STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

To: Commissioners

From: Jonathan Wayne, Executive Director

Date: June 13, 2011

Re: Recommended Findings of Violation for 2010 Candidate Joseph A. Wagner

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In the 2010 elections, Joseph A. Wagner was a first-term member of the Maine House of Representatives running for re-election. He was defeated in the general election. Rep. Wagner was selected for a random audit in 2010.

In 2006, 2008, and 2010, Mr. Wagner participated in the Maine Clean election Act (MCEA) program. After each general election, he used personal funds to repay to the Commission the amount of MCEA funds that he had received from the State. In a June 10, 2011 letter responding to the draft audit report, he explains that he has proceeded this way for the following reasons:

- Mr. Wagner embraces the principles of the MCEA.
- By participating, he forgoes the potential influence of campaign contributions and encourages a level playing field between him and his opponents.
- By joining the MCEA program, Mr. Wagner avoids cash flow limitations. The MCEA funding allows him to cover up-front printing expenses.
- Without MCEA assistance, he could not, as a person of modest means, be able to seek elective office.

The Commission staff acknowledges Mr. Wagner's good intentions in financing his campaigns in this unusual manner.

Enforcement Actions Recommended by Staff

Overall, Rep. Wagner ran a compliant campaign, except for one minor instance of duplicative reporting. The audit disclosed, however, that on June 1, 2010, the candidate deposited $2,250 in personal funds in his campaign bank account. He went on to make 16 expenditures totaling $2,474.91 between June 18 and November 6, 2011. The Commission's auditor and I view this as an instance of commingling personal funds with campaign funds and accepting a contribution, which are actions that are not permitted for an MCEA candidate.

Accordingly, for reasons expressed in the attached final audit report, the Commission staff recommends that you take the following actions at your June 23 meeting:

- find that Joseph Wagner was in technical violation of 21-A M.R.S.A. § 1125(6) because his campaign accepted a contribution of $2,250 from the candidate;
- find that Joseph Wagner violated 21-A M.R.S.A. § 1125(7-A) because the campaign commingled MCEA campaign funds with personal funds of the candidate; and
- find that the campaign violated 21-A M.R.S.A. § 1125(12) by not accurately reporting the campaign's expenditures, and
- not assess any financial penalties for these violations, because they were minor and unintentional.

Request for Guidance from Mr. Wagner

Mr. Wagner is considering running in 2012 and is interested in guidance from the Commissioners on whether it would be legal for him to take the following course of actions as a legislative candidate in 2012:

(1) qualify to receive MCEA funding;
(2) deposit any seed money he collects and MCEA funding in a bank account;
(3) pay for all of his campaign expenses from that seed money and MCEA funds;
(4) after the 2012 general election, return to the Commission all MCEA funds which he did not spend on his campaign; and
(5) after the 2012 general election, use personal funds to make a voluntary donation to the State of Maine for all of his expenditures of MCEA funds.

Since 2008, some Commission employees (including me) have had reservations concerning how Mr. Wagner financed his campaigns, which I attempted to convey in a December 2008 e-mail to him. Our primary concerns are two-fold:

- Voters deserve to know how candidates are financing their campaigns. If Mr. Wagner is indirectly self-financing his campaign, it seems preferable for that to be disclosed to the public, preferably before the election.

- One premise of the MCEA program is that campaign expenses are financed with public funds, not traditional campaign contributions. Self-financing a campaign is inconsistent with the design of the program.

Nevertheless, after consulting with Commission Counsel Phyllis Gardiner and Assistant Director Paul Lavin and other employees and reviewing the applicable law, I conclude that there is nothing in the MCEA that would forbid him from financing his campaign in the proposed manner. The Commission may accept "voluntary donations" to the MCE Fund under 21-A M.R.S.A. § 1124(2)(G). We do not believe making a gift to the State after the 2012 general election would technically constitute a contribution, based on how that term is defined in 21-A M.R.S.A. § 1012(2)(A)(1) (attached). A gift to the State

does not appear to be an "expenditure" as that term is defined in 21-A M.R.S.A. § 1012(3)(A)(1). So, the five steps described above appear to be an acceptable way for Mr. Wagner to finance his campaign in 2012, if he so chooses.

