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# OHIO LEGISLATIVE SERVICE COMMISSION

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**Special Session**

## **Fiscal Note & Local Impact Statement**

**Version:** As Introduced

**Primary Sponsor:** Rep. Seitz

**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 the 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 certain Campaign Finance Law violations that would otherwise be prosecuted by the Franklin County Prosecutor under current law. 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 takes over prosecution of other Campaign Finance Law cases in other counties by request of the county prosecutor.
- 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.
- The bill declares an emergency and thus goes into immediate effect.

## Detailed Analysis

### Contributions from foreign nationals

The bill modifies campaign finance law to prohibit certain 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. However, 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 aspect of the 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. County courts of common pleas could, however, incur increased costs if there are additional cases referred for prosecution. Presumably, there would be few such cases.

### Enforcement of campaign finance law

When the ELC refers a violation of the Campaign Finance Law for prosecution, the bill requires that the Attorney General prosecute many of the 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. In these instances, the costs of prosecuting these cases would shift from Franklin County, or from other applicable counties, to the AGO. The number of additional cases that would go to the AGO under the change in the bill is unclear.

### 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 additional administrative costs to county boards of elections and the Secretary of State (SOS) for processing these filings.

## **Emergency clause**

The bill declares an emergency. Thus, the changes to Campaign Finance Law contained in it would go into immediate effect upon enactment.