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- (a) A person who is appointed to the registry of election finance may not vote, deliberate, or be counted as a member in attendance at a meeting of the registry until the person completes a training program provided by the office of the attorney general and reporter that complies with this section. This section shall not apply to members who are reappointed to the registry.
- (b) The training program shall provide the person with information regarding:
  - (1) The legislation that created the registry;
  - (2) The role and function of the registry;
  - (3) The rules of the registry, with an emphasis on the rules that relate to disciplinary and investigatory authority;
  - (4) The current budget for the registry;
  - (5) The results of the most recent formal audit of the registry;
  - (6) The requirements of the campaign finance laws administered and enforced by the registry; and
  - (7) Any applicable policies adopted by the registry.
- (c) A person appointed to the registry is entitled to reimbursement for expenses incurred in attending the training program.
- (d) This section shall apply prospectively to members appointed to the registry after February 15, 2006.

**PART 3  
CAMPAIGN CONTRIBUTIONS LIMITS**

**2-10-301. Short title - Jurisdiction.**

- (a) This part shall be known and may be cited as the "Campaign Contribution Limits Act of 1995."
- (b) The registry of election finance has jurisdiction to administer and enforce the provisions of this part.

**2-10-302. Contribution limits.**

- (a) No person shall make contributions to any candidate with respect to any election which, in the aggregate, exceed:
  - (1) For an office elected by statewide election, two thousand five hundred dollars (\$2,500); or
  - (2) For any other state or local public office, one thousand dollars (\$1,000).
- (b) No multicandidate political campaign committee shall make contributions to any candidate with respect to any election which, in the aggregate, exceed:
  - (1) For an office elected by statewide election or the senate, seven thousand five hundred dollars (\$7,500); and
  - (2) For any other state or local public office, five thousand dollars (\$5,000).
- (c) With respect to contributions from multicandidate political campaign committees for each election:
  - (1) No candidate for an office elected by statewide election shall accept in the aggregate more than fifty percent (50%) of the candidate's total contributions from multicandidate political campaign committees; and
  - (2) No candidate for any other state or local public office shall accept in the aggregate more than seventy-five thousand dollars (\$75,000) from multicandidate political campaign committees.

In determining the aggregate limits established by this subsection (c), contributions made to a candidate by a committee controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly are not included.

### **2-10-303. Indirect contributions - Political action committees.**

For purposes of the limitations contained in this part:

- (1) Contributions made to any political campaign committee authorized by a candidate to accept contributions on the candidate's behalf shall be considered to be contributions made to such candidate;
- (2) Contributions made by a political campaign committee authorized by a candidate to make expenditures on the candidate's behalf shall be considered contributions made by such candidate;
- (3) All contributions made by a person, either directly or indirectly, on behalf of a particular candidate, including contributions which are in any way earmarked or otherwise directed through an intermediary or conduit to such candidate, shall be treated as contributions from such person to such candidate. The intermediary or conduit shall report the original source and the intended recipient of such contribution to the registry of election finance and to the intended recipient;
- (4) All contributions made by affiliated political campaign committees shall be considered to have been made by a single committee; and
- (5) Expenditures made by any person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, the candidate's political campaign committees, or their agents, shall be considered to be a contribution to such candidate. For purposes of this subdivision (5), the financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written, graphic, or other form of campaign materials prepared by the candidate, the candidate's political campaign committees, or their authorized agents shall be considered to be an expenditure.

### **2-10-304. Loans.**

- (a) The limitations contained in this part do not apply to any loan of money by a financial institution as defined in § 45-10-102(3) that:
- (1) Is made in accordance with applicable law and in the ordinary course of business;
  - (2) Is made on a basis reasonably designed to assure repayment, evidenced by a written instrument, and subject to a payment due date or amortization schedule; and
  - (3) Bears the usual and customary interest rate of the lending institution.
- (b) An endorsement or guaranty of a loan made pursuant to subsection (a) shall be considered a contribution in the amount of the endorsement or guaranty and shall be subject to the limitations contained in this part. Where the written instrument does not specify the portion of the loan for which the endorser or guarantor is liable, each endorser or guarantor shall be considered to have made a contribution in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors.

### **2-10-305. Retention or transfer of funds.**

The limits contained in this part do not apply to:

- (1) The retention of funds by a candidate pursuant to § 2-10-114(a)(1);
- (2) The transfer of funds by a candidate pursuant to § 2-10-114(a)(1) to a campaign fund of the same candidate for election to a different state or local public office; or
- (3) The transfer of funds by a candidate for election to a federal office to a campaign fund of the same candidate for election to a state or local public office.

### **2-10-306. Aggregate limits - Exemptions.**

- (a) All contributions made by political campaign committees controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly shall be considered to have been made by a single committee. Such contributions shall not, in the aggregate, exceed:
- (1) Two hundred fifty thousand dollars (\$250,000) per election to any candidate in a statewide election;
  - (2) Forty thousand dollars (\$40,000) per election to any candidate for the senate; and
  - (3) Twenty thousand dollars (\$20,000) per election to any candidate for any other state or local public office.

