

(To be made one and eight copies)

FOURTH LEGISLATURE, 1967....
STATE OF HAWAII

H. R. NO. 276

COPY

HOUSE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF COMPARATIVE STATE LEGISLATION RELATING TO POLITICAL CONTRIBUTIONS BY CORPORATIONS AND BUSINESSMEN.

WHEREAS, State legislation should promote and encourage political participation by all sectors of the community; and

WHEREAS, Chapter 270 of the Revised Laws of Hawaii 1955 prohibits corporations from making political contributions; and

WHEREAS, there are the merits and demerits of this kind of legislation; and

WHEREAS, the Legislature should reach a sound decision on this significant aspect of the political process; now, therefore,

BE IT RESOLVED by the House of Representatives of the Fourth Legislature of the State of Hawaii, General Session of 1967, that the Legislative Reference Bureau be and is hereby requested to conduct a study of the prohibitive, permissive and incentive legislation by the States relating to political contributions by corporations and businessmen; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau be and is hereby requested to report on its findings and recommendations to the House of Representatives at least ten days prior to the convening of the Budget Session of 1968; and

BE IT FURTHER RESOLVED that a duly certified copy of this Resolution be sent to the Legislative Reference Bureau.

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REGULATION of POLITICAL CONTRIBUTIONS

LEGISLATIVE REFERENCE BUREAU

SEP 27 1972

STATE OF HAWAII

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Report No. 6, 1968

LEGISLATIVE REFERENCE BUREAU

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Price \$2.50

FOREWORD

This report on "Regulation of Political Contributions" describes and analyzes the dilemma confronting legislators. . .on the one hand, attempting to regulate participation of corporations and business interests that may exercise too great an influence on the political process by large campaign contributions; and on the other hand, attempting to increase public participation.

This study is the Bureau's response to House Resolution No. 276 (General Session of 1967) which requested the Legislative Reference Bureau to study ". . .the prohibitive, permissive and incentive legislation by the States relating to political contributions by corporations and businessmen. . . ." The Resolution also expressed special concern that ". . .State legislation should promote and encourage political participation by all sectors of the community. . . ." Therefore, this study deals primarily with federal and state legislation regulating political contributions, but it also examines the difficult problem involved in achieving the goal of broad based participation in the political process.

We are especially grateful to those who assisted in the preparation of this report and particularly in its review: Dr. Allan F. Saunders, Senior Professor Emeritus of Political Science, University of Hawaii; Mr. Wayne K. Minami and Mr. Patrick A. Stanley of the University of Hawaii; Mr. Robert C. Oshiro, State Chairman, Democratic Party of Hawaii; and Mr. Edward E. Johnston, State Chairman, Republican Party of Hawaii. We also wish to thank Miss Hanako Kobayashi for ordering and editing the footnotes, Mrs. May Tamura for assisting in the collection of materials, and to Miss Carol Nakamura who prepared the report for printing.

Herman S. Doi
Director

April 1968

TABLE OF CONTENTS

	<u>Page</u>
FOREWORD	ii
I. CAMPAIGN FINANCING: AN OVERVIEW	1
The Resolution.	1
Regulation of Campaign Contributions.	4
Political Contributions by Corporations	6
Political Participation	9
Registration	11
Type of Election	12
Demographic Characteristics.	13
Motivational Factors	14
Sociological Factors	14
Political Parties.	15
II. REGULATION OF CAMPAIGN CONTRIBUTIONS	20
Federal Regulation.	20
State Regulation.	27
Disclosure and Publicity	28
Enforcement.	29
Limitations on Expenditures.	30
Internal Financial Controls.	31
Prohibitions and Restrictions on Sources of Contributions	32
III. APPROACHES TO REGULATION	33
The Establishment of Goals.	33
Control of Money	33
Encouraging Citizen Participation.	34
Some Alternatives in Controlling Campaign Financing	35
Control of Money	35
Presidential Election Campaign Fund Act of 1966	38
Presidential Message to Congress 1967	41
State Direct Subsidies.	43
Endowment Funds	45
Bipartisan Political Fund Raising	46
Tax Incentives.	47
Short Campaign Periods.	49

	<u>Page</u>
Recounts	49
Transition Costs	49
Encouraging Citizen Participation	49
The Florida Approach	50
National Municipal League Model Law.	52
Registration System.	52
State Summaries.	53
Publicity Pamphlets and Newspaper Advertising. . . .	53
Television and Radio	53
Registration and Voting Participation.	54
Adequate Salaries for Legislators.	56
Liberalizing the Hatch Acts.	56
IV. CONCLUSION.	57
FOOTNOTES	60

Appendices

A. Chapter 270, Corporate Contributions for Political Purposes	65
B. Limitations on Campaign Expenditures in the States.	66
C. Act 157 (Session Laws of Hawaii 1967)	74
D. The 1967 Connecticut Campaign Finances--Disclosure Act.	75
E. Senate Bill No. 1880 (90th Congress, 1st Session)	85
F. Foreign Investors Tax Act; Title III--Presidential Election Campaign Fund Act	111
G. Election Fund for Political Parties; Regulation of Contributions. .	115
H. Minnesota Election Laws and Income Tax Credits for Political Contributions	120
I. Act 91 (Session Laws of Hawaii 1963).	123
J. Florida Campaign Expense Law; Election Code; Violations; Penalties	124
K. Model State Campaign Contributions and Expenditures Reporting Law	134
L. The 1966 Kentucky Election Law on Campaign Financing (S.B. 265) . .	142
M. California Residency Requirements for Presidential Elections. . . .	150
N. Affidavit on Application for Registration	157

Chapter I

CAMPAIGN FINANCING: AN OVERVIEW

The Resolution

The Hawaii House of Representatives during the 1967 General Session adopted House Resolution 276, requesting the Legislative Reference Bureau to conduct "...a study of the prohibitive, permissive and incentive legislation by the States relating to political contributions by corporations and businessmen." The Resolution also expressed special concern that "State legislation should promote and encourage political participation by all sectors of the community." Thus, while the request deals primarily with legislation regulating political contributions, it also addresses itself to the broader problem of achieving the democratic ideal of widespread effective voluntary participation in the political process.¹

The Resolution expresses the legislator's concern with a dual problem. On the one hand, he wishes to regulate the participation of corporations and business interests that may exercise too great an influence on the political process by large campaign contributions; and on the other hand, he wishes to increase public participation in the political process.

Large political contributions by corporations have been assumed to exert a disproportionate influence on candidates and political parties in elections, and result in the overrepresentation of special economic interests to the detriment of the general public interest. Attempts to achieve participation of all persons and groups comprising the public interest have taken the form of prohibiting political contributions by corporations, or limiting the size of such contributions by individuals. However, attempts which have concentrated solely on regulating political contributions have been unsuccessful and have resulted in a search for new approaches. The approach which attempts to regulate contributions and also to increase public participation assumes that all segments of the community which form the public interest, including citizens who do not make monetary contributions, can be effectively represented by several other means such as working in support of candidates in campaign activities and by voting for such candidates. Increased public participation in the political process is, therefore, intended to result in the representation of all citizens. The desirability of encouraging citizen participation in the political process was emphasized by the President's bipartisan Commission on Campaign Costs in the following statement:

REGULATION OF POLITICAL CONTRIBUTIONS

Active, widespread political participation is the key to successful democracy in the United States and voluntary effort is the great sustaining force of our political parties.²

These expressed and implied concerns of the Resolution arise from our democratic view of the nature of man, society, and politics and their underlying principles of equality, individualism, progress, and majority rule and the freedom of dissent.³ These principles form a general pattern of ideas that pervade our society and serve to guide us and to help us to understand, explain and interpret our political system. Therefore, in order to obtain a proper perspective of the problem of regulating political contributions with which this study will be concerned, it will be helpful to examine traditional democratic principles which are employed to explain and justify our reasons for seeking the goal of widespread, voluntary citizen participation in the political process.

We rely upon democratic political theory, its beliefs and principles, as a model of what politics ought to be like and against which we may assess our present practices and political institutions, and evaluate such practices and institutions in terms of how good a job they do in promoting these principles. American politics can, therefore, be more easily understood by placing it within the context of ideas that shape our society. The following statement by Gunnar Myrdal, the Swedish political economist, is perhaps the most explicit statement made in recognition of the unique system of beliefs that have become interwoven in the fabric of American life:

When the American Creed is once detected, the cacophony becomes a melody. The further observation then becomes apparent; that America, compared to every other country in Western civilization, large or small, has the most explicitly expressed system of general ideals in reference to human interrelations. This body of ideals is more widely understood and appreciated than similar ideals are anywhere else. The American Creed is not merely--as in some other countries--the implicit background of the nation's political and judicial order as it functions. To be sure, the political creed of America is not very satisfactorily effectuated in actual social life. But as principles which ought to rule, the Creed has been made conscious to everyone in American society.⁴

One of the most distinguished propositions fostered by the American Creed is the belief in an equalitarian value system. This belief is ingrained in American culture and underlies our high regard for the common man and the idea that all classes of people should be encouraged to take part in the political process and participate voluntarily. However, we recognize that the application of these abstract democratic principles to the actual operations of government

CAMPAIGN FINANCING: AN OVERVIEW

results in an imperfect form since many citizens fail to participate in the political process. We also recognize that social conditions are undergoing constant change which contributes to the disparity between ideals and reality. Democracy is thus faced with the task of translating change into progress by adopting new policies or restructuring governmental programs to bring society closer to the basic values of democracy. Democracy is, therefore, involved in a continual process of improving policies and institutions to protect the welfare of the individuals who constitute society.⁵ The legislator is thus given the responsibility to develop policies and institutions to implement the principle of equality of opportunity to participate in the political process. To achieve this goal, he must seek methods of regulating political contributions that will encourage both contributors and noncontributors to express their political choices and provide them with the opportunity to participate in the political process in acceptable and legitimate ways.

The foregoing elements of democratic theory are implemented through the basic institutions of democratic government. Our democratic government depends on the unofficial institutions of political parties and the official institution of a free election system. Therefore, the achievement of the goal of providing all citizens with the opportunity to participate in the political process must consider the role of political parties and the role of citizens in our electoral system. Political parties provide the means for small minorities, as well as large groups of citizens, to gain access to government and participate in the political process. Our electoral system functions to give citizens an opportunity to achieve these objectives in a legitimate and peaceful manner and at regular intervals by participating and working in political campaigns and voting in elections.

Quite clearly, the far reaching concerns expressed by the Resolution extend beyond a mere survey of state regulation of political contributions. It is evident that the problems of money in politics and citizen participation go to the very heart of democratic doctrine and require a probing of the entire democratic process, involving the nature of the policy-making process, the role of citizens and the behavior of politicians and political parties.⁶ Therefore, solutions to the problems raised by the Resolution will require simultaneous reforms in many other areas which affect the proper functioning of the democratic process. Since such is the case, it does not appear that modest alterations or even radical changes in the regulation of political contributions and the electoral process will affect the basic social organization and distribution of economic and political power which determines the size of the population that will actively participate in the political process.⁷

REGULATION OF POLITICAL CONTRIBUTIONS

In turning to the role of money in politics, we encounter a unique element that is barely visible to the ordinary voter, but which is intimately involved in determining the candidates and the type of campaign to be presented to the electorate. Political contributions considered by themselves are quite neutral, but they gain significance from the way they are used and the purposes sought to be achieved through their use. In the abstract sense, the raising of money to support political campaigns appears quite proper and legitimate. However, contributions of money assume a much greater degree of importance and become a ripe subject for inquiry because they arouse many deep-seated suspicions and hostile assumptions about their corrupting influence on political candidates and governmental decisions. Much of the mystery and misunderstanding about political contributions to date has been due to the lack of information by the voter as to the use of money in elections. It is hoped that this study will be able to clarify the role that money plays in the political process and provide sufficient information upon which policy decisions may be based for the regulation of political contributions.

Regulation of Campaign Contributions

The crux of the problem of regulating political contributions is that traditionally, the quickest and easiest method for raising large sums of money has been through the contributions of a relatively small group of well-to-do individual members of the business community. Due to this practice, money in politics has often become the label for governmental favoritism to wealthy contributors, resulting in the regulation of campaign contributions to prevent possible corrupt practices and the domination of politics by special economic interests. The sensitivity to money in politics rests on the assumption that money itself and what it can buy wins elections. This has raised fears that poor candidates are thereby automatically excluded from office, or that most candidates must make improper commitments or commitments not in keeping with the democratic creed in order to raise necessary funds. The implications of the use of money to advance the interests of the wealthy as opposed to the common man thus have a direct impact on the basic question of who takes part in politics and who doesn't.⁸

The assumption that money alone wins elections is one of the common beliefs that has arisen out of the folklore of money in politics. The belief that the side which has the most money will win the election⁹ is in part responsible for legislation regulating campaign financing. Such legislation attempted to reduce the influence of

CAMPAIGN FINANCING: AN OVERVIEW

money in politics by prohibiting contributions from corporations and unions,¹⁰ and by limiting the size of individual contributions¹¹ and expenditures by candidates¹² and political committees.¹³ The belief in the power of money in politics has been formulated into the following general rule by some writers:

. . .campaign expenditures, as reported, constitute an absolutely reliable index of the outcome of the election.¹⁴

The effect of this general rule has profound implications on our democratic process and belief in equality. If the proposition is correct, it results in transforming elections into a kind of auction with the reins of government being sold to the highest bidder.¹⁵

Scholars agree that money has an enormous significance in politics and that it is probably true that in most elections, the correlation between election results and campaign expenditures is very high, but the question of whether money was the sole cause of victory has not been answered.¹⁶ Our present understanding of voting behavior does not provide us with a precise knowledge of which financial and non-financial factors were responsible for success in an election. There are certain conditions in any campaign that can affect its outcome and which may counterbalance the effect of money. The personalities of candidates, the voluntary support of their workers, control over jobs, popularity, esteem or social standing, religion, ethnic origin, or racial stock are some of the factors which may offset the value of money alone.¹⁷ However, a candidate must have a minimum amount of money to wage an effective campaign.

In considering the question of whether money wins elections, Alexander Heard, perhaps the leading American authority on money in politics, remarked:

Regardless of the fluctuating significance of financial and nonfinancial elements from one campaign to another, in virtually all campaigns a basic amount of organizational work, communication through commercial media, and getting-out-the-vote must be accomplished if the candidate expects to compete seriously. These things require money. Unless money to meet these minimum, essential expenses is available--regardless of how large or small the amount--contestants lacking it will be decisively handicapped.¹⁸

The necessity of having money or being able to obtain a minimum amount of money to be a serious candidate, points out one of the inadequacies of our current system of financing campaigns. The need for money also reflects on another key factor which may discourage competent citizens from seeking nomination. The low salaries of public offices and the

REGULATION OF POLITICAL CONTRIBUTIONS

great demands on time and finances to be a part-time legislator, seriously affect the types of persons who can afford to be candidates and hold public office. Eligibility, therefore, becomes dependent on the compatibility of a person's occupation with a political career. This selective factor is primarily responsible for the large number of lawyers and businessmen in American politics.¹⁹

Political Contributions by Corporations

In shifting the focus of attention to the regulation of political contributions by corporations, we encounter a conflict between legislation enacted in another era and current practices and realities of modern political life.

The regulation of political activity by corporations springs from an era of early American political history. In the late nineteenth century, economic power was organized to secure the election of candidates who would manage the politics of the country in the interests of business. Corporate contributions were systematized and amounts were prorated by political fund raisers, such as Mark Hanna, according to the corporation's interest and stake in the economic prosperity of the country. This "political taxation" of corporations was generally acknowledged by the businessmen as valid investments in public policy rather than demands for specific favors or corruption from men in public office.²⁰ Eventually, the use of huge sums of money to influence legislators and to secure the election of candidates who were morally and financially indebted to men of wealth, resulted in charges of corruption and questioning the role of corporate money in politics.²¹

The entire question of money in politics and the use of corporate wealth as a means of controlling public policy was brought sharply into focus during the rise of the Progressive movement which made a major issue of the close relationship between economic interests and government.²² The public exposure of the direct connection between political contributions and public policy was in part responsible for the reformist sentiment which resulted in legislation prohibiting political contributions by corporations.²³ Legislation was thus enacted in response to popular feeling that large concentrations of wealth unduly influenced politics and led to corruption and the undermining of the electoral process.²⁴ One of the underlying reasons for applying sanctions to campaign contributions and prohibiting corporations from contributing was the suspicion that the quid pro quo of the corporation's contribution was to be a favor, privilege or benefit from government at a future time.²⁵

CAMPAIGN FINANCING: AN OVERVIEW

The Territory of Hawaii was also swept up by the swirl of public opinion of this era and in 1913 adopted House Bill No. 156, entitled, "An Act to prohibit contributions by corporations, or their officers or agents, from corporate funds to campaign funds. . . ." The provisions of this Act have remained substantially unchanged in its present form as Chapter 270, Revised Laws of Hawaii 1955, which provides:

It shall be illegal for any corporation, incorporated under the laws of the Territory, or doing business therein, or any officer or agent thereof, from corporate funds, to make or authorize any contributions directly or indirectly to campaign funds or for political purposes, in any election or primary election held in the Territory.²⁶

The statute (see Appendix A) further provides a minimum penalty of \$1,000 or ten times the amount of the contribution for corporations or its officers convicted of violating this section, with corporation officers subject to an additional penalty of imprisonment for a maximum term of four years, or both fine and imprisonment.

One of the concerns of early federal and state legislation prohibiting political contributions by corporations²⁷ was to prevent money from being a dominant factor in elections and to decrease the undue advantage of better financed candidates and parties. However, the underlying philosophy of such legislation was to enable the individual citizen to assume responsibility of taking an active part in the electoral process without undue coercion from economic interests.²⁸ Theoretically, the intended effect of prohibitive legislation was to equalize the influence of the masses of ordinary voters with that of a small group of affluent men controlling corporations. However, the lack of a conscious stake in politics gave little incentive to the ordinary citizen to counter money's influence with votes and the assumed balancing of influence never occurred.²⁹

The attempted cures prescribed to eradicate the evils of the corrupting influence of money in elections by prohibiting, limiting, or restricting sources and amounts of contributions and expenditures without providing alternate sources of financing have resulted in intensifying the present conflict over campaign financing rather than presenting valid solutions.³⁰ This result is due in part to a failure to recognize that a growing electorate and new campaign techniques emphasizing the use of mass communications media have caused campaign costs to skyrocket.³¹

REGULATION OF POLITICAL CONTRIBUTIONS

Against this historical backdrop, the original legislative attempt to regulate corporate contributions was probably an appropriate response to the practices of powerful business interests. However, fund raising was a different problem in a different context at that time, and regulatory laws were primarily designed to prevent excessive spending which often resulted in inhibiting financial as well as other types of political participation. Much of the criticism of archaic federal and state laws regulating campaign financing can, therefore, arise from the fact that they were enacted at a time when outright abuses and scandals relating to political financing were the rule.³² Political costs were also relatively low and the bulk of the contributions came primarily from wealthy individuals and corporations.³³ As a consequence of these limitations, present laws are essentially negative in failing to promote healthy attitudes regarding the political process, politicians, and political contributions. Clearly, it would be more desirable to develop positive laws designed to create public respect for political-financial regulation and increase public confidence and participation in the way political activity is financed. In this manner, reforms concerning the use of money in politics could help candidates and parties to meet their financial needs in an acceptable way without the taint of corruption or undue influence.

Our examination of the regulation of the role and influence of money in politics has thus far attempted to present some of the democratic principles which serve as the foundation for the present political system. However, it will be necessary to discuss some of the general features of the political process, in order to establish the total framework within which political contributions and campaign financing operates. The need to obtain a proper perspective of the problem will require us to take a broad view of the functioning of the political system since campaign financing is only one of the many factors which affects the proper functioning of our democratic process. In short, the problem of money in elections cannot be isolated from many other political problems, nor can it be separated from many other economic and social problems as well.³⁴ For these reasons, it should be realized that regulation of political contributions will affect only a small part of the whole problem and will not serve as a complete remedy for the larger problem of effective participation and popular control. Modifications to the existing political machinery can be an important initial step in controlling the use of money in order to permit greater equality in elections and in developing a system which permits a high degree of participation and involvement by all classes of citizens in the political process.

CAMPAIGN FINANCING: AN OVERVIEW

Past attempts to reform campaign financing and regulate political contributions have been narrowly focused on regulating the conduct of persons who are already a part of the established electorate to try to insure their participation on equal terms. The scope of our concern becomes considerably enlarged if we strive to expand the total political community, and extends beyond mere attempts to instill reforms solely within the electoral system itself. The task of increasing public participation will be an immense undertaking because the factors that deter such participation are often the same factors that deter citizens from actively participating in the life of the general community and society as a whole. These educational, socio-economic and electoral factors are presented simply to make the reader aware of some of the larger related problems that remain outside the scope of this study, but which will have to be considered in examining the problem of regulating political contributions. Some of the various factors that affect citizens' voting participation, such as voter registration requirements and procedures, the type of election, the demographic characteristics, motivational and sociological factors, and the political parties will be touched upon to indicate the complexity of the problem.

Political Participation

Political participation includes a variety of activities, such as voting, attending political meetings, working in campaigns, joining political organizations and making campaign contributions. However, citizen participation is usually described in terms of voting or nonvoting, which is the most characteristic form of participation in a popular democracy, so the following discussion will be primarily concerned with various factors that affect voting performance and participation.

In applying democratic theory to the problem of our study relating to the encouragement of political participation by all sectors of the community, we are faced with the fact that a large number of eligible citizens fail to vote and take part in the electoral process. In the 1964 presidential election, 70,642,496³⁵ votes were cast but approximately 37,000,000³⁶ eligible citizens failed to vote. Adjustments in the turnout rate for spoiled ballots and failure to meet residence requirements still fail to account for about 20,000,000 Americans who do not vote.³⁷ These statistics immediately raise the question: Why do so many citizens fail to participate or are they somehow excluded from participating in our ostensibly free

REGULATION OF POLITICAL CONTRIBUTIONS

and open democratic society? Such facts further conflict with the traditional view of man as an interested citizen with the responsibility and self-generated impulse to vote and participate in the life of the political community.³⁸

Scholars who have analyzed the causes of political apathy and indifference, point out that democratic theory is one of the sources of feelings of political alienation.³⁹ These feelings arise from the conflict between an individual's belief in the values of classical democratic theory and political reality which prevents the individual from fulfilling some perceived role as an active and influential participant in the political system. Classical theory presupposes that the democratic citizen is interested in political affairs, has the intelligence to engage in true discussion, is well informed and motivated by exposure to information and evaluates such information rationally, and then votes on the bases of the principles of right, reason and justice.⁴⁰ In effect, the theory assigns the individual a political role in which he has the power to select, influence and remove officials through existing institutions. Unfortunately, most citizens do not actively engage in politics or display the interest required of them by classical democratic theory.⁴¹

Critics of democracy are quick to resolve this dilemma by challenging the validity and viability of the traditional democratic ideals and often repudiate their underlying assumptions about the capabilities of man and society or the means to the democratic end. These criticisms have resulted in much uncertainty and controversy over the model of political life that democratic men should aspire to attain.⁴² The simple solution offered by some critics is to revise our traditional ideals about democracy, rather than our actual political practices, so the ideals will more realistically reflect the practices of our present political system and the limitations of the voter.⁴³ However, this type of response would only tend to deepen and aggravate the real problem before us, and result in a self-fulfilling justification of our present practices without attempting to examine the problem or to seek possible alternative solutions.

Many persons have assumed that only legal barriers inhibited the disfranchised and prevented them from voting and participating in the political process. To this end, constitutional provisions and statutes have extended the rights of suffrage to citizens who were previously denied the right to vote because of their race, sex, religion, or nonownership of property. Surprisingly, the removal of such barriers has failed to stem the trend of nonvoting. This trend

CAMPAIGN FINANCING: AN OVERVIEW

indicates a decline in electoral interest since the 1890's and an increasing apathy toward political matters. Unfortunately, explanations of the cause of this political malaise have remained in the realm of speculation. No one has been able to explain satisfactorily the cause of the low level of interest in American elections.⁴⁴

It has been suggested the solutions to the problems of nonvoting and nonparticipation extend far beyond the mere dissolution of legal barriers. E. E. Schattschneider, former president of the American Political Science Association, expresses his concern that the exclusion of people by extra legal processes, by social processes, by the way the political system is organized and structured, may be far more effective than the law.⁴⁵ This theory implies that placing obstacles in the way of organizing the electorate through the party system and election procedures can vitiate the vote as effectively as a direct denial of the right to vote.

Registration

An elaboration of this contention is provided by a recent study on registration and voting in presidential elections, which concluded that registration requirements are the most effective deterrents to or prevent citizens from voting.⁴⁶ The study further disclosed a strong correlation between the rates of registration and the degree of competition between the major political parties in statewide elections, with high levels of competition resulting in increased incentive for the people to register, and for the candidates and their parties to get them to register and vote. Evidence also indicated that the date on which registration rolls are closed, convenience in registration procedures as to times and places of registration, and generally restrictive rules and procedures for registration, such as long residency requirements, in addition to the factor of limited competition between major parties, are other variables which significantly affect the size of the potential electorate. Studies of this type indicate the broad nature of the problem of nonparticipation, and point out some of the many factors which have marked our political and electoral system as one with only 70,000,000 participating voters, to the exclusion of other millions who have found it difficult to get involved in politics.

REGULATION OF POLITICAL CONTRIBUTIONS

Type of Election

Further examination of popular participation in the political process may provide crucial insights into the nature of the political system and indicate many other causes and circumstances which depress electoral interest at the grass roots. Studies relating to variations in electoral participation have identified the following factors which affect voter turnout. One of the more readily identified factors is the type of election involved. Generally, in the United States, public interest in voting attains its highest levels in presidential election years. It is evident, upon consideration of the office and power at stake, the huge expenditures reaching the \$200,000,000 level⁴⁷--which provides maximum exposure of the candidates through the mass communications media--and intensified efforts to compel the electorate to vote, that it would result in a high voter turnout. Not unexpectedly, electoral participation for state offices in nonpresidential-election years show a marked decrease in voter turnout. The nomination of party candidates in primary elections are also determined by comparatively few voters. However, apparent exceptions do occur as in situations where the control by the dominant party in Southern states is unchallenged, and in which winning the primary of the dominant party is tantamount to winning the general election. One of the implications of the limited participation in primaries, is that persons who vote heavily in primaries are able to exert an enormous amount of influence at this crucial stage in the electoral process.⁴⁸ The voter's choice in the general election thus may be substantially limited.

Differences may also exist in voting on issues and questions, or propositions on the ballot which require a ratification or rejection by the voters. Proposed amendments to state constitutions dealing with technical questions or concerning a small group of citizens will generally interest relatively few voters. On the other hand, issues which significantly affect interests of important groups of citizens may arouse intense interest and result in a much higher level of turnout.

Other less readily identifiable factors also influence turnout rates. For example, the anticipated closeness of a contest and its related intensity of campaign efforts will stir much greater interest than when the outcome is a foregone conclusion. In addition, the closeness factor will probably result in increased efforts by the party organizations to get out the vote. Dramatic presentation of issues that excite the masses and attract the attention of the mass

CAMPAIGN FINANCING: AN OVERVIEW

communication media will further increase the intensity of the stimuli and pull in more voters to the polls. Finally, the personalities of the candidates may successfully arouse the feelings of many citizens to lead them to the polls.⁴⁹

Demographic Characteristics

A consideration of the demographic characteristics of voting demonstrates that education and income are the characteristics most closely related to electoral participation. Generally, electoral interest increases as one progresses up the educational and economic scale.⁵⁰ However, the educational level of the voter is of greater significance to participation in elections than income.⁵¹ Individuals with greater education tend to vote more often and believe that their vote does make a difference in affecting the outcome of an election. A higher educational level may also account for increased understanding of the problems and being less overwhelmed by the complexity of the political issues.⁵² Therefore, it is highly probable that the futility experienced by some nonvoters is partly a product of ignorance of the political process and governmental institutions, which may result in a tendency to fear what they don't understand and thereby prevent their participation.⁵³

In summary, studies have shown that nonparticipants, in the political process, belong to the lower-income groups, are least educated, and lack economic power to participate and compete for special political consideration. Generally, voters and nonvoters respond to candidates and campaign issues on the basis of "gut reactions" and assess candidates only on their looks, voice or personality.⁵⁴ Obviously, these characteristics have a profound effect on the measures that must be undertaken to expand the participating political community to include the less privileged segments of the population.⁵⁵ The need for relevant information to enable voters to make meaningful decisions, and higher educational levels to provide voters with the ability to comprehend such information, and finally the opportunity to take part in the political process through the party system are some of the important factors that need to be considered. Moreover, the importance of the educational factor in increasing political participation has significant implications for decisions that must be made by legislators. Initial attempts to increase the size of the electorate infers that basic efforts must be made in the educational sphere of our society, if we are to remove a fundamental obstacle to effective participation in the electoral process. This suggests that satisfactory explanations for nonparticipation extend beyond

REGULATION OF POLITICAL CONTRIBUTIONS

purely political considerations and are somehow related to persistent social conditions which have little to do with the candidates or issues of the campaign.⁵⁶

Although it should not be assumed that education and increased status alone will serve as effective cure-alls for the sense of futility about politics which afflicts our alienated citizens,⁵⁷ we should recognize that achievement of minimum educational and socioeconomic levels are basic ingredients for a successfully functioning democratic system.

Motivational Factors

Our discussion of the demographic characteristics of income and education clearly indicate their relationship to electoral participation. Such factors, however, are not the sole determinants of voting or nonvoting behavior. Behavioral research has extended beyond demographic analysis to identify motivational factors that cause people to participate in the political process. The factor of high intensity of partisan preference, of citizens who care a great deal about the outcome of the election, has a significant bearing on voting. A high sense of political efficacy, or the extent to which the individual feels that his political act has an influence in determining the outcome of political events, is another factor that increases voter participation. Finally, people with a high sense of citizen duty, or a person who feels he ought to vote as a matter of civic obligation, exhibits a much greater degree of participation. These psychological motivations are positively associated with demographic correlates of participation, but they also act independently of them. Thus, the existence of certain types of attitudes within individuals will lead to higher degrees of voting in comparison with other persons similarly situated within the same educational or income level.⁵⁸

Sociological Factors

Shifting the analysis of participation from demographic and motivational factors to inquiry into the question of how some individuals become imbued with certain sets of attitudes, leads to the sociological factors. These factors are concerned with the relations of people with other people. Persons affiliated with voluntary groups, such as churches, labor unions, other social or economic organizations, or with strong attachments to political parties are

CAMPAIGN FINANCING: AN OVERVIEW

more likely to vote than are individuals without group connections. Group affiliations result in a greater degree of exposure to political discussion, with attendant social pressures to have a greater interest in politics, which affect voter turnout. These facts simply mean that a person will be more likely to vote as he becomes more closely linked with the life of the community.⁵⁹

The foregoing analysis of electoral participation has been based on studies which have focused primarily on the simple act of voting or nonvoting. This microscopic view of the individual and the identification of the characteristics or motives that lead him to vote is helpful in identifying the present participants in our existing political system. Such information can also assist us in shaping and altering our electoral processes to increase the procedural convenience of registering and voting and to increase the ultimate turnout of our electorate.

Our probing of the democratic process up to this point has been concerned primarily with the role of citizens and factors that bear on their voting participation in elections. The specific act of voting was examined because it is the most familiar example of citizen participation in the political process.

Political Parties

In shifting our discussion to the factor of political parties, we focus upon one of the most essential institutions in our democratic form of government. Political parties are an inherent part of the political process and are intimately involved in the circulation of ideas, the selection and presentation of candidates, and the raising of funds to conduct political campaigns. The important functions performed by political parties provide invaluable assistance to the voters and help the voters to make intelligent and rational choices at the polls based on the information and issues of public policy raised during political campaigns.⁶⁰

The problems of campaign financing and regulation of contributions have a direct bearing on our political party system for our parties depend upon contributions to finance campaigns and to attract the voters. The manner in which the law regulates finances will, therefore, necessarily affect the way in which parties may develop. Our traditional two-party system has developed into an institution

REGULATION OF POLITICAL CONTRIBUTIONS

for public participation in the process of government through organizations which provide a link between the voters and elected officials. Generally, the party system provides the means for recruiting and nominating candidates, shaping issues and stimulating public interest in political campaigns. These means are used to achieve the party's primary goal of electing its candidates and winning control of government.⁶¹

Great sums of money are needed by parties to successfully pursue their goals. In order to obtain sufficient funds, both candidates and parties actively solicit campaign funds and in so doing are subject to the possible dangers of undue influence by large contributors. Additional problems exist for potential candidates, for although parties may provide funds and assistance to them, such assistance is generally given only after the candidate has won nomination in the party primary election. Unfortunately, it is during the primary election that the financial needs of the candidates are greatest and the value of the contribution is greatest. Because a candidate in the primary must obtain his own funds without help from the party's treasury, he becomes highly vulnerable to influence from large contributors or pressure groups who offer money and endorsements. These factors tend to limit candidates to wealthy individuals who are able to finance their own campaigns or are able to secure campaign contributions. Candidates with money and name familiarity or who have the support of a party organization have a decided advantage over candidates who possess neither. These factors may deter the primary election mechanism from effectively recruiting capable citizens for public office.⁶² Unfortunately, the failure to maintain an open door in the nominating stage has a critical effect on the entire electoral process because it is only at the primary election stage that the citizen is given a real choice of all available and qualified candidates.⁶³ Actual practices may thus differ sharply from the idealized model of a direct primary which depicts it as an institution to maintain the open political society and permit all qualified and interested persons to enter public office.⁶⁴

The high cost of campaigns and the difficulty of obtaining adequate financial support for all qualified candidates, in effect, prices many potential candidates out of the market of running for public office. Effective prohibitions on corporate contributions may prevent the possibility of undue influence from large contributors, but the use of such negative sanctions fails to resolve the need candidates have for financial support.

