



H.B. 119

123rd General Assembly
(As Introduced)

**Reps. Amstutz, Logan, Sulzer, Maier, Sykes, Williams, Olman, Flannery,
Ford, Trakas, Bender**

BILL SUMMARY

- Requires, effective January 1, 2000, the electronic filing of campaign finance statements of campaign committees of candidates for statewide office if the total amount of contributions received or expenditures made for a reporting period exceeds \$10,000, and permits that method of filing if such total amount does not exceed \$10,000.
- Permits, effective January 1, 2000, the electronic filing of campaign finance statements of campaign committees of candidates for the General Assembly, political action committees and political contributing entities that file campaign finance statements with the Secretary of State, legislative campaign funds, and state political parties, and requires, effective January 1, 2002, that method of filing by those committees and entities if the total amount of contributions received or expenditures made exceeds \$10,000 for the reporting period.
- Requires, effective January 1, 2002, the electronic filing of campaign finance statements of individuals and specified entities that make independent expenditures for or against statewide candidates or statewide ballot issues if the total amount of the independent expenditures exceeds \$10,000 for a reporting period.

TABLE OF CONTENTS

Current law	2
Contributions to and expenditures by campaign committees and other entities	2
Independent expenditures by individuals and entities.....	3
Information stored on computer	3

Changes proposed by the bill	4
Filings by electronic means of transmission	4
Duties of the Secretary of State regarding electronic transmissions	5
Examination of statements	7
Other changes.....	8

CONTENT AND OPERATION

Current law

Contributions to and expenditures by campaign committees and other entities

The Campaign Finance Law requires every campaign committee, political action committee, legislative campaign fund, political party, and political contributing entity that, during any of several specified reporting periods, made or received a contribution or made an expenditure in connection with the nomination or election of any candidate or in connection with any ballot issue or question at any election held or to be held in Ohio to file a full, true, and itemized statement that is made under penalty of election falsification and sets forth in detail information about the contribution or expenditure (sec. 3517.10(A)).

Campaign committees of statewide candidates also must file a monthly statement of contributions received during each of the months of July, August, and September in the year of the general election in which the candidate seeks office. Until January 1, 2000, the campaign committee of a statewide candidate who files a notice that the candidate will use or is using personal funds for a campaign exceeding the amounts prescribed by law, and the campaign committee of a candidate to which campaign contribution limitations no longer apply because the candidate's opponent is using those personal funds, must file an additional monthly statement. Current law also requires that, during the period beginning on the 19th day before the general election in which a statewide candidate seeks election to office and extending through the day of that general election, each time the campaign committee of the joint candidates for the offices of Governor and Lieutenant Governor or for the office of Secretary of State, Auditor of State, Treasurer of State, or Attorney General receives a contribution from a contributor that causes the aggregate amount of contributions received from that contributor during that period to equal or exceed \$2,500 (or \$500 in the case of candidates for Chief Justice or Justice of the Supreme Court), the campaign committee must file a two-business-day statement. Until January 1, 2000, the campaign committee of a candidate who expects to use or is using personal funds exceeding the amount specified by law, and the campaign committee of that candidate's opponent to

whom contribution limitations no longer apply, also must file two-business-day statements under specified circumstances. (Sec. 3517.10(A).)

The form for campaign finance statements must be prescribed by the Secretary of State (sec. 3517.10(C)(6)(b)).

Independent expenditures by individuals and entities

Under current law, whenever any individual, partnership, or other entity, except a corporation, labor organization, campaign committee, legislative campaign fund, political action committee, political contributing entity, or political party, makes one or more independent expenditures in support of or opposition to any candidate, or makes one or more independent expenditures in excess of \$100 in support of or opposition to any ballot issue or question, the individual, partnership, or other entity must file with the Secretary of State in the case of a statewide candidate or ballot issue or question, or with the board of elections in the county in which the candidates file the candidate's petitions for nomination or election for office or in the county that certifies the issue or question for placement on the ballot, as the case may be, a statement, by the deadlines by which a campaign committee must file a campaign finance statement, itemizing all independent expenditures made during the period since the close of business on the last day reflected in the last previously filed statement, if any (sec. 3517.105(B)(2)(b) and (C)(2)(b)).

Information stored on computer

Current law requires the Secretary of State to store on computer the information contained in statements of contributions and expenditures and monthly statements required to be filed by any of the following: (1) the campaign committees of candidates for statewide office or for the office of member of the General Assembly, (2) the political action committees and political contributing entities that make contributions to the campaign committees of statewide candidates or in connection with statewide ballot issues, (3) legislative campaign funds, and (4) state political parties (sec. 3517.106(A)). The Secretary of State may require that the statements that the Secretary of State must store on computer be filed in whatever format the Secretary of State considers necessary (sec. 3517.10(C)(6)(b)).

