

OHIO CAMPAIGN FINANCE HANDBOOK

CHAPTER 3: ADDITIONAL
REQUIREMENTS FOR STATEWIDE AND
GENERAL ASSEMBLY CANDIDATES

ADDITIONAL REQUIREMENTS FOR STATEWIDE AND GENERAL ASSEMBLY CANDIDATES

(Statewide and general assembly candidates should use the information in this chapter in conjunction with Chapter 2.)

SPECIAL RULES

Election Periods

Several of the special rules and reports for statewide or general assembly candidates require an understanding of election periods, including being able to determine a candidate's primary and general election period date ranges.

The primary election period begins on the latest (e.g. most recent) of the three following dates:

1. January 1 of the year following a general election at which that specific office was up for election.
2. January 1 of the year following a general election at which the person last ran as a candidate for any office.
3. The first day of the month following a primary election at which the person last ran as a candidate for any office and was unsuccessful.

[R.C. 3517.102(A)(5), 3517.109(A)(9)]

Examples:

A candidate ran for Ohio Senate in 2008 and lost in the primary election and intends to run for state treasurer in 2010. The primary election period for this candidate's run for state treasurer would begin on the first day of the month following the primary election in 2008, which was April 1, 2008.

A candidate runs for municipal clerk in 2009, but loses the general election. This person then decides to run for an Ohio House of Representatives seat (two-year term) in 2010. The primary election period for this candidate would begin January 1, 2010.

A candidate ran for city council in 2007 and won the general election. The candidate intends to run for governor in 2010. The primary election period would begin January 1, 2008.

A candidate ran for the Ohio House of Representatives in 2008 and won the general election. The candidate intends to run for re-election in 2010. The primary election period would begin January 1, 2009.

The primary election period ends on the day of the primary election. The length of a primary election period could vary widely, from in excess of three years to just a few months, depending on the facts and circumstances specific to the candidate and the office being sought.

The general election period begins the day after the primary election at which the candidate seeks office and ends December 31, following the subsequent general election.

[R.C. 3517.102(A)(5)]

Contribution Limits

Ohio law limits the campaign contribution amount that individuals, PACs, PCEs, parties, LCFs and campaign committees can contribute to statewide and general assembly candidate campaign committees. The contribution limit chart included as part of this Guide is intended to be a visual representation of the limit law. While the chart details the limits placed on most contribution transactions, it does not include every possible transaction circumstance that may occur.

The limitations do not apply to contributions made by a candidate to his/her own campaign committee. However, the limitations do apply to contributions received by the candidate's spouse, parents, children, sons-in-law, daughters-in-law, brothers, sisters, grandparents, mother-in-law, father-in-law, brothers-in-law, sisters-in-law or grandparents by marriage.

[R.C. 3517.102]

Contribution Limit Adjustment

The secretary of state must adjust statutory contribution limits that apply to statewide and general assembly candidates in January of each odd-numbered year. The adjustment is based on the yearly average increase or decrease of the previous two years in the Consumer Price Index for All Urban Consumers or its successive equivalent, as determined by the U.S. Department of Labor, Bureau of Labor Statistics. The adjustment calculations made by the secretary of state are certified by the auditor of state and become effective on or before February 25th of that year. The certified calculations and an updated contribution limit chart are available at the secretary of state's website.

[R.C. 3517.104]

Designated State Campaign Committees

This term is used to define a special type of relationship between specific political entities that are making or receiving contributions to and from other specific political entities. A "designated state campaign committee" means:

- » In the case of contributions to or from a state political party: a campaign committee of a statewide candidate, statewide officeholder, senate candidate, house candidate or member of the general assembly.

- » In the case of contributions to or from a county political party: a campaign committee of a statewide candidate, statewide officeholder, senate candidate or house candidate whose candidacy is to be submitted to some or all of the electors in that county or member of the general assembly whose district contains all or part of that county.
- » In the case of contributions to or from a legislative campaign fund: a campaign committee of any senate or house candidate who, if elected, will be a member of the same party that established the legislative campaign fund and the same chamber (e.g. House or Senate) with which the legislative campaign fund is associated, or a state senator or state representative who is a member of the same party that established the legislative campaign fund and the same chamber with which the legislative campaign fund is associated.

