

First Extraordinary Session, 2008

HOUSE BILL NO. 66

BY REPRESENTATIVE MORRELL

CAMPAIGN FINANCE: Relative to fines for receiving excessive contributions from political committees (Item #7)

1 AN ACT

2 To enact R.S. 18:1505.2(U), relative to campaign finance; to provide for certain prohibited
3 conduct; to provide for penalties; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 18:1505.2(U) is hereby enacted to read as follows:

6 §1505.2. Contributions; expenditures; certain prohibitions and limitations

7 * * *

8 U.(1) Any candidate whom the supervisory committee determines has
9 violated R.S. 18:1505.2(H)(2) or (7) based on the acceptance of one or more loans,
10 transfers of funds, or contributions shall be liable for up to twice the civil penalty
11 provided for in this Chapter for any subsequent violation of R.S. 18:1505.2(H)(2) or
12 (7).

13 (2) Any candidate who accepts a loan, transfer of funds, or contribution in
14 violation of R.S. 18:1505.2(H)(2) or (7) and who deliberately omits such loan,
15 transfer of funds, or contribution from a report filed with the supervisory committee
16 shall be liable for up to twice the civil penalty provided for in this Chapter for failing
17 to disclose such information.

18 (3) Any candidate who accepts a loan, transfer of funds, or contribution in
19 violation of R.S. 18:1505.2(H)(2) or (7) and who makes an expenditure derived from

1 such loan, transfer of funds, or contribution shall be liable for up to twice the civil
2 penalty provided for in this Chapter for a violation of R.S. 18:1505.2(I).

3 Section 2. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law [R.S. 1:13(B)] and do not constitute proof or indicia of legislative intent. [R.S. 24:177(E)]

Morrell

HB No. 66

Abstract: Provides for increased penalties for violations involving the acceptance of contributions from a political committee in violation of contribution limits established by the Campaign Finance Disclosure Act for second and subsequent offenses, for omitting such contributions from reports, and for spending such contributions.

Present law (R.S. 18:1505.2(H)(2)) provides contribution limits for political committees. Provides the following contribution limits for contributions made to candidates or the principal campaign committee and any subsidiary committee of a candidate for the following offices: (1) major office—\$5,000; (2) district office—\$2,500; and (3) other office—\$1,000. Provides specific exceptions. Doubles these contribution limits for political committees, the membership of which exceeds 250 as of the December thirty-first of the preceding calendar year, and additionally provided that at least 250 of the members have each contributed at least \$50 to the political committee during the preceding one-year period.

Present law (R.S. 18:1505.2(H)(3)) generally prohibits a person from making a loan, transfer of funds, or contribution in the aggregate for all reporting periods for an election in excess of the contribution limits established in present law. Generally prohibits a candidate including his principal campaign committee and any subsidiary committee thereof, from accepting from the same contributor a loan, transfer of funds, or contribution in the aggregate for all reporting periods of an election in excess of the contribution limits established in present law. Provides specific exceptions.

Present law (R.S. 18:1505.2(H)(7)) limits the total amount of combined contributions for both the primary and general elections, from political committees, which may be accepted by a candidate and his principal and subsidiary campaign committees, to the following aggregate amounts: (1) major office candidates—\$80,000; (2) district office candidates—\$60,000; (3) other office candidates—\$20,000. Provides specific exceptions.

Present law (R.S. 18:1505.2(J)) provides that any candidate, treasurer, or chairman of a political committee who violates present law shall be assessed a penalty of not more than \$5,000 or the amount of the violation, whichever is greater, except that the penalty for a knowing and willful violation shall not be more than \$10,000 or 200% of the violation,

whichever is greater. Provides that "knowing and willful" means conduct which could have been avoided through the exercise of due diligence.

Proposed law retains present law and additionally provides that any candidate whom the supervisory committee has previously determined violated present law based on the acceptance of one or more loans, transfers of funds, or contributions from a political committee shall be liable for up to twice the civil penalty provided for in present law for any subsequent violation.

Present law (R.S. 18:1495.1 – 1495.6) requires candidates and campaign committees to maintain records of contributions and expenditures and to periodically file reports disclosing certain information, including information concerning contributions and expenditures. Provides civil penalties for candidates for knowingly failing to timely submit reports and failing to timely disclose or accurately disclose information required to be contained in a report. Provides (R.S. 18:1505.4) the following late filing fees:

- (1) \$100 per day, not to exceed \$2,500, for each candidate for major office and any treasurer or chairman of any political committee designated as a principal campaign committee or subsidiary committee of such a candidate.
- (2) \$60 per day, not to exceed \$2,000, for any candidate for district office and any treasurer or chairman of any political committee designated as a principal campaign committee or subsidiary committee of such a candidate.
- (3) \$40 per day, not to exceed \$1000, for any candidate for all other offices and any treasurer or chairman of any political committee designated as a principal campaign committee or subsidiary committee of such a candidate.

Provides that for reports which are required to be filed between the time a candidate qualifies and election day, the supervisory committee may additionally impose on any person required to file such a report who has not filed such report by the sixth day after the report is due, after a hearing by the supervisory committee with notice to the party who is the subject of the hearing, an additional civil penalty not to exceed \$10,000.

Provides that for all other reports required by the Campaign Finance Disclosure Act, in addition to any other penalties, the supervisory committee may impose on any person required to file such a report who has not filed such report by the 11th day after the report is due, after a hearing by the supervisory committee with notice to the party who is the subject of the hearing, an additional civil penalty not to exceed \$10,000.

Provides that any candidate, the treasurer or chairman of any political committee, or any other person required to file reports under the Campaign Finance Disclosure Act who knowingly and willfully fails to disclose, or knowingly and willfully fails to accurately disclose, any information required to be disclosed in a required report, may be assessed late fees as provided in present law for each day until such information is disclosed by amendment to the appropriate report of such candidate, political committee, or other person. Provides that "knowingly and willfully" means conduct which could have been avoided through the exercise of due diligence.

Present law (R.S. 18:1505.5) provides general civil penalties for candidates for knowing and willful violations of the provisions of the Campaign Finance Disclosure Act. Provides the following amounts:

- (1) Not in excess of \$500 for each candidate for a major office and any treasurer or chairman of any political committee designated as a principal campaign committee or subsidiary committee of such a candidate.

- (2) Not in excess of \$300 for any candidate for district office and any treasurer or chairman of any political committee designated as a principal campaign committee or subsidiary committee of such a candidate.
- (3) Not in excess of \$100 for any candidate for all other offices and any treasurer or chairman of any political committee designated as a principal campaign committee or subsidiary committee of such a candidate.

Provides that “knowing and willful” means conduct which could have been avoided through the exercise of due diligence. Provides that each day of a violation shall constitute a separate offense, up to the maximum penalty provided under present law (R.S. 18:1505.4—see above).

Proposed law retains present law and additionally provides that any candidate who accepts a loan, transfer of funds, or contribution in violation of present law provisions relative to certain contribution limits (R.S. 18:1505.2(H)(2) or (7)—see above) and who deliberately omits such loan, transfer of funds, or contribution from a report filed with the supervisory committee shall be liable for up to twice the civil penalty provided for in present law for failing to disclose such information.

Provides that any candidate who accepts a loan, transfer of funds, or contribution in violation of present law provisions relative to certain contribution limits (R.S. 18:1505.2(H)(2) or (7)—see above) and who makes an expenditure derived from such loan, transfer of funds, or contribution shall be liable for up to twice the civil penalty provided for in present law (R.S. 18:1505.2(J)—see above).

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 18:1505.2(U))