(b) For purposes of this section, “contributions” does not include:

(1) Payment of the costs of preparation, display or mailing or other distribution with respect to printed slate cards, sample ballots, or other printed listings of three (3) or more candidates who are opposed for election. This exemption does not apply to costs incurred with respect to the preparation and display of listings made on broadcasting stations or in newspapers, magazines and similar types of general public political advertising such as billboards;

(2) Payment of the costs of voter registration and get-out-the-vote activities conducted by party committees, unless the payments are made on behalf of a clearly identified candidate and the payment can be directly attributed to that candidate;

(3) Expenditures for rent, personnel, overhead, general administrative, fundraising, and other day-to-day costs of party committees, unless the expenditures are made on behalf of a clearly identified candidate and the expenditure can be directly attributed to that candidate; or

(4) Expenditures for education campaign seminars and for training of campaign workers, unless the expenditures are made on behalf of a clearly identified candidate and the expenditure can be directly attributed to that candidate.

### **2-10-307. Violations - Return of unlawful contributions.**

(a) No candidate or political campaign committee shall accept any contribution or make any expenditure in violation of the provisions of this part. No officer or employee of a political campaign committee shall accept a contribution made for the benefit or use of a candidate, or make any expenditure on behalf of a candidate, in violation of any limitation imposed on contributions and expenditures under this section.

(b) In keeping with the federal law, a contribution made or accepted in excess of the limitations established by this part shall not be a violation of this part if the candidate or the political campaign committee returns or refunds the contribution to the person who made the contribution within sixty (60) days of the candidate's or committee's receipt of the contribution.

### **2-10-308. Penalties.**

(a) The registry of election finance may impose a maximum civil penalty for a violation of this part of not more than ten thousand dollars (\$10,000) or one hundred fifteen percent (115%) of the amount of all contributions made or accepted in excess of the limitations established by this part, whichever is greater.

(b) Penalties imposed under this part shall be deposited into the state general fund.

(c) To request a waiver or reduction or in any way to contest a penalty imposed by the staff of the registry, a person shall file a petition with the registry. Such petition shall be considered as a contested case proceeding under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(d) If a civil penalty lawfully assessed against a candidate is not paid within thirty (30) days after the assessment becomes final, the candidate shall be ineligible to qualify for election to any state or local public office until such penalty is paid.

### **2-10-309. Construction with federal law.**

In determining issues arising in regard to this part, the registry may rely on the precedents established under the federal law.

### **2-10-310. Fund raising during general assembly session.**

(a) (1) Except as provided in subdivisions (a)(2) and (a)(3), from the convening of the general assembly in organizational session through the earlier of the last day of regular session or June 1 in odd years, and from the convening of the general assembly in regular session to the earlier of May 15 or the conclusion of the annual session in even years, and from the convening of the general assembly in any extraordinary session through the conclusion of such extraordinary session, no member of the general assembly or a member's campaign committee or the governor or the governor's campaign committee shall conduct a fundraiser or solicit or accept contributions for the benefit of the caucus, any caucus member or member or candidate of the general assembly or governor.

(2) During such period, a member of the general assembly who is a candidate for a local public office shall be permitted to conduct fundraising events and solicit or accept contributions for such campaign for local public office only under the following conditions:

(A) Such fundraising events may be held only in the county in which such member is a candidate for local public office;

- (B) Solicitations and acceptance of contributions for such purposes may only be made from individuals residing in such county;
- (C) Such fundraising events shall not be held, nor contributions be solicited nor accepted, on state property;
- (D) The member shall not be permitted to solicit or accept, directly or indirectly, any actual or in-kind contribution during such period from a lobbyist or employer of a lobbyist; and
- (E) No other member of the general assembly or the campaign committee of such other member shall be permitted to solicit or accept contributions during such period for the member campaigning for local public office.

It shall be unlawful for any lobbyist or employer of a lobbyist to make any contribution to such member's campaign committee during such period for any purpose.

(3) All contributions raised as a result of fundraising or a fundraising event authorized and held in accordance with subdivision (a)(2) shall be reported on a form prescribed and provided by the registry of election finance for such purposes. Such form shall be filed with and attached to the applicable campaign finance disclosure report. The following disclosures shall be made on such form:

- (A) The amount of contributions collected as a result of such fundraising event;
- (B) The date and place such fundraising event was held;
- (C) The dates on which such contributions were accepted; and
- (D) All other information required by law to be reported on a campaign financial disclosure report.

