

970CMR 1.02(6): Date and time reports due. (1/5/18 draft)

Add the following new subsection:

(6) Date and time reports due.

(a) Except for the reports listed in 970 CMR 1.02(6)(b), reports filed electronically with the director are due by 11:59 pm on the dates specified in the campaign finance law unless the due date falls on a Saturday, Sunday or a legal holiday as defined in M.G.L. c. 4, § 7. In such cases, the report will be due by 11:59 pm on the next business day.

(b) Independent Expenditure and Electioneering Communication Reports required to be filed with the director by M.G.L. c. 55, §§ 18A and 18F shall be filed electronically no later than 11:59 pm on the date specified in c. 55, notwithstanding that the date may fall on a Saturday, Sunday or legal holiday.

(c) Reports filed with a local election official are due no later than the close of the workday of the date specified in the campaign finance law. If the due date for a municipal report falls on a Saturday, Sunday or legal holiday, the report is due no later than the close of business on the next business day.

970CMR 1.04(9) Refunds (1/5/18 draft)

Revise 1.04(9) to strike existing regulation and insert in place thereof the following:

(9) Contributions received by political committees may be refunded as provided in 970 CMR 1.04(9)(a), (b) or (c).

(a) A political committee that is not dissolving may refund a contribution upon request of a contributor.

(b) A political committee may establish a refund policy allowing refunds of contributions from a particular category or type of contributor. The policy must be applied in a consistent manner.

(c) Contributions may be refunded because of the termination of a particular candidacy or by a ballot question committee, if the question the committee was organized to support or oppose is not placed on the ballot. Refunds made due to termination of a particular candidacy or because a ballot question was not placed on the ballot shall be made either on a *pro rata* or a "last in, first out" basis.

(d) If a committee has issued a refund check to a contributor but the refund check is not negotiated within three months of issuance, the committee shall instead disgorge the funds by making a payment to a charitable entity or entities or otherwise pursuant to the residual funds clause in M.G.L. c. 55, § 18.

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Existing 970 CMR 1.04(9) to be stricken and replaced with above:

(9) A political committee or candidate may elect to refund a contribution, subsequent to its deposit, under the following circumstances:

(a) The political committee or candidate determines that the receipt of the particular contribution creates an appearance of a conflict of interest or other possible impropriety. Such a refund would be appropriate, for example, where the receipt of a particular contribution might reasonably be interpreted to create an impression that a contributor can improperly influence or unduly enjoy official favor, or exercise undue influence.

(b) The political committee or candidate has established, or establishes, a refund policy regarding contributions from a particular category or type of contributor. This policy, and the refund of such contributions, must be stated and applied in an open and consistent manner.

(c) Except as provided in 970 CMR 1.04(9)(d), contributions may be refunded to some or all contributors making contributions to a candidate or committee for any reason if refunds are made within 90 days of receipt of such contributions.

(d) Contributions may be refunded within 90 days of receipt because of the termination of a particular candidacy. Such refunds shall be calculated in accordance with 970 CMR 1.04(9)(d)1. or 2.:

1. refunds may be made on a *pro rata* basis; or

2. refunds may be made on a "last in, first out" basis, *i.e.*, the most recent contribution will be refunded in full and the remaining balance will be used to refund each contribution in the reverse order of receipt.

(e) Except as expressly provided, 970 CMR 1.04 shall not be construed to affect the requirements of 970 CMR relating to the disposition of residual funds by candidates and political committees.

(f) The contributions have been given to a ballot question committee that was organized to support or oppose an anticipated ballot question and the question the committee was organized to support or oppose was not placed on the ballot. If some of the contributions received by the committee have been spent and are not available when refunds are to be made, refunds shall be made on a *pro rata* basis or on a last in, first out basis.

(g) If a candidate or committee has issued a refund check to a contributor but the refund check is not negotiated within three months of issuance, the candidate or committee shall instead disgorge the funds by making a payment to a charitable entity or entities or otherwise pursuant to the residual funds clause in M.G.L. c. 55, § 18.

970 CMR 1.04(15) Contributions from Trusts (1/5/18 draft)

Revise 970 CMR 1.04(15) Contributions from Trusts as indicated:

(15) Contributions received from trusts shall be subject to the following requirements:

~~(a) A contribution from a personal or family living trust is attributed to the individual signing the check or authorizing the credit or debit card transaction, for purposes of the disclosure requirements and contribution limits of the campaign finance law, if the individual signing the check or authorizing the credit or debit card transaction is the donor of the funds used to create the trust account (the "settler") (e.g., if Mary Smith signs the check on the Mary Smith Trust, the contribution is attributed to Mary Smith). The contribution counts towards the individual's annual contribution limit.~~

(a) A contribution from a living trust shall be reported as a contribution from the beneficial owner(s) of the trust. The committee receiving the contribution is responsible for determining the identity of the beneficial owner(s).

~~(b) Personal or family living trusts are considered separate entities for purposes of the disclosure requirements and contribution limits of the campaign finance law and a contribution shall be attributed to the trust if the individual signing the check or authorizing the credit or debit card transaction is not the settler (e.g., if John Doe signs the check on the Mary Smith Trust, the contribution is attributed to the Mary Smith Trust). A contribution to political committees from a personal or family living trust that is not signed by the settlor is attributed to the trust, subject to the same limits and disclosure requirements that apply to contributions from individuals. The contribution limits for a living trusts are separate from the limit on contributions by the individual beneficiaries and trustees of the trust.~~

~~(c) A contribution to political committees by a testamentary trust or an estate is attributed to the trust or the estate, subject to the same limits and disclosure requirements that apply to contributions from individuals.~~

(c) Committees may not accept contributions from testamentary trusts or bequests from estates.

~~(d) The limit applicable to contributions made by trusts or estates is separate from the limit on contributions that applies to individual beneficiaries, trustees, executors, administrators, or personal representatives of the trust or estate, except as provided in 970 CMR 1.04(15)(a).~~

~~(e) The name and address of the trustee, executor, administrator, or personal representative must be provided to the committee at the time the contribution is made and disclosed by the committee when reporting the contribution.~~

(f) (d) Contributions from realty or nominee trusts are prohibited except where such contributions are received by ballot question committees or IE PACs.

1.09: Contributions by Credit or Debit Card. (1/5/18 draft)

Revise 970 CMR 1.09 Contributions by Credit or Debit Card as indicated:

(1) Definitions. For the purpose of making and receiving contributions by credit or debit card pursuant to M.G.L. c. 55, § 9 and 970 CMR 1.09, the following terms shall have the following meanings:

Cardholder means the person or political committee whose name appears on a credit or debit card and who is directly liable for the payment of any credit extended or funds expended.

Card Issuing Bank means the bank or other financial institution that issues a credit or debit card.

Credit or Debit Card means a **credit or debit** card or other similar device issued by a card issuing bank or other business authorizing the cardholder to buy goods or services. For purposes of 970 CMR 1.00, **debit credit** card contributions **also** include contributions made from a contributor's bank account by electronic transfer.

Internet transactions include transactions made via a committee website, a committee vendor's website, a mobile application "app," crowd funding website or social media.

~~Merchant Provider~~ means a bank or other business authorized to process credit or debit card transactions.

Paper Record means a credit ~~or debit~~ card receipt or other printed record documenting a credit ~~or debit~~ card transaction.

Vendor means **a bank or other business authorized to process credit card transactions, or** an individual or entity ~~other than a merchant provider~~ that provides services for campaign fundraising on the Internet to ~~candidates and~~ political committees.

(2) ~~Contributions by Credit or Debit Card Made Over the Internet.~~ **Internet Transactions**

Internet transactions may be received only if the contributor, contemporaneously with the making of the contribution, certifies that the contributor is using the contributor's own credit card, which is in the contributor's name, and also certifies that the contributor's personal funds are the true source of the contribution. In addition, the contribution may be accepted only if the contributor, contemporaneously with the making of the contribution, provides his or her name and residential address, and if the amount contributed is \$200 or more, their occupation and employer. A political committee may not process a credit card transaction made via the Internet if the required acknowledgment and contributor information is not provided contemporaneously with the contribution.

(a) ~~Credit or Debit Card and Internet Agreements~~ **with Vendors.** A ~~candidate or~~ political committee may enter into an agreement with a vendor ~~or merchant provider~~ in order to receive contributions by credit ~~or debit~~ card over the Internet. Any such agreement must comply with M.G.L. c. 55, § 9 and 970 CMR 1.09. In addition to any other requirements of 970 CMR 1.09, such agreement must demonstrate compliance with the following:

1. The financial agreement between the ~~candidate or~~ political committee and the vendor ~~or merchant provider~~ must be consistent with customary and usual business practices.
2. The vendor ~~or merchant provider~~ may not provide a discount or other financial incentive to a ~~candidate or~~ political committee that is not available to any other candidate, political committee or the general public.

3. The ~~candidate or~~ committee must, in addition to being responsible for any portion of contributions deducted during processing by the ~~vendor or merchant provider~~, also pay any applicable additional fees established by the ~~vendor or merchant provider~~.

(b) Web Site: Screening and Compliance. The ~~vendor or merchant provider~~, or the ~~candidate or~~ political committee, shall cause to be displayed on the contributor's computer screen, **or otherwise display**, appropriate questions requiring a response from the contributor to determine whether the source and amount of a contribution complies with M.G.L. c. 55 and 970 CMR 1.09. Such questions shall require the contributor to answer with an affirmative act such as clicking **or tapping** the cursor in a box or pressing the enter key on the computer keyboard. In addition, a Website **or other Internet site or app** that is used to solicit contributions by credit ~~or debit~~ card must:

1. clearly identify the name of the ~~candidate or~~ political committee that is ~~using the Web site to solicit~~ **soliciting** such contributions ~~via the Internet~~;

2. require that contributors certify by making an affirmative action that the contributor is responsible for paying all charges incurred in using the credit ~~or debit~~ card to make a contribution and that the contributor's personal funds will be the true source of the contribution in accordance with M.G.L. c. 55, § 10; and

3. make a clear distinction between information that is required by law or regulation and information that is optional, if any. For example, a Website could indicate required information such as a contributor's name and residential address in red and optional information such as a contributor's interest in working as a volunteer in green.

(c) Confirmation of Contribution. The ~~vendor or merchant provider~~, or the ~~candidate or~~ political committee must promptly send written confirmation of each credit ~~or debit~~ card contribution made over the Internet to the contributor by ~~electronic mail~~ **email** or, if the contributor does not have **or does not provide** an email address, by first class mail, postage prepaid.

(3) Credit ~~or Debit~~ Card Contributions Not Made *via* the Internet - Credit ~~or Debit~~ Card Agreements. A ~~candidate or~~ political committee may enter into an agreement with a **vendor** ~~merchant provider~~ in order to receive contributions by credit ~~or debit~~ card other than via the Internet except as prohibited in 970 CMR 1.09(4). All contributions received pursuant to 970 CMR 1.09(3) must be documented by **an electronic or back-up** paper record ~~signed by the contributor at or before the time the committee processes the contribution~~. Any such agreement between a ~~candidate or~~ political committee and a **vendor** ~~merchant provider~~ must comply with M.G.L. c. 55, § 9 and 970 CMR 1.09, including, but not limited to 970 CMR 1.09(2)(a) ~~1. through 3.~~

(4) Credit ~~or Debit~~ Card Contributions by **Verbal Communication by** Phone. Such contributions are prohibited.

(5) Recordkeeping and Disclosure.

(a) A ~~candidate or~~ political committee soliciting or receiving contributions by credit ~~or debit~~ card shall maintain printed and, if a contribution is received over the Internet, electronic and back-up printed records of each contribution. Such records, which shall be maintained for six years from the date of the relevant election, shall include the:

1. name and residential address of an individual contributor;

2. date received and amount of the contribution;

3. occupation and employer if the contribution is equal to or greater than \$200 or if the aggregate of all contributions received from a contributor within any one calendar year is equal to or greater than \$200;

4. any costs or fees deducted by or paid to the vendor ~~or the merchant provider~~; and

5. the last four digits of the credit or debit card number and expiration date of the contributor's credit or debit card, unless pursuant to a written agreement a vendor or merchant provider has agreed to maintain such records on behalf of the candidate or committee; and

6. ~~5.~~ the billing address used by the contributor for receipt of credit or ~~debit~~ card bills, if different from the residential ~~or business~~ address of the contributor.

(b) For credit card contributions authorized in any month other than December that are received by a non-depository committee, contributions made by credit ~~or debit~~ card shall be disclosed as received by a candidate ~~or~~ political committee on the day that the committee has access to the funds, the funds are received into the committee's bank account either by check or electronic transfer. Credit card contributions authorized in December but not received until the following calendar year are considered "received" in the year in which the contributions were authorized, and are reported in the year-end report for that calendar year.

