

2023 -- S 0846 SUBSTITUTE A AS AMENDED

=====
LC001870/SUB A
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

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

Introduced By: Senators Paolino, and E Morgan

Date Introduced: March 29, 2023

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-3, 17-25-7, 17-25-10.1, 17-25-11, 17-25-19, 17-25-20, 17-
2 25-21 and 17-25-22 of the General Laws in Chapter 17-25 entitled "Rhode Island Campaign
3 Contributions and Expenditures Reporting" are hereby amended to read as follows:

4 **17-25-3. Definitions.**

5 As used in this chapter, unless a different meaning clearly appears from the context:

6 (1) "Accounts payable" means credit extended to a candidate or political committee, for
7 campaign expenditures; provided that, the credit extended is in the ordinary course of the vendor's
8 business, and the terms are substantially similar, in risk and amount, to extensions of credit to
9 nonpolitical customers.

10 ~~(1)~~(2) "Business entity" means any corporation, whether for profit or not for profit,
11 domestic corporation or foreign corporation, as defined in § 7-1.2-106, financial institution,
12 cooperative, association, receivership, trust, holding company, firm, joint stock company, public
13 utility, sole proprietorship, partnership, limited partnership, or any other entity recognized by the
14 laws of the United States and/or the state of Rhode Island for the purpose of doing business. The
15 term "business entity" shall not include a political action committee organized pursuant to this
16 chapter or a political party committee or an authorized campaign committee of a candidate or office
17 holder. The term "business entity" shall not include any exempt nonprofit as defined herein or any
18 organization described in § 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent

1 corresponding internal revenue code of the United States, as amended from time to time, for the
2 purposes of chapter 25.3 of title 17.

3 ~~(2)~~(3) “Candidate” means any individual who undertakes any action, whether preliminary
4 or final, which is necessary under the law to qualify for nomination for election or election to public
5 office, and/or any individual who receives a contribution or makes an expenditure, or gives his or
6 her consent for any other person to receive a contribution or make an expenditure, with a view to
7 bringing about his or her nomination or election to any public office, whether or not the specific
8 public office for which he or she will seek nomination or election is known at the time the
9 contribution is received or the expenditure is made and whether or not he or she has announced his
10 or her candidacy or filed a declaration of candidacy at that time.

11 ~~(3)~~(4) “Conduit” or “intermediary” means any person who receives and forwards an
12 earmarked contribution to a candidate or a candidate’s authorized committee, except as otherwise
13 limited in this chapter.

14 ~~(4)~~(5) “Contributions” and “expenditures” include all transfers of money, credit or debit
15 card transactions, on-line or electronic payment systems such as “pay pal,” paid personal services,
16 or other thing of value to or by any candidate, committee of a political party, or political action
17 committee or ballot question advocate. A loan shall be considered a contribution of money until it
18 is repaid.

19 ~~(18)~~(6) “Covered transfer” means any transfer or payment of funds by any person, business
20 entity, or political action committee to another person, business entity, or political action committee
21 if the person, business entity, or political action committee making the transfer: (i) Designates,
22 requests, or suggests that the amounts be used for independent expenditures or electioneering
23 communications or making a transfer to another person for the purpose of making or paying for
24 such independent expenditures or electioneering communications; (ii) Made such transfer or
25 payment in response to a solicitation or other request for a transfer or payment for the making of
26 or paying for independent expenditures or electioneering communications or making a transfer to
27 another person for the purpose of making or paying for such independent expenditures or
28 electioneering communications; (iii) Engaged in discussions with the recipient of the transfer or
29 payment regarding independent expenditures or electioneering communications or making a
30 transfer to another person for the purpose of making or paying for such independent expenditures
31 or electioneering communications; or (iv) Made independent expenditures or electioneering
32 communications in an aggregate amount of five thousand dollars (\$5,000) or more during the two-
33 year (2) period ending on the date of the transfer or payment, or knew or had reason to know that
34 the person receiving the transfer or payment made such independent expenditures or electioneering

1 communications in such an aggregate amount during that two-year (2) period.

