

GREEN SHEET REDIGEST

HB 906

2024 Regular Session

Wright

CAMPAIGN FINANCE: Makes revisions to the Campaign Finance Disclosure Act.

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DIGEST

Registration of political committees

Present law requires political committees to file a statement of organization with the supervisory committee annually. Authorizes the supervisory committee to impose a fee of no more than \$100 for each statement. Proposed law requires the supervisory committee to accept payment via electronic funds transfer and authorizes the supervisory committee to charge a processing fee not to exceed 5% of the filing fee.

Proposed law provides that statements of organization and other related documents required to be filed with the supervisory committee, including electronic filing affidavits, may be filed electronically by facsimile or through the Bd. of Ethics Computerized Data Management System. Expressly authorizes documents to be electronically notarized as provided by the present law Remote Online Notarization Act.

Contribution limits

Present law, applicable to contributions made by *persons*, provides that the contribution limit for contributions to candidates or the principal campaign committee and any subsidiary committee of a candidate are as follows:

- (1) Major office - \$5,000. Proposed law increases the contribution limit to \$12,000.
- (2) District office - \$2,500. Proposed law increases the contribution limit to \$6,000.
- (3) Other office - \$1,000. Proposed law increases the contribution limit to \$2,000.

Present law provides that the contribution limit for contributions made by a person to an unsuccessful major office candidate or his campaign committee who does not participate in the general election and for the time period for which such candidate has a deficit for expenditures made through the day of the primary election is \$10,000. Proposed law increases the limit to \$20,000.

Present law, applicable to contributions made by *political committees other than large political committees* provides that the contribution limit for contributions to candidates or the principal campaign committee and any subsidiary committee of a candidate are as follows:

- (1) Major office - \$5,000. Proposed law increases the contribution limit to \$12,000.
- (2) District office - \$2,500. Proposed law increases the contribution limit to \$6,000.
- (3) Other office - \$1,000. Proposed law increases the contribution limit to \$2,000.

Present law provides contribution limits applicable to *political committees which have more than 250 members* and to which more than 250 members have contributed at least \$50. Proposed law increases the minimum contribution by the 250 member to \$100. Provides that the contribution limits are as follows:

- (1) Major office - \$10,000. Proposed law increases the contribution limit to \$24,000.
- (2) District office - \$5,000. Proposed law increases the contribution limit to \$12,000.
- (3) Other office - \$2,000. Proposed law increases the contribution limit to \$4,000.

Proposed law increases the limit on expenditures made by petty cash from \$100 to \$200.

Proposed law defines "independent expenditure-only political committee" as a which makes independent expenditures, makes no political contributions to any candidate for any elected office in this state or any of its subdivisions, and makes no coordinated expenditures with a candidate or candidate's committee. Defines "independent expenditure" as an expenditure by a person expressly advocating the election or defeat of a clearly identified or identifiable, qualified candidate for public office, including supporting or opposing the candidates of a political party, and that is not made in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate's authorized committee, or their agents, or a political party committee or its agents.

Proposed law provides that an independent expenditure-only committee may receive unlimited contributions from any person not otherwise prohibited from making a contribution pursuant to federal or state law.

Present law provides that contributions made by a person and received by a political committee or a subsidiary committee of such political committee, other than the principal or any subsidiary committee of a candidate, may not exceed \$100,000 during a four year period.

Proposed law instead provides no person shall contribute more than \$100,000 during a single year to any political committee or any subsidiary committee of such political committee, other than the principal or any subsidiary committee of a candidate, but that no such political committee shall accept more than \$250,000 from any person during a four year period beginning Jan. 1, 2023.

Proposed law provides no person shall contribute more than \$250,000 per calendar year to a recognized political party or any committee thereof, but that no recognized political party or any committee thereof shall accept more than \$400,000 dollars from any person during a four year period beginning Jan. 1, 2023.

