

SENATE No. 400

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to fair elections.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>1/31/2019</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>2/1/2019</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>	<i>3/1/2019</i>

SENATE No. 400

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 400) of James B. Eldridge, Denise Provost and Mary S. Keefe for legislation relative to fair elections. Election Laws.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 381 OF 2017-2018.]

The Commonwealth of Massachusetts

In the One Hundred and Ninety-First General Court
(2019-2020)

An Act relative to fair elections.

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 General Laws are hereby amended by inserting after chapter 55C the
2 following:-

3 CHAPTER 55D.

4 VOLUNTARY PUBLIC MATCHING FUNDS FOR QUALIFIED LEGISLATIVE
5 CANDIDATES.

6 Section 1. As used in this chapter, the following words shall have the following meanings
7 unless the context clearly requires otherwise:

8 "Allowable contribution", a monetary contribution made to a participant by an individual
9 or political committee pursuant to section 11 during an election cycle. Total allowable

contributions from any individual or political committee to a participant shall not exceed \$100 in the aggregate per election cycle.

"Certified candidate", a participant who is certified by the director under section 6. Unless a contrary intention clearly appears, certified candidate shall refer to this candidate and this candidate's committee, as defined in section 1 of chapter 55.

"Fair election funds", the funds distributed from the Massachusetts Fair Elections Fund by the director to certified candidates pursuant to sections 9 and 10.

"Contribution", contribution as defined in section 1 of chapter 55, except that the use by a participant of the participant's home, car, computer, facsimile machine, telephone or similar such equipment shall not be considered a contribution.

"Declaration of intent", a form prescribed by the director and signed by a candidate and the candidate's campaign treasurer under the pains and penalties of perjury that states that the candidate has complied with and agrees to continue to comply with allowable and in-kind contribution and expenditure limits set forth in this chapter for participants, and will comply with all other requirements set forth in this chapter and in regulations promulgated by the director pursuant to this chapter.

"Director", the director of campaign and political finance as described in section 3 of chapter 55.

"Election cycle", as applied to a candidate for a particular state office shall be the period beginning 31 days after a regular state election for that office and ending 30 days after the next state election for that office, inclusive.

"Election year", as applied to a candidate for a particular state office shall be the calendar year during which a regular state election for that office is held.

"Expenditure", an expenditure as defined in section 1 of chapter 55, except that expenditures shall not include in-kind contributions.

"General election campaign period", the period beginning the day following the primary election and ending on the day of the general election, inclusive.

"In-kind contribution", any contribution other than a monetary contribution.

"Legislative office", the offices of state senator, and state representative.

"Massachusetts Fair Elections Fund", the fund established under section 2.

"Massachusetts Fair Elections", the optional system of contribution and expenditure limits and public campaign financing established under this chapter.

"Monetary contribution", any contribution which is monetary in nature, including without limitation, cash, checks, loans, advances, money orders, or postage.

"Non-participating candidate", a candidate who has not been certified pursuant to section 6, or who has been decertified pursuant to section 17. Unless a contrary intention clearly appears, non-participating candidate shall refer to this candidate and this candidate's committee, as defined in section 1 of chapter 55.

"Obligated expenditure", an expenditure that a candidate has legally obligated to make or otherwise agreed to make, but has not yet made.

"Participant", a candidate who has voluntarily agreed to participate in Massachusetts Fair Elections, and who has submitted and not withdrawn a declaration of intent, and who has been neither denied certification nor decertified by the director. Unless a contrary intention clearly appears, participant shall refer to the candidate and the candidate's committee, as defined in section 1 chapter 55.

"Political committee", a political committee as defined in section 1 of chapter 55, but not including a committee which receives contributions or makes expenditures for the purpose of opposing or promoting a charter change, referendum question, constitutional amendment, or other question submitted to the voters.

"Primary election campaign period", the period beginning the day following the qualifying period and ending the day of the primary election, inclusive.