(c) A candidate ~~or~~ political committee receiving contributions by credit ~~or debit~~ card must report as receipts, on the candidate ~~or~~ committee's campaign finance reports, the full (gross) amount of each contribution before the payment of any fees or deductions to the vendor, ~~or~~ card issuing bank ~~or the merchant provider~~. In addition, all fees paid to or deducted from contributions by a vendor ~~or merchant provider~~ for processing such contributions are expenditures which must be reported by the committee as expenditures in accordance with M.G.L. c. 55 and 970 CMR 1.09.

(d) In accordance with 970 CMR 1.04(8), candidates and political committees must review all contributions received by credit ~~or debit~~ card to determine that such contributions comply with both the source and limitation requirements of the campaign finance law. Any contribution determined to be illegal or in excess of the limits of M.G.L. c. 55 shall be refunded in accordance with 970 CMR 1.04(8) to the contributor.

(e) ~~Candidates and political~~ Political committees that receive credit card ~~or debit~~ card contributions must obtain processing information from the vendor ~~or merchant provider~~ reflecting contributions received, which itemizes actual deposits made by the merchant provider ~~or~~ vendor to the candidate ~~or~~ committee's account, and lists all contributions that cleared or were declined by the issuing bank and also must obtain all information required by 970 CMR 1.09(5)(a);

(f) After receiving the processing information from the merchant provider ~~or~~ vendor, the candidate ~~or~~ political committee must reconcile the information to the information provided by the candidate ~~or~~ committee's bank regarding actual deposits, to ensure the accuracy of information the candidate ~~or~~ committee will file with OCPF.

(6) Depository Candidates/Committees.

(a) Within seven business days of receipt of the contribution from the card issuing bank, the vendor ~~or~~ committee ~~or merchant provider~~ shall deposit the total amount of the contribution into the candidate ~~or~~ political committee's depository account, unless the agreement between the candidate ~~or~~ political committee and the vendor ~~or merchant provider~~ authorizes the vendor ~~or merchant provider~~ to deduct transaction costs or fees from a credit ~~or debit~~ card contribution(s) received in which case the vendor ~~or merchant provider~~ may deposit the net proceeds of such contribution(s) into the candidate ~~or~~ political committee's depository account. For purposes of filing disclosure reports required by the campaign finance law, a deposit of a contribution made by credit ~~or debit~~ card is deemed to take place on the day the funds are received into the committee's account either by check or electronic transfer, if the contribution was authorized in any month other than December. A credit card contribution authorized in

December but not received until the following calendar year is considered a “receipt in transit” and is reported in the previous year’s year-end report.

(b) Each candidate and each treasurer of a political committee required to designate a depository account shall file reports of credit ~~or debit~~ card receipts with the director. These reports shall be filed ~~on~~ **no later than** the fifth day of each month, complete as of the first day of that month and on the 20th day of each month complete as of the 15th day of that month, if during such reporting period a credit ~~or debit~~ card contribution(s) is deposited into the ~~candidate or~~ political committee's depository account. The reports shall contain the following information regarding the credit ~~or debit~~ card contributions deposited in the ~~candidate or~~ committee's account during the reporting period:

1. The full name and residential address of each contributor where the contribution was in excess of \$50.00 or where the aggregate of all contributions received from that contributor within the calendar year has exceeded \$50.00, along with the date of the deposit and amount of contribution, and the contributor's occupation and employer if aggregate contributions by that contributor has equaled or exceeded \$200.00 for the calendar year. In the case of a credit ~~or debit~~ card contribution by a trust, foundation or association, other than a political committee, the names and addresses of its principal officers shall also be disclosed as required by M.G.L. c. 55, § 10;

2. The total amount of contributions itemized pursuant to 970 CMR 1.09(6)(b)(1);

3. The total amount of contributions \$50.00 and under;

4. The total amount of credit ~~and debit~~ card receipts; and

5. The total proceeds of credit ~~and debit~~ card contributions deposited in the committee account. If this amount is less than total amount of credit ~~or debit~~ card receipts for the reporting period due to a vendor ~~or merchant provider~~ having deducted a fee prior to depositing a contribution(s) into the ~~candidate or~~ committee's depository account in accordance with 970 CMR 1.09(6)(a), then the total amount of ~~transactions costs or fees~~ deducted by the vendor ~~or merchant provider~~ during the reporting period shall also be disclosed. This figure should be calculated by subtracting the aggregate proceeds of credit ~~and debit~~ card contributions deposited during the reporting period from the total amount of credit ~~and debit~~ card receipts reported pursuant to 970 CMR 1.09(6)(b)4, and entered on the deposit report as a **“merchant provider fee.”** ~~negative entry (with parentheses around the amount of the fee).~~

(c) The information required to be forwarded in accordance with 970 CMR 1.09(6)(b) shall be submitted electronically in compliance with M.G.L. c. 55, § 18C.

(d) Depository ~~candidates and political~~ committees that receive contributions by credit ~~or debit~~ card must request information from ~~merchant providers or~~ vendors and obtain information regarding contributions received in accordance with 970 CMR 1.09(5)(e) and perform the reconciliation required by 970 CMR 1.09(5)(f) prior to filing each report of contributions received with OCPF.

970 CMR 1.10(4) Disclosure of Expenditures Specific Purpose (1/5/18 draft)

Revise 970 CMR 1.10(4) Record Keeping and Disclosure of Expenditures as indicated:

(4) (a) The ~~specific~~ purpose of each expenditure shall be reported in sufficient detail to ~~demonstrate that an expenditure complies with the campaign finance law~~ **ensure accurate and complete disclosure**.
Examples of such detail include the following:

(1) **"Dinner with colleagues to discuss health care bill, budget, etc."** instead of "Dinner with colleagues."

~~(1)~~ (2) "Candidate radio ads" instead of "Ads."

~~(2)~~ (3) "5,000 bumper stickers" instead of "Printing."

~~(3)~~ "Auto reimbursement" instead of "Travel."

(b) 970 CMR 1.10(4)(a) applies to expenditures by candidates and political committees, and also to independent expenditures or electioneering communications by any individual or entity, as well as to expenditures made to influence ballot questions.

970 CMR 1.10(5) Disclosure of Candidates Supported by PAC expenditure (1/5/18 draft)

Revise 970 CMR 1.10(5) Record Keeping and Disclosure of Expenditures **In-Kind Contributions** as indicated:

(5) The report of a party committee, **PAC or people's committee** making ~~expenditures~~ **in-kind contributions** to support or oppose a candidate must identify the candidate. For example, an in-kind contribution by a party committee for staffing to assist candidate John Doe should be reported as "Staff time – for John Doe campaign."

970 CMR 1.16(4) Disclosure of PACs influencing recall of mayoral candidates (1/5/18 draft)

Revise 970 CMR 1.16 (Disclosure Required of Candidates for Mayor in Municipalities with a Total Population of less than 75,000) as indicated:

(4) A political action committee or people's committee organized to promote or oppose the recall of a mayoral candidate ~~who is required to file with the director~~ must **electronically** file its campaign finance reports with the director in accordance with the schedule for filing in M.G.L. c. 55, § 18 19." ~~with the director.~~"

970 CMR 1.20 Legal Defense, Inauguration and Recount Funds (1/5/18 draft)

Revise paragraphs (6) and (8) of 970 CMR 1.20 (Legal Defense, Inauguration and Recount Funds) as indicated:

(6) A candidate or committee that has a separate legal defense fund, inauguration fund or recount fund can also use the candidate's committee, or where a legal defense fund has been created by a state party committee, the state party committee, to raise funds and make expenditures for legal defense, inauguration and recount purposes if the expenditures for such purposes comply with M.G.L. c. 55, § 6. ~~If funds are raised by a political committee for such purposes and deposited into the committee's campaign account, the funds are also considered "contributions" subject to the limits of the campaign finance law.~~ Funds raised solely for such purposes must be deposited into a separate legal defense, recount or inauguration fund account, and may not be deposited into a committee's campaign finance account.

(8) When all donations have been received and all payments made to accomplish the purposes of a legal defense, inauguration, or recount fund, any money remaining in the fund's account must be disposed of in a manner consistent with the residual funds clause of M.G.L. c. 55, § 18, and the director notified, in writing, that the fund has been closed. ~~Inaugural funds shall dissolve no later than six months after the inaugural event.~~ Any money remaining in the fund's account may not be deposited into a candidate's or political committee's account.

970 CMR 1.22: Tracking Funding Sources – Clarification of when a group is a political committee
(1/5/18 draft)

Revise 1.22 to strike existing regulation and insert in place thereof the following:

(1) **General Applicability.** 970 CMR 1.22 establishes rules, to ensure disclosure required of transfers of money or other things of value, by individuals or organizations that are formed and operate as tax exempt organizations under Internal Revenue Code § 501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6), as well as by any other entity, including an entity created under § 527 of the Internal Revenue Code, that is not organized as a Massachusetts political committee.

(2) **When an Organization Must Register as a Political Committee.** An organization, including a political committee registered in a non-Massachusetts jurisdiction, that solicits or receives money or anything of value to make contributions to Massachusetts candidates or political committees, including ballot question committees or independent expenditure PACs is a political committee pursuant to M.G.L. c. 55, § 1. Such an entity shall organize as a political committee and file campaign finance reports disclosing all contributions received, all expenditures made, and all liabilities incurred for the purpose of making contributions or independent expenditures. A determination of whether an organization is required to organize and file campaign finance reports as a political committee depends on an assessment of various factors, including the timing and content of solicitations and the timing of receipts.

(3) **Types of Political Committees that may be Created Pursuant to 970 CMR 1.22(2).** If an organization raises money to make contributions to support or oppose candidates, or to make independent expenditures, it must organize as a PAC or independent expenditure PAC. If an organization raises money to support or oppose a ballot question, it must organize as a ballot question committee. All political committees must disclose all financial activity, including all contributions received, in campaign finance reports. If an organization raises money to make electioneering communications, it must disclose donors and electioneering communication expenditures in the organization's reports of electioneering communications.

(4) **Independent Expenditure PACs.** An organization, whether existing in Massachusetts or in another state, that solicits or receives money or other things of value to make independent expenditures in Massachusetts, or for the purpose of allowing another individual, group, association, corporation, labor union or other entity to make independent expenditures in Massachusetts after transfer of the money or things of value to such individual or entity, is an independent expenditure political action committee and must organize as such prior to soliciting or receiving any money or other things of value for that purpose, pursuant to M.G.L. c. 55 and 970 CMR 2.17: *Independent Expenditures*. Such independent expenditure political action committees are required to file campaign finance reports disclosing all contributions received, all expenditures made, and all liabilities incurred for the purpose of making contributions or independent expenditures in Massachusetts, and must also maintain detailed accounts of all campaign finance activity pursuant to M.G.L. c. 55, §§ 5 and 18.

(5) **Contributions by Independent Expenditure PACs to Other Independent Expenditure PACs.** An independent expenditure PAC may contribute to another independent expenditure PAC if making the

contribution is consistent with the donating committee's statement of purpose. The independent expenditure PAC making the contribution to the recipient independent expenditure PAC must file seven business day and 24-hour IE PAC reports, based on the date of the contribution to the IE PAC, with the director in accordance with the requirements of M.G.L. c. 55, § 18A(d).

(6) **Organization's Statement Regarding Source of Funds.** A committee that receives a contribution from an organization, whether existing in Massachusetts or in another state, may be required by OCPF to obtain a written statement, as described in 970 CMR 1.22 (6), from the organization, signed under the penalties of perjury. The written statement shall verify that the organization made the contribution solely from general treasury funds and not in any part from funds solicited or received for political purposes, i.e., not solicited or received to support or oppose a candidate or candidates, a political party or a ballot question, whether in Massachusetts or elsewhere. In addition, the statement shall certify that funds provided do not, except as allowed by M.G.L. c. 55, include money derived from business or professional corporations or partnerships. If a statement is not provided to the committee in response to its request, or if a statement that is provided is determined by OCPF to not be credible, OCPF may require the committee to return the contribution. OCPF shall assess the statement's credibility, after providing an opportunity for the entity submitting the statement to also submit evidence and argument to support the credibility of the statement.

(7) **True Source of Contributions Must be Disclosed.** No organization or individual may directly or indirectly make a contribution or independent expenditure, or an electioneering communication, in any manner for the purpose of disguising the true origin of the contribution, independent expenditure, or electioneering communication.

(8) **Identification of Contributors.** If a donor to an organization knows or has reason to know that the donor's money will be used to make a contribution or an independent expenditure to support or oppose a Massachusetts candidate or ballot question, or an electioneering communication referencing a Massachusetts candidate, the donation shall be disclosed in accordance with M.G.L. c. 55, §§ 18, 18A or 18F. For purposes of 970 CMR 1.22, a donor "knows or has reason to know" that a donor's funds will be used to make a contribution, independent expenditure, or electioneering communication, if (a) the donor makes the donation in response to a solicitation indicating the organization's intent to make a contribution, independent expenditure, or electioneering communication; (b) if other circumstances, including the timing and context of the donations, indicate that a donor knew or had reason to know that the donation would be used for such purpose; or (c) the donor has been identified as having such knowledge in accordance with 970 CMR 1.22(9).