Also, we acknowledge that Mr. Wagner has valid reasons for proceeding this way, such as his agreement with the principles of the MCEA program and apparently not anticipating having sufficient cash available to self-finance his campaign at the start of the 2012 election year. So, after giving his request for guidance further consideration, I suggest advising Mr. Wagner that the proposed course of action is allowable.

Thank you for your consideration of this memo.

June 10, 2011

Dear Mr. Wayne,

Per our recent telephone conversation and your correspondence of May 25 and June 6 of 2011, the following are my formal comments with respect to the findings of the audit of my 2010 Maine Clean Elections Fund participation.

I do not contest the technical violations [the deposit of personal funds into the checking account for the purpose of reimbursing the State and the input error on one expenditure date] referred to in the audit letter. Each can be easily remedied if I am to participate again in the future. One, I'll be sure to repay the State from another personal account so as to not comingle funds. Secondly, I'll be more careful in inputting data.

I appreciate the Commission's staff appreciation of my good intentions. But as for waiving participation in the MCEA program, I would make the following points:

- I have participated and would continue to participate in the MCEA program because I embrace the principles on which it was founded. By participating, I forgo the influence of campaign contributions from third parties. I help establish a level playing field with my opponent if he so chooses to also participate in MCEA.

- I also participate in MCEA due to personal cash flow limitations. MCEA funding covers up-front printing expenses that I cannot otherwise meet.

- Without MCEA assistance, someone such as myself, a regular citizen of modest means, principled, committed, decent and somewhat delusional, would be unable to seek elective public service.

- I appreciate the constraints of limited resources at the program's disposal. Unlike some sad ideologues, I do NOT consider the MCEA program to be welfare for politicians. I also don't think my participation denied limited resources to others. If anything, others should examine the prudence of *their* expenses. In three races, I have used only a fraction of the funds allotted and feel that this more than adequately permitted me to run a competitive campaign. The use of MCEA money reflects a candidate's ability to demonstrate proper stewardship of public funds. I do NOT feel that if I had spent more of the people's money the outcomes of the three races would have been different. I adhere to the old business adage, "half of my advertising budget is wasted; the real problem is I don't know which half".

- As for my imposition of DAFS and Commission staff time, I don't think that my participation was a substantial burden on staff resources. If anything I'd like to think that my participation was a pleasant experience for all involved. I have been respectful and upfront and I've received the same in return. I hope my interaction with staff confirmed that it isn't only egotistical schmucks who seek office.

Thank you for the opportunity to respond to the audit findings. I want to especially thank Ms. Thompson and Mr. Lavin for all of the good will and assistance they have provided to me through the years. They personify professionalism and commitment to public service.

Sincerely,

Joe Wagner

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

June 6, 2011

By E-Mail and Regular Mail
Hon. Joseph A. Wagner
26 Day Road
Lyman, ME 04002

NOTICE OF RECOMMENDED FINDINGS OF VIOLATION

Dear Mr. Wagner:

Thank you for your consideration of the draft version of the audit report that the Maine Ethics Commission's auditor mailed to you on May 25, 2011. The Commission's auditor plans to present the audit report to the members of the Commission at their next meeting on Thursday, June 23, 2011. The meeting will begin at 9:00 a.m. in the Commission's office at 45 Memorial Circle in Augusta. The audit report will include any written response that you care to submit by the June 8 deadline specified in the auditor's cover letter.

The findings of violation currently proposed by the Commission staff are discussed in more detail in the audit report. At this time, the Commission staff intends to recommend that the Commission:

- find that your 2010 campaign was in technical violation of 21-A M.R.S.A. § 1125(6) because his campaign accepted a contribution of $2,250 from the candidate;
- find that your 2010 campaign violated 21-A M.R.S.A. § 1125(7-A) because the campaign commingled MCEA campaign funds with personal funds of the candidate;
- find that your 2010 campaign violated 21-A M.R.S.A. § 1125(12) by unintentionally reporting a printing purchase in two consecutive financial reports; and
- not assess any financial penalties for these minor violations.

