

HB

241

HFIN

FILE

FINANCE COMMITTEE REPORT

(11)

Date Referred: April 28, 1995

FURTHER REFERRALS:

Date of Committee Action: 1/23/96

The FINANCE Committee considered:

HB 241

HOUSE BILL NO. 241

NO PERSONAL USE OF CAMPAIGN ACCOUNT

"An Act relating to the use of a candidate's campaign account."

recommends it be replaced with the following committee substitute CS HB 241 (STA) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVE, PREVIOUS: (Dept/Date) _____
 fiscal note(s) HFC fiscal note(s) _____

~~input~~ zero fiscal note(s) ~~input~~ zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Richard Foster</i>	FOSTER			X	
<i>Mark Hanley</i>	Hanley	X			
<i>Glenn Muiden</i>	muiden	X			
<i>Terry Martin</i>	martin	X			
<i>Vid Kohring</i>	Kohring	X			
<i>Ben Grusindorf</i>	grusindorf			X	
<i>Robb Navarre</i>	Navarre			X	
<i>Kel Kelly</i>	Kelly	X			
<i>Chris Thernant</i>	Thernant	X			

CO CHAIR'S SIGNATURE *Mark Hanley* *Richard Foster*
 Hanley Foster

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSHB 241 (STA)

Title: An Act relating to the use of candidate's
campaign accounts.

Sponsor: Rep. Con Bunde

Requestor: _____

Dept. Affected Administration

BRU: APOC

Components: APOC

Serial # 70

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.2	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.2	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	0.2	0.0	0.0	0.0	0.0	0.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.2	0.0	0.0	0.0	0.0	0.0

POSITIONS :

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by: House Finance Committee

Rep. Mark Hanley, Co-Chair *M.H.*

Rep. Richard Foster, Co-Chair *R.F.*

Date: 1/23/96

Phone: 465-4939

Phone: 465-3789



REPRESENTATIVE CON BUNDE
CO-CHAIR HEALTH, EDUCATION
& SOCIAL SERVICES
VICE-CHAIR RULES

**Alaska State Legislature
House of Representatives**

DURING SESSION:
STATE CAPITOL, ROOM 108
JUNEAU, ALASKA 99801-1182
1 (907) 465-4843

DURING INTERIM:
716 WEST 4th AVENUE
ANCHORAGE, ALASKA 99501-2133
1 (907) 258-8168

**SPONSOR STATEMENT
HB 241**

Nationally, the trend to increase the accountability of candidates and legislators is taking hold. Citizens who contribute to campaigns, non-profit organizations, and other causes want to know where and how their money is expended. HB 241 will increase the accountability of candidates and facilitate increased public trust. This bill provides new choices for the disposal of surplus campaign funds for candidates who decide not to run for public office anymore.

Contributions given to candidates before, during and after campaigns are given by people who want that candidates representation. Campaign funds are raised year after year by candidates, often from the same group of supporters. The result is a surplus of funds that can be used in future campaigns or taken as personal income. However, when a person decides to deactivate a campaign the disposal of the surplus funds is of interest to the public, especially those who have contributed to a campaign. HB 241 provides for surplus funds to be given to charity, repaid to the contributors, contributed to another candidate, political party or a group supporting a ballot proposition or question, or contributed to the general fund.

This legislation changes what has historically been allowed regarding the disposal of surplus funds. The use of campaign funds as personal income or office allowance funds will not be an available choice for the disposal of campaign funds. The public is willing to contribute to the support of candidates for public office. However, when a candidate is no longer a candidate, the public should feel as secure with disposition of surplus funds as they were when they contributed money to a campaign for public office. This legislation takes a step in that direction, it increases our accountability and raises public trust in their elected officials. I urge your positive consideration of this legislation.

**DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 6, 1995

SUBJECT: Sectional Summary of CSHB 241 () Version "G" dated 4/4/95.
(Use of a candidate's campaign account and disposal of assets)

TO: Representative Con Bunde
Attn: Patti Swenson

FROM: Teresa B. Cramer 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 enacts a new provision concerning use of the surplus balance of a candidate's campaign account and, in subsection (d), the disposal of assets acquired by a campaign. Subsection (a) prohibits taking the balance as personal income. Subsection (c) sets out the eight ways in which the surplus balance may be used. Subsection (d) requires campaigns that acquire more than \$5,000 in furniture, office equipment, or other similar assets to report on the disposal of an asset that was worth at least \$1,000 at the time of acquisition and, in the year end report, to report on the location of any item worth that much.

TC:klb
95-240.klb

MEMORANDUM

State of Alaska
ALASKA PUBLIC OFFICES COMMISSION
DEPARTMENT OF ADMINISTRATION
(907)276-4176 FAX (907)276-7018

TO: Representative Con Bunde
House State Affairs Committee Members

FROM: Brooke Miles *B Miles*
Juneau Branch Administrator

DATE: April 5, 1995

SUBJECT: 1994 Year End Surplus/Deficit Balances & Transfers

The table of the reverse side of this memo shows the surplus/deficit balances which were disclosed by legislators on their 1994 year end reports. The year end reporting period covered activity from November 16 - December 31, 1994.