(9) **Identification of Contributors When General Treasury Funds are Insufficient.** If an organization makes a contribution, electioneering communication, or independent expenditure that is not fully paid from general organizational income, it must identify additional donors to the extent that general treasury funds and those donors described in 970 CMR 1.22(8) did not provide the full balance of the funds used to make the contribution, electioneering communication, or independent expenditure. In such cases the organization shall identify and report all donors, including those who are presumed to have had reason to know that all or part of their payments would be used to make contributions, electioneering communications or independent expenditures, using a "last in, first out" accounting method, until a sufficient number of donors have been identified and reported to account for the full balance of the contribution, electioneering communication or independent expenditure.

(10) **Required Recordkeeping.** Detailed accounts of all campaign finance activity shall be maintained pursuant to M.G.L. c. 55, §§ 5 and 18. Such accounts must be provided to the director upon request. An organization or individual making, ~~or~~ soliciting, or receiving money or anything of value to make contributions, independent expenditures or electioneering communications in Massachusetts must maintain detailed records regarding the funds raised, expenditures, or electioneering communications made using funds or in-kind contributions raised, including all records necessary to demonstrate the source of the funds. This requirement exists whether the funds or things of value used to make contributions, independent expenditures, or electioneering communications are contributions received for that purpose or funds from the organization's general treasury.

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Existing 970 CMR 1.22 (to be stricken and replaced with above):

(1) 970 CMR 1.22 establishes rules, adopted in accordance with M.G.L. c. 55, § 3, governing disclosure and recordkeeping required of transfers of money or other things of value, by individuals or organizations that are formed and operate as tax exempt organizations under Internal Revenue Code § 501(c)(3), 501(c)(4), 501(c)(5), and 501(c)(6), as well as other organizations, including organizations created under § 527 of the Internal Revenue Code, that are not Massachusetts political committees. 970 CMR 1.22 applies when the transfers are made for purposes of facilitating the eventual making of contributions, electioneering communications, or independent expenditures, and require disclosure of contributions, including contributions to an independent expenditure PAC, made for the purpose of supporting or opposing a candidate, political party, or ballot question in Massachusetts. In addition, 970 CMR 1.22 requires disclosure by organizations or individuals that raise or transfer money or other things of value for the purpose of making electioneering communications, and provide guidelines for ensuring that the origin of the funds used to make contributions, electioneering communications, or independent expenditures are disclosed in the manner required by M.G.L. c. 55.

(2) An organization, whether existing in Massachusetts or in another state, that solicits money or other things of value to make independent expenditures in Massachusetts, or for the purpose of allowing another individual, group, association, corporation, labor union or other entity to make independent expenditures in Massachusetts after transfer of the money or things of value to such individual or entity, is an independent expenditure political action committee and must organize as such prior to soliciting any money or other things of value for that purpose, pursuant to M.G.L. c. 55 and 970 CMR 2.17: *Independent Expenditures*. Such independent expenditure political action committees are required to file campaign finance reports disclosing all contributions received, all expenditures made, and all liabilities incurred for the purpose of making contributions or independent expenditures in Massachusetts, and must also maintain detailed accounts of all campaign finance activity pursuant to M.G.L. c. 55, §§ 5 and 18.

(3) Any organization, including a political committee or organization registered in a non-Massachusetts jurisdiction that supports political parties or candidates must organize as a political committee in Massachusetts, prior to soliciting money or any other thing of value for the purpose of influencing the election of a Massachusetts state, county or municipal candidate or candidates, or to support or oppose a Massachusetts PAC or political party.

(4) A committee that receives a contribution from an organization, whether existing in Massachusetts or in another state, may be required by OCPF to obtain a written statement from the organization, signed

under the penalties of perjury. The written statement shall verify that the organization made the contribution solely from general treasury funds and not in any part from funds solicited for political purposes. If a statement affirming that the contribution was derived solely from general treasury funds is not provided to the committee in response to its request, OCPF may require the committee to return the contribution.

(5) An organization that solicits money or anything of value to make contributions to Massachusetts candidates or political committees, including ballot question committees or independent expenditure PACs, or for the purpose of allowing another individual, group, association, corporation, labor union or other entity, to make such contributions, is a political committee pursuant to M.G.L. c. 55, § 1. Such committees are required to file campaign finance reports disclosing all contributions received, all expenditures made, and all liabilities incurred for the purpose of making contributions or independent expenditures, and must also maintain detailed accounts of all campaign finance activity pursuant to M.G.L. c. 55, §§ 5 and 18, which accounts must be provided to the director upon request. A determination of whether an organization is required to organize and file campaign finance reports as a political committee depends on an assessment of various factors, including the timing and content of solicitations.

(6) No organization or individual may directly or indirectly make a contribution or independent expenditure, or an electioneering communication, in any manner for the purpose of disguising the true origin of the contribution, independent expenditure, or electioneering communication.

(7) If a donor to a tax exempt or other organization knows that a payment or thing of value it provides to the organization will be used to make a contribution or an independent expenditure to support or oppose a Massachusetts candidate or ballot question, or an electioneering communication referencing a Massachusetts candidate, the full amount of the donor's payment or donation to the organization shall be disclosed, if the aggregate value of the amount given by the donor exceeds \$250 during a calendar year, by the organization receiving the donation. The donation shall be disclosed in accordance with M.G.L. c. 55, § 18A or 18F with the director or local election official, depending on where the candidate supported or opposed, or named in an electioneering communication, files reports. If an organization making an expenditure to influence a ballot question raises funds for that purpose, the organization must organize as a ballot question committee and the contributions received shall be disclosed in accordance with M.G.L. c. 55, § 18, with the director if the question is on the state election ballot, or if it is on a municipal ballot, with the clerk in the city or town in which the question is on the ballot. For purposes of 970 CMR 1.22, a donor "knows" that a payment will be used to make a contribution, independent expenditure, or electioneering communication, if the donor makes a contribution in response to a message or a solicitation indicating the organization's intent to make a contribution, independent expenditure, or electioneering communication, or if other circumstances, including the timing and context of the donations, indicate that a donor knew that the payment would be used for such purpose.

(8) An organization or individual making, or soliciting money or anything of value to make contributions, independent expenditures or electioneering communications in Massachusetts must maintain detailed records regarding the funds raised, expenditures, or electioneering communications made using funds or in-kind contributions raised, including all records necessary to demonstrate the source of the funds. This requirement exists whether the funds or things of value used to make contributions, independent expenditures, or electioneering communications are contributions received for that purpose or funds from the organization's general treasury.

(9) If an organization makes a contribution, electioneering communication, or independent expenditure from its general treasury that is not fully paid from general organizational income, it must organize a political committee and identify additional donors to the extent that general treasury funds and those contributors described in 970 CMR 1.22(7) did not provide the full balance of the funds used to make the contribution, electioneering communication, or independent expenditure. In such cases the organization shall identify and report donors who are presumed to have had reason to know that all or part of their

payments would be used to make contributions, electioneering communications or independent expenditures, using a "last in, first out" accounting method, until a sufficient number of donors have been identified and reported to account for the full balance of the contribution, electioneering communication or independent expenditure. An organization need not report a donor as a contributor if the organization has evidence clearly establishing that the donor did not intend that a payment would be used to fund a contribution, electioneering communication or independent expenditure.

(10) An independent expenditure PAC may contribute to another independent expenditure PAC if making the contribution is consistent with the donating committee's statement of purpose. The independent expenditure PAC making the contribution to the recipient independent expenditure PAC must file seven business day and 24-hour IE PAC reports, based on the date of the contribution to the IE PAC, with the director in accordance with the requirements of M.G.L. c. 55, § 18A(d).

970 CMR 2.06 Expenditures (Revised to include all candidates and committees, deleting 2.05) –
1/5/18 draft

Revise 970 CMR 2.05 and 2.06 to strike the existing regulations and insert in place thereof the following:

2.06: Expenditures by Candidates and Political Committees.

- (1) Expenditures by all candidates and political committees shall be governed by 970 CMR 2.06.
- (2) Candidates and political committees may pay and expend money or other things of value for the enhancement of the political future of the candidate or principle for which the committee was organized, subject to any other prohibitions and limitations contained in M.G.L. c. 55 and 970 CMR 2.00. Statewide candidates, however, who receive public financing pursuant to M.G.L. c. 55C are subject to the additional restrictions in 970 CMR 2.06(7).
- (3) Expenditures which may be made for the enhancement of the political future of the candidate or principle for which that political committee was organized shall include the following expenditures, as well as any expenditures which are similar to the following and not inconsistent with 970 CMR 2.00, M.G.L. c. 55 or any other law:
 - (a) Postage incurred for mailing campaign literature and for conducting relevant campaign business;
 - (b) Television and radio advertising;
 - (c) Newspaper, Internet, billboard and magazine advertising;
 - (d) Printing;
 - (e) Computer use;
 - (f) Polling voters;
 - (g) Reasonable public relations expenses;
 - (h) Reasonable expenses in connection with the operation of a campaign office or offices, including:
 1. Telephones, the use of which is restricted to campaign purposes except for incidental activity;
 2. Furniture purchase or rental, the nature and use of which is consistent with use in a campaign office;
 3. Office rent, provided that a political committee which is paying less than the fair market value of the space it rents is receiving a contribution in-kind. Such a contribution in-kind is subject to all the provisions of M.G.L. c. 55 regarding disclosure, limitations and prohibitions on contributions;
 4. Office equipment, including computers, postage meters, printers and copying machines;
 5. Utilities.
 - (i) Campaign staff and consultants.
 - (j) Reasonable travel expenses for a candidate or agents of the committee for travel primarily relating to any of the following purposes:
 1. party politics;

2. campaigning for votes;
3. fundraising;
4. substantive issues which are directly related to the campaign of the candidate;
5. attending meetings, conferences or seminars for candidates or political campaigns;
6. obtaining services for which the political committee is permitted to make expenditures under 970 CMR 2.00;
7. attending events for the purpose of enhanced provision of legislative or constituent services;
8. attending a state or national political party convention, including payment of delegate fees; or
9. other travel undertaken primarily to enhance a candidate's political future or the principle for which the committee was organized.

Travel expenses of a family member of a candidate for travel are presumed to be for personal use and not allowed. A committee may, however, rebut the presumption by requesting and obtaining approval from OCPF.

- (k) Rental of halls and other space for political activities;
- (l) Expenses for fundraising, for obtaining votes and for other similar activities, which may include beverages, food, entertainment, decorations, bartenders, security officers and service and maintenance persons;
- (m) Bumper stickers, signs, placards, brochures, leaflets and other such campaign items;
- (n) Delivery services and express mail;
- (o) Paper supplies;
- (p) Newspaper and magazines, literature, clipping services;
- (q) Inaugural expenses, which may include room rental, printing, decorations, entertainment, food and beverages;
- (r) The repayment of loans, if such loans:
 1. were received by the political committee in accordance with the requirements of 970 CMR 1.00 and M.G.L. c. 55;
 2. were used to defray expenditures permitted by 970 CMR 2.00; and
 3. did not exceed the maximum amounts set forth in 970 CMR 1.05(2).
- (s) Taxes;
- (t) Charitable contributions, if all of the following requirements are met:
 1. The contribution is made to an entity which is subject to either M.G.L. c. 12, § 8(e), M.G.L. c. 67 or M.G.L. c. 180;
 2. Neither the candidate, treasurer, or any official of the political committee is a trustee, officer, principal or beneficiary or involved in any manner in the operations of said entity;

3. Neither the candidate, treasurer, nor any official of the political committee is related by consanguinity or affinity to any trustee, officer, principal or beneficiary of said entity;

4. Making such charitable contributions is a usual and customary practice of that political committee;

5. The candidate or political committee will receive publicity and foster political goodwill as a result of making the contribution.

(u) Gifts and Flowers, of reasonable value, if the purpose of the expenditure falls within one of the following categories:

1. Gifts to campaign workers, if:

a. The gift accurately reflects the contribution made by those workers to the efforts of the political campaign of the committee; and

b. the gift is made in a timely fashion as to clearly indicate its purpose is to express gratitude for work done on behalf of the campaign; and

c. no gifts may be made to campaign workers for any other purpose or for any other occasion.

2. The political committee or candidate will receive publicity and foster political goodwill as a result of making the gift or contribution, if:

a. The candidate, treasurer, or other officers of the committee, and in the case of a local party committee, the members of the committee, have no personal relationship with the individual or his or her family; and

b. the gift is appropriate to the occasion which has prompted the gift; and

c. the gift would not be made but for the interest in it enhancing the political future of the candidate or principle for which the committee was organized.

