

HOUSE No. 4133

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to improve the laws relating to campaign finance, ethics and lobbying..

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

1 SECTION 1. Section 39 of chapter 3 of the General Laws, as appearing in the 2006
2 Official Edition, is hereby amended by striking out the definition of “Client” and inserting in
3 place thereof the following definition:-

4 “Client”, any person, corporation, partnership, association, or other entity that contracts
5 with another person, corporation, partnership, association, or other entity to receive lobbying
6 services.

7 SECTION 2. Said section 39 of said chapter 3 of the General Laws, as so appearing, is
8 hereby further amended by striking out the definition of “Executive agent” and inserting in place
9 thereof the following definitions:-

10 “Executive agent”, a person who for compensation or reward engages in executive
11 lobbying, which includes at least one lobbying communication with a government employee
12 made by said person. The term “executive agent” shall include a person who, as

13 part of his regular and usual business or professional activities and not simply incidental
14 thereto, engages in executive lobbying, whether or not any compensation in addition to the salary
15 for such activities is received for such services. For the purposes of this definition a person shall
16 be presumed to be engaged in executive lobbying that is simply incidental to his regular and
17 usual business or professional activities if he: (i) engages in executive lobbying for not more than
18 25 hours during any reporting period; and (ii) receives less than \$2,500 during any reporting
19 period for executive lobbying.

20 “Executive lobbying,” any act to influence or to attempt to influence the decision of any
21 officer or employee of the executive branch or an authority, including but not limited to,
22 statewide constitutional officers and employees thereof, where such decision concerns legislation
23 or the adoption, defeat or postponement of a standard, rate, rule or regulation promulgated
24 pursuant to any general or special law, or any act to communicate directly with a covered
25 executive official to influence a decision concerning policy or procurement; provided further,
26 that executive lobbying shall include acts to influence or attempt to influence the decision of any
27 officer or employee of a city or town when those acts are intended to carry out a common
28 purpose with executive lobbying at the state level; and provided further, that executive lobbying
29 shall include strategizing, planning, research, and other background work if performed in
30 connection with, or for use in, an actual communication with a government employee.

31 SECTION 3. Said section 39 of said chapter 3 of the General Laws, as so appearing, is
32 hereby further amended by striking out the definition of “Legislative agent” and inserting in
33 place thereof the following definitions:-

34 “Legislative agent”, a person who for compensation or reward engages in legislative
35 lobbying, which includes at least one lobbying communication with a government employee
36 made by said person. The term “legislative agent” shall include a person who, as part of his
37 regular and usual business or professional activities and not simply incidental thereto, engages in
38 legislative lobbying, whether or not any compensation in addition to the salary for such activities
39 is received for such services. For purposes of this definition a person shall be presumed to be
40 engaged legislative lobbying that is simply incidental to his regular and usual business or
41 professional activities if he: (i) engages in legislative lobbying for not more than 25 hours during
42 any reporting period; and (ii) receives less than \$2,500 during any reporting period for legislative
43 lobbying.

44 “Legislative lobbying,” any act to monitor, promote, oppose or influence legislation, or to
45 monitor, promote, oppose or influence the governor’s approval or veto thereof including, without
46 limitation, any action to influence the introduction, sponsorship, consideration, action or
47 nonaction with respect to any legislation; provided further, that legislative lobbying shall include
48 acts to influence or attempt to influence the decision of any officer or employee of a city or town
49 when those acts are intended to carry out a common purpose with legislative lobbying at the state
50 level; and provided further, that legislative lobbying shall include strategizing, planning,
51 research, and other background work if performed in connection with or for use in an actual
52 communication with a government employee.

53 SECTION 4. Section 41 of said chapter 3, as so appearing, is hereby amended by
54 inserting after the first paragraph the following paragraph:-

55 The state secretary shall offer educational seminars on the requirements of sections 39 to
56 50, inclusive, for all legislative agents and executive agents. The seminars shall be conducted in
57 person or offered online through the state secretary’s website. All legislative and executive
58 agents shall: (i) before registering with the state secretary and annually thereafter, complete an in
59 person or online seminar offered by the state secretary; and (ii) complete an in person or online
60 seminar offered by the state secretary upon any material change to sections 39 to 50, inclusive, or
61 any regulations promulgated pursuant thereto. The superintendent of the bureau of state office
62 buildings shall, upon request of the state secretary, provide at no cost to the state secretary
63 suitable facilities for such seminars. The state secretary shall adopt regulations for the
64 administration and enforcement of this section.

65 SECTION 5. Said section 41 of said chapter 3, as so appearing, is hereby amended by
66 striking out the last paragraph and inserting in place thereof the following 3 paragraphs:-

67 Upon registration, the state secretary shall issue to each legislative agent and executive
68 agent a license which shall entitle the holder to act as a legislative agent and executive agent for
69 a client that has filed a registration statement pursuant to this section. A nontransferable
70 identification card shall evidence this license and shall include the agent’s name and photograph.
71 Each license shall expire on December 31 of each year. Out-of-state legislative agents and
72 executive agents shall submit 3 passport-sized photographs to the state secretary upon
73 registration.