2 (A) Exceptions: The term “covered transfer” does not include:

3 (I) A transfer or payment made by a person, business entity, or political action committee
4 in the ordinary course of any trade or business conducted by the person, business entity, or political
5 action committee or in the form of investments made by the person, business entity, or political
6 action committee; or

7 (II) A transfer or payment made by a person, business entity, or political action committee
8 if the person, business entity, or political action committee making the transfer prohibited, in
9 writing, the use of such transfer or payment for independent expenditures, electioneering
10 communications, or covered transfers and the recipient of the transfer or payment agreed to follow
11 the prohibition and deposited the transfer or payment in an account that is segregated from any
12 account used to make independent expenditures, electioneering communications, or covered
13 transfers.

14 ~~(6)~~(7) “Earmarked” means a designation, instruction, or encumbrance, whether direct or
15 indirect, express or implied, oral or written, that results in all or any part of a contribution or
16 expenditure being made to, or expended on behalf of, a clearly identified candidate or a candidate’s
17 authorized committee.

18 ~~(6)~~(8) “Election” means any primary, general, or special election or town meeting for any
19 public office of the state, municipality, or district, or for the determination of any question
20 submitted to the voters of the state, municipality, or district.

21 ~~(7)~~(9) “Election cycle” means the twenty-four month (24) period commencing on January
22 1 of odd number years and ending on December 31 of even number years; provided, with respect
23 to the public financing of election campaigns of general officers under §§ 17-25-19, 17-25-20, and
24 17-25-25, “election cycle” means the forty-eight month (48) period commencing on January 1 of
25 odd numbered years and ending December 31 of even numbered years.

26 ~~(16)~~(10) “Electioneering communication” means any print, broadcast, cable, satellite, or
27 electronic media communication not coordinated, as set forth in § 17-25-23, with any candidate,
28 authorized candidate campaign committee, or political party committee and that unambiguously
29 identifies a candidate or referendum and is made either within sixty (60) days before a general or
30 special election or town meeting for the office sought by the candidate or referendum; or thirty (30)
31 days before a primary election, for the office sought by the candidate; and is targeted to the relevant
32 electorate.

33 (i) A communication that refers to a clearly identified candidate or referendum is “targeted
34 to the relevant electorate” if the communication can be received by two thousand (2,000) or more

1 persons in the district the candidate seeks to represent or the constituency voting on the referendum.

2 (ii) Exceptions: The term “electioneering communication” does not include:

3 (A) A communication appearing in a news story, commentary, or editorial distributed
4 through the facilities of any broadcasting station, unless such facilities are owned or controlled by
5 any political party, political committee, or candidate;

6 (B) A communication that constitutes a candidate debate or forum conducted pursuant to
7 regulations adopted by the board of elections or that solely promotes such a debate or forum and is
8 made by or on behalf of the person sponsoring the debate or forum;

9 (C) A communication made by any business entity to its members, owners, stockholders,
10 or employees;

11 (D) A communication over the internet, except for (I) Communications placed for a fee on
12 the website of another person, business entity, or political action committee; and (II) Websites
13 formed primarily for the purpose, or whose primary purpose is, to expressly advocate the election
14 or defeat of a clearly identified candidate or the passage or defeat of a referendum; or

15 (E) Any other communication exempted under such regulations as the board of elections
16 may promulgate (consistent with the requirements of this paragraph) to ensure the appropriate
17 implementation of this paragraph.

18 ~~(21)~~(11) “Exempt nonprofit” means any organization described in § 501(c)(4) of the
19 Internal Revenue Code that spends an aggregate annual amount of no more than ten percent (10%)
20 of its annual expenses or no more than fifteen thousand dollars (\$15,000), whichever is less, on
21 independent expenditures, electioneering communications, and covered transfers as defined herein
22 and certifies the same to the board of elections seven (7) days before and after a primary election
23 and seven (7) days before and after a general or special election.

24 (12) “Fair market value” means the usual and normal charge for goods and services as
25 determined by the marketplace from which they ordinarily would have been purchased at a usual
26 and normal charge in an arms length transaction.

27 (i) For purposes of this subsection, “usual and normal charge for goods” means the price
28 of those goods in the market from which they ordinarily would have been purchased at the time of
29 the contribution. “Usual and normal charge for services”, other than those provided by an unpaid
30 volunteer, means the hourly or piecework charge for the services at a commercially reasonable rate
31 prevailing at the time the services are rendered.