You are welcome to provide a written response to the recommended findings of violation. If I receive any written response by Monday, June 13, I will include the response in the materials that I send to the Commissioners on June 14. The Commissioners will also receive any response to the draft audit report that you have submitted. If you need additional time, please let me know. You are also welcome to attend the meeting in person to comment to the Commissioners. Please call me at 287-4179 if you have any questions. Thank you.

Sincerely,

Jonathan Wayne
Executive Director

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS
PHONE: (207) 287-4179
FAX: (207) 287-6775

STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
AND ELECTION PRACTICES
135 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0135

June 13, 2011

Joseph A. Wagner
26 Day Road
Lyman, ME 04002

Subject: Final Audit Report – 2010 Campaign Contributions and Expenditures

Dear Mr. Wagner:

Enclosed is the final audit report by the Commission on Governmental Ethics and Election Practices (Commission) concerning our examination of your 2010 House of Representatives campaign contributions and expenditures. We plan to present the report to our members at the June 23, 2011 Commission meeting. In advance of the meeting, Jonathan Wayne, the Commission's Executive Director, will contact you to provide you with the opportunity to appear before the commissioners to discuss the audit findings and recommendations.

Sincerely,

Vincent W. Dinan
Commission Auditor

Enclosure

cc: Mary Jane Wagner, Campaign Treasurer
Jonathan Wayne

OFFICE LOCATED AT: 45 MEMORIAL CIRCLE, AUGUSTA, MAINE
WEBSITE: WWW.MAINE.GOV/ETHICS
PHONE: (207) 287-4179
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STATE OF MAINE
COMMISSION ON GOVERNMENTAL ETHICS
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04333-0135

June 13, 2011

Audit Report No. 2010-HR016

Candidate: Joseph A. Wagner
House District 139

Background

Former Representative Joseph A. Wagner was a candidate for re-election to the Maine House of Representatives, District 139, in the 2010 general election. Mr. Wagner was certified for Maine Clean Election Act (MCEA) funding on April 19, 2010. Under the terms of the Act, MCEA candidates are required to submit reports of contributions received, campaign expenditures, equipment purchases and dispositions, and outstanding campaign debt for specified periods during the election cycle.

Audit Scope

The auditor examined selected contributions made to the campaign, and certain expenditures made during the following reporting periods:

- Seed Money (11/05/2008 through 4/19/2010)
- Eleven Day Pre-Primary (4/20/2010 through 5/25/2010)
- 42 Day Post-Primary (5/26/2010 through 7/13/2010)
- 42 Day Pre-General (7/14/2010 through 9/14/2010)
- 11 Day Pre-General (9/15/2010 through 10/19/2010)
- 42 Day Post-General (10/21/2010 through 12/7/2010)

The transactions examined were recorded in the campaign's accounting and banking records. The audit's purpose was to determine if the identified contributions and expenditures (1) were properly approved by the candidate or his authorized representative; (2) were adequately documented as evidenced by original vendor invoices and cancelled checks or other acceptable third party disbursement documentation; (3) was properly reported to the Commission; and (4) complied in all

material respects with the requirements of the Maine Clean Election Act and the Commission's rules.

Audit Findings and Recommendations

Finding No. 1- Unallowable Contribution and Commingling of Funds

Joseph Wagner qualified for MCEA funding on April 19, 2010. The Act stipulates that once a candidate is certified for MCEA participation, he/she cannot accept contributions from any source. On June 1, 2010, Mr. Wagner deposited $2,250 into his campaign bank account. According to the candidate, this deposit was derived from a fee he received for teaching a college course; that is, the funds deposited were received from an outside source, and were not related in any way to the funding provided from the Maine Clean Election Fund (MCEF). In addition, since the funds deposited on June 1st were from a private source, they were precluded from being commingled with MCEA monies, as required by the Act. The circumstances of this deposit are further discussed in the Auditor's Note below.

