

**STORAGE NAME:** h0183.er  
**DATE:** March 13, 1997

**HOUSE OF REPRESENTATIVES  
COMMITTEE ON  
ELECTION REFORM  
BILL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**BILL #:** HB 183

**RELATING TO:** Campaign Financing

**SPONSOR(S):** Representative(s) Diaz de la Portilla, Feeney and Byrd

**STATUTE(S) AFFECTED:** Amending s. 106.1405, F.S.

**COMPANION BILL(S):** SB 926(i)

**ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:**

- (1) ELECTION REFORM (GRC)
- (2)
- (3)
- (4)
- (5)

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**I. SUMMARY:**

HB 183 prohibits a candidate or the spouse of a candidate from using the candidate's campaign funds either to draw a salary or to defray normal living expenses, other than expenses actually incurred for transportation, meals, and lodging by the candidate or a family member during travel in the course of the campaign.

This bill provides for the creation of the "Campaign Finance Reform Study Committee" (committee) within the Department of State, and provides for the appointment of members. The purpose of the committee is to study Florida's current system of campaign finance laws, identify any problems, and develop legally defensible recommendations for reforming the current system. This bill provides that the members of the committee would serve without compensation, but must be reimbursed for per diem and travel expenses incurred in the performance of their duties on the committee. The Division of Elections (Division) would be required to provide staff support.

Under the provisions of HB 183, the committee is required to submit a report of its findings and recommendations to the President of the Senate, the Speaker of the House of Representatives, and the chairs of the applicable legislative committees of substance by November 1, 1998, after which the committee would be terminated.

According to the Department of State, this bill would require approximately \$53,080 to provide staff support and reimbursement of expenses incurred in the performance of the duties of the committee.

Section 2 of HB 183, creating the "Campaign Finance Reform Study Committee", will become effective upon this bill becoming a law. The rest of the bill will become effective on January 1, 1998.

II. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Under current law, a candidate or a candidate's spouse is able to draw a salary from the campaign account of said candidate. [s. 106.1405, F.S. (1995)]. Any funds on deposit in a campaign account may also be used by a candidate or a candidate's spouse to defray normal living expenses for the candidate or the candidate's family, whether or not the expenses are incurred during travel in the course of the candidate's campaign. [s. 106.1405, F.S. (1995)].

If a candidate or a candidate's spouse intends to draw a salary or use funds on deposit in the campaign account for living expenses, the candidate must file a statement to such effect with the officer before whom the candidate qualifies. [s. 106.1405, F.S. (1995)]. This statement must be filed at the time the candidate appoints a treasurer and designates a campaign depository. [s. 106.1405, F.S. (1995)]. If the statement of intent is not filed at the required time, the funds may not be used for such purpose.

B. EFFECT OF PROPOSED CHANGES:

HB 183 would eliminate the ability of a candidate or a candidate's spouse to either draw a salary from or use funds in the candidate's campaign account for expenses, other than those actually incurred for transportation, meals, and lodging by the candidate or a family member during travel in the course of the candidate's campaign. Under the provisions of this bill, a violation of the foregoing would be punishable as provided in s. 106.19, F.S. (1995), (a misdemeanor of the first degree and a possible civil penalty equal to three times the amount involved in the illegal act).

This bill provides for the creation of a special committee to examine the need for campaign finance reform in the State of Florida; the "Campaign Finance Reform Study Committee". This committee would be created within the Department of State and the Division of Elections would be responsible for providing staff support. While the members of the committee would serve without compensation, the Department of State would be responsible for administering and distributing funds necessary for the committee to complete its task. Under HB 183, the members of the committee would be reimbursed for per diem and travel expenses in accordance with Florida Statutes.

As set forth in the bill, the purpose of the committee is "to study Florida's current system of campaign finance laws, identify any problems, and develop legally defensible recommendations for reforming the current system". The goals of the committee are as follows: to reduce the influence of special interest groups; to encourage robust and vigorous debate in political campaigns; and to engender greater public confidence in the integrity of elected public officials and the elections process.

