



Lynda J. Jacobsen

*Bill Analysis*  
Legislative Service Commission

## **Sub. H.B. 694\***

126th General Assembly  
(As Reported by S. Rules)

**Reps. DeWine, Calvert, Trakas, Peterson, R. McGregor, Dolan, Webster, Raga, Flowers, Martin, C. Evans, Aslanides, Coley, D. Evans, Hagan, Hughes, Law, Oelslager, T. Patton, Reidelbach, Schaffer, Seaver, Setzer, Wagoner, J. White, Widener, Widowfield**

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### **BILL SUMMARY**

#### **Model contracts**

- Requires the Attorney General to develop and provide to each executive agency model contracts appropriate for use by the agency (R.C. 109.96(A)).
- Requires an executive agency to use those model contracts in any contract the agency enters into, and permits the agency to modify, alter, or add to the model contracts as the agency considers appropriate (R.C. 109.96(B)).

#### **Solicitations of political contributions from state contractors**

- Prohibits the holder of the public office with ultimate responsibility for the award of a contract, the officer's campaign committee, and a person acting on behalf of that officer from soliciting a contribution from, or directing a contribution by, the holder of a contract or a family member of the holder of the contract, to any (1) candidate or campaign committee, (2) political party, (3) ballot issue committee or political action committee the primary purpose of which is to support or oppose any statewide ballot issue, (4) legislative campaign fund, or (5) person

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\* This analysis was prepared before the report of the Senate Rules Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

making disbursements for the direct costs of producing or airing electioneering communications (R.C. 3517.093(B)).

- Specifies that the previously described prohibitions begin on the date the contract is awarded and extend until one year following the conclusion of the contract (R.C. 3517.093(B)).
- Specifies that the previously described prohibitions do not apply to solicitations made for contributions to the public officer's campaign committee (R.C. 3517.093(D)).
- Provides that a public officer, campaign committee, or person acting on a public officer's behalf who violates the previously described prohibition is guilty of a misdemeanor of the first degree, and requires a political entity that receives an improperly solicited contribution to return that contribution (R.C. 3517.992(E)).

**Political contributions by public contractors**

- Expands the prohibition against awarding a public contract to an organization if specified persons responsible for that organization make certain contributions to the holder of the public office with ultimate responsibility for the award of the contract to also prohibit a contract from being awarded if such a contribution is made by any child aged 7 to 17 years of such a person, by a political action committee (PAC) affiliated with the organization, or by a combination of those persons, their spouses, children aged 7 to 17 years, and affiliated PACs (R.C. 3517.13(I), (J), (Y), and (Z)).
- Generally establishes contractor contribution limits of \$1,000 for persons responsible for the organization and their family members, \$2,000 for affiliated PACs, and a combined limit of \$2,000 for all such persons and related PACs (R.C. 3517.13(I), (J), (Y), and (Z)).
- Establishes parallel contribution limits applicable to an organization that has been awarded a public contract, and specifies that those limits apply from the time the contract is awarded until one year following the conclusion of that contract (R.C. 3517.13(I), (J), (Y), and (Z)).

- Applies these contractor limitations to contracts let by competitive bidding and contracts incidental to such a contract or which is by force account (R.C. 3517.13(I), (J), (Y), and (Z)).
- Applies these contractor limitations to boards, commissions, committees, councils, and similar entities appointed by the Governor or chief executive officer of a municipal corporation and considers the Governor or the chief executive to be the public officer with ultimate responsibility for the award of the contract (R.C. 3517.13(K)).
- Applies these contractor limitations to municipal legislative authorities, boards of education, boards of county commissioners, boards of township trustees, and other boards and commissions created by law (R.C. 3517.13(M)(1)).
- Specifies that contracts approved by the Controlling Board must be considered, for the purpose of these public contractor provisions, to be awarded solely by the agency or department that submitted the contract to the Controlling Board (R.C. 3517.13(M)(2)).
- Specifies that collective bargaining agreements with labor organizations representing employees are subject to the contractor contribution limits, but that the limits do not apply to employment contracts entered into with a single employee (R.C. 3517.13(L)).
- Specifies that generally a PAC is considered to be affiliated with a partnership or other unincorporated business, association, estate, trust, corporation, or business trust if the PAC received, as reported in its most recent statement of contributions and expenditures, more than 50% of its contributions from the specified persons responsible for that organization; presumes that a PAC of a labor organization receives more than 50% of its contributions from the labor organization's members (R.C. 3517.13(L)).
- Requires public contracts to include a certification by the organization that is awarded the contract that the persons responsible for that organization are in compliance with these contractor contribution limitations, makes it a felony of the fifth degree to knowingly falsify that certification, and requires any contract that contains a falsified certification to be rescinded (R.C. 3517.13(I), (J), (Y), (Z), and (AA) and 3517.992(R)(3)).

- Expands the definition of the "holder of the public office with ultimate responsibility for the award of a contract" to also limit contributions to a candidate for that office (R.C. 3517.13(N)(1)).
- Establishes penalties for violations of these state contractor contribution limits (R.C. 3517.992(R)).
- Specifies that the bill's new prohibitions do not prohibit the awarding of a contract after the bill's effective date based on contributions made prior to January 1, 2007 (Section 3).
- Specifies that, for contracts in existence on the bill's effective date, the contract must be considered to be awarded on the bill's effective date, for the purpose of the bill's contractor contribution limits (Section 4).

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## HISTORY

ACTION	DATE
Introduced	11-29-06
Reported, H. Finance & Appropriations	12-07-06
Passed House (63-34)	12-12-06
Reported, S. Rules	---

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