(b) From the convening of the general assembly in organizational session through the earlier of the last day of regular session or June 1 in odd years, and from the convening of the general assembly in regular session to the earlier of May 15 or the conclusion of the annual session in even years, and from the convening of the general assembly in any extraordinary session through the conclusion of such extraordinary session, a political campaign committee controlled by a political party on the national, state, or local level, or by a caucus of such political party established by members of either house of the general assembly, that makes contributions to a candidate for the general assembly or governor for election or to defray the expenses of such person's office shall not conduct a fundraiser, solicit or accept contributions for the benefit of the caucus, any caucus member or candidate for the general assembly or governor.

(c) Excess funds for election to a local public office are not eligible for transfer under § 2-10-114 to a campaign account for election to the general assembly or governor.

**2-10-311. Limitations on cash contributions.**

- (a) No person shall make cash contributions to any candidate with respect to any election that, in the aggregate, exceed fifty dollars (\$50.00).
- (b) No person shall make cash contributions to any political campaign committee or multicandidate political campaign committee with respect to any election that, in the aggregate, exceed fifty dollars (\$50.00).
- (c) No political campaign committee or multicandidate political campaign committee shall make cash contributions to any candidate with respect to any election.
- (d) No political campaign committee or multicandidate political campaign committee shall make cash contributions to any other political campaign committee or multicandidate political campaign committee with respect to any election.

**2-10-312. Aggregate contribution limits - Adjustments.**

- (a) No individual shall contribute more than one hundred one thousand four hundred dollars (\$101,400) in the aggregate to all candidates, multicandidate political campaign committees, and political campaign committees controlled by a political party on the state or local level or by a caucus of such political party established by members of either house of the general assembly every two (2) years.
- (b) No more than forty thousand dollars (\$40,000) of the amount in subsection (a) shall be contributed towards candidates and no more than sixty-one thousand four hundred dollars (\$61,400) shall be contributed towards multicandidate political campaign committees and political campaign committees controlled by a political party on the state or local level or by a caucus of such political party established by members of either house of the general assembly.

(c) The campaign contribution limits in this section shall be increased to reflect the percentage of change in the average consumer price index (all items-city average) as published by the United States department of labor, bureau of labor statistics, on January 1 of every odd-numbered year starting in 2007. Any amount adjustment under this section shall be rounded to the nearest multiple of one hundred dollars (\$100). The registry of election finance shall publish the increased amount on its web site.

## **PART 4 GUBERNATORIAL INAUGURATION FINANCE DISCLOSURE**

### **2-10-401. Short title.**

This part shall be known and may be cited as the “Gubernatorial Inauguration Finance Disclosure Act.”

### **2-10-402. Part definitions.**

As used in this part, unless the context otherwise requires:

(1) “Contribution” means any advance, conveyance, deposit, distribution, transfer of funds, loan, loan guaranty, payment, gift, or subscription, of money or like thing of value, and any contract, agreement, promise or other obligation, whether or not legally enforceable, made for the purpose of defraying any expenses of a governor or governor-elect’s inauguration or the celebration of a governor or governor-elect’s inauguration;

(2) “Multicandidate political campaign committee” means a political campaign committee to support or oppose two (2) or more candidates for public office or two (2) or more measures; and

(3) “Person” means an individual, limited liability company, partnership, limited liability partnership, committee, association, labor organization or any other organization or group of persons, but does not mean a corporation or the executive officers or other representatives of a corporation.

### **2-10-403. Expense fund.**

Not later than thirty (30) days after being elected to the office of governor, the governor-elect shall establish a gubernatorial inauguration expense fund that shall be used to finance any event held for the purpose of celebrating the governor’s inauguration. Such fund is subject to the contribution limits and reporting requirements provided in this part. The provisions of parts 1 and 3 of this chapter shall not apply to contributions made pursuant to this part.

### **2-10-404. Contribution limits - Transfer of campaign funds.**

(a) No person shall make contributions for the gubernatorial inauguration that, in the aggregate, exceed two thousand five hundred dollars (\$2,500).

(b) No multicandidate political campaign committee shall make contributions for the gubernatorial inauguration that, in the aggregate, exceed seven thousand five hundred dollars (\$7,500).

(c) No corporation or executive officers or other representatives of any corporation doing business within this state shall make contributions for the gubernatorial inauguration that, in the aggregate, exceed seven thousand five hundred dollars (\$7,500).

(d) The governor-elect may transfer funds from the governor-elect’s campaign fund to the inauguration fund.

### **2-10-405. Financial disclosure statement.**

(a) The governor-elect shall file with the registry of election finance a statement of all contributions received and all expenditures made by or on behalf of the gubernatorial inauguration fund.

