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1	S.35
2	Introduced by Senators White, Ashe, Ayer, Bartlett, Campbell, Carris, Giard,
3	Hartwell, Kitchel, Kittell, Lyons, Miller, Racine, Sears, Snelling
4	and Starr
5	Referred to Committee on
6	Date:
7	Subject: Elections; campaign finance
8	Statement of purpose: This bill proposes to revise comprehensively Vermont's
9	campaign finance laws.
10	An act relating to campaign finance
11	It is hereby enacted by the General Assembly of the State of Vermont:
12	Sec. 1. FINDINGS
13	The general assembly finds that:
14	(1) Large campaign contributions reduce public confidence in the
15	electoral process and increase the risk and the appearance that candidates and
16	elected officials will not act in the best interests of all Vermont citizens.
17	(2) Some candidates and elected officials, particularly when time is
18	limited, respond and give access to contributors who make large contributions
19	in preference to those who make small or no contributions.

limitations established by this act.

1	(3) In Vermont, contributions greater than the amounts specified in this
2	act are considered by the general assembly, candidates, and elected officials to
3	be large contributions.
4	(4) In Vermont, contributions in the amounts permitted in this act
5	adequately allow contributors to express their opinions, levels of support, and
6	affiliations with respect to candidates, political committees, and political
7	parties.
8	(5) In Vermont, candidates can raise sufficient monies to fund effective
9	campaigns from contributions no larger than the amounts specified in this act.
10	(6) Limiting large contributions will encourage direct and small group
11	contact between candidates and the electorate and will encourage the personal
12	involvement of a larger number of citizens in campaigns, both of which are
13	crucial to public confidence and the robust debate of issues.
14	(7) In Vermont, campaign expenditures by persons who are not
15	candidates have been increasing and public confidence is eroded when
16	unidentified expenditures are made, particularly during the final days of a
17	campaign.
18	(8) Identification of persons who publish political advertisements and
19	electioneering communications assists in enforcement of the campaign finance

1	(9) Aggregate contributions limitations are necessary to limit the
2	influence of a single source, political committee, or political party in an
3	election.
4	(10) There is an extensive record supporting the need for the regulation
5	of campaign finance in Vermont that was compiled during the consideration of
6	No. 64 of the Acts of 1997, and that was considered by the courts during the
7	litigation of Landell v. Sorrell, 118 F.Supp. 459 (D.Vt. 2000), aff'd in part and
8	vacated in part, 382 F.3d 91 (2d Cir. 2004), rev'd and remanded sub nom.
9	Randall v. Sorrell, 126 S. Ct. 2479 (2006).
10	(11) This act is necessary in order to implement more fully the
11	provisions of Article 8 of Chapter I of the Constitution of the State of Vermont,
12	which declares "That all elections ought to be free and without corruption, and
13	that all voters, having a sufficient, evident, common interest with, and
14	attachment to the community, have a right to elect officers, and be elected into
15	office, agreeably to the regulations made in this constitution."
16	Sec. 2. 17 V.S.A. § 2801 is amended to read:
17	§ 2801. DEFINITIONS
18	As used in this chapter:
19	(1) "Candidate" means an individual who has taken affirmative action to

become a candidate for state, county, local, or legislative office in a primary,

1	special, general, or local election. An affirmative action shall include one or
2	more of the following:
3	(A) accepting contributions or making expenditures totalling \$500.00
4	or more; or
5	(B) filing the requisite petition for nomination under this title or
6	being nominated by primary or caucus; or
7	(C) announcing that he or she seeks an elected position as a state,
8	county, or local officer or a position as representative or senator in the general
9	assembly.
10	(2) "Clearly identified," with respect to a candidate, means that:
11	(A) The name of the candidate appears;
12	(B) A photograph or drawing of the candidate appears; or
13	(C) The identity of the candidate is apparent by unambiguous
14	reference.
15	(3) "Contribution" means a payment, distribution, advance, deposit,
16	loan, or gift of money or anything of value, paid or promised to be paid to a
17	person for the purpose of influencing an election, advocating a position on a
18	public question, or supporting or opposing one or more candidates in any
19	election, but shall not include services provided without compensation by
20	individuals volunteering their time on behalf of a candidate, political