3. No gifts may be made under 970 CMR 2.06(2)(u)1. or 2. unless all the provisions of each subdivision are satisfied.

(v) Memberships for the candidate in organizations and associations, provided that the candidate would not be participating in the particular organization or association but for the candidate's interest in it enhancing the candidate's political stature. This shall not be construed to permit the payment of memberships in professional organizations other than those specifically designed for political candidates;

(w) Gifts to Scholarships Funds are permitted, if:

a. the candidate and officers of the committee, and their family members, are not involved in selecting recipients or otherwise administering the scholarship fund; and

b. the gift would not be made but for the interest in it enhancing the political future of the candidate or the principle for which the committee was organized.

(x) Scholarships may be awarded to an individual, if:

a. the candidate, treasurer, or other officers of the committee, and in the case of a local party committee, the members of the committee, have no personal relationship with the individual or his or her family; and

b. the scholarship would not be awarded but for the interest in it enhancing the political future of the candidate or the principle for which the committee was organized; and

c. except in the instance of a political party committee, which may select recipients of a scholarship award, the recipient of the scholarship award may not be selected by a candidate or political committee,

but instead must be selected by a separate entity, not comprised of the candidate, or officers of the committee, or their family members.

(4) Any candidate or political committee subject to 970 CMR 2.06 may request an advisory opinion, pursuant to 970 CMR 2.04, to determine the permissibility of any other expenditure under 970 CMR 2.06.

(5) The contributions by a candidate committee to another candidate committee shall not exceed \$100 per calendar year;

(6) Prohibitions.

(a) Personal Use. Notwithstanding any of the above, no political committee may make an expenditure that is primarily for the candidate's or any other person's personal use. Expenditures prohibited under 970 CMR 2.06(6) shall include, but are not limited to, the following:

1. The payment of fines, penalties, restitution or damages incurred for a violation of M.G.L. c. 268A or 268B. This prohibition shall apply to payments made pursuant to an agreement to resolve allegations of violations of M.G.L. c. 268A or 268B, but shall not apply to payments for legal services in relation to defending against allegations of violations of such chapters of the General Laws;

2. Any expenditure which acknowledges any guilt as to the violation of any law.

3. Any expenses relative to alleged violations of law, civil suits or administrative proceedings, other than those expenses relative to legal action undertaken primarily to protect or further the interests of the political committee. However, under no circumstances may funds of a political committee be used for any such expenses incurred after conviction of the incumbent office holder, candidate or treasurer has occurred;

4. Normal clothing attire which is usual to the ordinary course of everyday living. 970 CMR 2.06(6)(a)4. shall not apply to:

a. clothing items such as tuxedos or gowns rented or purchased by a candidate for the candidate's use exclusively at political or governmental functions; and

b. novelty clothing items and costumes which are worn primarily to advertise one's candidacy;

(b) No political committee subject to 970 CMR 2.06 may pay or expend money or any thing of value unless such transaction will enhance the political future of the candidate or principle on whose behalf the committee was organized and such transaction is not primarily for personal use.

(7) Candidate committees that receive public financing pursuant to M.G.L. c. 55C may not, during the calendar year the public financing is received, make any contributions to another political committee, except that the candidate's committee may pay a political party committee for goods or services provided by the party committee to the candidate committee.

* * *

Existing 970 CMR 2.05 and 2.06 (to be stricken and replaced with above):

2.05: Expenditures by Constitutional Candidate Committees.

(1) Expenditures by constitutional candidate committees shall be governed by 970 CMR 2.05.

(2) Such constitutional candidate committees may pay and expend money or other things of value for reasonable and necessary expenses directly related to the campaign of the candidate on whose behalf the

committee is organized, provided that such expenditures are not primarily for the candidate's or any other person's personal use, and subject to any other prohibitions and limitations contained in M.G.L. c. 55 and 970 CMR 2.00. The following expenditures, as well as any other expenditures which are similar to the following and not inconsistent with 970 CMR 2.00, M.G.L. c. 55 or any other law shall be permitted by political committees governed by this 970 CMR 2.05:

- (a) Postage incurred for mailing campaign literature and for conducting relevant campaign business;
- (b) Television and radio advertising;
- (c) Newspaper, billboard and magazine advertising;
- (d) Printing;
- (e) Computer use, subject to the limitations set forth in 970 CMR 2.00;
- (f) Polling voters;
- (g) Reasonable public relations expenses, provided they meet the following requirements:
 - 1. For a part-time or full-time campaign staff person or persons whose primary responsibilities are to function as a Public Relations Consultant, and relevant expenses;
 - 2. For the hiring of a public relations firm or agency and relevant expenses.
- (h) Reasonable and necessary expenses in connection with the operation of a campaign office or offices, including:
 - 1. Telephones, the use of which is restricted to campaign purposes except for an incidental activity;
 - 2. Furniture, the nature and use of which is consistent with appropriate activity in a campaign office;
 - 3. Office rent, provided that a political committee which is paying less than the fair market value of the space it rents is receiving a contribution in-kind from the landlord or owner of this office space. Such a contribution in-kind is subject to all the provisions of M.G.L. c. 55 regarding disclosure, limitations and prohibitions on contributions;
 - 4. Office equipment, including typewriters, postage meters and copying machines;
 - 5. Utilities.
- (i) Campaign staff and consultants, provided that depository committees using an automatic data payroll service to process payments to employees require the service provider to pay employees using checks drawn directly on the committee's depository account.
- (j) The reasonable traveling expenses for the candidate, speakers, and other agents of the committee, which may include the leasing of a car for campaign related travel, subject to the following:
 - 1. Expenses are relative to a political activity or function, the direct purpose of which is to solicit votes or contributions;
 - 2. All activities held and expenses incurred under 970 CMR 2.05(2)(j) must be within the Commonwealth of Massachusetts.
- (k) Reasonable traveling expenses for a candidate in connection with conferences or seminars which are:
 - 1. Specifically designed for candidates for public office or those holding public office; and
 - 2. Sponsored by associations or organizations whose memberships consist primarily of candidates for public office or those holding public office.

(l) Reasonable travel and related expenditures for a candidate and agents of a political committee in connection with meetings, conferences or conventions, provided that the issues with which any such meeting, conference or convention is concerned are within the scope of that person's direct and substantial responsibilities as a candidate or agent of the committee, and whose subject matter is related to at least one of the following:

1. party politics;
2. campaigning for votes;
3. fundraising;
4. substantive issues which are directly related to the campaign of the candidate.

(m) Reasonable travel and related expenses for a candidate and agents of a political committee in connection with obtaining services for which the political committee is permitted to make expenditures under 970 CMR 2.00;

(n) Rental of halls and other space for political activities;

(o) Expenses for fundraising, for obtaining votes and for other similar activities, which may include beverages, food, entertainment, decorations, bartenders, security officers and service and maintenance persons;

(p) Bumper stickers, signs, placards, brochures, leaflets and other such campaign items;

(q) Delivery services, express mail, telegraph services;

(r) Paper supplies;

(s) Newspaper and magazines, literature, clipping services;

(t) Inaugural expenses, which may include room rental, printing, decorations, entertainment, food and beverages;

(u) The repayment of loans, if such loans:

1. were received by the political committee in accordance with the requirements of 970 CMR 1.00 and M.G.L. c. 55;
2. were used to defray expenditures permitted by 970 CMR 2.00; and
3. did not exceed the maximum amounts set forth in 970 CMR 1.05(2).

(v) Taxes;

(w) Charitable contributions, if the expenditure is clearly made from funds of the political committee other than those funds received as public financing pursuant to M.G.L. c. 55C, and if all of the following requirements are met:

1. The contribution is made to an entity which is subject to either M.G.L. c. 12, § 8(f), M.G.L. c. 67 or M.G.L. c. 180;
2. Neither the candidate, treasurer, or any official of the political committee is a trustee, officer, principal or beneficiary or involved in any manner in the operations of said entity;
3. Neither the candidate, treasurer, nor any official of the political committee is related by consanguinity of affinity to any trustee, officer, principal, or beneficiary of said entity;
4. Making such charitable contributions is a usual and customary practice of that political committee;

5. The candidate or political committee will receive publicity and foster political goodwill towards the particular campaign during which the contribution is made as a result of making the contribution.

(3) Any candidate or political committee subject to 970 CMR 2.05 may request an advisory opinion, under 970 CMR 2.04, to determine the permissibility of any other expenditure under 970 CMR 2.05.

(4) Prohibitions.

(a) Personal Use. Notwithstanding any of the above, no such political committee may make any expenditure that is primarily for the candidate's or any other person's personal use. Expenditures prohibited under 970 CMR 2.05(4)(a) shall include, but not be limited to, the following:

1. The payment of fines, penalties, restitution or damages incurred for a violation of M.G.L. c. 268A or 268B. This prohibition shall apply to payments made pursuant to an agreement to resolve allegations of violations of M.G.L. c. 268A or 268B, but shall not apply to payments for legal services in relation to defending against allegations of violations of such chapters of the General Laws.

2. Any expenditure which acknowledges any guilt as to the violation of any law, except for expenditures to pay for parking tickets issued to candidates or agents of political committees who receive tickets while undertaking travel for the candidate or committee.

3. Any expenses relative to alleged violations of law, civil suits or administrative proceedings, other than those expenses relative to legal action undertaken primarily to protect or further the interests of the political committee. However, under no circumstances may funds of a political committee be used for any such expenses incurred after conviction of the incumbent office holder, candidate or treasurer has occurred.

4. Normal clothing attire which is usual to the ordinary course of everyday living. 970 CMR 2.05(4)(a)4. shall not apply to:

a. clothing items such as tuxedos or gowns rented or purchased by a candidate for his use exclusively at political or governmental functions;

b. novelty clothing items and costumes which are worn primarily to advertise one's candidacy; and

c. clothing items rented by a candidate for his use exclusively for a particular political function, which is different than that ordinarily purchased by individuals.

(b) No political committee subject to 970 CMR 2.05 may receive, pay or expend money or anything of value unless such transaction is a reasonable and necessary expense directly related to the campaign of a candidate on whose behalf the committee is organized. Expenditures prohibited under 970 CMR 2.05(4)(b) shall include, but not be limited to the following:

1. Gifts. This prohibition shall not apply to gifts to campaign workers if:

a. the gift accurately reflects the contribution made by those workers to the efforts of the political campaign of the committee; and

b. the gift is made in a timely fashion as to clearly indicate its purpose is to express gratitude for work done on behalf of the campaign; and

c. no gifts may be made to campaign workers for any other purpose or for any other occasion.

An expenditure for a gift not prohibited under 970 CMR 2.05(4) is only permitted to the extent that the expenditure is clearly made from funds of the political committee other than those funds received as public financing pursuant to M.G.L. c. 55C.

2. Flowers. This prohibition shall not apply to flowers sent on behalf of the candidate and political committee where:

- a. the candidate or treasurer has no personal relationship with the individual or his or her family receiving the flowers; and
- b. sending flowers is appropriate to the occasion; and
- c. the flowers would not be sent but for the existence of an important political relationship between the candidate or political committee and the individual who is being honored or memorialized with the sending of the flowers.

An expenditure for flowers not prohibited under 970 CMR 2.05(4) is only permitted to the extent that the expenditure is clearly made from funds of the political committee other than those funds received as public financing pursuant to M.G.L. c. 55C.

3. Memberships for the candidate in organizations and associations, provided that the candidate would not be participating in the particular organization or association but for the candidate's interest in it enhancing the candidate's political stature. This shall not be construed to permit the payment of memberships in professional organizations other than those specifically designed for political candidates.

(c) Contributions by a constitutional candidate committee to another candidate committee shall not exceed \$100 per calendar year. No candidate committee, however, which receives public financing pursuant to M.G.L. c. 55C, may make a contribution to another committee during the calendar year the candidate committee receives public financing, except that the committee may pay a political party committee for goods or services provided by the party committee to the candidate committee.

2.06: Expenditures by all other Political Committees.

(1) Expenditures by all other political committees not governed by 970 CMR 2.05 shall be governed by 970 CMR 2.06.

(2) Such political committees may pay and expend money or other things of value for the enhancement of the political future of the candidate or principle for which the committee was organized, and subject to any other prohibitions and limitations contained in M.G.L. c. 55 and 970 CMR 2.00.

