

2008 -- S 2833

LC02354

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2008

A N A C T

RELATING TO ELECTIONS - CAMPAIGN FINDINGS

Introduced By: Senators Perry, C Levesque, Connors, Sosnowski, and Miller

Date Introduced: March 05, 2008

Referred To: Senate Judiciary

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 17-25-1, 17-25-2, 17-25-3, 17-25-4, 17-25-5, 17-25-7, 17-25-7.2,  
2 17-25-7.6, 17-25-8, 17-25-10, 17-25-10.1, 17-25-11.1, 17-25-27, 17-25-28 and 17-25-29 of the  
3 General Laws in Chapter 17-25 entitled "Rhode Island Campaign Contributions and Expenditures  
4 Reporting" are hereby amended to read as follows:

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

8 **17-25-2. Declaration of policy.** -- (a) Public financing of election campaigns – Findings  
9 and general purpose. Notwithstanding any other provisions of this chapter, it is declared to be in  
10 the public interest to establish a system of public financing for candidates seeking election to  
11 general offices (Governor, Lieutenant Governor, Secretary of State, Attorney General, Treasurer)  
12 and to the General Assembly for the following reasons:

13 (1) Despite attempts at regulating campaign fund raising and spending, the current system  
14 of financing election campaigns for these offices has failed to halt the growth of contributions and  
15 expenditures;

16 (2) The existing system of financing political campaigns contributes to an erosion of  
17 public confidence in the political system;

18 (3) The increasing sums raised and spent by candidates lead to the belief that money, not  
19 issues and policies, is the major factor determining the outcome of elections;

1           (4) The extensive contributions that candidates receive from lobbyists and other  
2 representatives of special interests cause voters to believe that elected officials represent special  
3 interest contributors rather than their constituents and the general public;

4           (5) The lack of confidence in turn fuels voter apathy and alienation;

5           (6) In addition to restoring confidence in the electoral process, public financing frees the  
6 candidate from the task of having to spend an inordinate time seeking campaign funds.

7           (b) The general assembly finds and declares that this Public Financing of Elections Act,  
8 by providing a public finance system for Rhode Island state primary and general elections, would  
9 enhance democracy in the following principal ways:

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

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

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

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

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

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

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

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

24           (c) It is declared to be in the public interest and to be the policy of the state to establish a  
25 voluntary state-funded system to finance election campaigns as defined in sections 17-25-18  
26 through 17-25-32. This system will be known as the "Public Financing of Elections Campaign  
27 Funding System."

28           (d) It is declared to be in the public interest and to be the policy of the state to require all  
29 candidates for public office who elect not to participate in the "Public Financing of Elections  
30 Campaign Funding System" to report the reporting of ~~certain~~ private contributions received and  
31 expenditures of private campaign contributions made to aid or promote the nomination, election,  
32 or defeat of all candidates for public office.

33           (e) It is further declared that candidates for public office who participate in one of the two  
34 (2) systems, the "Public Financing of Elections Campaign Funding System" or the private

1 [financing system, are ineligible to participate in the other system except as permitted herein.](#)

2 **17-25-3. Definitions.** -- As used in this chapter, unless a different meaning clearly  
3 appears from the context, [the following terms have the meanings ascribed to them in this section:](#)

4 (1) "Business entity" means any corporation, whether for profit or not for profit,  
5 domestic corporation or foreign corporation, as defined in section 7-1.2-106, financial institution,  
6 cooperative, association, receivership, trust, holding company, firm, joint stock company, public  
7 utility, sole proprietorship, partnership, limited partnership, or any other entity recognized by the  
8 laws of the United States and/or the state of Rhode Island for the purpose of doing business. The  
9 term "business entity" shall not include a political action committee organized pursuant to this  
10 chapter or a political party committee or an authorized campaign committee of a candidate or  
11 office holder.

12 (2) "Candidate" means any individual who undertakes any action, whether preliminary or  
13 final [under either the voluntary Public Financing of Elections Campaign Funding System or the](#)  
14 [private campaign funding system](#), which is necessary under the law to qualify for nomination for  
15 election or election to public office, and/or any individual who receives a contribution or makes  
16 an expenditure, [under either the voluntary Public Financing of Elections Campaign Funding](#)  
17 [System or the private campaign funding system](#), or gives his or her consent for any other person  
18 to receive a contribution or make an expenditure, with a view to bringing about his or her  
19 nomination or election to any public office, whether or not the specific public office for which he  
20 or she will seek nomination or election is known at the time the contribution is received or the  
21 expenditure is made and whether or not he or she has announced his or her candidacy or filed a  
22 declaration of candidacy at that time.

23 [\(a\) In relation to the party affiliation of candidates:](#)

24 [\(i\) A "party candidate" is a candidate in a primary election or a candidate who has been](#)  
25 [nominated through a party primary or who has been nominated or endorsed by a party in an](#)  
26 [uncontested primary.](#)

27 [\(ii\) An "independent candidate" is a candidate who does not run in a primary or is not](#)  
28 [nominated by a party.](#)

29 [\(b\) In relation to the participation of candidates in the Public Financing of Elections](#)  
30 [Campaign Funding System or the private funding system:](#)

31 [\(i\) "Nonparticipating candidate" means a candidate for representative or senator in the](#)  
32 [general assembly or for general office who has not satisfied the requirements for receiving Public](#)  
33 [Financing of Elections funding.](#)

34 [\(ii\) "Participating Candidate" means a candidate for representative or senator in the](#)

1 general assembly or for general office who qualifies for Public Financing of Elections campaign  
2 funding.

3 (c) In relation to the declaration of candidates to participate in the Public Financing of  
4 Elections Campaign Funding System or the private funding system:

5 (i) "Declared candidate" means the candidate has filed a signed declaration of his or her  
6 candidacy not later than four o'clock (4:00) p.m. on the last day for the filing with the secretary of  
7 state for congressional and statewide general offices, or with the local board of the place of the  
8 candidate's voting residence for general assembly, or state committee or senatorial and  
9 representative district committee or with the appropriate local board for local officers.

10 (ii) "Undeclared candidate" means the candidate has failed to file a signed declaration of  
11 his or her candidacy by four o'clock (4:00) p.m. on the last day for the filing with the secretary of  
12 state for congressional and statewide general offices, or with the local board of the place of the  
13 candidate's voting residence for general assembly, or state committee or senatorial and  
14 representative district committee or with the appropriate local board for local officers.

15 (3) "Campaign Period" specified for Public Financing of Elections candidates shall  
16 include the following terms:

17 (a) "Exploratory Period" is the period beginning the day following the previous general  
18 election for the office sought and ending on the last day of the qualifying period. The exploratory  
19 period is the period during which candidates who wish to become eligible for Public Financing of  
20 Elections funding for the next elections are permitted to raise and spend a limited amount of  
21 private Seed Money for the purpose of testing their ability to run and of qualifying for Public  
22 Financing of Elections funding.