74 The state secretary shall promulgate regulations pursuant to chapter 30A for
75 administration and enforcement of sections 39 to 50, inclusive.

76 The state secretary shall, upon written request from a person who is or may be subject to
77 sections 39 to 50, inclusive, render advisory opinions on the requirements of those sections. An
78 opinion rendered by the state secretary, unless amended or revoked, shall be a defense in a
79 criminal action brought pursuant to sections 39 to 50, inclusive, and shall be binding on the state
80 secretary, the attorney general or the district attorney in any subsequent proceedings concerning
81 the person who requested the opinion and who acted in good faith, unless material facts were
82 omitted or misstated by the person in the request for an opinion. Such requests shall be
83 confidential; provided, however, that the state secretary may publish such opinions if the name of
84 the requesting person and any other identifying information is not included in such publication
85 unless the requesting person consents to such inclusion.

86 SECTION 6. Section 43 of said chapter 3, as so appearing, is hereby amended by
87 striking out, in line 4, the words “appearing on the docket”.

88 SECTION 7. Said section 43 of said chapter 3, as so appearing, is hereby further
89 amended by striking out the third paragraph and inserting in place thereof the following
90 paragraph:-

91 Every legislative agent and executive agent shall include in the statement required by this
92 section for the relevant reporting period: (1) the identification of each client for whom the
93 legislative or executive agent provided lobbying services; (2) a list of all bill numbers and names
94 of legislation and other governmental action that the executive or legislative agent acted to
95 monitor, promote, oppose or influence; (3) a list of all line-item numbers in any appropriation
96 bill that the executive or legislative agent acted to monitor, promote, oppose or influence; (4) a
97 statement of the executive or legislative agent’s position, if any, on each such bill, line-item or

98 other governmental action; (5) the identification of the client or clients on whose behalf the
99 executive or legislative agent was acting with respect to each such bill, line-item or
100 governmental action; (6) the amount of compensation received for executive or legislative
101 lobbying from each client with respect to such lobbying services; and (7) all direct business
102 associations with public officials. The disclosure shall be required regardless of whether the
103 legislative agent or executive agent specifically referenced the bill number or name, line-item
104 number or other governmental action while acting to promote, oppose or influence legislation,
105 and shall be as complete as practicable.

106 SECTION 8. The fourth paragraph of said section 43 of said chapter 3, as so appearing,
107 is hereby further amended by striking out the second sentence and inserting in place thereof the
108 following sentence:- Said penalty shall be in the amount of \$50 per day up to the twentieth day
109 and an additional \$100 per day for every day after the twentieth day until the statement is filed.
110 The state secretary may waive these penalties for good cause.

111 SECTION 9. Said chapter 3 is hereby further amended by striking out section 45, as so
112 appearing, and inserting in place thereof the following section:-

113 Section 45. (a) Upon receipt of a sworn complaint signed under pains and penalties of
114 perjury, or upon receipt of evidence which is deemed sufficient by the state secretary, the state
115 secretary shall initiate a preliminary inquiry into any alleged violation of sections 39 to 50,
116 inclusive. At the commencement of a preliminary inquiry into any such alleged violation, the
117 state secretary shall notify the attorney general. All proceedings and records relating to a
118 preliminary inquiry or initial staff review used to determine whether to initiate an inquiry shall
119 be confidential, except that the state secretary may provide to: (1) the attorney general, the

120 United States Attorney or a district attorney of competent jurisdiction evidence which may be
121 used in a criminal proceeding; (2) the inspector general information concerning fraud, waste, or
122 abuse in the expenditure of public funds; (3) the state ethics commission information concerning
123 violations of chapters 268A and 268B; and (4) the director of the office of campaign and political
124 finance information concerning violations of chapter 55. Any information provided by the state
125 secretary pursuant to this section shall be confidential pursuant to this section and section 4 of
126 chapter 268B, except that such information may be used by the officer or agency to whom it was
127 provided in any investigation or subsequent proceedings. The state secretary shall notify any
128 person who is the subject of the preliminary inquiry of the existence of such inquiry and the
129 general nature of the alleged violation within 30 days of the commencement of the inquiry.

130 (b) If a preliminary inquiry fails to indicate reasonable cause for belief that there has
131 been a violation of sections 39 to 50, inclusive, the state secretary shall immediately terminate
132 the inquiry and shall within 10 days so notify, in writing, the complainant, if any, and the person
133 who had been the subject of the inquiry.

134 (c) If a preliminary inquiry indicates reasonable cause for belief that there has been a
135 violation of sections 39 to 50, inclusive, the state secretary may initiate an adjudicatory
136 proceeding to determine whether there has been such a violation.