Present law prohibits certain gaming entities from making a contribution, loan, or transfer of funds, including but not limited to any in-kind contribution, to any candidate, any political committee of any such candidate, or to any other political committee which supports or opposes any candidate. Except for present law provisions that have been declared unconstitutional, present law currently applies to the following:

- (1) Any person who holds a license to conduct gaming activities on a riverboat, who holds a license or permit as a distributor or supplier of gaming devices or gaming equipment including slot machines, or who holds a license or permit as a manufacturer of gaming devices or gaming equipment including slot machines issued pursuant to the Louisiana Riverboat Economic Development and Gaming Control Act, and any person who owns a riverboat upon which gaming activities are licensed to be conducted.
- (2) Any person who holds a license or entered into a contract for the conduct of casino gaming operations, who holds a license or permit as a distributor of gaming devices or gaming equipment including slot machines, or who holds a license or permit as a manufacturer of gaming devices or gaming equipment including slot machines issued pursuant to the Louisiana Economic Development and Gaming Corporation Act, and any person who owns a casino where such gaming operations are licensed.

Present law additionally applies to certain persons with interests in a gaming entity, their subsidiary companies, employees, and certain family members as provided in present law. Present law provides for civil and criminal penalties for violation of present law.

Proposed law repeals present law.

### **Designation and attribution of contributions**

For purposes of campaign contribution limits, present law provides the primary election and general election constitute two separate elections. Proposed law retains present law and provides that candidate or his principal or subsidiary campaign committee may receive contributions designated in writing for use in connection with either the primary election or the general election in a single election cycle. Requires the candidate to use an acceptable accounting method to distinguish between contributions attributed to the primary election and contributions attributed to the general election.

Proposed law provides a method for designating contributions in writing.

Proposed law provides that if the candidate does not participate in the general election, any contributions designated for the general election shall be treated as excess campaign funds and may be redesignated to pay an outstanding deficit for the primary election or expended as excess funds, except that such funds may not be expended in support of or in opposition to a proposition, political party, or candidacy of a person, or maintained in a segregated fund for use in future political campaigns or activity related to preparing for future candidacy to elective office.

Proposed law provides that if a contribution is designated in writing for a particular election, but made after that election, the contribution shall be applied to the designated election only to the extent that the contribution satisfies any outstanding deficit from such election, subject to the limits provided in present law for such contributions. If the contribution exceeds the outstanding deficit, the candidate shall return or deposit the contribution within 10 days from the date of the candidate's receipt of the contribution. If deposited, then within 60 days from the date of receipt the candidate shall either refund the contribution using a committee check or draft, obtain a written redesignation for another election, or obtain a written reattribution to another contributor.

Proposed law provides that if a contribution is designated in writing for a particular election, but made after that election, and the candidate does not have an outstanding deficit for the designated election, the contribution shall be treated as excess campaign funds and may be expended as excess funds, except that such funds may not be expended in support of or in opposition to a proposition, political party, or candidacy of a person, or maintained in a segregated fund for use in future political campaigns or activity related to preparing for future candidacy to elective office.

Proposed law provides that for an undesignated contribution, a candidate may designate the contribution for a particular election if the contribution exceeds the contributions limitation for a single election or the contribution was received after the date of the election for which there is an outstanding deficit on the date the contribution was received. Within 60 days following the receipt of the contribution, the candidate shall notify the contributor in writing of the amount of the contribution that was redesignated and that the contributor may request a refund of the contribution.

Proposed law provides that a candidate may request that all or part of a contribution designated for a certain election be redesignated for a different election if the contribution, either on its face or when aggregated with other contributions from the same contributor for the same election, exceeds the contributions limitation.

Proposed law provides that a contribution designated for a particular election shall be redesignated for another election if the candidate requests that the contributor provide a written redesignation of the contribution and informs the contributor in writing that the contributor may, instead of providing for redesignation, request the refund of the contribution and within 60 days from the date of the candidate's receipt of the contribution, the contributor provides the candidate with a signed, written redesignation of the contribution for another election.

Proposed law provides that if a contribution exceeds the contributions limitation the candidate may reattribute the excess contribution to another contributor under either condition:

- (1) If the contribution was made by a written instrument imprinted with the names of more than one individual, the total contribution may be attributed among the named individuals unless the instrument clearly indicates otherwise or the candidate receives a separate writing signed by the contributors.
- (2) If the contribution was made by a single contributor and the contribution would cause the contributor to exceed the contributions limitation, the candidate may ask the contributor whether the contribution was intended to be a joint contribution by more than one person. The candidate shall notify the contributor in writing of the amount of the excess contribution and that the contributor may request a refund of the contribution. If within 60 days following the date the contribution was made the contributors provide the candidate with a written reattribution of the contribution, signed by each contributor indicating the amount to be attributed to each contributor, the candidate may attribute the contribution as indicated.

