Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 210
Bill #: HB 147 SCS
Bill Subject/Title: AN ACT relating to elections.
Sponsor: Representative Greg Stumbo.
Unit of Government: City X County X Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted: County Clerks
Requirement: X Mandatory X Optional
Effect on Powers & Duties: X Modifies Existing X Adds New X Eliminates Existing

Part II: Purpose and Mechanics

As passed by the House, HB 147 GA contained the following provisions which <u>do not</u> affect local governments:

Section One creates a uniform threshold of \$3,000 for campaign finance reports; establishes supplemental quarterly reporting requirements for political party building fund accounts created for the purchase, maintenance, renovation, and repair of a state executive committee's headquarters; and changes the reporting deadline from five days after the 30th day following a primary and regular election to July 31 and January 31. The limit that a candidate or a slate of candidates shall use to purchase admission tickets for any fundraising event or testimonial affair for another candidate or slate of candidates is increased to \$200 from \$100.

Section Two increases individual contribution limits from \$1,000 to \$2,000 as indexed for inflation. Section Sixteen stipulates that the increase shall be in effect for elections after July 15, 2016.

Section Two also allows individual contributions of \$1,500 each to permanent committees or contributing organizations (the current limit is \$1,500 in the aggregate);

increases individual contribution limits to \$5,000 per year for the state executive committee of a political party (the limit would not be applicable to the state executive committee's building fund account); and allows individual contributions of \$5,000 per year in the aggregate to subdivisions and affiliates of political parties. Currently the combined limit for the state executive committee and subdivisions and affiliates of political parties is \$2,500.

In addition, Section Two increases the individual contribution limit to caucus campaign committees from \$2,500 to \$5,000; modifies language regarding personal loans from candidates and their immediate families for the offices of Governor and Lieutenant Governor to their campaigns and repayment of debt owed by campaigns for all offices to conform with existing practice and judicial opinions; permits corporate contributions to political party building fund accounts; increases the aggregate contribution amounts from permanent committees, executive committees, and caucus campaign committees from \$10,000 to \$20,000; and allows married couples to make a contribution with one check that reflects the combined individual contribution limits of each individual spouse.

Section Six changes the reporting deadline from the 30th day following a regular election to January 31 for funds remitted from the designation of an individual's income tax liability to a political party.

Sections Seven, Eight, and Nine permit the executive committee of political parties to establish separate building fund bank accounts if their gubernatorial candidate received not less than 15% of the votes cast in the last regular election, specify permissible and prohibited uses of funds as well as reporting requirements, and allow corporate contributions.

Section 14 defines the term "accept" as used in this section to mean the date a contribution is postmarked, if mailed, or the date of the hand delivery, if the contribution is hand-delivered. The remaining language of Section 14 and found in KRS 6.676 regarding campaign contributions to a member of or a candidate for the General Assembly remains unchanged.

Section 15 makes Section 14 retroactive to January 1, 2016.

The following provisions of HB 147 GA do affect local governments:

Section One eliminates the requirement of county clerks keeping a paper copy of campaign finance reports for one year.

Sections Three and Four establish criteria for allowing minors 16 years of age or older to be appointed as student election assistants. The County Board of Elections, pursuant to administrative regulations promulgated by the State Board of Elections, may appoint up to two student election assistants per precinct. The assistants would be in addition to the precinct officers and would receive the same salary for attending the mandatory training session (minimum of \$10), working on Election Day (minimum of \$60), as well as

supplemental payment for mileage. The majority of counties pay higher than the minimum salary. For example, election officers in Fayette County, with 291 precincts, are paid \$200 for working on Election Day and \$50 for attending the mandatory training session.

Section Five requires that when providing a registration record requested by a citizen in accordance with KRS 116.095, the county clerk must redact the Social Security number, if the voter's Social Security number is on the registration.

Section Ten establishes 4 p.m. local time as the deadline for voter registration applications to be received by the county clerk.

Section Eleven allows the posting of political signs on private property that does not serve as a polling station within 300 feet of a polling place. On April 28th, 2015, the 6th Circuit U.S. Court of Appeals ruled that the current Kentucky law prohibiting electioneering within 300 feet of a polling place was unconstitutional due to a lawsuit by an individual whose campaign signs were removed from his private property. Subsequently; administrative regulations prohibiting electioneering within 100 feet of a polling place were promulgated (with an exemption for private property) that currently are in effect (31 KAR 4:180).

Sections Twelve and Thirteen codify the existing process utilized by county clerks to ensure that school board candidates for a school district extending beyond the boundary of a single county are elected by voters from the entire school district.

The current procedures include the candidate filing with the county clerk in the county in which he or she resides, the county clerk then providing the name of the certified candidate to the county clerks in the other counties served by the school district for inclusion on the ballot, and the county clerks in each of the counties certifying the vote totals to each other. The county board of elections of the candidate's residence would issue the certificate of election.

There are two school districts in Kentucky extending beyond the boundary of a single county: Caverna Independent and Corbin Independent. Caverna Independent serves Cave City in Barren County and Horse Cave in Hart County while Corbin Independent serves Corbin, located in Whitley and Knox Counties.

HB 147 SCS deletes all Sections of HB 147 GA, EXCEPT for Section 2.

HB 147 SCS keeps the major provisions of Section 2 of the GA version with the following changes:

The proposal restores current statutory language prohibiting candidates for Governor or Lieutenant Governor from loaning their committee in excess of a total of \$50,000 in any one election. Candidates for any other statewide election shall not loan their committee

more than \$25,000 in any one election. Candidates for other offices are limited to \$10,000 for any one election.

Language added in HB 147 GA that would allow candidates or campaign committees to accept contributions for repayment of debts and obligations owed by the campaign is omitted from HB 147 SCS.

HB 147 SCS restores current statutory language prohibiting candidates for Governor or Lieutenant Governor or their immediate families from loaning any money, services, or other thing of value to their campaign, and any such contribution shall be deemed a contribution, and may not be recovered by the candidates, except up to a combined total of \$50,000.

Language added in HB 147 GA that would allow candidates or campaign committees to accept contributions from corporations that are designated to a state executive committee's building fund account is omitted from HB 147 SCS.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

There fiscal impact of HB 147 SCS on local governments is nil.

Data Source(s): LRC Staff and Kentucky County Clerk's Association

Preparer: Wendell F. Butler **Reviewer:** JWN **Date:** 4/14/16