Standard – 21-A M.R.S.A. § 1125(6) states in part that "After certification, a candidate must limit the candidate's campaign expenditures and obligations, including outstanding obligations, to the revenues distributed to the candidate from the fund and may not accept any contributions unless specifically authorized by the commission." A contribution is defined in 21-A M.R.S.A. § 1012(2)(A)(1) as "[a] gift of ... money or anything of value made for the purpose of influencing the nomination or election of any person to state office ...." In addition, 21-A M.R.S.A. § 1125(7-A) states that "The candidate ... shall deposit all [MCEA] revenues from the fund ... in a campaign account with a bank or other financial institution. The campaign funds must be segregated from, and may not be commingled with, any other funds."

Recommendations – Former Rep. Wagner deposited $2,250 in personal funds into his campaign account, knowing that these funds would ultimately be used for campaign expenditures. The staff recommends that the Commission:

- find that Joseph Wagner was in technical violation of 21-A M.R.S.A. § 1125(6) because his campaign accepted a contribution of $2,250 from the candidate;
- find that Joseph Wagner violated 21-A M.R.S.A. § 1125(7-A) because the campaign commingled MCEA campaign funds with personal funds of the candidate; and
- not assess any financial penalties for these violations under 21-A M.R.S.A. § 1125(7-A).

Finding No. 2 - Misreported Campaign Expenditure

The Wagner campaign reported two identical expenditures in the 11 Day Pre-General and 42 Day Post-General reports, respectively, as follows:

- Payment to Dale Rand Printing on 9/29/2010 in the amount of $236.25.
- Payment to Dale Rand Printing on 10/29/2010 in the amount of $236.25.

The audit disclosed, however, and the candidate confirmed, that the October expenditure was reported in error, and was never made. The result of the misreporting was that total expenditures for the 42 Day Post-General reporting period were over-stated, and that the Campaign's ending cash balance was under-stated by $236.25.

Standard – 21-A M.R.S.A. § 1125(12) states that "certified candidates shall report any money collected, all campaign expenditures, obligations and related activities to the commission according to procedures developed by the commission. ..."

Recommendations – The staff recommends that the Commission find that the Wagner campaign violated 21-A M.R.S.A. § 1125(12) by not accurately reporting the campaign's expenditures, and not assess any financial penalty for this violation.

AUDITOR'S NOTE

In the past three elections (2006, 2008, and 2010), former Rep. Wagner has received MCEA funds and was identified to the public as an MCEA candidate. Following each election, he used personal funds to repay to the State of Maine the amounts of MCEA funds received by his campaign. As a result, his campaign expenses in those three years were ultimately paid for with personal funds, not MCEA funds.

The Commission staff appreciates that former Rep. Wagner had good intentions in financing his campaign in this manner. Nevertheless, we suggest that the Commissioners urge former Rep. Wagner that if he wishes to self-finance future campaigns, he should run as a traditionally financed (rather than MCEA) candidate, for four reasons:

- One premise of the MCEA program is that campaign expenses are financed with public funds, not private contributions. Self-financing a campaign is inconsistent with the design of the program. Members of the public deserve to know – during the campaign season – how a candidate is financing their campaign.

- MCEA candidates are prohibited by statute from commingling personal funds with campaign funds, and from accepting contributions. The 2010 campaign's acceptance of the candidate's personal funds mid-way in the election year violated these prohibitions.

- The Maine Clean Election Fund has limited resources at its disposal. If there are high demands on the Fund in an election year, it is possible that it could have insufficient cash to pay candidates.

- Administering the MCEA program involves expenditures of staff time by the Department of Administrative and Financial Services (DAFS) and the Commission in establishing candidates as vendors to receive payments of public funds, setting up candidates to receive transfers of electronic funds, depositing qualifying contributions, assisting candidates, monitoring campaign expenditures, etc. If a certified candidate does not really participate in the Clean Election program, then DAFS and Commission resources are consumed with no benefit accruing to the taxpayers who fund the program.

Candidate's Comments on the Report

Joseph Wagner submitted the following letter to the Commission in response to the draft audit report findings and recommendations:

June 10, 2011

Dear Mr. Wayne,

Per our recent telephone conversation and your correspondence of May 25 and June 6 of 2011, the following are my formal comments with respect to the findings of the audit of my 2010 Maine Clean Elections Fund participation.