32 ~~(19)~~(13) For the purposes of chapter 25.3 of title 17, “donation” means all transfers of
33 money, credit or debit card transactions, on-line or electronic payment systems such as “pay pal,”
34 paid personal services, or other thing of value to or by any person, business entity, or political

1 action committee. A loan shall be considered a donation of money until it is repaid.

2 ~~(20)~~(14) For the purposes of chapter 25.3 of title 17, “donor” means a person, business
3 entity, or political action committee that makes a donation.

4 ~~(22)~~(15) For purposes of chapter 25.3 of title 17, “referendum” means the same as the
5 definition set forth in § 17-5-1.

6 ~~(17)~~(16) “Independent expenditure” means an expenditure that, when taken as a whole,
7 expressly advocates the election or defeat of a clearly identified candidate, or the passage or defeat
8 of a referendum, or amounts to the functional equivalent of such express advocacy, and is in no
9 way coordinated, as set forth in § 17-25-23, with any candidate’s campaign, authorized candidate
10 committee, or political party committee. An expenditure amounts to the functional equivalent of
11 express advocacy if it can only be interpreted by a reasonable person as advocating the election,
12 passage, or defeat of a candidate or referendum, taking into account whether the communication
13 mentions a candidate or referendum and takes a position on a candidate’s character, qualifications,
14 or fitness for office. An independent expenditure is not a contribution to that candidate or
15 committee.

16 (i) Exceptions: The term “independent expenditure” does not include:

17 (A) A communication appearing in a news story, commentary, or editorial distributed
18 through the facilities of any broadcasting station, unless such facilities are owned or controlled by
19 any political party, political committee, or candidate;

20 (B) A communication that constitutes a candidate debate or forum conducted pursuant to
21 regulations adopted by the board of elections or that solely promotes such a debate or forum and is
22 made by or on behalf of the person sponsoring the debate or forum;

23 (C) A communication made by any business entity to its members, owners, stockholders,
24 or employees;

25 (D) A communication over the internet, except for (I) Communications placed for a fee on
26 the website of another person, business entity, or political action committee; and (II) Websites
27 formed primarily for the purpose, or whose primary purpose is, to expressly advocate the election
28 or defeat of a clearly identified candidate or the passage or defeat of a referendum; or

29 (E) Any other communication exempted under such regulations as the board of elections
30 may promulgate (consistent with the requirements of this paragraph) to ensure the appropriate
31 implementation of this paragraph.

32 ~~(8)~~(17) “In-kind contributions” means the monetary value of other things of value or paid
33 personal services donated to, or benefiting, any person required to file reports with the board of
34 elections.

1 ~~(9)~~(18) “Other thing of value” means any item of tangible real or personal property of a
2 fair-market value in excess of one hundred dollars (\$100).

3 ~~(10)~~(19) “Paid personal services” means personal services of every kind and nature, the
4 cost or consideration for which is paid or provided by someone other than the committee or
5 candidate for whom the services are rendered, but shall not include personal services provided
6 without compensation by persons volunteering their time.

7 ~~(11)~~(20) “Person” means an individual, partnership, committee, association, corporation,
8 union, charity, and/or any other organization. The term “person” shall not include any exempt
9 nonprofit as defined herein or any organization described in § 501(c)(3) of the Internal Revenue
10 Code of 1986, or any subsequent corresponding internal revenue code of the United States, as
11 amended from time to time, for the purposes of chapter 25.3 of title 17 only.

12 ~~(12)~~(21) “Political action committee” means any group of two (2) or more persons that
13 accepts any contributions to be used for advocating the election or defeat of any candidate or
14 candidates. Only political action committees that have accepted contributions from fifteen (15) or
15 more persons in amounts of ten dollars (\$10.00) or more within an election cycle shall be permitted
16 to make contributions, and those committees must make contributions to at least five (5) candidates
17 for state or local office within an election cycle.

18 ~~(13)~~(22) “Public office” means any state, municipal, school, or district office or other
19 position that is filled by popular election, except political party offices. “Political party offices”
20 means any state, city, town, ward, or representative or senatorial district committee office of a
21 political party or delegate to a political party convention, or any similar office.

22 ~~(14)~~(23) “State” means state of Rhode Island.

