

HOUSE No. 4366

The Commonwealth of Massachusetts

The committee of conference on the disagreeing votes of the two branches, with reference to the Senate amendments (striking out all after the enacting clause and inserting in place thereof the text contained in Senate document numbered 2304; and by inserting before the enacting clause the following emergency preamble: “*Whereas*, The deferred operation of this act would tend to defeat its purpose, which is to strengthen forthwith campaign finance reporting and disclosure requirements, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.”) of the House Bill relative to campaign finance disclosure and transparency (House, No. 4226), reported recommending passage of the accompanying bill (House, No. 4366). July 29, 2014.

James M. Murphy	Barry R. Finegold
Linda Dean Campbell	Stanley C. Rosenberg
Shawn Dooley	

HOUSE No. 4366

The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act relative to campaign finance disclosure and transparency.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to strengthen forthwith campaign finance reporting and disclosure requirements, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

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. The first paragraph of section 53 of chapter 54 of the General Laws, as
2 appearing in the 2012 Official Edition, is hereby amended by striking out the second to fifth
3 sentences, inclusive, and inserting in place thereof the following 4 sentences:- The secretary shall
4 cause to be printed and sent to all residential addresses and to each voter residing in group
5 residential quarters, with copies of the measures to which they refer, a summary prepared by the
6 attorney general, a ballot question title prepared jointly by the attorney general and state
7 secretary, fair and neutral 1-sentence statements describing the effect of a yes or no vote
8 prepared jointly by the attorney general and the state secretary, a statement of not more than 100
9 words prepared by the secretary of administration and finance regarding the fiscal consequences
10 of the measure for state and municipal government finances and, as provided in section 54,
11 arguments for and against measures to be submitted to the voters under Article XLVIII of the
12 Articles of Amendment to the Constitution. The secretary shall make available for public
13 examination a copy of the ballot question titles, 1-sentence statements describing the effect of a
14 yes or no vote and fiscal effect statements and shall publish them in the Massachusetts register
15 by the second Wednesday in May. Any 50 voters may petition the supreme judicial court for
16 Suffolk county to require that a title or statement be amended; provided, however, that the
17 petition shall be filed within 20 days after the publication of the title and statement. The court
18 may issue an order requiring amendment by the attorney general and the state secretary only if it
19 is clear that the title, 1-sentence statement or fiscal effect statement in question is false,
20 misleading or inconsistent with the requirements of this section.

21 SECTION 2. Section 1 of chapter 55 of the General Laws, as so appearing, is hereby
22 amended by striking out, in line 89, the words “and (7) internet or email communications” and
23 inserting in place thereof the following words:- (7) email communications; and (8) internet
24 communications which are not paid advertisements.

25 SECTION 3. Said section 1 of said chapter 55, as so appearing, is hereby further
26 amended by inserting after the definition of “Electioneering communication” the following
27 definition:-

28 “Electioneering communication expenditure”, any expenditure made or liability incurred
29 by an individual, group, association, corporation, labor union or other entity as payment for an
30 electioneering communication.

31 SECTION 4. Said section 1 of said chapter 55, as so appearing, is hereby further
32 amended by striking out the definition of “Independent expenditure” and inserting in place
33 thereof the following definition:-

34 “Independent expenditure”, an expenditure made or liability incurred by an individual,
35 group, association, corporation, labor union, political committee or other entity as payment for
36 goods or services to expressly advocate the election or defeat of a clearly identified candidate;
37 provided, however, that the expenditure is made or incurred without cooperation or consultation
38 with any candidate or a nonelected political committee organized on behalf of the candidate or
39 an agent of the candidate and is not made or incurred in concert with or at the request or
40 suggestion of the candidate, a nonelected political committee organized on behalf of the
41 candidate or agent of the candidate.

42 SECTION 5. Said section 1 of said chapter 55, as so appearing, is hereby further
43 amended by inserting after the definition of “Independent expenditure” the following definition:-

44 “Joint contribution”, any contribution made by a check from more than 1 person to a
45 candidate or political committee that includes either the signature or imprinted name of more
46 than 1 individual contributor on a check.

