*Linda J. Jacobsen* *Legislative Service Commission*

# S.B. 152

125th General Assembly
(As Introduced)

**Sens. Nein, Randy Gardner, Austria, Dann, Mallory, Fingerhut**

## BILL SUMMARY


- Establishes campaign finance contribution limits and associated penalties for the campaign committees of candidates for county elective office and for contributors to those campaign committees.

- Permits candidates for county elective office to use personal funds in the financing of their campaigns, and requires candidates so funding their campaigns to file personal funds notices.

- Permits the opponent of a personal funds candidate for county elective office to accept contributions in excess of the contribution limits, if the opponent's campaign committee files a declaration of no limits within the required time period.

- Specifies that certain carry-in limitations and disposal of excess funds requirements generally applicable to personal funds and declaration of no limits candidates do not apply to the campaign committees of candidates for county elective office.

- Permits campaign committees of candidates for county elective office to accept additional contributions to pay unpaid debt during the primary election period or general election period immediately following the election period during which the debt was incurred.


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## CONTENT AND OPERATION

***Contribution limits applicable to candidates for county office***

***Contribution limits***

The Campaign Finance Law limits the amount of contributions that individuals and political entities may make and also restricts the amount of contributions that certain candidates and political entities may receive from contributors. For example, existing law prohibits individuals from making one or more contributions aggregating more than $2,500 to the campaign committee of any one statewide candidate in a primary election period or in a general election period.

Under existing law, these contribution limits do not apply to contributions made to, or to contributions received by, the campaign committees of candidates for county elective office. The bill generally applies contribution limits to those campaign committees and to individuals and entities making contributions to them. "County elective office" means any of the offices of county auditor, county treasurer, clerk of the court of common pleas, sheriff, county recorder, county engineer, county commissioner, prosecuting attorney, and coroner (sec. 3517.102(A)(10)).

The bill establishes the following limits applicable to aggregate contributions made to and aggregate contributions received by the campaign committees of candidates for county elective office (sec. 3517.102(A)(1)):

- $2,500 from any one individual in a primary election period or in a general election period (sec. 3517.102(B)(1)(h) and (C)(8)).

- $2,500 from any one political action committee in a primary election period or in a general election period (sec. 3517.102(B)(2)(g) and (C)(8)). For the purpose of this limitation, all contributions made by and all contributions accepted from political action committees that are established, financed, maintained, or controlled by the same corporation, organization, labor organization, continuing association, or other person, including any parent, subsidiary, division, or

department of the foregoing, are considered to have been made by or accepted from a single political action committee (sec. 3517.102(D)(1)(a)).

- $2,500 from any one campaign committee in a primary election period or in a general election period (sec. 3517.102(B)(3)(f) and (C)(8)).

- $2,500 from any one political party in a primary election period or in a general election period (sec. 3517.102(B)(4)(b) and (C)(8)). For the purpose of this limitation, all contributions made by and all contributions accepted from a national political party, a state political party, and a county political party are considered to have been made by or accepted from a single political party and must be combined with each other to determine whether the limitation has been exceeded (sec. 3517.102(D)(3)).

- $2,500 from any one political contributing entity in a primary election period or in a general election period (sec. 3517.102(B)(7)(g) and (C)(8)). For the purpose of this limitation, all contributions made by and all contributions accepted from political contributing entities that are established, financed, maintained, or controlled by, or that are, the same corporation, organization, labor organization, continuing association, or other person, including any parent, subsidiary, division, or department of the foregoing, are considered to have been made by or accepted from a single political contributing entity (sec. 3517.102(D)(1)(b)).

***Penalties***

Under the bill, any individual who makes a contribution that violates the $2,500 aggregate contribution limit and who knows that the contribution violates the limit generally must be fined an amount equal to three times the amount contributed in excess of the limit (sec. 3517.992(I)(1)). Any political action committee, campaign committee, political contributing entity, or political party that violates the applicable $2,500 aggregate contribution limit also generally must be fined an amount equal to three times the amount contributed in excess of the limit. But, the fine, for these entities, does not depend on whether they knew a contribution violated the limit. (Sec. 3517.992(I)(2), (3), (4)(c), and (5).)

And, any campaign committee of a candidate for county elective office that accepts a contribution in violation of the $2,500 aggregate contribution limits generally must be fined an amount equal to three times the amount accepted in excess of the limit (sec. 3517.992(J)(1)).

However, no violation occurs, and the board of elections or the Secretary of State must not refer parties to the Ohio Elections Commission for a purported violation, if the amount contributed in excess of, or accepted in excess of, a $2,500 aggregate contribution limit meets either of the following conditions: (1) it is completely refunded within five business days after it is accepted, or (2) it is completely refunded on or before the tenth business day after the recipient of the excess contribution is notified by the board or the Secretary of State that a contribution in excess of the limit has been received (sec. 3517.992(I)(6) and (J)(5)).