Changes proposed by the bill

Filings by electronic means of transmission

That bill requires that, on and after January 1, 2000, the campaign committee of each candidate for statewide office (see **COMMENT 1**) must file

campaign finance statements, monthly statements, and two-business-day statements by *electronic means of transmission* if the total amount of the contributions received or the total amount of the expenditures made by the campaign committee for the applicable reporting period *exceeds \$10,000*. If the total amount of the contributions received or the total amount of the expenditures made for the applicable reporting period by the campaign committee of a candidate for statewide office does not exceed \$10,000, the campaign committee may file, but is not required to file, the statements by electronic means of transmission. Also, on and after January 1, 2000, a campaign committee of a statewide candidate must file a two-business-day statement by electronic means of transmission if the campaign committee is required to file a preelection, postelection, or monthly statement of contributions and expenditures by electronic means of transmission. (Secs. 3517.10(A) and 3517.106(E)(1).)

On and after January 1, 2000, but subject to the exception mentioned below relative to certain filings on or after January 1, 2002, the campaign committees of candidates for the office of member of the General Assembly, political action committees and political contributing entities that make contributions to the campaign committees of statewide candidates or in connection with statewide ballot issues, legislative campaign funds, and state political parties *may file* campaign finance statements, monthly statements, and two-business-day statements by electronic means of transmission. (Sec. 3517.106(E)(2) and (F)(1)(a).) But, on and after January 1, 2002, campaign committees of candidates for the office of member of the General Assembly, political action committees and political contributing entities that make contributions to the campaign committees of statewide candidates or in connection with statewide ballot issues, legislative campaign funds, and state political parties *must file* by electronic means of transmission campaign finance statements, monthly statements, and two-business-day statements if the total amount of the contributions received or the total amount of the expenditures made by the campaign committee, political action committee, political contributing entity, legislative campaign fund, or political party for the applicable reporting period *exceed \$10,000* (sec. 3517.106(E)(3) and (F)(2)(a)).

On and after January 1, 2002, any individual, partnership, or other entity that makes independent expenditures in support of or opposition to a statewide candidate or a statewide ballot issue or question must file the required statement regarding that expenditure by electronic means of transmission if the total amount of the independent expenditures made during the reporting period exceeds \$10,000. The individual, partnership, or other entity may file, but is not required to file, the statement by electronic means of transmission if the total amount of the independent expenditures made during the reporting period does not exceed \$10,000. (Secs. 3517.105(B)(2)(b) and (C)(2)(b) and 3517.106(G).)

Within five business days after each of the filing deadlines specified under current law for the applicable statement, the Secretary of State must make the information in all statements that are filed electronically or by other means of transmission available online to the public *by means that are searchable, viewable, and accessible through the Internet* (see **COMMENT 2**). If an electronically filed statement is found to be incomplete or inaccurate after the examination of the statement for completeness and accuracy (see "*Examination of statements*," below), the campaign committee, the political action committee, the political contributing entity, the legislative campaign fund, the state political party, or the individual, partnership, or other entity that makes independent expenditures must file by electronic means of transmission any addendum to the statement that provides the information necessary to complete or correct the statement or, if required by the Secretary of State, an amended statement. Within ten business days after the electronic filing of the addendum to the statement or an amended statement, the Secretary of State must make the information in the addendum or amended statement available online to the public through the Internet. (Sec. 3517.106(E)(1), (2), and (3), (F)(1)(a) and (2)(a), (G), and (I).)

Duties of the Secretary of State regarding electronic transmissions

Signatures. The bill requires the Secretary of State, by rule, to prescribe one or more techniques by which a person who executes and transmits, by electronic means, a statement of contributions and expenditures, a statement of independent expenditures, an addendum to either statement, an amended statement of contributions and expenditures, or an amended statement of independent expenditures may electronically sign the statement, addendum, or amended statement. The techniques prescribed by the Secretary of State must include, but are not limited to, the following (sec. 3517.106(H)(1)):

- (1) A code consisting of a combination of letters, numbers, characters, or symbols that is adopted or executed by the person described in the preceding paragraph as that person's electronic signature;
- (2) A computer-generated signature code that is created for that person;
- (3) An electronic image of the handwritten signature of that person that is created by using a pen computer.

The electronic signature that uses any of the techniques that the Secretary of State prescribes must be attached to or associated with the statement of contributions and expenditures, the statement of independent expenditures, the addendum to either statement, the amended statement of contributions and expenditures, or the amended statement of independent expenditures that is

executed and transmitted by electronic means by the person to whom the electronic signature is attributed. The electronic signature that is attached to or associated with the statement, addendum, or amended statement is binding on all persons and for all purposes under the Campaign Finance Law as if the signature had been handwritten in ink on the printed form of the statement, addendum, or amended statement. (Secs. 3517.10(C)(1) and 3517.106(H)(2).)