47 SECTION 6. Said section 1 of said chapter 55, as so appearing, is hereby further
48 amended by inserting after the definition of “Legislative agent” the following definition:-

49 “People’s committee”, a political committee which is not a candidate's committee, a
50 political party committee or a ballot question committee, that: (i) only receives contributions
51 from individuals; (ii) limits contributions received from any individual to the indexed amount
52 provided for in the definition of “political action committee”; (iii) has been in existence for 6
53 months or more; and (iv) contributes to 5 or more candidates; provided, however, that a
54 “people’s committee” shall initially organize as a political action committee and may become a
55 people’s committee after 6 months.

56 SECTION 7. Section 3 of said chapter 55, as amended by chapter 104 of the acts of 2014,
57 is hereby further amended by adding the following paragraph:-

58 The director shall adopt regulations regarding electioneering communication
59 expenditures and independent expenditures that involve the disclosure of any transfers of money
60 or anything of value from 1 individual, group, association, corporation, labor union or other
61 entity to another individual, group, association, corporation, labor union or other entity to make
62 an electioneering communication expenditure or independent expenditure to ensure that the
63 origin of the funds used to make the expenditure is disclosed in the manner and on the schedule
64 for reports of the expenditures provided for in this chapter.

65 SECTION 8. Said chapter 55 is hereby further amended by inserting after section 5B the
66 following section:-

67 Section 5C. The office of campaign and political finance shall prepare and update from
68 time to time an online training program to provide information on the requirements of this
69 chapter applicable to treasurers of political committees that file reports with the office. A
70 treasurer of a political committee that files reports with the office shall, within 30 days after
71 filing an acceptance of the position with the office in accordance with section 5 and every 2
72 years after filing the acceptance, complete the online training program.

73 The office shall establish procedures for implementing and ensuring compliance with this
74 section.

75 SECTION 9. Section 6 of said chapter 55, as appearing in the 2012 Official Edition, is
76 hereby amended by striking out the first and second paragraphs and inserting in place thereof the
77 following 3 paragraphs:-

78 A political committee organized or operating on behalf of a candidate for the office of
79 governor, lieutenant governor, attorney general, state secretary, treasurer and receiver general or
80 state auditor may receive, pay and expend money or other things of value for reasonable and
81 necessary expenses directly related to the campaign of the candidate but shall not make any
82 expenditure that is primarily for the candidate's or any other person's personal use. Any other
83 political committee duly organized on behalf of a candidate may receive, pay and expend money
84 or other things of value for the enhancement of the political future of the candidate or the
85 principle for which the committee was organized; provided, however, that the expenditure shall
86 not be primarily for the candidate's or any other person's personal use. The director shall
87 establish reasonable rules and regulations concerning the expenditures.

88 Any political committee duly organized on behalf of a candidate may contribute to other
89 political committees and may contribute to the campaign fund of a candidate; provided, however,
90 that the aggregate of all contributions made by a committee organized on behalf of a candidate to

91 another nonelected political committee organized on behalf of a candidate shall not exceed \$100
92 in any 1 calendar year.

93 Notwithstanding the previous paragraph, a political committee organized on behalf of a
94 candidate for statewide office that receives public financing under chapter 55C may not
95 contribute to another political committee or the campaign fund of a candidate in the calendar
96 year in which the political committee receives public financing; provided, however, that a
97 committee that receives public financing may expend funds to a political party committee for
98 goods or services provided by the political party committee to the political committee organized
99 on behalf of a candidate.

100 SECTION 10. The fourth paragraph of section 7 of said chapter 55, as so appearing, is
101 hereby amended by striking out the second sentence.

102 SECTION 11. Section 7A of said chapter 55, as so appearing, is hereby amended by
103 striking out, in lines 4 and 5, the words “five hundred dollars” and inserting in place thereof the
104 following figure:- \$1,000.

105 SECTION 12. Subsection (a) of said section 7A of said chapter 55, as so appearing, is
106 hereby further amended by striking out paragraph (5).

107 SECTION 13. Section 8 of said chapter 55, as so appearing, is hereby amended by
108 striking out, in line 22, the words “corporation violating any provision of this section” and
109 inserting in place thereof the following words:- such corporation violating this chapter.