(3) Expenditures which may be made for the enhancement of the political future of the candidate or principle for which that political committee was organized shall include those categories listed in 970 CMR 2.05(2)(a) through (v). In addition, the following expenditures, as well as any expenditures which are similar to the following and not inconsistent with 970 CMR 2.00, M.G.L. c. 55 or any other law shall be permitted by political committees governed by 970 CMR 2.06:

(a) Charitable contributions, if all of the following requirements are met:

1. The contribution is made to an entity which is subject to either M.G.L. c. 12, § 8(e), M.G.L. c. 67 or M.G.L. c. 180;
2. Neither the candidate, treasurer, or any official of the political committee is a trustee, officer, principal or beneficiary or involved in any manner in the operations of said entity;
3. Neither the candidate, treasurer, nor any official of the political committee is related by consanguinity or affinity to any trustee, officer, principal or beneficiary of said entity;
4. Making such charitable contributions is a usual and customary practice of that political committee;
5. The candidate or political committee will receive publicity and foster political goodwill as a result of making the contribution.

(b) Gifts and Flowers, of reasonable value, if the purpose of the expenditure falls within one of the following categories:

1. Gifts to campaign workers, if:

a. The gift accurately reflects the contribution made by those workers to the efforts of the political campaign of the committee; and

b. the gift is made in a timely fashion as to clearly indicate its purpose is to express gratitude for work done on behalf of the campaign; and

c. no gifts may be made to campaign workers for any other purpose or for any other occasion.

2. The political committee or candidate will receive publicity and foster political goodwill as a result of making the gift or contribution, if:

a. The candidate, treasurer, or other officers of the committee, and in the case of a local party committee, the members of the committee, have no personal relationship with the individual or his or her family; and

b. the gift is appropriate to the occasion which has prompted the gift; and

c. making such a gift is a usual and customary practice of the political committee; and

d. the gift would not be made but for the interest in it enhancing the political future of the candidate or principle for which the committee was organized.

3. No gifts may be made under 970 CMR 2.06(3)(b)1. or 2. unless all the provisions of each subdivision are satisfied.

(c) Memberships for the candidate in organizations and associations, provided that the candidate would not be participating in the particular organization or association but for the candidate's interest in it enhancing the candidate's political stature. This shall not be construed to permit the payment of memberships in professional organizations other than those specifically designed for political candidates;

(d) Reasonable travel expenses for a candidate in connection with functions or activities where the candidate's participation is important to political relations with the candidate's constituents or contributors, if the primary interest in participating in the event is the enhancement of the political future of the candidate;

(e) Reasonable travel expenses for officers and employees of elected political committees, if the following requirements are met;

1. The expenses are in connection with functions or activities where the individual's participation is critical to political relations with contributors or members of the political party which the political committee represents;

2. The individual's primary interest in participating in the event or undertaking the activity is to enhance the political future of the elected political committee which he or she represents.

(f) Reasonable travel expenses of the treasurer and chairperson of a non-elected political committee, if the following requirements are met:

1. The non-elected political committee is organized to:

a. promote or defeat the election of more than one candidate; or

b. oppose or promote a charter change, referendum question, constitutional amendment or other question submitted to the voters.

2. The expenses are in connection with functions or activities where the individual's participation is critical to political relations with constituents or contributors to the political committee;

3. The primary interest in participating in the event is to enhance the political future of the committee of which he or she is treasurer or chairperson.

(4) Any candidate or political committee subject to 970 CMR 2.06 may request an advisory opinion, pursuant to 970 CMR 2.04, to determine the permissibility of any other expenditure under 970 CMR 2.06.

(5) The contributions by a candidate committee to another candidate committee shall not exceed \$100 per calendar year;

(6) Prohibitions.

(a) Personal Use. Notwithstanding any of the above, no such political committee may make an expenditure that is primarily for the candidate's or any other person's personal use. Expenditures prohibited under 970 CMR 2.06(6) shall include, but are not limited to, the following:

1. The payment of fines, penalties, restitution or damages incurred for a violation of M.G.L. c. 268A or 268B. This prohibition shall apply to payments made pursuant to an agreement to resolve allegations of violations of M.G.L. c. 268A or 268B, but shall not apply to payments for legal services in relation to defending against allegations of violations of such chapters of the General Laws;

2. Any expenditure which acknowledges any guilt as to the violation of any law, except for expenditures to pay for parking tickets issued to candidates or agents of political committees who receive tickets while undertaking travel for the candidate or committee.

3. Any expenses relative to alleged violations of law, civil suits or administrative proceedings, other than those expenses relative to legal action undertaken primarily to protect or further the interests of the political committee. However, under no circumstances may funds of a political committee be used for any such expenses incurred after conviction of the incumbent office holder, candidate or treasurer has occurred;

4. Normal clothing attire which is usual to the ordinary course of everyday living. 970 CMR 2.06(6)(a)5. shall not apply to:

a. clothing items such as tuxedos or gowns rented or purchased by a candidate for his use exclusively at political or governmental functions;

b. novelty clothing items and costumes which are worn primarily to advertise one's candidacy; and

c. clothing items rented by a candidate for his use exclusively for a particular function, which is different than that ordinarily purchased by individuals.

(b) No political committee subject to 970 CMR 2.06 may pay or expend money or any thing of value unless such transaction will enhance the political future of the candidate or principle on whose behalf the committee was organized. Expenditures prohibited under 970 CMR 2.06(6)(b) shall include expenditures for room and board expenses, and delegate fees, for any delegate to a state or national political party convention, including any delegate who is also an agent or officer of a political committee organized on behalf of a candidate, unless such expenditures are for:

1. The candidate on whose behalf the political committee making the expenditure was organized;

2. The delegates representing a ward, city or town political party committee and the expenditures for each such delegate are paid by the committee in an equal manner; or

3. The delegates who represent the principle for which a political action committee or people's committee was organized and the expenditures for each such delegate are paid by the committee in an equal manner.

970 CMR 2.07(13): Administrative Closure of Inactive Committees. (1/5/18 draft)

Add following new subsection:

(13) Closure of Inactive Committees. A political committee that has an outstanding balance of \$250 or less, which has not received contributions or made expenditures, or incurred liabilities, in excess of \$250 dollars during a period of 24 consecutive months, may be closed administratively by the Director. When a committee is closed, OCPF will notify the treasurer of the committee in writing, and if the committee is organized on behalf of a candidate, the candidate. After notification, a committee may be reopened upon written request from the committee to OCPF.

970 CMR 2.07(14): Disclosure of Address of Candidate on Whose Behalf Expenditures are Made
(1/5/18 draft)

Add following new subsection:

(14) Disclosure of Candidate Address. For purposes of M.G.L. c. 55, Section 18 (eleventh paragraph, clause (8)), a political party committee or political action committee complies with the requirement of disclosing “the name and address... [of] each candidate on whose behalf [an] expenditure was made,” by disclosing either the residential, committee or other address of the candidate supported.

970CMR 2.09(4) and (5) Electronic Payments (1/5/18 draft)

Revise 2.09(4) and (5) to strike existing regulations and insert in place thereof the following:

(4) Expenditures by Electronic Means.

(a) An electronic payment of a committee's credit card bill or other invoice (e.g., a payment on-line, by phone, or by other electronic means) by a candidate or committee shall be considered a transaction by check for purposes of M.G.L. c. 55, § 9.

(b) Candidates and committees required to appoint a depository in accordance with M.G.L. c. 55, § 19 shall review the expenditure reports filed by their depository bank and must, within seven business days of the date its bank files a report disclosing an expenditure made by electronic means, append the bank's report to accurately disclose the recipient and the specific purpose of each individual charge comprising the expenditure.

(5) Recordkeeping Requirements. Records of all electronic expenditures including all payments made by credit and debit card shall be maintained pursuant to M.G.L. c. 55, §§ 2 and 5 and 970 CMR 1.10: *Record Keeping*.

* * *

Existing 970 CMR 2.09(4) and (5) (to be stricken and replaced with above):

(4) Expenditures by Wire Transfer.

(a) A wire transfer by a depository committee, if for purposes permitted by M.G.L. c. 55, § 19(c) (for broadcast, cablecast or other media services, or for payroll services in connection with employee deductions and withholdings), shall be considered a transaction by check for purposes of M.G.L. c. 55, § 9.

(b) Candidates and committees required to appoint a depository in accordance with M.G.L. c. 55, § 19 shall review the expenditure reports filed by their depository bank and must, within three business days of the date its bank files a report disclosing an expenditure made by wire transfer, append the bank's report to disclose the recipient and the specific purpose of the expenditure.

(5) Recordkeeping Requirements. Records of credit and debit card expenditures and wire transfers shall be maintained pursuant to M.G.L. c. 55, §§ 2 and 5 and 970 CMR 1.10: *Record Keeping*.

970 CMR 2.12 - Joint Fundraising Events (1/5/18 draft)

Revise 970 CMR 2.12 as indicated:

2.12: Joint Fundraising Events.

* * *

(2) (d) Limitation on Contributions to Joint Fundraising Agents. Fundraising agents managing joint fundraising events in accordance with 970 CMR 2.12(1)(a) or (b) must ensure that contributions received on behalf of candidates and political committees comply with M.G.L. c. 55's limitations on contributions.

1. Contributions Received by Joint Fundraising Agents. Such contributions are subject to the combined limitation of those participating in the joint fundraising event. For example, if three candidates hold an event, and they choose to attribute and distribute contributions on a *pro rata* basis, *i.e.*, as defined in 970 CMR 2.12(2)(c)1., an individual could contribute up to ~~\$1,500~~ \$3,000, assuming:

- a. the proceeds are divided equally among the candidates; and
- b. the individual has given no other contributions to any of the three candidates during the calendar year.

On the other hand, if the participating candidates choose to attribute and distribute contributions based on which committee sells the tickets, *i.e.*, as defined in 970 CMR 2.12(2)(c)2., an individual could contribute up to ~~\$500~~ \$1,000 to any one committee selling tickets, assuming no other contributions are made to that committee during a calendar year.

2. Treatment of Excess Contributions. A contribution may not be accepted by a joint fundraising agent to the extent the contribution exceeds the limits imposed by M.G.L. c. 55. If a contribution is accepted by a fundraising agent and then later determined to be, in whole or in part, in excess of the amount permitted by M.G.L. c. 55, the excess amount must immediately be refunded by the fundraising agent to the contributor.

970 CMR 2.14 - Penalties for late filing of reports (1/5/18 draft)

Revise 970 CMR 2.14 as indicated:

2.14: Failure to File Reports, Penalties.

(1) Campaign Finance Reports, Generally. Failure to file any of the following campaign finance reports required to be filed with the director, in accordance with the schedule specified in M.G.L. c. 55, § 18, will result in the immediate assessment of a civil penalty, pursuant to M.G.L. c. 55, § 3: independent expenditure reports (Form 18A), Independent Expenditure PAC reports (Form 102 IEPC), reports of electioneering communication expenditures (CPF Form 18F), periodic reports for non-depository candidates and committees (Form 102 ND), periodic reports for depository candidates and committees (Form D102), periodic reports for political action committees (Form 102PC), and periodic reports for ballot question committees (Form 102BQ). ~~CPF Forms 102ND, D102, 102PC, 102BQ, and 102 IEPAC.~~

(2) Ward, Town and City Committee Reports. Failure to file a campaign finance report that is required to be filed by a ward, town or city committee with the director in accordance with M.G.L. c. 55, § 18 on the date that it is due will result in the immediate assessment of a civil penalty pursuant to M.G.L. c. 55, § 3 if the committee has received contributions, made expenditures, incurred liabilities, or acquired or disposed of assets in excess of \$1,000 \$2,500 during the relevant reporting period or during the calendar year.

(3) Deposit Reports. Deposit Reports are due, in accordance with M.G.L. c. 55, § 19(b), by the 5th and 20th of each month. Failure to file a Deposit Report by the due-date during the three-month period prior to an election in which the candidate is on the ballot will result in the immediate assessment of a civil penalty, pursuant to M.G.L. c. 55, § 19.

~~(3)~~ (4) Miscellaneous Reports. Failure to file any of the following reports or affidavits required to be filed with the director or local election official, within 14 days after notification by the director or his designee that filing in accordance with M.G.L. c. 55 has not taken place, will result in the assessment of a civil penalty, pursuant to M.G.L. c. 55, § 3, commencing on the 15th day after the date of the director's notification letter:

(a) Reports of independent expenditures promoting the election or defeat of municipal candidates (~~CPF Forms 18A and Form M18A~~);

(b) Reports of corporate treasurers or other persons reflecting expenditures made to influence or affect the vote on any question submitted to the voters (~~CPF-Form 22~~);

(c) Reports of governmental treasurers reflecting expenditures made to influence or affect the vote on any question submitted to the voters (~~CPF-Forms 22A and M22A~~);

(d) Affidavit reflecting change of treasurer and acceptance of office by new treasurer (~~CPF Forms T101 and M-T101~~);

(e) Change of purpose of candidate's political committee (~~CPF-Form 101P~~);

(f) Disclosures of committee credit card activity (~~CPF-Forms 9 and M9~~);

(g) Certificate of appointment of depository (~~CPF Form~~ D103);

(h) Report of fundraising event for non-resident candidate (~~CPF-Form~~ 102NR);

(i) Reports of treasurers of ward, town and city committees not subject to the provisions of 970 CMR 2.14(2); and

(j) Any other report, statement or affidavit required to be filed by M.G.L. c. 55 or 970 CMR including, but not limited to subvendor reports (CPF-Form 18D), and Reports of Donations to inauguration, recount or legal defense funds (CPF-Form 18E), and Reports of electioneering communication expenditures (CPF Form 18F), and Reports of independent expenditures filed by independent expenditure PACs (CPF Form IE-18A).

