



SPONSOR: Rep. Morrison & Sen. Townsend
Reps. Bolden, Snyder-Hall, Gorman, Harris; Sen. Cruce

HOUSE OF REPRESENTATIVES
153rd GENERAL ASSEMBLY

HOUSE BILL NO. 344
AS AMENDED BY
HOUSE AMENDMENT NO. 1

AN ACT TO AMEND TITLES 15 AND 29 OF THE DELAWARE CODE RELATING TO CAMPAIGN FINANCE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 8003, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8003. Duties of a candidate.

(c) A (1) Prior to [2 years after the effective date of this Act], a candidate shall cause the candidate's own candidate committee to keep complete records of all contributions received and all expenditures made by or on behalf of the candidate's candidacy, and ~~shall~~ must retain such the records for 3 full years following the most recent election in which that candidate was a candidate; provided, however, that the candidate need not keep records of the names and mailing addresses of persons making contributions of \$100 or less in an election period.

(2) Beginning [2 years after the effective date of this Act], a candidate shall cause the candidate's own candidate committee to keep complete records of all contributions received and all expenditures made by or on behalf of the candidate's candidacy, and must retain the records for 5 full years following the most recent election in which that candidate was a candidate; provided, however, that the candidate need not keep records of the names and mailing addresses of persons making contributions of \$100 or less in an election period.

(3) For purposes of this subsection, "records" include bank account statements, cancelled checks, deposit tickets, receipts of expenditures, and any record that verifies that an expenditure was made on behalf of the committee and not for personal use.

(d) A candidate shall file or cause to be filed with the Commissioner the reports required of that candidate's campaign committee under § 8030 of this title.

(e) A candidate shall designate an individual as treasurer of that candidate's candidate committee, in order to assist with the duties under this chapter, but nothing shall relieve the candidate from the responsibility for keeping the records and filing the reports required by this chapter. The candidate must report the name and contact information of the treasurer to

the Commissioner upon the formation of the committee. Within 7 business days, the candidate must notify the Commissioner in writing of any change of treasurer.

(f) A candidate for state office shall file the financial disclosure reports required by subchapter II, Chapter 58 of Title 29.

(g) A candidate and a candidate committee's treasurer must complete a biennial training on campaign finance laws provided by the Commissioner in accordance with § 8007 of this title.

Section 2. Amend § 8005, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8005. Duties of a political committee.

A political committee shall:

(1) File a statement of organization with the Commissioner no later than 24 hours after it receives any contribution or makes any expenditure that causes the aggregate amount of contributions by or expenditures to such committee to exceed \$500 during an election period. The statement of organization shall be filed under penalty of perjury, and ~~shall~~ must include all the following information:

a. The full name and mailing address of the ~~committee~~; committee.

b. The full name and mailing address of each of the officers of the committee, 1 of whom shall be an individual named as its ~~treasurer~~; treasurer.

c. A concise statement of the committee's purposes or ~~goals~~; goals.

d. The name, office sought, and party affiliation of any candidate whom the committee is supporting or opposing, to the extent such information is known as of the date of filing; and, if the committee is supporting the entire ticket of any party, the name of the ~~party~~; and party.

e. If the committee files reports with the Federal Elections Commission or any out-of-state agency, a statement to that effect including the name of the agency.

(2) Report any change in its officers within 7 days after such change becomes effective.

(3) Keep complete records of all contributions received and all expenditures made by or on behalf of the political ~~committee~~, committee. Prior to [2 years after the effective date of this Act], the committee shall retain ~~such~~ all records for 3 full years following the election in connection with which the contributions and expenditures were made. Beginning [2 years after the effective date of this Act], the committee shall retain all records for 5 full years following the election in connection with which the contributions and expenditures were made.

(4) File with the Commissioner the reports required under this chapter.

Section 3. Amend Subchapter I, Chapter 80, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8007. Training.

All candidates and treasurers of political committees must complete a biennial training on campaign finance laws provided by the Commissioner. The initial training must be completed no later than 30 days after a statement of organization is filed with the Commissioner. A new treasurer appointed to a committee after its initial creation must complete the biennial training within 30 days of the treasurer's appointment. The Commissioner may create regulations to effectuate the purposes of this section.

Section 4. Amend § 8013, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8013. ~~Short title~~ Loan documentation.

