



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

Emily E. Wendel

### **H.B. 502**

131st General Assembly  
(As Introduced)

**Reps.** Becker, Hood, Brenner, Vitale

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## **BILL SUMMARY**

### **Reports of contributions and expenditures**

- Delays the deadline for a political entity to file a post-general election report of contributions and expenditures from the 38th day after the election (usually in mid-December) to January 7.
- Specifies that a campaign committee is not required to file a report of contributions and expenditures if the campaign committee has received contributions of less than \$2,000 and made expenditures of less than \$2,000 since the last date reflected in its most recent statement.
- Makes several changes to the information that must be included in a report of contributions and expenditures.

### **Independent expenditures**

- Specifies that a corporation or labor organization may make independent expenditures and may contribute to a political action committee (PAC) or political contributing entity (PCE) that makes only independent expenditures.
- Defines a corporation or labor organization that makes independent expenditures as a PCE for that purpose, and requires the corporation or labor organization to report its independent expenditures in the same manner as any other PCE must do.
- Eliminates a prohibition that applied an enhanced penalty to any person who, during the 30 days preceding an election, made a broadcast, cable, or satellite communication that referred to a clearly identified candidate using any contributions received from a corporation or labor organization.

- Exempts a PAC or PCE that makes only independent expenditures from the contribution limits that apply to other political entities under continuing law.
- Requires a political entity that makes an independent expenditure to report that expenditure and identify the candidate or ballot issue that is the subject of the independent expenditure as part of the entity's statement of contributions and expenditures.
- Requires an individual, partnership, or other entity that is not a political entity to report its independent expenditures to the Secretary of State, unless the individual, partnership, or other entity made independent expenditures totaling less than \$2,000 since the last date reflected in its most recent report.
- Exempts the circulator or committee in charge of a statewide initiative or referendum petition from the requirement of filing reports of contributions and expenditures if the circulator or committee has received contributions of less than \$2,000 and made expenditures of less than \$2,000 since the last date reflected in its most recent statement.

### **Federal political committees**

- Eliminates a requirement that a federal political committee that is registered with the Federal Election Commission and that makes a contribution or expenditure in connection with a state or local election in Ohio file documents with the Secretary of State.

### **Adjustments for inflation**

- Requires the Secretary of State to adjust the bill's dollar thresholds for contribution and expenditure reporting for inflation in the same manner as the Secretary currently adjusts other dollar amounts under the Campaign Finance Law.
- Requires the Secretary of State to round each amount the Secretary adjusts for inflation to the nearest \$100.

### **Campaign finance filings**

- Requires all campaign finance documents to be filed with the Secretary of State, except for paper filings made by the campaign committee of a General Assembly candidate or a candidate for the office of judge of a court of appeals.
- Requires local political entities to file their campaign finance statements electronically.

- Requires the Secretary of State to offer voluntary training to entities that file campaign finance statements at least annually.
- Requires the Secretary of State to store the information contained in all of the campaign finance statements filed with the Secretary on computer and to make that information available to the public.
- Allows, instead of requires, the Secretary of State to examine any campaign finance statement for compliance with the law.
- Requires that, if the Secretary of State or a board of elections examines a statement filed by a campaign committee for a particular filing period, the Secretary or the board also must examine every other statement filed for that period by the campaign committee of a candidate for the same office.
- Allows the Secretary of State to prescribe the method or methods by which candidates receive notices concerning the requirement of filing campaign finance statements.

### **State retirement system board elections**

- Makes similar changes to the requirements for reports of contributions and expenditures and independent expenditure reports filed concerning elections for member of the board of a state retirement system to the changes the bill makes to the general filing requirements under the Campaign Finance Law.

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## CONTENT AND OPERATION

### Reports of contributions and expenditures

#### When reports must be filed

The bill delays the deadline for a political entity to file a post-general election report of contributions and expenditures from the 38th day after the election (usually in mid-December) to January 7. Under continuing law, post-primary election reports must be filed not later than the 38th day after the election.

