

**RULES
OF THE
TENNESSEE REGISTRY OF ELECTION FINANCE**

**CHAPTER 0530-01-03
CAMPAIGN FINANCE RULES**

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0530-01-03-.01 ELECTIONS.

- (1) A primary election, general election, run-off election or special election is each considered a separate election with separate contribution limits.

Authority: T.C.A. §§ 2-10-102(4), 2-10-207(1), 2-10-302, and 2-10-306(a). **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001.

0530-01-03-.02 CAMPAIGN CONTRIBUTIONS.

- (1) Contributions from a candidate's family members are subject to the same dollar limitations as contributions from any other individual.
- (2) A child under eighteen (18) years of age may make contributions from monies he/she owns or controls if the child knowingly and voluntarily makes such contributions. Children may not use funds provided as a gift to them for the purpose of making a contribution.
- (3) If a person is a candidate for more than one state or local office, an individual or multicandidate political campaign committee may make contributions which do not exceed the dollar limits as set forth in T.C.A. §§2-10-302 and 2-10-306, to the candidate or his/her authorized political committees for each election for each office, as long as:
 - (a) Separate campaign bank accounts are maintained for each campaign.
 - (b) Each campaign shall have different and distinct campaign names (i.e. John Doe for State Senate and John Doe for Property Assessor).
 - (c) Separate contribution checks must be written to each separate campaign.
- (4) A candidate who accepts contributions for an election in a particular election year may not accept contributions for the same office in any future election year until the completion of all elections in which the candidate is involved in the present election year. (I.e. an individual who is a candidate in a 2000 election cannot collect monies for the 2002 elections for the same office until all the 2000 elections in which the person is a candidate have been completed.)

Authority: T.C.A. §§ 2-10-206(5), 2-10-207(1), 2-10-302(a), and 2-10-309. **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001. Amendment filed November 17, 2007; effective March 28, 2008.

0530-01-03-.03 ATTRIBUTION OF CAMPAIGN CONTRIBUTIONS.

- (1) A candidate's campaign financial disclosure report must disclose the particular election for which each itemized contribution is allocated. The Registry staff will return a campaign financial disclosure report to a candidate for such designations if the allocations are not indicated on the report.
- (2) A candidate who has outstanding loans and/or obligations from a previous election cycle may accept contributions in the current election to apply to the loans of the previous election. However, these contributions count towards the current election campaign contribution limits whether they are used to pay off the previous campaign loans and/or obligations or used in the current election campaign.
- (3) Contributions made by written instrument, such as a check, shall be attributed to the payor of the instrument, unless otherwise indicated.
- (4) Any reduction in the unpaid balance of a loan shall reduce proportionally the amount endorsed or guaranteed by each endorser or guarantor. Once the loan is repaid in full, the guarantee or endorsement no longer counts against such guarantor's or endorser's contribution limits.

Authority: T.C.A. §§ 2-10-112, 2-10-207(1), 2-10-304(b), and 2-10-309. **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001. Amendment filed November 17, 2007; effective March 28, 2008.

0530-01-03-.04 CERTIFICATION OF POLITICAL TREASURER.

- (1) After a candidate completes his/her last election in an election year, a candidate must file an "Appointment of Political Treasurer's Statement" to certify the name of the campaign treasurer with the Registry and/or local county election commission, as appropriate, before the candidate may receive any additional contributions for a future election or for constituent services, unless the candidate has an outstanding loan or obligation from a prior election. The candidate may utilize the same individual as political treasurer that has been used in a past election cycle, but the new designation of treasurer must be filed.

Authority: T.C.A. §§ 2-10-105(e), 2-10-105(g), and 2-10-207(1). **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001.

0530-01-03-.05 BOOKKEEPING PROCEDURES.

- (1) A candidate must adopt a record-keeping system to distinguish between contributions made for a primary election and those made for a general election. Contributions received for a general election may not be spent in the preceding primary election, but any funds remaining from a primary election may be used in a subsequent general election.
- (2) A candidate through his/her record-keeping system must be able to determine the aggregate amount of contributions received per election from each contributor.
- (3) A candidate must have a bookkeeping system in place documenting contributions and expenditures. The Registry recommends that candidates and their committees maintain copies of all contributions received or in the alternative a journal or listing of contributions and expenditures.