CAMPAIGN FINANCING: AN OVERVIEW

One alternative to providing sufficient campaign funds and stimulating political involvement at the same time is to place the responsibility on private citizens to make small contributions to the candidate or party of their choice.⁶⁵ This proposal is intended to broaden the base of financial support and to reduce the reliance upon money from large contributors or special interests. Hopefully, as citizens contribute and participate in the party system, they will develop a feeling of having a greater stake in the shaping of party policy and programs, and develop a stronger sense of obligation to support the party program.⁶⁶ Conversely, the parties also become responsible to provide the opportunities and access for widespread political participation and to be more responsive to popular preferences.⁶⁷

E. E. Schattschneider places the initiative and responsibility for the formulation of a modern democratic political system in which the public can realistically participate, largely upon government and political organizations and leaders. This charge to the parties requires them to provide information that people need to know about a party's program, and to select issues to be developed which are relevant and meaningful to the public, and finally, to present such issues in a manner that the public can understand.⁶⁸ Schattschneider suggests the following working definition of democracy that attempts to recognize the responsibilities of people by stating:

Democracy is a competitive political system in which competing leaders and organizations define the alternatives of public policy in such a way that the public can participate in the decision-making process.⁶⁹

Political leaders are, therefore, given the responsibility of informing and educating the people, by clarifying alternatives and indicating the choices before the voters. The political parties thus assume a heavy burden in this educational process of assisting people to analyze and choose between two or more courses of action.

Our attitude about responsible party government reflects an acceptance of the argument of V. O. Key, Jr., who voices his deep commitment to democratic and human values and his optimism about the human race in this illuminating statement:

. . . voters are not fools. To be sure, many individual voters act in odd ways indeed; yet in the large the electorate behaves about as rationally and responsibly as we should expect, given the clarity of the alternatives presented to it and the character of the information available to it.⁷⁰

REGULATION OF POLITICAL CONTRIBUTIONS

A great deal could be accomplished in political campaigns to advance the development of rational behavior in man. Regrettably, accounts of campaign practices are filled with examples which degrade the rationality of many by attempting to stir the emotions and prejudices of voters by using all the available Madison Avenue tricks for the manipulation of the masses.⁷¹

The increasing employment of the "commercial politicians"⁷² or public relations men in the political process manifests a real danger to the democratic process if used irresponsibly. In this era of mass communication campaigning, the professional propaganda specialists command an extraordinary influence upon candidates, parties and the electorate, in their highly varied roles that range from technicians to central strategists and decision makers. The knowledge, skill and capacity of public relations men, therefore, gives them the potential to greatly enhance and contribute toward the achievement of a stable party government and community involvement in the electoral process. The addition of the costly new dimensions of radio, television and the jet age to campaigns has also resulted in parties becoming dependent on the "commercial politicians" for their expertise in making the most effective use of the mass media and to spend campaign expenditures in the most efficient and economical manner.⁷³ However, the shift of these functions from the political parties to the public relations firms has often resulted in a corresponding loss of control over the direction and costs of elections. This development raises the basic questions of, "What are the purposes of campaigns and elections and what should they accomplish", and "Who really benefits from the expenditures?"

Finally, it should be noted that campaigns serve a function not immediately apparent, but whose value cannot be measured solely in dollars and cents. This broader view of election campaigns suggests that campaigns are more than mere contests between parties and candidates. Campaigns also serve the useful function of providing large numbers of citizens with the opportunity to become involved in the political process and to relate themselves to their government through the activities of campaigns. Political involvement of varying intensity may, therefore, take the form of: reading, listening, discussing and being informed about public issues and candidates, voting, contacting a politician, attending a party meeting, working in a political campaign, identifying oneself as an active party member, making a political contribution, attending a political caucus, being consulted on policy by public officials and political leaders, soliciting political leaders, soliciting political funds, holding some public office, appointive or elective, and holding some party office.⁷⁴

CAMPAIGN FINANCING: AN OVERVIEW

The socially useful functions performed by political parties and election campaigns have contributed substantially toward the achievement of citizen participation in the political process. Moreover, the public and private discussion generated by campaigns which present problems, issues and solutions in a clear manner have been of some help to the voter in making an intelligent choice. But, despite the professional approach to campaigns and the great efforts made by public relations firms to reach the public and win their votes, it has been shown that neither political campaigns nor any other device used today fully informs the public. Many polls have shown quite clearly that large numbers of the public are still grossly ill-informed about important public affairs despite the efforts of the mass media to reach all of the potential electorate.⁷⁵ Studies of this nature indicate that a great deal remains to be done in election campaigns and in the processes through which public matters are aired and information about them is distributed.

Once again, the fact that mass communication has not changed the habits of nonvoters and nonparticipants in public affairs, seem to suggest a deeper underlying limitation which affects our entire political system.⁷⁶ The issues raised about the effectiveness and purposes of campaigns reflects upon our basic concern of regulating campaign financing, as we try to frame an approach to regulation which is compatible with the requirements of the present system and yet helps to further practices which perpetuate the underlying democratic principles of our American political system.

Our discussion of the concerns raised by the Resolution on political contributions and encouragement of broad based participation in the political process attempted to present an overview of the total framework within which these concerns may be considered. The problem of controlling money in elections was presented as only one of the many factors that affect the proper functioning of the democratic process. Other related factors such as the educational and socioeconomic levels of the public, regulations governing election procedures, and activities of political parties were presented as being inseparable from the factor of money in elections. Our review of the studies conducted on voting and political participation revealed that improvements in economic well-being, in education, in transportation, and in communications are positively associated with increasing political participation. For these reasons, it should be pointed out that the regulation of political contributions may affect only a small part of the total problem and will not serve as a complete remedy for the larger problem of effective participation by all segments of the community. However, such regulations can be an important initial step in controlling the use of money in elections and permit greater opportunities for the public to participate in the political process.

Chapter II

REGULATION OF CAMPAIGN CONTRIBUTIONS

Historically, the regulation of campaign financing has been used to prevent corruption or the purchase of undue influence, by wealthy individuals or groups which undermined the electorate's free choice in the electoral process through massive expenditures. Generally, efforts to prevent excessive spending in political campaigns took the form of limiting or restricting expenditures. The rationale underlying this approach was that such limitations would prevent money from being a dominant factor in elections by lessening the undue advantages of better-financed candidates and parties. Statutory attempts to lessen the chance of a candidate becoming a captive of an individual or interest group usually took the form of limiting the size of contributions, prohibiting contributions from particular sources, or requiring disclosure of campaign financing.

Present federal and state statutory controls over campaign contributions reveal a regulatory pattern which has taken the four following basic forms: (1) limitations on campaign expenditures; (2) prohibitions against contributions from certain sources and ceilings on the amount individuals can contribute; (3) regulations protecting government employees from being solicited for political contributions; and (4) public reporting of campaign fund data.¹

Federal Regulation

The earliest federal regulation of money in elections occurred in 1867 and provided for the protection against political assessment of federal employees.² This Act was an outgrowth of the movement for civil service reform and was directed at the elimination of specific abuses against naval yard employees. These provisions were later extended and broadened by the Civil Service Reform Act of 1883 which prohibited the solicitation, for political purposes, from any other federal officer or employee by a fellow officer or employee, or by any other persons on federal premises.³ This major reform did not focus on money in politics but was primarily intended to eliminate the spoils system and to lay the basis for the merit system in public service.

The demand for comprehensive regulation of political contributions and expenditures in national elections began in the twentieth century. President Theodore Roosevelt responded to this national demand and made the following recommendations to Congress in his annual message in 1905:

REGULATION OF CAMPAIGN CONTRIBUTIONS

All contributions by corporations to any political committee or for any political purpose should be forbidden by law; directors should not be permitted to use stockholders' money for such purposes; and, moreover, a prohibition of this kind would be, as far as it went, an effective method of stopping the evils aimed at in corrupt practices acts.⁴

Congress responded by adopting an act in 1907⁵ which prohibited national banks and corporations from making money contributions in connection with federal elections. The ban on corporate contributions became the cornerstone of federal attempts to regulate political finance and is the statute from which the present Federal Corrupt Practices Act⁶ is derived.

In 1910 the first federal law was enacted which required political committees influencing federal elections to submit a report of their expenditures and of contributions received to the House of Representatives. Such reports were to be filed with the Clerk of the House of Representatives to be preserved and be available for public inspection.⁷ Unfortunately, the law failed to provide for pre-election publicity, did not apply to primaries, and it made no attempt to regulate or limit the receipts and expenditures of individual candidates.⁸ Congress responded to these objections the following year by amending the Act of 1910 to correct the deficiencies raised by such objections.⁹

In summary, the provisions of the Acts of 1910 and 1911 applied to candidates for the House of Representatives and the Senate in the Congress of the United States, at any primary election or nominating convention, or for endorsement or election at any general or special election. Candidates were required to file reports with the Clerk of the House or Secretary of the Senate, both before and after the primary or general election. Detailed reports of receipts and expenditures containing the name and address of each contributor of \$100 or more, and the amount of the contribution; the aggregate sum contributed in amounts less than \$100; the total amount of contributions, loans, and promises; the name and address of each person to whom sums of \$10 or more were expended, with the purpose and total amount of such expenditures; and the total amount of disbursements; were required to be filed. These reports were required to be kept on file as public records for fifteen months. The Acts further provided that the aggregate expenditure in a campaign for nomination and election for a Representative was not to exceed \$5,000, and the sum of \$10,000 for a Senator. Exceptions were permitted for assessment of fees levied by the state, and expenditures for necessary personal traveling, subsistence, stationery and postage, writing or

REGULATION OF POLITICAL CONTRIBUTIONS

printing (other than in newspapers), distributing letters, and for telegraph and telephone fees. The penalty provision provided for a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

The provisions of the Acts of 1910 and 1911 raised several controversial issues which were decided in 1921 in the case of Newberry v. United States.¹⁰ This decision has had an important effect upon the extent of federal regulation of campaign funds and led to amendments in the law in 1925. The Newberry decision struck down the provisions relating to regulation of expenditures in primaries and held that since primaries are not elections within the meaning of Article I, section 4 of the Constitution, Congress did not have express authority to legislate on the subject. This decision left in doubt the whole question of congressional control of primary elections for many years, until the Newberry case was overruled in 1941, in the case of United States v. Classic.¹¹ which recognized the right of Congress to regulate primary elections. Unfortunately, Congress has not reasserted its powers over the nominating phase of the electoral process. Statutes enacted since the Classic decision have not included primaries. The ghost of the Newberry decision seems to be present to this day and prevents effective control over publicity of campaign contributions in primaries.

Even after the 1911 amendments, the problem of money in politics continued to exist. New demands were made for legislative action and these demands finally resulted in the passage of the Federal Corrupt Practices Act of 1925.¹² That Act was a codification and revision of relevant federal statutes regulating campaign funds and still remains as our present basic law.

Important changes in the Corrupt Practices Act of 1925 limited its coverage to general elections and not to primaries or conventions, and required the filing of regular expense statements by treasurers of political committees in January, March, June, and September of each year with additional reports required during campaigns. All statements were required to be preserved for two years, instead of fifteen months, from the date of filing. The reporting provisions were intended to secure continuous publicity of the receipts and expenditures of political committees operating in two or more states and of branch committees or subsidiaries of a national committee, association, or organization. State and local committees were expressly omitted from the coverage of the Act.

REGULATION OF CAMPAIGN CONTRIBUTIONS

A final change provided greater flexibility in the expenditure limits. A candidate for Senator was permitted to spend \$10,000, or an amount equal to three cents for each vote cast at the last general election for Senator, but in no case exceeding \$25,000, unless the laws of his state prescribed lesser amounts. A candidate for Representative was permitted to spend \$2,500, or an amount equal to three cents for each vote cast at the last general election for Representative, but in no case exceeding \$5,000, unless the laws of his state prescribed lesser amounts. Expenditures for traveling, postage, stationery, and other miscellaneous expenses were still exempted from these limitations.

Except for the changes noted, the Corrupt Practices Act of 1925 simply codified the existing laws. It made no radical changes in the method or extent of federal control of campaign funds. The failure to enact comprehensive legislation to overhaul the laws regulating campaign financing merely perpetuated the same deficiencies that existed in earlier laws. The statutory exemptions for money spent in primaries and nominating conventions, and exclusion of state and local committees from the reporting requirements have left huge loopholes in the law. The publicity system has also been proven to be inadequate and practically useless in providing information to the public in a form that the electorate can easily understand. The lack of a uniform accounting system, incomplete information as to disbursements and identity of contributors are other problems which prevent the public from getting a complete picture of the financing of a campaign. Moreover, the reports are generally filed and forgotten, since the duties of the Clerk of the House and Secretary of the Senate are merely ministerial--to receive the reports for storage. A problem of enforcement also exists for no public officer has been specifically designated or authorized to require the filing of reports, to examine, correlate and explain the numerous reports, or to report violations to the Attorney General. The fact that there has never been a single prosecution for failure to comply with the reporting requirements of the law, despite the existence of sanctions which include fines and imprisonment, seems to indicate that the enforcement provisions have been of little effect except perhaps as a deterrent to conscientious candidates.¹³

The heated issues of the 1938 national election campaign relating to the political coercion of persons receiving work or relief benefits under the Works Progress Administration provided the popular basis for Senator Hatch's proposal to protect and ensure the political neutrality of public employees. The primary object of the Hatch Act¹⁴

REGULATION OF POLITICAL CONTRIBUTIONS

was to prohibit persons employed in the executive branches of the federal government, or any department or agency thereof, from taking an active part in the political management or assisting in political campaigns of candidates for federal office. It also contained provisions to prevent pernicious political activities, such as intimidation and coercive interference with the right of federal employees to freely express their voice in federal elections.

The Hatch Act has been effective in reducing political coercion in public personnel administration, but it has also produced the unfortunate and unavoidable by-product of preventing public servants from actively participating in the political process. The regulation of political activity of governmental employees has created a dilemma in our democratic society--for it demands the greatest participation of its citizens in the political process, while at the same time, prohibits public employees from actively participating in that process.

The federal Hatch Act has served as a model for a number of state and local government "little Hatch Acts". These "little Hatch Acts" present the same problem of depressing political participation by state and local government employees. It is evident that the dilemma posed by the Hatch Act is a complex problem that requires an examination and careful balancing of the needs of the political party, the freedom of the individual employee, and the obligations of government to promote the public interest and to discharge its functions efficiently and impartially.

The Hatch Act was further amended in 1940¹⁵ to extend these provisions to persons employed by state or local agencies receiving federal funds. The definition of pernicious political activity was also extended to limit the size of individual contributions made during a calendar year in connection with a campaign for federal office to \$5,000. The amendment further limited receipts or expenditures of any national political committees to \$3,000,000¹⁶ during any calendar year. Specific provisions were also added in an attempt to control economic intervention by making it unlawful for any person or corporation "to purchase or buy any goods, commodities, advertising, or articles of any kind or description", where the proceeds of such purchase would benefit the candidate for federal elective office. Candidates carrying on their usual business or profession were exempted from this restriction.¹⁷

The 1940 amendments to the Hatch Act marked the first attempt to limit either the amount that an individual might contribute to a national committee or the total expenditures of such a committee.

REGULATION OF CAMPAIGN CONTRIBUTIONS

The objective of this attack was to limit the aggregate amount of individual contributions and to limit expenditures by any specific political interest. However, this objective does not seem to have been realized, for campaign expenditures have continued to rise and exceed the limitations.

The high cost of campaigns has resulted in schemes to evade the law, such as the creation of a multitude of committees, each employing the maximum limits of expenditures in support of federal office seekers. The proliferation of committees, many on a temporary ad hoc basis, has successfully circumvented the Hatch Act and has also weakened the party structure by its powerful decentralizing effect.¹⁸

The \$5,000 limitation on individual contributions has also been avoided by this technique. Wealthy persons continue to contribute large sums by: (a) personally giving \$5,000 to each of several different committees; (b) having members of his family contribute to the same committee; or (c) contributing to exempt state or local committees.

Congress imposed further regulatory controls over political contributions in 1943, in response to the growing power of organized labor as an economic and political force. This resulted in the Smith-Connally War Labor Disputes Act¹⁹ which attempted to extend to labor the limitations imposed on corporations. It prohibited labor unions from contributing to political campaigns from union dues. The Smith-Connally Act of 1943 was passed as a temporary wartime measure, but its provisions banning union contributions were made permanent by the Taft-Hartley Labor Management Relations Act of 1947.²⁰ The Taft-Hartley Act further extended the regulation of political activity to include expenditures, as well as contributions, and to include primaries, nominating conventions, and caucuses as well as general elections.²¹

These restrictions on both business and labor are based on the following premises: political contributions are beyond the legitimate goals of these organizations; they force minority members and stockholders to support candidates and parties they may personally oppose; they discriminate against nonmembers or nonshareholders; and enable contributing organizations to exert undue influence on elections and elected officials.²²

The provisions of the Federal Corrupt Practices Act restricting political activity by corporations and unions presently provides in part that:

REGULATION OF POLITICAL CONTRIBUTIONS

It is unlawful . . . for any corporation whatever, or any labor organization to make a contribution or expenditure in connection with any election at which Presidential and Vice Presidential electors or a Senator or Representative in, or a Delegate or Resident Commissioner to Congress are to be voted for, or in connection with any primary election or political convention or caucus held to select candidates for any of the foregoing offices, or for any candidate, political committee, or other person to accept or receive any contribution prohibited by this section.

Every corporation or labor organization which makes any contribution or expenditure in violation of this section shall be fined not more than \$5,000. . . .²³

Despite the broad restriction of the statute, corporate and union influence on federal elections have not been eliminated. Since direct contributions by corporations have been abolished, indirect means have been used to avoid the prohibition. Corporate expenditures have taken the forms of: (1) election advertisement thinly disguised as an educational or institutional advertisement program; (2) publication and dissemination of political views in corporate publications; (3) large individual contributions by corporate officials and their families; (4) political activities by corporate employees during business hours while receiving their full salary; (5) expense accounts which permit reimbursement for individual outlays connected with political action; (6) contributions in kind, of stamps, use of postage meter machines for campaign literature mailings, office facilities, equipment, mailing lists and other facilities; (7) payments to persons in public relations who may include costs of political advertising in the corporate bill; (8) fees to lawyers and other persons who provide services on a retainer basis; (9) high salaries and bonuses to corporate personnel to assist them in doing their political share; (10) contributions to exempt trade associations or national business groups whose activities benefit desired candidates; and (11) funds from the corporate treasury that can be covered up through clever bookkeeping methods.²⁴

The barriers against contributions by labor union treasuries have been skirted with similar ingenuity. Since the prohibition is against direct contributions and expenditures of funds collected from union dues, any political activity must theoretically be supported by voluntary donations. These voluntary donations are collected and used to support the activities of specially created political affiliates of unions, such as the Committee on Political Education of the AFL-CIO. COPE, together with similar units at the national, local and state federation level, are free to make contributions and to solicit funds in national elections because they are not considered to be labor organizations as defined by the Federal Corrupt Practices Act.²⁵

REGULATION OF CAMPAIGN CONTRIBUTIONS

In addition to the functions of COPE, political contributions from union dues funds are made on behalf of candidates for nonfederal offices and are permitted in most states. Unions also use dues money for purposes which are intended as educational expenditures.²⁶ Such legitimate educational activities include the conduct of registration and voting drives, and the informing of union members about the candidates and issues on which they may vote. Finally, union dues are expended for public service activities such as radio²⁷ or television news programs which may reflect a partisan political orientation.²⁸

Experience has shown that the corporate-union restrictions have been meaningless and need reappraisal. In reappraising the present restrictions, the reader may conclude that an effective approach to regulation must include methods to fully inform the public of the sources of political campaign financing. Thus, the alternative of publicity of campaign financing may be used to assist the voters and inform them before and after an election of the candidate's supporters and amounts contributed by each. Effective publicity regulations can, therefore, play an important role in helping to clarify the voter's choice at the polls and to permit the voter to pass final judgment on the propriety of candidates and contributions.

Professor Louise Overacker's statement exemplifies this belief in the cleansing powers of public disclosure:

Publicity of contributions as of expenditures--pitiless, continuous, and intelligent publicity, extending to non-party as well as party organizations--is the least that a democracy should demand.²⁹

State Regulation

In turning to the subject of state regulation of political finance, we encounter many of the same problems that were evident in the regulation of federal political campaign financing. Generally, state legislation has followed much the same patterns as federal law. However, state regulation for all state and local candidates, parties and committees has produced a wide variety and diversity of provisions to suit particular local conditions and practices. The extent of regulation varies considerably among the jurisdictions. Regulation ranges from a state³⁰ which only requires a candidate to promise not to use alcoholic beverages to influence voters and to account for his campaign expenditures, to other states³¹ which have comprehensive statutory schemes. Such controls regulate the amount and type of contributions and expenditures, impose controls on the financial management of the campaign, and provide for the disclosure of the sources of contributions and the purpose of the expenditures.

REGULATION OF POLITICAL CONTRIBUTIONS

Our survey of state regulatory practices attempts to group such controls according to the manner in which they deal with the problems of money in politics. For purposes of discussion, state regulatory practices may be grouped into the following classes:³²

1. Disclosure and publicity
2. Enforcement
3. Limitations on expenditures
4. Internal financial controls
5. Prohibitions against contributions from certain sources and ceilings on individual contributions.

Disclosure and Publicity

The early movement in the United States for the control of campaign funds was primarily a demand for publicity which has remained one of the most important features of state laws. These laws require compulsory disclosure of amounts contributed and expended during the campaign. The purpose of disclosure laws is to inform the public about the sources of a politician's funds, as well as the campaign expenditures. The underlying assumption of disclosure laws is that an alert electorate will not vote for a candidate who is involved in questionable financial dealings or who is controlled by disreputable interests.

Presently, forty-three states³³ (see Appendix B) require some disclosure of political finance. Alaska, Delaware, Georgia, Illinois, Louisiana, Nevada, and Rhode Island do not require any public reporting of campaign funds. However, in the states that require disclosure most of the statutes fail to achieve their stated purpose of providing effective publicity. The usual result is a mere filing of form reports which are not subject to any uniform accounting procedure. These reports generally contain inadequate information as to the identity of contributors and expenditures. To be fully effective, all individuals, including candidates, and groups collecting and spending money for political purposes, should be required to report their financial transactions. Such reports should be made periodically throughout the year, and not just during the primary and general election campaigns. Unfortunately, eight states³⁴ require only candidates to file reports, and one state³⁵ regulates only committees.

REGULATION OF CAMPAIGN CONTRIBUTIONS

Reporting is only a first step in the process of effectively informing the voter. The most critical step is to obtain adequate publicity of the contents of the reports. Usually reports are filed and forgotten except for the public service provided by some newspapers who attempt the difficult task of unscrambling the information and presenting it to the public in an understandable form. Oregon³⁶ and Kentucky³⁷ are the only states which attempt to assist the public by requiring that a summary of each candidate's and committee's statements be published for public distribution. The state of Maine, at one time, required the Secretary of State to publish filed reports before the primaries, but this provision was repealed in 1961 because it was felt that little benefit to the public resulted from such publication.³⁸

Enforcement

Kentucky³⁹ and Maine⁴⁰ have authorized a special committee to examine, audit and investigate the financial transactions listed in required campaign finance reports. Maine's committee members are legislators selected from the House and Senate.⁴¹ This committee suffers from the obvious handicaps of subjecting the legislator-committee members to partisan pressures and requiring the members to regulate themselves.

Kentucky, however, authorizes the governor to appoint a five-man Registry of Political Finance, two from each major political party and the chairman from a list submitted by the other members.⁴² The Registry has its own permanent staff and theoretically operates as an independent agency of the state.

Some states have attempted to provide alternative means of enforcing their political regulations by allowing private citizens⁴³ or voters⁴⁴ to petition the courts for an investigation of alleged abuses if the prosecutor fails to act. Unfortunately, most citizens are unaware of violations due to faulty disclosure laws, or possess neither the financial resources nor the initiative to investigate and prosecute alleged violators. These shortcomings point out the need for the establishment of an independent agency equipped to investigate and prosecute alleged violators.⁴⁵

It should be mentioned that the timing of reports may be a critical matter. Most states, including Hawaii, (see Appendix C) require reports to be filed only after the election.⁴⁶ Disclosure

REGULATION OF POLITICAL CONTRIBUTIONS

and publicity will obviously have very little effect upon the electorate if such reports are permitted to be filed after the election. The public's only recourse in this case is to wait until a candidate runs for re-election to show their disapproval, and the public will probably have forgotten the unfavorable incident by that time.

Writers have suggested that a preliminary report should be filed immediately prior to the election.⁴⁷ This would enable the electorate to be informed of the candidate's supporters and the amounts they contributed before he votes. The responsibility is thus placed on the voters to select candidates who will best represent the voter's interests. One possible shortcoming of this approach is that contributions may be made after the date for filing pre-election reports or after the election. This could effectively prevent the electorate from being informed of all the contributors at the time of voting. However, this loophole may be closed by prohibiting candidates from receiving contributions after the filing date of the pre-election report. This cut-off date would permit all contributions to be listed for the public's examination before an election. Another alternative which does not place restrictions on receiving contributions is to require both a pre-election and post-election report. This requirement would provide information on all contributions made both before and after an election. The public would thus be informed of all the individuals and interest groups who supported a candidate with monetary contributions. Candidates elected to political office could, therefore, be expected to conduct themselves according to established standards of ethics because of the public's knowledge and awareness of the potential interests that may influence the official's decisions. Final reports on campaign finances of elected officials running for renomination may also be republished prior to the next election. Such reports can be used to inform and remind the public of the various individuals and interest groups that may exert an influence on the elected official. It is intended that these report requirements would act as a deterrent to candidates, with the fear of bad publicity preventing them from accepting large contributions from undesirable contributors such as gamblers.

Limitations on Expenditures

Another major legislative method used to control abuses in political financing is the limitation of campaign expenditures. The limitations are designed to control excessive contributions and expenditures through: (a) explicit cash limits; (b) a limit based on a percentage of the salary of the office being sought; (c) a limit

REGULATION OF CAMPAIGN CONTRIBUTIONS

based on the percentage of the vote for the same office in the last election; or (d) a percentage that can be spent per registered voter.⁴⁸ Twenty-nine states⁴⁹ have some form of limitation on expenditures. Most of these ceilings apply to gubernatorial and other statewide offices. State laws may also apply to candidates for federal office if they prescribe lesser amounts than the federal limits, since the states share concurrent jurisdiction over federal elections.⁵⁰

Much of the criticism levied against regulation of campaign financing has focused on this method of control. It is questionable whether setting a limit on the amount which can be spent in a campaign is an effective method to limit expenditures or contributions. Statutory ceilings, typically referred to as loophole legislation, have had the effect of encouraging evasive methods in order to meet the necessary costs of modern campaigning requirements. A major loophole in most statutes is the provision which excludes certain costs, such as postage, stationery, telegrams, telephoning, printing, advertising, radio and television, publishing, and travel and lodging.⁵¹ Another exception which renders limitations ineffective is provided in statutes in twenty-one states which apply the limitations only to candidates but not to committees operating on their behalf.⁵² Other methods of evasion are provided by statutes which apply the limitations only to primary elections,⁵³ and which make the candidate responsible only for limiting his own expenses and the amounts he knows are being spent on his behalf.⁵⁴

In summary, the loopholes and omissions have rendered the limitation method of campaign finance regulation practically useless.

Internal Financial Controls

It should also be mentioned that states have developed other methods of financial control to assist and supplement their disclosure and publicity statutes and ceilings on spending. The most common method results in centralizing the responsibility for handling the candidate's financial transactions during the campaign. The intent is to insure that there will be a responsible person, usually the candidate himself or an appointed treasurer, who will use uniform accounting methods and controls, maintain accurate records, and obey the disclosure and reporting laws.⁵⁵ (See Appendix D for the 1967 Connecticut Campaign Finance and Disclosure Act.) The agent or treasurer will then be authorized to receive all contributions and authorize all disbursements.⁵⁶ Provisions are also made for the use of an official bank or depository to provide an additional check on the financial management of a political campaign.⁵⁷

REGULATION OF POLITICAL CONTRIBUTIONS

Prohibitions and Restrictions on Sources of Contributions

Generally, state regulatory schemes include statutes which attempt to reduce the influence of certain vested interests on political campaigns and candidates. These statutes prohibit or limit contributions by corporations, labor unions or individuals. Thirty-three states prohibit contributions by corporations.⁵⁸ Florida⁵⁹ also prohibits direct or indirect contributions from holders of horse or dog racing permits, holders of licenses for the sale of intoxicating beverages, and operators of public utilities, except nonprofit cooperatives. Only four states--Indiana, New Hampshire, Pennsylvania, and Texas--prohibit contributions by labor unions.⁶⁰ Seven states limit the amount an individual can contribute, with ceilings ranging from \$1,000 to \$5,000.⁶¹

Nineteen states⁶² have some form of statutory prohibitions against soliciting contributions from state employees that are similar to the federal Hatch Act provisions. Many states also provide that charitable, religious and civic organizations may not solicit donations from candidates.⁶³ This prohibition permits politicians to ask for contributions without being exposed as fair game for any and all causes and purposes.

This survey of campaign finance laws is intended to indicate some of the problems that are apparent in the present statutory schemes devised by the states. Such laws have also treated the problem of prohibition of corporate contributions as only a part of the larger problem dealing with the reporting and publicity of campaign funds.

We now shift our focus from the examination of past and present practices to several proposals and innovations and to analyze their probable effectiveness in accomplishing the goals of campaign financing.

Chapter III

APPROACHES TO REGULATION

The Establishment of Goals

Any attempt to regulate political contributions presents a dilemma--on the one hand, attempting to repress excessive participation of special economic interest groups that may exercise too great an influence in the political process, and on the other hand, attempting to encourage and increase public participation. The real danger of money in the political process is: If a disproportionate amount of money comes from a few large contributors, it may result in the representation of the contributors' interest to the detriment of the general public. Efforts to reform campaign financing will thus require a careful weighing of the advantages and disadvantages of each proposal. It will require some assessment of each proposal's effectiveness in achieving the goal of broad based participation in the political process.

We begin discussion of some of the proposals that may offer solutions to the problem of regulating political contributions by presenting some statements of fundamental democratic values.¹ These statements suggest some objectives that may be attained by legislation and which the reader may wish to consider in evaluating the proposals. These statements are set forth in two groups to reflect the dual problems presented by the dilemma of controlling the undue influence of money and of encouraging citizen participation.

Control of Money

Financing of campaigns should be conducted in a manner that will retain public confidence in the electoral process and remain free from public suspicion and cynicism that money has an undue influence in the outcome of elections and on those currently in office.

The need to retain the confidence and belief of our citizens in the electoral process which results in the selection of those who wield the official power of government is important because the electoral process forms the basis of our democratic system of government. Our government derives its right to rule from the voluntary support of the governed. Without this support our political system would lose its legitimacy and government would be by rule of force or threat of force instead of willing obedience to the law.²

REGULATION OF POLITICAL CONTRIBUTIONS

Persons elected to public office should be free agents and not beholden to a few large contributors. Underlying this statement is the idea that a special interest group should not be able to demand that an office holder "pay off" a political debt by pressing for a public policy not in the general interest. Rather than control by a few large contributors, our concept of the democratic process requires that ordinary citizens be able to exert a relatively high degree of control over its leaders.³

Qualified competent persons should be able to seek, with some chance of success, a public office irrespective of their own personal finances. This statement is based on one of the most fundamental beliefs of democratic theory--the concept of equality. The American equalitarian tradition recognizes that people are unequal in talent, virtue and appearance, but requires that people ought to have the equal opportunity to develop their own personalities according to their desires and abilities.⁴ In terms of the electoral process, this belief rejects the idea that only the well-to-do should be able to run for office. It requires that all competent persons be given the equal opportunity to decide whether to become a candidate based on factors other than money. All candidates should have the opportunity to present themselves and their ideas to the electorate to provide the electorate with a choice between candidates.

Encouraging Citizen Participation

Active, widespread voluntary participation by all citizens in the political process through the political party of their choice is the key to a successful democracy.⁵

Fundamental changes in the regulation of campaign financing cannot be affected merely by legislation alone, without attendant changes in the public attitude. Public understanding of campaign financing must be increased as well as public recognition of the functions of campaign expenditures and the necessity of providing for them in socially healthy ways.⁶ Hopefully, solutions to the problems of campaign financing which encourage participation by citizens will result in strengthening the political process by providing everyone in our free society with the equal opportunity to express his views, to present his values to fellow citizens, and to have been fully and fairly heard.⁷

APPROACHES TO REGULATION

Some Alternatives in Controlling Campaign Financing

Pursuit of the parallel goals of controlling the undue influence of money and of encouraging widespread and meaningful citizen participation in the political process, have brought forth many proposals to correct the alleged abuses of campaign financing. It is reasonable to expect, however, that no single measure alone will succeed in achieving both of these goals at the same time. A combination of measures will probably be necessary to attain the desired objectives. The following analysis will divide the proposals relating to regulation of political finance into two groups. The first will be primarily concerned with solutions directed at controlling the influence of money, and the second with encouraging citizen participation in the political process.

Control of Money

The following proposals will present approaches which provide public subsidies to candidates and parties to enable them to carry on political campaigns. Public subsidies are intended to alleviate the need for large private contributions and eliminate the possible abuse of undue influence that may be exerted by contributors on such candidates and parties. Such subsidies would, therefore, control the use and necessity of money from private contributors by having the government provide most, if not all, of the money needed to conduct political campaigns. This approach may be used together with the present prohibition of political contributions by corporations.

At the federal level, political contributions or expenditures by corporations and unions have been assumed to exert too great an influence on the political process and have been prohibited. After careful study and review of the problem, the President's bipartisan Commission on Campaign Costs recommended in 1962 that this prohibition be maintained. However, the Commission also attempted to find ways of encouraging corporations and labor unions to participate in political activities that would contribute to a healthy political system. To achieve this result, the Commission recommended that individuals and private organizations, including corporations, labor unions, farm organizations, civic societies, and other appropriate groups, be encouraged to take part in and make expenditures for bipartisan political activities.