The "Transfer" column represents only amounts clearly indicated as transfers to legislative office accounts or amounts taken as personal income. Amounts disclosed as "repayments of personal contributions" are not included. The "YE Balance" column represents the surplus/deficit **after** any transfers.

Please be aware that these figures are from **UNAUDITED** reports. Therefore the numbers may not be 100% accurate. A more complete picture of the 1994 campaign contribution and expenditure activity would result from a study of the individual campaign disclosure reports filed during the 1994 election cycle. and possibly prior years.

1994 Year End Reports

#	YE BALANCE	TRANSFER	#	YE BALANCE	TRANSFER
1	4,448	0	31	4,338	0
2	3,684	0	32	11,383	0
3	9,149	0	33	[5776]	0
4	25	0	34	2308	0
5	20,952	0	35	855	5000
6	164,875	0	36	2,083	0
7	18,085	1,000	37	9,337	0
8	1,910	0	38	10,384	2,500
9	9,239	0	39	13,966	0
10	0	12,878	40	22,779	0
11	65,032	0	41	29,331	0
12	[53]	0	42	[1,754]	0
13	1,665	0	43	[5,297]	0
14	28,375	550	44	7,555	0
15	27,068	0	45	11,032	6,000
16	0	0	46	[418]	2,500
17	1,725	40,000	47	15,383	4,000
18	82,440	0	48	3,532	0
19	30,307	0	49	2,868	0
20	90,303	5,700	50	10,364	0
21	25,096	0	51	3,349	0
22	17,672	3,000	52	[2,305]	0
23	29,442	0	53	28,412	0
24	22,846	500	54	301	0
25	47,527	400	55	9,819	0
26	2,482	1,368	56	23,853	0
27	21,064	0	57	3,602	5,000
28	[353]	0	58	841	0
29	6,338	0	59	19,398	0
30	11,830	0	60	3,452	0

Stopping personal profit

Cashing in campaign contributions for personal pleasures is no longer allowed in most states.

by Carol Williams

It's nobody's business if you dig into your own pocket for a car or a European vacation.

But what if, instead of using personal funds, you happen to have run for public office and you used surplus campaign funds instead? Is it still nobody's business?

Across the country, candidates have used leftover campaign funds to pay for personal expenses such as condominiums, country club memberships and even groceries. Such spending has been documented numerous times with receipts and expenditure reports. And it raises the obvious question: Is this right?

When most state campaign finance laws were enacted in the 1970s, the issue of surplus funds was not given much thought. Among the earliest states to place restrictions on surplus funds were Iowa in 1973 and Illinois in 1974. Later, the disposition of surplus funds began to come into question in other states. Many states started to grapple with the problem of how to regulate and control the use of this extra money.

In the resurgence of campaign reforms in the late 1980s and early 1990s, 44 states enacted laws to restrict or control the use of surplus campaign funds.

Among those acting was Kansas, which enacted restrictions on the disposition of these funds in 1989.

Carol Williams is executive director of the Kansas Commission on Governmental Standards and Conduct.

Until then it was common to find candidates writing themselves checks for thousands of dollars from their campaign's surplus. Since 1989, a candidate in Kansas has only four options when disbursing surplus campaign funds.

In Kansas, as in many states, the restrictions have a common thread. Most states permit surplus funds to be returned in some pre-determined ratio to the original contributor, some allow for the money to be donated to a charitable cause, given to the candidate's party or returned to the state general fund.

Some states, like Indiana, Hawaii, Louisiana and New Jersey permit surplus funds to be contributed to other candidates. However, other states prohibit this because this type of expenditure goes beyond the scope of the contributor's intent. Individuals contributing to a candidate might be aghast that their money has gone

to a candidate they may oppose.

The Council on Governmental Ethics Laws, an international professional organization for agencies and individuals with responsibilities in governmental ethics, elections, campaign finance, freedom of information and lobbying-law regulation, in 1991 adopted *A Model Law for Campaign Finance, Ethics and Lobbying Regulation*. This document is intended to guide jurisdictions seeking to change their system of regulating governmental ethics and elections.

The model law lists three options for disposal of surplus funds. Candidates can give surpluses to the state's general fund, return money to contributors on a pro rata basis, or candidates can transfer funds to their state or local political party. While no state has adopted the model law intact, some have adapted portions.

In 1994, candidates in only six states (Alaska, Idaho, Mississippi, Montana, North Dakota and South Dakota) have no limits on disposal of surplus campaign funds.

In effect, the majority of states have tried to erase the image of the unscrupulous politician who says he will donate his leftover campaign money to his favorite charity: himself. And with an electorate that becomes more disenchanted with every scandal, this higher road is a good step toward repairing the trust between the politicians and the people. □

Use of surplus funds by candidates after an election

<i>Types of Use</i>	<i>Number of States</i>
Transfer to a political organization	4
Transfer to a political committee	6
Reimburse candidate for candidate's contributions	7
Pay officeholder expenses	13
Transfer to the state's general revenue fund or other state funds	13
Transfer to another candidate's committee	14
Spend on a future campaign	16
Transfer to a political party committee	25
Return to contributors	28
Give to charity	29

Source: *The Book of the States, 1994-95*, The Council of State Governments, 1994.