(b) A statement filed under this section shall consist of either:

(1) A statement that neither the contributions received nor the expenditures made during the period for which the statement is submitted exceeded one thousand dollars (\$1,000); or

(2) A statement setting forth:

(A) Under contributions, a list of all the contributions received, as follows:

(i) The statement shall list the full name and complete address of each person, multicandidate political campaign committee, or corporation contributing a total amount of more than five hundred dollars (\$500) during the period for which the statement is submitted, and the amount contributed by that person, multicandidate political campaign committee, or corporation. The statement shall include the date of the receipt of each contribution; and

(ii) The statement shall list as a single item the total amount of contributions of five hundred dollars (\$500) or less; and

(B) Under expenditures, a list of all expenditures made as follows:

(i) The statement shall list the full name and address of each person to whom a total amount of more than five hundred dollars (\$500) was paid during the period for which the statement is submitted, the total amount paid to that person, and the purpose thereof; and

(ii) The statement shall list the total amount of expenditures of five hundred dollars (\$500) or less each, by category, without showing the exact amount of or vouching for each such expenditure.

(c) The financial disclosure statement for contributions made up until thirty (30) days before any inauguration event shall be filed no later than ten (10) days before the governor's inauguration. The financial disclosure statement for all other contributions shall be filed no later than thirty (30) days after the governor's inauguration.

**2-10-406. Unused funds.**

(a) The governor may hold over funds from the governor's first inauguration to be used in a second inauguration if the governor is re-elected. If the governor is either in a second term, chooses not to run for re-election or is not re-elected, the governor has ninety (90) days to donate any funds remaining in the gubernatorial inauguration fund to a 501(c)(3) nonprofit organization. The governor may request from the registry of election finance an extension of an additional sixty (60) days to donate such remaining funds.

(b) Once the funds have been donated as provided in subsection (a), a financial disclosure statement shall be filed with the registry of election finance disclosing who received such funds and the amount of such donation.

**CAMPAIGN  
FINANCE  
RULES**

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

**CHAPTER 0530-1-1  
CAMPAIGN FINANCIAL DISCLOSURE RULES**

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**0530—1—1—.01 DEFINITIONS.**

- (1) *Campaign Account* - is a separate bank account which must be maintained by a candidate or political campaign committee into which all campaign contributions shall be deposited and from which all campaign monies shall be expended.
- (2) *Candidate* - shall include an individual who is actively waging a write-in campaign or who has authorized others to wage a write-in campaign on his/her behalf.
- (3) *Goods or Services Received on Credit* - are those that are obtained for a campaign from a person or business where credit is extended in the ordinary course of the business and the terms are substantially similar to the extension of credit to nonpolitical debtors. "Goods or services received on credit" do not include in-kind contributions.
- (4) *Investment Accounts* - are accounts such as savings, mutual funds and certificates of deposits (CDs) into which campaign funds may be held for investment purposes.
- (5) *Political Campaign Committee* - includes a multicandidate political campaign committee, single-candidate political campaign committee and single-measure political campaign committee, unless reference is made to a specific type of political campaign committee.
- (6) *Single-Measure Political Campaign Committee* is a committee which is receiving or expending funds to support or oppose a proposal(s) submitted to the people of the entire state or any political subdivision for approval or rejection at an election. For purposes of these rules, an organization or committee that is receiving or expending funds to support or defeat an issue that is being considered by the General Assembly or by a city or county legislative body that is not yet a proposal submitted to the people for approval or rejection at an election is not a single measure political campaign committee.

**0530—1—1—.02 BOOKKEEPING PROCEDURES.**

- (1) A candidate or political campaign committee shall not commingle personal funds or any other monies with campaign account funds.
- (2) A campaign contribution shall be deposited into a candidate's or political campaign committee's campaign account within ten (10) business days of the candidate's or committee receipt of the contribution.
- (3) All campaign funds deposited into an investment account must come from the campaign account. All funds withdrawn from an investment account must be deposited back into the campaign account.
- (4) All expenditures from campaign monies shall be made from a candidate's or political campaign committee's campaign account.
- (5) A candidate or political campaign committee shall maintain the following financial records:

- (a) A list with name, amount and date of receipt of all campaign contributions received. The list shall be able to distinguish between contributors with like names.
  - (b) Copies of checks, bank statements and vendor receipts.
- (6) When feasible, copies of all campaign contribution checks received should be maintained by a candidate or political campaign committee.
  - (7) A candidate or political campaign committee shall maintain all accounting records and required documentation listed in paragraphs 5 and 6 for at least two (2) years after the date of the election to which the records refer or the date of the statement, whichever is later. However, if investigative procedures or a contested case hearing have been initiated against a candidate or political campaign committee, accounting records relating to a campaign account and/or a campaign financial disclosure report must be maintained by the candidate or committee until the investigation or contested case hearing has been completed and the Registry gives approval for the records to be destroyed.
  - (8) A candidate or political campaign committee shall have bank account reconciliations performed for a campaign account to ensure that the bank account balances with the financial disclosure reports filed by the candidate or committee.
  - (9) "Best Efforts" to obtain the occupation, employer and complete address for contributors includes the following:
    - (a) Notifying the contributor, by first class mail, that additional information concerning the contributor is required under state law.
    - (b) Including on a written solicitation for contributions a clear request for the contributor's name, address, occupation and employer and by accurately stating that the information is required under state law for contributions of more than one hundred dollars (\$100).
    - (c) Notifying the contributor orally, documented in writing, that additional information concerning the contributor is required under state law. The written documentation should include the name of the person spoken to, the date of the conversation, the information provided and the telephone number, if applicable.
  - (10) If the occupation for any contributor is listed as "retired", "student", "housewife", or "househusband" then the candidate is not required to obtain an employer.