I do not contest the technical violations [the deposit of personal funds into the checking account for the purpose of reimbursing the State and the input error on one expenditure date] referred to in the audit letter. Each can be easily remedied if I am to participate again in the future. One, I'll be sure to repay the State from another personal account so as to not comingle funds. Secondly, I'll be more careful in inputting data.

I appreciate the Commission's staff appreciation of my good intentions. But as for waiving participation in the MCEA program, I would make the following points:

- *I have participated and would continue to participate in the MCEA program because I embrace the principles on which it was founded. By participating, I forgo the influence of campaign contributions from third parties. I help establish a level playing field with my opponent if he so chooses to also participate in MCEA.*

- *I also participate in MCEA due to personal cash flow limitations. MCEA funding covers up-front printing expenses that I cannot otherwise meet.*

- *Without MCEA assistance, someone such as myself, a regular citizen of modest means, principled, committed, decent and somewhat delusional, would be unable to seek elective public service.*

- *I appreciate the constraints of limited resources at the program's disposal. Unlike some sad ideologues, I do NOT consider the MCEA program to be welfare for politicians. I also don't think my participation denied limited resources to others. If anything, others should examine the prudence of their expenses. In three races, I have used only a fraction of the funds allotted and feel that this more than adequately permitted me to run a competitive campaign. The use of MCEA money reflects a candidate's ability to demonstrate proper stewardship of public funds. I do NOT feel that if I had spent more of the people's money the outcomes of the three races would have been different. I adhere to the old business adage, "half of my advertising budget is wasted; the real problem is I don't know which half".*

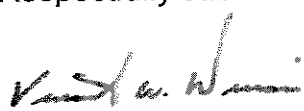
- *As for my imposition of DAFS and Commission staff time, I don't think that my participation was a substantial burden on staff resources. If anything I'd like to think that my participation was a pleasant experience for all involved. I have been respectful and upfront and I've received the same in return. I hope my interaction with staff confirmed that it isn't only egotistical schmucks who seek office.*

Thank you for the opportunity to respond to the audit findings. I want to especially thank Ms. Thompson and Mr. Lavin for all of the good will and assistance they have provided to me through the years. They personify professionalism and commitment to public service.

Sincerely,

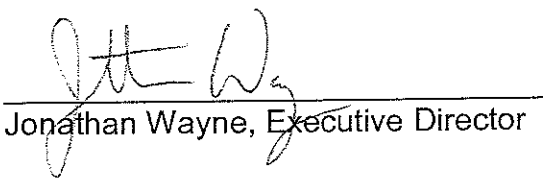
Joe Wagner

Respectfully submitted,



Vincent W. Dinan, Auditor

Approved:



Jonathan Wayne, Executive Director

and approval and that nothing of value was given in exchange for the contribution, on forms provided by the commission.

8. Qualifying period. "Qualifying period" means the following.

A. For a gubernatorial participating candidate, the qualifying period begins October 15th immediately preceding the election year and ends at 5:00 p.m. on April 1st of the election year.

B. For State Senate or State House of Representatives participating candidates, the qualifying period begins January 1st of the election year and ends at 5:00 p.m. on April 20th of that election year or the next business day following April 20th if the office of the commission is closed on April 20th.

9. Seed money contribution. "Seed money contribution" means a contribution of no more than $100 per individual made to a participating candidate, including the candidate or the candidate's spouse or domestic partner.

21A § 1123. Alternative campaign financing option

This chapter establishes an alternative campaign financing option available to candidates running for Governor, State Senator and State Representative. This alternative campaign financing option is available to candidates for elections to be held beginning in the year 2000. The commission shall administer this Act and the fund. Candidates participating in the Maine Clean Election Act must also comply with all other applicable election and campaign laws and regulations.

21A § 1124. The Maine Clean Election Fund established; sources of funding

1. Established. The Maine Clean Election Fund is established to finance the election campaigns of certified Maine Clean Election Act candidates running for Governor, State Senator and State Representative and to pay administrative and enforcement costs of the commission related to this Act. The fund is a special, dedicated, nonlapsing fund and any interest generated by the fund is credited to the fund. The commission shall administer the fund.

