

Ethics Bill Changes

- Candidates will file quarterly reports during an election year. In addition, they will be required to file pre-primary and pre-general reports during election years.
- During non-election years candidates will file reports semi-annually.
- PACs will file on the same schedule as state candidates.
- A person may only make cash contributions to a candidate or PAC of up to \$50 per election. PACs may not make cash contributions.
- All itemized contributions (over \$100) from individuals must now list the occupation and employer. This provision allows the candidate to make a "best effort" to obtain this information. A candidate's "best efforts" will include requesting the information on an invitation and stating that the information is required by law for contributions over \$100 or requesting the information in a letter sent by first class postage and stating that the information is required by state law.
- Candidates may no longer list a credit card vendor as a payee; you must list the name of the vendor for each credit card purchase. For example, if you go to Office Depot and use a Visa card, you are required to list Office Depot as the vendor.
- Candidates must list the actual vendor who supplied the goods or services and not a third party that was reimbursed for a purchase. For example, if the candidate goes to ABC Printing and pays for the printing themselves and is then reimbursed by the campaign for the expense, the report must list ABC Printing as the vendor and not the candidate.
- Candidates may not use the words "reimbursement", "credit card purchase", "other" and "campaign expense" as purposes for expenditures.
- The requirement that legislative candidates file a copy of their disclosure with their local county election commission has been deleted.
- Candidates must maintain records, including checks, bank statements and vendor receipts, used to complete disclosure reports for a period of two (2) years following the election to which the records refer.
- The word "pledge" was deleted from the definition of contribution.
- Contributions count toward current election limits even if used to pay off loan from previous election.
- Lobbyists may not make campaign contributions to a candidate for governor or general assembly.

- Added specific language of unallowable expenditures from campaign funds:
 - Any residential or household items, supplies or expenditures, including mortgage, rent or utility payments for any part of any personal residence of a candidate or officeholder or a member of the candidate's or officeholder's family;
 - Mortgage, rent, or utility payments for any part of any non-residential property that is owned by a candidate or officeholder or a member of a candidate's or officeholder's family and used for campaign purposes, to the extent the payments exceed the fair market value of the property usage;
 - Funeral, cremation, or burial expenses related to deaths within a candidate's or officeholder's family;
 - Clothing, other than items of de minimis value that are used in the campaign;
 - Tuition payments within a candidate's or officeholder's family other than those associated with training campaign staff or associated with an officeholder's duties;
 - Dues, fees, or gratuities at a country club, health club, or recreational facility, unless they are part of a specific fundraising event that takes place on the organization's premises;
 - Salary payments to a member of a candidate's family, unless the family member is providing bona fide services to the campaign. If a family member provides bona fide services to the campaign, any salary payment in excess of the fair market value of the services provided is a prohibited use;
 - Admission to a sporting event, concert, theater, activity, charitable event or other form of entertainment, unless the event is an expense associated with a legitimate campaign or officeholder activity where the tickets to such event are provided to students attending schools, guests or constituents of the candidate or officeholder, or persons involved in the candidate's or officeholder's campaign;
 - Payments for grooming or enhancing one's personal appearance unrelated to campaign activities; or
 - Payment of any fines, fees, or penalties assessed pursuant to Title 2 Chapter 10 or Title 3, Chapter 6.
- County Election Commission must notify the Registry of each election to be held in their county.
- County Election Commissions will no longer assess class one civil penalties. Information will be forwarded to the Registry for assessment of penalties.

- A candidate is now considered ineligible to qualify for office if a civil penalty is not paid within 30 days of being final or by the qualifying deadline whichever is earlier.
- A PAC that does not pay an assessed civil penalty within 30 days of it becoming final can not accept contributions or make expenditures to support or oppose candidates.
- Registry will determine amount of annual registration fee for PACs.
- PACs are required to list all officers when registering.
- State candidates will now be required to file your campaign financial disclosure reports electronically if they raise or spend over \$1,000 for an election. Goes into effect with the 2nd quarter report due on July 10, 2006.
- Must list candidates on the Internet who are delinquent filing campaign financial disclosure reports.
- State candidates may be subject to an audit. The Registry is required to audit approximately 2% of legislative candidates. A random draw of districts will be held until 2% of candidates are selected for audit. These audits will not take place until the election is over. All candidates in a district chosen will be audited. In addition, any candidate that files a report with over 30% of their contributions listed as unitemized and that amount exceeds \$5,000 will have their contributions audited.
- Audits will also be conducted on gubernatorial candidates that receive over 10% of the vote in the general election. Also, will audit one supreme court candidate, one court of appeals candidate and one court of criminal appeals candidate.
- No individual may contribute more than \$101,400 in aggregate to all candidates, PACs and PACs controlled by a party (state or local) or by a caucus of the party established by either house of the general assembly in a two (2) year period. No more than \$40,000 of this amount may go to candidates and no more than \$61,400 may go to PACs.