Continuing law requires every campaign committee, political action committee (PAC), legislative campaign fund (LCF), political party, or political contributing entity (PCE) to file reports of contributions and expenditures according to a schedule prescribed by law. (A PCE is an entity that makes contributions or expenditures and that is not classified as another type of political entity.) In election years, those entities generally must file pre-election and post-election statements. In other years, some entities also must file statements in January and July. And, in some circumstances, campaign committees of statewide candidates must file monthly statements and statements filed within two business days of receiving a contribution. Each statement must reflect the entity's contributions received and expenditures made since the last statement the entity filed.<sup>1</sup>

#### Campaign committees exempt from filing reports

The bill specifies that a campaign committee is not required to file a report of contributions and expenditures if the campaign committee has received contributions of less than \$2,000 and made expenditures of less than \$2,000 since the last date reflected in its most recent statement.<sup>2</sup>

Under existing law, a campaign committee that receives minimal contributions or makes minimal expenditures is exempt from some filing requirements under four circumstances:

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<sup>1</sup> R.C. 3517.01(A)(25) and 3517.10.

<sup>2</sup> R.C. 3517.10(B), (D), and (H), 3517.105(B)(2)(a), 3517.108(B)(1), and 3517.13(V).



(1) If a campaign committee has received contributions of \$500 or less and made expenditures of \$500 or less during the combined pre-election and post-election reporting periods, the campaign committee may file a statement to that effect instead of filing a report of contributions and expenditures. The statement must include the total amount of contributions received and expenditures made during those combined reporting periods.

(2) Further, for a successful candidate at a primary election whose campaign committee received contributions or made expenditures that equal more than \$500 during the pre-primary, post-primary, pre-general, and post-general election periods combined, current law allows the candidate's campaign committee to file a statement to that effect only for the primary election. The campaign committee's first statement filed for the general election must reflect all contributions received and all expenditures made during the pre-primary and post-primary election periods.

The exceptions described in (1) and (2) above do not apply if a campaign committee receives contributions or makes expenditures before January 1 of the election year or if the campaign committee does not file a termination statement after the campaign committee's candidate loses in the primary or general election.<sup>3</sup>

(3) The campaign committee of any of the following candidates may sign, under penalty of election falsification, a certificate attesting that the committee will not accept contributions during an election period that exceed \$2,000 aggregated from all contributors or \$100 from any one individual, and that the committee will not make expenditures during an election period that exceed \$2,000 aggregated (if the campaign committee exceeds those limits, the campaign committee must file reports of contributions and expenditures):<sup>4</sup>

- A candidate for an elected municipal office that pays \$5,000 or less annually;
- A candidate for member of a board of education, except for member of the State Board of Education;
- A candidate for township trustee or township fiscal officer.

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<sup>3</sup> R.C. 3517.10(H).

<sup>4</sup> R.C. 3517.10(K).



(4) If a campaign committee did not receive any contributions or make any expenditures during a filing period, existing law requires the campaign committee to file a statement to that effect instead of submitting a report.<sup>5</sup>

### Information to be reported

The bill makes several changes to the information that must be included in a report of contributions and expenditures. The table below describes those changes.

Topic	Current law	H.B. 502, As Introduced
General information <sup>6</sup>	Requires the report to include all of the following information: <ul style="list-style-type: none"> <li>• The full name and address of the entity, including any treasurer;</li> <li>• In the case of a campaign committee, the candidate's full name and address;</li> <li>• In the case of a PAC, the PAC's registration number;</li> <li>• The date of the election and whether it was or will be a general, primary, or special election;</li> <li>• The filer's balance on hand and the disposition the filer intends to make of that balance;</li> <li>• The written or electronic signature of the person completing the form.</li> </ul>	Same as current law.
Contributions, generally <sup>7</sup>	Requires the report to include all of the following information concerning each contribution the filer received during the filing period: <ul style="list-style-type: none"> <li>• The date of the contribution;</li> <li>• The full name of the person or entity that made the contribution;</li> <li>• The address of the person or entity that made the contribution, unless the report is filed by a</li> </ul>	Requires the report to include all of the following information: <ul style="list-style-type: none"> <li>• The total amount of contributions received during the filing period;</li> <li>• All of the information required under current law concerning each person or entity from which the filer received contributions that exceed \$100 aggregated during the filing period, except</li> </ul>

<sup>5</sup> R.C. 3517.10(B)(9).

<sup>6</sup> R.C. 3517.10(C) and (D).

<sup>7</sup> R.C. 3517.10(C)(4), (D), and (I).



