



Lynda Jacobsen

Bill Analysis
Legislative Service Commission

H.B. 538

124th General Assembly
(As Introduced)

Reps. Sulzer, Grendell

BILL SUMMARY

- Specifies that all loans, gifts, and other donations made to, or received or used by, the operating fund of a state or county political party are for the purpose of influencing the next subsequent primary or general election.
- Requires all loans, gifts, and other donations made to, or received or used by, the operating fund of such a political party to be included in that party's campaign finance reports.

CONTENT AND OPERATION

Existing law

Existing law generally requires a political party to file campaign finance reports at specified times detailing the contributions made or received, and the expenditures made, by the party in connection with the nomination or election of any candidate or in connection with any ballot issue or question (sec. 3517.10--not in the bill). "Contribution" means a loan, gift, deposit, forgiveness of indebtedness, donation, advance, payment, or transfer of funds or of anything of value, and the payment by any person other than the person to whom the services are rendered for the personal services of another person, which contribution is made, received, or used for the purpose of influencing the results of an election (sec. 3517.01(B)(5)--not in the bill). Thus, under existing law, if a political party receives a gift, and the gift is not made, received, or used for the purpose of influencing the results of an election, it is not required to be included in the party's campaign finance reports.

Changes proposed by the bill

The bill specifies that any loan, gift, deposit, forgiveness of indebtedness, donation, advance, payment, or transfer of funds or of anything of value, and any

payment by any person other than the person to whom the services are rendered for the personal services of another person, that is made to, or received or used by, the operating fund of a state or county political party on or after the bill's effective date must be considered to be for the purpose of influencing the results of the next subsequent primary or general election and must be reported under the Campaign Finance Law.¹ Thus, under the bill, any gift made to, or received or used by, the operating fund of such a political party will be assumed to be for the purpose of influencing the results of the next subsequent election and, as such, must be reported under the Campaign Finance Law, whether or not it is actually made, received, or used for that purpose. (Sec. 3517.08(H).)

COMMENT

It is unclear how this provision will be implemented if a political party does not maintain an account clearly designated as an "operating fund," or which funds of a political party might be included within that phrase if the party maintains multiple accounts for the purpose of operating expenses.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-13-02	p. 1547

h0538-i.124/kl

¹ Under the bill, as under the current definition of a "contribution," transfers include transfers of funds from an intervivos or testamentary trust or a decedent's estate.