**0530—1—1—.03 CAMPAIGN CONTRIBUTIONS.**

- (1) A campaign contribution is deemed to have been made by a multicandidate political campaign committee and reportable in the period in which the check or other written instrument is written to a candidate or political campaign committee. A cash campaign contribution is considered to have been made and to be reportable by a multicandidate political campaign committee in the period in which the money is delivered to a candidate or political campaign committee.
- (2) A campaign contribution is considered made to and reportable by a candidate or political committee when the contribution is delivered to a candidate or political campaign committee, or any agent thereof.
- (3) Personal funds of a candidate or any personal loan used by a candidate for routine living expenses that he or she would have incurred without candidacy, including the costs of food and residence, are not campaign contributions.
- (4) A campaign contribution that is made by a PAC by check or other similar written instrument must be provided to a candidate or candidate's political campaign committee within thirty (30) days of the date that the check or other written instrument is written.
- (5) A political campaign committee making an in-kind campaign contribution must notify a candidate or political campaign committee receiving the contribution of the amount and purpose of the contribution, in writing, within five (5) business days after the in-kind contribution is made or performed.
- (6) An in-kind contribution is the provision of any goods or services to a candidate or political campaign committee without charge or at a charge which is less than the fair market value for such goods or services.
- (7) Where goods or services are provided to a candidate or political campaign committee at a charge which is less than the fair market value for such goods or services, the candidate or committee must report as a in-kind contribution the difference between the amount paid for the goods or services and the fair market value of such goods or services.

- (8) Examples of in-kind contributions that are considered goods include, but are not limited to:
  - (a) campaign materials, such as campaign literature, brochures, bumper stickers, campaign advertisements;
  - (b) postage;
  - (c) equipment and other similar supplies;
  - (d) Reserved;
  - (e) polling or survey data.
- (9) Examples of in-kind contributions that are considered services include, but are not limited to:
  - (a) providing of paid personnel for telephone banks and distribution of campaign materials;
  - (b) consulting services.
- (10) If a multi-candidate political campaign committee making an in-kind contribution to a candidate or political campaign committee is in a dispute with a vendor over the amount of an expense, the committee shall make a reasonable determination of the value of the in-kind contribution. The method to determine that amount shall be documented by the committee, and this documentation shall be submitted with the financial disclosure report on which the in-kind contribution is reported. Procedures set forth in the rules then should be followed for notifying the candidate or political campaign committee receiving the in-kind contribution.

**0530—1—1—.04 EXPENDITURES FROM CAMPAIGN CONTRIBUTIONS.**

- (1) An expenditure made by check or other written instrument is deemed to have been made and is reportable during the reporting period in which the check or other written instrument is written. A cash expenditure shall be deemed to be made and is reportable during the reporting period in which the money is delivered to the payee.
- (2) Any disbursement out of campaign funds by a candidate or political campaign committee shall be reported as an expenditure by the candidate or political campaign committee on a campaign financial disclosure statement for the proper reporting period.
- (3) When providing the purpose of an expenditure or category of expenditures as required by T.C.A. §2-10-107(a)(2)(B), a candidate or political committee shall provide a brief description of why the disbursement(s) was made. The description must clearly show that the expenditure was an allowable expense under campaign financial disclosure statutes. Examples of descriptions which shall be considered sufficient include the following: advertising, printing, phone banks and postage. However, descriptions such as miscellaneous, campaign expenditure, other expenses, advance reimbursement or credit card payment shall not be deemed sufficient.
- (4) A candidate who is an officeholder and who has an unexpended balance of campaign contributions may expend those monies for expenses which are incidental to the candidate's holding public office. If a candidate/officeholder incurs expenses which would exist regardless of being an officeholder, those expenses are not considered to be incidental to holding office and are not ordinary and necessary expenses incurred in connection with the office of the officeholder for purposes of T.C.A. §§2—10—114(a)(7).
- (5) Whether an expenditure of campaign funds by a candidate is made for a political purpose depends upon all the facts and circumstances surrounding the expenditure. An activity engaged in between elections by a candidate which is directly related to and supports the selection, nomination or elections of that individual to public office is considered political activity. An expense which would be incurred by an individual regardless of that person's candidacy for public office is considered an expenditure for a nonpolitical purpose under T.C.A. §§2—10—114(b) and may not be made from the individual's campaign funds, except as set forth in T.C.A. §§2—10—114(a).