137 (d) The state secretary may require by summons the attendance and testimony of
138 witnesses and the production of books, papers and other records relating to any matter being
139 investigated pursuant to sections 39 to 50, inclusive. Such summons may be issued by the state
140 secretary and shall be served in the same manner as summonses for witnesses in criminal cases,
141 issued on behalf of the commonwealth and all the provisions of law relative to summonses

142 issued in such cases shall apply to summonses issued under this section so far as applicable. Any
143 justice of the supreme judicial court or the superior court may upon application by the state
144 secretary compel the attendance of witnesses summoned as aforesaid and the giving of testimony
145 under oath before said director in furtherance of any investigation in the same manner and to the
146 same extent as before said courts.

147 (e) The state secretary, or his designee, may administer oaths and may hear testimony or
148 receive other evidence in any proceeding.

149 (f) All testimony in an adjudicatory proceeding shall be under oath. All parties shall
150 have the right to call and examine witnesses, to introduce exhibits, to cross-examine witnesses
151 who testify, to submit evidence, and to be represented by counsel. Before testifying, all
152 witnesses shall be given a copy of the regulations governing adjudicatory proceedings.

153 (g) Any person whose name is mentioned during an adjudicatory proceeding of the state
154 secretary and who may be adversely affected thereby may appear personally before the state
155 secretary on his own behalf, with or without counsel, to give a statement in opposition to such
156 adverse mention or file a written statement of such opposition for incorporation into the record of
157 the proceeding.

158 (h) All adjudicatory proceedings of the state secretary pursuant to this section shall be
159 public and shall be subject to chapter 30A.

160 (i) Within 30 days after completion of deliberations, the state secretary shall publish a
161 written report of his findings and conclusions.

162 (j) Upon a finding pursuant to an adjudicatory proceeding that there has been a violation,
163 the state secretary may issue an order: (1) requiring the violator to cease and desist such
164 violation; (2) requiring the violator to file any report, statement or other information as required
165 by sections 39 to 50, inclusive; (3) suspending for a specified period or revoking the license and
166 registration of the violator; or (4) requiring the violator to pay a civil penalty of not more than
167 \$10,000 for each violation.

168 The state secretary may file a civil action in superior court to enforce this order.

169 (k) Final action by the state secretary under this section shall be subject to review in
170 superior court upon petition of any party in interest filed within 30 days after the action for
171 which review is sought. The court shall enter a judgment enforcing, modifying, or setting aside
172 the order of the state secretary, or it may remand the proceedings to the state secretary for such
173 further action as the court may direct. If the court modifies or sets aside the state secretary's
174 order or remands the proceedings to the state secretary, the court shall determine whether such
175 modification, set aside, or remand is substantial. If the court does find such modification, set
176 aside, or remand to be substantial, the petitioner shall be entitled to be reimbursed from the
177 treasury of the commonwealth for reasonable attorneys' fees and all court costs incurred by him
178 in the defense of the charges contained in the proceedings. The amount of such reimbursement
179 shall be awarded by the court but shall not exceed \$20,000 per person, per case.

180 (l) Any person who violates the confidentiality of an inquiry under this section shall be
181 punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both.

182 (m) The state secretary shall automatically disqualify any person convicted of a felony in
183 violation of chapter 3, chapter 55, or chapter 268A from acting or registering as an executive or
184 legislative agent for a period of 10 years from the date of conviction.

185 SECTION 10. Section 47 of said chapter 3, as so appearing, is hereby further amended
186 by striking out, in lines 4 and 5, the words “whose name appears upon the docket”.

187 SECTION 11. The second paragraph of said section 47 of said chapter 3, as so
188 appearing, is hereby amended by striking out the second sentence and inserting in place thereof
189 the following sentence:- Said penalty shall be in the amount of \$50 per day up to the twentieth
190 day and an additional \$100 per day for every day after the twentieth day until the statement is
191 filed. The state secretary may waive these penalties for good cause.

192 SECTION 12. Section 48 of chapter 3, as so appearing, is hereby amended by striking
193 out, in line 3, the words “five thousand dollars” and inserting in place thereof the following
194 words:- \$10,000, or by imprisonment in the state prison for not more than 5 years, or in a jail or
195 house of correction for not more than 2 1/2 years, or both.

196 SECTION 13. Section 49 of said chapter 3, as so appearing, is hereby amended by
197 inserting after the first sentence the following 2 sentences:- The supreme judicial court or
198 superior court may, upon application of the attorney general, grant equitable or mandamus relief
199 to enforce sections 41 to 43, inclusive, prohibiting the offering or giving of or paying for gifts,
200 meals, beverages, or other items. Relief under this section may include (a) an order to pay to the
201 commonwealth an amount equal to the value of any compensation or thing paid or received in
202 violation of section 42, or the value of any gift, meal, beverage, or other item given or received

203 in violation of section 43; and (b) a civil penalty of up to \$10,000 for each violation of sections
204 41 to 47, inclusive.