"Qualifying contribution", an allowable contribution to a participant of at least \$5 made during the qualifying period and after submission of a declaration of intent. An allowable contribution is a qualifying contribution only if it is accompanied by a form prescribed by the director pursuant to section 5. A contribution to a participant running for house of representatives is a qualifying contribution only if it is made by a registered voter who is registered in the participant's house district. A contribution to a participant running for senate is a qualifying contribution only if it is made by a registered voter who is registered in the participant's senate district. During any election cycle, only one allowable contribution by a particular voter to a given participant may be considered a qualifying contribution to that participant.

"Qualifying period", the period during which a candidate may collect qualifying contributions for the purpose of becoming a certified candidate. For a candidate for statewide

office, the period shall begin August 1 of the year preceding an election year and end on the last day that such candidate may file nominating papers with the state secretary pursuant to chapter 53. For a candidate for other state office, the period shall begin January 1 of an election year and end on the last day that such candidate may file nominating papers with the state secretary pursuant to chapter 53.

"Unexpended fair primary election funds", the money on hand following the end of the primary election campaign period, minus any allowable contributions raised during the election cycle prior to the end of the primary election campaign period, and minus any outstanding obligated expenditures incurred during the election cycle prior to the end of the primary election campaign period.

Section 2. (a) The Massachusetts Fair Elections Fund, hereinafter referred to as the "fund", is hereby created in the state treasury. Any money donated to the fund, returned to the fund under this chapter or appropriated to the fund by the legislature shall be deposited in the fund. Monies in the fund shall be invested in the same manner as monies in the state general fund. Interest earned on investment of monies in the fund shall be deposited in and credited to the fund. Unexpended and unencumbered monies in the fund shall remain in the fund. Monies in the fund shall be appropriated, administered, and used solely as provided in subsection b of this section.

(b) The director shall make allocations from the fund in the manner and amounts proscribed by this chapter.

Section 3. (a) All candidates for legislative office shall continue to be bound by all other applicable election and campaign finance statutes and regulations, unless they clearly conflict

with the provisions of this chapter; provided, further, that a participant in Massachusetts Fair Elections shall abide by the following requirements, and no candidate not complying with such requirements at any time during an election cycle shall be eligible to become a participant:

(1) During an election cycle, a participant shall not accept, expend, or obligate to expend any contribution or funds from any source other than allowable contributions received in accordance with and subject to section 11, in-kind contributions received in accordance with section 12 or fair election funds received pursuant to sections 9 and 10;

(2) During an election cycle, contributions and fair election funds received by a participant shall be used only to pay expenses or obligated expenditures incurred during that election cycle;

(3) During an election cycle, a participant shall not spend any funds raised or otherwise received in a prior election cycle for the purposes of the current election cycle;

(4) A participant shall agree to and abide by the expenditure limits set forth in section 7 and the allowable and in-kind contribution limits set forth in sections 11 and 12;

(5) During an election cycle, the financial activity of a participant candidate's committee shall be conducted from one account kept segregated and separate from any other account; and

(6) During an election cycle, a participant shall participate in at least:

(i) 1 public debate before the primary election with other participating candidates and other willing candidates from the same party and seeking the same nomination as such candidate; and

(ii) 2 public debates after the primary election but before the general election with other participating candidates and other willing candidates seeking the same office as such candidate.

Section 4. (a) Any candidate for legislative office who chooses to become a participant in Massachusetts Fair Elections shall file with the director a declaration of intent to participate as a certified candidate.

(b) A declaration of intent shall be filed with the director during the election cycle and prior to the end of the qualifying period.

(c) A candidate shall submit a declaration of intent prior to soliciting or collecting any qualifying contributions.

Section 5. (a) To become a certified candidate, a participant shall receive the following:

(1) at least the following minimum number of qualifying contributions for the following legislative offices

State Senator..... 450

State Representative.. 200

(2) A total dollar amount of qualifying contributions equal to or greater than the following amounts for the following legislative offices:

State Senator..... \$2,250

State Representative.. \$1,000

(b) Each qualifying contribution:

133 (1) may be made by means of a personal check, money order, debit card, credit card, or
134 electronic payment account;

135 (2) shall be accompanied by a signed form to be provided by the director containing:

136 (i) the contributor's name and the contributor's address in the commonwealth in which
137 the contributor is registered to vote;

138 (ii) an oath declaring that the contributor:

139 (A) understands that the purpose of the qualifying contribution is to show support for the
140 candidate so that the candidate may qualify for Fair Elections Financing;

141 (B) is making the contribution in his or her own name and from his or her own funds;

142 (C) has made the contribution willingly; and

143 (D) has not received anything of value in return for the contribution; and

144 (3) shall be acknowledged by a receipt that is sent to the contributor with a copy kept by
145 the candidate.