**0530—1—1—.05 FILING OF CAMPAIGN FINANCIAL DISCLOSURE REPORTS.**

- (1) A report filed using the Registry's Internet filing system shall be considered timely filed if the report is filed before midnight on the due date of the report.
- (2) When, because of the closeness in time between two (2) elections, a post-election campaign financial disclosure report would be filed by a candidate or political campaign committee after the subsequent election in which the candidate or political

campaign committee is also involved, no post-election campaign financial disclosure report for the first election is required to be filed by the candidate or committee.

- (3) No campaign financial disclosure statement required to be filed by the Campaign Financial Disclosure Law may be filed before the day following the ending date of the reporting period, by a candidate or political campaign committee such that there is a failure by the candidate or the political campaign committee to disclose the required campaign financial information for the full reporting period as required by law.
- (4) A document delivered to the Registry office after normal business hours shall be considered filed at the beginning of the next business day. Normal business hours shall be considered Monday through Friday (except holidays), 8:00 a.m. through 4:30 p.m.
- (5) When the filing deadline for any campaign financial disclosure statement falls on a week end or a holiday, resulting in the closing of the Registry Office, the disclosure statement is to be filed with the Registry by the candidate or political campaign committee on the next business day.

**0530—1—1—.06 CAMPAIGN LOANS.**

- (1) A campaign loan must be disclosed by a candidate or political campaign committee during the reporting period that the loan is made. A loan is deemed to have been made when the candidate or political campaign committee obtaining the loan receives the monies from the loan.
- (2) A campaign loan must continue to be disclosed by a candidate or political campaign committee on campaign financial disclosure reports until the loan is paid back in full, or a statement has been filed with the appropriate campaign financial disclosure statement by the candidate or committee stating that the loan will not be repaid and shall be considered a contribution to the campaign.

**0530—1—1—.07 PAC ANNUAL FEE.**

- (1) No later than January 31 of each year, each registered multicandidate political campaign committee (PAC) shall pay an annual registration fee of \$100.
- (2) Multicandidate political campaign committees registered by any statewide political party or a subsidiary are exempt from the annual registration fee.
- (3) Any political campaign committee that registers as a new PAC during any year shall pay the registration fee at the time of registration.

**0530—1—1—.08 SINGLE MEASURE COMMITTEES.**

- (1) Before a single measure political campaign committee may receive any contributions or make any expenditures to support or defeat a measure on a ballot, it must certify the name and address of its political treasurer.
- (2) If the post referendum campaign financial disclosure statement filed by a single measure political campaign committee shows an unexpended balance of contributions, continuing debts and obligations, or an expenditure deficit, the single measure committee shall file an annual supplemental disclosure statement each year from the date of the post-referendum report until the campaign account shows no unexpended balance, continuing debts and obligations, or deficit.

**0530—1—1—.09 COUNTY EXECUTIVE COMMITTEES.**

- (1) A political party's county executive committee acting as a political campaign committee and filing campaign financial disclosure reports does not have to disclose the receipts and expenditures used by it to perform its functions required by the state election laws, where its annual receipts and expenditures are less than \$10,000 and where those receipts and expenditures are separated from and maintained in a fund separate and apart from any funds used by its as a political campaign committee. If the funds are commingled, the county executive committee must report its receipts and expenditures of all funds on its campaign financial disclosure reports.
- (2) A political party's county executive committee whose annual receipts and expenditures are \$10,000 or more must disclose its receipts and expenditures of all funds on its campaign financial disclosure reports.

**0530—1—1—.10 GOODS OR SERVICES RECEIVED ON CREDIT.**

- (1) Goods and services received on credit which are not paid for during the reporting period for which a disclosure statement is filed must be disclosed by a candidate or political campaign committee as follows:
  - (a) Goods and services received on credit totaling \$100 or less from each person shall be totaled and reported as a lump sum amount on a campaign financial disclosure report.
  - (b) Goods and services received on credit totaling more than \$100 from a source shall be itemized. The full name and complete address of each person who provided such goods and services on credit shall be disclosed, along with the total amount of goods and services provided by that person and a description of the goods and services.