REGULATION OF POLITICAL CONTRIBUTIONS

Such expenditures could be used in activities that assist the candidates to bring their views and the issues of the campaign before the electorate. Activities could include bipartisan fund raising, registration and voting drives, joint appearances on radio and television, and bipartisan political advertising in newspapers and other printed media. Encouragement for these and other bipartisan activities could contribute to better understanding of the importance to our democratic system of broad based participation in the political process and the necessity for adequately financed political parties and campaigns.⁸

At the state level, many states prohibit political contributions by corporations and a few states also prohibit such contributions by labor unions. The legislatures of these states have made a policy decision in prohibiting political contributions from such sources based on the assumption that corporations and labor unions may exert too great an influence on the political process through large contributions. If it is determined that the danger of undue influence does not exist in Hawaii, then it may be unnecessary to have prohibitions on political contributions. On the other hand, if it is determined that specific individuals, groups, or organizations, such as corporations or labor unions, are in need of regulation, then legislation may be adopted to prohibit practices which may result in undue influence. At the present time, the federal government and many states prohibit political contributions by corporations. Alternatives which prohibit such contributions and close existing loopholes have been proposed.

Proposals, at the federal level, were embodied in the Presidential Election Campaign Fund Act of 1966, and changes suggested by President Johnson in his special message to Congress in 1967. Alternatives at the state level have been proposed in terms of the experience gained by the Commonwealth of Puerto Rico which has provided public subsidies to political parties since 1957. These proposals allocate funds directly out of the government treasury. Other alternatives provide subsidies in the form of endowment funds, funds raised through bipartisan political fund raising campaigns and by tax incentives. These subsidies are made directly by individual contributors and are limited to small amounts. Public subsidies of this type may be favored by the policy maker because they provide the opportunity for citizens to participate in the political process by making small political contributions.

APPROACHES TO REGULATION

Reduction of the expenses of candidates and parties have also been proposed. These alternatives include shorter campaign periods and the assumption by the state of the expenses for recounts and transition costs that arise in the change of administration. Any reduction in the amount of funds needed by candidates and parties should help to alleviate the need to accept large contributions and thereby reduce the potential of undue influence by such contributors.

President Johnson's special messages to Congress on election reforms submitted in 1966⁹ and 1967¹⁰ contained a proposal to regulate political contributions by private persons. The proposal was intended to close the loophole in the present law which has a \$5,000 limitation on the total amount that may be contributed by any individual to candidates or committees involved in federal elections. This limitation can be evaded by having other members of the same family make contributions to the same candidate or to different committees supporting the same candidate. The President proposed that the \$5,000 limitation include all members of a family to preclude separate \$5,000 contributions from the wife or minor children of an individual who had already contributed \$5,000. This proposal was incorporated by Senate Bill 1880 which was passed by the Senate on September 12, 1967 and sent to the House of Representatives for consideration (see Appendix E).¹¹

One may follow this approach at the state level if he wishes, and establish a limitation on the amount that may be contributed by any individual and members of his family to candidates running at the state and local levels or committees supporting them. This approach may effectively prevent corporate officers from making large contributions on behalf of a corporation and thereby help to tighten the prohibition against corporate contributions. Enactment of a law limiting the amount of individual contributions may close one of the most blatant loopholes in the existing law, but other alternatives would also have to be adopted to restrict the indirect practices that corporations may use to evade the legal prohibition.¹² A comprehensive approach directed at and prohibiting all other political activities of corporations, in addition to prohibiting direct political contributions, would have to accomplish the following: (1) prohibit corporate advertisement that is in effect partisan political advertisement; (2) restrict the use of corporate publications that are used to disseminate partisan political views to the public or business associates; (3) prohibit partisan political activities by corporate employees during business hours while receiving their full salary; (4) restrict the use of expense accounts to reimburse individual expenses for political activity; (5) prohibit corporations from making contributions in kind, by donating stamps, postage meter machines, mailing lists,

REGULATION OF POLITICAL CONTRIBUTIONS

and office equipment and facilities to mail campaign literature; (6) restrict payments to public relations men, attorneys, and other individuals who may provide personal services for political purposes in addition to their regular services for corporate business purposes; (7) prohibit the use of inflated salaries and bonuses to corporate personnel which is intended to be contributed for political purposes; and (8) prohibit contributions or payments in the form of dues to associations or groups who will use such funds to support particular candidates and parties.¹³

A comprehensive attempt to regulate these indirect practices would probably be extremely difficult and require costly and complex auditing and administrative procedures. Because of the difficulties involved in prohibiting corporations from using their money to influence the political process, consideration also may be given to the following proposals which grant public subsidies to parties and candidates. The use of the public subsidies approach would hopefully reduce the critical need for private contributions and thereby reduce or eliminate the various indirect practices to inject money and influence in the political process.

Presidential Election Campaign Fund Act of 1966.¹⁴ The Presidential Election Campaign Fund Act (see Appendix F) was the most significant attempt by the federal government to develop an alternative source of financing political campaigns. The goal of meeting the financial burdens of modern political campaigning without inviting the undue influence of large contributors in costly presidential election campaigns was to be accomplished by a direct government subsidy to political parties beginning with the 1968 presidential election campaign. This Act would have permitted each taxpayer, beginning with the taxable year of 1967, to designate on his annual income tax return that one dollar of his tax liability be paid into the presidential election campaign fund. The amounts in the fund were then to be made available to defray the presidential campaign expenses of major political parties whose candidates received over five million votes in the preceding presidential election.

The Act was primarily intended to assist the major political parties. It used two formulas for the determination of payments from the fund. The first formula was to be used for political parties whose candidates for President at the preceding presidential election received 15,000,000 or more popular votes. These parties were to divide equally among themselves a sum of money which was to be computed in the following manner: one dollar for every popular vote received by all presidential candidates who received more than

APPROACHES TO REGULATION

15,000,000 votes in the preceding election. Each party's share, however, could not exceed the actual amount spent or incurred by such party in the presidential campaign.

The second formula was to be used for each political party whose presidential candidate received more than 5,000,000 popular votes but less than 15,000,000 votes. Each party was to receive one dollar for every vote their presidential candidate received in excess of 5,000,000 votes. In other words, they would not get credit for the first 5,000,000 votes their candidate received. Parties whose presidential candidates received less than 5,000,000 votes in the preceding election were not to participate in the fund.

The treasurer of a political party entitled to a payment would be required to certify to the Comptroller General the total amount spent or incurred by such party in carrying on the presidential campaign as a condition precedent to receiving payment. The Comptroller General was then to be required to make the final determination of the popular vote received by a candidate and certify to the Secretary of the Treasury the amount payable to the political party. Payments from the Presidential Election Campaign Fund were to be made by the Secretary of the Treasury after September 1, of the year of the presidential election. The Secretary also would be authorized to reduce payments to political parties by a pro rata amount when the moneys in the Fund were insufficient to meet the amount of entitled payments.

The Act also would have established a seven-member Presidential Election Campaign Fund Advisory Board to advise and assist the Comptroller General in connection with his duties. The Comptroller General would be required to appoint two members from each political party whose presidential candidate received fifteen million or more votes in the last presidential election from recommendations submitted by such parties. The appointed members were then to be authorized to select three additional members.

The Presidential Election Campaign Fund Act of 1966 was adopted as a rider to the Foreign Investors Tax Act of 1966,¹⁵ and became effective on November 13, 1966. The attachment of this important legislation as a rider to another unrelated measure indicates the great difficulty encountered in trying to pass the Campaign Fund Act on its own merits. The fact that this measure involved the United States Senate in a six-week debate prior to its passage, is further proof of its controversial nature.¹⁶ Opposition to the Presidential Election Campaign Fund Act of 1966 continued after its adoption, and the Act was suspended on June 13, 1967, before its provisions

REGULATION OF POLITICAL CONTRIBUTIONS

could be implemented. This was accomplished by means of a rider, attached to the Investment Tax Credit Act,¹⁷ which required the adoption by the Congress of detailed guidelines governing the distribution of funds from the Presidential Election Campaign Fund before the other provisions of the Act permitting a tax check-off could be implemented. The Congress has not adopted any guidelines since the suspension of the Act on June 13, 1967.

Opponents of the Act point out that reimbursements are to be made only for general election campaign expenses, and that since most commitments and compromises are made during the primary contests, the Act fails to solve the problem of improper influence.¹⁸ The disbursement of a large federal subsidy to the National Committee of each party is also criticized because it has the potential for centralizing political power in the hands of presidential candidates and the national committees of their parties. This centralization and strengthening of the national party organization may result in: (a) a much stricter adherence to the party platform; (b) a spread of informal endorsements by the national organization in key state primary races and a lessening of competition for party nominations; and (c) a national domination of local politics with the attendant loss of state control over the selection of federal candidates and loss of independence of state party organizations.¹⁹ Another related problem is that funds are restricted solely for presidential elections, and candidates for other public offices at the federal and state level would not receive any assistance under the Act. However, this problem may be relieved somewhat since the federal subsidy will probably divert private contributions which normally would be used at the national level to state and local parties and candidates. The availability of such funds to assist state and local candidates would allow them to achieve greater financial independence and reduce the possibilities of undue influence from large contributions.

A serious problem is raised by the distinction between the major and minor political parties which have candidates for the Presidency. The effect of this distinction is to give the Republican and Democratic parties equal amounts²⁰ and deny any funds to minority parties that polled less than 5,000,000 votes in the last preceding presidential election. Minority parties polling more than 5,000,000 but less than 15,000,000 votes would receive a proportionately smaller amount than the two major parties in that they do not receive funds for the first 5,000,000 votes they received. This results in endowing the two leading parties with a huge financial advantage over all other parties and practically insures their dominance. The government subsidy is in effect a plan of assistance based on popularity alone

APPROACHES TO REGULATION

since it gives proportionately larger amounts to those parties which have gained a high level of popularity. The federal subsidy plan thus conflicts with the principle of democratic theory which requires that minority parties be given a fair and reasonable chance to present their candidates and ideas to the electorate. The selection of 5,000,000 votes as the cut-off point for receiving financial support inhibits the growth of new groups which add vitality to the political system by challenging the established parties. Minority parties have offered significant candidates for President, such as Theodore Roosevelt, Robert LaFollette, Strom Thurmond, and Henry A. Wallace, but in no election since 1924 has any third party received the necessary votes to qualify for the federal subsidy.²¹ Thus, based on past experience, the presidential campaign financing proposal would deny funds to all minor political parties.

Opponents of the Act would probably require: (1) a minimum amount to be given to all parties which qualify candidates nationally to ensure a reasonably effective presentation; (2) a provision to give additional amounts to reflect significant increases in present membership; or (3) a low enough vote limit to allow small and new parties a reasonable chance to win a subsidy of funds.²²

Another provision of the Act that has been criticized is the individual tax check-off and earmarking procedure which places the earmarked dollars into a single fund for distribution to qualified parties. This procedure has been criticized because it eliminates the taxpayer's freedom to contribute to the party of his choice. This means that a participating taxpayer has to contribute to political ideologies he may disagree with. The total size of the campaign fund that will be available for distribution will also be uncertain since it is dependent on the voluntary cooperation and participation of the taxpaying citizens. Thus, the campaign fund may be insufficient to pay for the necessary campaign expenses. A final criticism of the tax check-off procedure is that it fails to accomplish the purpose of permitting all citizens to participate in the political process because it automatically excludes citizens without tax liabilities.

Presidential Message to Congress 1967. President Johnson submitted a special message to Congress on May 25, 1967 on Public Participation in the Processes of Government,²³ in an attempt to meet some of the criticisms aimed at the Presidential Election Campaign Fund Act of 1966.²⁴ The President's message contained the following proposals:

REGULATION OF POLITICAL CONTRIBUTIONS

- (1) provide direct Congressional appropriations to finance presidential campaigns;
- (2) restrict the use of federal appropriations to reimburse only those items of expense which are needed to bring the issues before the public;
- (3) prohibit the use of private contributions for items of expense to which federal appropriations could be applied;
- (4) use a percentage of votes received test to determine the size of the federal appropriation to be distributed to qualified parties; and
- (5) establish a limitation on the size of the federal appropriation that can be used in any one state.

The proposal to permit Congress to make a direct appropriation of money from the federal treasury to pay for the major costs of presidential campaigns would be advantageous. It would allow an experienced and knowledgeable body to determine the amount of funds that would be required to present the views of presidential candidates to the public. A direct Congressional appropriation would thus make the campaign fund more stable by removing its uncertain reliance on tax check-offs. Unfortunately, the use of direct appropriations has the disadvantage of eliminating the taxpayer's opportunity to participate by contributing. It is also a step toward complete public financing of elections and the prohibition of private political contributions.

The proposal to restrict the use of public appropriations to reimburse only key items of campaign expenses that are necessary to inform the public of the issues is intended to encourage greater efficiency in campaign spending. Payments would be authorized for the following items: radio and television; newspaper and periodical advertising; the preparation and distribution of campaign literature; and travel. Hopefully, this restriction will result in increased efficiency in campaigns and help to control the rising costs of political campaigns.

Restrictions on private contributions would also be imposed to limit the use of such contributions to items of expense not covered by public appropriations. Such items may include the payment of salaries of campaign workers, overhead, research and polls, telegraph and telephone, and postage and administrative expenses. Citizens would still be free to participate in the political process and express themselves through contributions to the party or candidate of their choice. Moreover, the use of Congressional appropriations

APPROACHES TO REGULATION

should provide sufficient funds to finance presidential campaigns without having to rely on large contributions from wealthy and powerful interests.

President Johnson's proposals also differed from the Presidential Election Campaign Fund Act by using a percentage of votes received test rather than a fixed number of votes test as the basis for determining the size of the federal appropriation to be distributed to qualified parties. It defined a major party as one which received 25 per cent or more of the popular votes cast in the last election. A minor party was defined as one which received between 5 and 25 per cent of the popular votes cast in the current election. The use of the percentage of votes test is intended to provide greater flexibility and include changes in the size of the voting population.

The President's proposals further established a limitation on the amount of federal appropriations that could be used in any one state. It limited a subsidy to 140 per cent of the percentage the population of that state bears to the population of the nation. This proposal was intended to prevent the concentration of funds in any particular state and thus to reduce the potential for national domination of local politics.

These proposals were intended by the President to serve as general guidelines to induce extensive discussion and critical analysis of the problem of financing presidential elections and other elections at the congressional, state and local levels. The President recognized the complexity of the problem of using public financing to reduce the potential of undue influence from large private contributors, and further suggested study of other alternatives that may increase public participation, such as tax incentives, matching incentive plans, and voucher plans.

State Direct Subsidies. Colorado was the only state to pass a law authorizing public funds to support political parties. Each party was to receive a subsidy for each vote received by its candidate for Governor in the previous election. Private persons were also prohibited from making political contributions. This law was passed in 1909 but was declared unconstitutional by the state Supreme Court in 1910 and later repealed by the legislature.²⁵

Puerto Rico²⁶ (see Appendix G) adopted a law in 1957 which provided cash subsidies to eligible parties.²⁷ Eligible parties were defined as parties which have participated in a general election in all election precincts of Puerto Rico, and as a result, have

REGULATION OF POLITICAL CONTRIBUTIONS

preserved their status of principal parties and gained representation in the legislature. An Election Fund was established out of which the Commonwealth Secretary of the Treasury was authorized to pay for a party's maintenance and operation expenses in Puerto Rico upon presentation of properly accredited vouchers. Each party was entitled to draw up to \$75,000 annually in nonelection years and \$150,000 in election years. Half the allotment in any nonelection year could be deferred and used in election years. Persons or corporations were permitted to make contributions directly to a local or central committee of a political group or party, up to a maximum of \$200 per year to either group, or \$400 per year to both combined. These amounts were increased in election years to a maximum of \$300 and \$600. Individual donors could also designate a specified candidate to receive his contribution, although direct contributions to candidates were prohibited. Provision was also made for an Advisory Committee composed of members of the principal political parties to assist the Secretary of the Treasury in his duties.

The law was amended in 1964²⁸ and generally provided for: (1) a substantial increase in the amount of public funds made available to the political parties to finance their campaigns and other activities; (2) a requirement that all candidates, parties, and political groups and organizations supporting candidates, make quarterly reports on their receipts and expenditures as compared to the original requirement for party treasurers to make annual reports; and (3) a tightening of earlier prohibitions against the solicitation of campaign contributions from public employees by making it illegal for any person to solicit funds from public employees for political purposes either directly or indirectly. However, government and municipal employees were permitted to be solicited by mail and advertisements in newspapers, television, radio, and billboards.

The primary purpose of these amendments was to provide greater government subsidies to the parties. The parties had exhausted their subsidies at least a month before the end of the 1960 campaign, and had to rely on huge amounts of private contributions to cover the expenses incurred toward the end of the campaign.²⁹ This action violated the spirit and intent of the law and was the basis for the 1964 amendments to increase the allotment of public funds. The subsidy revisions made the following minimum funds available to each party for three purposes: (1) office expenses--\$75,000; (2) general campaign expenses--\$75,000; and (3) transportation of voters--\$12,000. Each party was also authorized to receive additional credits for general campaign expenses from an \$800,000 fund, based on their percentage of the total straight-ticket votes cast in the 1964

APPROACHES TO REGULATION

election, less the minimum credits. Similar additional credits were granted to transportation of voters, from a \$200,000 fund, less the minimum credits.

The results of the 1964 campaign in Puerto Rico showed a heavy dependence by all parties on public subsidies. A total of \$1,348,000 was allocated to political parties during the 1964 Commonwealth election campaign. These subsidies ranged from 84 to 90 per cent of the total expenditures of the parties. The huge expenditures have caused critics to propose a reduction and early elimination of the Election Fund, and to permit parties to seek their own contributions. Their opposition stems from a belief that party morale and interest has declined as public subsidies have increased.³⁰ The future of the Election Fund System in Puerto Rico is in doubt; it is conceivable that serious attempts will be made to try to reduce the parties' dependence on it.

Endowment Funds. Byron G. Allen, a former Democratic National Committeeman from Minnesota, has supported the approach of establishing an endowment fund to build up party resources for the future.³¹ This approach was attempted by a political party in Minnesota and solicitations were made for resources in kind, such as stocks, investment certificates, and assigned life insurance policies in lieu of cash. A small percentage of the net profit from fund raising dinners and similar activities, amounting to one-half of one percent, was also contributed to the endowment fund for a while. The endowment was intended to be used to: establish and own national and state headquarter facilities; conduct research; create and maintain political reference libraries for education on issues; sustain internships to train personnel for party work, prospective leadership and candidacies; grant candidate fellowships to assist individuals of limited resources to run for office; and give candidates and party committees a nest egg to start their campaign funds.

The endowment fund approach is intended to create financial stability and to permit political parties to function as financially independent and responsible entities in the American political system. It is a long-term experiment in encouraging political participation from contributors to candidates and would probably require enabling legislation at the federal and state levels to permit or assist in the incorporation of special funds for ownership or endowments by a political party.

REGULATION OF POLITICAL CONTRIBUTIONS

Bipartisan Political Fund Raising. The first recommendation of the President's Commission on Campaign Costs was for the encouragement of voluntary bipartisan political activities.³² The Commission recommended that individuals and private organizations, including corporations, labor unions, farm organizations, civic societies, and other appropriate groups, be encouraged to make expenditures for bipartisan political activities. It also recommended that the reasonable costs of such activities be declared a deductible expense for tax purposes. Corporations and labor unions could, therefore, deduct expenses incurred in an impartial effort to encourage employees or the public to register, vote, and contribute to and work for the party of their choice.

Experiments at bipartisan fund raising have been attempted, and the results of several pilot programs have provided valuable information to researchers.³³ Generally, the fact that the concept was new made it difficult to obtain community acceptance, since few people had ever seen rival parties joined together to raise money. This probably resulted in distrust and discomfort to many citizens because, traditionally, successful appeals tend to be very partisan and are aimed at the emotional bias of the citizen. Appeals to such bias are, of course, not possible in any bipartisan approach to fund raising.

The principle of broadening the base of financial support by encouraging widespread individual contributions also became difficult to implement in actual practice. The experiments disclosed that only the community leadership showed a developed sense of political obligation and a willingness to cooperate in the wide-scale financial support of political parties. The majority of citizens of the community indicated a low level of political interest and failed to support the concept of the experimental design which attempted to encourage citizens to make political contributions as a form of political participation. One positive conclusion that emerged from the study is that the concept of community responsibility for the conduct and support of public elections must be modified and adapted to the political attitudes and attributes of the particular segment of the population being solicited. Political parties seem to be aware of this fact and are beginning to use political fund raising methods that are directed at solicitations from the socio-economic stratum of the population that actively participates in the life of the community.³⁴ These experiments reveal the great difficulty involved in implementing the theory of mass financial support of political parties and indicate the need for additional study and experimentation.

APPROACHES TO REGULATION

Tax Incentives. One method of encouraging persons to participate in the political process by making political party contributions is to offer an income tax incentive in the form of tax deductions for such contributions. Laws granting limited personal income tax deductions for political contributions have been enacted in Minnesota, California, Missouri, and Hawaii.³⁵

Minnesota (see Appendix H) pioneered the tax deduction principle in 1955³⁶ by granting a tax deduction from gross income up to \$100 for political contributions made in primaries and general elections to political parties and candidates. In 1957, California adopted a similar law which provided income tax deductions up to \$100 for political contributions in any primary or general election.³⁷ Missouri authorized tax deductions for contributions to city, county or state political committees of a party up to \$50 but requires a receipt from the party committee to be attached to the tax return.³⁸ Hawaii adopted a tax deduction law in 1963³⁹ (see Appendix I) which authorized a deduction up to \$100 for contributions made to a central or county committee of a political party whose candidates qualified in the previous general election.

Minnesota extends further assistance to candidates for specified offices, and certain party officials, and permits them to deduct from their gross income tax all unreimbursed campaign expenditures which they have personally paid up to statutory limits.⁴⁰ Candidates for Governor or United States Senator are authorized a maximum deduction of \$5,000 and candidates for the state Senate or House of Representatives are authorized a deduction up to \$500. This assistance is also extended to a national committeeman or woman, state chairman or woman who is authorized a maximum deduction of \$1,000. It is interesting to note that North Dakota uses a different method of providing assistance to delegates to national conventions. Such delegates are reimbursed from state funds for travel expenses to and from national conventions up to a maximum of \$200 per delegate. These provisions give recognition to the concept that politicians fulfill a worthy function.

Minnesota's first year of experience in 1956 under the new law showed that the fiscal impact was slight.⁴¹ An estimated 0.7 per cent of persons filing individual state income tax returns claimed deductions for political contributions. The total deductions claimed totaled \$214,688, with an estimated loss of revenue to the State of \$5,521.⁴² The average amount of claims rose as gross income increased. Surprisingly, the number of candidates who claimed the tax deduction fell below the number of candidates who ran for office. Savings to the candidates were rather small since the maximum rate on taxable income in 1956 was 10 per cent.

REGULATION OF POLITICAL CONTRIBUTIONS

Despite many proposals at the state and federal levels urging the use of tax deductions to encourage political contributions, it should be realized that a tax deduction would provide persons in the higher income brackets with the greatest assistance and incentive to give. A tax deduction helps to reduce gross income before the tax is computed and operates on a sliding scale according to the taxpayer's income bracket. The higher the contributor's income bracket, the more a given deduction will save him in taxes. In other words, a high income taxpayer is able to shift the actual burden of the contribution to the government and ultimately to other taxpayers.⁴³ This proposition is supported by information from federal returns made in 1957 which showed that only 29 per cent of taxpayers with adjusted gross incomes of less than \$5,000 elected to itemize deductions.⁴⁴ This means that approximately two-thirds of the low- to moderate-income taxpayers would probably not be assisted by a tax deduction proposal. The provision for a separate tax deduction, in addition to the standard deduction, would remove this objection.

On the other hand, a tax credit is an allowance taken from the final tax liability, and permits each taxpayer, large or small, to get the same benefit for the same amount of contribution. Therefore, if a tax credit of \$10 is allowed, any contributor can subtract up to that amount from his final income tax bill. The tax credit provides greater equality since it is not based on the income level or tax bracket, but it does require a taxpayer to have a tax liability at least equal to the amount of the credit in order to receive full benefit for his contribution. Data from federal income tax returns filed in 1957⁴⁵ showed that 21 per cent of individuals who filed tax returns paid no taxes. A policy maker could, therefore, discriminate against these taxpayers by adopting a tax credit proposal. Enactment of a provision for cash refunds would seem to allow these taxpayers credit for their contribution.

It has been suggested that a tax credit should be granted for only half of the actual contribution in order to control the potential loss of revenue to the government. This would result in government sharing half of the cost up to the limit allowed, and the taxpayer paying for the other half. Thus, a contribution of \$20 would have to be made to claim the full \$10 credit which is used as the hypothetical maximum credit allowed. Establishing a limit on the maximum credit, such as \$10, or some other low amount would presumably discourage large contributors. This mechanism would make solicitation more difficult and reduce incentives, but it is intended to control revenue loss and encourage small contributions and thereby broaden citizen participation. Finally, in weighing the merits and demerits of tax deductions

APPROACHES TO REGULATION

and tax credits, it should be realized that an extensive educational program will be required as to the use and usefulness of the proposal selected.

Short Campaign Periods. Many proposals have been set forth concerned with seeking ways or providing funds for campaign expenses, but very little has been said about measures aimed at reducing campaign costs. One possibility is the proposal to shorten the length of campaigns.⁴⁶ This proposal might be effective in reducing campaign costs if it could guarantee that a reduction in the length of a campaign period would automatically result in a proportionate reduction in the amount of money spent for campaigning. Unfortunately, a mechanism to provide this guarantee has not been developed and tested, and it is possible that the attempt to achieve the same impact in a shorter time would be just as costly to a party or candidate.

Recounts. The question of paying the costly expenses of a recount in a close election is another issue that might be considered in examining the problems of campaign financing inasmuch as the complainant must pay for the costs of the recount. Such costs can be very large and involve lengthy court proceedings. It has been suggested that the cost of recounts based on reasonable and legitimate grounds should be borne by the states and considered as part of their function of administering elections.⁴⁷

Transition Costs. Another expense that arises in the electoral process is the expense of financing the transition between administrations when the party in power changes. These costs arise primarily from payments for office space, communications, staff salaries, and transportation. It has been suggested that expenses incurred by the new President-elect or Governor-elect, in selecting and assembling a staff to man their administration, and in preparing themselves for their new responsibilities, should be considered as legitimate government expenses.⁴⁸ Such expenses would, therefore, be treated as normal governmental expenditures and provide some relief to parties and candidates.

Encouraging Citizen Participation

The following proposals are primarily concerned with the problem of encouraging widespread citizen participation in the electoral process. The underlying principle of these proposals is that an informed public, having knowledge of the exact nature of a candidate's campaign financing will be able to make a sound decision when voting and will be encouraged to participate in the entire electoral process.

REGULATION OF POLITICAL CONTRIBUTIONS

Attempts to implement this principle have taken the form of laws aimed at disclosure and publicity of campaign funds. These laws are intended to provide the electorate with sufficient information so they can determine the propriety of political contributions and campaigning expenses, and pass final judgment on candidates at the polls. A successful public disclosure system could also help to achieve the goal of creating public confidence in the electoral process and thus strengthen the entire American political process.

The alternatives which will be discussed are intended to be used in addition to the existing prohibition against the making of contributions by corporations and other economic interests. The disclosure approach used by Florida and the National Municipal League Model Law imposes responsibility for controlling contributions on candidates and their campaign treasurers to provide the correct information to be reported. Kentucky and Maine depend on an independent body to keep track of campaign finances. Other alternatives such as state summaries, publicity pamphlets and newspaper advertising, and television and radio presentations are based on the use of state aid to implement the principle of equitable access to the electorate. Alternatives affecting registration procedures and residency requirements will be discussed to suggest possible ways to increase the number of citizens that will be eligible to vote.

The alternative of adequate salaries for legislators is an approach that attempts to encourage all interested citizens to run for political office and become actively involved in the political process as candidates. This alternative may also offer a partial solution to the problem of regulating political contributions. The provision of adequate annual salaries to legislators should reduce the potential for undue influence that may result from large contributors and thereby guarantee the financial independence of candidates elected to legislative public office.

Finally, this report will present some suggestions made at the federal level to liberalize the Hatch Act to allow federal employees greater freedom to participate in politics.

The Florida Approach.⁴⁹ (See Appendix J.) The experience gained under Florida's 1951⁵⁰ "who-gave-it-who-got-it" campaign disclosure law suggests that a proper combination of coverage, timing, auditing and publication can be effective in meeting the needs of a given political system at the state level.⁵¹

APPROACHES TO REGULATION

Florida law permits unlimited expenditures but requires adequate publicity of all expenditures and contributions, including services in lieu of cash contributions.⁵² Individual contributions, however, are limited to \$1,000.⁵³ The law prohibits all contributions to a party or candidate for nomination or election from sources which may wield undue influence such as:

1. Persons holding a horse or dog racing permit.
2. Persons holding a license for the sale of intoxicating beverages.
3. Persons operating a public utility.⁵⁴

The Florida statute attempts to create a publicity system which gives the electorate an up-to-date account of all monies involved in the political campaign so that the citizen will have the information, before he votes, of the exact amount received by all candidates, the contributors and amounts contributed, and the total expenditures and kinds of expenditures made by the candidate.⁵⁵

Responsibility is imposed on each person involved in the financial process, including the donor, treasurer or deputy treasurer and candidate. All contributions are required to be made to a duly appointed campaign treasurer or deputy, and must be deposited in a designated bank depository within 24 hours of their receipt.⁵⁶ Deposit slips are provided by the State, and show the name, address, and amount contributed by each contributor. Expenditures are made only by written authorization, signed by the campaign treasurer, and accompanied by the certificate of the person claiming the payment and stating the purpose of the claim.⁵⁷ Required statements are filed with the Secretary of State or County Clerks who make them available to the public.⁵⁸ Both post-election contributions and last minute contributions within the last five days preceding an election are prohibited.⁵⁹ This is intended to prevent commitments from being made in return for financial aid.

Penalties for violations of the Florida law include the possibility of conviction for a misdemeanor or felony, citation for contempt, revocation of charter or permit, and the loss of commission to office.⁶⁰ The law permits any elector having information of violations of the campaign finance laws to file a petition or complaint, to have the attorney general or county attorney investigate and bring proper charges.⁶¹

REGULATION OF POLITICAL CONTRIBUTIONS

National Municipal League Model Law.⁶² (See Appendix K.) Many of the features of the Florida law have been incorporated into the Model State Campaign Contributions and Expenditures Reporting Law prepared by the National Municipal League. However, the Model law differs in the following respects:⁶³

1. The Model law places the responsibility for collecting reports on the Secretary of State, and requires him to publish delinquencies, whereas, Florida places the responsibility on both the Secretary of State and the County Clerks.
2. The Model law imposes no maximum limit on the amount of a personal contribution, but requires contributors of \$100 or more to certify that they are donating their own money, whereas, Florida has a \$1,000 maximum limitation on the amount of a personal contribution.
3. The Model law intentionally permits last minute contributions to provide candidates with the means to answer an opponent's last minute allegations, whereas, Florida prohibits the receipt of contributions from persons within the last five days preceding an election.
4. The Model law does not prohibit contributions by certain donors, whereas, Florida prohibits contributions from persons holding a horse or dog racing permit, or a liquor license, or operating a public utility under state franchise or regulation.

Registration System. The states of Kentucky⁶⁴ (see Appendix L) and Maine⁶⁵ have instituted a registration system as an alternative to the approach of the Florida law and National Municipal League Model. A registration system establishes an independent body to receive, audit, tabulate, summarize, publicize and preserve reported financial data and report violations to the appropriate authorities. An effective registration system is designed to ensure public disclosure of all committees undertaking political activities in support of candidates and act as a public watchdog. Public reports would contain information on registered committees and their purposes, and the total receipts and disbursements of candidates and committees. These reports would be released both before and after elections. The President's Commission on Campaign Costs⁶⁶ proposed the establishment of a Registry of Election Finance at the federal level to ensure effective disclosure, and also suggested the possibility of using a registration system at the state level.

APPROACHES TO REGULATION

State Summaries. An approach similar to the registration system is incorporated by the laws of Kentucky, Oregon and Massachusetts in their publication and distribution of state summaries. These summaries compile information of total reported campaign receipts, expenditures and liabilities of each candidate and committee in Oregon⁶⁷ and Kentucky,⁶⁸ or by office and party in Massachusetts⁶⁹ for both the primary and general elections.

Another alternative to state summaries is to have political parties issue annual financial reports on their receipts, expenditures, and liabilities. Such reports should be available to the public and the state could assist in paying for the costs of the audit and printing.⁷⁰

Publicity Pamphlets and Newspaper Advertising. The principle of equitable access to the electorate has been implemented by some states through the issuance of official pamphlets mailed at state expense. North Dakota and Oregon are the only states which provide state support to publish publicity pamphlets containing information on candidates and issues. Both states charge candidates for advertising, and charges have run between \$10 to \$100 a page, depending on the office at stake.⁷¹ In the 1964 primary election, Oregon distributed about 850,000 pamphlets at a cost of about \$126,500 for printing, postage and addressing. The general election costs amounted to approximately \$81,900 for 885,000 pamphlets.⁷²

Other forms of state aid include newspaper advertisements of candidates, issues and constitutional amendments, and the printing and distribution of sample ballots, voter instructions and lists of candidates. Private organizations, such as the League of Women Voters, have also made important contributions in providing information on the background and record of candidates.⁷³

Television and Radio. The upward escalation in political campaign costs at both the federal and state levels has resulted from the increased use of the federally regulated mass communications media. The Federal Communications Commission reported that a total of \$32 million was paid for political broadcasts on American television and radio stations in 1966.⁷⁴ This total represented a 60 per cent increase over the \$20 million spent in the last nonpresidential election in 1962. These facts have led to proposals that the radio and television industry provide free time to the candidates or that broadcasters be reimbursed for their out-of-pocket expenses from a government appropriation.⁷⁵ The availability of the mass communications media to all candidates, free or at a reduced cost, would assure candidates equitable access to the electorate and grant them an

REGULATION OF POLITICAL CONTRIBUTIONS

opportunity to reach a large segment of voters. This form of subsidy could alleviate the problems of publicity and high campaign costs.