Under the provisions of this bill, the committee would be comprised of fifteen (15) members, to be appointed no later than July 31, 1997. Appointment to the committee would be as follows: two members of the Senate, one each appointed by the President of the Senate and the Minority Leader of the Senate; two members of the House of Representatives, one each appointed by the Speaker of the House and the Minority Leader of the House; the chairs of the state executive committees of each major political

party in the state, or designee; the Secretary of State, or designee; two interested private citizens, one appointed by the Governor from each list of three candidates submitted by the President of the Senate and the Minority Leader of the Senate; four political science professors or scholars familiar with election matters, two appointed by the Governor from each list of six candidates submitted by the Speaker of the House and the Minority Leader of the House; and two legal professors of recognized achievement in the study of the First Amendment and elections matters, one appointed by the Governor from each list of three candidates submitted by the President of the Senate and the Minority Leader of the Senate.

The committee would be required to submit a report of its findings and recommendations to the President of the Senate, the Speaker of the House of Representatives, and the chairs of the applicable legislative committees by November 1, 1998, after which the committee would terminate.

According to the Department of State, if the Division of Elections provides staff support for the committee and is responsible for the reimbursement of expenses incurred in the performance of the duties of the committee, the following will be necessary: two OPS employees at \$10 per hour for up to 40 hours a week for six months to serve as administrative support to the committee. The Division anticipates that the committee would meet at least six (6) times, at an average cost of \$5,380 per meeting which would cover travel, lodging and meeting room space for staff and the committee members.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

Under current law, jurisdiction to investigate and determine violations of Chapter 106, Florida Statutes, is vested in the Division of Elections and the Florida Elections Commission (Commission). Therefore, any violation of s. 106.1405, F.S. would be investigated and adjudicated by the Division and the Commission.

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

Under the provisions of HB 183, the Division of Elections and/or the Florida Elections Commission may have to investigate and adjudicate additional violations of s. 106.1405, F.S.

With the creation of the "Campaign Finance Reform Study Committee", the Division of Elections will have the added responsibility of providing staff support for the committee.

(3) any entitlement to a government service or benefit?

No.

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

Not applicable.

(2) what is the cost of such responsibility at the new level/agency?

Not applicable.

(3) how is the new agency accountable to the people governed?

Not applicable.

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

No.

b. Does the bill require or authorize an increase in any fees?

No.

c. Does the bill reduce total taxes, both rates and revenues?

No.

d. Does the bill reduce total fees, both rates and revenues?

No.

e. Does the bill authorize any fee or tax increase by any local government?

No.

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

No.

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

No.

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

Not applicable.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

Under current law, candidates and candidate spouses may draw salaries from candidate campaign accounts. Funds on deposit in campaign accounts may also be used to defray normal living expenses for candidates and their families, other than those expenses that are actually incurred during travel in the course of a campaign. This bill would eliminate this activity.

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

Not applicable.

- (2) Who makes the decisions?

Not applicable.

- (3) Are private alternatives permitted?

Not applicable.

(4) Are families required to participate in a program?

Not applicable.

(5) Are families penalized for not participating in a program?

Not applicable.

b. Does the bill directly affect the legal rights and obligations between family members?

Not applicable.

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

Not applicable.

(2) service providers?

Not applicable.

(3) government employees/agencies?

Not applicable.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

<u>Revenues:</u>	<u>1997-98</u>
	\$ 0

<u>Expenditures:</u>	
Division of Elections	
Other Personal Services (2 OPS employees)	\$20,800
Expenses	<u>32,280</u>
Total General Revenue Requested	\$53,080

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

<u>Expenditures</u>	<u>1997-98</u>
Division of Elections	
Total General Revenue Requested	<u>\$53,080</u>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

The private cost to individuals running for office and unable to draw a salary or living expenses from their campaign account will be dependent upon their particular circumstances.

2. Direct Private Sector Benefits:

Not applicable.

3. Effects on Competition, Private Enterprise and Employment Markets:

Not applicable.

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D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

Not applicable.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

Not applicable.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

Not applicable.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

VII. SIGNATURES:

COMMITTEE ON ELECTION REFORM:

Prepared by:

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