Topic	Current law	H.B. 502, As Introduced
	<p>state or local committee of a political party, a finance committee of such a committee, or a committee recognized by a state or local committee as its fundraising auxiliary;</p> <ul style="list-style-type: none"> <li>• If the contribution was received from a PAC, the PAC's registration number;</li> <li>• If the filer is any of the following and the contribution is from an individual and exceeds \$100, the name of the individual's current employer, if any, or, if the individual is self-employed, the individual's occupation and the name of the individual's business, if any: <ul style="list-style-type: none"> <li>○ A PAC, a PCE, an LCF, or a political party that is required to file statements electronically;</li> <li>○ A campaign committee of a statewide candidate or a General Assembly candidate.</li> </ul> </li> <li>• If the filer is a campaign committee of a statewide candidate or a General Assembly candidate and the contribution is received from payroll deductions from two or more employees that exceed \$100 aggregated during the filing period, the full name of the employees' employer and the full name of the employees' labor organization, if any;</li> <li>• If the filer is the campaign committee of a candidate who holds public office and the contribution is received from an employee in any unit or department under the candidate's direct supervision and control, an affirmation that the contribution was voluntary;</li> <li>• A description of the contribution, if it is other than money;</li> </ul>	<p>that every filer must report the employer or business name of an individual who makes a contribution that exceeds \$100.</p>



Topic	Current law	H.B. 502, As Introduced
	<ul style="list-style-type: none"> <li>The value of the contribution in dollars and cents.</li> </ul>	
Contributions received at a social or fundraising event <sup>8</sup>	<p>Generally requires the report to include a separately itemized account of all contributions received at a social or fundraising event, along with a description and the value of each in-kind contribution received from any person who made one or more contributions whose aggregate value exceeded \$250.</p> <p>Specifies that the report need not include a contribution of \$25 or less from a person at one event, but requires the filer to keep records of those contributions.</p> <p>Specifies that the report need not include a contribution from employee payroll deductions if the amount deducted from any one employee is \$25 or less aggregated in a calendar year, but requires the filer to keep records of those contributions.</p> <p>Provides that a continuing association that is recognized by a state or local committee of a political party as an auxiliary of the party and that makes a contribution from funds derived solely from regular dues payments by auxiliary members is not required to list the name or address of any members who paid those dues.</p>	No provision.
Contributions from persons doing business with the state <sup>9</sup>	If the filer is a campaign committee of a state elected officer, requires the report to include a separate statement that includes all of the information required for contributions concerning any contribution from a person doing business with the state.	Same as current law, but requires the separate statement to include that information only concerning a contribution that exceeds \$100 aggregated during the filing period.

<sup>8</sup> R.C. 3517.10(C)(4).

<sup>9</sup> R.C. 3517.10(C)(4).



Topic	Current law	H.B. 502, As Introduced
	Defines "person doing business with the state" as a person or an officer of an entity who enters into one or more contracts with a state elected officer or anyone authorized to enter into contracts on that officer's behalf to receive payments for goods or services that total more than \$5,000 aggregated during a calendar year.	
Anonymous contributions <sup>10</sup>	Requires the report to include a separate statement, under penalty of election falsification, of each anonymous contribution, the circumstances under which it was received, and the reason it cannot be attributed to a specific donor.	Requires the report to include that statement only for an anonymous contribution that exceeds \$100.
Other income <sup>11</sup>	Requires the report to include a separate statement that includes all of the information required for contributions concerning any loans, investment income, or interest income.	Requires the report to include a separate statement that includes all of the applicable information required for contributions concerning the source of any loan, investment income, or interest income that exceeds \$100 aggregated during the filing period.
Expenditures, generally <sup>12</sup>	Requires the report to include all of the following information concerning each expenditure the filer made during the filing period: <ul style="list-style-type: none"> <li>• The date of each expenditure;</li> <li>• The full name and address of the person or entity to whom the expenditure was made;</li> <li>• If the expenditure was made to a PAC, the PAC's registration number;</li> <li>• The object or purpose for which the expenditure was made;</li> <li>• The amount of the expenditure;</li> <li>• If the expenditure is in excess of \$25, a receipted bill stating the purpose of the expenditure. A</li> </ul>	Requires the report to include all of the following information: <ul style="list-style-type: none"> <li>• The total amount of expenditures made during the filing period;</li> <li>• All of the following information concerning any person or entity to whom the filer made expenditures that exceed \$100 aggregated during the filing period: <ul style="list-style-type: none"> <li>○ The date of each expenditure;</li> <li>○ The full name and address of the person or entity to whom the expenditure was made. If no address is available for the person or entity or</li> </ul> </li> </ul>

<sup>10</sup> R.C. 3517.10(C)(4) and (D).

