

State Law Trending Toward Increased Campaign Finance Disclosure

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New laws and court wins out of several states are favoring more campaign finance disclosure.

The Tennessee General Assembly recently passed a bill requiring politically-active 501(c)(4) organizations – often referred to as “dark money” groups – to disclose any expenses over \$5,000 in the 60 days leading up to an election. Previously, these groups could run advertisements featuring candidate names and likenesses without being required to disclose spending, so long as they did not expressly advocate for or against a candidate. Now, doing so will trigger disclosure for any spending over the \$5,000 threshold.

Wyoming substantially increased its fine for failure to file campaign finance disclosure reports: from a one time \$500 fee to a \$500 per day fee for each day a report is late. Some in the state believed the one-time fee created a loophole allowing big spenders to avoid disclosure requirements. A single \$500 fee was a small price to pay for big spenders in the state to avoid itemized disclosure reports. The substantial fee increase will put pressure on groups to file timely disclosure reports.

Finally, Rhode Island prevailed in defending its campaign finance law, which requires groups making independent expenditures to disclose all donors who give over \$1,000, as well as to list top donors in advertisement disclaimers. The law was challenged on First Amendment grounds in federal court. The law was upheld in federal district court and again by the U.S. Court of Appeals for the First Circuit. The U.S. Supreme Court ultimately denied hearing the appeal, allowing the Rhode Island law to stand.

Authors

D. Mark Renaud
Partner
202.719.7405
mrenaud@wiley.law

Hannah Bingham
Associate
202.719.3455
hbingham@wiley.law

Practice Areas

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Based on this recent flurry of campaign finance disclosure activity, political organizations should be closely monitoring changes to disclosure law at the state level.