110 SECTION 14. The first paragraph of section 9 of said chapter 55, as so appearing, is
111 hereby amended by striking out the first sentence and inserting in place thereof the following
112 sentence:- No individual, candidate or political committee, or person acting on behalf of the
113 individual, candidate or political committee, shall accept a contribution of money from any 1
114 person or political committee if the aggregate amount contributed in a calendar year exceeds \$50
115 in cash or \$100 by money order or bank check, except by a written instrument or by direct
116 deposit pursuant to section 9A.

117 SECTION 15. Section 9 of said chapter 55, as so appearing, is hereby amended by
118 striking out the second paragraph and inserting in place thereof the following paragraph:-

119 A political committee may maintain and use a credit or debit card obtained in accordance
120 with applicable banking laws and in the ordinary course of business to make expenditures for the
121 purpose for which the committee was organized pursuant to section 6; provided, however, that
122 no contribution of money shall be accepted by any individual, candidate or political committee
123 or person acting on behalf of the individual, candidate or political committee other than in
124 accordance with the first paragraph of this section. The director shall establish reasonable rules

125 and regulations concerning the use of credit and debit cards and shall provide instruction on the
126 disclosure of expenditures by credit and debit card to effectuate the purposes of this chapter.

127 SECTION 16. Said chapter 55 is hereby further amended by inserting after section 9A
128 the following section:-

129 Section 9B. (a) Any joint contribution received by a candidate or political committee that
130 does not indicate the amount to be attributed to each contributor may be attributed equally to
131 each contributor; provided, however, that the attribution does not cause a contributor to make a
132 contribution exceeding the limits in section 7A.

133 (b) The director shall establish reasonable rules and regulations concerning the making of
134 joint contributions and corresponding contributor notification and recordkeeping requirements
135 for candidates and political committees.

136 SECTION 17. The first paragraph of section 13 of said chapter 55, as appearing in the
137 2012 Official Edition, is hereby amended by inserting after the first sentence the following
138 sentence:- A person so employed may not serve as the treasurer of a political committee.

139 SECTION 18. The first paragraph of section 18 of said chapter 55, as so appearing, is
140 hereby amended by striking out, in lines 6 to 10, inclusive, the words “with a total population, as
141 determined by the most recent federal decennial census, of between 40,000 and 100,000 persons,
142 if the candidate or the candidate's committee, during the election cycle, may reasonably expect to
143 raise or spend more than \$5,000,”.

144 SECTION 19. Said section 18 of said chapter 55, as so appearing, is hereby further
145 amended by inserting after the word “aforesaid”, in line 75, the following words:- other than
146 political action committees and people’s committees as defined in section 1 and independent
147 expenditure PACs organized pursuant to section 18A.

148 SECTION 20. Said chapter 55 is hereby further amended by striking out section 18A, as
149 so appearing, and inserting in place thereof the following section:-

150 Section 18A. (a) Every individual, group, association, corporation, labor union, political
151 committee or other entity that makes independent expenditures in an aggregate amount
152 exceeding \$250 during any calendar year for the express purpose of promoting the election or
153 defeat of a candidate shall file with the director, except as provided in subsection (b), within 7
154 business days after the goods or services for which the independent expenditure was made are
155 utilized to advocate for the election or defeat of a clearly identified candidate, on a form
156 prescribed by the director, a report stating: (i) the name and address of the individual, group,
157 association, corporation, labor union, political committee or other entity making the expenditure;
158 (ii) the name of the candidate whose election or defeat the expenditure promoted; (iii) the name

159 and address of any person to whom the expenditure was made; (iv) the total amount or value;
160 and (v) the purpose and the date of the expenditure.

161 (b) In addition to any reports required by subsection (a), any individual, group,
162 association, corporation, labor union, political committee or other entity that makes an
163 independent expenditure in an aggregate amount exceeding \$250 after the tenth day, but more
164 than 24 hours before the date of any election, shall file a preliminary report within 24 hours after
165 the goods or services for which the independent expenditure was made are utilized that discloses:
166 (i) the name and address of the individual, group, association, corporation, labor union, political
167 committee or other entity making the expenditure; (ii) the name of the candidate whose election
168 or defeat the expenditure promoted; (iii) the name and address of any person to whom the
169 expenditure was made; and (iv) the purpose and the date of the expenditure.