23 (b) "Qualifying Period" is the period beginning ninety (90) days before the beginning of  
24 the primary election campaign period and ending thirty (30) days before the day of the primary  
25 election. The qualifying period is the period in which candidates are permitted to collect  
26 qualifying contributions to become eligible for Public Financing of Elections Funding.

27 (c) "Primary Election Campaign Period" is the period beginning ninety (90) days before  
28 the primary election and ending on the day of the primary election.

29 (d) "General Election Campaign Period" is the period beginning the day after the Primary  
30 Election and ending on the day of the General Election.

31 ~~(3)~~(4) "Contributions" and ~~"expenditures"~~ include all transfers of money, payments,  
32 pledges, gifts, guarantees of loans, credit or debit card transactions on-line or electronic payment  
33 systems such as "pay pal," paid personal services, or other thing of value to or by any candidate,  
34 committee of a political party, or political action committee or ballot question advocate. A loan

1 shall be considered a contribution of money until it is repaid.

2 Disbursements from the Public Financing of Elections Fund to a candidate or a candidate  
3 committee are not considered a contribution. Volunteer activity does not constitute a contribution.

4 In relation to the Public Financing of Elections Campaign Funding System:

5 (a) A "Qualifying Contribution" is a contribution of five dollars (\$5.00) that is made by  
6 an individual eligible to vote and residing within the election district and is received during the  
7 qualifying period by a candidate seeking to become eligible for clean election funding.

8 (b) "Seed Money Contribution" is a contribution of no more than one hundred (\$100)  
9 made by an individual during the exploratory period.

10 ~~(4)~~(5) "Election" means any primary, general, or special election or town meeting for  
11 any public office of the state, municipality, or district or for the determination of any question  
12 submitted to the voters of the state, municipality, or district.

13 (5)(6) "Election cycle" means the twenty-four (24) month period commencing on  
14 January 1 of odd number years and ending on December 31 of even number years; provided, with  
15 respect to the public financing using Public Financing of Elections Campaign Funds of election  
16 campaigns of general officers under ~~sections 17-25-19, 17-25-20, and 17-25-25;~~ this chapter  
17 "election cycle" means the forty-eight (48) month period commencing on January 1 of odd  
18 numbered years and ending December 31 of even numbered years.

19 (7) The term "expenditures" includes all transfers of money, purchases, payments,  
20 distributions, loans, advances, deposits, paid personal services, or other thing of value given to  
21 any person, including any candidate, candidate committee, committee of a political party,  
22 political party, or political action committee. Expenditures also include the gift of money by any  
23 person for the purpose of expressly advocating the election or defeat of a candidate or supporting  
24 or opposing a ballot issue or ballot question.

25 (8)(a) The term "electioneering communication" means any communication broadcast by  
26 television or radio, printed in a newspaper or on a billboard, directly mailed or delivered by hand  
27 to personal residences, or otherwise distributed that:

28 (i) refers to any candidate; and

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

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

34 (b) The term "electioneering communication" does not include:

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

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

6 (iii) any communication by persons made in the regular course and scope of their  
7 business or any communication made by a membership organization solely to members of such  
8 organization and their families.

9 (c) The term "express advocacy" is an expenditure made by a person or group that  
10 explicitly advocates the election or defeat of a candidate, including all costs of designing,  
11 producing, or disseminating a communication that contains phrases such as "vote for", "re-elect",  
12 "support", "cast your ballot for", "[name of candidate] for [name of office]", "[name of candidate]  
13 in [year]", "vote against", "defeat", "reject", or similar phrases.

14 (d) The term "independent expenditures" includes any funds spent on express advocacy  
15 or electioneering communications that are not coordinated with any candidate's campaign.

16 ~~(6)~~(9) "In-Kind Contributions" means the monetary value of other things of value or paid  
17 personal services donated to, or benefiting, any person required to file reports with the board of  
18 elections.

19 (10) "Opposing funds" are funds spent opposing a participating candidate's campaign.  
20 The amount of opposing funds is calculated by totaling the contributions received by the  
21 nonparticipating candidate opponent with the highest total of contributions received and  
22 supportive independent expenditures. While initial disbursements from the Public Financing of  
23 Elections Fund to participating candidates are counted as contributions, matching funds as  
24 defined in section 17-25-9 do not count for purposes of determining opposing funds. No  
25 independent expenditure may be counted as both opposing a participating candidate and in  
26 support of that candidate's opponent.

27 ~~(7)~~(11) "Other thing of value" means any item of tangible real or personal property of a  
28 fair market value in excess of one hundred dollars (\$100).

29 ~~(8)~~(12) "Paid personal services" means personal services of every kind and nature, the  
30 cost or consideration for which is paid or provided by someone other than the committee or  
31 nonparticipating candidate for whom the services are rendered, but shall not include personal  
32 services provided without compensation by persons volunteering their time.

33 ~~(9)~~(13) "Person" means an individual, partnership, committee, association, corporation,  
34 and any other organization.

1           ~~(10)~~(14) "Political action committee" means any group of two (2) or more persons that  
2 accepts any contributions to be used for advocating the election or defeat of any candidate or  
3 candidates. Only political action committees that have accepted contributions from fifteen (15) or  
4 more persons in amounts of ten dollars (\$10.00) or more within an election cycle shall be  
5 permitted to make contributions, and those committees must make contributions to at least five  
6 (5) candidates for state or local office within an election cycle.

7           ~~(11)~~(15) "Public office" means any state, municipal, school, or district office or other  
8 position that is filled by popular election, except political party offices. "Political party offices"  
9 means any state, city, town, ward, or representative or senatorial district committee office of a  
10 political party or delegate to a political party convention, or any similar office.

11           ~~(12)~~(16) "State" means state of Rhode Island.

12           ~~(13)~~(17) "Testimonial affair" means an affair of any kind or nature including, but not  
13 limited to, cocktail parties, breakfasts, luncheons, dinners, dances, picnics, or similar affairs  
14 expressly and directly intended to raise campaign funds in behalf of a candidate to be used for  
15 nomination or election to a public office in this state, or expressly and directly intended to raise  
16 funds in behalf of any state or municipal committee of a political party, or expressly and directly  
17 intended to raise funds in behalf of any political action committee.

18           **17-25-4. Applicability.** -- The provisions of this chapter shall apply in any primary,  
19 general, or special election or town meeting for any public office of the state, municipality, or  
20 district or for the determination of any question submitted to the voters of the state, municipality,  
21 or district; provided, however, the Public Financing of Elections provisions of this chapter shall  
22 apply only to candidates for the general assembly or for general office.