The broadcasting industry has been bound by the provisions of Section 315 of the Federal Communications Act, which requires that when a legally qualified candidate for any public office is permitted to use a broadcasting station, equal opportunity must be afforded to all other such candidates for that office. This requirement has restrained many broadcasters from granting free time to major and minor party candidates because of the possibility that nonserious candidates may demand costly equal time to present their views.⁷⁶ Congress granted a temporary suspension of Section 315 of the Federal Communications Act during the 1960 presidential campaign. However, despite the widespread appeal of the "Great Debates" in the 1960 campaign, nothing further has been done to alleviate the statutory restriction. The President's Commission on Campaign Costs reviewed the problem and recommended that Congress review present practices and give special consideration to the problem of providing candidates of minor political parties with opportunities to express themselves in the broadcasting media.⁷⁷

It has also been suggested that educational television facilities be used to broadcast political programs or allow appearances by candidates.⁷⁸ State supported educational television systems have great potential for assisting candidates and parties in reaching the voters and educating the public about government and politics.⁷⁹ Wisconsin uses state funds to finance a State Radio Council which operates a network of noncommercial stations in cooperation with the University of Wisconsin. A Political Education Forum provides free time to qualified candidates in nonpartisan elections, primaries, and general elections. During legislative sessions, the network also broadcasts a Legislative Forum, making free time available to all legislators.⁸⁰ This is one example of a state adopting a positive attitude regarding the use of educational television to assist in the political process and encourage increased citizen participation.

Registration and Voting Participation. Present state involvement in the electoral process could also be extended by considering registration and election day activities a proper function of the state.⁸¹ This would relieve the parties and private organizations of this burden. It could possibly result in increased voter turnout if the state could develop ways to facilitate registration procedures and make it easy and convenient for all citizens to register. State funds could be used to appoint registrars to canvass each residence or use mobile registration centers to permit all citizens equal access

APPROACHES TO REGULATION

to become registered voters. The days and hours of operation could be flexible to permit working citizens to register. Registration rolls could also be kept open as long as possible to enable the campaign activities to reach the citizens and reinforce their interests in registering to vote. Finally, residency requirements could be minimized so that citizens will not be penalized and disfranchised for moving and changing their residence. This suggestion is in keeping with the present requirements of our highly mobile society.⁸² This approach was proposed at the federal level by President Johnson. He was concerned with the problem of citizens who became disenfranchised from voting in presidential elections because they changed their residence in search of new jobs and opportunities. In order to correct this inequality, the President proposed that a citizen who meets all other qualifications to vote under the laws of a state, shall be permitted to vote in a Presidential election if he becomes a resident of the state by the first day of September preceding the election.⁸³

At the state level, California has established a minimum residency requirement to enable persons who have been a resident of the state for at least 54 days but less than a year prior to the date of the general election at which presidential electors are to be selected to vote in the presidential election (see Appendix M). Such new residents are required to have been either a qualified elector in another state prior to moving to California, or to have been eligible to vote in that other state had they remained there until such election. Except for the one year residency qualification, the new residents must also meet the standard voting requirements, such as literacy requirements, being 21 years of age, being mentally competent, and not having been convicted of an infamous crime.⁸⁴

The Uniform Voting by New Residents in Presidential Elections Act is recommended by the National Conference of Commissioners on Uniform State Laws and has been enacted in several states, including Connecticut, Idaho, Maine, Maryland, Minnesota, Nebraska, and Oklahoma. The Uniform Act relaxes the residence requirement for presidential elections for new residents who are otherwise qualified voters.

Hawaii recently enacted a law in 1966 which liberalized the residency qualifications for voting for members of the United States armed services and their dependents who reside on a military base in the state. The law required such persons desiring to vote to subscribe to a statement declaring their intention to establish their legal residence in Hawaii (see Appendix N for Affidavit Form on Application for Registration). This procedure was adopted to permit such persons

REGULATION OF POLITICAL CONTRIBUTIONS

living on military bases to qualify as voters in local, state and national elections and be subject to the same qualifications applicable to persons living off military bases.⁸⁵

Adequate Salaries for Legislators. This alternative attempts to achieve the parallel goals of controlling undue influence of money and of encouraging widespread citizen participation in the political process. The provision for adequate salaries for legislators should reduce the potential of undue influence since legislators will have a sufficient income to support themselves and be less dependent on monetary contributions.⁸⁶ These provisions should encourage citizens to take an active part in politics and run for political office with the promise of being elected to an adequately compensated job.⁸⁷ To this end, it seems that Codes of Ethics may also be strengthened since the potential conflict that may arise from outside occupations or jobs need not occur if legislators are adequately compensated.

Liberalizing the Hatch Acts. A final concern deals with the laws embodied in federal and state Hatch Acts. The Hatch Acts have been effective in protecting public employees from the pressures of political coercion and from being solicited for political contributions at their job. However, these regulations have in effect eliminated public employees from active participation in the political process by prohibiting them from participating in certain types of political activities.

At the federal level, a special Congressional commission was created to recommend measures to tighten enforcement of the Hatch Act and ease political pressures against federal workers. This commission made the following recommendations: (1) permit federal employees to serve as precinct chairmen of political parties; (2) allow government workers to run for local office on a partisan basis, with the stipulation that the salary be nominal and the duties part-time; (3) permit government employees to serve as delegates to national or state conventions of the major political parties; (4) authorize the Civil Service Commission to fire government officials who pressure employees to contribute political campaign funds or to purchase tickets to political fund-raising dinners; and (5) authorize the Civil Service Commission to waive penalties against government employees involved in minor unintentional Hatch Act violations.⁸⁸

These recommendations may affect many state residents employed by the federal government. Therefore, it may be advisable for state and local governments, having similar "little Hatch Acts", to give serious consideration to proposals which allow all citizens the opportunity to participate in politics and still discharge their public duties impartially.

Chapter IV

CONCLUSION

The basic problem to be faced by policy makers will be to review and clearly define the problem of campaign finances and political contributions as it exists in Hawaii. They must establish meaningful goals that are consonant with the principles of the democratic creed and are adaptable to the realities of modern political life. Effective policy making depends on a clear conception of the goals, fairly accurate calculation of probabilities of achieving such goals, and skillful application of the policy maker's knowledge of ways and means to achieve the goals.¹

Two goals are suggested by House Resolution No. 276 which reveals the dual problems of undue influence resulting from large political contributions and a lack of effective citizen participation by all sectors of the community. The concerns raised by the Resolution imply two chief requirements for the effective functioning of the political process which can be restated in terms of goals as: (1) candidates should be assured sufficient funds to present themselves and their ideas to the electorate, provided that such funds are not obtained from large contributions which may result in undue influence to special political interests; and (2) all citizens should have the equal opportunity to participate in the political process and should be encouraged to do so.

To this end, the achievement of the first goal of controlling undue influence and providing sufficient funds to candidates includes consideration of alternatives dealing with tax incentives, such as tax credits and tax deductions. Tax incentives are an indirect form of government assistance and are intended to encourage individual citizens to make small contributions to the candidates or party of their choice, thus providing sufficient funds without the potential for undue influence. The goal of increasing citizen participation would be partially achieved through a system of small contributions, since making political contributions is a form of political expression similar to voting.

Direct assistance through government subsidies to political parties, such as those proposed at the federal level and implemented in the Commonwealth of Puerto Rico, is another alternative to provide sufficient campaign funds and reduce potential undue influence. The complete prohibition of private contributions in conjunction with adequate government subsidies may be the ultimate objective in abolishing undue influence from private political contributions. However, it may not promote individual participation unless other major changes allowed more direct access to the formal political structure.

REGULATION OF POLITICAL CONTRIBUTIONS

Providing legislators with adequate annual salaries is an alternative that helps to achieve both of the proposed goals of the Resolution. Adequate salaries and allowances should effectively reduce the legislator's dependence on private contributors. It should also encourage citizens to participate actively in the electoral process and run for public office with the knowledge that they will have a job with adequate compensation to support their families if elected.

The achievement of the second goal of encouraging all citizens to participate in the political process requires consideration of alternatives dealing with disclosure and publicity laws, such as the Florida "who-gave-it-who-got-it" law.² Oregon's publication and distribution of state summaries and publicity pamphlets³ are other examples of alternatives based on the principle that an informed electorate is essential and fundamental to their active and intelligent participation in the political process. Finally, it should be pointed out that the most effective deterrent to voting and participation is a restrictive registration system.⁴ Such a system may deny citizens the right to receive a ballot by lengthy residency requirements, inconvenient places, times and days for registering, and inequitable methods of maintaining a current registration roll.

Thus, the complexity of the problems involved may be characterized as being two-dimensional. One dimension of the problem refers to vertical inclusion in the law of all phases of the electoral process, including laws relating to registration, disclosure and publicity, adequately compensated legislators, tax incentives and direct government subsidies. The vertical dimension of the problem can be achieved through legislation within a relatively short time. However, considerable difficulties remain under the companion horizontal dimension of the problem relating to increasing the role of citizens in the political process and establishing a broad base of political participation. These difficulties arise from the socio-economic and educational barriers which deny the poor the opportunity to take part in the political process and in the larger life of the community.⁵ The expansion of the political community, as well as expansion of opportunities, to participate in society must be approached as a long-term goal. Massive efforts will be necessary to provide every citizen with a minimum level of education and economic well-being before he can participate effectively in the decision-making process of the community. Such efforts may include investigation and analysis of programs to redistribute income and social benefits, increase opportunities for

CONCLUSION

social mobility, and supporting programs aimed at the mobilization of the citizens at the grass roots level. Until this long-term goal of equal access to society is realized, our present efforts to improve the electoral process will be directed and limited to the privileged social, economic and political groups that have the present means or incentives or motivation to take part in our society.

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40. Me. Rev. Stat. Ann., ch. 21, secs. 1399-1401 (1965).
41. Ibid.
42. Ky. Rev. Stat., sec. 123.055(2)-(6) (1967).
43. Mo. Ann. Stat., sec. 129.160 (1966).
44. Fla. Stat., sec. 104.27(9) (1965).
45. "Loophole Legislation--State Campaign Finance Laws," University of Pennsylvania Law Review, 115 (6) (April, 1967), 1000-1001.
46. See Table, "Limitations on Campaign Expenditures in the States," Book of the States, 1966-67, pp. 28-31. Eighteen states require some reports to be filed before a primary or general election. Sess. Laws of Hawaii 1967, Act 157. Persons nominated in the primary election as candidates for the general election shall file statements of expenses for each election within 20 days following the general election.
47. Overacker, p. 380.
48. Alexander and Denny, p. 10.
49. "Loophole Legislation--State Campaign Finance Laws," p. 983.
50. Overacker, p. 289.
51. Alexander and Denny, p. 10.
52. Ibid., p. 11.
53. Ariz. Rev. Stat. Ann., sec. 16-426 (1966).
54. N.D. Rev. Code, sec. 16-20-02, -03 (1960).
55. Pub. Acts of Connecticut, Dec. Spec. Sess., 1965, Jan. Sess. 1967, No. 592.
56. Fla. Stat., sec. 99.161(4), (7) (1965).
57. Ibid., sec. 99.161(3)(a) (1965).
58. Alexander and Denny, p. 13.
59. Fla. Stat., sec. 99.161 (1)(a)(b)(c) (1965).
60. Alexander and Denny, p. 13.
61. Ibid., p. 12.
62. Ibid., p. 13.

63. Ala. Code tit. 17, sec. 286 (1959).

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2. John C. Livingston and Robert G. Thompson, The Consent of the Governed (2nd ed.; New York: Macmillan, 1966, p. 7.
3. Robert A. Dahl, A Preface to Democratic Theory (Chicago: University of Chicago Press, 1956), p. 3.
4. Marian D. Irish and James W. Prothro, The Politics of American Democracy (2nd ed.; Englewood Cliffs, N.J.: Prentice-Hall, 1962), pp. 46-47.
5. U.S., President's Commission on Campaign Costs, Financing Presidential Campaigns (Washington: U.S. Government Printing Office, 1962), p. 2.
6. Alexander Heard, The Costs of Democracy (Chapel Hill, N.C.: University of North Carolina Press, 1960), p. 471.
7. Jasper B. Shannon, Money in Politics (New York: Random House, 1959), p. 103.
8. U.S., President's Commission on Campaign Costs, pp. 12-13, 20-21.
9. U.S., President, Election Reforms, Special Message, 89th Cong., 2nd Sess., 1966, House Doc. No. 444.
10. U.S., President, Public Participation in the Process of Government, Special Message, 90th Cong., 1st Sess., 1967, House Doc. No. 129.
11. "Senate Passes Strong Campaign Finance Reform Bill," Congressional Quarterly Weekly Report, September 15, 1967, p. 1803.
12. Heard, The Costs of Democracy, pp. 132-134.
13. Ibid.
14. 80 Stat. 1539 (1966).
15. Ibid.
16. Honolulu Advertiser, May 31, 1967, p. A-7.
17. 81 Stat. 57 (1967).
18. "Constitutional Law--Campaign Financing--Presidential Election Campaign Fund Act of 1966," Comment, Iowa Law Review, 52 (4) (February, 1967), 736.
19. New York Times, June 7, 1967, p. L-28.
20. "Constitutional Law--Campaign Financing. . .," p. 735.
21. Memorandum from American Civil Liberties Union to Free Speech Association Committee, Re: Civil Liberties Issues in Proposals for Public Financing of Electoral Campaigns, New York, June 12, 1967, pp. 2-8.

22. "Constitutional Law--Campaign Financing. . .," p. 739.
23. U.S., President, Public Participation in the Process of Government.
24. 80 Stat. 1539 (1966).
25. John S. Bottomly, "Corrupt Practices in Political Campaigns," Boston University Law Review, 30 (June, 1950), 331, 380.
26. Neither the federal government nor the states have had experience with public financing of political parties, so the Commonwealth of Puerto Rico was selected to provide an example of the public financing approach.
27. Laws of Puerto Rico 1957, Act 110.
28. Laws of Puerto Rico 1964, Act 91.
29. Henry Wells and Robert W. Anderson, Government Financing of Political Parties in Puerto Rico, Study No. 4, Supplement (Princeton, N.J.: Citizens' Research Foundation, 1966), pp. 4-5.
30. Ibid., p. 24.
31. Byron G. Allen, "Political Parties Should be Chartered for Financial Stability," Money for Politics: A Miscellany of Ideas, ed. Herbert E. Alexander (Princeton, N.J.: Citizens' Research Foundation, 1963), pp. 33-35.
32. U.S., President's Commission on Campaign Costs, pp. 12-13.
33. Alexander Heard (ed.), Bipartisan Political Fund Raising: Two Experiments in 1964 (Princeton, N.J.: Citizens' Research Foundation, 1967), pp. 17-30.
34. Ibid., p. 30.
35. Herbert E. Alexander and Laura L. Denny, Regulation of Political Finance (Berkeley: University of California, Institute of Governmental Studies; and Princeton, N.J.: Citizens' Research Foundation, 1966), p. 24.
36. Minn. Sess. Laws 1955, ch. 775 (see Appendix F).
37. Calif. Sess. Laws 1957, ch. 255; Calif. Rev. and Tax. Code, sec. 17234.
38. Mo. Ann. Stat., sec. 143.160(e) (1966).
39. Sess. Laws of Hawaii 1963, Act 91.
40. Minn. Stat. Ann., sec. 290.09(2)(c) (1965).
41. Heard, The Costs of Democracy, p. 446.
42. Ibid., p. 448.
43. Herbert E. Alexander, Tax Incentives for Political Contributions?, Study No. 3 (Princeton, N.J.: Citizens' Research Foundation, 1961), p. 15.
44. Ibid., p. 18.
45. Ibid., p. 19.
46. Alexander and Denny, p. 31.
47. Ibid., p. 32.
48. U.S., President's Commission on Campaign Costs, pp. 23-24.
49. Florida enacted a comprehensive campaign reporting law as a result of unfavorable disclosures made during the Kefauver Committee Hearings held in Miami and Tampa, Florida. These hearings disclosed that large financial contributions were made by a Chicago and Florida race track owner and an associate of the Capone gang, to the successful candidate for governor in the 1948 Florida elections. See article by Elston E. Rody in footnote 51 infra.
50. Laws of Florida 1951, ch. 26819.
51. Elston E. Rody, "Florida's New Campaign Expense Law and the 1952 Democratic Gubernatorial Primaries," American Political Science Review, 48 (2) (June, 1954), 465-476.
52. Fla. Stat., sec. 99.161 (4)(a)(7) (1965).
53. Ibid., sec. 99.161(2) (1965).
54. Ibid., sec. 99.161(1)(a)(b)(c) (1965).
55. Ibid., sec. 99.161(8) (1965).
56. Ibid., sec. 99.161(5) (1965).
57. Ibid., sec. 99.161(7) (1965).
58. Ibid., sec. 99.161(8, 9, 10) (1965).
59. Ibid., sec. 99.161(4)(b) (1965).
60. Ibid., sec. 104.27-28 (1965).
61. Ibid., sec. 104.27(19) (1965).
62. The fourth draft of the Model State Campaign Contributions and Expenditures Reporting Law (1961) incorporated features of the Florida campaign reporting law, suggestions made by the American Civil Liberties Union, and revisions resulting from pertinent court decisions.
63. Alexander and Denny, p. 18.
64. Ky. Rev. Stat., secs. 123.055, 123.061(2) (i)-(j) (1967).
65. Me. Rev. Stat. Ann., ch. 21, secs. 1399-1401 (1965).
66. U.S., President's Commission on Campaign Costs, pp. 19-20.
67. Ore. Rev. Stat., sec. 260.120 (1965).
68. Ky. Rev. Stat., sec. 123.061(g) (1967).
69. Alexander and Denny, p. 23.
70. Ibid., pp. 23-24.
71. Heard, The Costs of Democracy, p. 439.
72. Alexander and Denny, p. 22.
73. Ibid., p. 22.
74. Honolulu Advertiser, July 11, 1967, p. A-11.

75. U.S., President's Commission on Campaign Costs, p. 26.
76. Heard, The Costs of Democracy, p. 441.
77. U.S., President's Commission on Campaign Costs, p. 27.
78. Ibid.
79. Alexander and Denny, p. 28.
80. Ibid.
81. Ibid., p. 25.
82. U.S., President, Public Participation in the Process of Government.
83. Ibid.
84. Sess. Laws of Hawaii 1966, Act 36.
85. Calif. Const. art. II, sec. 1 1/2.
86. "Full-Time Legislators," Editorial Comment, National Civic Review, 53 (3) (March, 1964), 116-117.
87. Calif. Govt. Code, sec. 8901. Members of the California Legislature receive \$16,000 per year compensation for their term of office.
88. Honolulu Advertiser, January 8, 1968, p. D-8.

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1. Harold D. Lasswell, The Analysis of Political Behaviour (London: Routledge and Kegan Paul, 1948), p. 30.
2. Fla. Stat., chs. 99 and 104 (1965).
3. Ore. Rev. Stat., sec. 260.120 (1965).
4. Stanley Kelley, Jr., Richard E. Ayres, and William G. Bowen, "Registration and Voting: Putting First Things First," American Political Science Review, 61 (2) (June, 1967), 359-375.
5. E. E. Schattschneider, The Semisovereign People, (New York: Holt, Rinehart and Winston, 1960), p. 111.

Appendix A

CHAPTER 270

CORPORATE CONTRIBUTIONS FOR POLITICAL PURPOSES

Sec. 270-1. Illegal. It shall be illegal for any corporation, incorporated under the laws of the Territory, or doing business therein, or any officer or agent thereof, from corporate funds, to make or authorize any contributions directly or indirectly to campaign funds or for political purposes, in any election or primary election held in the Territory.

Sec. 270-2. Penalty. Any corporation violating the provisions of this chapter shall upon conviction be fined in a sum ten times the amount of the contribution made, but in no case to be less than \$1,000; and any corporation officer violating the provisions of this chapter shall upon conviction be fined in a sum ten times the amount of the contribution made, but in no case less than \$1,000, or imprisoned for not more than four years, or both.

Source: Rev. Laws of Hawaii, sec. 270 (1955).

Appendix B

LIMITATIONS ON CAMPAIGN EXPENDITURES IN THE STATES

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations pro- hibited	Contri- butions by unions pro- hib- ited	Contributions from other sources prohibited or limited**	Restrict- ions on charac- ter of expendi- tures	Total ex- pend- itures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
Alabama	P,G	State- wide, Sen., Rep.	No	Yes	No	Yes	Within 15 days after a primary and within 30 days after a general election	Yes	No	No	Yes	Yes ¹	No
Alaska	P,G	State- wide, Sen., Rep.	No	No	No	No	None			No	No	No	No
Arizona	P,G	State- wide, Sen. ² , Rep. ²	Yes	Yes	Yes	Yes	Receipts and ex- penditures after election	Yes	No	No	No	Yes ³	
Arkansas	P,G	State- wide, Sen., Rep.	No	No	No	Yes	Corrupt practice pledge before, candidate expenses after election			No	No	Yes ⁴	No
California	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	After election	No	No	Campaign contribu- tions solicited or received from a licensee by an elec- tive state officer issuing licenses	Yes	No	No
Colorado	P,G ⁵	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 10 days after a primary and within 30 days after a general or special election	No	No	No	No	No	No
Connecticut	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	After election	Yes	No	Contributions by persons under an assumed name	Yes	Yes	No ⁶
Delaware	7	7	No	No	No	No		No	No	No	No	No	No

Appendix B (continued)

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations pro- hibited	Contri- butions by unions pro- hib- ited	Contributions from other sources prohibited or limited**	Restric- tions on charac- ter of expendi- tures	Total ex- pendi- tures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
Florida	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Before and after election	Yes	No	Limit of \$1,000 con- tribution from any one person; contri- butions prohibited from holders of horse or dog racing permits and licenses for sale of intoxicating bev- erages, operators of public utilities franchised or regu- lated by the state, or partners, officers, or directors of unin- corporated or incorpo- rated holders of such permits, licenses or franchises	Yes	No	No
Georgia	P,G	State- wide, Sen., Rep.	No	No	No	No		Yes	No	No	No	No	No
Guam	P,G	State- wide	Yes	Yes	Yes	Yes	Within 15 days after election	No	No	No			
Hawaii	P,G	State- wide, Sen., Rep.	No	No	Yes ⁸	Yes	Within 20 days after election	Yes	No	No	Yes	No	No
Idaho	P	State- wide, Sen., Rep.	No	No	No	Yes	Within 20 days after election	No	No	No	Yes	Yes ²	No
Illinois	7		No	No	No	No		9	No	No	No	No	No
Indiana	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 45 days after election	Yes	Yes	No	Yes	Yes	Yes

Appendix B (continued)

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations pro- hibited	Contri- butions by unions pro- hibited	Contributions from other sources prohibited or limited**	Restric- tions on charac- ter of expendi- tures	Total ex- pendi- tures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
Iowa	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Candidates: within 30 days after elec- tion; parties: with- in 30 days after general election	Yes	No ¹⁰	Funds donated by a nonresident person, firm, or corpora- tion may not be used by any person or political organi- zation for the pur- pose of conducting a campaign for political office	No	Yes	No
Kansas	P,G	State- wide	Yes	Yes	Yes	Yes	After election	Yes	No	No	Yes	Yes	No
Kentucky	P,G	State- wide, Sen., Rep.	No	Yes	No	Yes	15 days before and 30 days after election	Yes	No	Persons with whom candidate must deal in his official capacity	Yes	Yes	Yes
Louisiana	P,G	State- wide, Sen., Rep.	No	No	No	No	None	Yes	No	All state and city classified employees; members of state and city civil service commissions; regis- trars of voters and employees; certain classified police and firemen; all municipal officers and employees operating under commis- sion form of government	No	No	No
Maine	P,G	State- wide	Yes	Yes	Yes	Yes	Preliminary report not less than 10 nor more than 15 days before elec- tion; final report within 30 days after election	No	No	No	Yes	No	No
Maryland	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 20 days after election	Yes	No	Limit of \$2,500 contribution by any one source not a candidate	Yes	Yes ¹¹	Yes
Massachusetts	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 14 days after primary; second Tuesday preceding general	Yes	No	By public officers or employees	Yes	No	No

Appendix B (continued)

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations pro- hibited	Contri- butions by unions pro- hib- ited	Contributions from other sources prohibited or limited**	Restrict- ions on charac- ter of expendi- tures	Total ex- pend- itures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
							election and within 14 days after gen- eral election						
Michigan	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	After election but before certifica- tion to office	Yes	No	No	Yes	Yes	Yes
Minnesota	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	8 days before and within 10 days fol- lowing primary; 8 days before and 10 days following gen- eral election	Yes	No	No	Yes	Yes	Yes
Mississippi	P	State- wide, Sen., Rep.	No ²	Yes ²	No ²	Yes ²	Contribution state- ments filed 1st and 15th each month of campaign	No	No	No	No	Yes	Yes
Missouri	P,G	State- wide, Sen., Rep.	Yes	No	Yes	Yes	Within 30 days after election	Yes	No	No	No	Yes	No
Montana	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Candidates, within 10 days after elec- tion; parties, within 15 days after election	Yes	No	No	No	Yes ¹²	No
Nebraska	P,G	State- wide, Sen., Rep.	Yes	No	Yes	Yes	After election	Yes	Only if union is a corpo- ration	No	Yes	No	No
Nevada	7	7	No	No	No	No		No	No	No	No	No	No
New Hampshire	P,G ¹³	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	1st statement Wednesday (6 days) before; 2nd, second Fri- day (10 days) after election ¹⁴	Yes	Yes	Any partnership as such or any partner acting in behalf of such part- nership; any person employed in the clas- sified service of the state; a personal contribution in excess	Yes	Yes ¹⁵	Yes

Appendix B (continued)

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations prohibited	Contri- butions by unions pro- hib- ited	Contributions from other sources prohibited or limited**	Restrict- ions on charac- ter of expendi- tures	Total ex- pendi- tures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
										of \$5,000 except by candidate him- self; or a contri- bution if made anonymously, or in guise of a loan, or concealed, or without knowledge of candidate or his agents or political committee			
New Jersey	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Friday or Satur- day before and 20 days after elec- tion	Yes ⁹	No	No	Yes	Yes	No
New Mexico	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Candidates, within 10 days after elec- tion; parties, with- in 30 days after election	No	No	No money of poli- tical party may be spent on behalf of primary candidate	No	Yes ¹⁶	No
New York	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Before and after elections	Yes	No	Contributions by owners of polling places barred	No	Yes	Yes
North Carolina	7	7	Yes	Yes	Yes (in general elections)	Yes	Before and after elections	Yes	No	No	No	No	No
North Dakota	P,G	State- wide, Sen., Rep.	No	No	No	Yes	15 days after election	Yes	No	A contribution made or received under other than the donor's own name	Yes	Yes ¹⁷	Yes
Ohio	P,G	State- wide, Rep.	Yes	Yes	Yes	Yes	By 4:00 p.m. 45th day after election	Yes	No	No	Yes	Yes	No
Oklahoma	P,G	State- wide, Sen., Rep.	Yes	No	Yes	Yes	Candidates within 15 days after any election; party campaign committees within 10 days after any general election	Yes	No	No	No	Yes	Yes
Oregon	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	15 days after election	18	No		Yes	Yes ^{12, 19}	No

Appendix B (continued)

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations pro- hibited	Contri- butions by unions pro- hib- ited	Contributions from other sources prohibited or limited**	Restric- tions on charac- ter of expendi- tures	Total ex- pend- itures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
Pennsylvania	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 30 days after each pri- mary and gen- eral election	Yes	Yes	No	Yes	No	No
Puerto Rico	7	7	Yes	Yes	Yes	Yes	Quarterly within 30 days after expiration of each quarter	Yes	No	Individual contribu- tions are restricted up to the amount of \$300 in an election year, and \$200 in other years	20	No	No
Rhode Island	7	7	No corrupt practices act ²¹										
South Carolina	P,G	State- wide, Sen., Rep.	No	No	No	Yes	Before elections	No	No	No	Yes	No	No
South Dakota	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 30 days after elections	Yes	No	No	Yes	Yes ²²	Yes
Tennessee	P,G	State- wide, Sen., Rep.	No	No	Yes	Yes	Candidate's state- ment 5 to 10 days before convention or election; manager's within 30 days after	Yes	No	No	No	Yes	Yes
Texas	P,G	State- wide, Sen., Rep.	No	Yes	No	Yes	Before and after elections	Yes	Yes	No	Yes	No	Yes
Utah	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	2nd Sat. after 1st disbursement; 2nd Sat. each calendar month thereafter; Sat. preceding any primary or election	Yes	No	No	Yes	No	No
Vermont	P	State- wide, Sen., Rep.	No	No	No	Yes	Within 10 days after primary	No	No	No	No	Yes	Yes
Virginia	P,G	State- wide, Sen., Rep.				Yes	Within 30 days after election, caucus, convention or primary election			No	Yes	Yes	

Appendix B (continued)

State or other jurisdiction	Applies to Elec- tions ⁺	Candi- dates*	Filing of statements required				Required times for filing statements	Contri- butions by corpo- rations pro- hibited	Contri- butions by unions pro- hib- ited	Contributions from other sources prohibited or limited**	Restrict- ions on charac- ter of expendi- tures	Total ex- pendi- tures by candi- date limited	Amount spent in behalf of candi- date limited
			Campaign receipts by parties	Campaign receipts by candidates	Campaign disburse- ments by parties	Campaign disburse- ments by candidates							
Washington	P	State- wide, ²³ Sen., Rep.	No	Yes	No	Yes	After primary only	No	No	No	No	No	No
West Virginia	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Before and after elections	Yes	No	No	Yes	Yes	Yes
Wisconsin	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	By 5 p.m. on Tues. preceding primary or election; Sat. following primary or election	Yes	No	Contributions by cooperative associa- tions	Yes	Yes	No
Wyoming	P,G	State- wide, Sen., Rep.	Yes	Yes	Yes	Yes	Within 20 days after election	Yes	No	No	Yes	Yes ²⁴	Yes

Source: The Book of the States 1966-67 (Chicago: Council of State Governments, 1966), pp. 28-31.

⁺P--primary election; G--general election.

*The abbreviations Sen. and Rep. in this column stand for United States Senator and United States Representative.

**This column only shows prohibitions and restrictions on sources and limitations on amounts of contributions. It does not include procedural limitations such as prohibitions on making gifts directly to candidates shortly before elections.

¹Newspaper and radio advertising exempt.

²Only in primary election.

³Expenditures limited at primary election, exclusive of money expended for stationery, postage, printing and advertisements in newspapers, motion pictures, radio and television broadcasts, outdoor advertising signs, and necessary personal, traveling or subsistence expenses.

⁴Travel and hotel expenses of candidate exempted.

⁵Also applies to special elections to fill vacancies in U.S. Congress.

⁶If spent by independent political committee.

⁷No limitation.

⁸By agent or committee acting for or on behalf of any candidate.

⁹Illinois: by insurance corporations only; New Jersey: by public utilities, banks and insurance corporations.

¹⁰State statute prohibits contribution only if union is a corporation.

¹¹Postage, telegrams, telephoning, stationery, printing, advertising, radio and television programs, publishing, expressage, travel and board exempted.

Appendix B (continued)

- 12Expenditures of relatives and associates deemed to be those of candidate himself.
- 13Excludes Presidential preference and delegate primaries.
- 14Candidates for State Senator or Representative to the General Court, Councilor or county officers who have expended a sum in excess of \$200 are required to file second statement only (not later than a second Friday after primary or election).
- 15Candidate's contribution to the state committee, his filing fee, personal travel and subsistence expenses, or services of his regular employees in discharging duties of a public office, are exempt.
- 16Exclusive of sums expended for necessary personal, traveling or subsistence expenses. No limit for candidate for State Representative in primary election.
- 17Expenses for personal travel and printing in state publicity pamphlet exempted.
- 18Certain corporations only.
- 19Primary election: 15 per cent of 1 year's compensation or salary of office for which candidate; general election: 10 per cent of 1 year's compensation or salary for which candidate. Not restricted to less than \$250.
- 20Act No. 110, 1957, created an electoral fund against which each principal political party in the commonwealth can draw up to \$75,000 annually, or up to \$150,000 in election years. The act enumerates the character of the expenditures which can be paid from the fund.
- 21Only restrictions are those imposed by federal statutes.
- 22Printing or circulation of written or printed matter exempted.
- 23Partisan primaries only.
- 24Traveling expenses exempted.

Appendix C

ACT 157

A Bill for an Act Relating to Candidates' Election Expenses.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 11-78, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 11.78. Candidates' election expenses, statement. Within twenty days following any election, each candidate for a state office and each agent or committee acting for or on behalf of any such candidate shall file with the lieutenant governor, and each candidate for a county office and each agent or committee acting for or on behalf of any such candidate shall file with the clerk of the county, an itemized statement of his or their expenses, by, for, or on behalf of the candidate for election, showing each amount expended, the purpose or object for which each expenditure was made, and the person or persons to whom made; provided that as to any person who was nominated at the primary election as a candidate for the general election, the itemized statements of expenses for each election shall be prepared separately but filed together within 20 days following the general election. Such statements shall be sworn to by each person making the expenditures and shall be open to public inspection."

SECTION 2. Material to be deleted is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.

SECTION 3. This Act shall take effect upon its approval.

Source: Session Laws of Hawaii 1967, Act 157.

Appendix D

THE 1967 CONNECTICUT CAMPAIGN FINANCES--DISCLOSURE ACT

PUBLIC ACT NO. 592

AN ACT CONCERNING REPORTING AND DISCLOSURE OF CAMPAIGN FINANCES.

SECTION 1. The provisions of sections 1 to 15, inclusive, of this act shall apply to the election of presidential electors, United States senator, member in congress, governor, lieutenant governor, secretary of the state, treasurer, comptroller, attorney general, sheriff, judge of probate and member of the general assembly and shall apply to all primaries preliminary thereto.

