

HOUSE BILL No. 1418

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3-9-4-14; IC 3-9-4-17; IC 3-9-5-9; IC 3-9-5-20.

Synopsis: Local office campaign finance reports. Requires a county election board to mail campaign finance report forms to candidates for local office 21 days before the reports are due. (Under current law, a county election board may implement this practice.) Provides that a county election board may, but is not required to, impose a civil penalty on a candidate who fails to file a statement of organization or a campaign finance report. (Under current law, a county election board is required to impose a penalty.) Reduces the penalty cap for violations by a candidate for a local office from \$1,000 to \$250. Provides that a committee for a candidate for a local office is only required to file an annual campaign finance report for a year in which the committee spends not more than \$1,000 and receives contributions and other
(Continued next page)

Effective: January 1, 1999 (retroactive).

Grubb, Whetstone

January 12, 1999, read first time and referred to Committee on Elections and Apportionment.



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Digest Continued

income of not more than \$1,000. Provides that a candidate for a local office is not required to file large contribution reports.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1418

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 3-9-4-14 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 14. (a) The
3 election division and each county election board shall do all of the
4 following:

- 5 (1) Ascertain whether candidates, committees, or other persons
6 have failed to file statements of organization or reports or have
7 filed defective statements of organization or reports.
8 (2) Give the following notices:
9 (A) To delinquents to file a statement of organization or a
10 report immediately upon receipt of the notice. A delinquency
11 notice must be given not later than thirty (30) days after each
12 election. The commission or a county election board may, but
13 is not required to, give delinquency notices at other times.
14 (B) To persons filing defective reports to make a supplemental
15 statement or report correcting all defects not later than noon
16 five (5) calendar days after receipt of the notice.



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1 (3) Make available for public inspection a list of delinquents and
 2 persons who have failed to file the required supplemental
 3 statement or report. The election division and each county
 4 election board shall post a list of delinquents in a public place at
 5 or near the entrance of the commission's or board's respective
 6 offices.

7 (b) The election division **and a county election board** shall mail:

8 (1) to each candidate and treasurer of the candidate's committee;
 9 and

10 (2) twenty-one (21) days before the campaign finance reports are
 11 due;

12 the proper campaign finance report forms and a notice that states the
 13 date the campaign finance reports are due. The election division is
 14 required to mail notices and forms only to candidates for state offices
 15 and legislative offices. A county election board ~~may, but~~ is ~~not~~ required
 16 to implement this subsection for candidates for local offices.

17 (c) Notwithstanding any notice given to a delinquent under
 18 subsection (a) or (b), the delinquent remains liable for a civil penalty
 19 in the full amount permitted under this chapter for failing to file a
 20 campaign finance report or statement of organization not later than the
 21 date and time prescribed under this article.

22 SECTION 2. IC 3-9-4-17 IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 17. (a) In
 24 addition to any other penalty imposed, a person who does any of the
 25 following is subject to a civil penalty under this section:

26 (1) Fails to file with a county election board a report in the
 27 manner required under IC 3-9-5.

28 (2) Fails to file a statement of organization required under
 29 IC 3-9-1.

30 (3) Is a committee or a member of a committee who disburses or
 31 expends money or other property for any political purpose before
 32 the money or other property has passed through the hands of the
 33 treasurer of the committee.

34 (4) Makes a contribution other than to a committee subject to this
 35 article or to a person authorized by law or a committee to receive
 36 contributions in the committee's behalf.

37 (5) Is a corporation or labor organization that exceeds any of the
 38 limitations on contributions prescribed by IC 3-9-2-4.

39 (6) Makes a contribution in the name of another person.

40 (7) Accepts a contribution made by one (1) person in the name of
 41 another person.

42 (8) Is not the treasurer of a committee subject to this article and

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- 1 pays any expenses of an election or a caucus except as authorized
2 by this article.
- 3 (9) Commingles the funds of a committee with the personal funds
4 of an officer, a member, or an associate of the committee.
- 5 (10) Wrongfully uses campaign contributions in violation of
6 IC 3-9-3-4.
- 7 (b) This subsection applies to a person who is subject to a civil
8 penalty under subsection (a)(1) or (a)(2) for filing a defective report or
9 statement. If the county election board determines that a person failed
10 to file the report or a statement of organization not later than noon five
11 (5) days after being given notice under section 14 of this chapter, the
12 county election board may assess a civil penalty. The penalty is ten
13 dollars (\$10) for each day the report is late after the expiration of the
14 five (5) day period, not to exceed one hundred dollars (\$100) plus any
15 investigative costs incurred and documented by the board. The civil
16 penalty limit under this subsection applies to each report separately.
- 17 (c) This subsection applies to a person who is subject to a civil
18 penalty under subsection (a)(1) or (a)(2) for a delinquent report or
19 statement. If the county election board determines that a person failed
20 to file the report or statement of organization by the deadline prescribed
21 under this article, the board ~~shall~~ **may** assess a civil penalty. The
22 penalty is fifty dollars (\$50) for each day the report is late, with the
23 afternoon of the final date for filing the report or statement being
24 calculated as the first day. The civil penalty under this subsection may
25 not exceed ~~one thousand~~ **two hundred fifty** dollars (~~\$1,000~~) (**\$250**)
26 plus any investigative costs incurred and documented by the board. The
27 civil penalty limit under this subsection applies to each report
28 separately.
- 29 (d) This subsection applies to a person who is subject to a civil
30 penalty under subsection (a)(3), (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), or
31 (a)(10). If the county election board determines that a person is subject
32 to a civil penalty under subsection (a), the board may assess a civil
33 penalty of not more than one thousand dollars (\$1,000), plus any
34 investigative costs incurred and documented by the board.
- 35 (e) This subsection applies to a person who is subject to a civil
36 penalty under subsection (a)(5). If the county election board determines
37 that a person is subject to a civil penalty under subsection (a)(5), the
38 board may assess a civil penalty of not more than three (3) times the
39 amount of the contribution in excess of the limit prescribed by
40 IC 3-9-2-4, plus any investigative costs incurred and documented by
41 the board.
- 42 (f) All civil penalties collected under this section shall be deposited