**0530—1—1—11 INFORMAL SHOW CAUSE HEARINGS.**

- (1) When Registry staff presents documentation to the Registry indicating that a candidate or political campaign committee has possibly violated the Campaign Financial Disclosure Law and before the Registry takes action to assess civil penalties for a violation, the Registry shall send a written notification to the candidate or committee of the allegations and the class and maximum amount of civil penalties which would be assessed for such a violation. Additionally, this notification shall inform the candidate or committee of the date, place and time of the Registry's next regularly scheduled meeting and provide the candidate or committee the opportunity to choose one (1) of the following options:
  - (a) The candidate, designee of a candidate, or committee shall be provided an opportunity to personally appear before the Registry at its next regularly scheduled meeting to show why civil penalties should not be assessed; or
  - (b) The candidate, designee of a candidate or committee must be provided an opportunity to submit a sworn statement to the Registry which has been sworn to before a notary public, along with any pertinent attachments, to show why civil penalties should not be assessed.
- (2) The opportunity provided to a candidate, the designee of a candidate, or committee to personally appear before the Registry or to submit a sworn statement for the Registry's consideration as to whether to assess civil penalties against the candidate or committee is not in lieu of any contested case hearing rights that the candidate or committee may have pursuant to *Tennessee Administrative Procedures Act, T.C.A. §4—5—301, et seq.*
- (3) In order for a candidate, the designee of a candidate, or committee to take advantage of the opportunity to personally appear before the Registry at its regularly scheduled meeting, the candidate or committee must request such an appearance in writing. A candidate or committee has the right to appear with legal counsel at the Registry meeting.
- (4) In order for a candidate, the designee of a candidate, or committee to take advantage of the opportunity to submit a sworn statement, along with any pertinent attachments for the Registry's determination as to whether to assess civil penalties, the statement and any attachments must be received in the Registry's office no later than eight (8) days before the day of the Registry's meeting in order to have the information considered by the Registry at that meeting. A sworn statement received less than eight (8) days before the Registry's meeting will have the matter continued until the Registry's next meeting.

**0530—1—1—12 ISSUANCE AND APPEAL OF CIVIL PENALTY ASSESSMENT ORDERS.**

- (1) A civil penalty order issued by the Registry assessing penalties against a candidate or political campaign committee cannot be issued unless a majority of the Registry members present have voted that such an order be issued. Once a majority of the Registry members have voted that such an order should be issued, the chairperson or executive director shall have the authority to issue the order on behalf of the Registry.
- (2)
  - (a) A civil penalty order assessing civil penalties shall be mailed by registered or certified mail to the candidate or political campaign committee to whom the order is issued, and the party to whom it is issued shall be provided thirty (30) days from the date of the issuance of the order to either appeal the Registry's order pursuant to the procedures provided for under Tennessee's Administrative Procedures Act, *T.C.A. §4—5—301, et seq.*, or to pay the assessed penalties to the Registry.
  - (b) If the civil penalty assessment order is returned to the Registry from the United States Postal Service as unclaimed, then the order shall be reissued and mailed by the Registry by overnight mail delivery to the candidate or political campaign committee. The candidate or committee shall then have thirty (30) days from the date of the reissuance of the order to either appeal the Registry's order pursuant to procedures provided under the Uniform Administrative Procedures Act, compiled in *T.C.A.*, Title 4, Chapter 5, Part 3, or to pay the assessed penalties to the Registry.

- (3) In order for a candidate or a political campaign committee to appeal an order issued by the Registry assessing civil penalties, the candidate or political campaign committee shall file a petition with the Registry. This petition shall be considered a request for a contested case hearing pursuant to the Uniform Administrative Procedures Act, *T.C.A. §4—5—301, et seq.*
- (4) If the Registry's order assessing civil penalties is not appealed within thirty (30) days of its issuance by the candidate or political campaign committee to whom it was issued, the order becomes a final order.
- (5) If a candidate or political campaign committee fails to either appeal a civil penalty order issued to it by the Registry or to pay the Registry the assessed penalties and the Registry's order becomes final without the party taking any such action, upon the order becoming final, the Registry shall forward the matter to the State Attorney General and Reporter's office. The Registry shall request that the Attorney General take legal action on its behalf to collect the civil penalties from the candidate or committee against whom the action has been taken.

**0530—1—1—13 RECONSIDERATION OF THE ISSUANCE OF CIVIL PENALTY ASSESSMENT ORDERS.**

- (1) If a candidate or political campaign committee against whom a civil penalty assessment order has been issued by the Registry wishes to request that the Registry reconsider the matter, the candidate or committee must follow these procedures to have the Registry consider the request:
  - (a) The candidate or committee must file a written request with the Registry asking that the assessment of civil penalties against the candidate or committee be reconsidered by the Registry. The written request for reconsideration must be filed with the Registry within fourteen (14) days of the date of the issuance of the Registry's order assessing civil penalties.
  - (b) For a written request for reconsideration to be considered by the Registry, the candidate or committee must include additional information concerning the matter that was not available for the Registry's consideration at its meeting at which the civil penalty order was issued by the Registry. If no additional information is included in the request for reconsideration, the Registry may choose not to reconsider the matter.
  - (c) If the candidate or political campaign committee files a written request for reconsideration of an assessment of civil penalties with the Registry and asks to make a personal appearance before the Registry at a regularly scheduled meeting and, without good cause, fails to appear at that meeting without having notified the Registry prior to the meeting, the Registry will deny the request for reconsideration.
  - (d) While a request for reconsideration of a civil penalty order by a candidate or political campaign committee is pending before the Registry, the Registry's order assessing penalties does not become final until a determination is made by the Registry as to the request for reconsideration. Upon a vote of a majority of the Registry members to deny a candidate's or political campaign committee's request for reconsideration of any civil penalty assessment order, the Registry shall issue an order denying the request and providing the candidate or committee ten (10) days after the date of the issuance of the order to appeal the original assessment order under the *Tennessee Administrative Procedures Act* before the order becomes a final order.