205 SECTION 13A. Section 9 of chapter 53 of the General Laws, as so appearing, is hereby
206 amended by striking out, in lines 21 and 22, the words “, as defined in section one of chapter
207 fifty-five A,”.

208 SECTION 14. Said section 9 of said chapter 53, as so appearing, is hereby further
209 amended by striking out, in line 25, the word “fifty-five A” and inserting in place thereof the
210 following figure:- 55C.

211 SECTION 15A.

212 Section 1. Section 1 of Chapter 55 of the General Laws is hereby amended by inserting
213 the following definitions:-

214 “Expense directly related to the campaign of a candidate,” an expense directly involved
215 in an election campaign including, without limitation, expenses such as postage, printing,
216 advertising, staffing, polling, and other such expenditures, as further regulated by the director,
217 but shall not include expenses which merely enhances a candidate’s political future.

218 Section 2. Section 6 of Chapter 55 of the General Laws is hereby amended by striking in
219 the first sentence the words “the office of governor, lieutenant governor, attorney general, state
220 secretary, treasurer and receiver general, or auditor” and inserting therefore:- public office in the
221 Commonwealth

222 Section 3. Section 6 of Chapter 55 of the General Laws is hereby amended by striking in
223 the first sentence the words “primarily for the candidate’s or any other person’s personal use”

224 and inserting therefore:- substantially for the candidate's or any other person's personal use,
225 provided, however, that the director shall establish reasonable rules and regulations concerning
226 such expenditures

227 Section 4. Section 6 of Chapter 55 of the General Laws is hereby further amended by
228 striking the second paragraph and inserting therefore:-

229 Any other political committee, except as hereafter provided, duly organized, may receive,
230 pay and expend money or other things of value for the reasonable and necessary expenses
231 directly related to the principle for which the committee was organized so long as such
232 expenditure is not substantially for any person's personal use, provided, however, that the
233 director shall establish reasonable rules and regulations concerning such expenditures; and
234 provided, further, that such committee may contribute to other political committees provided,
235 further, that the aggregate of all such contributions made by such a committee shall not exceed in
236 any one calendar year the sum of one hundred dollars to each committee; and provided further,
237 that the aggregate of all such contributions made by such a committee shall not exceed in any
238 one calendar year the sum of fifteen hundred dollars.

239 Section 5. Section 7A of Chapter 55 of the General Laws is hereby amended by striking
240 the words "calendar year" wherever it appears and inserting in place thereof:- "election"

241 Section 6. Chapter 55 of the General Laws is hereby amended by inserting after section
242 13 the following new sections:-

243 Section 13A. No legislative or executive agent, as defined by section 39 of chapter 3,
244 shall directly or indirectly solicit or receive any gift, payment, contribution, assessment,
245 subscription or promise of money or other thing of value for the political campaign purposes of

246 any candidate for the office of Governor, Lieutenant Governor, Attorney General, State Auditor,
247 State Treasurer, State Secretary, state senator or state representative, a political committee
248 established or controlled by any such candidate, a legislative caucus committee, a legislative
249 leadership committee or a party committee, but this section shall not prevent such persons from
250 being members of political organizations or committees. The soliciting or receiving of any gift,
251 payment, contribution, assessment, subscription or promise of money or other thing of value by a
252 non-elected political committee organized to promote the candidacy for public office of a
253 legislative or executive agent, shall not be deemed to be a direct or indirect solicitation or receipt
254 of such contribution by such person;

255 Violation of any provision of this section shall be punished by imprisonment for not more
256 than one year or by a fine of not more than one thousand dollars.

257 Section 13B.

258 (1) Definitions used in this section:

259 (A) "Quasi-public agency" means any authority or entity established by the General
260 Court to serve a public purpose including Bay State Skills Corporation, Boston Metropolitan
261 District, Centers of Excellence Corporation, Community Economic Development Assistance
262 Corporation, Community Development Finance Corporation, Government Land Bank,
263 Massachusetts Bay Transportation Authority, Massachusetts Business Development Corporation,
264 Massachusetts Convention Center Authority, Massachusetts Corporations for Educational
265 Telecommunications, Massachusetts Educational Loan Authority, Massachusetts Health and
266 Educational Facilities Authority, Massachusetts Horse Racing Authority, Massachusetts Housing
267 Finance Agency, Massachusetts Industrial Finance Agency, Massachusetts Industrial Service

268 Program, Massachusetts Port Authority, Massachusetts Product Development Corporation,
269 Massachusetts Technology Development Corporation, Massachusetts Technology Park
270 Corporation, Massachusetts Turnpike Authority, Massachusetts Water Resources Authority,
271 Pension Reserves Investment Management Board, State College Building Authority,
272 Southeastern Massachusetts University Building Authority, Thrift Institutions Fund for
273 Economic Development, University of Lowell Building Authority, University of Massachusetts
274 Building Authority, and the Water Pollution Abatement Trust

275 (B) "State agency" means any office, department, board, council, commission, institution
276 or other agency in the executive, legislative or judicial branch of state government.