23           **17-25-5. Duties and powers of the board of elections.** -- (a) The board of elections is  
24 authorized to perform any duties that are necessary to implement the provisions of this chapter.  
25 Without limiting the generality of this provision, the board is authorized and empowered to:

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

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

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

1 (4) (i) Prepare and make available for public inspection, through the office of the board  
2 of elections, summaries of all reports grouped according to participating candidates,  
3 nonparticipating candidates, ~~and~~ political parties, political action committees, and groups  
4 advocating the passage or defeat of referenda;

5 (ii) Make all campaign finance reports available electronically on the board of election's  
6 website no later than two (2) business days after the reports are received by the board of  
7 elections;

8 (iii) Take any steps that may be necessary or appropriate to make all campaign finance  
9 reports available in an electronic searchable format on the board of election's website no later  
10 than one business day after the reports are received by the board of elections commencing with  
11 the first quarterly reporting period in 2010.

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

14 (6) Ascertain whether participating candidates, nonparticipating candidates or political  
15 party committees, political action committees, ~~or~~ ballot questions advocates or groups advocating  
16 the passage or defeat of referenda, have failed to file reports or have filed defective reports; and  
17 may for good cause shown extend the dates upon which reports are required to be filed;

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

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

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

1 (b) The board of elections shall take any steps that may be necessary or appropriate to  
2 furnish timely and adequate information, both in appropriate printed summaries and in any other  
3 form that it may see fit, to every candidate or prospective candidate for public office who  
4 becomes or is likely to become subject to the provisions of this chapter, and to every treasurer  
5 duly designated under the provisions of this chapter, informing them of their actual or prospective  
6 obligations and responsibilities under this chapter. Any such timely and accurate information  
7 produced in printed summaries shall be duplicated exactly on the official website of the Rhode  
8 Island Board of Elections.

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

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

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

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

23 **17-25-7. Contents of reports to be filed by treasurers of candidates and committees.**

24 -- (a) Each campaign treasurer of ~~a~~ each candidate, participating candidate, nonparticipating  
25 candidate, each state and municipal committee of a political party, and each political action  
26 committee shall keep accurate records and make a full report, upon a form prescribed by the  
27 board of elections, of all contributions received by it in excess of a total of one hundred dollars  
28 (\$100) from any one source within a calendar year, in furtherance of the nomination, election, or  
29 defeat of any candidate or the approval or rejection of any question submitted to the voters during  
30 the period from the date of the last report, or in the case of the initial report, beginning on the date  
31 of the appointment of the campaign treasurer for state and municipal committees and political  
32 action committees and on the date a person becomes a "candidate", as defined in section 17-25-  
33 3(2) for individual candidates. The report shall contain the name and address and place of  
34 employment of each person or source from whom the contributions in excess of one hundred

1 dollars (\$100) were received, and the amount contributed by each person or source. The report  
2 shall be filed with the board of elections on the dates designated in section 17-25-11. The  
3 campaign treasurer of the candidate, or committee reporting, shall certify to the correctness of  
4 each report.

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

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

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

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

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

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

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

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

34 (5) Tuition payments;

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

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

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

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

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

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

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

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

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

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

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

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

3 (d) Any campaign funds not used to pay for the expenses of gaining or holding public  
4 office may:

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

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

8 (3) Be transferred in whole or in part into a newly established political action committee  
9 or ballot question advocate;

10 (4) Be donated to a tax exempt charitable organization as that term is used in section  
11 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. section 501, or any subsequent  
12 corresponding internal revenue code of the United States as from time to time amended;

13 (5) Be donated to the state of Rhode Island; or

14 (6) Be returned to the donor.

15 **17-25-7.6. Electronic reporting.** -- (a) The filing of campaign finance reports to the  
16 board of elections shall commence in accordance with the following schedule:

17 (1) Candidates for general office shall commence filing campaign finance reports  
18 electronically beginning with the report required to be filed for the first quarterly reporting period  
19 in 2002.

20 (2) All other candidates for public office and political parties, other than state political  
21 parties, who raise or expend more than ten thousand dollars (\$10,000) annually, or whose report  
22 shows a balance of twenty-five thousand dollars (\$25,000) or more in their campaign fund shall  
23 commence filing campaign finance reports electronically beginning with the second quarterly  
24 reporting period in 2008; provided, that all candidates may commence filing campaign finance  
25 reports electronically beginning with the first report required to be filed for the first quarterly  
26 reporting period in 2002.

27 (3) State political parties, political action committees and vendors required to file  
28 campaign finance reports and who raise or expend more than ten thousand dollars (\$10,000)  
29 annually, or whose report shows a balance of twenty-five thousand dollars (\$25,000) or more in  
30 their campaign fund shall do so commencing with the first report required to be filed for the first  
31 quarterly reporting period in 2002.

32 (b) The board of elections shall have the authority to adopt regulations to implement and  
33 administer the provisions of this section.

34 (c) Notwithstanding anything else in this section and subject to the implementation of an

1 electronic reporting and tracking system, the board of elections shall have the authority to delay  
2 implementation of the requirements of this section by up to ninety (90) days.

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

5 **17-25-8. Appointment of campaign treasurer by candidate -- Filings.** -- (a) Each  
6 candidate in an election, [regardless of which campaign financing system they elect to join](#) shall  
7 file a "notice of organization" with the board of elections and appoint one campaign treasurer  
8 before receiving any contribution or expending any money in furtherance or aid of the candidate's  
9 candidacy. The "notice of organization" shall include the name and address of the candidate, the  
10 campaign treasurer and the committee being established.

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

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

19 **17-25-10. Lawful methods of contributing to support of candidates -- Reporting --**  
20 **Disposition of anonymous contributions.** -- (a) No contribution shall be made or received, and  
21 no expenditures shall be directly made or incurred, to support or defeat a candidate except  
22 through:

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

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

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

29 (b) It shall be lawful for any person, not otherwise prohibited by law and not acting in  
30 concert with any other person or group, to expend personally from that person's own funds a sum  
31 which is not to be repaid to him or her for any purpose not prohibited by law to support or defeat  
32 a candidate; provided, that any person making the expenditure shall be required to report all of his  
33 or her expenditures and expenses, if the total of the money so expended exceeds one hundred  
34 dollars (\$100) within a calendar year, to the board of elections within seven (7) days of making

1 the expenditure and to the campaign treasurer of the candidate or political party committee on  
2 whose behalf the expenditure or contribution was made, or to his or her deputy, within seven (7)  
3 days of making the expenditure, who shall cause the expenditures and expenses to be included in  
4 his or her reports to the board of elections. Whether a person is "acting in concert with any other  
5 person or group" for the purposes of this subsection shall be determined by application of the  
6 standards set forth in section 17-25-23.