Authority: T.C.A. §§ 2-10-105(f), 2-10-206(5), and 2-10-207(1). **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001.

0530-01-03-.06 DISCLOSURE OF AFFILIATION OF MULTICANDIDATE POLITICAL CAMPAIGN COMMITTEES (PACS).

- (1) When registering as a multicandidate political campaign committee (PAC), a committee must disclose its affiliation with any other PACs and provide the names and addresses of those PACs. Such affiliations must be disclosed in the PAC's appointment of political treasurer statement. A committee must notify the Registry if it later becomes affiliated with any other PACs and provide the names and addresses of those PACs within thirty (30) days of the affiliation occurring.

Authority: T.C.A. §§ 2-10-102(13), 2-10-207(1), and 2-10-303(4). **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001.

0530-01-03-.07 INDEPENDENT CAMPAIGN EXPENDITURES.

- (1) "Independent expenditure" means an expenditure by a person for a communication expressly advocating the election or defeat of a clearly identified candidate which is not made with the cooperation or with the prior consent of, or in consultation with, or at the request of, or suggestion of, a candidate or any agent or authorized committee of such candidate.
- (2) "Expressly advocating" means any communication containing a message advocating election or defeat, including but not limited to the name of the candidate, or expressions such as "vote for", "elect", "support", "cast your ballot for", or "vote against", "defeat" or "reject".
- (3) "Clearly identified candidate" means that the name of the candidate appears, a photograph or drawing of the candidate appears, or the identity of the candidate is otherwise apparent by unambiguous reference.
- (4) "Made with the cooperation or with the prior consent of, or in consultation with, or at the request or suggestion of, a candidate or any agent or authorized committee of the candidate" means:
 - (a) Any arrangement, coordination, or direction by the candidate or his/her agent prior to the publication, distribution, display, or broadcast of the communication. An expenditure will be presumed to be so made when it is:
 1. Based on information about the candidate's plans, projects, or needs provided to the expending person by the candidate, or by the candidate's agent(s), with a view toward having an expenditure made; or
 2. Made by or through any person who is, or has been, authorized to raise or expend funds, who is, or has been, an officer of any authorized committee, or who is, or has been, receiving any form of compensation or reimbursement from the candidate, the candidate's committee or agent.
- (5) "Agent" means any person who has actual oral or written authority, either express or implied, to make or to authorize the making of expenditures on behalf of a candidate, or means any person who has been placed in a position within the campaign organization where it would reasonably appear that in the ordinary course of campaign-related activities he or she may authorize expenditures.
- (6) An expenditure not qualifying under this section as an independent expenditure shall be an in-kind contribution to the candidate.
- (7) No expenditure by an authorized committee of a candidate on behalf of that candidate shall qualify as an independent expenditure.

(Rule 0530-01-03-.07, continued)

- (8) Every political committee, which makes independent expenditures, shall report all such expenditures on campaign disclosure reporting forms pursuant to T.C.A. §2-1-105(d). Independent expenditures totaling more than \$100 to a single payee during a reporting period made to support or oppose a clearly identified candidate shall be itemized, disclosing the name and address of the payee, the purpose, date and amount of the expenditure and the office sought by the candidate. Those independent expenditures totaling \$100 or less to a single payee during a reporting period shall be reported as a total by categories.

Authority: T.C.A. §§ 2-10-105(d), 2-10-107(c) and (d), 2-10-207(1), and 2-10-303(5). **Administrative History:** Original rule filed August 29, 2001; effective December 28, 2001.

0530-01-03-.08 USE OF A CONDUIT.

- (1) In determining whether a person(s) is using directly or indirectly a committee, group or other organization as a conduit or intermediary to make a campaign contribution in violation of T.C.A. § 2-10-303(3), the Registry of Election Finance, in its discretion, may consider any or all of the following factors. The Registry is not limited to these factors, however, and any additional relevant information may be received and considered as to whether a contribution was made directly or indirectly using a conduit or intermediary in violation of T.C.A. § 2-10-303(3).