2. Sources of funding. The following must be deposited in the fund:

A. The qualifying contributions required under section 1125 when those contributions are submitted to the commission;

B. Two million dollars of the revenues from the taxes imposed under Title 36, Parts 3 and 8 and credited to the General Fund, transferred to the fund by the Treasurer of State on or before January 1st of each year, beginning January 1, 1999. These revenues must be offset in an equitable manner by an equivalent reduction within the administrative divisions of the legislative branch and executive branch agencies. This section may not affect the funds distributed to the Local Government Fund under Title 30-A, section 5681.

C. Revenue from a tax check off program allowing a resident of the State who files a tax return with the State Tax Assessor to designate that $3 be paid into the fund. If a husband and wife file a joint return, each spouse may designate that $3 be paid. The State Tax Assessor shall report annually the amounts designated for the fund to the State Controller, who shall transfer that amount to the fund;

D. Seed money contributions remaining unspent after a candidate has been certified as a Maine Clean Election Act candidate;

E. Fund revenues that were distributed to a Maine Clean Election Act candidate and that remain unspent after the candidate has lost a primary election or after all general elections;

F. Other unspent fund revenues distributed to any Maine Clean Election Act candidate who does not remain a candidate throughout a primary or general election cycle;

G. Voluntary donations made directly to the fund; and

H. Fines collected under section 1020-A, subsection 4 and section 1127.

3. Determination of fund amount. If the commission determines that the fund will not have sufficient revenues to cover the likely demand for funds from the Maine Clean Election Fund in an upcoming election by January 1st, the commission shall provide a report of its projections of the balances in the Maine Clean Election Fund to the Legislature and the Governor. The commission may submit legislation to request additional funding or an advance on revenues to be transferred pursuant to subsection 2, paragraph B.

21A § 1125. Terms of participation

1. Declaration of intent. A participating candidate must file a declaration of intent to seek certification as a Maine Clean Election Act candidate and to comply with the requirements of this chapter. The declaration of intent must be filed with the commission prior to or during the qualifying period, except as provided in subsection 11, according to forms and procedures developed by the commission. A participating candidate must submit a declaration of intent within 5 business days of collecting qualifying contributions under this chapter. Qualifying contributions collected before the declaration of intent has been filed will not be counted toward the eligibility requirement in subsection 3.

2. Contribution limits for participating candidates. Subsequent to becoming a candidate as defined by section 1, subsection 5 and prior to certification, a participating candidate may not accept contributions, except for seed money contributions. A participating candidate must limit the candidate's total seed money contributions to the following amounts:

A. Two hundred thousand dollars for a gubernatorial candidate;

B. One thousand five hundred dollars for a candidate for the State Senate; or

C. Five hundred dollars for a candidate for the State House of Representatives.

The commission may, by rule, revise these amounts to ensure the effective implementation of this chapter.

SUBCHAPTER II

REPORTS ON CAMPAIGNS FOR OFFICE

21A § 1011. Application

This subchapter applies to candidates for all state and county offices and to campaigns for their nomination and election.

Candidates for municipal office as defined in Title 30-A, section 2502, subsection 1 are governed by this subchapter, with the following provisions:

1. Role of the municipal clerk; commission. For candidates for municipal office, the municipal clerk is responsible for any duty assigned to the commission in this subchapter related to the registration of candidates, receipt of reports and distribution of information or forms, unless otherwise provided. Notwithstanding any other deadline set forth in this chapter, candidates must file their reports by the close of business on the filing deadline established for the office of the municipal clerk. The commission retains the sole authority to prescribe the content of all reporting forms.

2. Exemptions. Exemptions for municipal candidates from the reporting requirements of this subchapter are governed by this subsection.

A. At the time a municipal candidate registers under section 1013-A, the candidate may notify the municipal clerk in writing that the candidate will not accept contributions, make expenditures or incur financial obligations associated with that person's candidacy. A candidate who provides this written notice is not required to appoint a treasurer or to meet the filing requirements of this section as long as the candidate complies with the commitment.