170 (c) The reports required by this section shall be filed with the director as provided in
171 section 18C if expenditures are made to promote the election or defeat of any candidate who files
172 with the director. Reports required by this section shall be filed with the city or town clerk if the
173 expenditures are made to promote the election or defeat of any candidate seeking public office at
174 a city or town election who does not file with the director.

175 (d) For purposes of this section, an “independent expenditure PAC” shall be a political
176 committee or other entity that receives contributions to make independent expenditures. An
177 independent expenditure PAC shall organize in accordance with section 5 and file reports in
178 accordance with the schedules in subsections (a) and (b) to disclose expenditures. The reports
179 shall, in addition to disclosing expenditures, disclose contributions received and all campaign
180 finance information required to be disclosed by other political action committees as listed in
181 section 18. The reporting period for the first report filed by an independent expenditure PAC
182 shall commence on the day the independent expenditure PAC was organized and shall be
183 complete through the date of the expenditures disclosed in the report. The reporting period for
184 the next report shall commence on the date following the last date included in the previous report
185 and shall be complete through the date of the expenditures disclosed. An independent
186 expenditure PAC shall also file a year-end report by January 20 of each year the independent
187 expenditure PAC remains in existence and shall file a final report on dissolution. The reporting
188 period for the year-end report shall be cumulative for the calendar year, commencing on January
189 1 and ending on December 31 of each calendar year. The director shall adopt regulations
190 regarding independent expenditure PACs.

191 (e) A violation of this section shall be punished by a fine of not more than \$5,000 or by
192 imprisonment in a house of correction for not more than 1 year.

193 SECTION 21. Said chapter 55 is hereby further amended by striking out section 18C, as
194 so appearing, and inserting in place thereof the following section:-

195 Section 18C. (a) The director shall develop an electronic reporting system for the
196 submission, retrieval, storage and public disclosure of campaign finance reports and financial
197 activity statements required to be filed with the director.

198 (b) The following individuals and political committees shall be required to file
199 electronically by modem or via computer terminals provided or approved by the director:

200 (i) a candidate that files with the director and the committee organized on behalf of the
201 candidate;

202 (ii) a ballot question committee that files with the director;

203 (iii) each state committee referred to in section 1 of chapter 52;

204 (iv) each local party committee referred to in sections 2 and 3 of said chapter 52 that
205 raises or spends more than \$5,000 in an election cycle;

206 (v) a political committee, other than a candidate's committee or a ballot question
207 committee, if the political committee aids or promotes the success or defeat of 1 or more
208 candidates that file with the director;

209 (vi) reports of late contributions received by a political committee organized on behalf of
210 a candidate that files with the director, including a committee required to designate a depository
211 on behalf of a candidate and every ballot question committee that files with the director, which
212 receives and deposits a contribution of \$500 or more after the eighteenth day but more than 72
213 hours before the date of a special, preliminary, primary or general election within 72 hours of
214 depositing the contribution;

215 (vii) reports of late contributions received by a state committee referred to in section 1 of
216 chapter 52 required to designate a depository under section 19 which receives a contribution of
217 \$500 or more after the eighteenth day but more than 24 hours before the date of a special,
218 preliminary, primary or general election, within 72 hours of depositing the contribution;

219 (viii) for a political committee required to file campaign finance reports electronically
220 with the director, any reports filed pursuant to section 18D made to disclose expenditures by
221 vendors of the committee to subvendors;

222 (ix) an individual, group, association, corporation, labor union, political committee or
223 other entity that is required to file a report of independent expenditures with the director in
224 accordance with section 18A; and

225 (x) an individual, group, association, corporation, labor union or other entity that makes
226 an electioneering communication expenditure in an aggregate amount exceeding \$250 during
227 any calendar year in accordance with section 18F.

228 SECTION 22. Said chapter 55 is hereby further amended by striking out said section
229 18D, as so appearing, and inserting in place thereof the following section:-

230 Section 18D. (a) For the purposes of this section the following words shall have the
231 following meanings unless the context clearly requires otherwise:-

232 “Expenditure”, any payment made or liability incurred by a vendor on behalf of a
233 political committee or on behalf of an individual or group required to file a report of ballot
234 question expenditures under section 22.