A campaign committee is no longer a “designated state campaign committee” after the campaign committee’s candidate changes the designation of treasurer required to be filed under division (D)(1) of section 3517.10 of the Revised Code to indicate that the person intends to be a candidate for, or becomes a candidate for nomination or election to, any office that, if elected, would not qualify that candidate’s campaign committee as a “designated state campaign committee.”

[R.C. 3517.102(A)(9)]

Employer/Occupation Information

Statewide and general assembly campaign committees filing campaign finance statements must report the name of an individual contributor’s current employer or, if self-employed, his or her occupation and the name of the individual’s business, if the individual makes a contribution of more than \$100. If a campaign committee does not receive the information when the contribution is received, it must make its best effort to obtain this information.

[R.C. 3517.10(B)(4)(b)(ii), 3517.10(E)(2)]

The campaign committee of a statewide or legislative candidate that receives contributions that aggregate more than \$100 and are made through employee wage deduction plans involving two or more employees must report the employer’s name and the name of the employee’s labor organization, if any. The employer must furnish that information to the recipient of the contribution. The reporting entity is considered to have met this requirement if it exercises its best effort to obtain the information.

[R.C. 3517.10(B)(4)(b)(iii), 3517.10(E)(3) and 3599.031(D)]

“Best effort” is defined as including a written request for the employer information in all written solicitations and at least one oral or written follow-up attempt to obtain the employer information.
[R.C. 3517.10(E)(3); OAC 111-1-05]

WHEN APPLICABLE, THE STATUTE REQUIRES THE INFORMATION IN THE FOLLOWING ORDER:

1. EMPLOYER
2. IF SELF-EMPLOYED
 - A. OCCUPATION
 - B. NAME OF BUSINESS

Electronic Filing

All statewide, general assembly and court of appeals candidate campaign committees are subject to mandatory electronic filing of campaign finance reports. Please see *Chapter 11, Electronic Filing*, for more information.

Federal Transfers

A person who is a candidate for state elective office and who previously sought nomination or election to a federal office is prohibited from transferring any funds or assets from his or her federal campaign committee for nomination or election to the federal office to his or her campaign committee as a candidate for state elective office.

[*R.C. 3517.13(S)*]

Persons Doing Business

State elected officials or members of the general assembly are required to separately report the names and addresses of each person doing business with an elected officer in his or her official capacity who makes a contribution to the officer's campaign committee, and the existence of any contract. A person doing business is one who enters into one or more contracts for goods or services with a state elected officer or member of the general assembly in his or her official capacity or anyone authorized to enter into contracts on behalf of the officer to receive goods or services if the payments total, in the aggregate, more than \$5,000 during a calendar year. Such contributions should be reported on *form 31-T, Contributors Doing Business with State Elected Officers*.

[*R.C. 3517.10(B)(4)(f)*]

Reimbursements

Statewide and general assembly candidates who make campaign related expenditures from personal funds and then seek periodic reimbursement from their campaign committee should realize that there is a running \$500 cap on the amount of un-reimbursed personal funds that may accumulate. Candidates should take steps to ensure adequate funds are present in their campaign account so that periodic reimbursement can be accomplished. Once a candidate has been reimbursed for a particular amount of personal expenditures, that amount is no longer counted toward the \$500 limit.

[*R.C. 3517.103(B)*]

State Income Tax Credit

Ohio law allows a state income tax credit for monetary contributions made to the campaign committee of a candidate for statewide office or member of the general assembly up to an annual limit of \$50 for single filers and \$100 for joint filers.

[*R.C. 5747.29*]

Contributions of money made to the campaign committee of a candidate for any of the following public offices are eligible for credit:

- » governor and lieutenant governor
- » secretary of state
- » auditor of state
- » treasurer of state
- » attorney general
- » member of the state board of education
- » chief justice of the supreme court
- » justice of the supreme court
- » member of the general assembly (house or state senate)

The amount of the credit equals the lesser of the combined total of contributions made during the year by each taxpayer filing a return of \$50, in the case of an individual return, or \$100 in the case of a joint return.

[R.C. 5747.29]

Questions related to this section of Ohio's tax law should be directed to:

OHIO DEPARTMENT OF TAXATION
P.O. BOX 530
COLUMBUS, OHIO 43216-0530
(800) 282-1780

Tax deductibility of federal contributions is under the jurisdiction of the Internal Revenue Service.