(4) (5) Failure to File Timely Campaign Finance Reports with Local Election Officials.

(a) Local election officials shall inspect campaign finance reports (CPF Form M102) within 30 days of the reporting dates required by M.G.L. c. 55 and other reports or statements within 60 days of the date such reports or statements are due.

(b) If a person fails to file a required report or statement in a timely manner the election official must provide written notification to the person(s) required to file that the report or statement must be filed within ten days to avoid the assessment of penalties.

(c) If a person who receives notification from the local election official fails to respond within ten days of receiving notice, the election official shall notify the director and furnish the director with a copy of the notification letter required by 970 CMR 2.00 and M.G.L. c. 55, § 28, together with any other information which may be relevant to the referral, such as correspondence from the election official notifying the candidate or treasurer of the due-date of a report or statement, the portion of the ballot containing the candidate's name, if applicable, the statement of organization of the political committee and the last report filed by the candidate.

(d) Upon receiving notification from the local election official, the director shall assess a penalty, pursuant to M.G.L. c. 55, § 3, against the person responsible for filing the late report or statement, and may refer the candidate or treasurer to the attorney general pursuant to M.G.L. c. 55, § 3.

(5) (6) Requests for Waiver of Penalty.

(a) Candidates, treasurers, and other persons who have been assessed a penalty may submit a request for a waiver of part or all of any such penalty to the director in accordance with M.G.L. c. 55, § 3.

(b) Requests for waiver must be in writing and signed by the person who has been assessed a penalty. Such requests may be accompanied by documentation, if any, demonstrating the cause of a delay.

(c) The filing of a request for waiver does not suspend the due date of a report, statement or affidavit and does not suspend the assessment of the \$25 per day penalty specified in M.G.L. c. 55, § 3.

(d) The determination of whether "good cause" exists to waive a penalty or portion thereof depends on a number of factual circumstances and shall be made by the director or his designee based upon the specific facts of each case. Examples of "good cause" may include, but are not necessarily limited to:

1. A death, incapacitating illness, or hospitalization of the candidate, treasurer, or other person who has been assessed a penalty, or in the immediate family of such person.

a. Requests submitted due to illness or hospitalization must be accompanied by sufficient documentation, which would consist of a doctor's statement noting the name of the patient, the incapacitating illness or hospitalization, and the date(s) of the illness or hospitalization.

b. In the case of death, a death certificate or obituary notice would constitute adequate documentation.

2. Serious accident involving the candidate or treasurer or other person who has been assessed a penalty. Requests for waiver for this reason must be accompanied by a copy of the hospital bill, a doctor's statement, or other adequate documentation.

3. Unforeseen severe weather conditions, *e.g.*, hurricane or major snowstorm at the time of filing.

4. Other good cause.

(e) The following circumstances generally do not constitute "good cause":

1. Postal delay;

2. Change of treasurer;

3. Relocation of campaign office;

4. Forms not received by committee;

5. Ignorance of requirement to file form;

6. Candidate or treasurer moved without notifying OCPF;

7. Lack of access to campaign records.

(f) The director or his designee shall issue a written determination for each waiver request within 30 days. The request may be approved or denied in whole or in part.

(g) Within 30 days of receiving the director's decision regarding a waiver request, a candidate or treasurer may submit a written request for a hearing to appeal the decision.

1. Within 30 days of receipt of such request, a hearing shall be scheduled before the director or his designee.

2. Hearings shall be brief and informal; rules of evidence shall not apply.

3. At the request of the director, his designee or a person requesting a hearing, such hearing shall be tape recorded and testimony shall be taken under oath administered by the person conducting the hearing.

4. The person requesting the hearing must, unless excused in accordance with 970 CMR ~~2.14(5)(g)~~ 2.14(6)(g)4, be present at the hearing. If the person requesting the hearing is unable to attend due to unforeseen circumstances that person may request that the hearing proceed in his absence. If the director approves the request the hearing may proceed notwithstanding that person's absence.

5. Within 30 days of the hearing, the director or his designee shall issue a written decision approving or denying, in whole or in part, the waiver request. The decision is subject to judicial review in accordance with M.G.L. c. 55, § 3 and c. 30A.

(6) All reports, statements and affidavits referenced in M.G.L. c. 55 or 970 CMR shall be signed under the penalties of perjury.

970 CMR 2.16 - State Party Expenditures (1/5/18 draft)

Revise 970 CMR 2.16 as indicated:

2.16: State Party Expenditures.

(1) Definitions. For the purpose of 970 CMR 2.16 the following terms shall have the following meanings:

Allocable Expense means any expense that may be allocated between the non-federal and federal accounts of a state committee in accordance with regulations promulgated by the Federal Election Commission.

Federal Account means the separate federal account of a state committee established under regulations promulgated by the Federal Election Commission.

State Account means the separate state or any non-federal account of a state committee established under regulations promulgated by the Federal Election Commission, and in accordance with M.G.L. c. 55, § 19.

State Committee means the state committee of a political party, as defined in M.G.L. c. 50, § 1, organized in accordance with M.G.L. c. 52.

(2) All state committee expenditures made primarily for the purpose of aiding, promoting or preventing the nomination or election of any person to a state or local public office must be made from the state account, unless such expenditure ~~is required to~~ **may** be made out of the federal account of the state committee ~~by~~ **in accordance with** the Federal Election Campaign Act or regulations promulgated under its authority.

(3) Monetary contributions by state committees to any political committee organized pursuant to M.G.L. c. 55, § 5 must be made from the state committee's state account.

(4) A state committee may transfer, from its state account to its federal account, the full amount of the state share of any allocable expense in accordance with regulations promulgated by the Federal Election Commission.

970 CMR 2.17 - Independent Expenditures (1/5/18 draft)

Revise 970 CMR 2.17 as indicated:

2.17: Independent Expenditures.

(4) Independent Expenditure PACs. A political action committee that receives contributions to make independent expenditures is an "independent expenditure PAC." Independent expenditure PACs may receive contributions from individuals without limit, and from corporations and other entities that are otherwise prohibited from contributing to PACs pursuant to M.G.L. c. 55, § 8. Any entity that raises or solicits funds for the purpose of making a contribution to an independent expenditure PAC is an independent expenditure PAC subject to all requirements applicable to independent expenditure PACs.

(a) The required content and timing of reports filed by independent expenditure PACs is defined in 970 CMR 2.17(5). Except as indicated in 970 CMR 2.17, independent expenditure PACs are subject to all other requirements that apply to other PACs.

(b) An independent expenditure PAC makes all of its expenditures without cooperating or consulting with any political committee other than another independent expenditure PAC. If an independent expenditure PAC makes coordinated expenditures with a candidate or candidate's committee, **a PAC that is not another independent expenditure PAC, or a political party committee**, the independent expenditure PAC **immediately** becomes a traditional PAC subject to the limits on contributions that may be received or made by other PACs.

(c) An independent expenditure PAC must include the words "independent expenditure political action committee" in its name.

(5) Content and Timing of Reports Filed by Independent Expenditure PACs.

(a) 1. 18A IE PAC "Seven Business Day" Reports. Within seven business days after the goods or services obtained by the first independent expenditure exceeding \$250 in the aggregate are utilized, an independent expenditure PAC shall file an independent expenditure report ("IE PAC seven business day report") disclosing the date of the expenditure, the amount paid, the vendor, a description of the expenditure, *e.g.*, "TV ad" or "mailing," ~~and~~ the name of the candidate(s) supported or opposed, **and the office sought by the candidate(s) including the legislative district of the office sought, if applicable**. The report shall also itemize the names and address of persons or entities contributing more than \$50 to the IE PAC, whether in money or in-kind, and shall also disclose liabilities incurred by the IE PAC during the reporting period. The date parameter for the report starts on the day the committee was organized (or January 1st if the IE PAC was organized in a preceding year) and is complete through the date the goods or services are utilized.

(f) Contributions from one Independent Expenditure PAC to Another IE PAC. If an IE PAC makes a contribution to another IE PAC, the first IE PAC files its IE reports based on the date it makes the contribution to the other IE PAC. The recipient IE PAC, however, files reports based on the date the goods and services it purchases are utilized, even if the purchase is made with funds received from another IE PAC.

(6) Content and Timing of Reports Filed by Political Committees That Are Not IE PACs. Political committees other than ballot question committees may make independent expenditures if making the independent expenditures is consistent with the principle for which the committee was organized. If such

independent expenditures are made and the aggregate amount of the independent expenditures exceeds \$250 during any calendar year, the committee must, in addition to disclosing the expenditures in the committee's periodic campaign finance reports filed with the director (or ~~clerk~~ local election official, if organized to support or oppose candidates who file with the ~~clerk~~ local election official), also file Reports of Independent Expenditures according to the following schedule:

(a) 1. 18A "Seven Business Day" IE Reports. Within seven business days after the goods or services obtained from the first independent expenditure exceeding \$250 in the aggregate are utilized, an independent expenditure report disclosing all financial activity required by M.G.L. c. 55, § 18, including the date of the expenditure, the amount paid, the vendor, and a description of the expenditure, *e.g.*, "TV ad" or "mailing." The report shall also disclose the name of the candidate(s) supported or opposed and the office sought by the candidate(s) including the legislative district of the office sought, if applicable, that the expenditure is an independent expenditure, and whether the expenditure promoted or opposed the named candidate(s).

970 CMR 2.18 – Subvendor Reporting (1/5/18 draft)

Revise 2.18 by adding a new subsection (4)(c) as follows:

(4) Obligation of Political Committee, Individual or Group to Obtain Subvendor Information.

(a) A political committee, or an individual or group required to file a report of ballot question expenditures under M.G.L. c. 55, § 22, which makes a payment to a vendor of \$5,000 or more in the aggregate during a calendar year, or which incurs liabilities to a vendor in that amount, must make inquiry, in writing, to the vendor regarding whether subvendors were paid by the vendor. A committee, individual or group satisfies this requirement by asking at least once for subvendor information.

(b) A political committee, or an individual or group required to file a report of ballot question expenditures under M.G.L. c. 55, § 22, which does not receive an account of subvendor expenditures from a vendor shall keep a copy of any written correspondence it sends to the vendor seeking such information.

(c) A vendor is not required to provide subvendor information to a committee if the vendor provides a statement to OCPF annually certifying that the vendor does not use subvendors. Vendors that provide this statement to OCPF must notify OCPF if circumstances change.

970 CMR 2.20 – IE, EC, and BQ Disclaimers (1/5/18 draft)

Revise 2.20 to strike the existing regulation and insert in place thereof the following:

2.20: Independent Expenditure, Electioneering Communication, and Ballot Question Disclaimers

(1) Scope of 970 CMR 2.20. In accordance with M.G.L. c. 55, § 18G, certain disclaimers are required on independent expenditure, electioneering communication advertisements, and ballot question advertisements. 970 CMR 2.20 is issued to provide guidance regarding these requirements.

(2) Advertisements Requiring a **Statement of Responsibility Disclaimer** in accordance with the First Paragraph of Section 18G.

Persons and entities, including political committees, that make independent expenditures or electioneering communications, are required to include the Statement of Responsibility disclaimer in:

(a) Paid Radio Advertising.

(b) Paid Television Advertising.

(c) Paid Internet Advertising, except for social media advertising, is subject to the disclaimer requirement if the advertisement, when received by a user viewing the message using a standard display resolution (1366x768) screen, would use 15% or more of the computer screen.

(d) Paid Electronic Ads Sent in Video Format. A video advertisement of any duration is subject to the disclaimer requirement if the advertisement uses 15% or more of a standard display resolution (1366x768) screen for any duration, including "pop up ads" that use 15% or more of a standard display resolution screen.

(3) Advertisements and Communications Requiring a **Top Contributor Disclaimer** in accordance with the Second Paragraph of Section 18G.

A Top Contributor Disclaimer must be included in an advertisement or communication that is used to make an electioneering communication or independent expenditure communication if the advertisement or communication is paid for by any individual or entity (including a political committee) that has raised more than \$5,000 in the aggregate from any contributor during the 12-month period before the date of the advertisement or communication. In addition, the disclaimer is required on advertisements or communications made to influence or affect ballot questions, to disclose contributors providing more than \$5,000 during the 12-month period before the date of the advertisement or communication. In addition to the Top Contributor disclaimer, the advertisement or communication must identify the entity paying for the advertisement or communication.