SEC. 2. As used in sections 1 to 15, inclusive, of this act: "Political committee" shall include all committees or combinations of two or more persons to aid or promote the success or defeat of any political party or principle in any election or to aid or to take part in the nomination or election of any candidate for public office. Each such committee shall appoint one of its members as secretary. "Campaign treasurer" shall include all persons appointed by any political committee or by any candidate to receive or disburse moneys to aid or promote the success or defeat of any political party or of any candidate. No person shall act as any such treasurer unless he is an elector of this state and unless, after his appointment and before the caucus, primary or election for which he is appointed, a statement, signed by the secretary of the committee and, if he is appointed in connection with the promotion of a candidacy, by the candidate, or by the candidate alone, designating him as such treasurer, has been filed with the secretary of the state, on a form provided by said secretary. Each such statement shall designate the period, election, caucus or primary during which such treasurership shall continue. Nothing herein shall prevent the treasurer of any organization or candidate from being the treasurer of any other candidate or prevent any organization or candidate from having more than one campaign treasurer but a candidate shall not serve as his own campaign treasurer.

SEC. 3. No contributions may be solicited or received and no expenditures may be made, directly or indirectly, in aid of or in opposition to the candidacy of any person or persons for an office or offices designated in section 1 of this act, or for nomination to said offices, unless the designation of a campaign treasurer has been filed as provided in section 2 of this act and unless the candidate or the secretary of a political committee in aid of or in opposition to such candidacy has filed with the

secretary of the state, on a form provided by said secretary, a designation of a bank situated in this state as the depository for campaign funds. No contribution in aid of or in opposition to the candidacy of any person or persons, including contributions of the candidate himself, shall be made at any time, except to a campaign treasurer whose designation is on file with the secretary of the state.

SEC. 4. Each campaign treasurer shall deposit contributions received by him, within seven days of such receipt, in the depository whose designation is on file with the secretary of the state.

SEC. 5. No financial obligation shall be incurred in aid of or in opposition to the candidacy of any person or persons unless it is authorized in writing by a campaign treasurer whose designation is on file with the secretary of the state except that a candidate may draw on the campaign treasurer for, or may himself pay, his personal expenses for postage, telegrams, telephoning, stationery, expressage, traveling, meals and lodging, provided the candidate shall make a detailed accounting of such personal expenses and such accounting shall become part of the report of the campaign treasurer as provided in section 10 hereof.

SEC. 6. No candidate, campaign treasurer or political committee shall be liable for any debt incurred in aid of or in opposition to the candidacy of any person or persons for said offices unless such debt was incurred pursuant to an authorization issued under section 5 of this act.

SEC. 7. (a) Except as provided in section 5 of this act, no payment in satisfaction of any financial obligation incurred in aid of or in opposition to the candidacy of any person or persons for said offices shall be made by or accepted from any person other than a campaign treasurer, and then only according to the tenor of an authorization issued pursuant to said section 5. (b) Any such payment shall be by check drawn by such campaign treasurer on the depository whose designation is on file with the secretary of the state. (c) Each campaign treasurer shall preserve all cancelled checks issued pursuant to subsection (b) for the duration of the term of the office sought by the candidate to whom they relate.

SEC. 8. Any campaign treasurer in connection with any election, caucus or primary may pay the following expenses: (a) Of hiring public halls and music for political meetings, furnishing music, uniforms, banners or fireworks for political clubs or public parades and advertising such meetings or parades; (b) of printing and circulating political newspapers, pamphlets and books; (c) of printing and distributing sample ballots or ballot labels; (d) of renting rooms to be used by political committees; (e) of compensating clerks and other persons employed in committee rooms and at the polls, and of furnishing reasonable entertainment to such persons necessarily employed in committee rooms and at the polls and to members of political committees of the same political party to which such treasurer belongs; (f) for the travel of treasurers, committees and public speakers and reasonable compensation to

public speakers; (g) of necessary postage, telegrams, telephoning, printing and express charges; (h) of preparing, circulating and filing petitions for nomination; (i) of conveyance of electors to the polls; (j) of purchasing radio and television time, advertisements in newspapers and other communication media and advertising materials.

SEC. 9. As used in this section, "testimonial affair" means an affair held in honor of an individual who holds, or who is or was a candidate for nomination or election to, an office included in section 1 or section 16 of this act, designed to raise funds on his behalf for the purposes authorized in section 8 or section 21 of this act. No testimonial affair shall be held except in the calendar year before the election of such person or before the election for which he is a candidate for nomination or election or later than ninety days after such election or without the consent of such person. Any fund raising affair for any individual subject to the provisions of this act for any purposes other than those authorized in section 8 or section 21 of this act shall be prohibited.

SEC. 10. Within thirty days following an election or, in the case of an unsuccessful candidate in a primary, within thirty days following such primary, each campaign treasurer and any candidate who has incurred personal expenses as provided in section 5 shall report to the secretary of the state under oath, on forms provided by said secretary, an itemized accounting of each contribution, including the full name and complete address of each contributor and the amount of the contribution, and an itemized accounting of each expenditure, including the full name and complete address of each payee, the amount of the expenditure and the purpose of the expenditure, together with a statement of the balance on hand or deficit, as the case may be, provided contributions from a single individual to a campaign treasurer in the aggregate totalling fifteen dollars or less need not be identified by full name and complete address in that campaign treasurer's report. A similar itemized sworn statement shall be filed by the treasurer of each state central committee on or before the twentieth day of December following a state election. Such statements shall remain public records of the state for the duration of the term of the office sought by the candidate to whom they relate. Such treasurer shall include in such report an itemized accounting of the receipts and expenditures relative to any testimonial affair held under the provisions of section 9 of this act, provided, in the event of a testimonial affair held after such election, such itemized accounting of receipts and expenditures shall be reported to the secretary of the state by the campaign treasurer within thirty days of the date of said testimonial affair. In the event of a deficit or surplus the campaign treasurer of a candidate shall file supplemental reports every ninety days to the secretary of the state under oath until such deficit is eliminated or surplus distributed identifying all further contributions received since the previous report and stating the committee to which any surplus has been distributed in accordance with this section. The campaign treasurer, in the event of a surplus, shall distribute such surplus to either the state central committee or local town committee of the party of the candidate as determined by such candidate.

SEC. 11. No contributions or payments or favors of any kind shall be made or offered by or solicited from any corporation to promote the success or defeat of any candidate for public office or of any political party or principle or for any other political purpose.

SEC. 12. Nothing contained in sections 1 to 15, inclusive, of this act shall limit or affect the right of any person to expend money for proper legal expenses in maintaining or contesting the results of any election.

SEC. 13. The following persons shall be guilty of corrupt practices and shall be punished in accordance with the provisions of section 14 of this act: (a) Any person who, directly or indirectly, by himself or by another, gives or offers or promises to any person any money, gift, advantage, preferment, entertainment, aid, emolument or other valuable thing for the purpose of inducing or procuring any person to vote or refrain from voting for or against any person at any election, caucus, convention or primary; (b) any person who, directly or indirectly, receives, accepts, requests or solicits from any person, committee, association, organization or corporation, any money, gift, advantage, preferment, aid, emolument or other valuable thing for the purpose of inducing or procuring any person to vote or refrain from voting for or against any person at any such election, caucus or primary; (c) any person who, in consideration of any money, gift, advantage, preferment, aid, emolument or other valuable thing paid, received, accepted or promised to the advantage of himself or any other person, votes or refrains from voting for or against any person at any such election, caucus or primary; (d) any person, other than the political committees known as the national, congressional, state, town, city, ward and borough committees, who solicits from any candidate any money, gift, contribution, emolument or other valuable thing for the purpose of using the same for the support, assistance, benefit or expenses of any club, company or organization, or for the purpose of defraying the cost or expenses of any political campaign or election; (e) any person who, directly or indirectly, pays, gives, contributes or promises any money or other valuable thing to defray or towards defraying the cost or expenses of any campaign or election to any person, committee, company, club, organization or association, other than to a campaign treasurer, but this provision shall not apply to any expenses for postage, telegrams, telephoning, stationery, printing, expressage, traveling, meals or lodging incurred by any candidate for office or for nomination thereto, so far as may be permitted under the provisions of sections 1 to 13, inclusive, of this act; (f) any person who, in order to secure or promote his own nomination or election as a candidate, or that of any other person, directly or indirectly, promises to appoint, or promises to secure or assist in securing the appointment, nomination or election of any other person to any public position, or to any position of honor, trust or emolument; but any person may publicly announce his own

choice or purpose in relation to any appointment, nomination or election in which he may be called to take part, if he is nominated for or elected to such office; (g) any person who, directly or indirectly, by himself or through another person, makes a payment or promise of payment to a campaign treasurer in any other name than his own, and any treasurer who knowingly receives a payment or promise of payment, or enters or causes the same to be entered in his accounts in any other name than that of the person by whom such payment or promise of payment is made; (h) any person who violates any provision of section 3 or 8 of this act.

SEC. 14. Any person who violates any provision of sections 1 to 13, inclusive, of this act shall be fined not more than one thousand dollars or imprisoned not more than one year or both. The secretary of the state shall notify the state's attorney of the county wherein such person resides of any violation of this act of which said secretary may have knowledge, provided, if any campaign treasurer fails to file the statements required by section 10 of this act within the time required, he shall pay a late filing fee of twenty-five dollars and the secretary of the state shall forthwith notify such campaign treasurer that, if such statement is not filed within twenty days thereafter, the secretary of the state shall notify the state's attorney that said campaign treasurer is in violation of this act.

SEC. 15. The secretary of the state shall prepare, print and distribute to candidates and campaign treasurers, on their request, the forms required by the provisions of sections 1 to 14, inclusive, of this act and copies of this act.

SEC. 16. Section 9-333 of the general statutes is repealed and the following is substituted in lieu thereof: [Except as otherwise provided by law,] The provisions of this chapter shall apply to the election of all elective public officials, *except presidential electors, United States senator, members in congress, governor, lieutenant governor, secretary of the state, treasurer, comptroller, attorney general, sheriff, judge of probate and members of the general assembly* [to the election of all officers to be voted for by the general assembly, by the board of aldermen or the common council of any city, by the warden and burgesses of any borough,] *and to all caucuses and primaries preliminary to any such election. [to school district elections and, except as hereinafter provided, to all candidates to be voted for at such elections, caucuses and primaries.]* The term "caucuses and primaries" shall include: (a) All meetings and elections held to nominate a candidate for office or to elect delegates to a nominating convention; (b) nominating conventions of such delegates, and (c) caucuses of members of the general assembly, of the board of aldermen or common council of any city and of the warden and burgesses of any borough.

SEC. 17. Section 9-334 of the general statutes is repealed and the following is substituted in lieu thereof: [The attorney general shall prepare forms for all statements required to be returned under the provisions of this chapter.] The secretary of the state shall, at the expense of the state, *prepare and print all [such blank] forms for statements required to be returned under the provisions of this chapter* and shall furnish to each town clerk a sufficient supply of each of such blank forms as are herein required to be filed with or returned to the town clerk. [Said secretary and] The town clerk of each town shall, within two days after any election for which [political agents or] treasurers are required to make returns, mail to such [agents and] treasurers a proper blank form to be filled out and returned, and each town clerk not receiving a salary shall be entitled to receive from the town the sum of ten cents for each copy of such form so mailed by him.

SEC. 18. Section 9-335 of the general statutes is repealed and the following is substituted in lieu thereof: [The term] "Political committee" shall include all committees or combinations of [three] *two* or more persons to aid or promote the success or defeat of any political party or principle in any election or to aid or to take part in the nomination or election of any candidate for public office. Each such committee shall appoint one of its members as secretary. [The term] "Campaign treasurer" shall include all persons appointed by any political committee *or any candidate* to receive or disburse moneys to aid or promote the success or defeat of any [such] *political* party [, principle] or candidate. [The term "political agent" shall include all persons appointed by any candidate, before any such election, caucus or primary, to assist him in his candidacy.] No person shall act as any such treasurer [or political agent] unless, after his appointment and before the caucus, primary or election for which he is appointed, a statement, signed by the secretary of the committee [, in the case of a treasurer, or by the candidate, in the case of a political agent,] *and, if he is appointed in connection with the promotion of a candidacy, by the candidate, or by the candidate alone,* designating him as such treasurer [or political agent is] *has been* filed with the secretary of the state *on a form provided by said secretary* and with the town clerk of the town within which such candidate resides except that, if the duties of such treasurer [or political agent] relate to any municipal, ward or school district election exclusively or to any caucus or primary preliminary thereto, such signed statement shall be filed with the town clerk of the town within which such candidate resides. Each such signed statement shall designate the [particular] period, election, caucus or primary during which such treasurership [or political agency] shall continue. Nothing in this chapter shall prevent the treasurer [or political agent] of any organization or candidate from being the treasurer [or political agent] of any other [organization or] candidate [, and any candidate for public office may designate himself as his own political agent] *or from having more than one campaign treasurer but a candidate shall not serve as his own campaign treasurer.*

SEC. 19. Section 9-336 of the general statutes is repealed and the following is substituted in lieu thereof: No person [other than a candidate for public office or a candidate for nomination to public office] shall, to promote the success or defeat of any political party or principle or of any candidate for public office or of any candidate for any nomination, within six months prior to any election, make a contribution of money or property or incur any liability or promise any valuable thing to any person other than to a treasurer [or political agent]. Nothing contained in this chapter shall limit or affect the right of any person to expend money for proper legal expenses in maintaining or contesting the results of any election.

SEC. 20. Section 9-339 of the general statutes is repealed and the following is substituted in lieu thereof: No person other than a treasurer [or political agent] shall pay any of the expenses of any election, caucus or primary, except that a candidate *may draw upon the treasurer and* may pay his own *personal* expenses for postage, telegrams, telephoning, stationery, [printing,] the advertising in or distribution of newspapers being excepted, expressage, [and] traveling, *meals and lodging*. The provisions of this section shall not apply to non-partisan election and ante-election expenses paid out of the public moneys of the state or of any municipality. No contributions or payments or favors of any kind shall be made or offered by or solicited from any [private] corporation to promote the success or defeat of any candidate for public office or of any political party or principle or for any other political purpose.

SEC. 21. Section 9-340 of the general statutes is repealed and the following is substituted in lieu thereof: Any treasurer [or political agent,] in connection with any election, caucus or primary may pay the following expenses: (a) Of hiring public halls and music for political meetings, furnishing music, uniforms, banners or fireworks for political clubs or public parades and advertising such meetings or parades; (b) of printing and circulating political newspapers, pamphlets and books; (c) of printing and distributing sample ballots or ballot labels; (d) of renting rooms to be used by political committees; (e) of compensating clerks and other persons employed in committee rooms and at the polls, and of furnishing reasonable entertainment to such persons necessarily employed in committee rooms and at the polls, and to members of political committees of the same political party to which such [political agent or] treasurer belongs; (f) for the travel of [political agents] *treasurers*, committees and public speakers and reasonable compensation to public speakers; (g) of necessary postage, telegrams, telephoning, printing and express charges; (h) of preparing, circulating and filing petitions for nomination; (i) of conveyance of electors to the polls; (j) of purchasing radio and television time, *advertisements in newspapers and other communication media and advertising materials*. No treasurer, candidate [or political agent] shall incur any expense or liability or make any payment for any purpose not authorized by this chapter, and each liability incurred and payment made shall be at a rate which is proper and reasonable and fairly commensurate with the service rendered.

SEC. 22. Section 9-341 of the general statutes is repealed and the following is substituted in lieu thereof: Within thirty days after any such election, *or, in the case of an unsuccessful candidate in a primary, within thirty days after such primary*, each treasurer [except the treasurer of a state central committee, and each political agent] shall file an itemized sworn statement with the [officer] *town clerk* with whom his designation was filed as provided by section 9-335, which statement shall include the amount of money or property in each case received or promised, the *full name and address* of the person from whom it was received or by whom it was promised, *provided contributions from a single individual to a treasurer in the aggregate totalling fifteen dollars or less need not be identified by full name and complete address in that treasurer's report*, the amount of each expenditure made or liability incurred, and the *full name and address* of the person to whom such expenditure or promise was made, and shall clearly state the purpose for which such money or property was so expended or promised, separating the expenditures for caucuses, primaries and elections. [A similar itemized sworn statement shall be filed by the treasurer of each state central committee on or before the twentieth day of December following a state election.] *Such treasurer shall include in such report an itemized accounting of the receipts and expenditures of any testimonial affair held under the provisions of section 9 of this act, provided, in the event of a testimonial affair held after the election for which such person was a candidate or a candidate for nomination, such itemized accounting of receipts and expenditures shall be reported to the town clerk by the campaign treasurer within thirty days of the date of such testimonial affair.* If any money or property has been received from or has been paid, given or promised to or by any person who was a candidate for any office, or a political treasurer, the title of the office which such person holds or for which he was a candidate shall be plainly given in the statement hereinbefore provided for. Any treasurer [or political agent] who fails to file such statement within the time required shall be fined twenty-five dollars for each day on which he has been in default, unless he is excused by the court. Within fifteen days after the time limited for the filing of said sworn itemized statements, [the secretary of the state or] the town clerk [, as the case may be,] shall notify the [prosecuting officer] *state's attorney* having jurisdiction of any failure on the part of any treasurer [or political agent] to file such statement and, within ten days thereafter, such [prosecuting officer] *state's attorney* shall proceed to prosecute for such offense.

SEC. 23. Section 9-342 of the general statutes is repealed and the following is substituted in lieu thereof: All statements filed in accordance with the provisions of this chapter shall be preserved [for fifteen months after the election to which they relate and shall, during said period, be open to public inspection.] *for the duration of the term of office being sought by the candidate to whom they relate.* Each town clerk not receiving a salary shall be entitled to receive from the town the sum of ten cents for each report so filed with him.

SEC. 24. Section 9-343 of the general statutes is repealed and the following is substituted in lieu thereof: The following persons shall be guilty of corrupt practices and shall be punished in accordance with the provisions of this chapter: (a) Any person who, directly or indirectly, by himself or by another, gives or offers or promises to any person any money, gift, advantage, preferment, entertainment, aid, emolument or other valuable thing for the purpose of inducing or procuring any person to vote or refrain from voting for or against any person or for or against any measure at any election, caucus, convention, primary or general assembly; (b) any person who, directly or indirectly, receives, accepts, requests or solicits from any person, committee, association, organization or corporation, any money, gift, advantage, preferment, aid, emolument or other valuable thing for the purpose of inducing or procuring any person to vote or refrain from voting for or against any person or for or against any measure at any such election, caucus, or primary or general assembly; (c) any person who, in consideration of any money, gift, advantage, preferment, aid, emolument, or other valuable thing paid, received, accepted or promised to the advantage of himself or any other person, votes or refrains from voting for or against any person or for or against any measure at any such election, caucus or primary; (d) any person, other than the political committees known as the national, congressional, state, town, city, ward and borough committees, who solicits from any candidate for the office of presidential elector, of senator of the United States, of representative in congress or of any state, county, probate, town, city, ward, borough or school district office, any money, gift, contribution, emolument or other valuable thing for the purpose of using the same for the support, assistance, benefit or expenses of any club, company or organization, or for the purpose of defraying the cost or expenses of any political campaign or election; (e) any person who, directly or indirectly, pays, gives, contributes or promises any money or other valuable thing to defray or towards defraying the cost or expenses of any campaign or election to any person, committee, company, club, organization or association, other than to a treasurer, [or a political agent,] but this provision shall not apply to any expenses for postage, telegrams, telephoning, stationery, printing, expressage, [or] traveling, *meals or lodging* incurred by any candidate for office or for nomination thereto, so far as may be permitted under the provisions of this chapter; (f) any person who, in order to secure or promote his own nomination or election as a candidate for public office, or that of any other person, directly or indirectly, promises to appoint, or promises to secure or

assist in securing the appointment, nomination or election of any other person to any public position, or to any position of honor, trust or emolument; but any person may publicly announce his own choice or purpose in relation to any appointment, nomination or election in which he may be called to take part, if he is nominated for or elected to any public office; (g) any person who, directly or indirectly, by himself or through another person, makes a payment or promise of payment to a treasurer [or political agent] in any other name than his own, and any treasurer [or political agent] who knowingly receives a payment or promise of payment, or enters or causes the same to be entered in his accounts in any other name than that of the person by whom such payment or promise of payment is made; (h) any person who violates any provision of section 9-336, 9-339 or 9-340.

SEC. 25. Sections 9-337 and 9-338 of the general statutes are repealed.

SEC. 26. This act shall take effect on January 1, 1968.

Source: Pub. Acts of Connecticut, Dec. Spec.
Sess., 1965, Jan. Sess., 1967, No. 592.

Appendix E

90TH CONGRESS
1ST SESSION

S. 1880

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 13, 1967

Referred to the Committee on House Administration

AN ACT

To revise the Federal election laws, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the “Election Reform Act of
4 1967”.

TITLE I

AMENDMENTS TO CRIMINAL CODE

7 SEC. 101. Section 591 of title 18 of the United States
8 Code is amended to read as follows:

9 **“§ 591. Definitions**

10 “When used in sections 597, 599, 602, 608, and 610
11 of this title—

1 “(a) The term ‘election’ means (1) a general, special,
2 or primary election, (2) a convention or caucus of a political
3 party held to nominate a candidate, (3) a primary election
4 held for the selection of delegates to a national nominating
5 convention of a political party, or (4) a primary election
6 held for the expression of a preference for the nomination of
7 persons for election to the office of President;

8 “(b) The term ‘candidate’ means an individual who
9 seeks nomination for election, or election, to Federal office,
10 whether or not such individual is elected. For purposes of this
11 paragraph, an individual shall be deemed to seek nomination
12 for election, or election, if he (1) has taken the action neces-
13 sary under the law of a State to qualify himself for nomina-
14 tion for election, or election, to Federal office, or (2) has
15 received contributions or made expenditures, or has given his
16 consent for any other person to receive contributions or make
17 expenditures, with a view to bringing about his nomination
18 for election, or election, to such office;

19 “(c) The term ‘Federal office’ means the office of Presi-
20 dent or Vice President of the United States, or of Senator or
21 Representative in, or Resident Commissioner to, the Con-
22 gress of the United States;

23 “(d) The term ‘political committee’ means any individ-
24 ual, committee, association, or organization which accepts
25 contributions or makes expenditures during a calendar year
26 in an aggregate amount exceeding \$1,000;

1 “(e) The term ‘contribution’ means a gift, subscription,
2 loan, advance, or deposit of money or any thing of value,
3 made for the purpose of influencing the nomination for elec-
4 tion, or election, of any person to Federal office, or for the
5 purpose of influencing the result of a primary held for the
6 selection of delegates to a national nominating convention of
7 a political party or for the expression of a preference for the
8 nomination of persons for election to the office of President,
9 and includes a contract, promise, or agreement, express or
10 implied, whether or not legally enforceable, to make a con-
11 tribution, and also includes a transfer of funds between
12 political committees;

13 “(f) The term ‘expenditure’ includes a purchase, pay-
14 ment, distribution, loan, advance, deposit, or gift of money
15 or any thing of value, made for the purpose of influencing
16 the nomination for election, or election, of any person to
17 Federal office, or for the purpose of influencing the result
18 of a primary held for the selection of delegates to a national
19 nominating convention of a political party or for the expres-
20 sion of a preference for the nomination of persons for elec-
21 tion to the office of President, and includes a contract, prom-
22 ise, or agreement, express or implied, whether or not legally
23 enforceable, to make an expenditure, and also includes a
24 transfer of funds between political committees;

25 “(g) The term ‘person’ or the term ‘whoever’ means

1 an individual, partnership, committee, association, corpo-
2 ration, or any other organization or group of persons.”

3 SEC. 102. Section 600 of title 18 of the United States
4 Code is amended to read as follows:

5 **“§ 600. Promise of employment or other benefit for politi-**
6 **cal activity**

7 “Whoever, directly or indirectly, promises any employ-
8 ment, position, compensation, contract, appointment, or other
9 benefit, provided for or made possible in whole or in part
10 by any Act of Congress, or any special consideration in
11 obtaining any such benefit, to any person as consideration,
12 favor, or reward for any political activity or for the support
13 of or opposition to any candidate or any political party in
14 connection with any general or special election to any
15 political office, or in connection with any primary election
16 or political convention or caucus held to select candidates
17 for any political office, shall be fined not more than \$1,000
18 or imprisoned not more than one year, or both.”

19 SEC. 103. Section 602 of title 18 of the United States
20 Code is amended—

21 (a) by inserting “(a)” before “Whoever”, and

22 (b) by adding at the end thereof the following new
23 subsection:

24 “(b) Whoever, acting on behalf of any political com-
25 mittee (including any State or local committee of a political

1 party), directly or indirectly intentionally or willfully solicits,
2 or is in any manner concerned in soliciting, any assessment,
3 subscription, or contribution for the use of such political
4 committee or for any political purpose whatever from any
5 officer or employee of the United States (other than an
6 elected officer) shall be fined not more than \$5,000 or
7 imprisoned not more than three years, or both.”

8 SEC. 104. Section 608 of title 18 of the United States
9 Code is amended to read as follows:

10 **“§ 608. Limitations on political contributions and pur-**
11 **chases**

12 “(a) It shall be unlawful for any person, directly or
13 indirectly, to make a contribution or contributions in an
14 aggregate amount in excess of \$5,000 during any calendar
15 year in connection with any campaign for nomination for
16 election, or election, to any political committee or candidate,
17 to two or more political committees substantially supporting
18 the same candidate, or to a candidate and one or more politi-
19 cal committees substantially supporting the candidate: *Pro-*
20 *vided, however,* That nothing contained in this subsection
21 shall prohibit the transfer of contributions received by a
22 political committee.

23 “(b) (1) It shall be unlawful for any political commit-
24 tee or candidate to sell goods, commodities, advertising, or
25 other articles, or any services (except as provided in section

1 204 (b) (2) of the Campaign Funds Disclosure Act of 1967)
2 to anyone other than a political committee or candidate.

3 “(2) It shall be unlawful for any person, other than a
4 political committee or candidate, to purchase goods, com-
5 modities, advertising, or other articles, or any services (ex-
6 cept as provided in section 204 (b) (2) of the Campaign
7 Funds Disclosure Act of 1967) from a political committee
8 or candidate.

9 “(c) Whoever violates subsection (a) or (b) of this
10 section shall be fined not more than \$5,000 or imprisoned
11 not more than five years, or both.

12 “(d) Subsection (b) of this section shall not apply to
13 a sale or purchase (1) of any political campaign pin, button,
14 badge, flag, emblem, hat, banner, or similar campaign
15 souvenir or any political campaign literature or publications
16 (but shall apply to sales of advertising including the sale
17 of space in any publication), for prices not exceeding \$25
18 each, (2) of tickets to political events or gatherings, (3) of
19 food or drink for a charge not substantially in excess of
20 the normal charge therefor, or (4) made in the course of
21 the usual and known business, trade, or profession of any
22 person or in a normal arm’s-length transaction: *Provided*,
23 *however*, That a sale or purchase described in paragraph
24 (1), (2), or (3) shall be deemed a contribution under
25 subsection (a) of this section.

1 “(e) For the purposes of this section, a contribution
2 made by the spouse or a minor child of a person shall be
3 deemed a contribution made by such person.

4 “(f) In all cases of violations of this section by a
5 partnership, committee, association, corporation, or other
6 organization or group of persons, the officers, directors, or
7 managing heads thereof who knowingly and willfully partici-
8 pate in such violation shall be punished as herein provided.”

9 SEC. 105. Section 609 of title 18 of the United States
10 Code is repealed.

11 SEC. 106. Section 611 of title 18 of the United States
12 Code is amended to read as follows:

13 **“§ 611. Contributions by Government contractors**

14 “Whoever, including a corporation, entering into any
15 contract with the United States or any department or agency
16 thereof either for the rendition of personal services or fur-
17 nishing any material, supplies, or equipment to the United
18 States or any department or agency thereof or for selling any
19 land or building to the United States or any department or
20 agency thereof, if payment for the performance of such con-
21 tract or payment for such material, supplies, equipment, land,
22 or building is to be made in whole or in part from funds ap-
23 propriated by the Congress, at any time between the com-
24 mencement of negotiations for and the later of (a) the
25 completion of performance under, or (b) the termination

1 of negotiations for, such contract or furnishing of material,
2 supplies, equipment, land or buildings, directly or indirectly
3 makes any contribution of money or other thing of value, or
4 promises expressly or impliedly to make any such contribu-
5 tion, to any political party, committee, or candidate for pub-
6 lic office or to any person for any political purpose or
7 use; or

8 “Whoever knowingly solicits any such contribution
9 from any such person for any such purpose during any such
10 period—

11 “Shall be fined not more than \$5,000 or imprisoned not
12 more than five years, or both.”

13 SEC. 107. So much of the sectional analysis at the begin-
14 ning of chapter 29 of title 18 of the United States Code as
15 relates to sections 609 and 611 is amended to read:

“609. Repealed.

“611. Contributions by Government contractors.”

16 TITLE II—DISCLOSURE OF FEDERAL CAMPAIGN
17 FUNDS

18 SEC. 201. DEFINITIONS.—

19 When used in this title—

20 (a) The term “election” means (1) a general, special,
21 or primary election, (2) a convention or caucus of a politi-
22 cal party held to nominate a candidate, (3) a primary elec-
23 tion held for the selection of delegates to a national nominat-

1 ing convention of a political party, or (4) a primary election
2 held for the expression of a preference for the nomination
3 of persons for election to the office of President;

4 (b) The term "candidate" means an individual who
5 seeks nomination for election, or election, to Federal office,
6 whether or not such individual is elected. For purposes of
7 this paragraph, an individual shall be deemed to seek nomi-
8 nation for election, or election, if he (1) has taken the action
9 necessary under the law of a State to qualify himself for
10 nomination for election, or election, to Federal office, or (2)
11 has received contributions or made expenditures, or has given
12 his consent for any other person to receive contributions or
13 make expenditures, with a view to bringing about his nomi-
14 nation for election, or election, to such office;

15 (c) The term "Federal office" means the office of Presi-
16 dent or Vice President of the United States; or of Senator
17 or Representative in, or Resident Commissioner to, the Con-
18 gress of the United States;

19 (d) The term "political committee" means any com-
20 mittee, association, or organization which accepts contribu-
21 tions or makes expenditures during a calendar year in an
22 aggregate amount exceeding \$1,000;

23 (e) The term "contribution" means a gift, subscription,
24 loan, advance, or deposit of money or any thing of value,

1 made for the purpose of influencing the nomination for elec-
2 tion, or election, of any person to Federal office or as presi-
3 dential and vice-presidential electors, or for the purpose of
4 influencing the result of a primary held for the selection of
5 delegates to a national nominating convention of a political
6 party, or for the expression of a preference for the nomina-
7 tion of persons for election to the office of President, and
8 includes a contract, promise, or agreement, whether or not
9 legally enforceable, to make a contribution, and also in-
10 cludes a transfer of funds between political committees;

11 (f) The term "expenditure" includes a purchase, pay-
12 ment, distribution, loan, advance, deposit, or gift of money
13 or any thing of value, made for the purpose of influencing
14 the nomination for election, or election, of any person to
15 Federal office, or as presidential and vice-presidential elec-
16 tors, or for the purpose of influencing the result of a primary
17 held for the selection of delegates to a national nominating
18 convention of a political party, or for the expression of a
19 preference for the nomination of persons for election to the
20 office of President, and includes a contract, promise, or
21 agreement, whether or not legally enforceable, to make an
22 expenditure, and also includes a transfer of funds between
23 political committees;

24 (g) The term "Clerk" means the Clerk of the House of
25 Representatives of the United States;

1 (h) The term "Secretary" means the Secretary of the
2 Senate of the United States;

3 (i) The term "person" includes an individual, partner-
4 ship, committee, association, corporation, labor organization,
5 and any other organization or group of persons;

6 (j) The term "State" includes the District of Columbia,
7 the Commonwealth of Puerto Rico, and any territory or
8 possession of the United States.

9 ORGANIZATION OF POLITICAL COMMITTEES

10 SEC. 202. (a) Every political committee shall have a
11 chairman and a treasurer. No contribution and no expendi-
12 ture shall be accepted or made by or on behalf of a political
13 committee at a time when there is a vacancy in the office of
14 chairman or treasurer thereof. No expenditure shall be made
15 for on on behalf of a political committee without the author-
16 ization of its chairman or treasurer, or their designated
17 agents.

18 (b) Every person who receives a contribution for a
19 political committee shall, on demand of the treasurer, and
20 in any event within five days after the receipt of such con-
21 tribution, render to the treasurer a detailed account thereof,
22 including the amount, the name and address of the person
23 making such contribution, and the date on which received.
24 All funds of a political committee shall be kept separate
25 from other funds.

1 (c) It shall be the duty of the treasurer of a political
2 committee to keep a detailed and exact account of—

3 (1) all contributions made to or for such com-
4 mittee;

5 (2) the full name and mailing address of every per-
6 son making any contribution, and the date and amount
7 thereof;

8 (3) all expenditures made by or on behalf of such
9 committee; and

10 (4) the full name and mailing address of every per-
11 son to whom any expenditure is made, and the date and
12 amount thereof.

13 (d) It shall be the duty of the treasurer to obtain and
14 keep a receipted bill, stating the particulars, for every ex-
15 penditure made by or on behalf of a political committee of
16 \$100 or more in amount, and for any such expenditure in a
17 lesser amount, if the aggregate amount of such expenditures
18 to the same person during a calendar year exceeds \$100.
19 The treasurer shall preserve all receipted bills and accounts
20 required to be kept by this section for periods of time to be
21 determined by the Secretary or Clerk, as the case may be.

22 REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

23 SEC. 203. (a) Each political committee which antici-
24 pates receiving contributions or making expenditures during
25 the calendar year in an aggregate amount exceeding \$1,000

1 shall, within ten days after its organization or, if later, ten
2 days after the date on which it has information which causes
3 it to anticipate it will receive contributions or make expendi-
4 tures in excess of \$1,000, file with the Secretary or Clerk, as
5 the case may be, a statement of organization. Each such com-
6 mittee in existence at the date of enactment of this Act shall
7 file a statement of organization with the Secretary or Clerk,
8 as the case may be, at such time as he prescribes.