146 (c) The director shall establish procedures for the auditing and verification of qualifying
147 contributions to ensure that such contributions meet the requirements of this section.

148 (d) No person shall make or give any payment, gift or anything of value in exchange for a
149 contribution, and no such contribution shall be reported or treated as a qualifying contribution.
150 Violation of this provision shall be punishable by a fine of not more than \$2,000.

Section 6. (a) Application to become a certified candidate in Massachusetts Fair Elections shall be made by a participant during the qualifying period.

(b) When making application for certification, a participant shall file an update report. The update report shall cover contributions and expenditures during the period from January 1 of the election year through the third day before application for certification, and shall have the content and format of reports required pursuant to section 18 of chapter 55.

(c) A participant's application to become a certified candidate shall be on a form prescribed by the director and shall be signed by the participant and the participant's campaign treasurer.

(d) The director shall certify a participant to participate in Massachusetts Fair Elections upon determining that the participant has:

(1) signed and filed a declaration of intent;

(2) collected the required number of qualifying contributions, collected a total dollar amount of qualifying contributions equal or greater than the amount required by section 5 and submitted supporting forms required pursuant to this section;

(3) complied with the expenditure limits set forth in section 7;

(4) complied with the allowable and in-kind contribution limits set forth in sections 11 and 12;

(5) met all other applicable requirements for participation established in this chapter;

(6) agreed to continue to abide by all requirements for participants after certification; and

(7) met all other applicable requirements concerning candidacy for state office set forth in the constitution and in the general laws.

(e) In no case shall certification or denial of certification be completed more than 7 business days after a participant has applied to become a certified candidate and submitted all appropriate supporting documents.

(f) The director's certification or denial of certification is subject to judicial review in the superior court of the county where the candidate resides or in the Suffolk County Superior Court or in the supreme judicial court for Suffolk county; provided, however, that any petition for judicial review shall be filed within 14 days after the end of the qualifying period.

(g) A participant who fails to become a certified candidate or who is decertified shall no longer be considered a participant and shall no longer be bound by the provisions of this chapter pertaining to participants.

Section 7. (a) To become and remain a certified candidate, a participant shall abide by the following expenditure limits, as adjusted in accordance with section 14:

(1) For each of the following legislative offices, during an election cycle and before the end of the primary election campaign period, total expenditures and obligated expenditures, not including in-kind contributions, shall not exceed the following amounts:

State Senator \$60,000

State Representative.. \$20,000

(2) For each of the following state offices, total expenditures and obligated expenditures, not including in-kind contributions, shall not exceed the following amounts during a general election campaign period:

State Senator..... \$120,000

State Representative.. \$40,000

(b) Nothing in this section shall be construed to permit a participant who does not have an opponent in the primary or general election and who receives less than the full amounts stated in sections 8(a)(1) or (2) to spend up to the limits stated in this section.

Section 8. (a) A certified candidate shall be eligible to receive distributions from the Massachusetts Fair Elections Fund in the following amounts:

(1) For each of the following legislative offices, fair primary election funds for a certified candidate shall be limited to:

State Senator..... \$48,000

State Representative.. \$16,000

(2) For each of the following legislative offices, fair general election funds for a certified candidate shall be limited to:

State Senator..... \$96,000

State Representative.. \$32,000

Section 9. (a) Distributions from the Massachusetts Fair Elections Fund to certified candidates by the director shall, subject to appropriation, be made as follows:

(1) within 5 business days after certification, 20 per cent of the applicable amount provided in section 8(a)(1);

(2) within 5 business days after the end of the qualifying period, for certified candidates in a primary with an opponent who will appear on the ballot in the primary, 20 per cent of the applicable amount provided in section 8(a)(1);

(3) within 5 business days after the primary election, for certified candidates in the general election with an opponent who will appear on the ballot in the general election, 20 per cent of the applicable amount provided in section 8(a)(2);

(4) within 5 business days after the primary election, for certified candidates in a general election without an opponent in the general election, 20 per cent of the applicable amount provided in section 8(a)(2); and

(5) within 2 business days of the filing of a contribution report any matching funds as provided in section 10.