23 ~~(15)~~(24) “Testimonial affair” means an affair of any kind or nature including, but not
24 limited to, cocktail parties, breakfasts, luncheons, dinners, dances, picnics, or similar affairs
25 expressly and directly intended to raise campaign funds in behalf of a candidate to be used for
26 nomination or election to a public office in this state, or expressly and directly intended to raise
27 funds in behalf of any state or municipal committee of a political party, or expressly and directly
28 intended to raise funds in behalf of any political action committee.

29 **17-25-7. Contents of reports to be filed by treasurers of candidates and committees.**

30 (a) Each campaign treasurer of a candidate, each state and municipal committee of a
31 political party, and each political action committee shall keep accurate records and make a full
32 report, upon a form prescribed by the board of elections, of all contributions received, and
33 expenditures made, by it in excess of a total of ~~one hundred dollars (\$100)~~ two hundred dollars
34 (\$200), from any one source within a calendar year, in furtherance of the nomination, election, or

1 defeat of any candidate or the approval or rejection of any question submitted to the voters, or at
2 any financial town meeting, financial town referendum, or other election at which amendments to
3 a city or town charter are proposed, during the period from the date of the last report, or in the case
4 of the initial report, beginning on the date of the appointment of the campaign treasurer for state
5 and municipal committees and political action committees and on the date a person becomes a
6 “candidate” as defined in § 17-25-3(2) for individual candidates. The report shall contain the name,
7 address, and place of employment of each person or source from whom the contributions and
8 expenditures in excess of ~~one hundred dollars (\$100)~~ two hundred dollars (\$200), were received or
9 made and the amount contributed or expended by each person or source. The report shall be filed
10 with the board of elections on the dates designated in § 17-25-11. The campaign treasurer of the
11 candidate or committee reporting shall certify to the correctness of each report. Notwithstanding
12 any other provisions contained in this title, this subsection shall apply to any person or entity
13 advocating the approval or rejection of any question presented to voters at any financial town
14 meeting, financial town referendum, or other election at which amendments to a city or town charter
15 are proposed, which shall file reports of contributions or expenditures in accordance with the filing
16 schedule established by § 17-25-11 if the total of the money so expended exceeds ~~one hundred~~
17 ~~dollars (\$100)~~ two hundred dollars (\$200), in a calendar year. As used in this subsection, the word
18 “entity” means any political action committee, political party committee, authorized campaign
19 committee of a candidate or officer holder, corporation, whether for profit, not-for-profit, or exempt
20 nonprofit pursuant to 26 U.S.C. § 501(c)(3) of the Internal Revenue Code, domestic corporation or
21 foreign corporation, as defined in § 7-1.2-106, financial institution, cooperative, association,
22 receivership, partnership, committee, union, charity, trust, holding company, firm, joint stock
23 company, public utility, sole proprietorship, limited partnership, or any other entity recognized by
24 the laws of the United States and/or the state of Rhode Island.

25 (b) Each state and municipal committee of a political party shall also file with the board of
26 elections, not later than March 1 of each year, an annual report setting forth in the aggregate all
27 contributions received and all expenditures made during the previous calendar year, whether or not
28 these expenditures were made, incurred, or authorized in furtherance of the election or defeat of
29 any candidate. The treasurer of the committee or organization reporting shall certify to the
30 correctness of each report.

31 (c) Any report filed pursuant to the provisions of this section shall include contributions
32 received from any “testimonial affair,” as defined in § 17-25-3, held since the date of the most
33 recent report filed.

34 **17-25-10.1. Political contributions — Limitations.**

1 (a)(1) No person, other than the candidate to his or her own campaign, nor any political
2 action committee shall make a contribution or contributions to any candidate, as defined by § 17-
3 25-3, or political action committee or political party committee that, in the aggregate, exceed ~~one~~
4 ~~thousand dollars (\$1,000)~~ two thousand dollars (\$2,000) within a calendar year; nor shall any
5 political action committee make such contributions that in the aggregate, exceed twenty-five
6 thousand dollars (\$25,000) within a calendar year; nor shall any candidate or any political action
7 committee or any political party committee accept a contribution or contributions that, in the
8 aggregate, exceed ~~one thousand dollars (\$1,000)~~ two thousand dollars (\$2,000) within a calendar
9 year from any one person or political action committee.

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

15 (b) Contributions to a named candidate made to any political committee authorized by that
16 candidate to accept contributions on the candidate's behalf shall be considered to be contributions
17 made to the candidate. Contributions to a candidate by a political committee for another person
18 shall be considered to be contributions by that person.