TABLE 24
DISPOSAL OF SURPLUS FUNDS
(As of 1992)

	Must Report Expenditures	No Limitations	Permitted Uses:										
			Charity	Another Candidate	To Take Office	While in Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office	Refund to Contributors	Pay to One's Party Committee	Other
Alabama Secretary of State's Office	—	—	✓	✓	✓	✓	✓	✓	✓	✓	—	—	—
Alaska Alaska Public Offices Commission	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Arkansas Arkansas Ethics Commission	✓	—	—	—	✓	✓	✓	✓	✓	—	✓	✓	—
Arizona Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—	—
California California Fair Political Practices Commission	✓	✓	✓	—	✓	✓	✓	✓	—	—	✓	✓	—
Colorado Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—	—
Connecticut Connecticut State Elections Enforcement Commission Secretary of State's Office	✓ —	— —	✓ ✓	— —	✓ ✓	— —	— —	✓ ✓	— —	— —	✓ ✓	✓ ✓	— —
Delaware Commissioner of Elections Delaware Senate	✓ ✓	— —	✓ ✓	— —	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	✓ ✓	— —	✓ ✓	— —
Florida Florida Department of State, Division of Elections	—	✓	—	—	—	—	—	—	—	—	—	—	—
Georgia State Ethics Commission	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Hawaii Campaign Spending Commission	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Idaho Secretary of State's Office	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Illinois Board of Ethics, City of Chicago ¹ Illinois State Board of Elections	— —	— ✓	— ✓	— ✓	— —	— —	— —	— —	— —	— —	— —	— —	— —

¹ See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

Count on Governing Ethics Laws / The Council of State Governments 128

	Permitted Uses												Other	
	Must Report Expenditures	No Limitations	Charity	Another Candidate	To Take Office	While In Office	From Previous Election	Repay Personal Campaign Loan		Finance One's Future Campaign		Pay to One's Party Committee		
								Same Office	Another Office	Rekind to Contributors	Same Office			Another Office
Indiana Indiana State Election Board	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Iowa Iowa Campaign Finance Disclosure Commission	✓	—	✓	✓	—	—	✓	—	✓	✓	✓	✓	✓	State of Iowa General Fund
Kansas Kansas Commission on Governmental Standards & Conduct	✓	—	✓	—	—	✓	—	✓	✓	✓	✓	✓	✓	(a)
Louisiana Louisiana Ethics Administration Program Secretary of State's Office*	✓	—	✓	✓	✓	✓	—	✓	✓	✓	✓	✓	✓	—
Nevada Commission on Governmental Ethics & Election Practices	—	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	Gill to state
Massachusetts Office of Campaign and Political Finance	✓	—	✓	✓	—	✓	✓	✓	✓	✓	—	—	—	—
Michigan Michigan Department of State, Bureau of Elections	✓	—	✓	—	—	✓	—	✓ (b)	✓	✓ (c)	✓	✓	✓	—
Minnesota Minnesota Ethical Practices Board	✓	—	✓	✓	—	✓	✓	✓	✓	—	✓	✓	✓	(d)
Mississippi Secretary of State's Office	—	✓	—	—	—	—	—	—	—	—	—	—	—	—
Missouri Secretary of State's Office, Campaign Reporting Division	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
Montana Commissioner of Political Practices	—	✓	—	—	—	—	—	—	—	—	—	—	—	—

See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

	Must Report Expenditures	No Limitations	Permitted Uses:										Other
			Contribute to:		Defray Expenses:			Finance One's Future:		Repay Personal Campaign Loan	Return to Contributors	Pay to One's Party Committee	
			Charity	Another Candidate	To Take Office	While In Office	From Previous Election	Same Office	Another Office				
Nebraska Nebraska Accountability & Disclosure Commission	✓	—	✓	✓	—	✓	✓	✓	✓	✓	✓	✓	—
Nevada Secretary of State's Office	✓	—	✓	✓	✓	✓	—	✓	✓	✓	✓	✓	—
New Hampshire Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—	—
New Jersey New Jersey Election Law Enforcement Commission	✓	—	✓	✓	—	—	✓	✓	✓	✓	✓	✓	—
New York New York State Board of Elections	—	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
North Carolina Secretary of State	—	—	—	—	—	—	—	—	—	—	—	—	—
North Dakota Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—	No laws on disposal of funds
Ohio Secretary of State's Office	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	—	✓	—
Oklahoma Ethics Commission of the State of Oklahoma	✓	—	✓	✓	✓	✓	—	✓	✓	✓	✓	✓	Political activity, Community activity
Pennsylvania Department of State, Bureau of Elections	✓	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	—
Rhode Island Rhode Island State Board of Elections	✓	—	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	—
South Carolina State Ethics Commission	—	—	✓	—	—	✓	✓	✓	✓	—	✓	—	—
South Dakota Secretary of State's Office	—	—	—	—	—	—	—	—	—	—	—	—	No restrictions

