

Overview of the Special Session
Campaign Finance Reform Bills (Senate Bill 1/House Bill 1)

December 13, 2004

Catherine Turcer, Legislative Director
Ohio Citizen Action

1. Disclosure

- All political party committees, including the county political party committees, would be required to file contributions and expenditures electronically. This information would be stored by the office of the Ohio Secretary of State and available on the Internet on the Secretary of State's site.
- For the first time, contributions to political parties for party operating (staff salaries, utilities and some "party building") would be required to be reported. The county and state political parties may establish "restricted funds," which would replace the operating accounts. The political parties would be required to disclose all contributions and expenditures to these "restricted funds" electronically. This information would be stored by the office of the Ohio Secretary of State and available on the Internet on the Secretary of State's site.
- All political party committees, candidate committees and political action committees would be required to file an additional report during the off-election years. Currently, there is only an annual report for years in which candidates are not on the ballot. However, many incumbents raise significant amounts of money during this time period and face a variety of policy-making dilemmas. This filing would cover the period of January 1 to June 30 during off-election years.
- Candidate and political party committees would be required to identify the employers or if self-employed the name of the contributor's business for contributors over \$100.

Analysis

These changes would give us a much clearer understanding of the campaign finance system. Contribution information available on the Internet is essential because it gives the public the opportunity to look at the money affecting the election before the election. Full disclosure must include the name of the

employer, or if self-employed the name of the contributor's business, so that the press and public can track the economic and policy interests of contributors. This provision would make disclosure meaningful.

2. County Party Loophole

- County party state candidate funds, which are used to fund statewide and legislative candidates, would only be allowed to accept contributions from citizens residing in that county.
- County party state candidate funds would be prohibited from accepting contributions from Political Action Committees.
- County party state candidate funds would only be allowed to contribute \$10,000 to General Assembly candidates not on that county's ballot.

Analysis

These changes would make it difficult to use county political parties as a way to avoid contribution limits.

3. Contribution limits

- Contribution limits for individuals giving to statewide and legislative candidates would quadruple from \$2,500 to \$10,000 in the current proposal. The amount from individuals to the Legislative Campaign Funds would triple.
- Contributions from individuals to the State Political Party would nearly double to \$30,000.
- Contribution limits have also risen for PACs as well. The limit for PACs to Statewide and Legislative candidates would be \$10,000.
- These limits would be for cash or cash-equivalent contributions; there would be no limit for in-kind contributions.

Analysis

Contribution limits serve a purpose. If the limits are too high or contain loopholes, then they won't function to root out corruption.

4. Electioneering Communication

- Electioneering communication would be defined as any broadcast, radio or satellite communication that refers to a clearly identified candidate.

- Electioneering communication would be banned during the 30 days prior to Primary and General Elections. Prior to elections all communication would be considered as "express advocacy" or funded by Political Action Committees.

Analysis

*This means that organizations could not criticize candidates who are on the ballot for nearly an entire year. During this time incumbents are naturally making important policy decisions. Last December, the U.S. Supreme Court in *McConnell v. FEC* determined that regulating advertisements with candidates during the 30 days before the Primary and 60 days before the General was constitutional because it was "narrowly tailored. The proposed reform is both overly broad and includes a restriction on the advertisements, rather than the source of funding for the advertisements. In *McConnell v. FEC*, the Court upheld the definition of "electioneering communication" and found that "express advocacy" and the "magic-words requirement to be functionally meaningless."*

These provisions are clearly unconstitutional.