### **Investigations of the Supervisory Committee on Campaign Finance**

Present law authorizes the Supervisory Committee on Campaign Finance (supervisory committee) to investigate apparent or alleged violations of the Campaign Finance Disclosure Act.

Present law provides that the supervisory committee by a two-thirds vote of its membership may initiate an investigation when, as a result of its review of reports, other documents, or information filed with the supervisory committee it determines that there is reason to believe a violation of this has occurred. Proposed law additionally authorizes the supervisory committee to initiate an investigation on the basis of a referral from another agency or department, subject to a two-thirds vote of its membership.

Present law requires the supervisory committee to initiate an investigation when it makes a determination that there is reason to believe a violation has occurred upon receipt of a sworn complaint filed by any person who believes a violation has occurred. Proposed law repeals present law and instead provides a procedure for the filing and assessment of complaints with the supervisory committee.

Proposed law requires the complaint to differentiate between statements based on personal knowledge and statements based upon information and belief. Requires the complaint to contain certain information, including identification of the complainant and the persons alleged to have committed a violation, and supporting documentation.

If properly filed, proposed law requires the supervisory committee staff to notify persons identified as having committed a violation that the complaint has been filed. If not properly filed, proposed law requires the supervisory committee staff to notify the persons identified and the complainant that no action shall be taken. Requires the complaint to be enclosed with the notification.

Proposed law requires the supervisory committee to allow a respondent to submit a response to the complaint within 15 days from receipt of a copy of the complaint. Prohibits the supervisory committee from taking action or making any findings to the detriment of a respondent other than action dismissing the complaint, unless it has considered such response or unless did not receive a response. Requires the supervisory committee to advise the complainant and respondent if it finds no reason to believe a violation has occurred or otherwise terminates proceedings. Provides that if the supervisory committee determines by an affirmative vote of two-thirds of its membership that it has reason to believe that a respondent committed a violation, the supervisory committee shall notify the respondent of its finding by letter, identifying the provision of law alleged to have been violated and the alleged factual basis supporting the finding.

In all cases, proposed law requires the supervisory committee to notify the person alleged to have committed a violation of the supervisory committee's finding by letter, identifying the provision of law alleged to have been violated and the alleged factual basis supporting the finding, including reference to any specific transactions identified as a violation.

## **Contributions for gubernatorial transition and inauguration**

Present law Code of Governmental Ethics requires that any contribution received and accepted by the person elected governor, or any person on his behalf, following the date of his election and expenditures made from such contributions to be reported by the governor to the Board of Ethics. Imposes a limit on such contributions in the amount of \$5,000 from any person.

Proposed law increases the contribution limit to \$25,000 from any person and places present law within the Campaign Finance Disclosure Act subject to the jurisdiction and oversight of the Board of Ethics acting as the Supervisory Committee on Campaign Finance Disclosure.

### **Report on the modernization of the campaign finance disclosure system**

Proposed law requires the supervisory committee to conduct an investigation and analysis of best practices currently in place in other states that could be implemented to modernize La.'s campaign finance and disclosure system, including a review of technological systems and report its findings to the speaker of the House of Representatives, president of the Senate, governor, and secretary of state, not later than Jan. 31, 2025.

Effective January 1, 2025.

(Amends R.S. 18:1491.1(E), 1491.4(E), 1495.2(E), 1505.2(E), (H)(1)(a) and (c), (2)(a) and (b), and (3)(a), and (K)(1) and (2) and 1511.4(A) and R.S. 42:1125(A), (C)(intro. para.), and (D)(2); adds R.S. 18:1483(21), 1491.1(G), 1505.2(H)(7), and 1505.2.1; repeals R.S. 18:1505.2(L))

### Summary of Amendments Adopted by House

#### The House Floor Amendments to the engrossed bill:

1. Remove the requirement that the supervisory committee accept statements of organization filed via email.
2. Provide that the limit for contributions made by political committees other than large political committees to a major office candidate is \$12,000, rather than \$20,000.
3. Authorize the staff of the supervisory committee rather than the committee itself to make initial determinations regarding the sufficiency of a complaint and provide notification thereof to the subject of the complaint.
4. Change the effective date.

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Repeals present law provisions prohibiting certain gaming entities from making political contributions to candidates, their political committees, or to any other political committee which supports or opposes any candidate.
2. Repeals civil and criminal penalties for violations of present law.
3. Makes technical corrections.