Top Contributor Disclaimers are required in:

(a) Paid Print Advertising. An advertisement or insert in a newspaper, magazine, or other printed publication in which the advertisement or insert is larger than 15 square inches.

(b) Paid Television Advertising.

(c) Paid Internet Advertising is subject to the disclaimer requirement if the advertisement, when received by a user viewing the message using a standard display resolution (1366x768) screen, would use 15% or more of the computer screen.

(d) Paid Electronic Advertising Sent in Video Format. A video advertisement of any duration is subject to the disclaimer requirement if the advertisement uses 15% or more of a standard display resolution (1366x768) screen for any duration, including "pop up ads" that use 15% or more of a standard display resolution screen.

(e) Direct mail, including mail soliciting contributions.

(f) Billboards.

(g) Banners.

(4) Communications Not Covered by Either Paragraph of Section 18G. The following communications are not subject to the disclosure requirements of M.G.L. c. 55, § 18G:

(a) Yard signs;

(b) Door hangers, flyers, posters, buttons and bumper stickers;

(c) SMS texts;

(d) Emails, unless the email contains a paid advertisement that exceeds 15% of the computer screen (based on the standard display resolution of 1366x768);

(e) Internet ads of limited size;

(f) Social media posts;

(g) Telephone messages or electronic ads sent in audio format; and

(h) Membership communications

(5) Determination of Which Contributors to List. The "Top Contributors" to be listed in the advertisement or communication subject to the second paragraph of section 18G must include the following persons:

(a) The five persons or entities making the largest contributions received for any purpose in excess of \$5,000 during the 12-month period before the date of the advertisement or communication must be listed. Contributions received by the entity for purposes other than the making of the advertisement or communication are included. The terms "contributors" and "contribution," as used in M.G.L. c. 55, § 18G and 970 CMR 2.20, refer to donors who provide funds to an entity for any purpose.

(b) If no person or entity has contributed more than \$5,000 to the entity during the 12-months prior to the date of the advertisement or communication, no top contributors need be listed. If fewer than five persons or entities made contributions of more than \$5,000 during the 12-months prior to the date of the advertisement or communication, only those persons or entities contributing more than \$5,000 must be listed.

(c) If more than five persons or entities contribute the same amount, only the last five to give that amount must be listed. (For example, if seven persons give \$10,000 each, with two giving in February but the other five giving in July, only the five who gave in July need to be listed.)

(d) The contributors may be listed in any order, and do not have to be listed in ascending or descending order based upon the amount contributed.

(e) Contributions from multiple affiliated organizations are not aggregated. For example, if a union local gives \$2,000 and another local, affiliated with the same international union, gives \$3,500, the union is not required to be listed, since the local, not the international union, is the contributor.

(6) Manner of Disclosure.

(a) The required disclaimers must be of a size and contrasting color that will be legible to the average viewer.

(b) The requirement to provide the disclaimers under M.G.L. c. 55, § 18G does not affect other disclaimer requirements, including the requirement under M.G.L. c. 56, § 39, for a disclaimer in print advertisements.

(c) A PAC may refer to itself as a "PAC" rather than a "political action committee" in the disclaimers.

(7) Reference to OCPF Website. All independent expenditure, electioneering communication, or ballot question advertisements or communications transmitted through paid television or internet advertising requiring a top contributor disclaimer must include a written statement directing viewers to the official web address of the Office of Campaign and Political Finance, by stating "for more information regarding contributors, go to www.ocpf.us." This requirement applies even if no "top contributors" must be listed.

* * *

Existing 970 CMR 2.20 (to be stricken and replaced with above):

(1) Scope of 970 CMR 2.20. In accordance with M.G.L. c. 55, § 18G, second paragraph, independent expenditures or electioneering communication advertisements, and ballot question advertisements, which are transmitted "through paid television, internet advertising or print advertising appearing larger than 15 square inches" must include a written statement at the bottom of the advertisement regarding top contributors and referring viewers to OCPF's website. 970 CMR 2.20 is issued to provide guidance regarding these requirements.

(2) "Advertisement" Defined. "Advertisement" means any public communication that is authorized and paid for by an entity or person for the purpose of supporting or opposing a candidate for elective office or a ballot question. For purposes of the disclaimer required by 970 CMR 2.20, it does not include a mailing or a communication from a membership organization to its members, or any communication listed in 970 CMR 2.20(4).

(3) Communications Covered.

(a) Print Advertisements. An advertisement or insert in a newspaper, magazine, or other printed publication in which the advertisement or insert is larger than 15 square inches.

(b) Television Advertising or Internet Advertising. Internet advertising is subject to the disclaimer requirement if the advertisement, when received by a user viewing the message using a standard display resolution (1366x768) screen, would use 15% or more of the computer screen.

(c) Electronic Ads Sent in Video Format. A video advertisement of any duration is subject to the disclaimer requirement if the advertisement uses 15% or more of a standard display resolution

(1366x768) screen for any duration, including "pop up ads" that use 15% or more of a standard display resolution screen.

(d) Persons and entities subject to the disclaimer requirement include all individuals and entities, including political committees, that may make independent expenditures, electioneering communications, and expenditures made to influence or affect ballot questions.

(4) Communications Not Covered. The following communications are not subject to the disclosure requirements of M.G.L. c. 55, § 18G:

(a) Mailings;

(b) Yard signs;

(c) Billboards;

(d) Door hangers, flyers, posters, buttons and bumper stickers;

(e) SMS texts;

(f) Emails, unless the email contains an advertisement that exceeds 15% of the computer screen (based on the standard display resolution of 1366x768);

(g) Internet ads of limited size;

(h) Telephone messages or electronic ads sent in audio format;

(i) Radio ads; and

(j) Membership communications.

(5) Determination of Which Contributors to List. The "Top Contributors" to be listed in the advertisement must include the following persons:

(a) The five persons or entities making the largest contributions in excess of \$5,000 received by the entity during the 12-month period before the date of the advertisement must be listed. Contributions received by the entity for purposes other than the making of the advertisement are included.

(b) If no person or entity has contributed more than \$5,000 to the entity during the 12-months prior to the date of the advertisement, no top contributors must be listed. If fewer than five persons made contributions of more than \$5,000 during the 12-months prior to the date of the advertisement, only those persons contributing more than \$5,000 must be listed.

(c) If more than five persons or entities contribute the same amount, only the last five to give that amount must be listed. (For example, if seven persons give \$10,000 each, with two giving in February but the other five giving in July, only the five who gave in July need to be listed.)

(d) The contributors may be listed in any order, and do not have to be listed in ascending or descending order based upon the amount contributed.

(e) Contributions from multiple affiliated organizations are not aggregated. For example, if a union local gives \$2,000 and another local, affiliated with the same international union, gives \$4,000, the union is not required to be listed, since the local, not the international union, is the contributor.

(6) Manner of Disclosure.

(a) The required disclaimer must be of a size and contrasting color that will be legible to the average viewer.

(b) The requirement to provide the disclaimer under M.G.L. c. 55, § 18G does not affect other disclaimer requirements, including the requirement under M.G.L. c. 56, § 39, for a disclaimer in print advertisements.

(c) A PAC may refer to itself as a "PAC" rather than a "political action committee" in the disclaimer.

(7) Reference to OCPF Website. All independent expenditure, electioneering communication, or ballot question advertisements transmitted through paid television or internet advertising covered in 970 CMR 2.20(2) must include a written statement directing viewers to the official web address of the Office of Campaign and Political Finance, by stating "for more information, go to www.ocpf.us." This requirement applies even if no "top contributors" must be listed.

(8) Disclaimer of Ballot Question Expenditures. An entity that does not solicit or receive money or other things of value to influence a ballot question is not required to provide the disclaimer regarding top contributors.

970 CMR 2.21 – Independent v Coordinated Expenditures (1/5/18 draft)

Revise 970 CMR 2.21 as indicated:

2.21: Independent versus Coordinated Expenditures

(1) The definition of "independent expenditure" in M.G.L. c. 55, § 1 includes expenditures made "without cooperation or consultation with any candidate or a nonelected political committee organized on behalf of the candidate or an agent of the candidate" and specifies that the expenditures may not be made "in concert with or at the request or suggestion of the candidate" or a committee organized on behalf of the candidate.

(2) The definition of an "electioneering communication" in M.G.L. c. 55, § 1 includes issue-oriented communications aired or published within 90 days of a general or special election.

(3) Throughout 970 CMR 2.21, the terms "candidate" and "committee" include their agents, when the agent is acting within the scope of his or her authority. For the purposes of 970 CMR 2.21, an "agent" of a candidate or committee is any person or entity who has actual authority, either express or implied, to engage in activities on behalf of the candidate or committee. An "entity" is any group, including but not limited to an Independent Expenditure PAC, that either makes an independent expenditure or electioneering communication expenditure, as those terms are defined in M.G.L. c. 55, § 1.

(4) *Coordinated expenditures are treated as Contributions.* For purposes of 970 CMR 2.21, any expenditure is considered a contribution if it is coordinated and funds a communication that: (a) expressly advocates the nomination, election or defeat of a clearly identified candidate or candidates; or (b) is an electioneering communication, i.e., a communication that names a clearly identified candidate or candidates and is distributed within 90 days of an election; or (c) taken as a whole, unambiguously urges a particular result in an election, unless otherwise exempted from the definition of "contribution" by any other provision of 970 CMR 2.00 or the "membership communications" exemption in M.G.L. c. 55, § 1.

(5) *Conduct constituting coordination.* A communication is coordinated if made under any of the following circumstances:

(a) *General Coordination Prior to Communication.* The expenditure is made at the request, suggestion, or direction of, or in cooperation, arrangement, consultation, concert or coordination with the candidate or committee on whose behalf, or for whose benefit the expenditure is made. Such contact must occur prior to the publication or airing of the communication.

(b) *Involvement in the Specifics of the Communication.* The communication is created, produced, or disseminated after discussion or consultation between the creator, producer, or distributor of the communication, or the person or entity paying for that communication, and the candidate or committee benefited by the communication, regarding the content, timing, location, mode, intended audience, volume of distribution, or frequency of the communication.

(6) *Expenditures Presumed to be Coordinated.* In addition to the conduct constituting coordination described in 970 CMR 2.21(5), there is a presumption that an expenditure funding a communication subject to 970 CMR 2.21 would be a coordinated communication and a contribution under any of the following circumstances:

(a) *Expenditures made through an agent.* The expenditure is made by or through an agent of the candidate or committee in the course of the agent's involvement in the current campaign. The "current campaign" means the year beginning January 1 of the calendar year which has a primary, preliminary or general

election for an elective office, and also means, for any special election for an elective office, the period beginning on the date a special election is scheduled by the speaker of the house of representatives in accordance with G.L. c. 54, § 141 or by the senate in accordance with Amendments, Article XXIV, of the State Constitution. The ending date of the current campaign means the date of the election.

(b) *Common consultants.* The person or entity making the expenditure retains the services of a person or entity such as a political, media or legal consultant, or polling firm, who concurrently provides either the candidate or the committee with professional services related to strategy for the current campaign. This presumption does not apply, however, to an attorney providing professional services to a candidate or committee solely on compliance or reporting requirements of the campaign finance law. The presumption may be rebutted, in accordance with 970 CMR 2.21(7), by evidence demonstrating that the services were provided consistent with a previously established written firewall policy that prohibits the flow of strategic non-public information to the person or entity making the expenditure.

(c) *Former staff.* The person or entity making the expenditure employs a staff member who previously worked in a senior position or advisory capacity on the candidate's or officeholder's staff within ninety days prior to the date of the election in which the expenditure is made. The presumption may be rebutted, in accordance with 970 CMR 2.21(7), by evidence demonstrating that the services were provided consistent with a written firewall policy that prohibits the flow of strategic non-public information to the person or entity making the expenditure.

(d) *Campaign Needs.* The expenditure is based on information about the candidate's or committee's campaign needs or plans that the candidate or committee provided to the person or entity making the expenditure, such as information concerning campaign messaging, planned expenditures or polling data during the current campaign.

(e) *Fundraising.* In the course of the current campaign, the candidate who benefits from the expenditure solicits funds for or appears as a speaker or draw at a fundraiser held by the person or entity making the expenditure.

(f) *Candidate's family.* The person making the expenditure is a member of the candidate's immediate family, or if the expenditure is made by an entity, the entity making the expenditure is established, run, staffed in a leadership role, or principally funded by an individual who is an immediate family member of the candidate.

(g) *Republication.* A communication relating to a candidate republishes, in whole or in part, a communication that is posted on the candidate's Internet or social media site. This presumption shall not apply, however, to the use of photographs taken from the candidate's Internet or social media site, provided there is no discussion with the candidate or committee prior to the expenditure relating to the details of the expenditure.