***Expenditures of personal funds***

***Personal funds candidates***

The bill prohibits a candidate for county elective office from making an expenditure of personal funds in excess of $500 to influence the results of an election for that candidate's nomination or election to office unless the personal funds are first deposited into the campaign fund of that candidate's campaign committee (sec. 3517.103(B)). If the campaign committee of a candidate for county elective office has received or expended or expects to expend more than $25,000 of personal funds during a primary election period or during a general election period, the campaign committee must file a personal funds notice indicating that the committee has received or expended or expects to expend more than that amount (sec. 3517.103(C)(2)). The notice must be on a form prescribed by the Secretary of State and be filed not later than the earlier of the following times (sec. 3517.103(C)(3)):

- 120 days before a primary election, in the case of personal funds received, expended, or expected to be expended during a primary election period, or not later than 120 days before a general election, in the case of personal funds received, expended, or expected to be expended during a general election period.

- Two business days after the candidate's campaign committee receives or makes an expenditure of personal funds or the candidate makes an expenditure of personal funds on behalf of the candidate's campaign committee during that primary or general election period that exceed, in the aggregate, the $25,000 limit.

The personal funds notice must be filed wherever the campaign committee files its campaign finance statements. A board of elections must send to the Secretary of State a copy of any personal funds notice filed by the campaign committee of a candidate for county elective office. (Sec. 3517.103(C)(3).)

***Opponents of personal funds candidates***

If the campaign committee of a candidate for county elective office files a personal funds notice, contribution limits no longer will apply to the campaign committee of that candidate's opponent if the opponent's campaign committee files a declaration of no limits within 30 days of the filing of the personal funds notice. The campaign committee of a person who was not an opponent of a candidate who filed a personal funds notice at the time the notice was filed may still file a declaration of no limits. In that case, the declaration must be filed within 30 days after the person becomes an opponent of the personal funds candidate. (Sec. 3517.103(D)(1) and (3).)

Until the opponent's campaign committee files the declaration of no limits, however, the opponent's campaign committee must not accept contributions that exceed the applicable limits. The declaration of no limits must list all of the following (sec. 3517.103(D)(2)):

- The amount of cash on hand in the candidate's campaign fund at the end of the day immediately preceding the day on which the candidate's campaign committee files the declaration of no limits.

- The value and description of all campaign assets worth $500 or more available to the candidate at the end of the day immediately preceding the day on which the candidate's campaign committee files the declaration of no limits.

If a candidate whose campaign committee filed a personal funds notice fails to become a candidate, dies, or withdraws as a candidate, the campaign committee of any opponent who has filed a declaration of no limits must no longer accept any contribution that would cause the committee to exceed the applicable contribution limits (sec. 3517.103(D)(4)(a)).

***Penalty***

Candidates for county elective office whose campaign committees fail to file a required personal funds notice or accept contributions in excess of the applicable limits without a valid declaration of no limits forfeit their nomination or election to office, as applicable (sec. 3517.103(E)).

***Disposal of excess funds***

Under existing law, candidates required to file personal funds notices or declarations of no limits generally must dispose of certain "excess" moneys from their campaign funds. Their campaign committees also must file statements

identifying specified finances, excess funds, and the manner of disposal of excess funds. The bill specifies that these requirements do not apply to the campaign committees of candidates for county elective office. (Sec. 3517.1010.)

***Additional contributions to satisfy unpaid debt***

If the campaign committee of a candidate for county elective office has unpaid debt at the end of a primary election period or general election period, the bill permits that campaign committee to accept additional contributions during the immediately following election period to pay that debt. The additional contributions may be accepted from any individual, political action committee, political contributing entity, or other campaign committee that, during the election period for which the debt remains unpaid, contributed less than the applicable contribution limitations. (Sec. 3517.108(B).)

Any additional contributions that a campaign committee accepts must count toward the applicable contribution limitations for the election period for which the debt remains unpaid, and those contributions cannot count toward the applicable contribution limitations for any other election period, if all of the following apply (sec. 3517.108(B)):

- The campaign committee reports, on its required postprimary or postgeneral campaign finance statement, all debt remaining unpaid at the end of the primary or general election period. The committee also must file a separate statement including (1) the name and address of each contributor making additional contributions to pay the unpaid debt, (2) how the contribution was applied to pay the unpaid debt, and (3) the balance of the unpaid debt after each contribution was applied to it.

- The additional contributions are accepted only during the primary or general election period, whichever is applicable, immediately following the election period for which the debt remains unpaid.

- All additional contributions are used by the campaign committee that receives them only to pay the reported unpaid debt.

- The campaign committee maintains a separate account for all additional contributions and uses moneys in that account only to pay the reported unpaid debt.

- The campaign committee stops accepting additional contributions after sufficient funds have been raised to pay the reported unpaid debt and promptly disposes of contributions received that exceed the

amount of the unpaid debt, by returning excess contributions to their contributors or by giving them to certain organizations that are exempt from federal income taxation.

## HISTORY

| ACTION | DATE | JOURNAL ENTRY |
|---|---|---|
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