<sup>11</sup> R.C. 3517.10(C)(4).

<sup>12</sup> R.C. 3517.10(C)(5) and (E)(4).

Topic	Current law	H.B. 502, As Introduced
	<p>canceled check with a notation of the purpose of the expenditure is considered a receipted bill for that purpose.</p>	<p>if the expenditure was for an online purchase, the filer may provide the URL of the person's or entity's website instead of an address.</p> <ul style="list-style-type: none"> <li>○ If the expenditure was made to a PAC, the PAC's registration number;</li> <li>○ The object or purpose for which the expenditure was made;</li> <li>○ The amount of the expenditure;</li> <li>○ A receipted bill for the expenditure. A canceled check with a notation of the purpose of the expenditure or a bank statement that includes the date, amount, and recipient of the expenditure is considered a receipted bill for that purpose.</li> </ul>
<p>Expenditures made for a social or fundraising event<sup>13</sup></p>	<p>Requires the report to include a separately itemized account of all expenses incurred and paid in connection with a social or fundraising event.</p>	<p>No provision.</p>
<p>Charitable donations<sup>14</sup></p>	<p>Requires the report to include a separately itemized account of any expenditure made for the purpose of a charitable donation.</p>	<p>Requires the report to include a separate statement containing all of the information required for an expenditure concerning any organization to which the filer made expenditures for the purpose of a charitable donation that exceed \$100 aggregated during the filing period.</p>

<sup>13</sup> R.C. 3517.10(C)(4).

<sup>14</sup> R.C. 3517.01(C)(6), 3517.08(G), and 3517.10(C)(5).

## **Independent expenditures**

### **Corporations and labor organizations**

The bill specifies that a corporation or labor organization may make independent expenditures and may contribute to a PAC or PCE that makes only independent expenditures. (That type of PAC is commonly called a super PAC). If a corporation or labor organization makes an independent expenditure, the corporation or labor organization is considered a PCE for that purpose and must report its independent expenditures in the same manner as any other PCE must do. Under the bill, an employee of a PCE is considered a member of the PCE, as is any person who contributes to or pays dues or membership fees to the PCE.

Under continuing law, an independent expenditure is (1) an expenditure or other use of funds or things of value by a person to advocate the election or defeat of an identified candidate, that is not made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of any candidate or candidates or their agents or campaign committees or (2) an expenditure or other use of funds or things of value by a person to advocate support of or opposition to an identified ballot issue or question. (The bill makes that definition consistent between sections of the Revised Code, but it does not change the definition.)

The existing Revised Code prohibits a corporation or labor organization from using its money or property for political purposes, other than to make an expenditure in support of or opposition to a ballot issue. However, the U.S. Supreme Court has ruled that a corporation or labor organization has a First Amendment right to make independent expenditures concerning candidates. As a result, Ohio has permitted corporations and labor organizations to make independent expenditures since 2010. But, because the current definition of a PCE appears to exclude a corporation or labor organization and because the law governing independent expenditures excludes corporations and labor organizations by its terms, corporations and labor organizations currently are not required to report their independent expenditures.

The bill also eliminates a prohibition that applied an enhanced penalty to any person who, during the 30 days preceding an election, made a broadcast, cable, or satellite communication that referred to a clearly identified candidate using any contributions received from a corporation or labor organization. Whoever violated that prohibition must have been fined an amount up to three times the amount disbursed



for the communication, and a repeat offender must have been fined an amount equal to the amount disbursed for the communication.<sup>15</sup>

### **Independent expenditure-only PACs and PCEs**

The bill exempts a PAC or PCE that makes only independent expenditures from the contribution limits that apply to other political entities under continuing law. Existing law appears to apply those limits to PACs and PCEs that make only independent expenditures in support of or opposition to candidates, although ballot issue PACs and PCEs currently are exempt from contribution limits. However, the U.S. Supreme Court has ruled that the government may not limit contributions that are made solely for the purpose of funding independent expenditures.<sup>16</sup>

### **Reporting of independent expenditures**

Under the bill, any campaign committee, PAC, LCF, political party, or PCE (including a corporation or labor organization) that makes an independent expenditure must report that expenditure and identify the candidate or ballot issue that is the subject of the independent expenditure as part of the entity's statement of contributions and expenditures, unless the entity is not required to file a report because its contributions and expenditures do not exceed the \$2,000 threshold described above.