9 (b) The statement of organization shall include—

10 (1) the name and address of the committee;

11 (2) the names, addresses, and relationships of af-
12 filiated or connected organizations;

13 (3) the area, scope, or jurisdiction of the com-
14 mittee;

15 (4) the name, address, and position of the cus-
16 todian of books and accounts;

17 (5) the name, address, and position of other prin-
18 cipal officers, including officers and members of the fi-
19 nance committee, if any;

20 (6) the name, address, office sought, and party
21 affiliation of (A) each candidate whom the committee
22 is supporting and (B) any other individual, if any, whom
23 the committee is supporting for nomination for election,
24 or election, to any public office whatever; or, if the

1 committee is supporting the entire ticket of any party,
2 the name of the party;

3 (7) a statement whether the committee is a con-
4 tinuing one;

5 (8) the disposition of residual funds which will be
6 made in the event of dissolution;

7 (9) a listing of all banks, safety deposit boxes, or
8 other repositories used;

9 (10) a statement of the reports required to be filed
10 by the committee with State or local officers, and, if so,
11 the names, addresses, and positions of such persons; and

12 (11) such other information as shall be required
13 by the Secretary or Clerk.

14 (c) Any change in information previously submitted in
15 a statement of organization shall be reported to the Secre-
16 tary or Clerk, as the case may be, within a ten-day period
17 following the change.

18 (d) Any committee which, after having filed one or
19 more statements of organization, disbands or determines it
20 will no longer receive contributions or make expenditures
21 during the calendar year in an aggregate amount exceeding
22 \$1,000 shall so notify the Secretary or Clerk, as the case
23 may be.

24 REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

25 SEC. 204. (a) Each treasurer of a political committee
26 supporting a candidate or candidates for election to the office

1 of President or Vice President of the United States or Sen-
2 ator, and each candidate for election to such office, shall file
3 with the Secretary, and each treasurer of a political commit-
4 tee supporting a candidate or candidates for election to the
5 office of Representative in, or Resident Commissioner to,
6 the Congress of the United States, and each candidate for
7 election to such office, shall file with the Clerk, reports of
8 receipts and expenditures on forms to be prescribed or ap-
9 proved by him. Such reports shall be filed on the 10th day
10 of March, June, and September, in each year, and on the
11 fifteenth and fifth days next preceding the date on which
12 an election is held, and also by the 31st day of January.
13 Such reports shall be complete as of such date as the Secre-
14 tary may prescribe, which shall not be less than five days
15 before the date of filing.

16 (b) Each report under this section shall disclose—

17 (1) the amount of cash on hand at the beginning
18 of the reporting period;

19 (2) the full name and mailing address of each
20 person who has made one or more contributions to or
21 for such committee or candidate (including the purchase
22 of tickets for events such as dinners, luncheons, rallies,
23 and similar fundraising events) within the calendar
24 year in the aggregate amount or value of \$100 or more,
25 together with the amount and date of such contributions;

1 (3) the total sum of individual contributions made
2 to or for such committee or candidate during the report-
3 ing period and not reported under paragraph (2) ;

4 (4) the name and address of each political com-
5 mittee or candidate from which the reporting committee
6 or the candidate received, or to which that committee
7 or candidate made, any transfer of funds, together with
8 the amounts and dates of all such transfers;

9 (5) each loan to or from any person within the
10 calendar year in the aggregate amount or value of
11 \$100 or more, together with the full names and mailing
12 addresses of the lender and endorsers, if any, and the
13 date and amount of such loans;

14 (6) the total amount of proceeds from (A) the sale
15 of tickets to each dinner, luncheon, rally, and other fund-
16 raising event; (B) mass collections made at such events;
17 and (C) sales of items such as political campaign pins,
18 buttons, badges, flags, emblems, hats, banners, literature,
19 and similar materials;

20 (7) each contribution, rebate, refund, or other
21 receipt of \$100 or more not otherwise listed under para-
22 graphs (2) through (6) ;

23 (8) the total sum of all receipts by or for such
24 committee or candidate during the reporting period;

25 (9) the full name and mailing address of each per-

1 son to whom an expenditure or expenditures have been
2 made by such committee or candidate within the calen-
3 dar year in the aggregate amount or value of \$100 or
4 more, and the amount, date, and purpose of each such
5 expenditure;

6 (10) the full name and mailing address of each
7 person to whom an expenditure for personal services,
8 salaries, and reimbursed expenses of \$100 or more has
9 been made, and which is not otherwise reported, includ-
10 ing the amount, date, and purpose of such expenditure;

11 (11) the total sum of expenditures made by such
12 committee or candidate during the calendar year;

13 (12) the amount and nature of debts and obliga-
14 tions owed by or to the committee, in such form as the
15 Secretary or Clerk may prescribe;

16 (13) such other information as shall be required by
17 the Secretary or Clerk.

18 (c) The reports required to be filed by subsection (a)
19 shall be cumulative during the calendar year to which they
20 relate, but where there has been no change in an item re-
21 ported in a previous report during such year, only the
22 amount need be carried forward. If no contributions or ex-
23 penditures have been accepted or expended during a calendar
24 year, the treasurer of the political committee or candidate
25 shall file a statement to that effect.

1 and (2) does not operate in more than one State or on a
2 statewide basis.

3 (d) The Secretary or Clerk, as the case may be, shall,
4 by published regulations of general applicability, prescribe
5 the manner in which contributions and expenditures in the
6 nature of debts and other contracts, agreements, and promises
7 to make contributions or expenditures shall be reported.
8 Such regulations shall provide that they be reported in
9 separate schedules. In determining aggregate amounts of
10 contributions and expenditures, amounts reported as pro-
11 vided in such regulations shall not be considered until actual
12 payment is made.

13 REPORTS ON CONVENTION FINANCING

14 SEC. 207. Each committee or other organization
15 which—

16 (1) represents a State, or a political subdivision
17 thereof, or any group of persons, in dealing with officials
18 of a national political party with respect to matters
19 involving a convention held in such State or political
20 subdivision to nominate a candidate for the office of
21 President or Vice President, or

22 (2) represents a national political party in making
23 arrangements for the convention of such party held to
24 nominate a candidate for the office of President or
25 Vice President,

1 shall, within sixty days following the end of the convention
2 (but not later than twenty days prior to the date on which
3 presidential and vice-presidential electors are chosen), file
4 with the Secretary a full and complete financial statement,
5 in such form and detail as he may prescribe, the sources
6 from which it derived its funds, and the purposes for which
7 such funds were expended.

8 DUTIES OF THE SECRETARY AND CLERK

9 SEC. 208. (a) It shall be the duty of the Secretary
10 and Clerk, respectively—

11 (1) to develop prescribed forms for the making of
12 the reports and statements required to be filed with him
13 under this title;

14 (2) to prepare and publish a manual setting forth
15 recommended uniform methods of bookkeeping and re-
16 porting for use by persons required to make such reports
17 and statements;

18 (3) to develop a filing, coding, and cross-indexing
19 system consonant with the purposes of this Act;

20 (4) to make the reports and statements filed with
21 him available for public inspection and copying during
22 regular office hours, commencing as soon as practicable
23 but not later than the end of the second day following
24 the day during which it was received, and to permit

1 copying of any such report or statement by hand or by
2 duplicating machine, as requested by any person, at the
3 expense of such person;

4 (5) to preserve such reports and statements for a
5 period of ten years from date of receipt, except that
6 reports and statements relating solely to candidates for
7 the House of Representatives shall be preserved for
8 only five years from the date of receipt;

9 (6) to compile and maintain a current list of all
10 statements or parts of statements pertaining to each
11 candidate;

12 (7) to prepare and publish an annual report includ-
13 ing compilations of (A) total reported contributions and
14 expenditures for all candidates, political committees, and
15 other persons during the year; (B) total amounts ex-
16 pended according to such categories as he shall deter-
17 mine and broken down into candidate, party, and non-
18 party expenditures on the National, State, and local
19 levels; (C) total amounts expended for influencing
20 nominations and elections stated separately; (D) total
21 amounts contributed according to such categories of
22 amounts as he shall determine and broken down into con-
23 tributions on the National, State, and local levels for
24 candidates and political committees; and (E) aggregate

1 amounts contributed by any contributor shown to have
2 contributed the sum of \$100 or more;

3 (8) to prepare and publish from time to time
4 special reports comparing the various totals and cate-
5 gories of contributions and expenditures made with re-
6 spect to preceding elections;

7 (9) to prepare and publish such other reports as he
8 may deem appropriate;

9 (10) to assure wide dissemination of statistics, sum-
10 maries, and reports prepared under this Act;

11 (11) to make from time to time audits and field
12 investigations with respect to reports and statements
13 filed under the provisions of this title, and with respect
14 to alleged failures to file any report or statement required
15 under the provisions of this title;

16 (12) to report apparent violations of law to the
17 appropriate law enforcement authorities; and

18 (13) to prescribe suitable rules and regulations to
19 carry out the provisions of this title.

20 (b) In the performance of their duties under this Act,
21 the Secretary and Clerk shall coordinate their activities with
22 the activities of the Comptroller General under the Presiden-
23 tial Election Campaign Fund Act of 1966.

1 him available for public inspection and copying during
2 regular office hours, commencing as soon as practicable
3 but not later than the end of the second day following
4 the day during which it was received, and to permit
5 copying of any such report or statement by hand or by
6 duplicating machine, as requested by any person, at the
7 expense of such person; and

8 (4) to compile and maintain a current list of all
9 statements or parts of statements pertaining to each
10 candidate.

11 PROHIBITION ON CONTRIBUTIONS IN NAME OF ANOTHER

12 SEC. 210. No person shall make a contribution in the
13 name of another person, and no person shall knowingly
14 accept a contribution made by one person in the name of
15 another person.

16 PENALTY FOR VIOLATIONS

17 SEC. 211. Any person who violates any of the provi-
18 sions of this title shall be fined not more than \$1,000 or
19 imprisoned not more than one year, or both.

20 STATE LAWS NOT AFFECTED

21 SEC. 212. (a) Nothing in this title shall be deemed to
22 invalidate or make inapplicable any provision of any State
23 law, except where compliance with such provision of law

1 would result in a violation of a provision of this title.

2 (b) The Secretary and Clerk shall encourage, and coop-
3 erate with, the election officials in the several States to
4 develop procedures which will eliminate the necessity of
5 multiple filings by permitting the filing of copies of Federal
6 reports to satisfy the State requirements.

7 PARTIAL INVALIDITY

8 SEC. 213. If any provision of this title, or the applica-
9 tion thereof, to any person or circumstance is held invalid,
10 the validity of the remainder of the title and the application
11 of such provision to other persons and circumstances shall
12 not be affected thereby.

13 REPEALING CLAUSE

14 SEC. 214. (a) The Federal Corrupt Practices Act and
15 all other Acts or parts of Acts inconsistent herewith are
16 repealed.

17 (b) In case of any conviction under this Act, where the
18 punishment inflicted does not include imprisonment, such
19 conviction shall be deemed a misdemeanor conviction only,
20 and shall not carry with it a loss of citizenship.

21 CITATION

22 SEC. 215. This title may be cited as the "Campaign
23 Funds Disclosure Act of 1967."

Appendix F

FOREIGN INVESTORS TAX ACT;

TITLE III—PRESIDENTIAL ELECTION CAMPAIGN FUND ACT

SEC. 301. SHORT TITLE.

This title may be cited as the "Presidential Election Campaign Fund Act of 1966".

SEC. 302. AUTHORITY FOR DESIGNATION OF \$1 OF INCOME TAX PAYMENTS TO PRESIDENTIAL ELECTION CAMPAIGN FUND.

(a) Subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to returns and records) is amended by adding at the end thereof the following new part:

"PART VIII—DESIGNATION OF INCOME TAX PAYMENTS TO PRESIDENTIAL ELECTION CAMPAIGN FUND

"Sec. 6096. Designation by individuals.

"SEC. 6096. DESIGNATION BY INDIVIDUALS.

"(a) In General.—Every individual (other than a nonresident alien) whose income tax liability for any taxable year is \$1 or more may designate that \$1 shall be paid into the Presidential Election Campaign Fund established by section 303 of the Presidential Election Campaign Fund Act of 1966.

"(b) Income Tax Liability.—For purposes of subsection (a), the income tax liability of an individual for any taxable year is the amount of the tax imposed by chapter 1 on such individual for such taxable year (as shown on his return), reduced by the sum of the credits (as shown in his return) allowable under sections 32(2), 33, 35, 37, and 38.

"(c) Manner and Time of Designation.—A designation under subsection (a) may be made with respect to any taxable year, in such manner as the Secretary or his delegate may prescribe by regulations—

"(1) at the time of filing the return of the tax imposed by chapter 1 for such taxable year, or

"(2) at any other time (after the time of filing the return of the tax imposed by chapter 1 for such taxable year) specified in regulations prescribed by the Secretary or his delegate."

(b) The table of parts for subchapter A of chapter 61 of such Code is amended by adding at the end thereof the following new item:

"Part VIII. Designation of income tax payments to Presidential Election Campaign Fund."

(c) The amendments made by this section shall apply with respect to income tax liability for taxable years beginning after December 31, 1966.

SEC. 303. PRESIDENTIAL ELECTION CAMPAIGN FUND.

(a) **Establishment.**—There is hereby established on the books of the Treasury of the United States a special fund to be known as the "Presidential Election Campaign Fund" (hereafter in this section referred to as the "Fund"). The Fund shall consist of amounts transferred to it as provided in this section.

(b) **Transfers to the Fund.**—The Secretary of the Treasury shall, from time to time, transfer to the Fund an amount equal to the sum of the amounts designated by individuals under section 6096 of the Internal Revenue Code of 1954 for payment into the Fund.

(c) **Payments From Fund.**—

(1) **In general.**—The Secretary of the Treasury shall, with respect to each presidential campaign, pay out of the Fund, as authorized by appropriation Acts, into the treasury of each political party which has complied with the provisions of paragraph (3) an amount (subject to the limitation in paragraph (3) (B)) determined under paragraph (2).

(2) **Determination of amounts.**—

(A) Each political party whose candidate for President at the preceding presidential election received 15,000,000 or more popular votes as the candidate of such political party shall be entitled to payments under paragraph (1) with respect to a presidential campaign equal to the excess over \$5,000,000 of—

(i) \$1 multiplied by the total number of popular votes cast in the preceding presidential election for candidates of political parties whose candidates received 15,000,000 or more popular votes as the candidates of such political parties, divided by

(ii) the number of political parties whose candidates in the preceding presidential election received 15,000,000 or more popular votes as the candidates of such political parties.

(B) Each political party whose candidate for President at the preceding presidential election received more than 5,000,000, but less than 15,000,000, popular votes as the candidate of such political party shall be entitled to payments under paragraph (1) with respect to a presidential campaign equal to \$1 multiplied by the number of popular votes in excess of 5,000,000 received by such candidate as the candidate of such political party in the preceding presidential election.

(C) Payments under paragraph (1) shall be made with respect to each presidential campaign at such times as the Secretary of the Treasury may prescribe by regulations, except that no payment with respect to any presidential campaign shall be made before September 1 of the year of the presidential election with respect to which such campaign is conducted. If at the time so prescribed for any such payments, the moneys in the Fund are insufficient for the Secretary to pay into the treasury of each political party which is entitled to a payment under paragraph (1) the amount to which such party is entitled, the payment to all such parties at such time shall be reduced pro rata, and the amounts not paid at such time shall be paid when there are sufficient moneys in the Fund.

(3) Limitations.—

(A) No payment shall be made under paragraph (1) into the treasury of a political party with respect to any presidential campaign unless the treasurer of such party has certified to the Comptroller General the total amount spent or incurred (prior to the date of the certification) by such party in carrying on such presidential campaign, and has furnished such records and other information as may be requested by the Comptroller General.

(B) No payment shall be made under paragraph (1) into the treasury of a political party with respect to any presidential campaign in an amount which, when added to previous payments made to such party, exceeds the amount spent or incurred by such party in carrying on such presidential campaign.

(4) The Comptroller General shall certify to the Secretary of the Treasury the amounts payable to any political party under paragraph (1). The Comptroller General's determination as to the popular vote received by any candidate of any political party shall be final and not subject to review. The Comptroller General is authorized to prescribe such rules and regulations, and to conduct such examinations and investigations, as he determines necessary to carry out his duties and functions under this subsection.

(5) Definitions.—For purposes of this subsection—

(A) The term "political party" means any political party which presents a candidate for election to the office of President of the United States.

(B) The term "presidential campaign" means the political campaign held every fourth year for the election of presidential and vice presidential electors.

(C) The term "presidential election" means the election of presidential electors.

(d) **Transfers to General Fund.**—If, after any presidential campaign and after all political parties which are entitled to payments under subsection (c) with respect to such presidential campaign have been paid the amounts to which they are entitled under subsection (c), there are moneys remaining in the Fund, the Secretary of the Treasury shall transfer the moneys so remaining to the general fund of the Treasury.

SEC. 304. ESTABLISHMENT OF ADVISORY BOARD.

(a) There is hereby established an advisory board to be known as the Presidential Election Campaign Fund Advisory Board (hereafter in this section referred to as the "Board"). It shall be the duty and function of the Board to counsel and assist the Comptroller General in the performance of the duties imposed on him under section 303 of this Act.

(b) The Board shall be composed of two members representing each political party whose candidate for President at the last presidential election received 15,000,000 or more popular votes as the candidate of such political party, which members shall be appointed by the Comptroller General from recommendations submitted by each such political party, and of three additional members selected by the members so appointed by the Comptroller General. The term of the

first members of the Board shall expire on the 60th day after the date of the first presidential election following the date of the enactment of this Act and the term of subsequent members of the Board shall begin on the 61st day after the date of a presidential election and expire on the 60th day following the date of the subsequent presidential election. The Board shall select a Chairman from among its members.

(c) Members of the Board shall receive compensation at the rate of \$75 a day for each day they are engaged in performing duties and functions as such members, including travel time, and, while away from their homes or regular places of business, shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons in the Government service employed intermittently.

(d) Service by an individual as a member of the Board shall not, for purposes of any other law of the United States, be considered as service as an officer or employee of the United States.

SEC. 305. APPROPRIATIONS AUTHORIZED.

There are authorized to be appropriated, out of the Presidential Elections Campaign Fund, such sums as may be necessary to enable the Secretary of the Treasury to make payments under section 303 of this Act.

Source: 80 Stat. 1539 (1966).

Appendix G

Election Fund for Political Parties; Regulation of Contributions

§ 601. Definitions

Definitions within the scope of sections 601-609 of this title.

(a) The term "contribution" includes any gift in cash or otherwise, subscription, loan, advance, transfer or deposit of money or of any other valuable, including a contract, promise or agreement, whether legally enforceable or not, to make a contribution; and any payment or disbursement for services of any nature rendered by any person to a political party or to a candidate, or for the benefit of any political party or any candidate; but it shall not include money borrowed directly by recognized authorized official bodies of a party from recognized banking institutions.

(b) The term "Puerto Rico" includes all election precincts of Puerto Rico.

(c) The term "person" includes any natural person, or any artificial person whatever its manner of constitution, as well as any organization, partnership or entity, or groups of persons acting collectively.

(d) The term "principal political party" means a political party that has attained and preserves the conditions required by the Election Law, Subtitle 1 of this title, to be considered as such. For the sole purposes and effects of the election year 1964, there shall be understood that the term "principal political party", as said term is used in these sections 601-609 of this title, includes also those parties and political groups to which paragraph nine of section 20 of this title refers.

(e) The term "public official or employee" means any official, employee, laborer, journeyman or worker who is engaged in or performs any position, employment, work or task for compensation in any manner in or for the government of the Commonwealth of Puerto Rico, its municipalities, public corporations and subsidiary corporations thereof.—Amended June 26, 1964, No. 91, p. 288, § 1, eff. June 26, 1964.

§ 602. Election Fund; political parties entitled to benefits

(a) A fund to be known as Election Fund is hereby established in the Commonwealth Treasury and placed at the disposal of the Secretary of the Treasury for the effectuation of the purposes of sections 601-609 of this title; and there is appropriated, to be covered into said fund, from any available funds in the Commonwealth Treasury, the sum necessary to permit to each one of the principal parties, as they are defined in the Election Law, Subtitle 1 of this title, the use of the amounts hereinbelow allocated.

(b) Save as provided in subsection (d) of section 601 of this title with reference to the election year of 1964, the benefits of sections 601-609 of this title shall be available only to such principal political parties as shall have participated in a general election in all the election precincts of Puerto Rico and as a result of which preserved their status of principal parties and gained representation in the Legislature.

(c) During non-election years each principal party may annually draw on the Election Fund for an amount not exceeding seventy-five thousand (75,000) dollars. In election years they may use the unspent balances of that amount from previous years, but the right to accumulate the balances shall only operate from the year on which the party avails itself of the benefits of the law and solely up to 50 percent of the proportional part of the annual appropriation corresponding to it, this amount to be determined on the basis of the month of the year in which it avails itself of the benefits.

It shall be understood that a political party avails itself of the benefits of sections 601-609 of this title from the first time on which it draws on the Election Fund.

In election years each principal political party shall be entitled to the following, chargeable to the Election Fund:

(1) Subject to the provisions of sections 603 and 606 of this title, to an amount not exceeding seventy-five thousand (75,000) dollars for general office expenses, including, but without it being understood as a limitation, rental; telephone and telegraph services in Puerto Rico; light, water and power service; travel expenses within Puerto Rico in political missions, material, equipment and machinery.

During the election year of 1964 the political parties or groups to which the ninth paragraph of section 20 of this title refers shall be entitled to receive that part of the said amount which proportionally corresponds to the period comprised between the date of effectiveness of Act No. 3 of March 26, 1964, and December 31 of the said year 1964.

During the election year of 1964 the amount to which this subsection refers may be used also for the general expenses of political campaigning and propaganda to which subsection (2) of this section refers.

(2) Subject to the provisions of sections 603 and 606 of this title, to a basic credit of seventy-five thousand (75,000) dollars for general expenses of political campaigning and propaganda in which they may incur during said election year, including, but without it being understood as a limitation, telecast and moving pictures for propaganda in Puerto Rico; political advertisements in newspapers in Puerto Rico; printing of party programs; postage; distribution and transportation of propaganda material in Puerto Rico relative to the political campaign or the elections in Puerto Rico; expenses for general and special elections, referendums, primaries, conventions, assemblies, and registrations in Puerto Rico; printed matter, recordings, political propaganda material, symbols, flags, political informational films to be exhibited in Puerto Rico, and printing of political newspapers for circulation in Puerto Rico.

(3) To an additional credit not greater than the amount that may result by prorating the sum of eight hundred thousand (800,000) dollars among all the said principal political parties on the basis of the percentage of the total straight-ticket votes that each of them may obtain in the general election of said year. Each party shall be deducted the amount of the basic credit to which paragraph (2) of this subsection refers. After the general elections and subject to the provisions of sections 603 and 606 of this title, the

parties shall be reimbursed, chargeable to said additional credit, any general expenses of political campaigning and propaganda to which paragraph (2) of this subsection refers, which they may have incurred during said election year.

§ 603. Auditing; disbursements for expenses of political parties; advisory committee

(a) The laws in force, as well as the rules and regulations of the Secretary of the Treasury concerning the procedure for the pre-audit of disbursements of funds shall not apply in the case of the Election Fund, but disbursements against such fund shall be subject to postauditing by the Controller of Puerto Rico.

(b) It shall be the duty of the Secretary of the Treasury to authorize payment of the expenses of each party, as herein provided, immediately upon receipt of the orders thereof covering same.

(c) Disbursements shall be made upon orders and vouchers duly signed by the secretary and the treasurer of the respective political party or by the persons legally substituting for such officials. The Secretary of the Treasury shall, upon receipt of the vouchers and orders referred to in this paragraph, authorize the necessary payments made directly to the natural or artificial persons, creditors of the respective political parties, for services rendered or supplies or equipment furnished as hereinafter specified. The said secretary and treasurer of each principal political party or their legal substitutes shall be liable to The People of Puerto Rico for the amount of any disbursements made by the Secretary of the Treasury upon orders issued by them in the event such orders have not been effected according to law.

(d) The Secretary of the Treasury shall, in consultation with the presidents of the principal political parties receiving the benefits of sections 601-609 of this title, designate an advisory committee on which all of the said political parties shall be represented. It shall be the function of said advisory committee to advise the Secretary of the Treasury with regard to any complaint received from any political party disagreeing on the manner in which the benefits of such sections are extended to it.

§ 604. Disposition of balances

Any balance remaining in the funds accumulated from the appropriations made by sections 601-609 of this title upon final liquidation at the end of the four years intervening between elections shall be covered into the general funds of the Commonwealth Government.

§ 605. Party expenses payable from Election Fund

Each political party receiving the benefits of sections 601-609 of this title may draw against the Election Fund for its maintenance and operation expenses in Puerto Rico, such as: Rental of central offices; telephone and telegraph services in Puerto Rico; office supplies and equipment; light, water, and power service; radio-broadcast, telecast and moving pictures for propaganda in Puerto Rico; travel expenses within Puerto Rico in political missions, and

political advertisement in Puerto Rican newspapers; printing of party programs; postage, distribution and transportation of propaganda material in Puerto Rico relative to the political campaign or the election in Puerto Rico; expenses for general and special elections, referendums, primaries, conventions, assemblies, and registrations in Puerto Rico; printed matter, recordings, political propaganda material, symbols, flags, political propaganda films to be exhibited in Puerto Rico, and printing of political newspapers for circulation in Puerto Rico, including equipment, materials and machinery for the production thereof, and all such other expenses thereby incurred to implement and carry out in Puerto Rico the provisions of such sections.

§ 606. Expense accounts and reports

It shall be the duty of each principal political party to keep a complete and detailed account of the expenses incurred by the party chargeable to the Election Fund, and to render a monthly report, under oath, within the first ten days of the following month, to the Secretary of the Treasury and the Controller of the Commonwealth, certifying such expenses, including date, person in whose behalf payment was ordered and address thereof, as well as the reason why such expense was incurred. If the political party concerned should fail to fulfil this duty within the term herein specified, the Secretary of the Treasury shall not authorize any disbursement for such party against the Election Fund, until such time as he shall have complied with the duty herein imposed.

§ 606a. Record of contributions and disbursements; reports

It shall be the duty:

- (a) of every principal political party;
- (b) of every party by petition, or party enjoying the rights of a party by petition;
- (c) of every political group that has presented or intends to present before the Commonwealth Board of Elections petitions for the registration of candidates;
- (d) of every organization engaged, directly or indirectly, in promoting or advocating the success or defeat of any candidate, party, or public objective or position which is a topic of dissension in an election campaign;
- (e) of every organization engaged in the receipt, collection or supply of funds to defray the expenses of a party, political group or candidate;
- (f) of every candidate to a public position: to keep a complete and detailed account of all contributions received and of all disbursements, obligations and expenditures made or incurred, whether by the proper party, group or organization, or by any of its candidates, and to render a quarterly report, under oath, within thirty days after expiration of each quarter, to the Commonwealth Board of Elections, stating the name and address of each contributor and the date and amount of the contribution, as well as the amount, the date and the reason for each disbursement, obligation or expenditure, and the name and address of the person in whose behalf the payment was made or the obligation incurred.

**§ 607. Contributions to political parties and candidates regulated;
penalty for illegal solicitation**

* * *

(e) It shall be illegal for any person directly or indirectly to solicit from any public officer or employee any contribution whatsoever for political purposes, save that the solicitation of funds for political purposes made by mail or by means of advertisements in newspapers, television and radio programs, and billboards, provided same are not posted in buildings of the government and its instrumentalities, municipalities, public corporations and their subsidiary corporations, or other places where activities of the Commonwealth are habitually held, shall not be considered as a violation of this subsection.

Violation of this provision shall be punished as a felony, the offender becoming incapacitated to be a candidate for any position by popular election, to hold public offices in the Commonwealth, and to exercise his electoral franchise, which circumstances shall be stated in the judgment.

§ 608. Names of treasurers and secretaries of central and municipal committees

The central directing bodies of the parties covered by sections 601-609 of this title shall certify to the Secretary of the Treasury the names of the treasurers and secretaries of their central and municipal committees, as well as any changes and substitutions that may take place.

§ 609. Penalties

Any person violating any provision of sections 601-609 of this title shall incur in a misdemeanor and shall, upon conviction, be punished by imprisonment in jail for a minimum term of six months and a minimum fine of one thousand dollars, and rendered unqualified as a candidate to an elective office, barred from holding public office in the Commonwealth, and disfranchised, circumstances which shall be set forth in the judgment.

Source: Laws of Puerto Rico Ann., ch. 59, sec. 601-609
(1961 and Suppl. 1966).

Appendix H

MINNESOTA ELECTION LAWS AND INCOME TAX CREDITS FOR POLITICAL CONTRIBUTIONS

200.02 DEFINITIONS. Subdivision 1. **Election.** The word "election" means any election except those held in any school district unless otherwise specifically provided by law, at which the electors of the state or any subdivision thereof nominate or choose by ballot public officials or decide any public question lawfully submitted to them.

* * *

Subd. 7. **Political party.** The words "political party" mean an organization which shall have maintained in the state, governmental subdivision thereof or precinct therein in question, a party organization and presented candidates for election at the last preceding general election one or more of which candidates shall have been voted for in each county within the state at such election and shall have received in the state not less than five percent of the total vote cast for all candidates at such election or whose members to a number equal to at least five percent of the total number of votes cast at the preceding general election in the county where the application is made shall present to the county auditor a petition for a place on the primary election ballot.

* * *

211.01 DEFINITIONS. Subdivision 1. The words used in this chapter have the meanings prescribed to them in chapter 200; and the words defined in this section are applicable for the purpose of construing this chapter.

Subd. 2. Any act shall be deemed to have been for "political purposes" when the act is of a nature, is done with the intent, or is done in such way, as to influence or tend to influence, directly or indirectly, voting at any primary or election or on account of any person having voted, or refrained from voting, or being about to vote or refrain from voting at any election or primary.

Subd. 3. "Candidate" means every person for whom it is contemplated or desired that votes may be cast at any election or primary, and who either tacitly or expressly consents to be so considered, except candidates for president and vice president of the United States.

Subd. 4. "Disbursements" means every act by or through which any money, property, office, or position or other thing of value passes or is directly or indirectly conveyed, given, promised, paid, expended, pledged, contributed, or lent, and also any money, property, office, or position or other thing of value so given, provided, paid, expended, promised, pledged, contributed, or lent.

Subd. 5. "Filing office", when used with reference to any candidate, shall be construed to mean the officer who is authorized by law to issue a certificate of nomination or election to such candidate if he be successful. If there be no officer authorized to issue such certificate of nomination or election, then such term shall be construed to mean the clerk of the town, city, or village in which such candidate resides.

Subd. 6. "Personal campaign committee" means any committee appointed by a candidate for any election.

Subd. 7. "Party committee" means any committee appointed or elected to represent any political party with a party organization in this state.

Subd. 8. Every two or more persons elected or appointed by any political party or association for the purpose, wholly or partly, of raising, collecting, or disbursing money, or directing the raising, collecting or disbursing thereof, for nomination or election purposes, and every two or more persons who shall cooperate in the raising, collecting, or disbursing of money used, or to be used for or against the election to public office of any person or any class or number of persons, or for or against the adoption of any law, ordinance, or constitutional amendment, shall be deemed a "political committee" within the meaning of this chapter.

Subd. 9. "Committee" means any personal campaign committee, party committee, or political committee, unless the intent is clearly shown to be otherwise.

211.06 EXPENDITURES, LIMIT. No disbursement shall be made and no obligation, express or implied, to make such disbursement, shall be incurred by any candidate or his personal campaign committee for any office under the constitution or laws of this state, or under the ordinance of any municipality of this state in his campaign for nomination and election, which shall be in the aggregate in excess of the amounts herein specified:

(a) For governor, \$7,000, and in addition, five cents for each of the total number of persons who voted in the state at the last general election;

(b) For other state officers, \$3,500, and in addition, five cents for each of the total number of persons who voted in the state at the last general election;

(c) For state senator, \$800, and in addition, five cents for each of the total number of persons who voted in the district at the last general election;

(d) For member of house of representatives, \$600, and in addition, five cents for each of the total number of persons who voted in the district at the last general election;

(e) For any county, city, village, or town officer, for any judge or for any officer not hereinbefore mentioned, who, if nominated and elected, would receive a salary, a sum not exceeding one third of the salary for the office in the year that the election is held, with the minimum sum allowed, \$100. If such person, when nominated and elected, would not receive a salary, a sum not exceeding one third of the compensation which his predecessor received during the first year of such predecessor's incumbency, with the minimum sum allowed, \$100. If such officer, when nominated and elected, would not receive a salary and if such officer had no predecessor, and in all cases not specifically provided for, \$100, and no more.

(f) The disbursements authorized in this section by a candidate for elective office shall be deductible as expenses for production of income or a business deduction under chapter 290.

* * *

211.27 CORPORATIONS NOT TO CONTRIBUTE TO POLITICAL CAMPAIGN. No corporation doing business in this state shall pay or contribute, or offer, consent, or agree to pay or contribute, directly or indirectly, any money, property, free service of its officers or employees or thing of value to any political party, organization, committee, or individual for any political purpose whatsoever, or to promote or defeat the candidacy of any person for nomination, election, or appointment to any political office. If any corporation shall be convicted of violating any of the provisions of this chapter, it shall be subject to a penalty in the amount not exceeding \$10,000 to be collected as other claims or demands for money are collected; and, if a domestic corporation, in addition to that penalty, it may be dissolved; and, if a foreign or non-resident corporation, in addition to that penalty, its right to do business in this state may be declared forfeited.

211.28 VIOLATIONS; PENALTIES. Any officer, employee, agent, or attorney or other representatives of any corporation, acting for or in behalf of such corporation who shall violate the provisions of this chapter shall be punished upon conviction by a fine of not less than \$100 nor more than \$5,000 or by imprisonment in the state prison for a period of not less than one nor more than five years or by both such fine and imprisonment.

* * *

211.30 AIDING VIOLATION A GROSS MISDEMEANOR. Any person or persons who shall aid, abet, or advise a violation of the provisions of section 211.27 shall be guilty of a gross misdemeanor.