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

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

26 (e) Nothing in this section shall be construed to restrict political party committees
27 organized pursuant to this title from making contributions to the candidates of that political party;
28 provided, that these contributions, other than allowable "in-kind" contributions, shall not exceed,
29 in the aggregate, twenty-five thousand dollars (\$25,000) to any one candidate within a calendar
30 year; nor shall any candidate accept a contribution or contributions, other than allowable "in-kind"
31 contributions, that, in the aggregate, exceed twenty-five thousand dollars (\$25,000) within a
32 calendar year from all committees of his or her political party. There shall be no restriction on the
33 amount of "in-kind" contributions that a political party committee may make to a candidate of its
34 political party; provided, that for the purposes of this subsection only, the cost of any preparation

1 and airing of television and/or radio advertisements and the cost of any print advertisements shall
2 not be considered an allowable “in-kind” contribution and shall be subject to the aggregate
3 limitation of twenty-five thousand dollars (\$25,000).

4 (f)(1) A contribution from an individual’s dependent children, as defined in § 36-14-2, shall
5 be deemed a contribution from the individual for the purpose of determining whether aggregate
6 contributions exceed either the ~~one hundred dollar (\$100)~~ two hundred dollar (\$200) threshold for
7 reporting purposes or the ~~one thousand dollar (\$1,000)~~ two thousand dollar (\$2,000) maximum for
8 contributions to a single candidate or political action committee within a calendar year.

9 (2) No dependent child shall contribute an amount that, when added to contributions
10 already made by that child’s parent or legal guardian and by other dependent children of that parent
11 or legal guardian, exceed the ~~one thousand dollar (\$1,000)~~ two thousand dollar (\$2,000) maximum
12 for contributions to a single candidate or political action committee within a calendar year.

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

16 (h)(1) It shall be unlawful for any corporation, whether profit or non-profit, domestic
17 corporation or foreign corporation, as defined in § 7-1.2-106, or other business entity to make any
18 campaign contribution or expenditure, as defined in § 17-25-3, to or for any candidate, political
19 action committee, or political party committee, or for any candidate, political action committee, or
20 political party committee to accept any campaign contribution or expenditure from a corporation
21 or other business entity. Any contribution made in the personal name of any employee of a
22 corporation or other business entity, for which the employee received or will receive reimbursement
23 from the corporation or other business entity, shall be considered as a contribution by the
24 corporation or other business entity, in violation of this section.

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

29 (i) All contributions of funds shall be by check, money order, or credit card and may be
30 made over the internet, but in each case the source of the funds must be identified; provided, that
31 candidates, political action committees, and political party committees may accept contributions in
32 cash that do not exceed twenty-five dollars (\$25.00) in the aggregate from an individual within a
33 calendar year. The cash contribution must be delivered directly by the donor to the candidate, the
34 campaign treasurer, or deputy treasurer. The treasurer or deputy treasurer shall maintain a record

1 of the name and address of all persons making these cash contributions.

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

8 (k) For purposes of the limitations imposed by this section, all contributions made by a
9 person, either directly or indirectly, on behalf of a particular candidate, including contributions that
10 are in any way earmarked or otherwise directed through an intermediary or conduit to such
11 candidate, shall be treated as contributions from such person to such candidate. The intermediary
12 or conduit shall report the original source and the intended recipient of such contribution to the
13 board of elections and to the intended recipient, in accordance with regulations and reporting
14 requirements promulgated by the board of elections.

15 **17-25-11. Dates for filing of reports by treasurers of candidates or of committees.**

16 (a) During the period between the appointment of the campaign treasurer for state and
17 municipal committees and political action committees, or in the case of an individual the date on
18 which the individual becomes a “declared or undeclared candidate” as defined in § 17-25-3(2),
19 except when the ninety-day (90) reporting period ends less than forty (40) days prior to an election
20 in which case the ninety-day (90) report shall be included as part of the report required to be filed
21 on the twenty-eighth (28th) day next preceding the day of the primary, general, or special election
22 pursuant to subdivision (2) of this subsection, and the election, with respect to which contributions
23 are received or expenditures made by him or her in behalf of, or in opposition to, a candidate, the
24 campaign treasurer of a candidate, a political party committee, or a political action committee shall
25 file a report containing an account of contributions received, and expenditures made, on behalf of,
26 or in opposition to, a candidate:

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

29 (2) In a contested election, on the twenty-eighth (28th) and seventh (7th) days next
30 preceding the day of the primary, general, or special election; provided, that in the case of a primary
31 election for a special election where the twenty-eighth (28th) day next preceding the day of the
32 primary election occurs prior to the first day for filing declarations of candidacy pursuant to § 17-
33 14-1, the reports shall be due on the fourteenth (14th) and seventh (7th) days next preceding the
34 day of the primary election for the special election; and

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

3 (i) The name and address and place of employment of each person from whom
4 contributions in excess of a total of ~~one hundred dollars (\$100)~~ two hundred dollars (\$200), within
5 a calendar year were received;

6 (ii) The amount contributed by each person;

7 (iii) The name and address of each person to whom expenditures in excess of ~~one hundred~~
8 ~~dollars (\$100)~~ two hundred dollars (\$200), were made; and

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

10 (b) Concurrent with the report filed on the twenty-eighth (28th) day following an election,
11 or at any time thereafter, the campaign treasurer of a candidate, or political party committee, or
12 political action committee, may certify to the board of elections that the campaign fund of the
13 candidate, political party committee, or political action committee having been instituted for the
14 purposes of the past election, has completed its business and been dissolved or, in the event that
15 the committee will continue its activities beyond the election, that its business regarding the past
16 election has been completed. The certification shall be accompanied by a final accounting of the
17 campaign fund, or of the transactions relating to the election, including the final disposition of any
18 balance remaining in the fund at the time of dissolution or the arrangements that have been made
19 for the discharge of any obligations remaining unpaid at the time of dissolution.

20 (c)(1) Once the campaign treasurer certifies that the campaign fund has completed its
21 business and been dissolved, no contribution that is intended to defray expenditures incurred on
22 behalf of, or in opposition to, a candidate during the campaign can be accepted. Until the time that
23 the campaign treasurer certifies that the campaign fund has completed its business and been
24 dissolved, the treasurer shall file reports containing an account of contributions received and
25 expenditures made at ninety-day (90) intervals commencing with the next quarterly report
26 following the election; however, the time to file under this subsection shall be no later than the last
27 day of the month following the ninety-day (90) period, except when the last day of the month filing
28 deadline following the ninety-day (90) reporting period occurs less than twenty-eight (28) days
29 before an election, in which case the report shall be filed pursuant to the provisions of subdivisions
30 (a)(1) and (2) of this section. Provided, however, if the last day of the month falls on a weekend or
31 a holiday, the report shall be due on the following business day.

32 (2) In addition to the reports required pursuant to this section, a candidate or office holder
33 shall also file with the board of elections a paper copy of the account statement from the office
34 holder's campaign account, which account statement shall be the next account statement issued by

1 their financial institution after the filing of the fourth quarterly campaign expense report. The
2 account statement shall be submitted to the board within thirty (30) days of its receipt by the
3 candidate, officeholder, treasurer, or deputy treasurer. The account statement shall not be deemed
4 a public record pursuant to the provisions of chapter 2 of title 38. The board of elections, its agents,
5 and employees shall not publish, deliver, copy, or disclose, to any person or entity any account
6 statement or information contained therein for any candidate, former candidate, officeholder, party,
7 or political action committee. Provided, as to state and municipal political parties, the requirements
8 of this subsection (c)(2) shall apply to the annual report required pursuant to § 17-25-7.

9 (d)(1) There shall be no obligation to file the reports of expenditures required by this
10 section on behalf of, or in opposition to, a candidate if the total amount to be expended in behalf of
11 the candidacy by the candidate, by any political party committee, by any political action committee,
12 or by any person shall not in the aggregate exceed ~~one thousand dollars (\$1,000)~~ two thousand
13 dollars (\$2,000).

14 (2) However, even though the aggregate amount expended on behalf of the candidacy does
15 not exceed ~~one thousand dollars (\$1,000)~~ two thousand dollars (\$2,000), reports must be made
16 listing the source and amounts of all contributions in excess of a total of ~~one hundred dollars (\$100)~~
17 two hundred dollars (\$200) from any one source, within a calendar year. Even though the aggregate
18 amount expended on behalf of the candidacy does not exceed ~~one thousand dollars (\$1,000)~~ two
19 thousand dollars (\$2,000) and no contribution from any one source, within a calendar year ~~one~~
20 ~~hundred dollars (\$100)~~ two hundred dollars (\$200), the report shall state the aggregate amount of
21 all contributions received. In addition, the report shall state the amount of aggregate contributions
22 that were from individuals, the amount from political action committees, and the amount from
23 political party committees.