Existing law requires political entities to include itemized reports of their independent expenditures with their reports of contributions and expenditures.

If an individual, partnership, or other entity that is not a political entity under the Campaign Finance Law makes one or more independent expenditures in support of or opposition to any candidate, or makes one or more independent expenditures in excess of \$100 concerning a ballot issue, the bill requires the individual, partnership, or other entity to file a report with the Secretary of State that includes all of the information required under the bill for the reporting of expenditures, as discussed above, as well as the identity of each candidate or ballot issue for which the independent expenditures were made. The individual, partnership, or other entity must file the report according to the general schedule for filing reports of contributions and expenditures. However, the individual, partnership, or other entity is not required to file that report if the individual, partnership, or other entity made independent expenditures totaling less than \$2,000 since the last date reflected in its most recent report.

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<sup>15</sup> R.C. 3517.01(A)(17) and (25), 3517.105, 3517.1011(H), 3517.992(CC), and 3599.03. See also *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010).

<sup>16</sup> R.C. 3517.102(D)(2). See also *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010).



Under existing law, an individual, partnership, or other entity must submit itemized reports of those independent expenditures, and a corporation or labor organization must submit reports of ballot issue expenditures on a separate form, since the corporation or labor organization is not considered a PCE.<sup>17</sup>

### **Initiative and referendum petition committees**

Similar to other political entities, the bill exempts the circulator or committee in charge of a statewide initiative or referendum petition from the continuing law requirement of filing reports of contributions and expenditures if the circulator or committee has received contributions of less than \$2,000 and made expenditures of less than \$2,000 since the last date reflected in its most recent statement.<sup>18</sup>

### **Federal political committees**

The bill eliminates a requirement that a federal political committee that is registered with the Federal Election Commission and that makes a contribution or expenditure in connection with a state or local election in Ohio do all of the following:<sup>19</sup>

- Register with the Secretary of State;
- Provide the Secretary of State with copies of its federal campaign finance filings;
- If it contributes to a state or local PAC in Ohio that is established, financed, maintained, or controlled by the same person or entity as the federal political committee, file a statement with the Secretary of State of its contributors that are residents of Ohio and the amounts received from those contributors.

### **Adjustments for inflation**

The bill requires the Secretary of State to adjust each \$2,000 and \$100 threshold discussed above for inflation every two years based on the percentage change in the Consumer Price Index, in the same manner as the Secretary currently adjusts other dollar amounts under the Campaign Finance Law. However, the Secretary must use the 2016 yearly average of the Consumer Price Index as the base year for those new thresholds.

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<sup>17</sup> R.C. 3517.10(H) and 3517.105.

<sup>18</sup> R.C. 3517.12.

<sup>19</sup> R.C. 3517.107.



Additionally, under the bill, the Secretary of State must round each amount the Secretary adjusts for inflation to the nearest \$100. Current law requires the Secretary to round the reporting thresholds for contributions and expenditures related to social or fundraising events to the nearest \$25. And, under existing law, the Secretary must not round the adjusted amounts related to contribution limits every two years, but when the total change in the contribution limit amounts, based on inflation, changes by at least \$100, then the amounts are adjusted to reflect inflation.<sup>20</sup>

## Campaign finance filings

### Filing with the Secretary of State

The bill requires all campaign finance documents to be filed with the Secretary of State, except that the bill preserves the current law that allows the campaign committee of a General Assembly candidate or a candidate for the office of judge of a court of appeals to file either electronically with the Secretary of State or on paper with the board of elections with which the candidate is required to file the candidate's petition or other papers for nomination or election. Under continuing law, a campaign committee that files on paper under that provision must file two copies, and the board of elections must send one copy to the Secretary of State for inclusion in the electronic campaign finance database.

Under the bill, the requirement of filing campaign finance documents with the Secretary of State and of filing electronically, as discussed below, first applies in the years shown to the entities listed below, which currently must file campaign finance statements with the appropriate board of elections:<sup>21</sup>

Entity	Year of application
Campaign committee of a candidate for county office	2017
County political party, with respect to filings other than those related to the party's state candidate fund	2017
PAC or PCE whose activities pertain only to local elections	2017
Individual, partnership, or other entity that makes independent expenditures that pertain only to local elections	2017
Campaign committee of a candidate for township office or the office of member of a school district board of education	2018

<sup>20</sup> R.C. 3517.104.