~~Repealed by 67 Del. Laws, c. 449, § 1, effective Jan. 1, 1991.~~

(a) A loan made to a political committee must be documented by a written record that includes all of the following:

(1) The lender's name, address, and signature.

(2) A statement of the schedule for repayment of the loan.

(3) A statement of the interest rate of the loan.

(b) A candidate may not charge interest on a loan made by a candidate to the candidate's own candidate committee.

(c) A political committee shall attach the written record required under subsection (a) of this section to a report required under Subchapter IV of this chapter.

(d) The following applies to the proceeds of a loan subject to the requirement of subsection (a) of this section:

(1) The proceeds of the loan must be deposited into the political committee's designated account within 3 business days of receipt of the proceeds.

(2) The proceeds of the loan must not be held in a candidate's personal account at a financial institution or in the account of another person.

Section 5. Amend § 8041, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8041. Duties and powers of Commissioner.

The Commissioner shall:

(5) Submit a monthly report to the Division of Civil Rights and Public Trust that contains a list of all alleged violations of this chapter that are under investigation or have not been resolved.

(6) Have the authority to audit committee reports for compliance with this chapter. The Commissioner may promulgate regulations regarding procedures for an audit under this paragraph.

(7) Establish a mandatory biennial training program on the requirements of this chapter to be completed by candidates and treasurers of political committees.

Section 6. Amend Subchapter IV, Chapter 80, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8031A. Negative balance prohibited.

No report submitted under § 8030 or § 8031 of this title may contain a negative ending balance. “Ending balance” means the ending balance from the last reporting period and total receipts from the current reporting period minus total expenditures from the current reporting period. A report containing a negative balance is incomplete and may be considered tardy under § 8044 of this title.

Section 7. Amend § 8044, Title 15 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8044. Tardy reports.

(a) (1) The Commissioner may issue a citation to a reporting party when a report required under this chapter is tardy.

(2) For the purposes of this section, “tardy” and “tardiness” means a report that is not filed, not filed on time, or is filed on time but incomplete.

(3) Notwithstanding paragraph (a)(1) of this section, a reporting party is entitled to an automatic, 1-time ~~24-hour~~ 48-hour extension to file a report required under this chapter if the reporting party notifies the Commissioner in writing no later than 11:59 p.m. on the date the report is due.

(4) a. The penalty for a citation issued under paragraph (a)(1) of this section is as follows:

1. An administrative penalty of \$50 for each day that the report is tardy in delivery to the Commissioner, up to a maximum of 100 days.

2. An order requiring the completion of training on the Department’s electronic campaign finance reporting system.

b. The penalty under this paragraph (a)(4) is in addition to any other sanction provided by this chapter.

(5) a. A reporting party named in a citation is responsible for the administrative penalty assessed under paragraph (a)(4)a.1. of this section.

b. Notwithstanding paragraph (a)(5)a. of this section, the administrative penalty may be paid by a political committee or political action committee for which a reporting party named in a citation is responsible for filing a report required under this chapter.

(6) The Commissioner may do the following:

a. If a reporting party has filed or corrected the tardy report, permit the reporting party to enter a payment plan to pay an administrative penalty assessed against the reporting party.

b. If an administrative penalty assessed against a reporting party totals less than \$500 and the reporting party has filed or corrected the tardy report, waive the administrative penalty assessed against the reporting party, in whole or part.

c. If a reporting party has filed or corrected the tardy report, negotiate with the reporting party to reach a settlement as to the total administrative penalty due.

(7) Once a citation is issued under this subsection, the reporting party has 30 days in which to file and correct the tardy report and pay all fines. After this time, the political committee, for which the reporting party is responsible for, is prohibited from engaging in any campaign finance activities until the tardy report is correctly filed and all fines have been paid.

(b) (1) If the Commissioner issues a citation under subsection (a) of this section, the citation must include all of the following:

a. The name and address of the reporting party charged.

b. A statement explaining why the Commissioner has determined the report to be tardy.

c. A statement that a penalty for a tardy report is an administrative penalty under paragraph (a)(4) of this section and that the penalty is being assessed for each late day that the report is tardy.

d. Information on how to complete the training required under paragraph (a)(4)a.2. of this section.

e. A statement that the reporting party receiving the citation may appeal the Commissioner's determination to the Reports Appeals Subcommittee of the State Board of Elections under § 220 of this title ("Subcommittee") within the time prescribed under subsection (c) of this section.

f. The consequences of failing to do 1 of the following:

1. File the tardy report, pay the penalty due, and complete training on the Department's electronic campaign finance reporting system.