See footnotes at end of table

TABLE 24 - DISPOSAL OF SURPLUS FUNDS - Continued

Council on Governmental Ethics Laws / The Council of State Governments 130

	Must Report Expenditures	No Limitations	Permitted Uses										
			Charity	Another Candidate	To Take Office	While In Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office	Refund to Contributors	Pay to One's Party Committee	Other
Tennessee Registry of Election Finance	-	✓	-	-	-	-	-	-	-	-	-	-	-
Texas Texas Ethics Commission	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Utah Lieutenant Governor's Office	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Vermont Secretary of State's Office	-	-	-	-	-	-	-	-	-	-	-	-	-
Virginia Office of the Attorney General	✓	-	✓	✓	✓	✓	-	-	✓	✓	✓	✓	-
Washington Washington State Public Disclosure Commission	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	To state treasury
West Virginia Secretary of State's Office	✓	-	-	✓	-	-	-	✓	✓	✓	✓	✓	-
Wisconsin Wisconsin Election Board	✓	-	✓	✓	-	-	-	-	✓	✓	-	✓	-
Wyoming Secretary of State's Office	-	-	-	-	-	-	-	-	-	-	-	-	-
Puerto Rico State Elections Commission, Commonwealth of Puerto Rico	-	-	-	-	-	-	-	✓	✓	✓	-	-	-
United States (Federal) Federal Election Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
Alberta Chief Electoral Officer's Office	-	-	✓	✓	-	-	-	-	-	-	-	-	Party, Constituency Association
British Columbia Elections British Columbia	-	-	-	-	-	-	-	-	-	-	-	-	-
Manitoba Elections Manitoba	-	-	-	-	-	-	-	-	-	-	-	-	-

See footnotes at end of table

TABLE 21 - DISPOSAL OF SURPLUS FUNDS - CONTINUED

	Must Report Expenditures	No Limitations	Permitted Uses:										Other	
			Contribute to		Defray Expenses:			Finance One's Future Campaign			Pay to One's Party Committee			
			Charity	Another Candidate	To Take Office	While in Office	From Previous Election	Repay Personal Campaign Loan	Same Office	Another Office		Refund to Contributors		
Nova Scotia Elections Office	—	—	—	—	—	—	—	—	—	—	—	—	—	Candidate's party, Minister of Finance
Ontario Commission on Election Finances	—	—	—	—	—	—	—	—	—	—	—	—	✓	Pay to Commission
Prince Edward Island Chief Electoral Officer's Office*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Quebec Chief Electoral Officer's Office	—	—	✓	—	—	—	—	—	—	✓	—	—	—	—
Saskatchewan Chief Electoral Officer's Office	—	✓ (f)	—	—	—	—	—	—	—	—	—	—	—	—
Canada (Federal) Elections Canada	—	—	—	—	—	—	—	—	—	—	—	—	—	Registered party or constituency association (g)

KEY:

- + City, county or other local jurisdiction
- * Agencies which did not complete this section of the survey.
- ✓ Application exists
- Application does not exist

- (a) Surplus funds can be returned to original contributors.
- (b) If previously reported as a loan.
- (c) Contribution for the other office must be higher.
- (f) General Account State Election Campaign Fund.
- (e) Restricted for statewide officeholders.
- (g) Each political party has its own policy and advises candidates accordingly.
- (g) If candidate is sponsored, or to the public treasury if an independent.

From:
ALASKA LEGISLATIVE
RESEARCH AGENCY

THE BOOK OF THE STATES

1994-95 EDITION

VOLUME 30

The Council of State Governments
Lexington, Kentucky



Table 5.13
CAMPAIGN FINANCE LAWS: LIMITATIONS ON EXPENDITURES
(As of January 1992)

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Alabama (b)	Only committee named and designated by candidate	...	...	...	Unlimited as to officeholder expenses, contributions to charity, transfers to another committee, or uses for other lawful purposes.
Alaska	Candidate, treasurer, or deputy treasurer	...	No expenditures permitted before filing date except for personal travel expenses and public opinion polls/surveys.	...	May be given to charity, used to repay contributors, spent on a future campaign, used to repay candidate or used as income, contributed to another committee, or transferred to office allowance fund. Surplus funds may be taken as income by candidate.
Arizona .....	...	...	No expenditures permitted until registration form is properly filed.	...	May be retained for a future campaign; returned to contributors; donated to a party committee, charitable organization, political organization, or other candidate (after 12/31/92 may not be donated to another candidate's committee or used for candidate's personal use).
Arkansas .....	...	...	...	...	After setting aside any funds needed to pay debts, and an amount equal to the yearly salary for the office sought, surplus funds must either be turned over to the state treasurer for the benefit of the general revenue fund, to an organized political party, or to contributors to the candidate's campaign (c).
California (b) .....	...	...	...	Must be directly related to political, legislative, or governmental purpose if candidate or elected officer receives substantial personal benefit. Certain expenditures must be directly related regardless of benefit received.	May be used for debts or charitable contributions; contributed to a political party, candidate for federal office or ballot measure; contributed to an out-of-state campaign; or used to defray certain legal or professional expenses associated with the election and aftermath. Personal use of funds by candidate generally prohibited; must be directly related to political, legislative, or governmental purpose if candidate or elected officer receives substantial personal benefit. Certain expenditures must be directly related regardless of benefit received.