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

10 **17-25-10.1. Political contributions -- Limitations.** -- (a) (1) No person, other than the  
11 candidate to his or her own campaign, nor any political action committee shall make a  
12 contribution or contributions to any candidate, as defined by section 17-25-3, or political action  
13 committee or political party committee which in the aggregate exceed one thousand dollars  
14 (\$1,000) within a calendar year, nor shall any person make contributions to more than one state or  
15 local candidate, to more than one political action committee, or to more than one political party  
16 committee, or to a combination of state and local candidates and political action committees and  
17 political party committees which in the aggregate exceed ten thousand dollars (\$10,000) within a  
18 calendar year, nor shall any political action committee make such contributions which in the  
19 aggregate exceed twenty-five thousand dollars (\$25,000) within a calendar year, nor shall any  
20 candidate or any political action committee or any political party committee accept a contribution  
21 or contributions which in the aggregate exceed one thousand dollars (\$1,000) within a calendar  
22 year from any one person or political action committee.

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

28 (b) Contributions to a named candidate made to any political committee authorized by  
29 that candidate to accept contributions on the candidate's behalf shall be considered to be  
30 contributions made to the candidate. Contributions to a candidate by a political committee for  
31 another person shall be considered to be contributions by that person.

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

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

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

17 (f) (1) A contribution from an individual's dependent children, as defined in section 36-  
18 14-2, shall be deemed a contribution from the individual for the purpose of determining whether  
19 aggregate contributions exceed either the one hundred dollar (\$100) threshold for reporting  
20 purposes or the one thousand dollar (\$1,000) maximum for contributions to a single candidate or  
21 political action committee or the ten thousand dollar (\$10,000) maximum for contributing to all  
22 candidates and political action committees within a calendar year.

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

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

32 (h) (1) It shall be unlawful for any corporation, whether profit or non-profit, domestic  
33 corporation or foreign corporation, as defined in section 71.2-106, or other business entity to  
34 make any campaign contribution or expenditure, as defined in section 17-25-3, to or for any

1 candidate, political action committee, or political party committee, or for any candidate, political  
2 action committee, or political party committee to accept any campaign contribution or  
3 expenditure from a corporation or other business entity. Any contribution made in the personal  
4 name of any employee of a corporation or other business entity, for which the employee received  
5 or will receive reimbursement from the corporation or other business entity, shall be considered  
6 as a contribution by the corporation or other business entity, in violation of this section.

7 (2) The prohibition contained in subparagraph (h)(1) shall not apply to a corporation or  
8 legal entity that is:

9 (i) a preexisting corporation or legal entity that uses existing funds from its general  
10 treasury or other general accounts to advocate the passage or defeat of a ballot question;

11 (ii) a preexisting corporation or legal entity that solicits funds from its membership to  
12 advocate the passage or defeat of a ballot question;

13 (iii) a preexisting legal entity that solicits funds from outside of its membership to  
14 advocate the passage or defeat of a ballot question;

15 (iv) a corporation or legal entity formed for a purpose that includes; and

16 ~~(2)~~(3) Any voluntary payroll deduction and/or contribution made by employees of a  
17 corporation or other business entity shall not be deemed a contribution of a corporation or other  
18 business entity, notwithstanding that the contributions were sent to the recipient by the  
19 corporation or other business entity.

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

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

33 **17-25-11.1. Preservation of candidate or committee records.** -- (a) For every report  
34 filed after the effective date of this chapter, the campaign treasurer of each candidate, whether

1 [participating or nonparticipating](#), seeking nomination for election or election to public office shall  
2 maintain and preserve all records and supporting documentation for a period of four (4) years  
3 from the filing date.

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

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

14 **17-25-28. Board of elections -- Regulation and auditing of matching fund program.** -  
15 - In addition to all other powers and duties established by law, the board of elections is  
16 empowered to adopt and enforce rules, regulations, and auditing procedures required to fulfill the  
17 mandates of ~~sections 17-25-19—17-25-27~~ [this chapter](#). The board is empowered, among other  
18 things, to:

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

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

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

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

1 requested, within seven (7) days of the commencement of the investigation.

2 (iii) If a preliminary investigation fails to indicate reasonable cause for belief that  
3 ~~sections 17-25-18—17-25-27~~ [this chapter](#) have been violated, the board shall immediately  
4 terminate the investigation and notify, in writing, the complainant, if any, and the person who had  
5 been the subject of the investigation.

6 (iv) If a preliminary investigation indicates reasonable cause for belief that ~~sections 17-~~  
7 ~~25-18—17-25-27~~ [this chapter](#) have been violated, the board may, upon a majority vote, initiate a  
8 full investigation and appropriate proceedings to determine whether there has been a violation.

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

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

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

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

24 (I) Cease and desist from the violation;

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

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

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

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

34 (x) Any final action by the board made pursuant to this chapter shall be subject to review

1 in superior court upon petition of any interested person filed within thirty (30) days after the  
2 action for which review is sought. The court shall enter a judgment enforcing, modifying, or  
3 setting aside the order of the board, or it may remand the proceeding to the board for any further  
4 action that the court may decide.

5 **17-25-29. Appropriations. – Public Financing of Elections Fund.** (a) There is hereby  
6 created a special, dedicated, non-lapsing Public Financing of Elections Fund for the purpose of  
7 providing public financing for the election campaigns of certified Participating Candidates and  
8 paying for the administrative and enforcement costs of the board of elections related to this act.  
9 The Public Financing of Elections Fund shall receive any funds generated by the tax credit of  
10 subsection 44-30-2(d), any fines assessed in connection with this act, any qualifying  
11 contributions, any unspent funds of a participating candidate remaining after the for which the  
12 funds were distributed, any interest generated by the Public Financing of Elections Fund,  
13 voluntary donations made to the Public Financing of Elections Fund, and an annual appropriation  
14 of seven dollars (\$7.00) per resident of the state as calculated by the United States Census Bureau  
15 for the year preceding the election, indexed for inflation. The Public Financing of Elections Fund  
16 shall be deposited in a manner that will secure the highest rate of interest available consistent with  
17 the safety of the sums and with the requirement that all sums on deposit be available for  
18 immediate payment to eligible candidates at any time during the primary or general election  
19 campaign periods.