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

236 “Subvendor”, a person providing goods or services to a vendor or who contracts with a
237 vendor to provide goods or services to a committee or to an individual or group required to file a
238 report of ballot question expenditures under section 22.

239 “Vendor”, any person including, but not limited to, a consultant who provides goods or
240 services to a political committee or to an individual or group required to file a report of ballot
241 question expenditures under section 22 and either receives or is promised \$5,000 or more in the
242 aggregate during a calendar year by the committee, individual or group for such goods or
243 services or contracts with another on behalf of the committee, individual or group for such goods
244 or services valued at \$5,000 or more in the aggregate to be provided to the committee, individual
245 or group.

246 (b) A vendor that makes an expenditure on behalf of a political committee or on behalf of
247 an individual or group required to file a report of ballot question expenditures under section 22
248 shall within 5 days of making the expenditure provide the political committee, individual or
249 group with a detailed account of the expenditure including, but not limited to, the date of the
250 expenditure, the person who received payment, the full name and address of the subvendor, the
251 purpose of the expenditure and the amount of the expenditure.

252 (c) A political committee or an individual or group required to file a report of ballot
253 question expenditures under section 22 that makes a payment or incurs a liability to a vendor
254 shall file reports with the director or, if the expenditure concerns a local candidate who does not
255 file with the director or a local ballot question, with the clerk, disclosing the full name and
256 address listed alphabetically of each subvendor receiving payments of more than \$500 in the
257 aggregate during a calendar year from the vendor and of each subvendor to whom a liability of
258 more than \$500 was incurred. The contents of the report shall include the information required
259 by section 18 and shall be disclosed on a form prescribed by the director. For committees
260 required to designate a depository account under section 19, the reports shall be filed by the fifth
261 day of each month covering the preceding month; provided, however, that for other committees,
262 individuals or groups, the report must be filed in accordance with the schedule established by
263 sections 18 and 22.

264 (d) Vendors shall keep detailed accounts of all expenditures made on behalf of political
265 committees or on behalf of individuals or groups required to file a report of ballot question
266 expenditures under section 22 .

267 SECTION 23. Section 18E of said chapter 55, as so appearing, is hereby amended by
268 inserting after the word “candidate”, in line 1, the following words:- a state party committee.

269 SECTION 24. Said chapter 55 is hereby further amended by striking out section 18F, as
270 so appearing, and inserting in place thereof the following section:-

271 Section 18F. Every individual, group, association, corporation, labor union or other entity
272 not defined as a political committee who makes an electioneering communication expenditure in
273 an aggregate amount exceeding \$250 during a calendar year shall electronically file with the
274 director, within 7 days after making the expenditure, a report stating the name and address of the
275 individual, group, association, corporation, labor union or other entity making the electioneering
276 communication, the name of any candidate clearly identified in the communication, the total
277 amount or value of the communication, the name and address of the vendor to whom the
278 payments were made and the purpose and date of the expenditure. In addition, any individual,
279 group, association, corporation, labor union or other entity not defined as a political committee
280 who makes electioneering communication expenditures in an aggregate amount exceeding \$250
281 during a calendar year who receives funds to make electioneering communications shall include
282 in the electronic filing the date the funds were received, the name and address of the provider of
283 funds in excess of \$250, if any, and the value of the funds received. Reports required under this
284 section shall be filed with the director as provided in section 18C if electioneering
285 communications refer to any candidate who files with the director. Reports required under this
286 section shall be filed with the city or town clerk if the electioneering communications refer to
287 any candidate seeking public office in a city or town election who does not otherwise file with
288 the director.

289 Any person, group, association, corporation, labor union or other entity that makes or
290 contracts to make electioneering communications aggregating \$1,000 or more within 7 days
291 before the date of an election shall file a report containing the information required under this
292 section within 48 hours after making the expenditure.

293 A violation of this section shall be punished by a fine of not more than \$5,000 or by
294 imprisonment in the house of correction for not more than 1 year.

