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Bill Analysis
Legislative Service Commission

H.B. 395

125th General Assembly
(As Introduced)

Rep. Redfern

BILL SUMMARY

- Prohibits employees of any public retirement system who are directly involved in the investment of funds from making political contributions.
- Prohibits law firms and legal professional associations that contract with the state to provide legal services on behalf of the state from making political contributions.
- Establishes an aggregate limit of \$100 that an individual under 18 years of age may contribute to a political entity, and establishes a corresponding \$100 limit on the aggregate contributions that a political entity may accept from such an individual.
- Reduces from \$5,000 to \$1,000 the aggregate amount of contributions that an individual of the age of 18 years or over may contribute to a county political party's state candidate fund, and establishes a corresponding \$1,000 limit on the amount of aggregate contributions that a county political party may accept from such an individual for its state candidate fund.
- Reduces from \$2,500 to \$1,000 the aggregate amount of contributions that a political action committee may contribute to the campaign committee of any one statewide candidate, Senate candidate, or House candidate, and establishes a corresponding \$1,000 limit on the amount of aggregate contributions that those campaign committees may accept from a political action committee.
- Reduces from \$5,000 to \$1,000 the aggregate amount of contributions that a political action committee may contribute to a county political party for its state candidate fund or to a legislative campaign fund, and

establishes a corresponding \$1,000 limit on the amount of aggregate contributions that those entities may accept from a political action committee.

- Requires campaign finance statements to be filed in connection with contributions made or received and expenditures made for the purpose of supporting or opposing a named or otherwise identified candidate, regardless of whether advocacy arising from the contribution or expenditure expressly calls for the election or defeat of that candidate.
- Redefines political action committee to include combinations of two or more persons who support or oppose a candidate, regardless of whether the advocacy engaged in by those persons expressly calls for the election or defeat of the candidate.

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CONTENT AND OPERATION

Prohibiting political contributions by certain persons

The Campaign Finance Law generally establishes limits on the amount of contributions that persons may give to certain political entities, as well as corresponding limitations on the amount of contributions that those entities may accept. In some instances, the Campaign Finance Law prohibits certain persons from making contributions entirely. For example, foreign nationals are prohibited from making contributions, expenditures, or independent expenditures in support

of or in opposition to a candidate for any elective office in Ohio (sec. 3517.13(W)(1)).

State retirement system employees involved in the investment of funds

The bill expands the types of persons who are prohibited from making political contributions. Under the bill, any employee of any of the state retirement systems who is directly involved in the investment of funds for that retirement system is prohibited from making any contribution. "State retirement systems" means the Public Employees Retirement System, the Ohio Police and Fire Pension Fund, the State Teachers Retirement System, the School Employees Retirement System, and the State Highway Patrol Retirement System. (Sec. 3517.13(X).) Anyone violating this prohibition must be fined not more than \$1,000 (sec. 3517.992(BB)).

Law firms and legal professional associations that represent the state

The bill also prohibits any law firm or legal professional association that contracts with the state to provide legal services on behalf of the state from making any contribution (sec. 3517.13(Y)). Anyone violating this prohibition must be fined not more than \$1,000 (sec. 3517.992(CC)).

Contribution limits for individual contributors

Existing law

Under existing law, individual contributors may make one or more contributions up to the following aggregate amounts (sec. 3517.102(B)(1)):

- \$2,500 to the campaign committee of any one statewide candidate in a primary election period or in a general election period;
- \$2,500 to the campaign committee of any one Senate candidate in a primary election period or in a general election period;
- \$2,500 to the campaign committee of any one House candidate in a primary election period or in a general election period;
- \$5,000 to any one county political party for the party's state candidate fund in a calendar year;
- \$5,000 to any one legislative campaign fund in a calendar year;
- \$15,000 to any one state political party for the party's state candidate fund in a calendar year;

- \$5,000 to any one political action committee in a calendar year;
- \$5,000 to any one political contributing entity in a calendar year.

With two exceptions, the bill retains these contribution limits for individual contributors.

Contributions to county political party state candidate fund

First, the bill reduces from \$5,000 to \$1,000 the amount that individual contributors *who are 18 years of age or over* may contribute to any one county political party for the party's state candidate fund in a calendar year (sec. 3517.102(B)(1)(a)(iv)). Correspondingly, it changes the amount of contributions that a county political party may accept for the party's state candidate fund from an individual contributor who is 18 years of age or over from \$5,000 to \$1,000 (sec. 3517.102(C)(4)(a)(ii) and (iii)).

