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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

S.B. 347
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 347's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. Manning

Local Impact Statement Procedure Required: No

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Highlights

- The bill makes several modifications to the Campaign Finance Law relating to corporations, labor organizations, electioneering communications, and political action committees. These changes as a whole would appear to result in an increase in campaign finance filings.
- The Secretary of State processes, stores, manages, and makes available all campaign finance filings. Any increase in costs resulting from the bill would be paid from the agency's Business Services Fund (Fund 5990) appropriation item 050630, Elections Support Supplement.
- Any increase in fine or penalty revenues resulting from Campaign Finance Law violations is deposited into the Ohio Elections Commission Fund (Fund 4P20).

Detailed Analysis

Overview

The bill makes several modifications pertaining to the Campaign Finance Law. Overall, while some provisions of the bill would appear to result in additional campaign finance filings, some provisions of the bill would appear to reduce such filings. Therefore, it is difficult to determine the overall net result in campaign finance filings to the Secretary of State's office. However, in examining all of the provisions below, it would appear, as a whole, that the bill would result in the filing of additional campaign finance statements. Any additional expenses related to filing, processing, storage, or posting of these statements would be paid from the Business Services Fund (Fund 5990) through appropriation item 050630, Elections Support Supplement.

As is the case under current law, any suspected violation of Campaign Finance Law provisions would be referred to and investigated through the Ohio Elections Commission. Any additional fine or penalty revenue that would result from changes in the Campaign Finance Law or additional prohibitions in the bill would be deposited in the Ohio Elections Commission Fund (Fund 4P20).

Corporate and labor expenditures

The bill primarily modifies campaign finance laws in response to *Citizen's United v. Federal Election Commission* (see LSC bill analysis) in that it permits domestic corporations and labor organizations to make independent expenditures and electioneering communications. The bill does maintain the current prohibition against these entities making direct contributions to candidates and political entities. The bill requires corporations and labor organizations to file statements itemizing independent expenditures. These statements must be filed at the same time as other statements that are required to be filed currently under the Campaign Finance Law. However, the bill does make an exception that any independent expenditures of \$10,000 or more must be filed as an electioneering communication. The requirement to file statements of itemized independent expenditures would appear to result in additional campaign finance filings to the Secretary of State's office from these groups.

Electioneering communications

The bill makes modifications to the Electioneering Communications Law that could result in additional campaign finance filings. First, the bill specifies that any independent expenditure of \$10,000 or more in support of or opposition to a candidate made in the 90 days prior to a primary or general election must be considered an electioneering communication. An entity's first electioneering communication in a given year must be reported within 24 hours after it is made. The entity must then make weekly reports thereafter as long as money is spent during that time. Taken together, these provisions could result in additional campaign finance filings to the Secretary of State.

The bill, however, appears to eliminate any reporting requirements for electioneering communications made during the 30 days before an election by removing the requirement to report an electioneering communication as an independent expenditure during that time. But the bill does not expand the electioneering communication reporting requirement to cover this 30-day timeframe. This could potentially result in fewer electioneering communications filings during this 30-day timeframe. The Secretary of State's campaign finance database shows that, as of this writing, there are 13 electioneering communication entities that have searchable filings.¹

Foreign corporations

The bill expands the existing prohibitions against foreign individuals and entities engaging in political spending in Ohio. The bill also prohibits a foreign national from making any disbursement for any direct costs of producing or airing any electioneering communications. The bill also prohibits foreign corporations from making independent expenditures, or from making any disbursement for any direct costs of producing or airing any electioneering communications. Any corporation that knowingly violates this prohibition will be fined three times the amount of

¹ <https://www6.ohiosos.gov/ords/f?p=119:1> (accessed September 14, 2020).

the expenditure. It is unclear as to whether or not the expansion of these prohibitions would result in an increase in fines for violations. Any such fines collected would accrue to the Ohio Elections Commission Fund (Fund 4P20).

Political action committees

The bill exempts an entity from being considered a political action committee (PAC) if it has \$2,500 or less in its treasury at all times and makes contributions and expenditures of \$1,000 or less in a calendar year. It is unclear as to how many potential PAC's would be eliminated as a result of this provision. Thus far in calendar year 2020, there have been 170,710 campaign finance statements filed by PACs available for review on the Secretary of State's website.²

² <https://www6.ohiosos.gov/ords/f?p=119:73:0:101677873215429> (accessed September 14, 2020).