(b) Within 14 business days after the primary election, a certified candidate shall return all unexpended fair primary election funds to the Massachusetts Fair Elections Fund.

(c) Within 45 days after the general election, a certified candidate shall return all fair election funds that were not expended or obligated to be spent during the election cycle to Massachusetts Fair Elections Fund.

Section 10. (a) The Special Commission on Fair Elections shall pay to each participating candidate an amount equal to 400 per cent of the amount of qualified small dollar contributions received by the candidate from individuals who are residents of the commonwealth.

(b) The maximum payment under this section shall be the amounts in section 7 pursuant to adjustment under section 14.

(c) The director shall make payments from the Massachusetts Fair Elections Fund under this section not later than 2 business days after the receipt of a report made under subsection (d).

(1) Each participating candidate shall file reports of receipts of allowable contributions at such times and in such manner as the director may by regulations prescribe.

(2) Each report under this subsection shall disclose:

(A) the amount of each allowable contribution received by the candidate;

(B) the amount of each allowable contribution received by the candidate from a resident of the Commonwealth in which the candidate is seeking election; and

(C) the name, address, and occupation, when known, of each individual who made an qualified allowable contribution to the candidate.

(3) Reports under this subsection shall be made no more frequently than:

(A) once every month until the date that is 90 days before the date of the election;

(B) once every week after the period described in subparagraph (A) and until the date that is 21 days before the election; and

247 (C) once every day after the period described in subparagraph (B).

248 (4) The director may not prescribe any regulations with respect to reporting under this
249 subsection with respect to any election after the date that is 180 days before the date of such
250 election.

251 (e) The commission shall provide a written explanation with respect to any denial of any
252 payment under this section and shall provide for the opportunity for review and reconsideration
253 within 5 business days of such denial.

254 Section 11. (a)

255 (1) In any election cycle and before the end of the primary election campaign period, the
256 aggregate total of all allowable contributions accepted by a participant, including qualifying
257 contributions, for the following offices shall not exceed:

258 State Senator\$12,000

259 State Representative....\$4,000

260 (2) In any election cycle, during a general election campaign period, the aggregate total
261 of all allowable contributions accepted by a participant, including qualifying contributions, for
262 the following offices shall not exceed:

263 State Senator.....\$24,000

264 State Representative....\$8,000

(b) Any candidate may return a contribution or any portion thereof, and such returned amount shall be neither counted as part of the contribution, nor counted toward the limit stated in subsection (a).

(c) In the event that a participant has accepted allowable contributions which exceed the limit set forth in this section, the participant shall return any such excess funds to the contributors. The refund of excess funds shall be made not later than three days after discovery by the participant, or not later than three days after notification by the director, whichever is earlier.

(d) Each allowable contribution:

(1) may be made by means of a personal check, money order, debit card, credit card, or electronic payment account;

(2) shall be accompanied by a signed form to be provided by the director containing:

(i) the contributor's name and the contributor's address in the commonwealth in which the contributor is registered to vote;

(ii) an oath declaring the contributor:

(A) understands that the purpose of the qualifying contribution is to show support for the candidate so that the candidate may receive matching Fair Elections Financing;

(B) is making the contribution in his or her own name and from his or her own funds;

(C) has made the contribution willingly; and

(D) has not received anything of value in return for the contribution;

(3) shall be acknowledged by a receipt that is sent to the contributor with a copy kept by the candidate; and

(c) the director shall establish procedures for the auditing and verification of allowable contributions to ensure that such contributions meet the requirements of this section.