295 SECTION 25. Section 18G of said chapter 55, as so appearing, is hereby amended by
296 inserting after the first paragraph the following paragraph:-

297 An independent expenditure or electioneering communication which is transmitted
298 through paid television, internet advertising or print advertising appearing larger than 15 square
299 inches shall include a written statement at the bottom of the advertisement that contains the

300 words “Top Contributors” and a written statement that lists the 5 persons or entities or, if fewer
301 than 5 persons or entities, all such persons or entities, that made the largest contributions to that
302 entity; provided, however, that only contributions in excess of \$5,000 reportable under this
303 chapter during the 12-month period before the date of the advertisement or communication shall
304 be listed. If no such contribution is received by the entity making an independent expenditure or
305 electioneering communication, the advertisement or communication may exclude the statement.
306 The advertisement or communication shall also include a written statement, as specified by the
307 director, at the bottom of the advertisement that directs viewers to the official web address of the
308 office of campaign and political finance. This paragraph shall also apply to advertisements
309 purchased to influence or affect the vote on any question submitted to the voters.

310 SECTION 26. Said chapter 55 is hereby further amended by striking out section 19, as
311 so appearing, and inserting in place thereof the following section:-

312 Section 19. (a) Candidates for nomination or election to the offices of governor,
313 lieutenant governor, state secretary, attorney general, state treasurer and receiver general, state
314 auditor, governor’s council, district attorney, clerk of court, register of probate, registrar of
315 deeds, county commissioner, county treasurer and sheriff, mayor or city council or alderman in a
316 city with a total population, as determined by the most recent decennial federal census, of 75,000
317 or more persons and the treasurer of each state committee referred to in section 1 of chapter 52,
318 the treasurer of the nonelected political committee authorized by any of the aforesaid candidates
319 and the treasurers of people’s committees and political action committees that file with the
320 director other than independent expenditure PACs shall immediately, upon the organization of
321 the political committee or upon becoming a candidate in accordance with clauses (1) and (2) of
322 the definition of candidate in section 1, designate a financial institution as a depository for the
323 campaign funds of the candidate or political committee. The financial institution shall be: (i) a
324 national bank, federal savings bank, federal savings and loan association or federal credit union;
325 provided, however, that the bank, association or credit union may transact business and has its
326 main office or a branch office in the commonwealth; or (ii) a trust company, credit union, co-
327 operative bank or savings bank; provided, however, that the company, credit union or bank is
328 organized and exists under the laws of the commonwealth or any other state or otherwise may
329 transact business in the commonwealth and has its main office or a branch office in the
330 commonwealth. A candidate and the treasurer of a political committee shall file with the director,
331 not later than the third business day following the designation of the depository, a certificate of
332 appointment containing the name of the financial institution so designated and the name of the
333 candidate or political committee and shall authorize the financial institution to submit the reports
334 required by subsection (d). The certificate of appointment reflecting the financial institution’s
335 agreement to comply with this section shall also be signed by an authorized employee of the
336 financial institution.

337 (b) A candidate and the treasurer of a political committee required to designate a
338 depository shall deposit contributions in the form received within 7 days of receipt. Any

339 candidate or treasurer required to designate a depository shall file with the director, by the fifth
340 and twentieth days of each month, the following information: (i) a list of all contributions of
341 more than \$50 deposited as of the first and fifteenth days of the month and since the last
342 statement, including an alphabetical list of names and addresses of each person making a
343 contribution; (ii) for a person who has made a contribution in an amount of or with a value of
344 \$200 or more in any calendar year, the occupation and employer of the contributor and the
345 information for each contribution of less than \$200 if the aggregate of all contributions received
346 from the contributor within any calendar year is \$200 or more; and (iii) a summary of all
347 contributions of \$50 or less deposited that are not itemized on the report.

348 (c) Except as otherwise provided in this section, all payments for campaign purposes
349 made by or for the benefit of a candidate or by the treasurer of a political committee which are in
350 excess of \$100 shall be made only from funds on deposit in the depository through checks drawn
351 on the depository and indicating that the checks are drawn on the campaign account of the
352 candidate or the political committee involved. All checks drawn on the campaign account shall
353 be payable either to the order of a named payee, not the candidate or treasurer, or, if the check is
354 for not more than \$100, may be payable to the candidate or treasurer. The memo line of the
355 check shall be used by the political committee issuing the check to indicate the specific purpose
356 of the expenditure.