B. The notice provided to the municipal clerk in paragraph A may be revoked. A written revocation must be presented to the municipal clerk before the candidate may accept contributions, make expenditures or incur obligations associated with that person's candidacy. A candidate who has filed a notice with the municipal clerk under paragraph A and accepts contributions, makes expenditures or incurs obligations associated with that person's candidacy prior to filing a revocation may be assessed a penalty of $10 for each business day that the revocation is late, up to a maximum of $500. This penalty may be imposed in addition to the penalties assessed under other sections of this Title.

21A § 1012. Definitions

As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.

1. **Clearly identified.** "Clearly identified," with respect to a candidate, means that:

   A. The name of the candidate appears;

   B. A photograph or drawing of the candidate appears; or

   C. The identity of the candidate is apparent by unambiguous reference.

2. **Contribution.** The term "contribution:"

   A. Includes:

   (1) A gift, subscription, loan, advance or deposit of money or anything of value made for the purpose of influencing the nomination or election of any person to state, county or municipal office or for the purpose of liquidating any campaign deficit of a candidate, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;

   (2) A contract, promise or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

   (3) Funds received by a candidate or a political committee that are transferred to the candidate or committee from another political committee or other source; and

   (4) The payment, by any person other than a candidate or a political committee, of compensation for the personal services of other persons that are provided to the candidate or political committee without charge for any such purpose; and

   B. Does not include:

   (1) The value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee;

   (2) The use of real or personal property and the cost of invitations, food and beverages, voluntarily provided by an individual to a candidate in rendering voluntary personal services for candidate-related activities, if the cumulative value of these activities by the individual on behalf of any candidate does not exceed $100 with respect to any election;

   (3) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if the charge to the candidate is at least equal to the cost of the food or beverages to the vendor and if the cumulative value of the food or beverages does not exceed $100 with respect to any election;

   (4) Any unreimbursed travel expenses incurred and paid for by an individual who volunteers personal services to a candidate, if the cumulative amount of these expenses does not exceed $100 with respect to any election;

   (4-A) Any unreimbursed campaign-related travel expenses incurred and paid for by the candidate or the candidate's spouse or domestic partner;

(5) The payment by a party's state, district, county or municipal committee of the costs of preparation, display or mailing or other distribution of a party candidate listing;

(6) Documents, in printed or electronic form, including party platforms, single copies of issue papers, information pertaining to the requirements of this Title, lists of registered voters and voter identification information, created, obtained or maintained by a political party for the general purpose of party building and provided to a candidate who is a member of that party;

(7) Compensation paid by a state party committee to its employees for the following purposes:

(a) Providing no more than a total of 40 hours of assistance from its employees to a candidate in any election;

(b) Recruiting and overseeing volunteers for campaign activities involving 3 or more candidates; or

(c) Coordinating campaign events involving 3 or more candidates;

(8) Campaign training sessions provided to 3 or more candidates;

(8-A) Costs paid for by a party committee in connection with a campaign event at which 3 or more candidates are present;

(8-B) Wood or other materials used for political signs that are found or contributed if not originally obtained by the candidate or contributor for campaign purposes;

(8-C) The use or distribution of any communication, as described in section 1014, obtained by the candidate for a previous election and fully paid for during that election;

(9) The use of offices, telephones, computers and similar equipment when that use does not result in additional cost to the provider; or

(10) Activity or communication designed to encourage individuals to register to vote or to vote if that activity or communication does not mention a clearly identified candidate.

3. Expenditure. The term "expenditure:"

A. Includes:

(1) A purchase, payment, distribution, loan, advance, deposit or gift of money or anything of value made for the purpose of influencing the nomination or election of any person to political office, except that a loan of money to a candidate by a financial institution in this State made in accordance with applicable banking laws and regulations and in the ordinary course of business is not included;

(2) A contract, promise or agreement, expressed or implied, whether or not legally enforceable, to make any expenditure;

(3) The transfer of funds by a candidate or a political committee to another candidate or political committee; and

Agenda Item #5