



From the Director

Mike Sullivan

Recently passed campaign finance legislation will impact many candidates and committees, and we hope this update will help you understand the changes.

The legislation, which goes into effect immediately, comes directly from the special Campaign Finance and Disclosure Task Force that was established in 2014 and then disbanded when it issued its final report in December that year.

The approved legislation addresses several specific issues and is not a sweeping overhaul of the campaign finance law.

Please take time to read about the changes in this update, and [click here](#) to read the task force report.

We are in the process of updating our regulations and guides to reflect the changes. Those updates will be announced on our website, Twitter account and future newsletters.

If you have questions about the legislation, please call our office.

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Changes to the state's campaign finance law

Annual Contribution Limits for Legislative Special Elections

Prior to the recent change in the law, the contribution limit from an individual to a candidate was \$1,000 per calendar year, even for House and Senate candidates who were on the ballot in a special election in same year as a regular general election. If an individual gave \$1,000 to a candidate for the special election, that individual could not make any contributions to the candidate for the rest of the year, even if the candidate faced an opponent that year in the fall election.

The change allows an individual to contribute up to \$1,000 for the special election, and up to \$1,000 during the period that begins on the day after the special election and ends Dec. 31. This statute is only in effect during state election years (even-numbered years), and only applies to House and Senate candidates in special elections during a state election year.

Disclosure of Top Donors for Independent Expenditures and Electioneering Communications

Independent expenditures* and electioneering communications* that are transmitted through paid TV, internet and print advertising are required to list the top five contributors to the committees or organizations that paid for the communications.

The change adds billboards and direct mail to the list of advertisements that require the top five contributors to be listed. The top five contributors must be listed "regardless of the purpose for which the funds were given," according to the change in the statute.

Only contributions that exceed \$5,000 and were made during the 12 months before the date of the advertisement or communication must be listed.

The requirement to disclose the top five donors on ads and communications also applies to state ballot question committees.

Disclosing Local Party Expenditures that Support Candidates

The change requires a local party committee to disclose on campaign finance reports the name and address, elective office held, if any, and office sought by each candidate on whose behalf an expenditure was made. For

*Defined on the next
page

Continued on the next page

Changes to the campaign finance law (continued)

example, if a local party committee hires individuals to distribute door-hangers in a town for a candidate, the purpose of the expenditure must list the name and address of the candidate, the elective office held, if any, and the office sought.

State Party and PAC Disclosure

The change requires state party committees and PACs to identify candidates in the memo section of their checks, if the expenditure was made to support or oppose the candidates. These expenditures are generally in-kind contributions and independent expenditures made by a state party or PAC. Please see the example below. The information in the memo section of the check is then e-filed with OCPF by a committee's bank.

A PAC or state party committee must review the bank's report within seven days of when it was filed. If the bank's report does not identify the candidate who was supported or opposed, the committee is required to append the bank's report to disclose the information.



What is an Independent Expenditure?

An expenditure made or liability incurred by an individual, group, association, corporation, labor union, political committee or other entity as payment for goods or services to expressly advocate the election or defeat of a clearly identified candidate; provided, however, that the expenditure is made or incurred 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 is not made or incurred in concert with or at the request or suggestion of the candidate, a nonelected political committee organized on behalf of the candidate or agent of the candidate.

What is an Electioneering Communication?

Any broadcast, cable, mail, satellite or print communication that: (1) refers to a clearly identified candidate; and (2) is publicly distributed within 90 days before an election in which the candidate is seeking election or reelection; provided, however, that "electioneering communication" shall not include the following communications: (1) a communication that is disseminated through a means other than a broadcast station, radio station, cable television system or satellite system, newspaper, magazine, periodical, billboard advertisement, or mail; (2) a communication to less than 100 recipients; (3) a news story, commentary, letter to the editor, news release, column, op-ed or editorial broadcast by a television station, radio station, cable television system or satellite system, or printed in a newspaper, magazine, or other periodical in general circulation; (4) expenditures or independent expenditures or contributions that must otherwise be reported under this chapter; (5) a communication from a membership organization exclusively to its members and their families, otherwise known as a membership communication; (6) bonafide candidate debates or forums and advertising or promotion of the same; (7) email communications; and (8) internet communications which are not paid advertisements.