Unpaid Debts/Debt Retirement

If a campaign committee has any outstanding loans owed or other unpaid debt at the end of a primary or general election period, then the committee may accept additional contributions in the election period immediately following, as long as the total received from each contributor, when added to the contributions received from that contributor in the period when the debt was incurred, does not exceed the contribution limitation applicable to the contributor during the period when the debt was incurred. A contributor who did not make any contributions to the campaign committee during the period when the debt was incurred may make contributions for debt retirement up to the applicable limit for the prior contribution limit period.



The additional contributions accepted by a campaign committee to retire unpaid debt do not count toward the applicable limitations during the election period when they are accepted, as long as the campaign committee reported unpaid debt in its pre-election or post-election report, and:

1. The additional money is deposited into an account separate from the campaign committee's regular account.
2. The additional money is used only to reduce or pay off previously incurred and reported debt.
3. Debt reduction fund-raising ceases once the debt is eliminated.
4. The additional money is raised in the period immediately following the election period in which unpaid debt was accrued.
5. Any excess money is given back to the contributors or to a 501(c) charity.
6. The committee separately reports all of the additional contributions for debt reduction purposes, how the contributions are applied to the outstanding debt and the balance of the unpaid debt.

[R.C. 3517.108, OAC 111-5-02]

SPECIAL REPORTS

Monthly Reports

The campaign committee of a statewide candidate must file a monthly statement of contributions received during each of the months of July, August and September in the year of the general election in which the candidate seeks office. These monthly reports are required to list only contributions received during the covered period. Although only contributions are required to be disclosed, a campaign committee may choose to also disclose any expenditure and loan/debt transactions from the reporting period. Otherwise, expenditures made and any loan/debt transactions occurring during the reporting time period must be included in the next pre-general or post-general report, whichever is required to be filed first.

The monthly statement must be filed no later than three business days after the last day of the month covered by the statement. Monthly reports are stand-alone reports; therefore, the contributions reflected within these reports should not appear again in any subsequent report.

[R.C. 3517.10(A), 3517.13(A); OAC 111-5-08]

Two-Business-Day Reports

From the 19th day before the general election through the day of the general election, each time a campaign committee of the joint candidates for governor and lieutenant governor or of a candidate for secretary of state, treasurer of state, auditor of state or attorney general receives a contribution

that causes the aggregate amount of contributions from a contributor to equal or exceed \$10,000 during that period, and each time a campaign committee of a candidate for chief justice or justice of the supreme court receives a contribution that causes the aggregate amount of contributions from a contributor to exceed \$10,000 during that period, the committee must file with the secretary of state a two-business-day statement reflecting that contribution. The report must be filed with the secretary of state within two business days after receipt of the contribution. These contributions must also be reflected in the post-general report. This information is disclosed on *form 30-C, Two Business-Day Statement*.

[*R.C. 3517.10(A), 3517.13(A)(2); OAC 111-5-09*]

DECLARATION OF FILING-DAY FINANCES / PERMISSIVE FUNDS REPORTS

When a person files petitions to run for an office subject to contribution limits, the statute requires that person’s campaign committee to review its accounts and contribution history and dispose of any excess funds or excess aggregate contributions. For example, if a current city mayor – *an office not subject to state contribution limits* – decides to run for state representative – *an office to which state contribution limits apply* – the mechanics of section *3517.109* of the Revised Code may require the mayor’s campaign committee to dispose of a portion of its balance on hand prior to submitting nominating petitions or a declaration of candidacy.



What Must Be Filed

During a year in which its candidate is on the ballot, the campaign committee of a candidate for statewide office or member of the general assembly must file one or two special reports required by *R.C. 3517.109* regarding permissive or excess funds. Candidates for Ohio Supreme Court justice or chief justice are not required to file these reports.

Who Must File

Campaign committees of candidates who file nominating petitions or a declaration of candidacy for statewide office or member of the general assembly are subject to the filing requirements of the *Declaration of Filing-Day Finances and Permissive Funds Reports* in *R.C. 3517.109*. The definition of “state office” includes State Board of Education, but does not include Ohio Supreme Court.

When To File

These reports are due no later than seven days following the declaration of candidacy or nominating petition filing deadline. The reports are filed at the same location that the declaration or petitions are filed.

Pre-Filing Period

Determining the pre-filing period of the campaign committee is important for both the *Declaration of Filing-Day Finances* and the *Permissive Funds* reports. The pre-filing period of a campaign committee begins on the same day as its primary election period. See the section on election periods at the beginning of this chapter. The pre-filing period ends on the declaration of candidacy or nominating petition filing deadline.