(a) Contributions

1. All contribution(s) received by the committee or organization came from a single source.
2. The percentage of contributions received by the committee or organization from a single source.
3. The number of contributors to the committee or organization.
4. Whether an individual contributor, who has reached the individual limit on contributions to a particular candidate, has made a contribution(s) to a committee or organization, that, within a ninety (90) day period of receiving such contribution(s), makes an expenditure to the same candidate.
5. The contribution history of the contributor to the committee or organization.
6. The relationship between the contributor(s) to the committee or organization and the officials of the committee or organization.
7. The affiliations, relationships or connections between the committee or organization and other committees and organizations.

(b) Expenditures

1. The percentage of available funds given by the committee or organization to a single candidate.
2. The number of expenditures made by the committee or organization to candidates.
3. The history of the committee or organization in making expenditures.

(Rule 0530-01-03-.08, continued)

4. Whether multiple expenditures were made to a single candidate in an election cycle.
- (c) Timing
1. The time frame of contributions received by the committee or organization.
 2. The time frame of expenditures made by the committee or organization.
 3. The length of time the committee or organization has been active.
 4. The timing of the relationship between contributions received by a committee or organization and expenditures made to candidates.
- (2) There shall be a rebuttable presumption that a committee or organization is acting as a conduit or intermediary for purposes of T.C.A. § 2-10-303(3) if:
- (a) the committee or organization has fewer than three (3) contributors;
 - (b) these contributors provide seventy-five percent (75%) or more of the committee's or organization's total contributions within a ninety (90) day period; and
 - (c) seventy-five percent (75%) or more of the committee's or organization's political contribution expenditure(s) are to a single candidate or committee within a ninety (90) day period;

provided, however, that this rebuttable presumption shall not apply to a committee or organization making less than \$7,500 in political contribution expenditures in any given calendar year.

Authority: T.C.A. §§ 2-10-207(1) and 2-10-303(3). **Administrative History:** Original rule filed February 27, 2004; effective June 28, 2004.

0530-01-03-.09 ADMINISTRATIVE TERMINATION OF A MULTICANDIDATE COMMITTEE'S REGISTRATION.

- (1) The Registry of Election Finance may administratively terminate the registration of a multicandidate committee upon the occurrence of any of the following events:
 - (a) A multicandidate committee fails to file quarterly reports for two (2) straight quarters.
 - (b) The address on file with the Registry of Election Finance for the multicandidate committee is no longer active and no forwarding address is available.
 - (c) The multicandidate committee has been assessed and not paid a civil penalty within ninety (90) days of its becoming final.
- (2) The Registry of Election Finance shall send notice to the address of the multicandidate committee's treasurer on file of the Registry's intent to administratively terminate the committee's registration. To object to the proposed termination the Treasurer or other person authorized to act on behalf of the committee shall respond to the Registry in writing within thirty (30) days of the date of the mailing of this notice. If the Registry receives no response by the end of the thirty (30) day period, the multicandidate committee's registration will be administratively terminated and the committee shall no longer be permitted to avail itself of the higher contribution limits conferred by law on multicandidate committees.

(Rule 0530-01-03-.09, continued)

- (3) A multicandidate committee that has been administratively terminated may reinstate its registration by performing all of the following actions, if applicable:
- (a) filing the reports for the periods that were the basis of the prior termination;
 - (b) paying any and all civil penalties that may have been imposed by the Registry, as well as any accrued interest and other costs, including but not limited to, any court costs;
 - (c) providing the correct current mailing address, street address and telephone number for the chief executive officer and the Treasurer of the multicandidate committee; and
 - (d) performing such other steps as may be reasonably required by the Registry pursuant to the statutes and regulations.

Authority: T.C.A. §§ 2-10-102(9), 2-10-105, 2-10-207(1), and 2-10-110. **Administrative History:** Original rule filed February 27, 2004; effective June 28, 2004.