Contributions by individuals under 18 years of age

Second, the bill establishes aggregate contribution limits of \$100 to each of the above-listed political entities, for individual contributors who are under 18 years of age (sec. 3517.102(B)(1)(b)). And, correspondingly, it limits the aggregate amount of contributions that those political entities may accept from individual contributors who are under 18 years of age. Each of them is prohibited from accepting a contribution or contributions aggregating more than \$100 from any one individual who is under 18 years of age during the applicable period. (Sec. 3517.102(C).)

In order to determine the age of an individual contributor for the purpose of the contribution limits, the bill requires a campaign finance statement's statement of contributions received to specify, in the case of a contributor who is an individual, the age of the contributor (sec. 3517.10(B)(4)(g)).

Penalties

The penalties for individual contributors making contributions that exceed the contribution limits, and the penalties for political entities accepting contributions that exceed those limits, are unchanged by the bill. For example, an individual contributor under the age of 18 years who contributes more than \$100 to the campaign committee of a statewide candidate and who knows that the amount violates the limit generally must be fined an amount, as under existing law, equal to three times the amount contributed in excess of the limit. (Sec. 3517.992(I) and (J).)

Contribution limits for political action committees

Existing law

With respect to the following political entities, existing law permits political action committees to make one or more contributions up to the following aggregate amounts (sec. 3517.102(B)(2)):

- \$2,500 to the campaign committee of any one statewide candidate in a primary election period or in a general election period;
- \$2,500 to the campaign committee of any one Senate candidate in a primary election period or in a general election period;
- \$2,500 to the campaign committee of any one House candidate in a primary election period or in a general election period;
- \$5,000 to any one county political party for the party's state candidate fund in a calendar year;
- \$5,000 to any one legislative campaign fund in a calendar year.

Changes proposed by the bill

The bill changes the aggregate contribution limits applicable to political action committees by reducing each of the contribution limits previously identified to \$1,000. Thus, under the bill, a political action committee may make one or more contributions aggregating up to \$1,000 to the campaign committee of any one statewide candidate, any one Senate candidate, or any one House candidate during a primary election period or a general election period, or to any one county political party for the party's state candidate fund or to a legislative campaign fund in a calendar year. (Sec. 3517.102(B)(2).) As under existing law, any political action committee making a contribution in excess of the limit must be fined an amount equal to three times the amount contributed in excess of the limit (sec. 3517.992(I)(2)).

The bill also makes corresponding changes to the amount of contributions that campaign committees, county political parties, and legislative campaign funds may accept from a political action committee (sec. 3517.102(C)(1)(b), (2)(b), (3)(b), (4)(a)(ii), and (5)(b)). Recipients of contributions in excess of the limit are subject to the same penalties as under existing law: generally a fine equal to three times the amount accepted in excess of the limit (sec. 3517.992(J)(1), (2), and (3)).

Filing of campaign finance statements in connection with certain contributions and expenditures

Existing law generally requires campaign finance statements to be filed by various political entities with respect to contributions made or received or expenditures made *in connection with* the nomination or election of any candidate or in connection with any ballot issue or question. The bill expands this requirement to include contributions made or received or expenditures made *in connection with* the nomination, election, *or defeat* of any candidate or in connection with any ballot issue or question. (Sec. 3517.10(A) and (E)(1).)

The bill defines "in connection with" to include any contribution made or received or expenditure made for the purpose of supporting or opposing a named or otherwise identified candidate, regardless of whether any advocacy arising from the contribution or expenditure expressly calls for the election or defeat of that candidate (sec. 3517.10(F)(4)). Thus, under the bill, campaign finance statements must be filed with regard to contributions and expenditures that support or oppose a named or otherwise identified candidate, regardless of whether any associated advocacy expressly calls for that candidate's election or defeat.

Definition of "political action committee"

Existing Campaign Finance Law defines a political action committee as a combination of two or more persons, the primary or incidental purpose of which is to *support or oppose* any candidate, political party, or issue, or to influence the results of any election, and that does not meet the definitions for various other specific political entities. The bill generally retains this definition, but specifies that "support or oppose" includes any form of advocacy that names or otherwise identifies a particular candidate, regardless of whether the advocacy expressly calls for the election or defeat of that candidate. (Sec. 3517.01(B)(8).)

Thus, if a combination of two or more persons has a primary or incidental purpose of supporting or opposing a candidate, that combination meets the definition of a "political action committee" for the purpose of the Campaign Finance Law, regardless of whether any advocacy engaged in by those persons expressly calls for the election or defeat of that candidate. That combination of persons, then, must meet the requirements imposed on political action committees by the Campaign Finance Law, including filing statements of contributions and expenditures.

HISTORY

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