1	committee or political party. For purposes of this chapter, "contribution" shall
2	not include a personal loan from a lending institution any of the following:
3	(A) a personal loan of money to a candidate from a lending
4	institution made in the ordinary course of business;
5	(B) services provided without compensation by individuals
6	volunteering their time on behalf of a candidate, political committee, or
7	political party;
8	(C) unreimbursed travel expenses incurred within the state of
9	Vermont and paid for by an individual who volunteers personal services to a
10	candidate, if the cumulative amount of these expenses does not exceed \$500.00
11	per election;
12	(D) unreimbursed campaign-related travel expenses incurred within
13	the state of Vermont and paid for by the candidate or the candidate's spouse or
14	civil union partner;
15	(E) the payment by a political party of the costs of preparation,
16	display, or mailing or other distribution of a party candidate listing;
17	(F) documents, in printed or electronic form, including party
18	platforms, single copies of issue papers, information pertaining to the
19	requirements of this title, lists of registered voters and voter identification

information, created, obtained, or maintained by a political party for the

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1	general purpose of party building and provided to a candidate who is a member
2	of that party or to another political party;
3	(G) compensation paid by a political party to its employees whose
4	job responsibilities are not for the specific and exclusive benefit of a single
5	candidate in any election;
6	(H) campaign training sessions provided to three or more candidates;
7	(I) costs paid for by a political party in connection with a campaign
8	event at which three or more candidates are present;
9	(J) the use of offices, telephones, computers, and similar equipment
10	when that use does not result in additional cost to the provider;
11	(K) activity or communication designed to encourage individuals to
12	register to vote or to vote if that activity or communication does not mention or
13	depict a clearly identified candidate;
14	(L) compensation paid by a political party to its employees or
15	consultants for the purpose of providing assistance to another political party.
16	(3)(4) "Expenditure" means a payment, disbursement, distribution,
17	advance, deposit, loan, or gift of money or anything of value, paid or promised
18	to be paid, for the purpose of influencing an election, advocating a position on
19	a public question, or supporting or opposing one or more candidates. For the
20	purposes of this chapter, "expenditure" shall not include any of the following:

1	(A) a personal loan of money to a candidate from a lending
2	institution made in the ordinary course of business;
3	(B) services provided without compensation by individuals
4	volunteering their time on behalf of a candidate, political committee, or
5	political party;
6	(C) unreimbursed travel expenses incurred within the state of
7	Vermont and paid for by an individual who volunteers personal services to a
8	candidate, if the cumulative amount of these expenses does not exceed \$500.00
9	per election;
10	(D) unreimbursed campaign-related travel expenses incurred within
11	the state of Vermont and paid for by the candidate or the candidate's spouse or
12	civil union partner.
13	(5) "Party candidate listing" means any communication by a political
14	party that:
15	(A) lists the names of at least three candidates for election to public
16	office;
17	(B) is distributed through public advertising such as broadcast
18	stations, cable television, newspapers and similar media, or through direct
19	mail, telephone, electronic mail, publicly accessible sites on the internet or
20	personal delivery;

1	(C) treats all candidates in the communication in a substantially
2	similar manner; and
3	(D) is limited to:
4	(i) the identification of each candidate, with which pictures may
5	be used;
6	(ii) the offices sought;
7	(iii) the offices currently held by the candidates;
8	(iv) the party affiliation of the candidates and a brief statement
9	about the party or the candidates' positions, philosophy, goals,
10	accomplishments, or biographies;
11	(v) encouragement to vote for the candidates identified; and
12	(vi) information about voting, such as voting hours and locations.
13	(4)(6) "Political committee" or "political action committee" means any
14	formal or informal committee of two or more individuals, or a corporation,
15	labor organization, public interest group, or other entity, not including a
16	political party, which receives contributions of more than \$500.00 and makes
17	expenditures of more than \$500.00 in any one calendar year for the purpose of
18	supporting or opposing one or more candidates, influencing an election, or
19	advocating a position on a public question in any election or affecting the
20	outcome of an election.