* * *

290.09 DEDUCTIONS FROM GROSS INCOME. Subdivision 1. **Limitations.** The following deductions from gross income shall be allowed in computing net income, provided that the amount of any item which was deducted in arriving at gross income under the provisions of section 290.01, subdivision 20, shall not be again deducted under this section.

* * *

(c) Campaign expenditures in an amount not to exceed the limits set out in Minnesota Statutes, Section 211.06, not subsequently reimbursed, which have been personally paid by a candidate for public office if the candidate has complied with the expenditure limitations set out in Minnesota Statutes, Section 211.06;

(No deduction shall be allowed under this clause for any contribution or gift which would be allowable as a credit under section 290.21 were it not for the percentage limitations set forth in such section);

(d) All expense money paid by the legislature to legislators.

* * *

290.21 CREDITS AGAINST TAXABLE NET INCOME. Subdivision 1: The taxes imposed by this chapter shall be on or measured by, as the case may be, the taxable net income less the following credits.

* * *

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual;

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income,

(e) to a political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 211.01, or a political cause when sponsored by any party or association or committee, as defined in section 211.01, in a maximum amount not to exceed the following:

(1) contributions made by individual natural persons, \$100,

(2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a political party, as defined in section 200.02, subdivision 7, \$1,000,

(3) contributions made by a congressional district committeeman or committeewoman of a political party, as defined in section 200.02, subdivision 7, \$350,

(4) contributions made by a county chairman or a county chairwoman of a political party, as defined in section 200.02, subdivision 7, \$150;

(f) in the case of an individual, the total credit against taxable net income allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:

(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income,

(ii) the total credits under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the credits under this section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a credit under subparagraph (i);

Source: Minn. Stat. Ann. (1965).

Appendix I

ACT 91

A Bill for an Act Relating to Deductions From Taxable Income for Individual Taxpayers Making Contributions to Political Parties and Amending Section 121-5 of the Revised Laws of Hawaii 1955, as Amended.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to encourage individuals to contribute to political parties by providing for deductions from taxable income for individual taxpayers making such contributions.

SECTION 2. Section 121-5 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new paragraph to be designated and to read as follows:

"(g) In computing taxable income there shall be allowed as a deduction, political contributions by any taxpayer not in excess of one hundred dollars in any year; provided, that such contributions are made to a central or county committee of a political party whose candidates shall have qualified by law to be voted for at the immediately previous general election."

SECTION 3. This Act shall, upon its approval, take effect on January 1, 1964.

Source: Session Laws of Hawaii 1963, Act 91.

Appendix J

FLORIDA CAMPAIGN EXPENSE LAW; ELECTION CODE; VIOLATIONS; PENALTIES

99.161 Contributions; expenditures, etc.—

(1) CERTAIN PERSONS PROHIBITED FROM MAKING CONTRIBUTIONS.—

(a) No person holding a horse or dog racing permit, nor any member of an unincorporated association holding such a permit, nor any officer, director, or supervisory employee of a corporation holding such a permit, or trustee authorized by trust agreement to vote stock in such corporation where such stock is owned by person or persons sui iuris, shall make, directly or indirectly, any contribution of any nature to any political party or to any candidate for nomination for, or election to, political office in the state.

(b) No person holding a license for the sale of intoxicating beverages, nor any member of an unincorporated association holding such a license, nor any officer or director of a corporation holding such a license, shall make, directly or indirectly, any contribution of any nature to any political party or to any candidate for nomination for, or election to, any political office in the state; provided however that these prohibitions shall not apply to members of country clubs, fraternal, social, and cultural organizations.

(c) No person operating a public utility subject to grant of franchise or regulation by the state, or any political subdivision thereof, nor any member of an unincorporated association operating such a public utility, nor any officer or director of a corporation operating such a public utility, shall make, directly or indirectly, any contribution of any nature to any political party or to any candidate for nomination for, or election to, political office in the state.

Members of non-profit cooperative corporations which operate public utilities shall not, by reason of such membership therein, be included within the prohibition contained in this subsection.

(2) MAXIMUM CONTRIBUTIONS; INDIRECT AND PROHIBITED CONTRIBUTIONS; ADVERTISING; INITIAL DATE OF EXPENDITURES.—

(a) No person shall contribute to a candidate for election or nomination to political office in the state, directly or indirectly, in moneys, material, supplies, or by way of loan, in an amount or value in excess of one thousand dollars in any primary or general election.

(b) No person shall give, furnish or contribute moneys, material, supplies or make

loans in support of a candidate for election or nomination, through or in the name of another, directly or indirectly, in any primary or general election. The solicitation from and contributions by candidates and party executive committees to any religious, charitable, civic, eleemosynary or other causes or organizations established primarily for the public good is expressly prohibited; provided that it shall not be construed as a violation of this section for a candidate to continue regular personal contributions to religious, civic or charitable groups of which he is a member or to which he has been a regular contributor for more than six months.

(c) No candidate or party executive committee, or person or organization on behalf of such candidates or committee, shall expend any moneys or give anything of value for advertising in any publication or newspaper not qualified for legal advertising as provided by law, unless the publication or newspaper has been published at least once per month for not less than a period of three years prior thereto, and has a circulation of at least one thousand; provided, further, that no such political advertising shall be done in any club or association bulletin, program, news sheet, magazine, pamphlet or hand bill.

(d) No person, committee, political party, organization, or person acting on behalf of another, shall, prior to his becoming a candidate, directly or indirectly spend money and make any expenditure for the following purposes promoting his candidacy:

1. Advertising on radio or television.
2. Advertising in newspapers, magazines or periodicals.
3. Advertising on billboards, banners or streamers.
4. Advertising on campaign literature or any other printing.
5. Renting of hall in which to address the public. Provided that such person, committee, political party, organization or person acting on his behalf shall be permitted to reserve but make no use of advertising time and space and office facilities prior to qualification.

No person shall pay money or give anything of value for the privilege of speaking at a political meeting in the furtherance of his candidacy, nor shall anyone speaking for such a person pay money or give anything of value for such privilege.

(3) CAMPAIGN TREASURER AND DEPUTY; DESIGNATION OF DEPOSITORIES; REMOVAL; VACANCY, FILLING.—

(a) Each candidate for nomination for, or election to, political office in the state, upon or before, and as a condition precedent to, qualifying as such candidate, shall appoint one campaign treasurer and shall designate one campaign depository and shall file the name and address of each with the officer before whom such candidate is required by law to qualify. The candidate may designate himself or any other elector to act as such campaign treasurer and may designate as his campaign depository any bank authorized by law to transact business in the state.

(b) Any campaign treasurer for any candidate may appoint as many deputy treasurers as deemed necessary and may designate not more than one depository in each county in which a campaign is conducted; provided, however, the campaign treasurer herein provided for shall be responsible for the accounts of all such deputy campaign treasurers; and provided further that the names and addresses of each deputy campaign treasurer and additional campaign depositories shall be filed with the officer before whom such candidate is required by law to qualify.

(c) Any candidate may remove a campaign treasurer or deputy campaign treasurer so appointed.

(d) In case of the death, resignation, or removal of a campaign treasurer, the candidate shall forthwith appoint a successor and certify the appointment in the manner provided in the case of an original appointment.

(4) CAMPAIGN TREASURER IN CHARGE OF FUNDS; TIME LIMIT.—

(a) No contribution or expenditure of money or other thing of value, nor obligation therefor, including contributions, expenditures, or obligations of the candidate himself or of his family, shall be made, received, or incurred, directly or indirectly, in furtherance of the candidacy of any candidate for political office in the state except through the duly appointed campaign treasurer or deputy campaign treasurers of the candidate.

(b) Any contribution received by the campaign treasurer or deputy treasurer less than five days before the election shall be returned by him to the person contributing it and shall not be used or expended in behalf of the candidate or in furtherance of his candidacy.

(5) DEPOSIT OF CONTRIBUTIONS; STATEMENT OF CAMPAIGN TREASURER.—All funds received in furtherance of the candidacy of any candidate shall, within twenty-four hours after receipt thereof (Sundays and holidays excepted), be deposited by the campaign treasurer or deputy campaign treasurers in a campaign depository of such candidate in an account designated "Campaign Fund of _____ (name of candidate)."

A detailed statement showing the names, residence and mailing addresses of the persons contributing or providing the funds so deposited, together with a statement of the amount received from, or provided by, each person shall accompany all deposits so made by the campaign treasurer or deputy campaign treasurers. Such statement shall be in triplicate

upon a form prescribed by the secretary of state, one copy to be retained by the campaign depository for its records, one copy to be filed by the depository as set forth in subsection (10) of this section, and one copy to be retained by the campaign treasurer for his records, which statements shall be certified as correct by the campaign treasurer.

(6) EXPENDITURES RESTRICTED TO AMOUNTS ON DEPOSIT.—No candidate, campaign treasurer or deputy campaign treasurer shall authorize the incurring of any expense in behalf of the candidate, or in furtherance or aid of his candidacy, unless there are moneys on deposit in the campaign depository to the credit of the account known as the campaign fund of the candidate sufficient to pay the amount of the expenses so authorized, together with all other expenses previously authorized. Any such expenses, incurred or authorized or official campaign treasurer's reports thereof, in excess of such moneys on deposit shall be deemed to constitute a violation of this section.

(7) WRITTEN AUTHORIZATION OF EXPENDITURE REQUIRED.—No expenses shall be incurred by any candidate for election or nomination to political office, or by any person, corporation, or association in his behalf, or in furtherance or aid of his candidacy, unless prior to the incurring of the expense a written order shall be made in and upon the form prescribed, and signed by the campaign treasurer of the candidate authorizing the expenditure, and no money shall be withdrawn or paid by any campaign depository from any campaign fund account except upon the presentation of the written order, so signed, accompanied by the certificate of the person claiming the payment, which certificate shall state that the amount named in the order, or such part thereof as may be claimed, naming the amount claimed, is justly due and owing to the claimant, that the order truly states all of the purposes for which the indebtedness was incurred, and that no person other than the claimant is interested, directly or indirectly, in the payment of the claim, and unless an order for payment in and upon the form prescribed, and signed by the campaign treasurer or deputy treasurer, is presented to the campaign depository; provided that any such authorization may be issued by the campaign treasurer to the candidate for traveling expenses still to be incurred. The order authorizing such expenditure, the certificate, and the order for payment shall be on the same piece of paper.

(8) REPORTS; CERTIFICATION AND FILING; UNOPPOSED CANDIDATES.—

(a) Each candidate shall report to his campaign treasurer on Wednesday of each week all expenditures made by such candidate for traveling expenses during the preceding seven days and each campaign treasurer shall make a full and complete report of all moneys or other things of value contributed to him and to all deputy campaign treasurers of such candidate; the report shall contain the names, residence, and mailing addresses of each of the contributors and the amount contributed by each, and a complete statement of all expenditures authorized, incurred, or made by him and by all deputy campaign treasurers since the date of the preceding report, and all expenditures by the

candidate for traveling expenses made prior to the Wednesday next preceding the filing of such report. These reports shall be made at the following intervals by the campaign treasurers of the candidates for the following respective offices between the date of the appointment of the campaign treasurer and the date of the election or elimination of the candidate:

1. Governor and United States senator—On Monday of each week preceding the election.

2. All other offices—On the first Monday of each month preceding the election.

3. In the case of all offices—Forty-five days after the second primary and forty-five days after the general election if he participates in the general election.

4. With the exception of the final report to be filed after the second primary, no further reports need be filed by a successful primary candidate until the nominee of each party receives his certificate of nomination from the secretary of state; which certificate shall be sent to the candidate not later than September 1. The first report due to be filed after the receipt of the certificate of nomination shall contain a complete report of contributions and expenditures since the filing of the last report.

(b) The rental or purchase of public address equipment shall not be regarded as traveling expense.

(c) The campaign treasurer shall certify as to the correctness of each report and the candidate shall also bear the responsibility for the accuracy and veracity of each report.

(d) Such reports shall be filed with the officer before whom the candidate is required by law to qualify not later than noon of the day designated and all such reports shall be open to public inspection. Duplicate copy, duly certified, shall be filed by the same time with the clerk of the circuit court in the county in which the candidate resides, unless, under the provisions of this subsection, the original reports are filed with such clerk. Any report which is deemed to be incomplete by the officer to whom it is submitted shall be returned to the campaign treasurer unfilled with an explanation as to the reason why it was incomplete.

(e) Should any candidate be unopposed for nomination for, or election to, any office after the time prescribed by law for qualifying for the nomination or election, then the obligation to file the above reports shall cease.

(9) STATE AND COUNTY EXECUTIVE COMMITTEES, REPORTS, CERTIFICATION AND FILING.—

(a) Each state and county executive committee and each organization, group, or other committee organized in support of a candidate or party in any primary or election, shall make a report of the amount of money received from any source on the first Monday of the month following the closing date of qualification of candidates. Each such executive committee, organization, group, or other committee shall make a full and complete report of all moneys or other things of value contributed to them or to any member of such body and such report shall contain the names and mailing addresses of each of the contributors and the amount contributed by each, and a complete statement of all expenditures authorized, in-

curred or made by them, or by any member of said body, to the date of such report. These reports shall be made by the chairman or secretary of the state or county executive committee, and by the chairman of all other organizations covered by this subsection, on the first Monday of each month following the first report preceding the election. In addition to the monthly reports, there shall be filed a final report not later than forty-five days after the general election. The state executive committee shall file its report with the secretary of state and the county executive committee shall file its report with the clerk of the board of county commissioners. All other organizations shall file reports with the clerk of the circuit court of that county in which the greatest number of its members or contributors resident in the state may reside and shall, in addition, file a duplicate copy, duly certified, with the secretary of state if there be members or contributors residing in more than one county or in another state.

(b) The chairman or secretary of said committee shall certify as to the correctness of each report.

(c) Any contribution received by the committee less than five days before the election shall not be used or expended in behalf of any candidate or political party.

(d) No state or county executive committee, in the furtherance of any candidate or political party, directly or indirectly, shall give, pay or expend any money, or give or pay anything of value, or authorize any expenditure, or become pecuniarily liable, for any expenditures prohibited by §99.172; provided, however, that the contribution of funds by one executive committee to another or to established party organizations for legitimate party or campaign purposes, or to individual candidates of that party in general elections in amounts not exceeding those set forth in (2) (a), shall not be prohibited but all such contributions shall be recorded and accounted for in the reports of the contributor and recipient.

(10) DEPOSITORY'S STATEMENT AFTER ELECTION.—Within fifteen days after each election in which a candidate participates, the designated campaign depository or depositories of each such candidate shall file either the original or a true copy of all the deposit slips filed with the said depository by the campaign treasurer or deputy campaign treasurer, and the original or a true copy of all authorizations of the campaign treasurer or deputy campaign treasurers upon which funds were withdrawn from said depository. Such statement by such depository shall be filed with the officer before whom the candidate whose account the depository carries is required to qualify.

(11) NOT APPLICABLE TO CANDIDATES FOR MUNICIPAL OFFICES.—This section shall not apply to candidates for municipal offices.

(12) SECRETARY OF STATE TO PRESCRIBE FORMS.—Appropriate forms necessary to effectuate the purposes of this act, including the campaign treasurer's reports, the statements by the campaign depository, the deposit slips, and the order authorizing expenditures, the certificate of the person to whom payment is made, and the order for payment, shall

be prescribed and approved by the secretary of state of the state.

(13) **LIMITATION OF ACTIONS.**—Prosecution for the violation of any of the provisions of this section may be commenced before, but not after, four years shall have elapsed from the date of the violation.

(14) No person or public office holder in the furtherance of his candidacy for nomination or election for public office in any election, shall himself, or by any other person, or state or county executive committee, or on behalf of any person, directly or indirectly, give, pay or expend any money or give or pay anything of value, or authorize any expenditures or become pecuniarily liable for any political poll, survey, index or measurement of any kind or the publication, production or distribution thereof, relating to candidacy for public office.

No person shall solicit either directly or indirectly from any candidate for nomination or election for public office, or from any public office holder, any money or thing of value for the conduct of any poll, survey, index or measurement of any kind or the publication, production or distribution thereof, relating to candidacy for public office.

Provided however, this subsection shall not apply to any poll conducted by the candidate himself, where the candidate maintains control of the manner, method, time, advertisement and complete jurisdiction over the said poll in all its aspects.

(15) **CONTRIBUTIONS AND EXPENDITURES NOT OTHERWISE COVERED.**—Any person, group, or committee, whose acts are not otherwise covered by Florida law, receiving or spending any moneys or things of value in behalf of any candidate for county, district, state or federal offices, or on behalf of a political party shall file accurate and complete reports of same with the secretary of state, with a copy to all candidates in whose behalf the action was taken and to the chairman of the state committee of the party with whom the candidate is affiliated, within forty-five days after the election.

Any person violating the provisions of this act shall, upon conviction, be punished by a fine of not more than \$500.00 or by imprisonment not exceeding 1 year.

99.172 Expenditures allowed in furtherance of candidacy at any election.—

(1) No candidate shall pay money or give anything of value for the privilege of speaking at a political meeting in the furtherance of his candidacy, nor shall anyone speaking for a candidate pay money or give anything of value for such privilege.

(2) The buying of votes is prohibited and anyone who directly or indirectly, knowingly and intentionally pays, gives or promises to pay or give any money or thing of value to any elector in exchange for his vote, shall upon conviction, be guilty of a felony; provided however, this shall not apply to the serving of food to be consumed at a political rally or meeting.

99.183 Statement to be kept for four years; admissible as evidence.—The officers, with whom statements of campaign expenses are filed, shall securely keep the statements for at least four years, and a copy of the statements duly certified to by the officer with whom filed is admissible as evidence in any state court.

* * *

104.091 Use of money for political purposes by corporation prohibited.—No corporation whatsoever shall pay or agree to pay or contribute or consent to contribute, directly or indirectly, any money, property or other thing of value to any political party, organization, committee or individual for any political purpose whatsoever, or for the purpose of influencing registration of any kind, or to promote or defeat the candidacy of any person for nomination, appointment or election to any political office.

Any officer, employee, agent or attorney, or other representative of any corporation acting for and on behalf of such corporation, who shall violate this section shall, upon conviction, be guilty of a felony, and the corporation, if a domestic corporation, shall be automatically dissolved, and if a foreign corporation its rights to do business in this state shall be automatically revoked.

Any person who shall aid, abet or advise the violation of this section shall be punished in like manner as the principal offender. Violations of this section shall be prosecuted in the county where such payment or contribution is made.

* * *

104.27. Penalties for violation of §99.161.—

(1) Any person who knowingly violates the provisions of §99.161 shall be deemed guilty of a misdemeanor and subject to a fine of not more than one thousand dollars or to imprisonment for not more than six months.

In addition thereto—

(2) The nomination or election to office of any person who wilfully violates the provisions of §99.161, or cause to violate, may be declared void by the court of competent jurisdiction in which event the nomination for office shall be held as in other cases where a vacancy occurs.

(3) The charter of any corporation, including nonprofit corporations organized in whole or in part for political purposes or for the support of religious, charitable, civic, eleemosynary and similar causes, which wilfully violates the provisions of §99.161 shall be subject to revocation by the secretary of state.

(4) The permit of any horse or dog racing track shall be subject to revocation by the state racing commission if any person holding such a permit, or any member of an unincorporated association holding such a permit, or any officer, director, supervisory employee, of

a corporation holding such a permit, or trustee authorized by trust agreement to vote stock in such corporation where such stock is owned by a person or persons sui juris, knowingly violates §99.161.

(5) Any license for the sale of intoxicating beverages shall be subject to revocation by the state beverage department if any person holding such a license, or any member of an unincorporated association holding such a license, or any officer or director of a corporation which holds such a license, knowingly violates §99.161.

(6) The franchise of any public utility shall be subject to revocation by the Florida public service commission if any person holding such a franchise, or any member of an unincorporated association holding such a franchise, or any officer, or director of a corporation which holds such a franchise, knowingly violates §99.161.

(7) Whoever shall knowingly make any false certificate, statement, or report provided for in §99.161 shall be subject to penalties as provided by law for the crime of perjury.

(8) Any chairman or secretary of any state or county executive committee who fails to file the report provided for in §99.161, or shall violate the provisions thereof shall be subject to the process prescribed under subsection (9) of this section and his office shall be filled as in other cases where a vacancy occurs.

(9) Any elector having information of any violation of §99.161 may file a petition in any circuit court of this state in the county in which the person or persons violating said §99.161 resides. The petition shall be filed in duplicate and the clerk of the court where the same is filed shall within three days after its filing send one of such duplicate copies to the attorney general. The procedure in each such case after the filing of the petition shall be the same as is provided for the prosecution and defense of a chancery case.

It shall be the duty of the attorney general upon his receipt of a copy of the petition to act as counsel for the state, and he shall file in the proceeding such pleadings as he determines ought to be filed.

The final decree entered by the court in each case shall make a finding of fact that §99.161 was or was not violated, as the case may be. If the decree of the circuit court finds as a fact that §99.161 was violated by any nominee or one elected to office, the attorney general shall send a certified copy thereof to the officer responsible for issuing the certificate of nomination or office and upon receipt of such certified copy such officer shall immediately revoke the certificate of nomination or office as may have been issued, or in case such certificate has not been issued he shall withhold the same.

Appeals from any decree entered by the court may be taken by either petitioner or the respondent in the same manner as other appeals are taken in chancery cases, excepting that the notice of appeal shall be filed within ten days after the decree is entered. Any such appeal shall have priority on the docket of the district court of appeal and be heard and considered at such time as that court may direct.

The appellate court shall have the power to shorten the time in such cases for filing the transcript and briefs, and when it acts to shorten this time the clerk of the appellate court shall mail copies of orders entered by the appellate court to all interested parties or their counsel.

Any vacancy in office or nomination on account of any such decree shall not be filled until the expiration of ten days from the date the decree is entered, or if an appeal is taken in time such vacancy shall not be filled until the appeal has been determined by the appellate court and a final decree consequent upon such appeal is entered in the circuit court.

(10) Any elector having information of any violation of §99.161 punishable under subsections (3)-(6) may file a sworn complaint with the secretary of state, racing commission, beverage department or the public service commission as may be appropriate in each case and it shall be the duty of such office or agencies to investigate such complaints and refer any findings of fact indicating that a violation occurred to the state attorney in the appropriate county for filing of a petition and pleadings in the circuit court. The final decree entered by the court in each case shall make a finding of fact that §99.161 was or was not violated as the case may be. If the decree finds as a fact that §99.161 was violated, the state attorney shall send a certified copy thereof to the officer or agency concerned and such officer or agency shall upon receipt of such certified copy immediately revoke the charter, permit, license or franchise of the defendant person, persons, corporation or utility. Appeals from any decree may be taken as prescribed in subsection (9) of this section and in all other respects the provisions of subsection (9) of this section shall apply to such appeals.

104.271 False, wilful or malicious charges against opposing candidates; penalty.—Any candidate who, in a primary election or other election, falsely, wilfully or maliciously charges an opposing candidate participating in such election with a violation of any provisions of §99.161, or any other section of the election laws providing and declaring that certain acts of candidates shall constitute violations of the law, shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than five hundred dollars or sentenced to not more than six months in the county jail, or both such fine and imprisonment, in the discretion of the court, and in addition to such penal provisions, a person from and after any such conviction shall be disqualified to hold office or position to which he aspires for the term affected. If at the time of conviction such person who was a candidate is serving in a position or office to which he aspired, his conviction shall be cause for removal or impeachment.

104.272 Mishandling of funds by officers of state or county executive committees.—Any chairman or treasurer of a state or county executive committee of any political party who shall knowingly and wilfully make an unlawful expenditure, misappropriate or make false or

improper accounting for the funds of such committee shall, upon conviction, be guilty of a felony.

104.28 Violating provisions covering expenditures of candidates.—Any person who wilfully violates the provisions of §99.172 concerning expenditures of candidates shall, upon conviction, be guilty of a felony.

* * *

104.37 Political literature, circulated prior to election; requirements.—

(1) All political advertisements and all campaign literature published or circulated prior to or on the day of any election shall be signed by the author thereof, and if the same is being published and circulated by a club or committee, then it shall be signed by the chairman and secretary of such club or committee, and if such literature is in circular form it shall have upon it the name of the printer or publisher. All political advertisements shall be marked "paid political advertisements paid for by _____."

(2) All printed political advertisements of candidates running for office in general elections shall bear the name of the political party with which the candidate is affiliated. This provision is intended to be broad in scope and shall include all media such as posters, signs, billboards, cards, circulars, letters, newspaper and magazine advertisements and any other form of advertising. Any circular, printed material, etc., endorsing or using the name of the candidate, shall expressly set forth in comparable printing whether the permission of the candidate by name has been obtained permitting this printing.

(3) When any candidate running for office in a general election uses the media of radio or television, it shall be distinctly announced in such broadcasts or telecasts, the name of the political party with which such candidate is affiliated.

(4) It shall be unlawful for any person to publish any circular, advertisement, list of candidates names, or other form of announcement to the public in which the name of any other candidate, group, or organization is used in support of his candidacy unless prior to such publication the candidate shall have given his specific approval to make such publication. Provided, that this section shall not apply to:

(a) Editorial endorsement by any newspaper, radio, or television station or other recognized news media.

(b) Publication by a party committee advocating the candidacy of its nominees.

(c) Publication of sample ballots or partial sample ballots provided that such ballots contain the name of all candidates in their proper order of the races therein mentioned, if a partial ballot contains all races without omission from the top of the ballot to and including the last race shown thereon, and show no indication of preference or recommendation in regard to a candidate shown thereon without his prior specific consent.

(5) Any person who wilfully violates the provisions of this section shall, upon conviction, be guilty of a misdemeanor.

104.371 Political advertisement defined.—Political advertisement is an expression by any mass media, attracting public attention, whether radio, television, newspaper, magazine, periodical, direct mail, display or by means other than the spoken word in direct conversation which shall transmit any idea furthering the candidacy for public office of any person.

104.372 Rates for publication or broadcasting.—No person or corporation within the state, publishing a newspaper or other periodical, or operating a radio or television station or network of stations in Florida, shall charge a candidate for state or county public office for political advertising or for political broadcasts, a rate in excess of the regular local rate regularly charged by such person or corporation for commercial advertising or for commercial broadcasts of similar character and classification; nor shall such a person or corporation charge one political candidate in a county a higher rate than another political candidate; and no candidate or political committee shall pay for political advertising or broadcasts any rate or charge in excess of such regular local rates regularly charged. Any person or corporation violating the provisions of this section shall, upon conviction, be guilty of a misdemeanor.

104.38 Newspaper assailing candidate in an election; space for reply.—If any newspaper in its columns assails the personal character of any candidate for nomination or for election in any election, or charges said candidate with malfeasance or misfeasance in office, or otherwise attacks his official record, or gives to another free space for such purpose, such newspaper shall upon request of such candidate immediately publish free of cost any reply he may make thereto in as conspicuous a place and in the same kind of type as the matter that calls for such reply, provided such reply does not take up more space than the matter replied to. Any person or firm failing to comply with the provisions of this section shall, upon conviction, be guilty of a misdemeanor.

* * *

104.39 Witnesses as to violations.—Any person violating any provisions of the election code shall be a competent witness against any other person so violating and may be compelled to attend and testify as any other person can be. The testimony given shall not be used in any prosecution or proceeding, civil or criminal, against the person so testifying. Any person so testifying shall not be liable to indictment or punishment by information, nor to prosecution or punishment for the offense with reference to which his testimony was given and may plead the giving of testimony in bar to such indictment, information or prosecution.

104.40 Felony penalty.—The penalty for every felony under this chapter not otherwise specifically provided herein shall be imprisonment in the state prison for not more than one year or by fine of not more than five thousand dollars or by both such fine and imprisonment.

104.41 Violations not otherwise provided for.—Any violation of the election code not otherwise provided for shall be punished as a misdemeanor.

COPY

OFFICIAL FORMS USED IN FLORIDA

Exhibit A.

Triplicate--three colors

(All deposits to be made within 24 hours after contributions received, Sundays and holidays excepted)

CAMPAIGN DEPOSIT SLIP

Sec. 99.161, Sub. Sec. (5) Election Code 1955 Florida Statutes.

Deposited with: _____ Bank _____ 195_____
Campaign Depository

Address

In the Campaign Fund of _____,
Name of Candidate Address
Candidate for the office of _____

<u>Name of Contributor</u>	<u>Address of Contributor</u>	<u>Amount Contributed</u>
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____
TOTAL AMOUNT OF THIS DEPOSIT.		\$ _____

I hereby certify that the above and foregoing deposit statement is true and correct.

Campaign Treasurer

(The Reverse of This Page)

NOTE: This blank is in triplicate, so the campaign treasurer or deputy treasurer may retain one for his files, the bank may have two copies, one for their own files and one for use in making reports required by sub section 10 to be filed within fifteen days after the election. Such report is filed with the officer with whom the candidate qualified (either the Secretary of State or the Clerk of the Circuit Court as the case may be).

Exhibit B.

(1) Order Authorizing Campaign Expenditure

(2) Certificate of Claimant

(3) Order for Payment

(The Law Requires These Three Forms to be on the Same Sheet)

(Paragraph 7 of Section 99.161, Election Code of 1951)

(1) AUTHORIZING CAMPAIGN EXPENDITURE

No. _____

_____, Florida _____, 195_____

An expenditure amounting to \$_____ for the purposes of _____

is hereby authorized to be made from the campaign fund of _____

(name of candidate)

who is a candidate for the office of _____.

Campaign Treasurer

(2) CERTIFICATE OF CLAIMANT

No. _____

I hereby certify the amount of \$_____ for _____

(services, supplies or

_____ is justly due and owing me for the purposes stated,
expenses incurred)

and all purposes are stated above, and no person other than claimant is interested

directly or indirectly, in the payment of the claim.

Claimant

(See Reverse Side for Order for Payment) By _____

(The Reverse of This Page)

(3) ORDER FOR PAYMENT

_____ BANK

of _____, Florida

(Campaign Depository for Candidate Named)

_____, Florida, _____, 195_____. No. _____

PAY TO THE

ORDER OF _____ \$ _____

Dollars

and charge to my account as Campaign Treasurer.

For _____ Signed _____

Name of Candidate

Campaign Treasurer

CAMPAIGN TREASURER'S PRE-ELECTION
REPORT TO THE SECRETARY OF STATE
Exhibit C. (or Clerk of Circuit Court if you Qualified with that Official)
 (Sub-Section 8 of Section 99.161 Election Code of 1955)

Name: _____

Address: _____

Candidate For: _____

This report is a detailed statement of all expenditures, giving date, name of claimant, purpose and amount of same. Also names of all contributors with date and amount contributed to date of this report.

This report shall be made at the following intervals and not later than noon of the day designated for the following offices from the date of appointment of the campaign treasurer to the date of the election or elimination of the candidate.
 GOVERNOR and U. S. SENATOR--On Monday of each week preceding the election.
 All Other Offices--On the first Monday of each month preceding the election.
 (See list of expenditures allowed in reverse side of this report)
 (See limit of contribution allowed on reverse side of this report)

List of all expenditures, authorized, incurred or made to date of this report.

Date	Name and address of party to whom expenditure is made	Purpose of Expenditure	Amount \$

List of contributions (with names and addresses of contributors)

Date	Name	Address	Amount \$

I hereby certify that the above and foregoing statement is true and correct:

Dated at _____ Florida, this _____ day of _____, 195__

BY: _____
 Campaign Treasurer

FOR: _____
 Candidate

Appendix K

MODEL STATE CAMPAIGN CONTRIBUTIONS AND EXPENDITURES REPORTING LAW

Section 1. Applicability

(a) The provisions of this act shall apply in any primary or election for a party or public office which is elected by a state-wide or county-wide constituency, and in any primary or election for Congress and the (state legislature).

(b) The provisions of this act shall not apply in any primary or election for municipal or other local party or public office which is elected by less than a county-wide constituency.

Section 2. State and County Executive Committees

(a) Each state and county executive committee of a political party, and each organization, group, or other committee organized, in whole or in part, for the purpose of furthering political candidacies, shall make a full report, upon a form prescribed by the Secretary of State, of all money, loans, or other things of value contributed to it, and all expenditures made, incurred, or authorized by it during the period ending on the date of the report and beginning on the date of the most recent such report filed. The report shall contain the name and address of each person or group contributing and the amount contributed by each person or group. The report shall be filed with the Secretary of State no later than noon on the dates designated in section 7 (c). The chairman or secretary of the committee shall certify the correctness of each report.

Section 3. Campaign Treasurers and Campaign Depositories

(a) Each candidate in a primary or election shall appoint one campaign treasurer and shall designate one campaign depository before the date of public announcement of his candidacy or the date he qualifies as a candidate, whichever is sooner. The candidate may appoint himself or any other elector as his campaign treasurer and may designate any bank authorized by law to transact business in the state as his campaign depository. The candidate shall file the name and address of the campaign treasurer and the campaign depository with the (officer before whom he is required by law to qualify), and his qualification shall not be complete until he has met this requirement.

(b) A campaign treasurer may appoint as many deputy campaign treasurers as he considers necessary and may designate one additional campaign depository in each county in which the campaign is conducted. The candidate shall file the names and addresses of the deputy campaign treasurers and additional campaign depositories with the (officer before whom he is required by law to qualify).

(c) A candidate may remove a campaign treasurer or deputy campaign treasurer.

(d) In the case of the death, resignation, or removal of a campaign treasurer, the candidate shall appoint a successor as soon as practicable and shall file his name and address with the (officer before whom the candidate is required by law to qualify), and he shall be disqualified if he fails to meet this requirement.

Section 4. Campaign Contributions and Expenditures.

(a) No contribution of money or other thing of value, nor obligation therefor, including contributions, loans, or obligations of the candidate himself or of his family, shall be made or received, and no expenditure of money or other thing of value, nor obligation therefor, including expenditures, loans, or obligations of the candidate himself or of his family, shall be made or incurred, directly or indirectly, to support or defeat a candidate in a primary or election, except through the duly appointed campaign treasurer or deputy campaign treasurers of the candidate or his opponent. It shall be lawful, however, for any person to expend from his own funds a sum which shall not exceed one hundred dollars (\$100), for any purpose not prohibited by law to support or defeat a candidate, when the sum is not to be repaid to him. It shall also be lawful for any person to contribute his own personal services and personal traveling expenses to support or defeat a candidate.