277 (C) "State contract" means an agreement or contract with the state or any state agency or
278 any quasi-public agency, having a value of fifty thousand dollars or more, or a combination or
279 series of such agreements or contracts having a value of one hundred thousand dollars or more in
280 a fiscal year, for (i) the rendition of personal services, (ii) the furnishing of any material, supplies
281 or equipment, (iii) the construction, alteration or repair of any public building or public work,
282 (iv) the acquisition, sale or lease of any land or building, (v) a licensing arrangement, or (vi) a
283 grant, loan or loan guarantee.

284 (D) "State contractor" means a person, business entity or nonprofit organization that
285 enters into a state contract. Such person, business entity or nonprofit organization shall be
286 deemed to be a state contractor until the termination of said contract. "State contractor" does not
287 include a municipality or any other political section of the state or an employee in the executive,
288 legislative or judicial branch of state government or a quasi-public agency, whether in the

289 classified or unclassified service and full or part-time, and only in such person's capacity as a
290 state or quasi-public agency employee.

291 (E) "Prospective state contractor" means a person, business entity or nonprofit
292 organization that (i) submits a bid in response to a bid solicitation by the state, a state agency or a
293 quasi-public agency, or a proposal in response to a request for proposals by the state, a state
294 agency or a quasi-public agency, until the contract has been entered into. "Prospective state
295 contractor" does not include a municipality or any other political section of the state or an
296 employee in the executive, legislative or judicial branch of state government or a quasi-public
297 agency, whether in the classified or unclassified service and full or part-time, and only in such
298 person's capacity as a state or quasi-public agency employee.

299 (F) "Principal of a state contractor or prospective state contractor" means (i) an
300 individual who is a member of the board of directors of, or has an ownership interest in, a state
301 contractor or prospective state contractor, which is a business entity, except for an individual
302 who (I) owns less than twenty-five per cent of the shares of any such state contractor or
303 prospective state contractor that is a publicly traded corporation, or (II) is a member of the board
304 of directors of a nonprofit organization qualified under Section 501(c)(3) of the Internal Revenue
305 Code of 1986, or any subsequent corresponding internal revenue code of the United States, as
306 from time to time amended, (ii) an individual who is employed by a state contractor or
307 prospective state contractor, which is a business entity, as president, treasurer or executive or
308 senior vice president, (iii) an individual who is the chief executive officer of a state contractor or
309 prospective state contractor, which is not a business entity, (iv) an employee of any state
310 contractor or prospective state contractor who has managerial or discretionary responsibilities
311 with respect to a state contract, (v) the spouse or a dependent child of an individual described in

312 this subparagraph, or (vi) a political committee established by or on behalf of an individual
313 described in this subparagraph.

314 (2) No principal of a state contractor or prospective state contractor, with regard to a
315 state contract, bid solicitation or request for proposals with or from a state agency in the
316 executive branch or a quasi-public agency, shall make a contribution to, or solicit contributions
317 on behalf of (i) an exploratory committee or candidate committee established by a candidate for
318 nomination or election to the office of Governor, Lieutenant Governor, Attorney General, State
319 Auditor, State Secretary, or State Treasurer, (ii) a political committee authorized to make
320 contributions or expenditures to or for the benefit of such candidates, or (iii) a party committee;

321 (3) No principal of a state contractor or prospective state contractor, with regard to a
322 state contract, bid solicitation or request for proposals with or from the General Assembly, shall
323 make a contribution to, or solicit contributions on behalf of (i) an exploratory committee or
324 candidate committee established by a candidate for nomination or election to the office of state
325 senator or state representative, (ii) a political committee authorized to make contributions or
326 expenditures to or for the benefit of such candidates, or (iii) a party committee;

327 (4) If a principal of a state contractor makes or solicits a contribution prohibited under
328 subparagraph (A) or (B) of this section, the contracting state agency or quasi-public agency may,
329 void the existing contract with said contractor, and no state agency or quasi-public agency shall
330 award the state contractor a state contract or an extension or an amendment to a state contract for
331 one year after the election for which such contribution is made or solicited. Each state contract
332 shall include the provisions of subparagraph (2) or (3) of this section, whichever is applicable,
333 and this subparagraph as conditions of the contract; and

