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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
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Office

H.B. 114  
(1\_135\_2477-1)  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 114's Bill Analysis](#)

**Version:** In Senate General Government

**Primary Sponsors:** Reps. Seitz and Humphrey

**Local Impact Statement Procedure Required:** No

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### Highlights

- The Ohio Elections Commission (ELC) would incur costs to investigate and enforce the campaign finance prohibitions pertaining to foreign national contributions established in this bill. The Attorney General (AGO) would also incur costs for prosecuting cases referred to that office by the ELC.
- The ELC may potentially offset these costs through any fines collected from the campaign finance violations established in the bill. The fine for each infraction is three times the amount involved or \$10,000, whichever is greater, and would be paid to the Ohio Elections Commission Fund (Fund 4P20).
- The AGO would incur additional costs for prosecuting Campaign Finance Law violations that would otherwise be prosecuted by the Franklin County Prosecutor. Franklin County would concurrently see a reduction in costs related to prosecuting these cases.
- The AGO could incur further additional prosecution costs if the agency uses the discretionary authority granted in the bill to take over prosecution of other Campaign Finance Law cases in other counties.
- County boards of elections and the Secretary of State (SOS) could incur some minimal administrative costs for processing additional political action committee (PAC) filings from ballot issue committees.

### Detailed Analysis

#### Contributions from foreign nationals

The bill modifies campaign finance law to prohibit contributions from foreign nationals used for influence in state or local ballot issues. As a result of these changes, the Ohio Elections

Commission (ELC) could incur costs to investigate and enforce the campaign finance prohibitions established under the bill. The magnitude of any such costs are uncertain and would presumably be in proportion to the frequency and complexity of potential campaign finance violations arising from the bill. The ELC may partially or fully offset the costs through fines collected as a result of these campaign finance violations. Much like any new investigative costs from the bill, any fine revenue collected is also uncertain, and will depend on the frequency and dollar amount of campaign finance violations. The fine for each infraction under this bill is three times the amount involved or \$10,000, whichever is greater. The fines would be deposited into the Ohio Elections Commission Fund (Fund 4P20). Finally, the bill permits the Attorney General (AGO) to prosecute certain violations referred to that office by the ELC. As with the ELC, the costs the AGO would incur for prosecuting these cases will depend on the frequency and complexity of the cases referred to the office.

In addition to the above prohibitions, the bill retains existing law penalties for violating the law regarding contributions and expenditures by foreign nationals, but the bill also requires a violator to return the contribution to the foreign national in addition to paying the fine levied. This provision does not appear to have any direct fiscal impact. The bill further requires the ELC, if it finds violation of this law, to either impose: (1) the maximum fine and, if applicable, order the violator to return the funds, or (2) refer the matter for prosecution. Because the ELC would typically already investigate these potential violations, the agency would not likely experience any additional costs as a result of this change. There could, however, be some additional costs to county courts of common pleas if there are additional cases referred for prosecution. Presumably, there would be very few such cases.

## **Enforcement of campaign finance law**

The bill requires, when the ELC refers a violation of the Campaign Finance Law for prosecution, that the Attorney General prosecute most of these cases that would currently go to the Franklin County Prosecutor. The bill also allows the AGO, if the ELC refers a violation of Campaign Finance Law to a county prosecutor, to transfer the case to the AGO for prosecution upon the request of that prosecutor, or through the AGO's own initiative. In these instances, the costs of prosecuting these cases would shift from Franklin County, or from other applicable counties, to the AGO. It is unclear how many such cases would be shifted to the AGO under the bill. The bill also provides procedures for choosing a different prosecutor if the appropriate prosecutor is a victim or witness, or is otherwise involved in the case.

## **Ballot issue committees**

The bill specifies that if the committee in charge of a statewide or local initiative or referendum petition receives a contribution or makes an expenditure for the purpose of achieving the successful circulation of the petition, the committee is then considered a political action committee (PAC). Those committees are then required to file periodic disclosures in the same manner as any other PAC under current law. This would result in some minimal administrative fiscal costs to county boards of elections and the Secretary of State (SOS) for processing these filings.

## **Campaign funds for child care**

The bill specifies that reasonable child care expenses are considered ordinary and necessary expenses incurred by a candidate for state or local office while engaging in campaign

activities and duties and those expenses would not have otherwise been incurred. The bill further specifies that (1) the child care must be rendered in Ohio, (2) that the candidate must be a primary caregiver of the child, and (3) that the child must be 12 years of age or younger. These changes do not appear to result in any additionally required campaign filings. The change in the bill matches a 2018 Federal Elections Commission (FEC) opinion that allows campaign funds to be used for these expenses for candidates for federal office. Thus, if a candidate typically stayed home during the date to care for the candidate's children, and the candidate hired a babysitter in order to carry out campaign duties, the bill would allow for campaign funds to be used to pay the babysitter. However, if the candidate's child was normally in daycare, campaign funds would not be permitted to pay those expenses.

## **Deadline to certify presidential candidates for 2024 general election**

The bill makes a change pertaining to the deadlines for political parties to certify a nominee to the SOS for President and Vice-President for the upcoming 2024 general election. The change does not appear to have any direct fiscal effects for the SOS and county boards of elections. Specifically, for the upcoming 2024 general election, uncodified law in the bill delays the deadline for a major political party to certify its candidates to the SOS to the 74<sup>th</sup> day before the general election. This procedural change would not impact the number of candidates on the ballot, nor delay the preparation of ballots for the presidential election.