(b) A campaign treasurer or deputy campaign treasurer shall not refuse to accept any contribution of money or other thing of value, or obligation therefor, from any person or group which may lawfully make such contribution.

(c) Any anonymous contribution received by a campaign treasurer or deputy campaign treasurer shall not be used or expended, but shall be returned to the donor, if his identity is known, and if no donor is found, the contribution shall escheat to the state.

Section 5. Deposit of Contributions; Statement of Campaign Treasurer

(a) All funds received by a campaign treasurer or deputy campaign treasurer shall be deposited by the campaign treasurer or deputy campaign treasurer in a campaign depository of the candidate in an account

designated "Campaign Fund of _____ (name of candidate)" no later than the next regular day of business of such depository.

(b) All deposits made by a campaign treasurer or deputy campaign treasurer shall be accompanied by a statement containing the name and address of each person or group contributing or providing the funds so deposited, and the amount contributed or provided by each person or group. The statement shall be in triplicate, upon a form prescribed by the Secretary of State, one copy to be retained by the campaign depository for its records, one copy to be filed by the campaign depository in accordance with section 8 (a), and one copy to be retained by the campaign treasurer for his records; in the case of deposits made by a deputy campaign treasurer, the third copy shall be forwarded to the campaign treasurer to be so retained by him for his records.

Section 6. Authorization of Expenditures; Restrictions

(a) No expenditure shall be made or incurred by a candidate, or by any person or group, to support or defeat a candidate in a primary or election unless it is authorized in writing by a campaign treasurer or deputy campaign treasurer before its incurrence. The authorization shall state the amount and purpose of the proposed expenditure and shall be signed by the campaign treasurer or deputy campaign treasurer.

(b) Except as provided in subsection (c), no funds shall be withdrawn from or paid by a campaign depository from any campaign fund account except upon the presentation of the written authorization from a campaign treasurer or deputy campaign treasurer, accompanied by--

(1) the certificate of the person claiming the payment stating that the amount claimed, which shall not exceed the amount authorized in section 5(a), is justly due and owing to him, that the authorization truly states all the purposes for which the indebtedness was incurred, and that no person other than himself is interested, directly or indirectly, in the payment of the claim; and

(2) an order for payment, signed by the campaign treasurer or deputy campaign treasurer who signed the original authorization, and stating the amount to be paid.

(c) Funds may be withdrawn from or paid by a campaign depository from a campaign fund account without a certificate of the claimant, for anticipated travel expenses about to be incurred.

(d) The authorization, certificate of the claimant, and the order for payment shall be part of a single form to be prescribed by the Secretary of State. (See Appendix J, Exhibit B)

(e) No authorization under section 6(a) shall be issued unless there are funds on deposit in the candidate's campaign fund accounts sufficient to pay the amount of the expenditure thus authorized and all other expenditures previously authorized but as yet unpaid.

(f) When a campaign contributor requests that all or any part of his contribution be applied to a specified purpose which is not prohibited by law, the campaign treasurer or deputy campaign treasurer shall issue an authorization under section 6(a), and an order for payment under section 6(b), up to the amount of such contribution, for the purpose requested.

(g) When funds are withdrawn from or paid by a campaign depository from any campaign fund account upon the authorization from a deputy campaign treasurer, such deputy campaign treasurer shall forward a copy of the form containing the authorization, certificate of the claimant and order for payment to the campaign treasurer on the day of such authorization.

(h) No political campaign expenditure shall be made or incurred by a candidate in a primary or election, or by any person or group on his behalf, before noon of the first filing date for nomination for the office which the candidate seeks, except for personal travel expenses (and incidentals). But a candidate, or any person or group on his behalf, may reserve, but not use, advertising time and space and office facilities before the filing date.

Section 7. Reports

(a) During the period between the date of appointment of the campaign treasurer and the primary or election, each candidate shall report to his campaign treasurer on Monday of each week, upon a form prescribed by the Secretary of State, all expenditure made, incurred, or authorized by the candidate for travel expenses during the preceding seven days. (See Appendix J, Exhibit D)

(b) Each campaign treasurer shall make a full report, upon a form prescribed by the Secretary of State, of all money, loans, or other things of value, contributed to him or to the deputy campaign treasurers of the candidate, during the period ending on the date of the report as designated in subsection (c), and beginning on the date the most recent such report was filed, or, in the case of the first such report filed after the appointment of the campaign treasurer, beginning on the date of the appointment of the campaign treasurer. Expenditures for travel expenses shall be reported to the Monday preceding the date of the report. The report shall contain the name and address of each person or group contributing and the amount contributed by each person or group. The campaign treasurer and the candidate shall certify the correctness of the report. (See Appendix J, Exhibit C)

(c) The campaign treasurer's report shall be filed with the Secretary of State no later than noon on--

(1) the first Monday of each month during the period between the date of appointment of the campaign treasurer and the primary or election; and

(2) the sixth day preceding the primary or election; and

(3) fifteen days after the primary or election.

In the case of a primary or election of a candidate for a party or public office elected by a county-wide constituency, a duplicate copy, duly certified, shall be filed at the same time with the county clerk of the county in which the candidate resides.

(d) All reports required by this act shall be open to public inspection.

(e) The Secretary of State shall prepare a summary of each report and shall mail copies of the summary to all newspapers of general circulation in the candidate's constituency.

(f) If a candidate is unopposed in a primary or election after the time prescribed by law for qualifying for nomination or election to the office, then his obligation to file the reports required by subsections (b) and (c) shall cease, but he may continue to file such reports voluntarily. A candidate who is opposed but receives no contributions or makes no expenditures shall so report on the dates designated in subsection (c).

Section 8. Campaign Depository's Statement after Election

(a) Within fifteen days after the primary or election, each campaign depository of the candidate shall file with the Secretary of State the originals or true copies of all statements filed with the campaign depositories by the campaign treasurer or deputy campaign treasurers under section 5(b), and the originals or true copies of all authorizations of the campaign treasurer or deputy campaign treasurers under section 6(a) upon which funds were withdrawn from the campaign depositories. In the case of a candidate for a party or public office elected by a county-wide constituency, true copies of the statements and authorizations shall be filed at the same time with the county clerk of such county.

Section 9. Identification of Contributions and Communications;
Initial Date of Expenditure

(a) No contribution of money or other thing of value, nor obligation therefor, shall be made, and no expenditure of money or other thing of value, nor obligation therefor, shall be made or incurred, directly or indirectly, anonymously, in a fictitious name, or by one person or group in the name of another, to support or defeat a candidate in a primary or election.

(b) All advertisements, billboards, handbills, paid-for television and radio announcements and other communications intended to support or defeat a candidate shall be signed or identified by the words "Paid for by" followed by the name and address of the campaign treasurer of the candidate on whose behalf the communication appears, and the name of the candidate he is serving. But when any such communication is made pursuant to a request by a campaign contributor in accordance with section 6(f), it shall be signed by the words "Paid for and published at the request of" followed by the name of the contributor, and by the name and address of the campaign treasurer.

Section 10. Statement by Contributor

(a) Any person or group contributing over one hundred dollars (\$100) during any campaign to support or defeat a candidate shall sign a statement, on a form prescribed by the Secretary of State, when all of the contributions, in the aggregate, made by such person or group exceed that amount, and for each contribution exceeding that amount, stating that the contributor is not a person or group prohibited by law from contributing, that the contribution consists of funds or property belonging to the contributor and has not been given or furnished by any other person or group, except in the case of group contributions, by persons who are members of the contributing group. The contributors' statements shall be filed with the Secretary of State by the campaign treasurer no later than noon on the nearest of the dates designated in section 7(c).

Section 11. Statements and Reports

Persons with whom statements and reports, or copies of such statements or reports, are required by this act to be filed shall securely keep them for four years. A copy of a statement or report, duly certified by the officer with whom it was filed, shall be admissible as evidence in any state court.

Section 12. Sanctions, Limitations on Actions

(a) Any person who violates a provision of this act is guilty of a misdemeanor and shall be punishable by a fine not exceeding \$_____, and by imprisonment not exceeding _____, or by both. Violations shall include but shall not be limited to any of the following acts or omissions:

(1) failing to make any statement or report required to be made under this act, or failing to make any statement or report at the time such statement or report is required to be made under this act;

(2) making any false statement or report under this act;

(3) giving or furnishing money to another person or group for the purpose of making a contribution or expenditure anonymously, in a fictitious name, or in the name of another, in violation of section 9(a);

(4) making any communication to support or defeat a candidate without identification of sponsorship, in violation of section 9(b).

(b) The nomination for, or election to, an office of any candidate who violates a provision of this act, or whose campaign treasurer or deputy campaign treasurer violates a provision of this act with such candidate's knowledge, shall be void, and the office shall be filled as required by law in the case of a vacancy. When violations of this act are alleged, the candidate's right to office may be tested by a (writ of quo warranto) (statutory equivalent remedy to test right to office) and all cases of this nature shall be in a preferred position for purposes of trial and appeal, so as to assure a speedy disposition of the matter.

(c) Promptly after the final date for filing statements and reports, the Secretary of State shall notify all persons who have become delinquent in filing the same, including contributors who failed to file a statement in accordance with section 10(a), and shall make available a list of such delinquents for public inspection. The Secretary of State shall also report to the Attorney General the names of all candidates in a primary or election, whose campaign treasurers or campaign depositories have failed to file the reports required by this act.

(d) Any elector may sue for injunctive relief to compel compliance with the provisions of this act.

(e) Prosecution for violation of a provision of this act shall not be commenced after four years have elapsed from the date of the violation.

Section 13. Definition

As used in this act, "group" means any combination of two or more persons acting jointly, including a state and county executive committee of a political party, any other organization or committee, organized, in whole or in part, for the purpose of furthering political candidacies, or a corporation, partnership, or any other incorporated or unincorporated association of individuals engaged in an activity regulated or prohibited by this act.

Source: National Municipal League, Model State Campaign Contributions and Expenditures Reporting Law (4th draft; New York: 1961).

Appendix L

THE 1966 KENTUCKY ELECTION LAW ON CAMPAIGN FINANCING (S.B. 265)

AN ACT relating to campaign contributions and expenditures in elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. Definitions. As used in this Act:

(1) "Registry", means the Kentucky Registry of Election Finance.

(2) "Election", means any primary, regular or special election to fill vacancies.

(3) "Committee", means any person or combination of two or more persons acting jointly, including a state or county executive committee of a political party, or any other organization or group, organized, in whole or in part, for the purpose of furthering political candidacies.

SECTION 2. Applicability. (a) The provisions of this Act shall apply in all partisan primary or general elections held in the Commonwealth of Kentucky.

(b) The provisions of this Act shall not apply in any election for any public office which is elected by less than a county-wide constituency, except as provided in subsection (c) and (d) of this section. Neither shall the provisions of this Act apply in any election for the office of Circuit Judge or Judge of the Court of Appeals.

(c) The provisions of this Act shall apply in all partisan primary and general elections held in cities of the first, second, or third class.

(d) The provisions of this Act shall apply in all elections for the Kentucky General Assembly and for the Congress of the United States.

(e) The provisions of this Act shall apply to any election held to fill a vacancy for any public office covered under subsections (a), (c), and (d) of this section.

SECTION 3. Registry of Election Finance. (a) There is hereby created as an independent agency of state government a Kentucky Registry of Election Finance. The Registry shall be composed of five

members appointed by the Governor as provided herein. The Registry shall remain independent of any other agency or department of state government.

(b) Two members shall be appointed from each of the two political parties that polled the largest vote in the last preceding election for state officers or presidential electors. The state central committees of the two parties shall each submit a list of three names to the Governor and the appointments shall be made from these lists. The list shall be submitted on or before July 15, following the effective date of this Act, and at the same time every four years thereafter. The members shall take office on August 15 succeeding the submission of the list and serve for a term of four years or until their successors are appointed and qualified.

(c) The appointed members shall within thirty days after qualifying and assuming office submit a list of two persons from which the Governor within 30 days from its receipt shall appoint the fifth member, who shall serve as chairman. The term of the fifth member shall end on the same day as the terms of the appointed members. The chairman shall preside at all meetings and shall have all the powers and privileges of the other members.

(d) In the event of a vacancy in the office of any member appointed from the list furnished by a political party, the vacancy shall be filled from a list of three submitted by the state central committee of the party to which that member belonged. In the event of a vacancy in the office of chairman, the appointment shall be made in the same manner as the original appointment. All appointments to fill a vacancy shall be for the unexpired term or until a successor is appointed and qualified.

(e) The list to be submitted to the Governor for the office of chairman, or to fill a vacancy in that office, shall not be compiled at a time when a vacancy exists in any of the other four offices.

(f) The members of the Registry shall be at least twenty-five years of age and shall be registered voters of Kentucky.

(g) The Registry shall fix the place and time of its regular meetings by order duly recorded in its minutes. No action shall be taken without a quorum present. Special meetings shall be called by the chairman on his own initiative or on the written request of two members. Members shall receive seven days written notice of a special meeting and the notice shall specify the purpose, time and place of the meeting, and no other matters may be considered, without a specific waiver by all the members.

(h) The members of the Registry shall receive \$25.00 per diem, and shall be reimbursed for all reasonable and necessary expenses.

SECTION 4. Campaign Treasurers and Campaign Depositories.

(a) Each candidate in an election shall appoint one campaign treasurer and shall designate a campaign depository on or before the date of public announcement of his candidacy or on the date he files as a candidate, whichever is sooner. The candidate may appoint himself or any other registered voter in Kentucky as his campaign treasurer and may designate any bank authorized by law to transact business in Kentucky as his campaign depository. The candidate shall file the name and address of the campaign treasurer and the campaign depository with the Registry, and his qualification shall not be complete until he has met this requirement.

(b) A candidate may appoint deputy campaign treasurers and may designate one additional campaign depository in each county in which the campaign is conducted. The candidate shall file the names and addresses of the deputy campaign treasurers and additional campaign depositories with the Registry.

(c) A candidate may remove a campaign treasurer or deputy campaign treasurer at any time.

(d) In case of the death, resignation or removal of a campaign treasurer the candidate shall within three days after receiving notice thereof by certified or registered mail appoint a successor and shall file his name and address with the Registry. The candidate shall be disqualified if he fails to meet this filing requirement.

(e) A person may serve as campaign treasurer or deputy campaign treasurer for more than one candidate, but all reports must be made separately for each individual candidate.

(f) The candidate may pay a campaign treasurer and his deputy campaign treasurers a salary for their services which shall be considered a campaign expense and must comply with the reporting provisions of this Act and those developed by the Registry.

SECTION 5. Registration of Committees. (a) Each committee organized, in whole or in part, for the purpose of furthering a political candidacy, shall register with the Registry, by filing official notice of intention at the time of organization, giving names and addresses and positions of the officers of the organization and designating the candidate or candidates it is organized to support on forms prescribed by the Registry.

(b) All provisions of this Act governing the duties and responsibilities of a candidate or campaign treasurer shall apply to a registered committee.

SECTION 6. Campaign Contributions and Expenditures. (a) No contribution of money or other thing of value, nor obligation therefor, shall be made or received, and no expenditure of money or other thing of value, shall be made or incurred, directly or indirectly, to support or defeat a candidate in an election, except through the duly appointed campaign manager, treasurer or deputy campaign treasurer of the candidate or registered committee. It shall be lawful, however, for any person to expend from his own funds a sum which shall not exceed One Hundred Dollars (\$100.00), and for any person to contribute his own personal services and personal traveling expenses to support or defeat a candidate, said sum not to be reported.

(b) The solicitation from and contributions by candidates and party executive committees to any religious, charitable, civic, eleemosynary or other causes or organizations established primarily for the public good is expressly prohibited; provided that it shall not be construed as a violation of this section for a candidate to continue regular personal contributions to religious, civic or charitable groups of which he is a member or to which he has been a regular contributor for more than six months.

(c) No candidate or party executive committee, or person or organization on behalf of such candidates or committee, shall expend any moneys or give anything of value for advertising in any publication or newspaper not qualified for legal advertising as provided by law, unless the publication or newspaper has been published at least once per month for not less than a period of three years prior thereto, and has a circulation of at least one thousand; provided, further, that no such political advertising shall be done in any club or association bulletin, program, news sheet, magazine, pamphlet or hand bill or any publication of a special interest group.

(d) Any anonymous contribution in excess of \$100.00 received by a campaign treasurer or committee shall not be used or expended, but shall be returned to the donor, if his identity is known, and if no donor is found, the contribution shall escheat to the state.

SECTION 7. Contributions and Expenditures. The Registry is authorized and empowered to prepare and adopt regulations relating to the deposit of contributions and the procedure for authorizing the withdrawal of campaign funds.

SECTION 8. Reports. a. During the period between the date of appointment of the campaign treasurer and the election, each candidate shall report to his campaign treasurer on Monday of each third week, upon a form prescribed by the Registry, all expenditures made, incurred or authorized by the candidate for travel expenses during the preceding period up to and including the previous Friday.

b. Reports shall be made as follows:

(1) State and county executive committees shall make a full report, upon a prescribed form, to the Registry, of all money, loans, or other things of value, received from any source since the date of the last report, including the name and address of each person or group contributing more than \$500, the amount contributed by each and the date of the contribution,

(a) quarterly as of March 31, June 30, September 30, December 31, and within ten days of these closing dates, and

The final report during the campaign, containing all contributions received since the last report, shall be made as of the seventh day preceding the date of the primary or general election and shall be filed no later than noon of the fifth day preceding said election. The final report shall be filed thirty days after the election.

(2) Each campaign treasurer shall make a full report, upon a prescribed form, to the Registry, of all money, loans, or other things of value, received by him or any deputy campaign treasurer from any source, since the date of the last report, including the name and address of each person or group contributing more than \$500, the amount contributed by each and the date of the contribution,

(a) within seven days after his appointment, and

(b) on the 4th Monday preceding a primary or general election, as of the preceding Friday,

The final report during the campaign, containing all contributions received since the last report, shall be made as of the seventh day preceding the date of the primary or general election and shall be filed no later than noon of the fifth day preceding said election. The final report shall be filed fifteen days after the election.

(3) Subsection b. (2) (a) does not apply to state and county executive committees.

(4) In making the preceding reports, proceeds from the sale of tickets for events such as dinners, luncheons, rallies and similar fund raising events, mass collections made at such events, and sales of items such as campaign pins, buttons, hats, ties, literature and similar materials, the total gross receipts from each category shall be listed. The operational costs of the headquarters of a State Central Committee not directly related to an election need not be reported.

(5) The foregoing reports shall contain a complete statement of all expenditures authorized, incurred, or made, by the person or committee submitting the report.

c. All reports required by this Act shall be open to the public for inspection.

d. If a candidate is unopposed in a primary or election after the time prescribed by law for qualifying for nomination or election to the office, then his obligation to file the reports required by this Act shall cease, but he may continue to file such reports voluntarily if he so chooses. A candidate who is opposed but receives no contribution or makes no expenditures shall so report on the dates designated in subsection (b), and file all reports required by this Act.

SECTION 9. Campaign Depository's Statement after Election.

Within fifteen days after the election, each campaign depository of a candidate or registered committee, shall file with the Registry, originals or true copies of all statements filed by the treasurers regulations adopted by the Registry upon which funds were withdrawn from the accounts designated as campaign accounts.

SECTION 10. Identification of Contributions and Communications.

(a) No contributions of money or other thing of value, nor obligation therefor, shall be made, and no expenditure of money or other thing of value, nor obligation therefor, shall be made or incurred in excess of \$100.00, directly or indirectly, anonymously, in a fictitious name, or by a person or group in the name of another, to support or defeat a candidate in an election.

(b) All advertisements, billboards, handbills, paid-for television and radio announcements and other communications intended to support or defeat a candidate shall be signed or identified by the words "paid for by" followed by the name and address of the committee and the treasurer on whose behalf the communication appears.

SECTION 11. Statements and Reports. The Registry is required by this Act to securely keep all reports filed for ten years. Duly certified reports shall be admissible as evidence in any state court.

SECTION 12. Duties of Registry. The Registry shall appoint a full time executive and such other employees as are necessary to provide the service to carry out all purposes of this Act, including an attorney or attorneys on a full or part time basis.

(b) The Registry shall adopt such regulations, official forms and perform such duties as are necessary to implement the provisions of this Act. The Registry is authorized and empowered to:

(1) Develop prescribed forms for the making of the required reports.

(2) Prepare and publish a manual for all candidates and committees, describing the requirements of the law, including uniform methods of bookkeeping and reporting,

(3) Develop a filing, coding and cross-indexing system;

(4) Permit copying or photocopying of any report as requested by any person;

(5) Preserve all reports for at least ten years from date of receipt;

(6) Prepare and make available for public inspection a summary of all reports grouped according to candidates and parties, containing the total receipts and expenditures, and the date, name, address and amount contributed by each contributor, listed alphabetically, shown to have contributed Five Hundred Dollars (\$500.00) or more.

(7) Prepare and publish an annual report with cumulative compilations named in (6) above;

(8) Distribute upon request, for a nominal fee, copies of all summaries and reports;

(9) Ascertain whether candidates, committees or others have failed to file reports or have filed defective reports, give notice to delinquents to correct or explain defections, make available for public inspection a list of such delinquents;

(10) Hold public hearings, investigate any violations in reporting, and issue subpoenas for the production of documents and the attendance of witnesses.

SECTION 13. Penalties. (a) Any person who violates a provision of this Act is guilty of a misdemeanor and shall be punishable by a fine not exceeding \$1,000 or by imprisonment for not more than one year, or both. Violations shall include but shall not be limited to any of the following acts or omissions;

(1) Failure to make required reports or to file reports at times specified;

(2) Making any false statement or report;

(3) Giving money under a fictitious name;

(4) Making any communication to support or defeat a candidate without identification of sponsorship.

(b) The nomination for, or election to, an office of any candidate who violates any provision of this Act, or whose campaign treasurer or any deputy campaign treasurer violates a provision of this Act with such candidate's knowledge, shall be void, and the office or candidacy shall be filled as provided by law for the filling of a vacancy.

(c) Promptly after the final date for filing statements and reports the Registry shall notify all persons who have become delinquent in filing the same, including contributors, and shall make available a list of such delinquents for public inspection. The Registry shall also report to the Attorney General and the Commonwealth Attorneys such list.

(d) Any registered voter may sue for injunctive relief to compel compliance with the provisions of this Act.

(e) Prosecution for violation of any provision of this Act shall not be commenced after one year has elapsed from the date of the violation.

SECTION 14. Sections 123.050, 123.060, 123.070, 123.080, 123.085, 123.090 and 123.100 and subsections (9), (10), (11) and (12) of KRS 123.990 of the Kentucky Revised Statutes are repealed.

SECTION 15. To carry out the purposes of this Act, there is appropriated to the Registry out of the General Expenditure Fund in the State Treasury the sum of Fifty Thousand Dollars for the 1966-67 fiscal year, and the sum of Fifty Thousand Dollars for the 1967-68 fiscal year.

Appendix M

CALIFORNIA RESIDENCY REQUIREMENTS FOR PRESIDENTIAL ELECTIONS

CALIFORNIA CONSTITUTIONAL REQUIREMENTS

ARTICLE II

Right of Suffrage

Right to Vote--Educational Qualifications--Absent Voting

SECTION 1. Every native citizen of the United States of America, every person who shall have acquired the rights of citizenship under and by virtue of the Treaty of Queretaro, and every naturalized citizen thereof, who shall have become such ninety days prior to any election, of the age of 21 years, who shall have been a resident of the State one year next preceding the day of the election, and of the county in which he or she claims his or her vote ninety days, and in the election precinct fifty-four days, shall be entitled to vote at all elections which are now or may hereafter be authorized by law; provided, any person duly registered as an elector in one precinct and removing therefrom to another precinct in the same county within fifty-four days, or any person duly registered as an elector in any county in California and removing therefrom to another county in California within ninety days prior to an election, shall for the purpose of such election be deemed to be a resident and qualified elector of the precinct or county from which he so removed until after such election; provided, further, no alien ineligible to citizenship, no idiot, no insane person, no person convicted of any infamous crime, no person hereafter convicted of the embezzlement or misappropriation of public money, and no person who shall not be able to read the Constitution in the English language and write his or her name, shall ever exercise the privileges of an elector in this State; provided, that the provisions of this amendment relative to an educational qualification shall not apply to any person prevented by a physical disability from complying with its requisitions, nor to any person who had the right to vote on October 10, 1911, nor to any person who was 60 years of age and upwards on October 10, 1911; provided, further, that the Legislature may, by general law, provide for the casting of votes by duly registered voters who expect to be absent from their respective precincts or unable to vote therein, by reason of physical disability, on the day on which any election is held.

Presidential Voting--New Residents

Sec. 1-1/2. The Legislature may extend to persons who have resided in this State for at least 54 days but less than one year the right to vote for presidential electors, but for no other office; provided, that such persons were either qualified electors in another state prior to their removal to this State or would have been eligible to vote in such other state had they remained there until the presidential election in that state, and; provided further, that such persons would be qualified electors under Section 1 hereof except that they have not resided in this State for one year.

CALIFORNIA STATUTORY REQUIREMENTS

Sec. 750. "New resident." As used in this chapter "new resident" means a person qualified to vote for presidential electors under this chapter.

Sec. 751. Minimum residence period for presidential electors; qualifications. A person who has been a resident of this State for at least 54 days but less than one year prior to the date of the general election at which presidential electors are to be selected shall be entitled to vote for presidential electors at that election, but for no other offices, if he meets both of the following qualifications:

(a) He was either a qualified elector in another state immediately prior to his removal to this State or would have been eligible to vote in that other state had he remained there until such election.

(b) He would be a qualified elector under Article II, Section 1 of the Constitution except that he has not resided in this State for one year.

Sec. 752. Registration of new residents. A new resident shall register to vote in the manner provided in Section 754. The county clerk shall clearly note on the affidavit of registration of a new resident the fact that he is a new resident and qualified to vote only to the extent provided in this chapter. The affidavits of registration of new residents shall be separately bound and shall not be furnished to precinct boards under Section 457 nor used in connection with the preparation of the index of voters prepared under Sections 450 and 451.

Sec. 752.5. Literacy requirements. Compliance with California literacy requirements constitutes a fulfillment of the literacy test of the state from which a new resident came for purposes of determining whether he meets the qualifications set forth in Section 1-1/2 of Article II of the California Constitution.

Sec. 753. Same; affidavits. The county clerk shall have blank affidavits of registration prepared for new residents containing the information required in Section 321, excepting the provisions relating to state and county residence. The affidavit shall be printed with the caption "New Resident" immediately below the heading "Affidavit of Registration." No duplicate copy of the registration shall be required.

Sec. 754. Same; period of registration. Registration for new residents shall be in progress beginning on the 90th and ending in the 54th day prior to the presidential election.

A new resident may register in the office of the county clerk or, if unable to appear in the office of the county clerk, he may, if he is within the county, apply in writing and obtain from the county clerk a blank affidavit of registration. He shall then appear before a notary public and make an affidavit of registration.

Sec. 755. Certificate of qualifications of new resident; form. The county clerk shall cause to be printed and shall keep available in his office during the days for the registration of new residents a supply of blank application for ballot forms for the use of new residents in verifying their qualifications under this chapter. Any new resident desiring to vote in this state shall complete in duplicate the application for a new resident ballot supplied by the county clerk of the county in which he resides. The county clerk shall transmit a copy of the application for ballot to the county clerk or equivalent official of the new resident's former residence. The application for ballot shall be substantially in the following form:

NOTICE OF FORMER RESIDENT OF YOUR STATE

Now--New Resident of California

NEW RESIDENT APPLICATION FOR BALLOT

State of California)
County of) ss

I, _____, do solemnly swear (or affirm) that:

Before becoming a resident of this state I resided at _____, _____, _____, _____. Prior to
Street or Rural Route City County State
my removal to this state, I was a registered voter in my former state or would have been eligible to register and vote in the forthcoming presidential election had I remained a resident there.

I have been a resident of California since _____,
19_____ now residing at _____,
Street or Rural Route

_____, _____, _____. I will
City County State
have resided in California less than one year prior to the presidential election to be held November ____, 19_____.
I hereby make application for a new resident ballot. I have not voted and will not vote otherwise than by new resident ballot in _____, California, which ballot
County

is to be mailed to me at the address shown on my affidavit of registration not earlier than 29 nor less than 7 days prior to the presidential election to be held November ____, 19_____.

Signed _____
Applicant

Subscribed and sworn to before me this ____ day of _____, 19____.

(SEAL)

County Clerk or Registrar of Voters
By _____
Deputy

Sec. 756. Mailing of ballots. Not earlier than the 29th day nor later than the 7th day prior to the day of the election at which presidential electors are selected, the county clerk shall mail a new resident ballot, containing only the

names of the presidential and vice presidential candidates, to each person registered as a new resident to the address as shown on their affidavit of registration. The county clerk shall also enclose instructions and information regarding the marking and return of the ballot.

Sec. 757. Casting of ballot. The new resident, if he is within the county, shall mark his ballot and shall place it in the identification envelope. He shall then fill out and sign the declaration on the identification envelope and mail or deliver it to the office of the clerk. All ballots cast under this section must be received by the clerk no later than 5 p.m. on the day before the day of the election.

Sec. 758. Form of ballot. The Secretary of State shall prescribe the size and dimensions of ballots to be used by new residents, and shall notify the respective county clerks of his determination at least 70 days before the election. The ballot shall be in substantially the following form:

To vote for the group of electors preferring presidential and vice presidential candidates whose names appear on the ballot, stamp or mark the ballot with pen or pencil in the square following the name of the party preferred.

PRESIDENTIAL ELECTORS Vote for One <u>Party</u>		
Adlai E. Stevenson, for President Estes Kefauver, for Vice President	Democratic	
Dwight D. Eisenhower, for President Richard M. Nixon, for Vice President	Republican	
Enoch A. Holtwick, for President Edwin M. Cooper, for Vice President	Prohibition	
_____, for President		
_____, for Vice President		

Sec. 759. Affidavit to accompany ballot; envelope.
The envelope into which a new resident is to place his ballot shall bear upon its face the name and official title of the county clerk and upon the other side a printed affidavit in substantially the following form:

State of California)
County of) ss

I, _____, do solemnly swear that I am a citizen of the United States, that on the day of the next election for presidential electors I shall be at least 21 years of age, a resident of this state for at least 54 days but less than 1 year immediately prior to that election, and am a resident of the _____ Assembly District, in the City or Town of _____, County of _____, State of California; that immediately prior to my removal to this state I resided in the State of _____, County of _____, (city) (town) (village) of _____, where I was a qualified elector at the time of my removal (or) where I would have been qualified to vote in the next presidential election had I maintained my residency there. I have not applied, nor do I intend to apply, for an absent voter's ballot from the state from which I have removed.

(Date of signing)

(Signature)

(Residence address)

County Clerk of _____ County

Sec. 760. Deposit of ballot with absentee ballots.
Upon receipt of the return envelope containing the identifica-
tion envelope, if delivered or mailed from within the county
and received by the clerk no later than 5 p.m. on the day
before election day, the clerk shall compare the voter's
signature on the identification envelope with that appearing
on his new resident affidavit of registration and, if they
compare, shall deposit the envelope containing the ballot
of the new resident in a safe place in his office, to be
kept by him until the time prescribed for processing and
counting absent voter ballots. An identification envelope
shall in no event be opened before the time for canvassing
absent voter ballots.

Sec. 761. List of new residents to be open to inspection. The county clerk shall keep open to public inspection a list showing the names and addresses of all persons who have voted as new residents. The list shall be preserved for a period of four years from the date of the election.

Sec. 762. Canvassing new residents' ballots. The ballots of new residents shall be canvassed at the same time and under the same procedure as absent voter ballots, insofar as that procedure is not inconsistent with the provisions of this chapter.

Sec. 763. Misdemeanor. Any person willfully swearing falsely to the affidavits required in Sections 755 and 759 is guilty of a misdemeanor.

Sec. 764. Cancellation of registration of new residents. After the completion of the official canvass and not later than the first day of the following January, the county clerk shall cancel all registrations of new residents. The county clerk shall mail a notice to each person at the address given on the registration stating that "your registration as a voter for presidential electors has been canceled this day and before you shall again be entitled to vote, you will be required to register as provided by law, when you have met the requirements of voters entitled to vote at elections other than presidential elections."

Appendix N

AFFIDAVIT ON APPLICATION FOR REGISTRATION.

No. _____

State of Hawaii)
County of) ss

1. My full name is _____.
2. I was born at _____ on the _____ day of _____ in the year _____.
3. My age is _____ years. 4. I reside at _____.
5. My occupation is _____.
6. I am a citizen of the United States of America.
7. I was naturalized as a citizen of the United States of America at _____ (State) (Territory) of _____ on the _____ day of _____ A.D. _____ by the _____ Court of _____.
8. I have resided in the Territory of Hawaii or State of Hawaii, or both, not less than one year, and in the _____ representative district not less than three months, immediately preceding this date on which I now offer to register, to wit, this _____ day of _____, 19____.

or

I have resided in the Territory of Hawaii or State of Hawaii, or both, not less than nine months and in the _____ representative district not less than three months, immediately preceding this date on which I now offer to register, to wit, this _____ day of _____ 19____, and on the date of the next election (primary or general) I will have resided in the Territory of Hawaii or State of Hawaii, or both, not less than one year immediately preceding said election.

9. I am able to speak, read and write the (English) (Hawaiian) language.
10. The residence stated in item 8 of this affidavit is not simply because of my presence in Hawaii but has been acquired with the intent to make Hawaii my legal residence.
11. I have not been convicted of felony without having been pardoned therefor and restored to my civil rights.

12. I solemnly swear that the foregoing statements are true,
so help me God.

Subscribed to and sworn to before me this _____
day of _____, A.D. 19_____.

Unless contested by a qualified voter, the clerk may accept, as prima facie evidence, the allegation of the applicant in paragraph numbered 10 of the affidavit on application for registration. In any other case where the clerk shall so desire or believe the same to be expedient, he may demand that the applicant furnish substantiating evidence to the allegations of his application.