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

29 (f) A campaign treasurer must file a report containing an account of contributions received
30 and expenditures made at the ninety-day (90) intervals provided for in subsection (c) of this section
31 for any ninety-day (90) period in which the campaign received contributions in excess of a total of
32 ~~one hundred dollars (\$100)~~ two hundred dollars (\$200), within a calendar year from any one source
33 and/or made expenditures in excess of ~~one thousand dollars (\$1,000)~~ two thousand dollars (\$2,000)
34 within a calendar year; however, the time to file under this subsection shall be no later than the last

1 day of the month following the ninety-day (90) period, except when the last day of the month filing
2 deadline following the ninety-day (90) reporting period occurs less than twenty-eight (28) days
3 before an election, in which case the report shall be filed pursuant to the provisions of subdivisions
4 (a)(1) and (2) of this section. Provided, however, if the last day of the month falls on a weekend or
5 a holiday, the report shall be due on the following business day.

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

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

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

21 **17-25-19. Public financing of election campaigns — Outlined.**

22 (a) To effectuate the purpose stated in § 17-25-18, public funds shall be made available
23 under the terms and conditions of this section and §§ 17-25-20 — 17-25-27 to qualifying candidates
24 for general office [and primary elections](#) who agree to abide by a limitation on the total amount of
25 campaign contributions received and expenditures made for election purposes.

26 (b) Candidates for general office [and primary elections](#) shall be eligible to receive two
27 dollars (\$2.00) of public funds for each qualified dollar (\$1.00) of private funds contributed which
28 do not exceed an aggregate of five hundred dollars (\$500) from a single source within an election
29 cycle and one dollar (\$1.00) of public funds for each qualified dollar (\$1.00) of private funds
30 contributed which exceed an aggregate of five hundred dollars (\$500) from a single source within
31 an election cycle but do not exceed the limitations on aggregate contributions which are eligible to
32 be matched set in subdivision 17-25-20(3), subject to the provisions of subdivision 17-25-20(2).
33 The total amount of public funds provided to a candidate shall not exceed seven hundred fifty
34 thousand dollars (\$750,000) in matching funds for a total of one million five hundred thousand

1 dollars (\$1,500,000) for candidates for governor; and one hundred eighty-seven thousand five
2 hundred dollars (\$187,500) in matching funds for a total of three hundred seventy-five thousand
3 dollars (\$375,000) for candidates for other general offices.

4 (c) In order to be eligible for matching public funds, each candidate at the time he or she
5 becomes a candidate, as defined in subdivision 17-25-3(2), but no later than 4:00 pm on the last
6 day for filing declarations of candidacy for general office, must sign a statement under oath
7 pledging to comply with the limitations on campaign contributions and expenditures and with all
8 of the terms and conditions set forth in this chapter. Any candidate who fails to file the statement
9 with his or her declaration for office shall be ineligible to receive public funds.

10 **17-25-20. Eligibility criteria for matching public funds.**

11 In order to receive matching public funds under § 17-25-19, a qualifying candidate must
12 comply with the following requirements:

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

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

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

31 (3)(i) Only the first two thousand dollars (\$2,000) of the aggregate private monetary
32 contributions from a single private source within an election cycle shall be eligible for matching
33 public funds for candidates for governor; provided, that the entire amount contributed shall be
34 considered toward the dollar limits provided in subdivision (2) of this section.

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

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

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

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

22 (6) In order to receive payments under this section, any candidate for general office shall
23 first meet the following additional minimum requirements:

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

26 (ii) Receive private contributions from a minimum of two hundred fifty (250) individuals
27 contributing at least twenty-five dollars (\$25.00) each for candidates for governor and receive
28 private contributions from a minimum of one hundred (100) individuals contributing at least
29 twenty-five dollars (\$25.00) each, for candidates for lieutenant governor, secretary of state, attorney
30 general and general treasurer; ~~and~~

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

33 (iv) Have no outstanding fines owed to the board of elections.