2. Demand an appeal in the time prescribed under subsection (c) of this section.

(2) The Commissioner shall serve a citation on a reporting party by 1 of the following:

a. Personal service on the reporting party.

b. Certified mail, return receipt requested, to the reporting party's last known address and by electronic means to the reporting party's last known e-mail address.

(c) On receipt of a citation under subsection (b) of this section, a reporting party has 30 days to appeal the citation in writing to the Subcommittee.

(d) (1) When an appeal is timely filed under subsection (c) of this section, the Subcommittee shall do all of the following:

a. Meet and conduct an appeal hearing not later than 45 days after the filing of the appeal. The Subcommittee Chair shall schedule the meeting and give notice of the meeting to the members and the reporting party that filed the appeal.

b. Take testimony.

c. Keep records of all evidence taken at a hearing under this section, including a recording of the hearing by electronic or any other means standard to recording judicial or quasi-judicial hearings.

d. Make and put into writing factual findings and conclusions regarding the appeal.

e. Notify the reporting party of the Subcommittee's factual findings and conclusions regarding the appeal by mail to the reporting party's last known address and by electronic means to the reporting party's last known e-mail address ~~not~~ address not later than 10 business days after the hearing on the appeal. The notice must include a statement on the consequences of failing to file the tardy report, pay the penalty due, and complete training on the Department's electronic campaign finance reporting system.

(2) The accrual and payment of the administrative penalty due and mandatory training required under paragraph (a)(4) of this section is stayed pending a validly filed appeal.

(3) The prohibition on campaign finance activities under paragraph (a)(7) of this section is stayed pending a validly filed appeal.

(e) The reporting party has the opportunity and burden of proof to show the Subcommittee, by a preponderance of the evidence, that the reporting party's tardiness in filing a report required under this chapter is due to reasonable cause and not wilful neglect.

(f) (1) If the Subcommittee determines that a reporting party's tardiness in filing a report required under this chapter is not due to reasonable cause, or the reporting party fails to timely file an appeal, the administrative penalty under

paragraph (a)(4) of this section constitutes a debt due and owing the State, assessable by the Commissioner and recoverable against the reporting party.

(2) If the Subcommittee determines that a reporting party's tardiness in filing a report required under this chapter is not due to reasonable cause, the stay on the accrual and payment of the administrative penalty due under paragraph (a)(4) of this section is immediately lifted and penalty continues to accrue until the tardy report is filed or the maximum period under paragraph (a)(4)a.1. of this section is met.

(3) If the Subcommittee determines that a reporting party's tardiness in filing a report required under this chapter is not due to reasonable cause, the stay on the prohibition on campaign finance activities under paragraph (d)(3) of this section is lifted and all campaign finance activities by the committee are prohibited until all reports are correctly filed and all penalties are paid.

(g) The ~~Subcommittee~~ Commissioner shall notify the ~~Office of the Attorney General~~ Division of Civil Rights and Public Trust that the reporting party has failed to file a report if a tardy report is not filed or corrected not later than 30 days after 1 of the following:

(1) A determination by the Subcommittee that the tardiness is not due to reasonable cause.

(2) The expiration of the appeal period set forth in subsection (c) of this section.

(h) On receipt of the notice under subsection (g) of this section, the ~~Attorney General~~ Division of Civil Rights and Public Trust may file charges based on the reporting party's failure to file the report that is the subject of the citation.

Section 8. Amend § 2553, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 2553. Division of Civil Rights and Public Trust; powers and duties.

(a) The Division of Civil Rights and Public Trust shall do all of the following:

(5) a. Investigate and prosecute violations of Chapter 80 of Title 15.

b. Submit an annual report to the General Assembly with a list of all prosecutions that are initiated or ongoing under paragraph (a)(5)a. of this section. The annual report must be submitted to the Governor, The Secretary of the Senate, the Chief Clerk of the House of Representatives, and the Director and Librarian of the Division of Legislative Services no later than December 31 of each year. The Division of Civil Rights and Public Trust is not required to submit any confidential information that would interfere with an ongoing investigation or prosecution.

Section 9. This Act takes effect on July 1, 2027.