357 A candidate or treasurer of a political committee required to designate a depository may
358 make expenditures by wire transfer or other electronic means for broadcast, cablecast or other
359 media services and for payroll services made in connection with employee deductions and
360 withholdings. Expenditures may also be made by credit or debit card; provided, however, that a
361 candidate or treasurer making an expenditure shall ensure that the date, amount and specific
362 purpose of the expenditure is disclosed in accordance with regulations to be issued by the
363 director.

364 (d) The cashier or treasurer of the bank selected by any candidate or political committee
365 as provided in this section shall file with the director by the fifth day and twentieth day of each
366 month the following information: (i) a statement of the balance as of the preceding first day or
367 fifteenth day of the month; (ii) a summary of all credits to the account since the last statement;
368 and (iii) a list of all the debits to the account since the last statement. The bank shall also report,
369 to the extent such information is available, the names and addresses of the payees, the amount of
370 each check and the purposes for which the money was paid as indicated on the check.

371 (e) The accounts shall remain in existence until the election and so long thereafter as a
372 candidate or political committee has unpaid obligations still outstanding. Candidates and
373 treasurers required to file reports under this section shall continue to file year-end campaign
374 finance reports in accordance with section 18 every year the committee remains in existence.

375 (f) A committee required to designate a depository on behalf of a candidate that files with
376 the director in accordance with this section and which receives and deposits a contribution of
377 \$500 or more after the eighteenth day but more than 72 hours before the date of a special,
378 preliminary, primary or general election shall file a report to disclose the information required by
379 this section within 72 hours of depositing the contribution. In addition, a state committee referred
380 to in section 1 of chapter 52 required to designate a depository pursuant to this section and which
381 receives a contribution of \$500 or more after the eighteenth day but more than 24 hours before
382 the date of a special, preliminary, primary or general election shall file a report to disclose the
383 information required by this section within 72 hours of depositing the contribution.

384 A candidate or a political committee that fails to file any report required by this section
385 shall be assessed and shall pay to the state treasurer a penalty not greater than \$25 for each day
386 the candidate or political committee has not filed the report.

387 A violation of this section shall be punished by imprisonment for not more than 6 months
388 or by a fine of not more than \$500.

389 SECTION 27. The fifth paragraph of section 22 of said chapter 55, as so appearing, is
390 hereby amended by adding the following sentence:- A person, corporation, association,
391 organization or group required to file a report under this section is also subject to subvendor
392 disclosure requirements under section 18D.

393 SECTION 28. Said chapter 55, as so appearing, is hereby further amended by striking
394 out section 27, as so appearing, and inserting in place thereof the following section:-

395 Section 27. The director shall make available to city and town clerks a summary of this
396 chapter and forms approved by the director and the attorney general suitable for the submission
397 of the statements and reports required by this chapter. The city and town clerk shall transmit
398 forms to a candidate for nomination or election to a city or town office who is known to the city
399 or town clerk and to a political committee required to file with the city or town clerk.

400 The director shall make available to all candidates and political committees required to
401 file with the director forms for filing and a summary of this chapter.

402 SECTION 29. (a) There shall be a campaign finance and disclosure task force. The task
403 force shall undertake a study of campaign finance and disclosure issues which shall include, but
404 not be limited to: (i) the use of email communications sent using a paid email service provider or
405 email marketing service provider; (ii) disclosure requirements for internet advertisements which
406 are of limited size, including requiring disclosure to be placed on a landing page, rollover display
407 or other technological means that provide the user with disclosure information rather than
408 requiring such information in the original advertisement; and (iii) the feasibility, merits and
409 administrative requirements of applying limits on contributions for each special election primary
410 and general rather than per calendar year.

411 (b) The task force shall consist of: the director of campaign and political finance, who
412 shall serve as chair; the speaker of the house of representatives or a designee; the senate
413 president or a designee; the minority leader of the house of representatives or a designee; the
414 minority leader of the senate or a designee; the state secretary or a designee; and a representative
415 of the election laws advocacy community designated by the house and senate chairs of the joint
416 committee on election laws.

417 (c) The task force shall submit its report and recommendations, together with drafts of
418 legislation, if any, necessary to carry its recommendations into effect, with the clerks of the
419 house of representatives and senate on or before January 1, 2015.

420 SECTION 30. Sections 1, 6, 8, 9, 10, 11, 14, 15, 18, 19 and 26 shall take effect on
421 January 1, 2015.