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

1 limits are reached. The board shall account for all funds disbursed pursuant to this chapter ~~and~~  
2 ~~transfer upon the conclusion of any election for general office any and all undisbursed sums to the~~  
3 ~~general treasurer for deposit in the general fund by December 1 in any year in which the election~~  
4 ~~is held.~~

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

8 **17-25-31. Public financing of elections eligibility.** -- (a) A party candidate qualifies as a  
9 participating candidate for the primary election campaign period by:

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

13 (2) qualifying for the primary ballot; and

14 (3) collecting the required number of qualifying contributions during the qualifying  
15 period:

16 (i) Fifty (50) qualifying contributions for a candidate for representative;

17 (ii) One hundred (100) qualifying contributions for a candidate for senator;

18 (iii) Two thousand five hundred (2,500) qualifying contributions for a candidate for  
19 governor; or

20 (iv) One thousand (1,000) qualifying contributions for a candidate for a general office  
21 other than governor.

22 (b)(1) Each contributor of a qualifying contribution shall sign a receipt on a form  
23 provided by the board of elections including the contributor's signature, printed name, home  
24 address, and telephone number, and the name of the candidate on whose behalf the contribution is  
25 made. In addition, the receipt shall state that the contributor understands that the purpose of the  
26 qualifying contribution is to help the candidate qualify for Public Financing of Elections funding  
27 and that the contribution is made without coercion or reimbursement. The candidate receiving the  
28 qualifying contribution shall submit a copy of the receipt to the board of elections.

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

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

33 (4) The candidate shall submit to the board of elections a single check for the total  
34 amount of the qualifying contributions for deposit in the Public Financing of Elections Fund

1 along with all of the qualifying contribution receipts.

2 (c) A party candidate qualifies as a participating candidate for the general election  
3 campaign period by qualifying as a participating candidate during the primary election campaign  
4 period and by winning the primary election.

5 (d) An independent candidate qualifies as a participating candidate for both the primary  
6 election campaign period and the general election campaign period by:

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

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

11 (3) collecting the required number of qualifying contributions during the qualifying  
12 period:

13 (a) Fifty (50) qualifying contributions for a candidate for representative;

14 (b) One hundred (100) qualifying contributions for a candidate for senator;

15 (c) Two thousand five hundred (2,500) qualifying contributions for a candidate for  
16 governor; or

17 (d) One thousand (1,000) qualifying contributions for a candidate for a general office  
18 other than governor.

19 **17-25-32. Contributions.** -- (a) During the primary and general election campaign  
20 periods, a participating candidate may accept only contributions from the participating candidate's  
21 political party, seed money contributions, and qualifying contributions.

22 (b) A participating candidate who accepts any benefits during the primary election  
23 campaign period shall comply with this requirement during the general election campaign period  
24 regardless of whether the participating candidate accepts any benefits during the general election  
25 campaign period.

26 (c) During the primary and general election campaign period, a participating candidate  
27 shall not solicit or receive political contributions for any other candidate or for any political party  
28 or other political committee.

29 (d) No person shall make a contribution in the name of another person.

30 (e) During the primary and general election campaign periods, a participating candidate  
31 shall pay for all campaign expenditures, except petty cash expenditures, by means of a "Public  
32 Financing of Elections Debit Card" issued by the board of elections.

33 (f) Participating candidates and persons seeking to become participating candidates shall  
34 furnish complete campaign records, including all records of seed money contributions and

1 qualifying contributions, to the board of elections at regular filing times and upon request by the  
2 board of elections. All candidates must cooperate with any audit or examination by the board of  
3 elections.

4 **17-25-33. Campaign accounts for participating candidates.** -- (a) During an election  
5 cycle, each participating candidate shall conduct all campaign financial activities through a single  
6 campaign account.

7 (b) A participating candidate may maintain a campaign account other than the campaign  
8 account described in paragraph (a) above if other campaign account is for the purpose of retiring  
9 a campaign debt that was incurred during a previous election campaign in which the candidate  
10 was not a participating candidate.

11 (c) Contributions for the purposes of retiring a previous campaign debt that are deposited  
12 in the kind of "other campaign account" described in paragraph (b) shall not be considered  
13 contributions to the candidate's current campaign.

14 (d) Participating candidates shall file reports of financial activity related to the current  
15 election cycle separately from reports of financial activity related to previous election cycles.

16 **17-25-34. Seed money.** – (a) The only private contributions a candidate seeking to  
17 become eligible for Public Financing of Elections funding shall accept, other than qualifying  
18 contributions and limited contributions from the candidate's political party, are seed money  
19 contributions contributed by individuals prior to the end of the qualifying period.

20 (b) A seed money contribution shall not exceed one hundred dollars (\$100) per donor,  
21 and the aggregate amount of seed money contributions accepted by a candidate seeking to  
22 become eligible for public financing of elections funding shall not exceed:

23 (1) Five hundred dollars (\$500) for a candidate running for representative;

24 (2) One thousand dollars (\$1,000) for a candidate running for senator;

25 (3) Ninety thousand dollars (\$90,000) for a candidate running for the office of governor;

26 or

27 (4) Thirty six thousand dollars (\$36,000) for a candidate running for general office other  
28 than governor.

29 (c) Receipts for seed money contributions under twenty-five dollars (\$25.00) shall  
30 include the contributor's signature, printed name, and address. Receipts for seed money  
31 contributions of twenty-five dollars (\$25.00) or more shall include the contributor's signature,  
32 printed name, street address and zip code, telephone number, occupation, and name of employer.  
33 Candidates shall not accept seed money contributions without receiving the required disclosure  
34 information.

1 (d) Seed money shall be spent only during the exploratory and qualifying periods. Seed  
2 money shall not be spent during the primary or general election campaign periods, including the  
3 portion of the primary election campaign period that is also part of the qualifying period.

4 (e) Candidates seeking to become participating candidates shall, upon submitting their  
5 qualifying contributions to the board of elections or upon the beginning of the primary election  
6 campaign period:

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

9 (2) Turn over to the board of elections for deposit in the public financing of elections  
10 fund any seed money raised during the exploratory period that exceeds the aggregate seed money  
11 limit.

12 **17-25-35. Use of personal funds.** -- (a) Personal funds contributed as seed money by a  
13 candidate seeking to become eligible as a participating candidate or adult members of the  
14 candidate's family shall not exceed the maximum of one hundred dollars (\$100) per contributor.

15 (b) Personal funds shall not be used to meet the qualifying contribution requirement  
16 except for one five dollar (\$5) contribution from the candidate.

17 **17-25-36. Campaign advertisements.** -- All cable, broadcast and print advertisements  
18 placed by any candidates or their committees shall include a clear written or spoken statement  
19 indicating that the candidate has approved of the contents of the advertisement.

20 **17-25-37. Certification.** -- (a) No more than five (5) days after a candidate applies for  
21 public financing of elections benefits, the board of elections shall certify whether the candidate is  
22 eligible. If a participating candidate violates the requirements of this act knowingly and willfully,  
23 the board of elections shall revoke the candidate's eligibility and the candidate shall repay all  
24 public financing of elections funds expended.