(d) No person shall make or give any payment, gift or anything of value in exchange for an allowable contribution, and no such contribution shall be reported or treated as an allowable contribution. Violation of this provision shall be punishable by a fine of not more than \$2,000.

Section 12. (a) A participant may accept in-kind contributions only from political committees and individuals.

(b) In any election cycle, the total value of all in-kind contributions accepted by a participant for the following offices shall not exceed:

State Senator..... \$10,000

State Representative.. \$5,000

(c) In any election cycle, a participant shall not accept in-kind contributions from a single individual or political committee totaling more than \$500 in the aggregate; provided, however, that a participant may accept in-kind contributions totaling not more than \$1,000 in the aggregate from a political party committee.

Section 13. (a) A participant may pay and expend allowable contributions and fair election funds received under this chapter only for reasonable and necessary expenses directly related to the campaign of such participant and shall not make any expenditure that is primarily for the participant's or any other person's personal use.

(b) If the director determines that any portion of fair election funds distributed to a certified candidate under this chapter was used for any purpose other than to defray campaign expenditures in that candidate's campaign, or to repay loans the proceeds of which were used to defray campaign expenditures in that campaign, the director shall so notify the certified candidate and the certified candidate shall, after notice and opportunity for hearing, pay an amount equal to the full amount so used to the Massachusetts Fair Elections Fund.

Section 14. The dollar amounts in sections 5, 7, 8, 11 and 12 shall be adjusted as provided in this section. By February 1 of the year preceding an election year, the director shall determine the percentage increase in the consumer price index from December of 1998 to the most recent December. The dollar amounts and limits set forth in sections 8(a), 10(a) and 11(b) shall be increased by that percentage, and shall be rounded off to the nearest one hundred dollars. The expenditure limits for each state office set forth in section 7(a)(1) shall be increased by the sum of the corresponding increase in section 8(a)(1) and 60% of the corresponding increase in 10(a). The expenditure limits for each state office set forth in section 7(a)(2) shall be increased by the sum of the corresponding increase in section 8(a)(2) and 40% of the corresponding increase in 10(a). The director shall use the revised consumer price index for all urban consumers for the Boston-Lawrence-Salem, Massachusetts-New Hampshire metropolitan area prepared by the United States Department of Labor.

Section 15. (a) The director shall promulgate such rules and regulations as are necessary to implement the purposes of this chapter, including but not limited to the following:

(1) The director shall promulgate a declaration of intent form pursuant to section 4.

(2) The director, in consultation with the state secretary, shall promulgate regulations governing the certification of the registration status of voters making qualifying contributions pursuant to section 5 and allowable contributions pursuant to section 11.

(3) The director shall promulgate regulations and forms governing application for certification, the filing of update reports, and the timely certification of participants pursuant to section 6 and section 10.

(4) The director shall promulgate regulations governing the disbursement of fair general election funds and the timing of such disbursement in the event that primary election results are subject to a recount or judicial review.

(5) The director shall promulgate regulations governing application, certification, expenditure limits, allowable and in-kind contribution limits, and distribution of fair election funds for candidates running in a special election.

(6) The director shall promulgate regulations governing the return of allowable contributions by certified candidates pursuant to section 10.

(7) The director shall promulgate regulations governing the return of fair election funds in the case of the death of a certified candidate or withdrawal of a certified candidate from a race.

(b) The director shall have the same power and authority to investigate the legality, validity, completeness and accuracy of all reports filed and actions taken by candidates pursuant to this chapter as is provided by section 3 of chapter 55 pertaining to campaign contributions and expenditures. Such power shall include, but not be limited to, the issuance of summonses.

(c) The director may waive all or part of any civil penalty set forth in this chapter for good cause shown; provided, however, that such findings and the reasons therefore are put in writing.

(d) The director shall annually determine the amount of funds required for the full implementation of all provisions of this chapter. Pursuant to section 3 of chapter 29, the director shall annually make a request to the budget director for inclusion of a request in the budget for such funds.

Section 16. All reports and statements filed with the director pursuant to this chapter shall be signed under the penalties of perjury.