1	(5)(7) "Political party" means a political party organized under chapter
2	45 of this title or and any committee established, financed, maintained, or
3	controlled by the party, including any subsidiary, branch, or local unit thereof
4	and including national or regional affiliates of the party and shall be considered
5	a single, unified political party. The national affiliate of the political party
6	shall be considered a separate political party.
7	(6)(8) "Single source" means an individual, partnership, corporation,
8	association, labor organization, or any other organization or group of persons
9	which is not a political committee or political party.
10	(7)(9) "Election" means the procedure whereby the voters of this state of
11	any of its political subdivisions select a person to be a candidate for public
12	office or fill a public office, or to act on public questions including voting on
13	constitutional amendments. Each primary, general, special, run-off, or local
14	election shall constitute a separate election.
15	(8)(10) "Public question" means an issue that is before the voters for a
16	binding decision.
17	(9)(11) "Two-year general election cycle" means the 24-month period
18	that begins 38 days after a general election. Expenditures related to a previous
19	campaign and contributions to retire a debt of a previous campaign shall be
20	attributed to the earlier campaign cycle.

1	(10)(12) "Full name" means an individual's full first name, middle name
2	or initial, if any, and full legal last name, making the identity of the person who
3	made the contribution apparent by unambiguous reference.
4	(11)(13) "Telephone bank" means more than 500 telephone calls of an
5	identical or substantially similar nature that are made to the general public
6	within any 30-day period.
7	Sec. 3. 17 V.S.A. § 2801a is amended to read:
8	§ 2801a. EXCEPTIONS
9	The definitions of "contribution," "expenditure," and "electioneering
10	communication" shall not apply to:
11	(1) any news story, commentary, or editorial distributed through the
12	facilities of any broadcasting station, newspaper, magazine, or other periodical
13	publication which has not been paid for, or such facilities are not owned or
14	controlled, by any political party, committee, or candidate;
15	(2) any communication distributed through a public access television
16	station if the communication complies with the laws and rules governing the
17	station, and all candidates in the race have an equal opportunity to promote
18	their candidacies through the station; and
19	(3) any communication by any membership organization or corporation
20	solely to its members or stockholders, if that membership organization or

general election cycle.

1	corporation is not organized for the major purpose of influencing the
2	nomination or election of any person to public office.
3	Sec. 4. 17 V.S.A. § 2805 is amended to read:
4	§ 2805. LIMITATIONS OF CONTRIBUTIONS
5	(a) A candidate for state representative or local office shall not accept
6	contributions totaling more than \$200.00 \$250.00 from a single source, or
7	political committee or political party in for any two-year general election
8	<del>cycle</del> .
9	(b) A candidate for state senator or county office shall not accept
10	contributions totaling more than \$300.00 \$500.00 from a single source, or
11	political committee or political party in for any two year general election
12	eyele.
13	(c) A candidate for the office of governor, lieutenant governor, secretary of
14	state, state treasurer, auditor of accounts, or attorney general shall not accept
15	contributions totaling more than \$400.00 \$750.00 from a single source, or
16	political committee or political party in for any two year general election
17	eyele. A political committee, other than a political committee of a candidate,
18	or a political party shall not accept contributions totaling more than \$2,000.00
19	from a single source, political committee or political party in any two-year

1	(d) A candidate for the office of governor shall not accept contributions
2	totaling more than \$1,000.00 from a single source or political committee in any
3	election.
4	(b)(e) A single source, political committee or political party shall not
5	contribute more to a candidate, political committee or political party than the
6	candidate, political committee or political party is permitted to accept under
7	subsection (a) of this section than \$20,000.00 to all candidates in any two-year
8	general election cycle. A single source shall not contribute more than
9	\$20,000.00 to all political committees and political parties in any two-year
10	general election cycle.
11	(c)(f) A candidate, political party or political committee shall not accept,
12	from a political party contributions totaling more than the following amounts
13	in any two-year general election cycle, more than 25 percent of total
14	contributions from contributors who are not residents of the state of Vermont

(1) For the office of governor, \$30,000.00;

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- 17 (2) For the office of lieutenant governor, \$10,000.00;
- 18 (3) For the office of secretary of state, state treasurer, auditor of

  19 accounts, or attorney general, \$5,000.00;

or from political committees or parties not organized in the state of Vermont:

- 20 (4) For the office of state senator or county office, \$2,000.00;
- 21 (5) For the office of state representative or local office, \$1,000.00.