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Colorado (b) .....	...	...	...	Must be reasonably related to an election, voter registration, or political education. May not be used to encourage another candidate's withdrawal from race.	May be contributed to a nonprofit or charitable organization, or to the state or a political subdivision of the state, but not to a political party or to a candidate.
Connecticut (b)	Treasurer or those authorized by treasurer.	...	No expenditures permitted until treasurer and campaign depository have been designated.	Polls, meeting halls, rally expenses, printing and advertising, professional service fees, travel, staff salaries, rent, supplies, voter transportation, communications, petition-related expenses, and other expenses permitted by the commission.	Surplus may be donated to another committee (except one established to further the candidate's future campaigns), distributed pro rata to contributors, or used for transition expenses. Ballot question committees may also disburse surplus to government agencies or tax-exempt organizations. Personal use of funds by candidate prohibited.
Delaware	Candidate committee	...	...	Staff salaries, travel expenses, filing fees, communications and printing, food, office supplies, voter lists and canvasses, poll watchers, rent, advertising, rallies, legal counsel.	May be contributed to a tax-exempt religious, charitable, educational, or scientific organization, volunteer fire department, or a successful committee.
Florida (b) .....	...	Public financed candidates and those agreeing to voluntary limits: \$5 million for governor and lt. governor; \$2 million for cabinet. Limits may be increased under certain circumstances.	...	Expenditures may only be used to influence the results of an election.	Funds remaining after an election are to be used to pay remaining obligations incurred prior to or on election day. Surplus funds may be used to reimburse a candidate for candidate's contributions; transferred to a public officeholder account in various amounts dependent upon office; returned pro rata to contributors; given to a candidate's political party; donated to a nonprofit or charitable organization; or given to the state for the general fund or the election campaign financing trust fund (by a state candidate) or political subdivision (by a local candidate). Personal use of funds by candidate permitted if disclosed at the time of first filing.
Georgia .....	...	...	...	May only be used to defray ordinary and necessary campaign expenses.	Personal use of funds by candidate prohibited.
Hawaii	Only campaign treasurer or deputy treasurer.	Voluntary election year limits: governor—\$1.25 x qualified voters; lt. governor—70¢ x qualified voters; mayor—\$1.00 x qualified voters; House/Senate/council/prosecutor—70¢ x qualified voters; others—10¢ x qualified voters.	...	Must be related to a campaign purpose, including donations to community, youth, social or recreational organizations; reports, surveys, and polls.	Surplus may be used for fundraising; candidate-sponsored, politically related activity; ordinary and necessary officeholder expenses; donations to any community service, scientific, education, youth, recreation, charitable, or literary organization. Personal use of funds by candidate prohibited.

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Idaho .....	...	...	...	...	...
Illinois.....	Must be authorized by chair, treasurer, or their designated agents.	...	...	Only for nomination or election or retention of a person in public office or in connection with a public policy question.	...
Indiana.....	Only treasurer may make expenditures.	...	...	Must be used for campaign, for continuing political activity, activity related to service in an elected office, or contributions to party committees or other candidate committees.	May be transferred to political committees or state election board, unless otherwise provided in committee statement of organization. Personal use of funds by candidate prohibited.
Iowa .....	...	...	...	Generally prohibited. Public funds may only be used for legitimate campaign purposes in general elections, including salaries, rent, advertising, supplies, travel, campaign paraphernalia, contributions to other candidates or committees, and the like.	Public funds may not be used to lease or purchase any item whose benefits extend beyond the time in which the funds must be spent. Campaign funds may not generally be used to pay civil/criminal penalties; personal debts or expenses; for personal services unrelated to the campaign; most motor vehicle leases and payments; professional organization and most service organization memberships; mortgage or rental payments for the candidate; meals, groceries, and other food not for campaign uses; payments clearly in excess of the fair market value of the service or item. Personal use of funds by candidate prohibited.
Kansas	Must be by or through treasurer.	...	No expenditures permitted until registration form properly filed.	Must be for legitimate campaign or officeholding expenses.	Personal use of funds by candidate prohibited.
Kentucky (b)	Treasurer must make or authorize all expenditures on behalf of a candidate.	...	No expenditures permitted until primary campaign depository is designated.	Political parties receiving tax money may use these funds to support their party's candidates in a general election, and for administrative costs of maintaining a party headquarters.	Any unexpended balance may be returned pro rata to all contributors, transferred to the candidate's party executive committee, retained for election to the same office, or escheat to the state treasury.
Louisiana (b).....	...	...	No expenditures aggregating in excess of \$500 may be made by a political committee until statement of organization is properly filed.	Must be related to a political campaign or holding of office.	May be returned pro rata to contributors; given to a charitable organization; spent for or against a candidate, political party, or a proposition; used in future political campaigns; or activity related to a future campaign. Personal use of funds by candidate prohibited except to replace items stolen, lost, or damaged in connection with a campaign.