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1 with the county treasurer to be deposited by the county treasurer in a
 2 separate account to be known as the campaign finance enforcement
 3 account. The funds in the account are available, with the approval of
 4 the county fiscal body, to augment and supplement the funds
 5 appropriated for the administration of this article.

6 (g) Money in the campaign finance enforcement account does not
 7 revert to the county general fund at the end of a county fiscal year.

8 (h) Proceedings of the county election board under this section are
 9 subject to IC 4-21.5.

10 SECTION 3. IC 3-9-5-9 IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 9. (a)
 12 Except as provided in ~~subsection~~ **subsections** (b) and (c), **the**
 13 **treasurer of the candidate's committee is required to file only the**
 14 **report required by section 10 of this chapter if either of the**
 15 **following applies:**

16 (1) In a year in which a candidate does not appear on an election
 17 ballot for an office to which this article applies or does not seek
 18 nomination at a caucus or state convention for election to an
 19 office to which this article applies. ~~the treasurer of the candidate's~~
 20 ~~committee shall file only the report required by section 10 of this~~
 21 ~~chapter.~~

22 (2) **If the committee is for the election of a candidate for a**
 23 **local office and both of the following apply:**

24 (A) **The aggregate contributions and other income to the**
 25 **committee during the calendar year do not exceed one**
 26 **thousand dollars (\$1,000).**

27 (B) **The aggregate expenditures by the committee during**
 28 **the calendar year do not exceed one thousand dollars**
 29 **(\$1,000).**

30 (b) This subsection applies to a candidate who holds one (1) office
 31 and is a candidate for a different office (or has filed a statement of
 32 organization for an exploratory committee without indicating that the
 33 individual is a candidate for a specific office). The treasurer of the
 34 candidate's committee for the office the candidate holds shall file the
 35 following reports:

36 (1) If the committee spends, transfers in, or transfers out at least
 37 ten thousand dollars (\$10,000) from January 1 until twenty-five
 38 (25) days before the primary election, the treasurer shall file a
 39 pre-primary report under section 6 of this chapter.

40 (2) If the committee spends, transfers in, or transfers out at least
 41 ten thousand dollars (\$10,000) from twenty-five (25) days before
 42 the primary election until twenty-five (25) days before the general



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1 election, the treasurer shall file a pre-general election report under
2 section 6 of this chapter.

3 (3) The report required under section 10 of this chapter.

4 (c) This subsection applies to a candidate who is required to file a
5 pre-primary report or pre-convention report under section 6 of this
6 chapter and who:

7 (1) is defeated at the primary election or convention; or

8 (2) withdraws or is disqualified as a candidate before the general
9 election.

10 The treasurer of a candidate's committee described by this subsection
11 is not required to file a pre-general election report under section 6 of
12 this chapter but shall file the report required by section 10 of this
13 chapter.

14 SECTION 4. IC 3-9-5-20 IS AMENDED TO READ AS FOLLOWS
15 [EFFECTIVE JANUARY 1, 1999 (RETROACTIVE)]: Sec. 20. (a) **A**
16 **candidate for a local office is not required to file reports under this**
17 **section.**

18 (b) This section applies only to a large contribution that satisfies all
19 of the following:

20 (1) The contribution is received by a candidate, the candidate's
21 committee, or the treasurer of the candidate's committee.

22 (2) The contribution is received:

23 (A) not more than twenty-five (25) days before an election;
24 and

25 (B) not less than five (5) days before an election.

26 ~~(b)~~ (c) As used in this section, "election" refers to any of the
27 following:

28 (1) A primary election.

29 (2) A general election.

30 (3) A municipal election.

31 (4) A special election.

32 (5) For candidates nominated at a state convention, the state
33 convention.

34 ~~(c)~~ (d) As used in this section, "large contribution" means a
35 contribution of at least one thousand dollars (\$1,000).

36 ~~(d)~~ (e) The treasurer of a candidate's committee shall file a report of
37 large contributions not later than noon five (5) days before the election.

38 ~~(e)~~ (f) A report required by subsection ~~(d)~~ (e) must contain all of the
39 following information for each large contribution:

40 (1) The name of the person making the contribution.

41 (2) The address of the person making the contribution.

42 (3) If the person making the contribution is an individual, the

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- 1 individual's occupation.
- 2 (4) The amount of the contribution.
- 3 (5) The date the contribution was received by the treasurer, the
- 4 candidate, or the candidate's committee.
- 5 ~~(f)~~ (g) If no large contributions were received, the treasurer of the
- 6 committee shall report that fact.
- 7 ~~(g)~~ (h) The commission shall prescribe the form for the report
- 8 required by this section.
- 9 **SECTION 5. An emergency is declared for this act.**

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