34 (7) No public funds received by any candidate pursuant to §§ 17-25-19 — 17-25-27 of this

1 chapter and no private funds used to qualify for the public funds shall be expended by the candidate
2 for any purpose except to pay reasonable and necessary expenses directly related to the candidate's
3 campaign.

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

6 (i) Purchase of time on radio or television stations; provided, however, the content of all
7 television time shall include captioning for the deaf and hard of hearing and the content of all radio
8 time must be available in a written or text format at the time of request;

9 (ii) Purchase of rental space on outdoor signs or billboards;

10 (iii) Purchase of advertising space on the computer/Internet/electronic device and in
11 newspapers and regularly published magazines and periodicals;

12 (iv) Payment of the cost of producing the material aired or displayed on radio, television,
13 outdoor signs or billboards, and computer/Internet/electronic device and in newspapers, regularly
14 published magazines, and periodicals;

15 (v) Payment of the cost of printing and mailing campaign literature and brochures;

16 (vi) Purchase of signs, bumper stickers, campaign buttons, and other campaign
17 paraphernalia;

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

20 (viii) Payment of the cost of telephone deposits, installation charges, and monthly billings
21 in excess of deposits;

22 (ix) Payment of the costs of public opinion polls and surveys; and

23 (x) Payment of rent, utilities and associated expenses connected with the operation of an
24 election headquarters or satellite election offices.

25 (9) Contributions received and expended by any candidate for the purpose of defraying any
26 expense or satisfying any loan obligations incurred prior to January 1, 1991, by the candidate in
27 furtherance of his or her candidacy in a previous election cycle, as defined in subdivision 17-25-
28 3(7), shall not be counted toward any contribution or expenditure limitation in §§ 17-25-18 — 17-
29 25-27.

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

33 **17-25-21. Primary elections.**

34 Any candidate eligible to receive public funds and electing to receive these funds who is

1 challenged for nomination for general office in a political party primary shall be permitted to raise
2 and expend an additional amount of ~~private~~ funds equal to one-third ($\frac{1}{3}$) of the maximum allowable
3 expenditure amount for the office or equal to the total amount spent by the candidates' opponent
4 or opponents in the primary, whichever amount is less. The additional amount received in
5 contributions must be expended prior to the primary election. ~~The additional private contributions~~
6 ~~shall not be eligible for matching public funds.~~ Any candidate eligible to receive public funds and
7 electing to receive these funds may use public funds made available pursuant to this chapter for
8 any allowable expense, as defined in § 17-25-20, to seek party nomination for general office.

9 **17-25-22. Time period for payment of public funds.**

10 (a) ~~No public funds shall be dispersed to candidates until after the date of the primary~~
11 ~~election.~~ In order to receive matching public funds, the candidate must be a candidate for general
12 office who meets all of the requirements set forth in subdivision 17-25-20(6). The candidate must
13 submit to the board of elections proof of receipt of qualifying private contributions and supporting
14 documentation as required by the board. The board of elections shall, within five (5) business days
15 of the receipt of the request for payment of matching funds, either pay over funds to the candidate
16 or disallow all or a portion of the request and state in writing the reasons for the disallowance.

17 (b) A candidate may submit supplemental applications for public funds until the time that
18 the permitted limits are reached.

19 SECTION 2. This act shall take effect ~~upon passage~~ on January 1, 2024.

=====
LC001870/SUB A
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO ELECTIONS -- RHODE ISLAND CAMPAIGN CONTRIBUTIONS AND
EXPENDITURES REPORTING

1 This act would define accounts payable as credit extended by an outside vendor in the
2 ordinary course of business, and not as a campaign contribution. This act would also raise the
3 minimum aggregate reporting amount to two hundred dollars (\$200) per year and exempt the
4 candidate from the minimum aggregate reporting requirement. This act would also raise the
5 contribution limit for individuals and political action committees to two thousand dollars (\$2,000)
6 per year. Additionally, this act would prohibit public financing for any candidate with outstanding
7 fines owed to the board of elections. Finally, this act would define the terms “fair market value”
8 and “usual and normal charge for goods and services” for donated campaign expenditures.

9 This act would take effect ~~upon passage~~ [on January 1, 2024](#).

=====
LC001870/SUB A
=====