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

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

29 **17-25-38. Public financing of elections benefits.** -- (a) Participating candidates shall  
30 receive public financing of elections funding from the board of elections for each election in the  
31 amounts specified in section 17-25-28. This funding may be used to finance any campaign  
32 expenses during the period for which it was allocated.

33 (b) No participating candidate shall spend any public financing of elections funds on  
34 personal use, as defined by section 17-25-7.2.

1 (c) Participating candidate shall receive public financing of elections funding for the  
2 primary election campaign period on the date on which the board of elections certifies the  
3 candidate as a participating candidate or the first day of the primary election campaign period,  
4 whichever is later.

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

11 **17-25-39. Public financing of elections funding amounts.** -- (a)(1) For participating  
12 candidates who are party candidates, the amount of public financing of elections funding in a  
13 contested primary election:

14 (i) Eight thousand dollars (\$8,000) for a candidate running for the office of  
15 representative;

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

17 (iii) One million five thousand dollars (\$1,500,000) for a candidate running for the office  
18 of governor; and

19 (iv) Six hundred thousand dollars (\$600,000) for a candidate running for general office  
20 other than governor.

21 (2) The public financing of elections funding amount for a participating party candidate  
22 in an uncontested primary election is twenty-five percent (25%) of the amount provided in a  
23 contested primary election.

24 (3) When a party candidate files to be a participating candidate, the candidate may  
25 declare an expectation that the general election will not be contested. A participating candidate in  
26 a contested primary election that makes this declaration shall receive the general election public  
27 financing of elections funding amount instead of the primary election public financing of  
28 elections amount. During the general election campaign period, a participating candidate who  
29 declared that the general election would not be contested shall be eligible only for the uncontested  
30 general election public financing of elections amount regardless of whether the general election is  
31 in fact contested.

32 (4) In a contested general election in which a participating candidate is a party candidate,  
33 if the participating candidate or all the candidates of that party that competed for nomination in  
34 the primary election combined received at least twenty percent (20%) of the total number of votes

1 cast for all candidates seeking that office in the just-held primary election, or if the candidate of  
2 the participating candidate's party received at least twenty percent (20%) of the total vote in the  
3 previous general election, the participating candidate shall receive the full amount of public  
4 financing of elections funding for the general election. The full amount of public financing of  
5 elections funding for the general election is:

6 (i) Twelve thousand dollars (\$12,000) for a candidate for representative;  
7 (ii) Twenty-four thousand dollars (\$24,000) for a candidate for senator;  
8 (iii) Two million five hundred thousand dollars (\$2,500,000) for a candidate for  
9 governor; and

10 (iv) Nine hundred thousand dollars (\$900,000) for a candidate for general office other than  
11 governor.

12 (5) In a contested general election in which a participating candidate is a part candidate  
13 who is not entitled to the full amount of public financing of elections funding for the general  
14 election under subparagraph (4), the participating candidate shall receive public funding based on  
15 the higher of the ratio of the percentage of votes received in the primary election by candidates of  
16 the participating candidate's party to twenty percent (20%) or the ratio of the percentage of the  
17 vote received by the nominee of the participating candidate's party in the previous general  
18 election to twenty percent (20%).

19 (6) The public financing of elections funding amount in an uncontested general election  
20 is ten percent (10%) of the amount provided for in a contested general election for the same  
21 office.

22 (b)(1) The public financing of elections funding available for a participating independent  
23 candidate during a primary election period is twenty-five percent (25%) of the amount received  
24 by a party candidate in a contested primary election.

25 (2) The public financing of elections funding amount for a participating independent  
26 candidate in the general election is the same as the full amount received by a participating party  
27 candidate in the general election.

28 (c) For every election cycle after the first election cycle under this act, the board of  
29 elections shall modify all public financing of elections funding amounts based on the rate of  
30 inflation or the cost-of-living (COLA) index as determined by the United States government  
31 during a twenty-four (24) month period ending in the immediately preceding year.

32 **17-25-40. Matching funds.** -- (a) A nonparticipating candidate shall file with the board  
33 of elections a report, signed under penalty of perjury, within five (5) days of when the candidate's  
34 expenditures and obligations to make expenditures, or contributions received, whichever is

1 higher, exceeds eighty percent (80%) of the public financing of elections funding amount  
2 received by any opponent. After the first such report, the nonparticipating candidate must file an  
3 additional report within five (5) days of whenever the aggregate unreported expenditures and  
4 obligations or contributions exceed five percent (5%) of the public financing of elections funding  
5 amount of any opponent. Within twenty (20) days of the election, nonparticipating candidates  
6 must report one percent (1%) increments within twenty-four (24) hours. All nonparticipating  
7 candidates must file at least one report no later than twenty (20) days prior to the election, at least  
8 one report within twenty (20) days but not more than seven (7) days prior to the election, and at  
9 least one report within seven (7) days but not more than forty-eight (48) hours before the election.

10 (b) Any person expending or entering into an obligation to spend at least one hundred  
11 dollars (\$100) on independent expenditures must file a report, signed under penalty of perjury,  
12 listing the independent expenditures, and itemizing the amount spent or obligated and the  
13 candidates supported or opposed, with the board of elections within five (5) days of the  
14 expenditure. An additional report must be filed for every aggregate one hundred dollars (\$100)  
15 spent or obligated. Independent expenditures within twenty (20) days of the election must be  
16 reported within twenty-four (24) hours.

17 (c) Using the reports filed and any additional information available, the board of elections  
18 shall track the opposing funds spent with regard to each participating candidate. When the  
19 opposing funds exceed the public financing of elections funds provided to the participating  
20 candidate, the board of elections shall make additional public financing of elections funds  
21 available to the candidate to match the opposing funds. No participating candidate may receive  
22 more than two hundred percent (200%) of the initial allotment of public financing of elections  
23 funds, for a total of three hundred percent (300%) of the initial public financing of elections  
24 allotment. Matching funds provided during the primary election campaign period do not count  
25 against eligibility for matching funds during the general election campaign period.

26 (d) Reckless or intentional failure by a candidate to file a required report or reckless or  
27 intentional underreporting is punishable by a civil fine payable by the candidate from personal  
28 funds of three (3) times the amount that was not reported. Should a nonparticipating candidate fail  
29 to file a required report, any participating opponents shall be entitled to the maximum amount of  
30 matching funds.

31 (e) The board of elections may reduce the amount of matching funds provided to a  
32 participating candidate upon concluding that, due to a deliberate effort by any person to  
33 manipulate the matching fund system, the opposing funds calculation does not accurately reflect  
34 the opposition faced by the participating candidate. The board shall inform the participating

1 candidate of its reasoning in a detailed written statement and shall be subject to administrative or  
2 judicial review.