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1	(g) A single source, political committee, or political party shall not
2	contribute more to a candidate, political committee, or political party than the
3	candidate, political committee, or political party is permitted to accept under
4	subsections (a) through (d) and (f) of this section.
5	(d)(h) A candidate shall not accept a monetary contribution in excess of
6	\$50.00 unless made by check, credit or debit card, or other electronic transfer.
7	(e)(i) A candidate, political party, or political committee shall not
8	knowingly accept a contribution which is not directly from the contributor, but
9	was transferred to the contributor by another person for the purpose of
10	transferring the same to the candidate, or otherwise circumventing the
11	provisions of this chapter. It shall be a violation of this chapter for a person to
12	make a contribution with the explicit or implicit understanding that the
13	contribution will be transferred in violation of this subsection.
14	(f)(j) This section shall not be interpreted to limit the amount a candidate or
15	his or her immediate family may contribute to his or her own campaign. For
16	purposes of this subsection, "immediate family" means individuals related to
17	the candidate in the first, second or third degree of consanguinity a candidate's
18	spouse or civil union partner, parent, grandparent, child, grandchild, sister,
19	brother, stepparent, stepgrandparent, stepchild, stepgrandchild, stepsister,
20	stepbrother, mother-in-law, father-in-law, brother-in-law, sister-in-law,
21	son-in-law, daughter-in-law, guardian, or former guardian.

accounted for separately.

1	$\frac{(g)(k)}{(g)}$ The limitations on contributions established by this section shall not
2	apply to contributions made for the purpose of advocating a position on a
3	public question, including a constitutional amendment.
4	(h)(1) For purposes of this section, the term "candidate" includes the
5	candidate's political committee.
6	(m) The contribution limitations contained in this section shall be adjusted
7	for inflation by increasing them based on the Consumer Price Index. Increases
8	shall be rounded up to the nearest \$10.00. Increases shall be effective for the
9	first two-year general election cycle beginning after the general election held in
10	2010. On or before July 1, 2011, the secretary of state shall calculate and
11	publish the amount of each limitation that will apply to the election cycle in
12	which July 1, 2011 falls. On July 1 of each subsequent odd-numbered year,
13	the secretary shall publish the amount of each limitation for the election cycle
14	in which that publication falls.
15	(n) Contributions accepted by candidates shall be treated as follows:
16	(1) A candidate who accepts a contribution prior to the date of the
17	primary election may designate the contribution, or portion of the contribution,
18	as either a primary or general election contribution. Once designated, a
19	general election contribution accepted prior to the primary election shall be

1	(2) A contribution accepted by a candidate after the date of the primary
2	election shall be a general election contribution. A candidate may designate a
3	contribution, or portion of the contribution, accepted after the date of the
4	primary election as a primary election contribution only for the purpose of
5	retiring debt incurred for the primary election.
6	(3) Contributions that were accepted prior to the primary election may
7	be used for the general election if all debt incurred for the primary election has
8	been retired.
9	(4) Expenditures related to a previous two-year general election cycle
10	and contributions to retire a debt of a previous two-year general election cycle
11	shall be attributed to the earlier two-year general election cycle.
12	(5) Independent candidates and minor party candidates, who do not have
13	primary elections, may accept contributions prior to the primary election date
14	in the same manner and subject to the same limits as major party candidates.
15	(o) A candidate accepts a contribution when the contribution is deposited in
16	the candidate's campaign account.
17	Sec. 5. 17 V.S.A. § 2805b is added to read:
18	§ 2805b. LIMITATIONS ON CONTRIBUTIONS; POLITICAL
19	COMMITTEES; POLITICAL PARTIES

(a) In any two-year general election cycle:

committee of a candidate.