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Maine .....	...	PAC is limited to expenditures of \$5,000 per candidate or political committee in any election.	...	...	Returned pro rata to contributors, used for the candidate's future campaigns or transferred to other committees.
Maryland	Public funds may only be spent upon authority of candidate or treasurer. Other expenditures must be made through treasurer.	Publicly financed candidates for governor/l. governor limited to 20¢ x qualified voters.	No expenditures permitted until registration form is properly filed.	Public contributions may only be used to further the candidate's nomination or election, for legal purposes, and for expenses not incurred later than 30 days after the election.	Surplus public funds must be repaid not later than 60 days after the election for which the funds are granted. Other surplus funds must be returned on a pro rata basis to contributors; paid to a party central committee; donated to a local board of education, recognized non-profit educational or charitable organization; or given to a higher education institution for scholarships.
Massachusetts (b) ....	...	...	...	...	...
Michigan (b)	An expenditure may only be made with the authorization of the treasurer or the treasurer's designee.	Gubernatorial candidates who accept public funds limited to \$1.5 million per election; except up to \$300,000 more can be spent to solicit contributions, and additional expenditures are authorized in response to editorials, endorsements, etc.	...	Public funds may only be spent on services, facilities, materials, or other things of value to further the candidate's election during the election year.	Surplus public funds must be promptly repaid and may not be used in a subsequent election. Other funds may be transferred to another committee (with restrictions), party, or tax-exempt charitable institution or returned to contributors. Public funds cannot be used to pay a candidate.
Minnesota (b)	Must be authorized by treasurer or deputy treasurer of the committee or fund.	Candidates accepting public subsidies are limited as follows in election years (to be adjusted each election year based on Consumer Price Index): governor/l. governor: \$1,626,691; attorney general: \$271,116; other statewide office: \$135,559; state Senate: \$40,660; state representative: \$20,335. Limits in non-election years are 25% of applicable election year limits.	...	Limited to salaries, wages, and fees; communications, mailing, and transportation and travel; advertising and printing; office space and furnishings; supplies; and other expenses reasonably related to the election.	...
Mississippi .....	...	...	...	...	...
Missouri (b)	All expenditures must be made by or through the treasurer.	...	...	...	May only be used to defray campaign or officeholder expenses, returned pro rata to contributors, or contributed to a political or charitable organization or candidate committee. Personal use of funds by candidate prohibited.
Montana (b)	Campaign treasurers and deputy campaign treasurers.	...	...	...	...

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Nehraska (b)	Treasurers or treasurers' designees; however, candidates and their agents are also permitted to make expenditures.	...	Expenditure may not be made by a committee raising, receiving, or disbursing more than \$2,000 in a calendar year until it files a statement of organization and has a treasurer.	A committee other than a political party may not expend or transfer funds except for goods, materials, services, or facilities to assist or oppose a candidate for a ballot question.	After an election, a committee may expend or transfer funds for continued operation of campaign offices; social events for workers, volunteers, and constituents; obtaining public input and opinion; repayment of campaign loans; newsletters and other political communications; gifts of acknowledgment; and officeholder-related meals, lodging and travel. After termination of a candidate committee, unexpended funds may be transferred to another candidate committee, a political party committee, or a tax-exempt charitable organization, or returned to contributors. A committee may not make expenditures for the payment of a candidate's clothes, or medical or dental expenses; mortgage or rental payments for the candidate's permanent residence; installment payments for an auto owned by the candidate; satisfaction of personal debts (excluding reportable campaign loans); or personal services (such as legal or accounting services).
Nevada . . . . .	...	...	...	...	Elected and defeated candidates and non-candidate officeholders are required to dispose of unspent contributions in a statutorily authorized manner, including return to contributors, contribution for political purpose, and donation to tax-exempt nonprofit entity. Elected candidates may use for present or future campaign expenses or public office expenses. Personal use of funds by candidate prohibited.
New Hampshire	Candidate or candidate's fiscal agent.	Candidate may agree to limit campaign expenditures made by candidate and by committees, political party and immediate family on candidate's behalf in a primary or general election in accordance with a maximum expenditure schedule.	Before nonparty political committee may make expenditures, a registration statement must be filed, and if the political committee is organized to support a candidate, written consent of the candidate or candidate's fiscal agent must have been secured and filed. Political committee making independent expenditures must declare in registration statement it will abide by \$1,000 expenditure limit per candidate per election.	...	...

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
New Jersey.....	Treasurer or deputy treasurer of a candidate, political party committee, political committee, and continuing political committee.	Maximum amount to aid candidate for governor (excluding travel expenses) in 1989 primary: \$2.2 million; in 1989 general election: \$5 million. Spending limits are subject to adjustment prior to gubernatorial election year to reflect changes in campaign costs. Gubernatorial candidate receiving public funding is limited to \$25,000 in primary and \$25,000 in general election from candidate's personal funds.	***	***	***
New Mexico.....	Treasurer of candidate or political committee.	Treasurer must be appointed before candidate or political committee may make an expenditure.	***	***	Judicial candidates must return unused funds to contributors or donate to charitable organization.
New York (b)	Treasurer of candidate or political committee.	***	Expenditures may not be made by a political committee until the designation of a treasurer and depository have been filed.	Contributions may be expended for any lawful purpose.	May be used for any lawful purpose, including transfer to political party committee, return to donor, or holding for use in subsequent campaign. Contributions may not be converted to personal use of candidate not related to political campaign or holding public office or party position.
North Carolina (b) ...	Except for independent expenditures, candidate-related expenditures may be made only through the treasurer or assistant treasurer of a candidate or political committee.	Candidates for state constitutional office in general election who qualify for and receive public matching funds are subject to expenditure limit depending on office involved.	Except for independent expenditures, candidate-related expenditures may not be made until a treasurer is appointed and certified.	***	***
North Dakota	***	***	***	***	***
Ohio (b)	For a campaign committee, only the campaign treasurer and deputy campaign treasurer.	***	Candidate must designate a treasurer before candidate's campaign committee may receive contributions or make expenditures.	Candidate expenditures must be legitimate, verifiable, ordinary, and necessary.	Personal use of funds by candidate prohibited.
Oklahoma	Agents and subagents in the case of candidates/candidate committees and other committees.	***	***	Candidates may use contributions only to defray campaign expenditures or ordinary and necessary expenses incurred in connection with duties of public officeholder.	Excess funds of candidate/candidate committee available within 48 months of general election must be disposed of by return to contributors, donation to another campaign or political party, donation to charitable organization, or retention for a future campaign. Personal use of funds by candidate prohibited.
Oregon (b)	Expenditures must be made by or through the treasurer of a political committee.	No expenditure may be made until the political committee appoints and certifies the treasurer.	***	***	***