334 (4) If a principal of a prospective state contractor makes or solicits a contribution
335 prohibited under subparagraph (2) or (3) of this section, no state agency or quasi-public agency
336 shall award the prospective state contractor the contract described in the bid solicitation or
337 request for proposals, or any other state contract for one year after the election for which such
338 contribution is made or solicited. Each state agency and quasi-public agency shall include the
339 provisions of subparagraph (2) or (3) of this section, whichever is applicable, and this
340 subparagraph in each bid solicitation and request for proposals issued by the agency. The chief
341 executive officer of each prospective state contractor shall: (i) Inform each individual described
342 in subparagraph (F) of subsection (1) of this section with regard to said prospective state
343 contractor concerning the provisions of subparagraph (2) or (3) of this section, whichever is
344 applicable, and this subparagraph, (ii) certify in a sworn statement that no such individual will
345 make or solicit a contribution in violation of the provisions of subparagraph (2) or (3) of this
346 section, whichever is applicable, and this subparagraph, and (iii) acknowledge in writing that if
347 any such contribution is made or solicited, the prospective state contractor shall be disqualified
348 from being awarded the contract described in the bid solicitation or request for proposals or
349 being awarded any other state contract for one year after the election for which such contribution
350 is made or solicited.

351 (5) (A) Neither the Governor, Lieutenant Governor, Attorney General, State Auditor,
352 State Secretary, or State Treasurer, any candidate for any such office nor any agent of any such
353 official or candidate may solicit contributions on behalf of an exploratory committee or
354 candidate committee established by a candidate for nomination or election to any public office, a
355 political committee or a party committee, from a principal of a state contractor or prospective
356 state contractor with regard to a state contract, bid solicitation or request for proposals with or

357 from a state agency in the executive branch or a quasi-public agency or a holder of a valid
358 prequalification certificate.

359 (B) Neither a member of the General Assembly, any candidate for any such office nor
360 any agent of any such official or candidate may solicit contributions on behalf of an exploratory
361 committee or candidate committee established by a candidate for nomination or election to any
362 public office, a political committee or a party committee, from a principal of a state contractor or
363 prospective state contractor with regard to a state contract, bid solicitation or request for
364 proposals with or from the General Assembly or a holder of a valid prequalification certificate.

365 (6) The provisions of this section shall not restrict a principal of a state contractor or
366 prospective state contractor from establishing an exploratory or candidate committee for said
367 principal's own campaign or from soliciting contributions for such committees from persons not
368 prohibited from making contributions under this subsection.

369 (7) Each state agency and quasi-public agency shall prepare and forward to the Office of
370 Campaign and Political Finance, on a form prescribed by said director, a list of the state contracts
371 for which the agency is a party and a list of the principals of state contractors or prospective state
372 contractors for (A) such contracts, and (B) any bid solicitations or requests for proposals issued
373 by the agency. Each state agency and quasi-public agency shall forward to said Office, on a
374 form prescribed by the director, any changes additions or deletions to said lists.

375 (8) The Office of Campaign and Political Finance shall (A) compile a master list of
376 principals of state contractors and prospective state contractors for all state agencies and quasi-
377 public agencies, based on the information received under section (1) of this subsection, (B)
378 publish the master list on the Office's Internet web site, and (C) provide copies of the master list

379 to campaign treasurers upon request. The office shall update the master list every three months.
380 Any campaign treasurer who acts in reliance on such master list in good faith shall have a
381 complete defense in any action against the campaign treasurer for depositing a contribution in
382 violation of subsection (5) of this section.

383 (9) Violation of any provision of this section shall be punished by imprisonment for not
384 more than one year or by a fine of not more than one thousand dollars.

385 Notwithstanding any special or general law to the contrary, the provisions of this section
386 shall not take effect until such time as: (i) the Office of Campaign and Political Finance has
387 furnished a study of its impact and the revenue cost to the Commonwealth related to compliance
388 and enforcement, including, but not limited to, the constitutionality of the provisions, the current
389 practice of other states, any anticipated change in employment, and ancillary economic activity,
390 to the Joint Committee on Election Laws; and (ii) the General Court enacts legislation.

391 SECTION 16. The eighth paragraph of section 3 of said chapter 55, as so appearing, is
392 hereby amended by adding the following two sentences:- The name of a candidate who fails to
393 file any statement or report after receiving notice under this section of such failure and who
394 continues to fail to file such statement or report after the institution of civil proceedings under
395 this section to compel such filing shall not appear on a state ballot after the initiation of such civil
396 proceedings, until such time as the statement or report is filed, and the director shall inform the
397 state secretary of such failure prior to the deadline for filing nomination papers with the state
398 secretary for such candidate pursuant to chapter 53. Any candidate who files such statement or
399 report with the director after the deadline for filing nomination papers with the secretary shall not
400 be allowed on the state ballot.

401 SECTION 17. Said section 3 of said chapter 55, as so appearing, is hereby amended by
402 inserting, after the word “requested,” in line 111, the following words:- , by personal delivery,
403 by leaving a copy of the notice at the person’s last and usual place of residence or by delivering a
404 copy of the notice to an attorney who has appeared on behalf of the alleged violator.