<sup>21</sup> R.C. 3517.10(E), 3517.105, 3517.106(E)(4), 3517.109, 3517.1012, 3517.11(A), 3517.155, and Section 3 of the bill.

Entity	Year of application
Campaign committee of any other candidate that does not already file with the Secretary of State, other than a candidate for the General Assembly, judge of a court of appeals, or member of the State Board of Education	2019

### Electronic campaign finance filings

The bill requires the entities listed in the table above to file their campaign finance statements electronically, beginning in the years indicated in the table, regardless of the amount of their contributions and expenditures.

Under the bill, the Secretary of State must offer voluntary training to entities that file campaign finance statements at least annually. The training must include information about the requirements of the Campaign Finance Law and about the filing of statements under that law, including information about electronic filing. Under current law, the Secretary of State must provide voluntary training to entities that file electronic campaign finance statements, if the Secretary determines that training is needed.

The following table identifies the entities currently required to file their campaign finance statements electronically. Under the bill, the only entity that is not required to file electronically is the campaign committee of a candidate for the State Board of Education.<sup>22</sup>

Entities included in electronic filing under continuing law		
Entity	Threshold for mandatory electronic filing	Where filed
Candidate for statewide office	\$10,000; \$25,000 if permitted under Secretary of State rules	Secretary of State
Candidate for member of the General Assembly	\$10,000; may file on paper, regardless of amount, if permitted under Secretary of State rules	Secretary of State; board of elections if filing on paper

<sup>22</sup> R.C. 3517.10(C) and (D), 3517.106, and 3517.11(B)(3).



<b>Entities included in electronic filing under continuing law</b>		
<b>Entity</b>	<b>Threshold for mandatory electronic filing</b>	<b>Where filed</b>
Candidate for judge of a court of appeals	\$10,000; may file on paper, regardless of amount, if permitted under Secretary of State rules	Secretary of State; board of elections if filing on paper
State political party	\$10,000	Secretary of State
Legislative campaign fund	\$10,000	Secretary of State
County political party, with respect to its state candidate fund	No threshold; must file electronically	Secretary of State
Political action committee or political contributing entity that makes contributions or receives expenditures with respect to statewide candidates, General Assembly candidates, state or national political parties, legislative campaign funds, or statewide ballot issues	\$10,000	Secretary of State
Individual, partnership, or other entity that makes independent expenditures in support of or opposition to a statewide candidate or statewide ballot issue	\$10,000	Secretary of State

### **Records of electronic statements**

The bill requires the Secretary of State to store the information contained in all of the campaign finance statements filed with the Secretary of State on computer. Under continuing law, the Secretary must keep campaign finance information stored on computer for at least six years.

Existing law requires the Secretary of State to store the information contained in reports of contributions and expenditures on computer if the reports are filed electronically.<sup>23</sup>

Continuing law requires the Secretary of State to make the Secretary's computer database of electronic statements available online to the public and available at the Secretary's office and to make computer programs that are compatible with the Secretary's method of storing the information contained in those statements available to

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<sup>23</sup> R.C. 3517.106(B) and (D).

entities that are permitted or required to file electronic statements and to members of the news media and other interested persons for a reasonable fee.<sup>24</sup>

### **Examination of statements**

The bill allows, instead of requires, the Secretary of State to examine any campaign finance statement for compliance with the law. And, under the bill, if the Secretary of State or the board of elections examines a statement filed by a campaign committee for a particular filing period, the Secretary or the board also must examine every other statement filed for that period by the campaign committee of a candidate for the same office.<sup>25</sup>

### **Notice of filing requirements**

The bill allows the Secretary of State to prescribe the method or methods by which candidates receive notices concerning the requirement of filing campaign finance statements. Under continuing law, candidates must receive those notices on or before the tenth day before the statements must be filed. Existing law requires the Secretary to notify the candidates who are required to file with the Secretary by certified mail, return receipt requested. And, under existing law, the boards of elections must notify candidates who are required to file with the boards by certified mail, return receipt requested, except that the board must notify a candidate by first class mail if the candidate has appeared in person at the board's office and signed a statement that the candidate has been notified of the candidate's obligations under the Campaign Finance Law.<sup>26</sup>

## **State retirement system board elections**

### **Candidates and campaign committees**

The bill makes similar changes to the requirements for reports of contributions and expenditures filed by candidates for member of the board of a state retirement system to the changes the bill makes to the general filing requirements under the Campaign Finance Law. And, the bill reorganizes those sections of law to make them consistent with the general Campaign Finance Law, as amended by the bill.