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Pennsylvania (b)	For a political committee, the treasurer.	...	No expenditure may be made by a political committee until a chair and treasurer have been appointed.	No candidate, political committee chair, or treasurer may make an expenditure except as provided by law.	After financial activity is terminated, residual funds may be used for lawful expenditures, or returned pro rata to contributors. Judicial candidate should not use contributions for private benefit.
Rhode Island	Campaign treasurer or deputy campaign treasurer.	Unlimited, except for gubernatorial candidate who accepts public funding.	No expenditures may be made before the appointment of a treasurer and the filing of such designation.	...	Judicial office candidate should not use contributions for private benefit.
South Carolina (b)	Candidates or duly authorized officer of a committee.	...	...	...	Disposition of excess funds of a candidate or committee is restricted to specific recipients and uses. Personal use of funds by candidate prohibited.
South Dakota . . . . .	...	...	...	Necessary expenditure of money for ordinary or usual expense of conducting a political campaign unless expressly forbidden.	Judicial office candidate should not use for private benefit.
Tennessee	Political treasurer of candidate and political campaign committee.	...	Candidate and political committee are required to certify name and address of political treasurer before making an expenditure in an election.	Clerical/office force; dissemination of literature; public speakers; newspaper announcements of candidacy; and transportation of voters unable to go to the polls.	Judicial office candidate should not use for private benefit.
Texas	Candidate for candidate's own election; political committee; campaign treasurer or assistant campaign treasurer acting in an official capacity; and an individual who makes independent, unreimbursed expenditures.	...	No expenditure may be made or authorized unless a campaign treasurer appointment is in effect. Campaign treasurer appointment of a political committee must be filed by 30th day before making or authorizing expenditures affecting a candidate for statewide office, multi-county district office, state senator or representative, or state board of education.	Use of public funds for political advertising prohibited. Payment from contributions for personal services of candidate, officeholder, or family restricted. Reimbursement of personal funds for expenditures by and repayment of loans made by relatives of a candidate to a candidate or officeholder limited to an aggregate of \$500,000 per election for governor and \$250,000 per election for other statewide office.	Contributions may not be converted to the personal use of a candidate or officeholder. Specific purpose political committee also may not convert contributions to the personal use of a former candidate or officeholder. Expenditures from personal funds may be reimbursed from contributions.
Utah	Candidate and the secretary of a personal campaign committee in the case of a candidate for state executive office. A committee member may not make an expenditure over \$1,000 without written authorization by candidate or committee secretary.	...	State office candidate must file a statement of appointment of personal campaign committee before the committee may make expenditures.	Expenditures prohibited by law may not be made.	Judicial candidates may not use contributions for candidate's private benefit.

See footnotes at end of table.

LIMITATIONS ON EXPENDITURES—Continued

<i>State or other jurisdiction</i>	<i>Who may make expenditures</i>	<i>Total expenditures allowed</i>	<i>Expenditures prior to first filing</i>	<i>For certain purposes</i>	<i>Use of surplus funds (a)</i>
Vermont (b)	Designated treasurer.	...	...	Existing surplus may be contributed and existing debts assigned to new fund.	Conversion of surplus funds to personal use of candidate is prohibited, but the candidate may use such funds to reduce personal campaign debts.
Virginia (b) . . . . .	...	...	Candidate must appoint one campaign treasurer not later than upon acceptance of a contribution, expenditure of any funds, or qualification as a candidate, whichever comes first.	Prohibited.	After filing of final report, surplus funds may be used in a succeeding election; returned to contributors; donated to a Section 170 organization; contributed to other candidates or committees, including a political party committee; or used to defray unreimbursable elective office expense of candidate. Personal use of funds by candidate prohibited.
Washington (b)	Campaign treasurer, candidate, or person on authority of campaign treasurer or candidate.	...	...	...	May be disposed of by return to the contributors in an amount not to exceed the original contributions, transfer to the candidate's personal account for reimbursement for lost earnings during the campaign, donation to a charitable organization, transmittal to the state, or retention for a future campaign, political activity, or community activity, or for non-reimbursable public office-related expenditures. Contributions may be transferred to the personal account of a candidate or expended for candidate's personal use for reimbursement for loans to cover lost earnings while campaigning or performing services for the political committee and for direct out-of-pocket expenses for repayment of loans made to political committee.
West Virginia (b)	Candidates, financial agents, and political committee treasurers.	...	No person may act as treasurer or financial agent before filing designation. Political party may not disburse money for election expenses unless treasurer is appointed.	Generally, lawful payments for political expenses; rent, maintenance, and furnishing of political headquarters or office; payment of support staff; political advertising and advertising agency services; public meeting-related expenses; travel, lodging and administrative expenses; nominating petition costs; prevention of unlawful registration of voters; voter transportation; and public polls.	Excess campaign assets may be disposed of by transfer to new candidate committee; contribution to political party committee or candidate; or returned to contributors on a pro rata basis. Personal use of funds by candidate prohibited, except for reimbursement of election expenses. Use of excess campaign assets for personal economic benefit is prohibited.