**0530—1—1—14 ISSUANCE OF ADVISORY OPINIONS BY THE REGISTRY.**

- (1) A candidate may submit to the Registry a written request for an advisory opinion as to the application of the Campaign Financial Disclosure Law. In submitting such a request, the candidate shall include a complete description of all facts relevant to the specific transaction or activity which is the subject of the opinion request.
- (2) After reviewing a candidate's request for an advisory opinion and if the Registry staff determines that more information from the candidate is necessary in order for the Registry to properly respond to the request, the staff shall notify the candidate of the additional information which should be submitted to the Registry.
- (3) If the Registry staff determines that an advisory opinion request contains a complete description of the proposed transaction or activity, the staff shall notify the candidate making the request that it was received by the Registry and that the matter shall be presented by the staff to the board at its next scheduled meeting for an advisory opinion to be issued.
- (4) After reviewing a candidate's advisory opinion request and upon determining that the request presents essentially the same fact situation or proposed activity which was the subject of an advisory opinion previously issued by the Registry, the staff may recommend to the board at its next regularly scheduled meeting that a copy of that earlier opinion be sent to the candidate, in lieu of issuing a new opinion. If a majority of the members of the Registry present and voting at the meeting vote to adopt the staff's recommendation, a copy of the previous opinion shall be mailed to the candidate with a memorandum explaining that the analysis and conclusion(s) contained in that previous opinion are applicable to the activity being proposed.

by the candidate. However, if a majority of the members present and voting at the meeting determine that a new advisory opinion should be issued addressing the candidate's opinion request, the procedures outlined in paragraph 5 through 8 of this rule shall be followed in issuing the opinion, where applicable.

- (5) The Registry staff shall review the question presented in the candidate's request and research the applicable provisions of the Campaign Disclosure Law. A draft of an advisory opinion shall be presented to the members of the Registry at the board's next meeting, with a recommendation from the staff. After reviewing the draft, the members of the Registry present at the meeting shall then vote as to whether to issue the opinion as drafted.
- (6) If a majority of the members of the Registry present and voting at a meeting vote to issue an advisory opinion as drafted by the staff, the advisory opinion shall be issued under the signature of the chairperson. The opinion shall be provided to the candidate who requested it. Additionally, the Executive Director shall forward copies of the opinion to the office of Legislative Legal Services and to all local county election commission offices for dissemination. A copy of the opinion shall be retained on file at the Registry office for public inspection and copying.
- (7) If a majority of the members of the Registry present and voting at a meeting vote not to adopt an opinion as drafted, any board recommended changes shall be made in the opinion by the staff. If the changes voted by the board are minor changes, the staff shall be directed to make those specific changes, and the opinion shall be issued under the signature of the chairperson without further review by the board. The procedures for disseminating the advisory opinion as set forth in paragraph (6) shall then be followed.
- (8) If a majority of the Registry members present and voting at a meeting vote changes to be made to a draft advisory opinion which require the staff to rewrite the opinion with a different result, the Executive Director shall resent another draft of the opinion to the board members at the next scheduled meeting of the Registry.

#### **0530—1—1—.15 LOCAL ELECTION REPORTING.**

- (1) Each county election commission shall notify the Registry of each local election held in their county at the same time that public notice is posted.
- (2) On a form prescribed by the Registry, the notice of election from the county election commission shall provide the Registry with the following information for each local election to be held: county, city (if applicable), qualifying deadline, date of election and offices on the ballot. The form shall be signed by an official from the county election commission.
- (3) For each campaign financial disclosure report required to be filed by a local candidate, the county election commission shall, on a form prescribed by the Registry, certify that all candidates have filed the report timely or provide a list of candidates that have failed to timely file the report. The form shall be signed by an official from the county election commission.
- (4) For each candidate listed by the county election commission as failing to timely file a report, the county election commission shall provide the Registry with a copy of the original notification letter, certified notification letter, acknowledgement card from the certified letter and report (if applicable).

**RULES  
OF  
TENNESSEE REGISTRY OF ELECTION FINANCE**

**CHAPTER 0530-1-3  
CAMPAIGN FINANCE RULES**

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**0530—1—3—.01 ELECTIONS.**

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

**0530—1—3—.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 for that office.)

**0530—1—3—.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.

**0530—1—3—.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.

**0530—1—3—.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.

**0530—1—3—.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.

**0530—1—3—.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.
- (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.

**0530—1—3—.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.
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.

**0530—1—3—.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.
- (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.