[R.C. 3517.109 (A)(9)]

Declaration of Filing-Day Finances

Every campaign committee of candidates for statewide office or member of the general assembly must file either *form 31-W, Declaration of Filing-Day Finances*, or *form 31-AA, Waiver of Declaration of Filing-Day Finances*, no later than seven days following the declaration of candidacy or nominating petition filing deadline.

Waiver

A committee may qualify to file the *Waiver of Declaration of Filing-Day Finances* if the following two conditions are met:

1. The campaign committee did not accept any contributions during the pre-filing period in excess of the contributions limits in *R.C. 3517.102*.
2. The campaign committee had a cash-on-hand balance less than the carry-in amount at the beginning of the pre-filing period for the office being sought.

Office	Carry-In Amount
House or State Board of Education	\$35,000
Senate	\$100,000
Statewide	\$200,000

If the committee meets both these criteria, it may file a Waiver in lieu of a *Declaration of Filing-Day Finances*. If the committee accepted excess contributions or had a balance on hand larger than the carry-in amount, then it must file the *Declaration of Filing-Day Finances*.

[R.C. 3517.109(G)]

Permissive Funds Report

The campaign committee of a candidate for statewide office or member of the general assembly that has “excess funds” must file *form 31-W, Permissive Funds Report*, no later than seven days following the declaration of candidacy or nominating petition filing deadline.

[R.C. 3517.109(E)]

Excess Funds

There are two ways a campaign committee could end up with excess funds. The first is to accept a contribution that exceeds the applicable contribution limit (as set forth in *R.C. 3517.102* and periodically adjusted pursuant to *R.C. 3517.104*). These contributions over the applicable limits are also called excess aggregate contributions.

Example:

Accepting \$12,000, in aggregate, from an individual during a primary election period (\$604.44 in excess funds).

The second way is for a campaign committee to have a cash-on-hand balance and total campaign assets at the declaration of candidacy or petition filing deadline greater than the amount of a committee's permitted funds.

[*R.C. 3517.109(A)*]

Campaign Assets Included in Calculation of Excess Funds

Campaign assets are prepaid, purchased or donated items or services that are available for use by the campaign committee. For the purpose of these reports, campaign assets must have a value greater than \$500 and must be consumed or depleted during the campaign. Examples include prepaid media time, postage or prepaid consulting or advertising services.

[*R.C. 3517.109(A)(12) & 3517.109 (F)(2)(b)*]

Permitted Funds

A committee's permitted funds equals the sum of the contributions received within the contribution limits set forth in *R.C. 3517.102* plus the applicable carry-in limit for the office sought.

Example:

A campaign committee of a house candidate received contributions totaling \$8,000 during the pre-filing period, all of which were within the contribution limits in R.C. 3517.102. The carry-in limit for a house candidate is \$35,000. Therefore, this committee's permitted funds equal \$43,000.

If the cash-on-hand balance, plus the value of campaign assets of this campaign committee at the declaration of candidacy or nominating petition filing deadline, exceeds \$43,000, then the amount that it is over is considered excess funds. If the cash-on-hand balance and the value of campaign assets is less than or equal to \$43,000, then this committee has no excess funds.

If a committee has accepted excess aggregate contributions during the pre-filing period, then it has excess funds even if the committee's cash-on-hand balance is less than the permitted funds' total at the declaration of candidacy or petition filing deadline.

[*R.C. 3517.109(A)(13)*]

Disposing of Excess Funds

The campaign committee of a candidate for statewide office or member of the general assembly that has excess funds must dispose of the excess amount by the declaration of candidacy or nominating petition-filing deadline. Any candidate whose campaign committee fails to dispose of the excess amount is prohibited from appearing on the ballot.

The campaign committee may dispose of excess funds in any of the following ways:

- » Refund the excess amount of the contribution to the contributor.
- » Give the excess to a tax-exempt corporation.
- » Give the excess to the Ohio Elections Commission Fund.

Disposal of excess funds should be reported on *form 31-Z*. The refund of any excess aggregate contribution at any time during the pre-filing period must be reported on this form.

[*R.C. 3517.109(B) through (D)*]

Forms

Declaration of Filing-Day Finances and Permissive Funds forms are available from the secretary of state's office and the secretary of state's website.