LIMITATIONS ON EXPENDITURES—Continued

State or other jurisdiction	Who may make expenditures	Total expenditures allowed	Expenditures prior to first filing	For certain purposes	Use of surplus funds (a)
Wisconsin (b)	Treasurer of a candidate, political committee, political group, or individual.	State office candidates who receive election campaign fund grant may not expend more for a campaign than amount specified in the authorized disbursement schedule unless opponents not accepting grant do not agree to comply with the limit voluntarily.	Disbursements may not be made by candidate or personal campaign committee, political committee, political group, or individual before registration statement is filed and campaign depository account established.	Expenditures may be made for any lawful purpose. Contributions must be used for a political purpose.	...
Wyoming . . . . .	...	...	...	...	Candidate for judicial office may not use contributions for private benefit of candidate.
Dist. of Columbia (b)	Only the chair, treasurer, or designated agents may make an expenditure.	...	...	...	May be donated to a political party for political purposes; returned to donors; transferred to a scientific, technical, or literacy or educational organization; or used for constituent services with certain limits.

Source: Edward D. Feigenbaum and James A. Palmer, *Campaign Finance Law 92* (Washington, D.C.: National Clearinghouse on Election Administration, Federal Election Commission, 1992); 1994 information will be available from the FEC in August 1994.

Note: For detailed legal requirements, state statutes should be consulted.

Key:

... — No reference in the law.

(a) Post election.

(b) Restrictions on cash expenditures. California, Colorado and New York (otherwise by check) may not exceed \$100. Arkansas (except for properly received filing fees), Massachusetts, Michigan, Nebraska, North Carolina (for non-media expenses excluding postage), Oregon and Washington (if no receipt) may not exceed \$50. Alabama and Connecticut may not exceed \$100 from petty cash. Florida, must be less than \$30 petty cash, and may not be used to pay for the purchase of time, space, or services from the communications media. In Kentucky expenditures of \$25 or more must be made by check. In Louisiana cash expenditures of up to \$100 may be made from petty cash for items other than personal services and voter transportation if complete records are maintained. In Minnesota petty cash expenditures limited to \$100 per week for statewide elections; \$20 per week for legislative elections. In Missouri single cash

expenditures from petty cash fund may not exceed \$50; aggregate calendar year expenditures may not exceed the lesser of ten percent of the committee's total calendar year expenditures. Montana, petty cash fund may pay for office supplies, transportation expenses, postage stamps, and other necessities of less than \$25, but may not be used for purchase of time, space, or services from any communications medium. In Ohio, permitted; if over \$25, must be vouched for by a receipted bill. In Pennsylvania vouchers for all expenditures over \$25 must be retained. In South Carolina, expenditures over \$25 must be by written instrument—petty cash fund may not exceed \$100 and independent cash expenditure may not exceed \$25. In Vermont expenditures by a candidate who has made expenditures or received contributions of \$500 or more and by a political committee must be paid by the treasurer by check from a single checking account. In Virginia, petty cash expenditures of less than \$25 permitted; otherwise only by check. In West Virginia payments to campaign election workers and paid staff must be by check. In Wisconsin prohibited; disbursements must be made by negotiable instrument. District of Columbia must be \$50 or less to any one person in connection with a single transaction and must be fully documented.

(c) Unopposed candidate may not take any campaign funds for personal use or for income for spouse or dependent children after the date of winning the nomination (or if opposed in the primary but not in the general election, after the date of winning the nomination).

B

HOUSE COMMITTEE REPORT

4/28/95

(7)

Date Referred: March 8, 1995

FURTHER REFERRALS:

Finance

Date of Committee Action: April 27, 1995

The STATE AFFAIRS Committee considered:

HB 241

HOUSE BILL NO. 241

NO PERSONAL USE OF CAMPAIGN ACCOUNT

"An Act relating to the use of a candidate's campaign account."

recommends it be replaced with the following committee substitute CSHB 241 (STA) [] the same title [x] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [x] fiscal note(s) APOC [] fiscal note(s)

[] zero fiscal note(s) [] zero fiscal note(s)

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names: James, Green, Robinson, Ogan, Willis.

CHAIR'S SIGNATURE [Signature]