405 SECTION 18. The eleventh paragraph of said section 3 of said chapter 55, as so
406 appearing, is hereby amended by striking the last sentence and inserting in place thereof the
407 following three sentences:- For a candidate who is holding elective office whose term of office
408 is 3 or more years, for the treasurer of the political committee organized on behalf of such
409 candidate, or for any person or entity supporting or opposing such candidate, evidence of any
410 violation of this chapter, if submitted to the attorney general prior to the next election for the
411 office held by the candidate that occurs after the violation, shall be submitted no later than 2
412 years prior to such election, and if submitted after the election, such evidence may not be
413 submitted more than 3 years after said election. For all other persons or entities under
414 investigation for violations relating to an identifiable election, evidence of any violation of this
415 chapter shall be presented by the director to the attorney general only after the next relevant
416 election, but within 3 years after said election. If the evidence does not relate to an identifiable
417 election, referral shall take place within 3 years of the violation.

418 SECTION 19. The twelfth paragraph of said section 3 of said chapter 55, as so
419 appearing, is hereby amended by striking out the second sentence and inserting in place thereof
420 the following sentence:- Said civil penalty shall be in the amount of \$25 per day; provided,
421 however, that the maximum penalty the director may assess shall be no greater than \$5,000 for
422 any one report, statement or affidavit which is filed later than the prescribed date.

423 SECTION 20. Section 8 of said chapter 55, as so appearing, is hereby amended by
424 inserting after the word “business”, in line 7, the following words:- or professional.

425 SECTION 21. Section 18 of said chapter 55, as so appearing, is hereby amended by
426 striking out the first paragraph and inserting in place thereof the following paragraph:-

427 Each candidate and each treasurer of a political committee shall, except as provided in
428 this section and section 24, file with the director. A candidate and a committee organized on
429 behalf of candidates seeking public office at a municipal election shall file with the director, if
430 the candidate is seeking the office of mayor in a municipality with a total population, as
431 determined by the most recent decennial federal census, of between 40,000 and 100,000 persons,
432 or if the committee is required to file with the director pursuant to section 19. All other
433 candidates seeking public office at a city or town election shall file reports with the city or town
434 clerk. A committee organized under section 5 to favor or oppose a question submitted to the
435 voters shall file its reports with the director if the question appears on ballots at a state election,
436 or with the city or town clerk if the question appears on ballots at a city or town election or for
437 use in a city or town at a state election. Reports of contributions received and expenditures made
438 shall be filed using forms prescribed by the director.

439 SECTION 22. The second paragraph of said section 18 of said chapter 55, as so
440 appearing, is hereby amended by striking out clause (a) and inserting in place thereof the
441 following clause:-

442 (a) by each candidate for nomination or election to the state senate or house of
443 representatives, and by the non-elected political committee organized on behalf of such
444 candidate, on or before: (i) the twentieth day of July complete as to the thirtieth day of June; (ii)

445 the eighth day preceding a primary, the eighth day preceding a biennial state election, and, as a
446 final report, the twentieth day of January in the following year complete as to the thirty-first day
447 of December of the prior year; and (iii) the eighth day preceding a special primary, including a
448 convention or a caucus, the eighth day preceding a special election, the thirtieth day following a
449 special election, and, as a final report, the twentieth day of January in the following year
450 complete as to the thirty-first day of December of the prior year.

451 SECTION 23. Said section 18 of said chapter 55, as so appearing, is hereby amended by
452 inserting after the word “January”, in line 102, the following words:- provided however, that
453 candidates for the state senate or house of representatives, the nonelected political committees
454 organized on behalf of such candidates, and political action committees, shall also file mid-year
455 reports on or before the twentieth day of July in each year.

456 SECTION 24. The third paragraph of said section 18 of said chapter 55, as so appearing,
457 is hereby amended by striking out the last sentence and inserting in place thereof the following
458 two sentences:- For all candidates and all political committees, if said report is not an initial
459 report, the reporting period of such reports required to be filed on or before the twentieth day of
460 July in each year shall commence on the first day of January of that year, or on the day following
461 the end of the reporting period of the last report filed, if any, whichever period is shorter, and
462 shall end as of the thirtieth day of June of said year. The reporting period for the report required
463 to be filed on or before the twentieth day of January in each year shall commence on the first day
464 of July of the prior year, or on the day following the end of the reporting period of the last report
465 filed, if any, whichever period is shorter, and shall end as of the thirty-first day of December of
466 said prior year.

467 SECTION 24A. Subsection (b) of said section 18C of said chapter 55, as appearing in
468 the 2006 Official Edition, is hereby amended by adding at the end thereof the following:-

469 (4) Every political committee organized on behalf of a candidate that files with the
470 director, and every ballot question committee that files with the director, which receives and
471 deposits a contribution in the amount of \$500 after the eighteenth day, but more than 72 hours,
472 before the date of a special, preliminary, primary or general election, shall file a report to
473 disclose the information required by this chapter, within 72 hours of depositing such
474 contribution.