(h) *Advance notification.* The person or entity making a communication provides advance notification to the candidate or committee of the planned expenditure.

(7) *Rebuttal of Presumption and Expenditures Not Presumed to be Coordinated.* An expenditure is not considered to be coordinated if made consistent with a firewall policy described in 970 CMR 2.21(7)(a). In addition, a person or entity that has made an expenditure that is presumptively coordinated may seek to rebut the presumption by submitting evidence to OCPF demonstrating that the expenditure was independent. Relevant facts that may be submitted include the expenditure maker's history of making independent expenditures or electioneering communications, as well as facts relating to the timing, content and geographic distribution of a communication. In addition, expenditures that take place solely under the circumstances described in 970 CMR 2.21(7)(b)-(f) **(b)-(e)** are also not, absent other factors indicating coordination, presumed to be coordinated:

(a) *Written Firewall Policy*. A person or entity that provides a candidate or committee with professional services related to campaign or fundraising strategy implements a firewall policy that meets the criteria in 970 CMR 2.21(7)(a) to prohibit the flow of strategic non-public information between the individual or entity and the campaign.

1. The firewall policy must designate specific staff that will solely service the candidate, and specific staff that will solely service persons making independent expenditures or electioneering communications;
2. The firewall policy must provide for physical and technological separations to ensure that strategic non-public information does not flow between the person or entity and the candidate or committee; and
3. The firewall policy must be written, and distributed to all relevant employees, consultants, and clients affected by the policy.

(b) *Photographs*. The person or entity making the expenditure uses a photograph of the candidate, provided there is no discussion with the candidate or committee prior to the expenditure relating to the details of the expenditure.

(c) *Prior contribution*. The person or entity making the expenditure has previously made a contribution to the candidate or committee.

~~(d) *Informed after the fact*. A person or entity informs a candidate or committee after the publication or airing of a communication that the person or entity has paid for the communication, if there is no other exchange of information, not otherwise available to the public, relating to the details of the expenditure and no discussion or exchange of information relating to any future expenditure that may be made by the person or entity.~~

~~(e) (d) *Candidate or committee forwards the communication after the fact*. The candidate or committee learn of the communication after the fact and then forwards the communication to potential supporters.~~

~~(f) (e) *Hyperlink*. The communication includes a hyperlink to the Internet website or a social media page of a candidate or committee, provided there is no discussion with the candidate or committee regarding the planned use of the hyperlink.~~

(8) *Ballot Question Related Expenditures*. 970 CMR 2.21 (4)-(7) apply to communications made to support or oppose a ballot question. For example, a communication made to support influence a ballot question must be disclosed by a ballot question committee organized to influence the question as an in-kind contribution to the ballot question committee supporting the question by from the individual or entity paying for the communication if the individual or entity coordinated the communication with the ballot question committee.

970 CMR 3.03 – Notices of Appearance (1/5/18 draft)

Revise 970 CMR 3.03 as indicated:

3.03: Representation

- (1) An individual may appear ~~in~~ on his or her own behalf.
- (2) A duly authorized officer or employee may represent a corporation, association or other entity; an authorized member may represent a partnership or joint venture and an authorized trustee may represent a trust.
- (3) A witness shall have the right to be represented by counsel. The Director may, however, require counsel to file a notice of representation at any point prior to counsel representing a person or entity. ~~Such counsel shall file a notice of appearance with the presiding officer before representing a witness at any hearing.~~
- (4) The Director may determine that representation by a counsel of more than one witness is not in accordance with 970 CMR 3.00 and may therefore not permit such dual representation.

970 CMR 3.06 – Notice of Intent, how served (1/5/18 draft)

Revise 970 CMR 3.06 as indicated:

3.06: Hearings.

(1) Hearings may be held for the following reasons:

(a) In furtherance of any investigation conducted by the Office pursuant to 970 CMR 3.04, and may include the taking of testimony of witnesses pursuant to summonses issued under 970 CMR 3.05 or those who are invited to testify before the Director;

(b) Upon request by any person or political committee after receiving notification ~~by registered mail, return receipt requested, by~~ **from** the Director of his intention to present to the attorney general evidence of any alleged violation of M.G.L. c. 55 or regulations promulgated thereunder, to permit the alleged violator to present evidence to the contrary, provided the request is received by the Director within ten days of receipt of notification by the alleged violator.

970 CMR 3.09 – Removal of Non-filing Candidate’s Name from Ballot (1/5/18 draft)

Revise 970 CMR 3.09 as indicated:

3.09: Removal of Non-filing Candidate’s Name from Ballot.

(1) The name of a candidate **who files with the director** who fails to file any statement or report after the institution of civil proceedings under M.G.L. c. 55, § 3, paragraph eight to compel such filing shall not, as specified by M.G.L. c. 55, § 3, be printed on a **municipal preliminary**, state primary or state **general or special** election ballot, unless the statement or report is filed ~~with the director prior to the deadline for filing nomination papers with the state secretary for such candidate pursuant to M.G.L. c. 53~~ **pursuant to chapter 53 or any charter or special law establishing such filing deadline**. Civil proceedings are "instituted" for purposes of this requirement upon the filing of a civil action in superior court by the Attorney General to compel the filing of the statement or report.

~~(2) The provisions of M.G.L. c. 55, § 3, paragraph eight, relating to the removal of a non filing candidate's name from the ballot, applies to candidates seeking election to state office. A candidate for local office who has not filed a required report or statement is not subject to removal from a municipal ballot due to such non filing, but would be disqualified from being included on a state ballot after institution of civil proceedings to compel filing of a required statement or report if the candidate is also seeking election to state office.~~

970 CMR 4.05 – Updating public finance regulations to reflect 2015 law change (1/5/18 draft)

Revise 970 CMR 4.05 as indicated:

4.05: Eligible Candidate's Statement of Qualifying Contributions.

- (1) Any candidate or candidate team who seeks certification as an eligible candidate or candidate team shall, in addition to any other requirement established by M.G.L. c. 55C or 970 CMR 4.00, file with the director on a form prepared by the director a statement of qualifying contributions pursuant to M.G.L. c. 55C, § 3.
- (2) The statement of qualifying contributions shall include such information as the director may reasonably require to expedite the certifications and determinations required to be made by the director under M.G.L. c. 55C and 970 CMR 4.00. Such information, except for the information required by 970 CMR 4.05(2)(e), (g) and (h), shall be submitted in a database approved by the director:
- (a) the first and last name and residential address, listed in chronological order by date of deposit, of each individual making a contribution that is being claimed, in whole or in part, as a qualifying contribution,
- (b) the amount of each contribution claimed as a qualifying contribution and the date of deposit,
- (c) the amount of the contribution claimed as a qualifying contribution which shall not exceed the qualifying contribution limit,
- (d) the cumulative total of all contributions claimed as qualifying contributions for the election cycle to date less than or equal to \$250 from an individual including the contribution identification number for any previously claimed contributions,
- (e) if the contribution equals or exceeds \$200 or would equal or exceed \$200 when added to any such contribution previously made by the same individual during a calendar year, the occupation and employer of such individual or a copy of the letter requesting such information as required by 970 CMR 1.08(2)(b), unless:
- (1) such information is contained in the listing of contributions when originally deposited or amended in accordance with 970 CMR 1.08 or
- (2) the contributions were solicited less than 45 days prior to the submission of the statement of qualifying contributions at which time a request for the information was made by the candidate or committee, but in this instance such submission must be amended by candidates and committees as more accurate employer/occupation information becomes available,
- (f) the cumulative total of all contributions made by that individual during the election cycle,
- (g) a copy of each contribution check which is being claimed as a qualifying contribution, submitted in chronological order.
- (h) the verification card provided for in 970 CMR 4.05(3) for the following contributions:
1. a cash contribution or contribution made by money order, bank check, treasurer's check, certified or cashier's check or other check on which the contributor is not directly liable of ~~\$50 or less~~ **\$100 or less**,
 2. a contribution written on a check which does not contain the name of the contributor, and
 3. a contribution written on a check containing a name of a sole proprietorship's account or other unincorporated business association or organization, and

(i) a cumulative, alphabetical listing by last name of all contributions claimed as qualifying contributions to date.

970CMR 1.04(12) Contribution Limits Chart (1/5/2018 draft)

Revise 1.04(12) as indicated:

TO: >>> FROM:	Candidate / Candidate's Committee	Political Action Committee (PAC)¹	People's Committee ²	State Party Committee	Local Party Committee	Ballot Question Committee
Individual³	\$1,000 ¹⁴	\$500	\$172 \$164	\$5,000 ⁴	\$5,000 ⁴	No limit
Lobbyist	\$200	\$200	\$172 \$164	\$200	\$200	No limit
Statewide Candidate's Committee⁵	\$100 ^{6,7}	No Limit ^{6,8}	0	No Limit ⁶	No Limit ⁶	No Limit ⁶
County, legislative, municipal or other candidate / candidate's committee	\$100 ⁷	No limit ⁸	0	No limit	No limit	No limit
Political Action Committee (PAC)¹	\$500 ⁹	\$500	0	\$5,000 ⁴	\$5,000 ⁴	No limit ¹⁰
People's Committee	\$500	\$500	0	\$5,000 ⁴	\$5,000 ⁴	No limit ¹⁰
State Party Committee	\$3,000 ¹¹	\$500	0	--	\$5,000 ⁴	No limit ¹⁰
Local Party Committee	\$1,000 ¹¹	\$500	0	\$5,000 ^{4,12}	\$5,000 ^{4,12}	No limit ¹⁰
Ballot Question Committee	0	0	0	0	0	No limit ¹³

- ¹ **PACs:** PACs must organize with OCPF under M.G.L. Chapter 55 before they may contribute to Massachusetts candidates or committees. Limits do not apply to Independent Expenditure PACs. (Independent Expenditure PACs may not contribute to candidates or other political committees, except for other Independent Expenditure PACs or Ballot Question Committees.) Please see OCPF's interpretive bulletin concerning Independent Expenditure PACs, IB-10-03.
- ² **People's Committee:** After six months in existence, a PAC that has received contributions from individuals of ~~\$464~~ **\$172** or less per year and contributed to five or more candidates may request a change in its status to that of a people's committee. The maximum contribution from an individual to a people's committee is adjusted biennially by OCPF. The figure is in effect for ~~2016 and 2017~~ **2018 and 2019**.
- ³ **Contributions by Individuals:** Individuals under 18 years of age have an aggregate contribution limit of \$25 per year. There is no limit on how much a candidate may contribute to his or her own campaign, though the maximum amount that certain candidates may loan varies by the office sought. Contact OCPF for information concerning limits on loans from state candidates to their own campaigns.
- ⁴ **Contributions to Party Committees:** The maximum annual aggregate contribution that may be made by an individual, lobbyist, PAC, people's committee or party committee to all committees of any one party, including those on the state and local level, is \$5,000.
- ⁵ **Statewide candidates** include those running for or holding the office of governor, lieutenant governor, attorney general, treasurer/receiver general, auditor and secretary of the commonwealth.
- ⁶ **Candidates Certified to Receive Public Funds:** No candidate's committee that receives public financing pursuant to M.G.L. c. 55C may make a contribution to another political committee during the calendar year in which the candidate's committee receives public financing, except that a committee that receives public financing may pay a political party committee for goods or services provided by the political party committee to the candidate's committee.
- ⁷ **Contributions from a candidate's personal funds** to another candidate are subject to the \$1,000 individual limit, not the \$100 committee limit.
- ⁸ **Contributions from candidates to PACs:** A candidate is prohibited from "financing" a political action committee (Chapter 55, Section 5A). Please see OCPF's advisory opinion, AO-11-05.
- ⁹ **Total PAC contributions:** The aggregate annual amount a state or county candidate may accept from all PACs in a calendar year is limited by M.G.L. c.55, s.6A. For example, a candidate for the Senate may not accept more than \$18,750 in total PAC contributions and a candidate for the House may not accept more than \$7,500. Candidates for municipal office are not subject to any such annual aggregate restriction.
- ¹⁰ **Contributions from a PAC, people's committee or party committee to a ballot question committee** are not subject to limitation but must be consistent with the principle for which the contributing committee was organized.
- ¹¹ **Party contributions to candidates:** This limit applies to monetary contributions only. There is no limit on in-kind contributions by a party committee to an individual candidate.
- ¹² **A local party committee** may contribute up to an aggregate of \$5,000 in a calendar year to all ward, town, city and state committees of the same political party.
- ¹³ **Contributions among ballot question committees:** A ballot question committee may contribute to another ballot question committee without limitation, provided such contributions are "consistent with the purpose for which [the contributing committee] was organized."
- ¹⁴ **Individual contribution to candidates:** An individual may contribute up to \$1,000 to a candidate seeking election to the office of state senator or state representative in a special election, and an additional \$1,000 to the same candidate seeking election to the office of state senator or state representative in a general election hold during the same calendar year.