 19 and who also maintains or who has  
214 maintained a savings account or money market account, shall disclose, for each reporting period,  
215 all activity in any such account. Nothing in this section shall authorize a transfer made from any  
216 such savings or money market accounts to an account other than the depository account  
217 established by a candidate or committee in accordance with said section 19.

218 (i) Every political committee organized on behalf of a candidate that files with the  
219 director, and every ballot question committee that files with the director, which receives and  
220 deposits a contribution in the amount of \$500 or more after the eighteenth day, but more than 72  
221 hours, before the date of a special, preliminary, primary or general election, shall file a report to  
222 disclose the information required by this section, within 72 hours of depositing such  
223 contribution.

224 In addition, the report required to be filed on or before January 20th shall contain a  
225 statement detailing the intended or actual disposition of any residual funds. Such residual funds  
226 shall not be converted to the personal use of the candidate or any other person except as provided  
227 in this paragraph.

228 (j) Such residual funds shall be donated to:

229 (1) the General Fund;

230 (2) an entity which is subject to chapter 67 or section 8 of chapter 12; provided,  
231 however, that the candidate, treasurer or any official of the political committee shall not be  
232 related by consanguinity or affinity to any trustee, officer, principal or beneficiary of said entity  
233 either at the time of the gift or within 10 years from the date of such gift; provided, further, that  
234 no entity may employ as a trustee, officer, principal or beneficiary any person related by  
235 consanguinity or affinity to the candidate, treasurer or any official of the political committee  
236 either at the time of the gift or within 10 years from the date of such gift;

237 (3) a scholarship fund; provided, however, that the candidate, treasurer or any official of  
238 the political committee shall not participate in the selection of the beneficiary of any scholarship  
239 awarded from such fund; and, provided further, the beneficiary of any scholarship awarded from  
240 such fund shall not be related by consanguinity or affinity to the candidate, treasurer or any  
241 official of the political committee; or

242 (4) the general fund of any city or town in the commonwealth.

243 (k) The director may petition the supreme judicial court for the dissolution of a political  
244 committee, if (1) such political committee fails to comply for 2 consecutive years with  
245 provisions of this section requiring the filing of reports of contributions received and  
246 expenditures made; (2) the candidate on whose behalf such political committee has been  
247 organized has died; or (3) such political committee was organized for the purpose of favoring or  
248 opposing the adoption or rejection of a question submitted to the voters and there has been a final  
249 determination made as to the adoption or rejection of such question.

250 By such petition, the director may request the court to authorize the administration of any  
251 funds held by such political committee in accordance with the provisions of this section  
252 regarding residual funds. The court, after notice by mail or otherwise as it may order, may  
253 dissolve such political committee. The director may include more than one political committee in  
254 a single application.

255 (l) Any person nominated by the governor for a position that requires confirmation by the  
256 executive council shall, within 6 months of the date of confirmation, dissolve any political  
257 committee organized on behalf of such person and disperse all funds remaining in such  
258 committee's account in accordance with this section.

259 (m) Violation of any provision of this section shall be punished by imprisonment for not  
260 more than one year, or by a fine of not more than \$1,000, or both.

261 (n) The provisions of this section requiring candidates to file reports shall not apply to  
262 candidates who during any reporting period have not received contributions, incurred any  
263 liabilities, nor made expenditures on their own behalf independent from the political committee  
264 organized on their behalf. Said candidates shall sign an affidavit under the pains and penalties of  
265 perjury that they have not received any contributions, incurred any liabilities, nor made any  
266 expenditures on their own behalf during that reporting period. Said affidavit shall be made on the  
267 report filed by the candidate's political committee for that reporting period.

268 (o) Candidates who have no political committee organized on their behalf and who have  
269 not received any campaign contributions, incurred any liabilities, nor expended money on their  
270 behalf during any reporting period need only sign an affidavit on a form provided by the director  
271 stating that they have not received a campaign contribution, incurred any liabilities, nor made

272 any expenditure on their own behalf. Said statement shall be signed under the pains and penalties  
273 of perjury.

274 (p) The provisions of this section requiring city, town and ward committees established  
275 under the provisions of chapter fifty-two to file reports shall not apply to any city, town or ward  
276 committee which has not received contributions or made expenditures in excess of one hundred  
277 dollars during any reporting period, nor incurred liabilities or acquired or disposed of assets in  
278 excess of one hundred dollars during any reporting period.

279 SECTION 6. Section 19 of said chapter 55, as so appearing, is hereby amended by  
280 striking out, in lines 1 through 5, inclusive, the words: “Candidates for nomination or election to  
281 the offices of governor, lieutenant governor, state secretary, attorney general, state treasurer and  
282 receiver general, state auditor, governor’s council, district attorney, clerk of court, register of  
283 probate, registrar of deeds, county commissioner, county treasurer and sheriff, mayor or” and  
284 inserting in place thereof the following words:- Candidates for state office or for county office,  
285 or mayor, and candidates for.

286 SECTION 7. Said section 19 of said chapter 55, as so appearing, is hereby further  
287 amended by striking out, in lines 38-39, the words: “and twentieth days”, and inserting in place  
288 thereof the following word:- day.

289 SECTION 8. Said section 19 of said chapter 55, as so appearing, is hereby further  
290 amended by striking out, in lines 40-41, the words: “first and fifteenth days of the month”, and  
291 inserting in place thereof the following words:- last day of the preceding month.

292 SECTION 9. Said section 19 of said chapter 55, as so appearing, is hereby further  
293 amended by striking out, in line 75, the words: “and twentieth day”.

294 SECTION 10. Said section 19 of said chapter 55, as so appearing, is hereby further  
295 amended by striking out, in lines 76 through 77, inclusive, the words: “preceding first or fifteenth  
296 day of the month”, and inserting in place thereof the following words:- last day of the preceding  
297 month.

298 SECTION 11. Notwithstanding any general or special law to the contrary, the office of  
299 campaign and political finance shall, pursuant to section 3 of chapter 55 of the General Laws,  
300 promulgate regulations, in consultation with the state ethics commission, relative to the  
301 appropriate use of websites and social media for campaign purposes; and provided further, that  
302 said regulations may provide for exemptions to the prohibition on indirect solicitation in section  
303 13 of said chapter 55. These regulations shall be made effective no later than December 31,  
304 2019.

305 SECTION 12. Notwithstanding any general or special law to the contrary, the office of  
306 campaign and political finance shall promulgate regulations relative to the filing of any reports  
307 required to be filed by candidates not subject to section 19 of chapter 55 of General Laws as of  
308 July 1, 2019 who, after the effective date of this act, are subject to said section 19 of said chapter  
309 55 of the General Laws; and provided further, that said regulations may provide that candidates  
310 not subject to section 19 of chapter 55 of General Laws as of July 1, 2019 who, after the  
311 effective date of this act, are subject to said section 19 of said chapter 55 of the General Laws  
312 may, after the effective date of this act, continue to file in the non-depository system.

313 SECTION 13. Section 12 is hereby repealed.

314 SECTION 14. Section 13 shall take effect on April 30, 2020.