Section 17. (a) In addition to any other penalties which may be imposed under this chapter, the director shall, after notice and opportunity for hearing, decertify any participant who knowingly:

(1) exceeds the expenditure limit specified in section 7;

(2) accepts any contribution in violation of the allowable or in-kind contribution limits set forth in sections 11 and 12;

(3) falsely reports any expenditure or contribution; or

(4) fails to disclose any expenditure or contribution as specified in this chapter or in sections 18 or 19 of chapter 55; unless such candidate can establish to the director that such violation was of a trivial or limited character.

(b) Any participant who fails to meet the nominating requirements set forth in chapter 53, including but not limited to a candidate who has lost the party primary, and who has exhausted all legal rights to meet such requirements, shall be decertified by the director.

(c) Any participant decertified pursuant to this chapter, except a candidate who is decertified solely for not winning the party primary who shall return all unexpended fair primary election funds, shall forfeit and return, with interest from date of receipt to date of return at the rate computed as specified in section 6 I of chapter 231, all fair election funds which said candidate has received. Funds forfeited and all applicable interest returned by a decertified candidate shall be deposited in the Massachusetts Fair Elections Fund.

(d) A participant decertified by the director for any violation of this chapter shall, after notice and opportunity for hearing, be fined an amount equal to two times the amount at issue for each violation. Such fine shall not be paid from the campaign account of the certified candidate's committee.

(e) A participant decertified by the director for falsely reporting or for failing to report or disclose any contribution or expenditure required to be reported or disclosed pursuant to section 18 of chapter 55 or section 5(b) of this chapter shall, after notice and opportunity for hearing, be fined an amount equal to two times the amount at issue for each violation. Such fine shall not be paid from the campaign account of the certified candidate's committee.

(f) All fines imposed by the director under this section shall be paid within 120 days of the decertification and shall be deposited in the Massachusetts Fair Elections Fund.

(g) Decertification is subject to judicial review in the superior court of the county where the candidate resides or in the Suffolk county superior court or in the supreme judicial court for

388 Suffolk county, provided, however, that any petition for judicial review shall be filed within ten
389 days of receipt of notice of decertification.

390 (h) The director shall provide to the decertified candidate written explanation for the
391 cause of decertification.

392 Section 18. (a) There is hereby established a Special Commission on Fair Elections to
393 consist of 3 members of the senate, 1 of whom shall be the chairman of the joint committee on
394 election laws who shall serve as co-chairman, 1 of whom shall be the senate president or his
395 designee, and 1 of whom shall be the minority leader or his designee, and 3 members of the
396 house of representatives, 1 of whom shall be the chairman of the joint committee on election
397 laws who shall serve as co-chairman, 1 of whom shall be the speaker of the house or his
398 designee, and 1 of whom shall be the minority leader or his designee, the governor or his
399 designee, the state secretary or his designee, and 8 Massachusetts citizens representing the public
400 to be appointed by the director of the office of campaign and political finance.

401 (b) The special commission shall investigate and study the workings of the Massachusetts
402 Fair Elections, including, but not limited to, the required number of qualifying contributions, the
403 level of fair election amounts, expenditure limits for participants, adequacy of funding for the
404 Massachusetts Fair Elections, the level and impact of independent expenditures in Massachusetts
405 elections, the cost of implementation, estimated cost of compliance with this chapter by the
406 office of campaign and political finance, and the priority of funding fair elections candidates in
407 the event the legislature appropriates insufficient funds. The office of campaign and political
408 finance shall consult with and provide information and assistance to said commission in the
409 preparation of its report. Said commission shall begin to meet and conduct hearings no later than

410 January 15, 2020 and shall report to the general court the results of its investigation and study,
411 and its recommendations, if any, together with drafts of legislation necessary to carry its
412 recommendations into effect, by filing the same with the clerks of the senate and the house of
413 representatives and the chairmen of the senate and house committees on ways and means no later
414 than October 1, 2020. Said commission shall meet and hold hearings at least every two years and
415 shall report to the general court in the same manner before the first Wednesday of October in
416 every even numbered year beginning in 2020.

417 Section 19. This chapter shall be effective for all election cycles beginning on or after
418 November 1, 2020.