Under the bill, a candidate who, or whose campaign committee, receives contributions exceeding \$2,000 or makes expenditures exceeding \$2,000 in a given filing

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<sup>24</sup> R.C. 3517.10(E)(6) and 3517.106(C), (E), and (G).

<sup>25</sup> R.C. 3517.11(B)(4) and (5).

<sup>26</sup> R.C. 3517.11(B)(2).



period must file a report of contributions and expenditures with the Secretary of State. Currently, a candidate who, or whose campaign committee, receives contributions totaling \$1,000 or more or makes expenditures totaling \$1,000 or more must file those statements.

Instead of requiring such a candidate or campaign committee to file an itemized statement setting forth its contributions and expenditures in detail, along with a receipted bill for each expenditure, such as a canceled check with a notation of the purpose of the expenditure, the bill requires the statement to contain the following information:<sup>27</sup>

- The total amount of contributions received during the filing period;
- All of the following information concerning each person or entity from which the filer received contributions that exceed \$100 aggregated during the filing period:
  - The date of each contribution;
  - A description of each contribution, if other than money;
  - The value of each contribution in dollars and cents.
- The total amount of expenditures made during the filing period;
- All of the following information concerning any person or entity to which the filer made expenditures that exceed \$100 aggregated during the filing period:
  - The date of each expenditure;
  - The full name and address of the person or entity to which the expenditure was made. If an expenditure was made to a person or entity for which no address is available or if the expenditure was for an online purchase, the filer may provide the URL of the person's or entity's website instead of an address.
  - The object or purpose for which each expenditure was made;
  - The amount of each expenditure;

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<sup>27</sup> R.C. 145.053, 742.042, 3307.072, 3309.072, and 5505.044.

- A receipted bill, such as a canceled check with a notation of the purpose of the expenditure or a bank statement that includes the date, amount, and recipient of the expenditure.

### **Independent expenditures in state retirement system board elections**

The bill requires an individual, partnership, or other entity that makes independent expenditures exceeding \$2,000 in a filing period in connection with a candidate's efforts to be elected to the board of a state retirement system to file statements that include the information listed above concerning expenditures. Under current law, an individual, partnership, or other entity that makes independent expenditures of any amount must file itemized statements setting forth the independent expenditures in detail.<sup>28</sup>

### **Adjustments for inflation**

Under the bill, the Secretary of State must adjust the \$2,000 and \$100 thresholds discussed above for inflation, in the same manner as the Secretary makes those adjustments under the Campaign Finance Law. The Secretary must make those adjustments in January of each odd-numbered year based on the yearly average of the previous two years of the Consumer Price Index, using the 2016 yearly average as the base year, and round the adjusted amount to the nearest \$100.

The Secretary then must report the calculations and necessary materials to the Auditor of State not later than January 31, and the Auditor must certify the calculations not later than February 15. Not later than February 25, the Secretary must prepare a public report setting forth the adjusted amounts. The Secretary must send a copy of the report to each state retirement system board and make the report available on the Secretary's official website. Not later than ten days after a person becomes a candidate for member of the board of a state retirement system, the applicable board must mail a copy of the most recent report to the person.<sup>29</sup>

### **Technical changes**

The bill amends several Revised Code sections solely to make cross-reference changes corresponding to the substantive changes made by the bill.<sup>30</sup>

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<sup>28</sup> R.C. 145.053(D), 742.042(D), 3307.072(D), 3309.072(D), and 5505.044(D).

<sup>29</sup> R.C. 111.30, 145.053(F), 742.042(F), 3307.072(F), 3309.072(G), and 5505.044(F).

<sup>30</sup> R.C. 3517.081, 3517.101, 3517.151, 3517.154, 3599.031, and 4123.442.

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## HISTORY

ACTION

DATE

Introduced

03-30-16

H0502-I-131.docx/emr