3 **17-25-41. Administration and dispersal of money from the fund. --** (a) Upon  
4 determining that a candidate has met all the requirements for becoming a participating candidate  
5 as provided for in this act, the board of elections shall issue to the candidate a "Public Financing  
6 of Elections debit card" and a line of debit entitling the candidate and members of the candidate's  
7 staff to draw public financing of elections funds from a board of elections account to pay for all  
8 campaign costs and expenses up to the amount of public financing of elections funding the  
9 candidate has received.

10 (b) Neither a participating candidate nor any other person on behalf of a participating  
11 candidate shall pay campaign costs by cash, check, money order, loan or by any other means  
12 other than the public financing of elections debit card, except for petty cash expenditures as  
13 defined in paragraph (c).

14 (c) Cash amount of one hundred dollars (\$100) or less per day may be drawn on the  
15 public financing of elections debit card and used to pay expenses of no more than twenty-five  
16 dollars (\$25.00) each. Records of all such expenditures shall be maintained and reported to the  
17 board of elections.

18 **17-25-42. Political party contributions and expenditures. --** (a) Participating  
19 candidates may accept monetary or in-kind contributions from political parties provided that the  
20 aggregate amount of such contributions from all political party committees does not exceed the  
21 equivalent of five percent (5%) of the original public financing of elections funding allotment for  
22 that office for that election. These contributions and contributions under this aggregate amount to  
23 nonparticipating candidates shall not be counted as opposing funds for any candidate. Additional  
24 independent expenditures by political parties beyond the contributions provided for by this  
25 section shall be counted towards opposing funds.

26 (b) Expenditures or contributions by a political party that are made to or on behalf of one  
27 or more of the party's candidates during the primary or general election campaign periods shall be  
28 reported under the requirements of subsection 17-25-40(b).

29 (c) Nothing in this act shall prevent political party funds from being used for: general  
30 operating expenses of the party; conventions; nominating and endorsing candidates; identifying,  
31 researching, and developing the party's position on issues; party platform activities; non-  
32 candidate-specific voter registration; non-candidate-specific get-out-the-vote drives; travel  
33 expenses for non-candidate party leaders and staff; and other non-candidate-specific party  
34 building activities.

1           **17-25-43. Transition rule.** -- During the first election cycle that occurs after the effective  
2 date of this act, a candidate may be certified as a participating candidate, notwithstanding the  
3 acceptance of contributions or making of expenditures from private funds before the date of  
4 enactment that would, absent this section, disqualify the candidate as a participating, provided  
5 that:

6           (a) Any private funds accepted but not expended before the effective date of this act shall  
7 be:

8           (1) returned to the contributor;

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

11           (3) submitted to the board of elections for deposit in the public financing of elections  
12 fund.

13           **17-25-44. Severability.** -- If any provision of this act or the application thereof to any  
14 person or circumstances shall be held invalid, such invalidity shall not affect other provisions or  
15 applications of the act, which can be given effect without the invalid provision or application, and  
16 to this end the provisions of the act are declared to be severable.

17           SECTION 3. Sections 17-25-17, 17-25-18, 17-25-19, 17-25-20, 17-25-21, 17-25-22, 17-  
18 25-24, 17-25-25, 17-25-26 and 17-25-30 of the General Laws in Chapter 17-25 entitled "Rhode  
19 Island Campaign Contributions and Expenditures Reporting" are hereby repealed.

20           ~~**17-25-17. Severability.** -- (a) If the provisions of this chapter or their application to any~~  
21 ~~person or circumstances is held invalid, the invalidity shall not affect other provisions or~~  
22 ~~applications of the chapter which can be given effect without the invalid provision or application,~~  
23 ~~and to this end the provisions of the chapter are declared to be severable.~~

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

28           ~~**17-25-18. Public financing of election campaigns -- General purpose.** -- Whereas, the~~  
29 ~~general assembly finds that the cost of running for statewide office has risen over the last decade~~  
30 ~~at a rate far in excess of the increase in the cost of living; and~~

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

34           ~~Whereas, the general assembly finds that the candidate's need to raise large sums of~~

1 ~~money can result in disproportionate and inappropriate influence being obtained by those who~~  
2 ~~possess the financial ability to make large contributions to campaigns; and~~

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

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

8 ~~**17-25-19. Public financing of election campaigns -- Outlined.**~~ (a) ~~To effectuate the~~  
9 ~~purpose stated in section 17-25-18, public funds shall be made available under the terms and~~  
10 ~~conditions of this section and sections 17-25-20—17-25-27 to qualifying candidates for general~~  
11 ~~office who agree to abide by a limitation on the total amount of campaign contributions received~~  
12 ~~and expenditures made for election purposes.~~

13 ~~(b) The nominees for general office of each political party, as defined in section 17-1-~~  
14 ~~2(9), and independent candidates for those offices who meet the requirements set forth in section~~  
15 ~~17-25-20(6), shall be eligible to receive two dollars (\$2.00) of public funds for each qualified~~  
16 ~~dollar (\$1.00) of private funds contributed which do not exceed an aggregate of five hundred~~  
17 ~~dollars (\$500) from a single source within an election cycle and one dollar (\$1.00) of public funds~~  
18 ~~for each qualified dollar (\$1.00) of private funds contributed which exceed an aggregate of five~~  
19 ~~hundred dollars (\$500) from a single source within an election cycle but do not exceed the~~  
20 ~~limitations on aggregate contributions which are eligible to be matched set in section 17-25-20(3),~~  
21 ~~subject to the provisions of section 17-25-20(2). The total amount of public funds provided to a~~  
22 ~~candidate shall not exceed seven hundred fifty thousand dollars (\$750,000) in matching funds for~~  
23 ~~a total of one million five hundred thousand dollars (\$1,500,000) for candidates for governor; and~~  
24 ~~one hundred eighty seven thousand five hundred dollars (\$187,500) in matching funds for a total~~  
25 ~~of three hundred seventy five thousand dollars (\$375,000) for candidates for other general~~  
26 ~~offices.~~

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

32 ~~**17-25-20. Eligibility criteria for matching public funds. [Effective until January 1,**~~  
33 ~~**2008.]**~~ In order to receive matching public funds under section 17-25-19, a qualifying candidate  
34 ~~must comply with the following requirements:~~

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

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

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

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

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

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

32 ~~(4) The direct costs incurred in connection with raising campaign funds on behalf of a~~  
33 ~~candidate shall not be deemed to be expenditures for the purposes of the limitations on~~  
34 ~~expenditures set forth in subdivision (2) of this section. Direct costs shall include costs of printing~~