1	(1) A political committee, other than a political committee of a
2	candidate, shall not accept contributions totaling more than \$2,000.00 from a
3	single source, political committee, or political party.
4	(2) A political party shall not accept contributions totaling more than
5	\$2,000.00 from a single source or political committee.
6	(3) A political party shall not accept contributions totaling more than
7	\$30,000.00 from another political party.
8	(b) The contribution limitations contained in this section shall be adjusted
9	for inflation by increasing them based on the Consumer Price Index. Increases
10	shall be rounded up to the nearest \$10.00. Increases shall be effective for the
11	first two-year general election cycle beginning after the general election held in
12	2010. On or before July 1, 2011, the secretary of state shall calculate and
13	publish the amount of each limitation that will apply to the election cycle in
14	which July 1, 2011 falls. On July 1 of each subsequent odd-numbered year,
15	the secretary shall publish the amount of each limitation for the election cycle
16	in which that publication falls.
17	(c) In any two-year general election cycle:
18	(1) A single source, political committee, or political party shall not
19	contribute more than \$2,000.00 to a political committee, other than a political

1	(2) A single source or political committee shall not contribute more than
2	\$2,000.00 to a political party.
3	(3) A political party shall not contribute more than \$30,000.00 to
4	another political party.
5	(d) The limitations on contributions established by this section shall not
6	apply to contributions made for the purpose of advocating a position on a
7	public question, including a constitutional amendment.
8	Sec. 6. 17 V.S.A. § 2809 is amended to read:
9	§ 2809. ACCOUNTABILITY FOR RELATED COORDINATED
10	EXPENDITURES
11	(a) A related coordinated campaign expenditure made on a candidate's
12	behalf shall be considered a contribution to the candidate on whose behalf it
13	was made.
14	(b) A related coordinated campaign expenditure made on a candidate's
15	behalf shall be considered an expenditure by the candidate on whose behalf it
16	was made. However, if the expenditure did not exceed \$50.00, the expenditure
17	shall not be considered an expenditure by the candidate on whose behalf it was
18	made.
19	(c) For the purposes of this section, a "related coordinated campaign
20	expenditure made on the candidate's behalf" means any expenditure intended

to promote the election of a specific candidate or group of candidates, or the

defeat of an opposing candidate or group of candidates, if intentionally
facilitated by, solicited by or approved by the candidate or the candidate's
political committee made by a single source, political committee, or political
party in cooperation, consultation or concert with, or at the request or
suggestion of, a candidate, a candidate's political committee or an agent,
unless otherwise exempt under subdivision 2801(3) or (4) or section 2801a of
this title.
(d) An expenditure made by a political party or by a political committee
that recruits or endorses candidates, that primarily benefits six or fewer
candidates who are associated with the political party or political committee
making the expenditure, is presumed to be a related expenditure made on
behalf of those candidates. An expenditure made by a political party or by a
political committee that recruits or endorses candidates, that substantially
benefits more than six candidates and facilitates party or political committee
functions, voter turnout, platform promotion or organizational capacity shall
not be presumed to be a related expenditure made on a candidate's behalf. In
addition, an expenditure shall not be considered a "related campaign
expenditure made on the candidate's behalf" if all of the following apply:
(1) The expenditures were made in connection with a campaign event
whose purpose was to provide a group of voters with the opportunity to meet
the candidate personally.

1	(2) The expenditures were made only for refreshments and related
2	supplies that were consumed at that event.
3	(3) The amount of the expenditures for the event was less than \$100.00.
4	For the purposes of this section, a "coordinated campaign expenditure made
5	on the candidate's behalf" does not mean:
6	(1) the cost of invitations and postage and of food and beverages
7	voluntarily provided by an individual to provide an opportunity for a group of
8	voters to meet a candidate, if the cumulative value of these activities by the
9	individual on behalf of any candidate does not exceed \$500.00 per election;
10	(2) the sale of any food or beverage by a vendor at a charge less than the
11	normal comparable charge, for use at a campaign event providing an
12	opportunity for a group of voters to meet a candidate, if the charge to the
13	candidate is at least equal to the cost of the food or beverages to the vendor and
14	if the cumulative value of the food or beverages does not exceed \$500.00 per
15	election; or
16	(3) amounts expended by a membership organization in compiling and
17	disseminating a nonpartisan voter guide that includes reports of votes on
18	legislation by, or answers to written questions directed to, all or substantially
19	all of the candidates seeking election to the general assembly or to statewide
20	office, about the candidate's position on issues of concern to the organization,
21	if all of the following apply:

1	(A) the organization was not created for the major purpose of
2	influencing elections;
3	(B) the organization identifies itself as the sponsor of the
4	communication, and accepts no funding from a candidate, political committee,
5	or political party to defray the costs of the voter guide;
6	(C) the voter guide does not contain a phrase such as "vote for,"
7	"re-elect," "support," "cast your ballot for," "(name of candidate) for Senate,"
8	"(name of candidate) in (year)," "vote against," "defeat," or "reject," or
9	otherwise is susceptible of no reasonable interpretation other than as an appeal
10	to vote for or against a candidate or candidates;
11	(D) the voter guide does not contain photographs or messages
12	provided by a candidate or his or her political committee or agents other than
13	responses to a general questionnaire submitted to all candidates.
14	* * *
15	Sec. 7. 17 V.S.A. § 2891 is amended to read:
16	§ 2891. DEFINITIONS
17	As used in this chapter,:
18	(1) "electioneering Electioneering communication" means any
19	communication, including communications published in any newspaper or
20	periodical or broadcast on radio or television or over any public address

system, placed on any billboards, outdoor facilities, buttons or printed material

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attached to motor vehicles, window displays, posters, cards, pamphlets,		
leaflets, flyers, or other circulars, or in any direct mailing, robotic phone calls,		
or mass e-mails that refers to a clearly identified candidate for office and that		
promotes or supports a candidate for that office, or attacks or opposes a		
candidate for that office, regardless of whether the communication expressly		
advocates a vote for or against a candidate.		
(2) "Electioneering communication" does not mean disseminating a		
nonpartisan voter guide that includes reports of votes on legislation by, or		
answers to written questions directed to, all or substantially all of the		
candidates seeking election to the general assembly or to statewide office,		
about the candidate's position on issues of concern to the organization, if all of		
the following apply:		
(A) the organization was not created for the major purpose of		
influencing elections;		
(B) the organization identifies itself as the sponsor of the		
communication, and accepts no funding from a candidate, political committee,		
or political party to defray the costs of the voter guide;		
(C) the voter guide does not contain a phrase such as "vote for,"		
"re-elect," "support," "cast your ballot for," "(name of candidate) for Senate,"		
"(name of candidate) in (year)," "vote against," "defeat," or "reject," or		

otherwise is susceptible of no reasonable interpretation other than as an	appeal
*	
to vote for or against a candidate or candidates;	

- (D) the voter guide does not contain photographs or messages

  provided by a candidate or his or her political committee or agents other than

  responses to a general questionnaire submitted to all candidates.
- 6 Sec. 8. 17 V.S.A. § 2893(b) is amended to read:
  - (b) In addition to any other reports required to be filed under this chapter, a person who makes expenditures for any one mass media activity totaling \$500.00 or more within 30 days of a primary or general election shall, for each activity, file a mass media report with the secretary of state and send a copy copies, by a verifiable method of sending, of the mass media report and the complete mass media activity in the same format as distributed to the public to each candidate whose name or likeness is included in the activity within 24 hours of the expenditure or activity, whichever occurs first at the same time as the release of the information contained in the mass media activity to the public. For the purposes of this section, a person shall be treated as having made an expenditure if the person has executed a contract to make the expenditure. The report shall identify the person who made the expenditure with the name of the candidate involved in the activity and any other information relating to the expenditure that is required to be disclosed under the provisions of subsections 2803(a) and (b) of this title.

1	Sec. 9. EVALUATION OF 2008 PRIMARY AND GENERAL ELECTIONS
2	The house and senate committees on government operations shall evaluate
3	the 2010 primary and general elections to determine whether the major
4	provisions of this act are accomplishing their intended purposes.
5	Sec. 10. REPEAL
6	17 V.S.A. § 2805a (campaign expenditure limitations) is repealed.
7	Sec. 11. EFFECTIVE DATE
8	This act shall take effect on August 1, 2009.