Methodology, etc. The Secretary of State also must prescribe the appropriate methodology, protocol, and data file structure for the electronic transmission of statements required or permitted to be filed electronically under the bill (sec. 3517.10(C)(6)(b)).

Internet. The bill requires the Secretary of State to make the information in all statements, all addenda to the statements, and all amended statements that are filed with the Secretary of State by electronic or other means of transmission available online to the public by any means that are searchable, viewable, and accessible through the Internet. For purposes of the retrieval by the public of information from those statements, addenda, or amended statements through the Internet, the Secretary of State must disclose all of the following with respect to a campaign committee that filed the statement, addendum, or amended statement and each person that made a contribution as reflected in the statement, addendum, or amended statement (sec. 3517.106(I)).

(1) The first name and the last name of the campaign committee's candidate;

(2) The first name and the last name of each contributor;

(3) The city or village, state, and zip code as used in the contributor's address, but not the apartment number, street, road, or highway name and number, or rural delivery route number;

(4) The name of the contributor's employer, if any;

(5) The month, day, and year of the contribution;

(6) The value in dollars and cents of the contribution;

(7) The type of the contribution.

Acknowledgment and preservation. The Secretary of State must prescribe, by rule, the manner of acknowledging and preserving the receipt of statements, addenda to statements, and amended statements that are electronically transmitted to the Secretary of State and the manner of preserving the information in them.

The Secretary of State must make the information in them available online to the public through the Internet. The Secretary of State must preserve the information in them for at least six years after the year in which they are electronically filed. (Sec. 3517.10(D)(6) and (7).)

Examination of statements

General Assembly candidates-related examinations. Under current law, the Secretary of State may examine the campaign finance statements of candidates for the office of member of the General Assembly. The bill requires that on and after January 1, 2000, the Secretary of State must examine statements that are electronically filed by campaign committees of candidates for the office of member of the General Assembly (sec. 3517.11(B)(3)(a)).

Examinations in general. Current law also requires the Secretary of State or the board of elections to examine all campaign finance statements for compliance with the Campaign Finance Law. If a statement is found to be incomplete or inaccurate by the officer to whom it is submitted, the officer accepts the statement on a conditional basis, and the person who filed it must be notified as to the incomplete or inaccurate nature of the statement. The recipient of the notice must file an addendum to the statement providing the information necessary to complete or correct the statement. (Sec. 3517.11(B)(3) and (4).)

Under the bill, the recipient generally must file either an addendum, an amendment, or another correction to the statement. But, the Secretary of State may require that, in lieu of filing an addendum, amendment, or other correction to a statement that is filed by electronic means of transmission to the office of the Secretary of State, the recipient of the notice may file by electronic means of transmission an amended statement that incorporates the information necessary to complete or correct the statement. An addendum, amendment, or other correction to a statement that is filed by electronic means of transmission must be filed in the same manner as the statement. The bill's provisions pertaining to the electronic filing of statements of contributions and expenditures and statements of independent expenditures apply to the electronic filing of addenda, amendments, or other corrections of those statements and the electronic filing of amended statements. (Sec. 3517.11(B)(3)(a).)

Within ten business days after the filing with the Secretary of State, by electronic or other means of transmission, of an addendum, amendment, or other correction to a statement or of an amended statement, the Secretary of State must make the information in that addendum, amendment, correction, or amended statement available online to the public through the Internet (sec. 3517.11(B)(3)(b)).

Other changes

The bill requires the Secretary of State to store on computer information contained in statements of independent expenditures required to be filed by individuals, partnerships, or other entities that make independent expenditures in support of or opposition to a statewide candidate or a statewide ballot issue or question, and to make available to those individuals, partnerships, and other entities, for a reasonable fee, computer programs that are compatible with the Secretary of State's method of storing on computer the information contained in the statements (sec. 3517.106(B) and (C)).

A campaign committee of a candidate for the office of member of the General Assembly that files a statement of contributions and expenditures, an addendum to the statement, or an amended statement electronically must file with the appropriate board of elections a printed version of the electronically filed statement, addendum, or amended statement in the format that the Secretary of State prescribes (sec. 3517.106(F)(1)(b) and (2)(b)).

COMMENT

1. The bill defines "statewide office" as the offices of Governor, Lieutenant Governor, Secretary of State, Auditor of State, Treasurer of State, Attorney General, Chief Justice of the Supreme Court, Justice of the Supreme Court, and member of the State Board of Education (sec. 3517.106(A)(2)).

2. The bill defines the Internet as the international computer network of both federal and nonfederal interoperable packet switched data networks, including the graphical subnetwork called the World Wide Web (sec. 3517.106(A)(1)).

HISTORY

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