1 ~~and mailing invitations to fundraising events, solicitations for contributions, costs of hosting~~  
2 ~~fundraising events, and travel to those events, but shall not include any portion of the salary or~~  
3 ~~wages of campaign employees, nor the cost of any radio, television, or printed advertisement. The~~  
4 ~~cost of a fundraising event must be less than the amount of money realized from the gross~~  
5 ~~proceeds generated by the fundraising event in order to qualify for this exclusion.~~

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

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

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

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

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

19 ~~(7) No public funds received by any candidate pursuant to sections 17-25-19—17-25-27~~  
20 ~~of this chapter and no private funds used to qualify for the public funds shall be expended by the~~  
21 ~~candidate for any purpose except to pay reasonable and necessary expenses directly related to the~~  
22 ~~candidate's campaign.~~

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

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

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

27 ~~(iii) Purchase of advertising space in newspapers and regularly published magazines and~~  
28 ~~periodicals;~~

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

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

32 ~~(vi) Purchase of signs, bumper stickers, campaign buttons, and other campaign~~  
33 ~~paraphernalia;~~

34 ~~(vii) Payment of the cost of legal and accounting expenses incurred in complying with~~

1 ~~the public financing law and regulations as required by this chapter;~~

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

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

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

7 ~~-(9) Contributions received and expended by any candidate for the purpose of defraying~~  
8 ~~any expense or satisfying any loan obligations incurred prior to January 1, 1991, by the candidate~~  
9 ~~in furtherance of his or her candidacy in a previous election cycle, as defined in section 17-25-~~  
10 ~~3(5), shall not be counted toward any contribution or expenditure limitation in sections 17-25-18-~~  
11 ~~17-25-27.~~

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

15 ~~**17-25-20. Eligibility criteria for matching public funds. [Effective January 1, 2008.]**~~

16 ~~—In order to receive matching public funds under section 17-25-19, a qualifying candidate must~~  
17 ~~comply with the following requirements:~~

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

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

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

1 ~~in the consumer price index since the month in which the previous general election involving~~  
2 ~~general was held.~~

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

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

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

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

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

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

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

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

34 ~~-(iii) Comply with any and all applicable nomination provisions in this title and qualify~~

1 ~~for the general election ballot pursuant to the process set forth in this title.~~

2 ~~(7) No public funds received by any candidate pursuant to sections 17-25-19—17-25-27~~  
3 ~~of this chapter and no private funds used to qualify for the public funds shall be expended by the~~  
4 ~~candidate for any purpose except to pay reasonable and necessary expenses directly related to the~~  
5 ~~candidate's campaign.~~

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

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

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

12 ~~(iii) Purchase of advertising space in newspapers and regularly published magazines and~~  
13 ~~periodicals;~~

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

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

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

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

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

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

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

26 ~~(9) Contributions received and expended by any candidate for the purpose of defraying~~  
27 ~~any expense or satisfying any loan obligations incurred prior to January 1, 1991, by the candidate~~  
28 ~~in furtherance of his or her candidacy in a previous election cycle, as defined in section 17-25-~~  
29 ~~3(5), shall not be counted toward any contribution or expenditure limitation in sections 17-25-18—~~  
30 ~~17-25-27.~~

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

34 ~~**17-25-21. Primary elections.**— Any candidate eligible to receive public funds and~~

1 electing to receive these funds who is challenged for nomination for general office in a political  
2 party primary shall be permitted to raise and expend an additional amount of private funds equal  
3 to one third ( $1/3$ ) of the maximum allowable expenditure amount for the office or equal to the  
4 total amount spent by the candidates' opponent or opponents in the primary, whichever amount is  
5 less. The additional amount received in contributions must be expended prior to the primary  
6 election. The additional private contributions shall not be eligible for matching public funds.

7 ~~**17-25-22. Time period for payment of public funds.**~~ (a) No public funds shall be  
8 dispersed to candidates until after the date of the primary election. In order to receive matching  
9 public funds, the candidate must be the nominee for general office of a political party, as defined  
10 in section 17-12.1-12, or an independent candidate for general office who meets all of the  
11 requirements set forth in section 17-25-20(6). The candidate must submit to the board of elections  
12 proof of receipt of qualifying private contributions and supporting documentation as required by  
13 the board. The board of elections shall, within five (5) business days of the receipt of the request  
14 for payment of matching funds, either pay over funds to the candidate or disallow all or a portion  
15 of the request and state in writing the reasons for the disallowance.

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

18 ~~**17-25-24. Additional expenditures.**~~ Any candidate eligible to receive public funds  
19 and electing to receive these funds whose opponent does not elect to receive public funds shall be  
20 permitted to raise additional private contributions and make additional expenditures for election  
21 purposes in an amount in excess of the candidate's maximum allowable expenditure limit equal to  
22 the amount by which the expenditures of the opponent exceed the maximum allowable  
23 expenditure limit that would have applied to the opponent's expenditures had the opponent  
24 elected to receive public funds.

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

32 ~~**17-25-26. Equal apportionment of expenditures for joint advertisements.**~~ Any  
33 expenditure jointly made by any two (2) or more candidates for any newspaper, radio, or  
34 television advertisement primarily benefiting the candidate shall be attributed to and apportioned

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

5 ~~**17-25-30. Public financing of election campaigns -- Compliance benefits. [Effective**~~  
6 ~~**until January 1, 2008.]**~~ Any candidate eligible to receive public funds who complies in full  
7 with all eligibility criteria for receipt of the funds shall be:

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

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

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

19 ~~**17-25-30. Public financing of election campaigns -- Compliance benefits. [Effective**~~  
20 ~~**January 1, 2008.]**~~ (1) ~~Entitled to an additional benefit of free time on community antenna~~  
21 ~~television to be allocated pursuant to rules determined by the administrator for the division of~~  
22 ~~public utilities. During all allocated free time, the candidate shall personally appear and present~~  
23 ~~the message of the advertisement; provided, however, the content of all television time shall~~  
24 ~~include captioning for the deaf and hard of hearing and the content of all radio time must be~~  
25 ~~available in a written or text format at the time of request;~~

26 ~~(2) Entitled to an additional benefit of free time on any public broadcasting station~~  
27 ~~operating under the jurisdiction of the Rhode Island public telecommunications authority~~  
28 ~~pursuant to rules determined by the authority. During all allocated free time, the candidate shall~~  
29 ~~personally appear and personally present the message of the advertisement; provided, however,~~  
30 ~~the content of all television time shall include captioning for the deaf and hard of hearing and the~~  
31 ~~content of all radio time must be available in a written or text format at the time of request; and~~

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

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SECTION 4. This act shall take effect on January 1, 2008.

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LC02354  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO ELECTIONS - CAMPAIGN FINDINGS

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1           This act would change the requirements of financial disclosures by candidates in the  
2 raising and expenditure of money and other things of value within campaigns for public office.

3           This act would take effect on January 1, 2008.

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LC02354  
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