475 SECTION 24B. Said section 18 of said chapter 55, as so appearing, is hereby further
476 amended by striking out, in line 253, the words “the Local Aid Fund” and inserting in place
477 thereof the words:- the General Fund.

478 SECTION 24C. Subsection (b) of said section 18C of said chapter 55, as so appearing, is
479 hereby amended by adding the following two clauses:-

480 (4) For any political committee required to file campaign finance reports electronically
481 with the director, any reports filed pursuant to section 18D made to disclose expenditures by
482 vendors of the committee to subvendors.

483 (5) Each candidate’s committee organized on behalf of a candidate for mayor in a
484 municipality with a total population, as determined by the most recent decennial federal census,
485 of between 40,000 and 100,000 persons, if the committee, during the election cycle, can
486 reasonably expect to raise or spend more than \$5,000.

487 SECTION 25. Said chapter 55 is hereby further amended by inserting after section 18C
488 the following two sections:-

489 Section 18D. (a) For the purpose of this section the following words shall, unless the
490 context clearly requires otherwise, have the following meanings:-

491 “Expenditure”, any payment made or liability incurred by a vendor on behalf of a
492 political committee.

493 “Person”, a natural person, corporation, association, partnership or other legal entity.

494 “Subvendor”, a person providing goods or services to a vendor or who contracts with a
495 vendor to provide goods or services to a committee.

496 “Vendor”, any person including, but not limited to, a consultant, who provides goods or
497 services to a political committee that files with the director and either receives or is promised
498 \$5,000 or more in the aggregate during a calendar year by the committee for such goods or
499 services, or contracts with another on behalf of the committee for such goods or services valued
500 at \$5,000 or more in the aggregate to be provided to the committee.

501 (b) A vendor that makes an expenditure on behalf of a political committee shall provide
502 the political committee with a detailed account of the expenditure including, but not limited to,
503 the date of the expenditure, the person who received payment, the full name and address of the
504 subvendor, the purpose of the expenditure, and the amount of the expenditure, within 5 days of
505 making such expenditure.

506 (c) A political committee that makes a payment to a vendor or incurs a liability to a
507 vendor shall file reports with the director disclosing the full name and address, listed

508 alphabetically, of each subvendor receiving payments of more than \$500 in the aggregate during
509 a calendar year from the vendor, and of each subvendor to whom a liability of more than \$500
510 was incurred. The contents of such report shall include the information required by section 18
511 and be disclosed on a form prescribed by the director. For committees required to designate a
512 depository account under section 19, the reports must be filed on or before the fifth day of each
513 month covering the preceding month; for other committees, the report must be filed in
514 accordance with the schedule established by section 18.

515 (d) Vendors shall keep detailed accounts of all expenditures made on behalf of political
516 committees.

517 Section 18E. (a) Legal defense funds may be created by a candidate or the candidate's
518 political committee to defend against a criminal prosecution, or to pay costs associated with a
519 civil matter that is not primarily personal in nature. Inauguration funds may be created by a
520 candidate or the candidate's political committee to pay for the costs associated with an inaugural
521 event. Recount funds may be created by a candidate or candidate's political committee to pay
522 for the legal or other costs associated with a recount. Legal defense, inauguration, or recount
523 funds shall be created separately from the candidate's campaign account or committee, and are
524 subject to the following conditions: (1) assets of a political committee may not be used by the
525 fund; (2) any donations received by the fund may not be deposited into the candidate's campaign
526 account or a committee account; and (3) donations to such fund may not be used to benefit a
527 political committee.

528 (b) Donations to a legal defense, recount, or inauguration fund, if not contributions, shall
529 be disclosed to the director or, if made by a candidate or committee that does not file with the

530 director, the city or town clerk, on or before the fifth day of the month following the month in
531 which the donations are received, complete as of the last day of the preceding month, on forms to
532 be prescribed by the director. The report shall disclose the name and address of all persons
533 donating more than \$50 during the reporting period, listed alphabetically, the amount of each
534 such donation, and the total amount of donations received in the reporting period not otherwise
535 reported.

536 (c) For purposes of this section, the term “donations” shall include donations in money
537 or in-kind, and loans provided to legal defense, recount, or inauguration fund.

538 SECTION 26. Section 22 of said chapter 55, as so appearing, is hereby amended by
539 striking out, in line 1, the word “The” and inserting in place thereof the following words:- Any
540 person or the.

541 SECTION 27. Said section 22 of said chapter 55, as so appearing, is hereby further
542 amended by inserting after the word “such”, in lines 17, 31 and 41, the following words:- person
543 or.