

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: March 19, 1998 Revised: 04/21/98 _____

Subject: Campaign Finance; Contribution Limits; Corporations

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	<u>Fox</u>	<u>Bradshaw</u>	<u>EE</u>	<u>Fav/1 amendment</u>
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

I. Summary:

Senate Bill 960 limits a corporation and its subsidiaries who have a board of directors or executive officers “in common” to an aggregate maximum contribution of \$1,000 per candidate, per election.

This bill substantially amends section 106.08 of the Florida Statutes.

II. Present Situation:

With certain exceptions, Florida law limits contributions to a candidate by a “person,” including a corporation, to \$500 per election. s. 106.08(1), F.S. (1997). The law treats each corporate subsidiary as a “person” for purposes of the contribution limits. s. 106.011(8), F.S. (1997). Thus, a corporation and its subsidiaries could *each* contribute up to \$500 per candidate, per election.

Florida law does prohibit any person from making a direct or indirect contribution in the name of another; however, proving the same is a difficult evidentiary matter. s. 106.08(5), F.S. (1997). However, this does not prevent corporations or groups from collecting otherwise legal contributions, combining them, and delivering them to the candidate in order to achieve maximum recognition and impact. This activity has come to be known as “bundling.”

III. Effect of Proposed Changes:

The bill limits a corporation and its subsidiary or subsidiaries to an aggregate contribution of \$1,000 per candidate, per election, where the corporation has a board of directors or executive officers “in common” with the subsidiary. The \$1,000 aggregate limit also applies to contributions to any political committee supporting or opposing one or more candidates.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Executive Business, Ethics and Elections:

Defines “affiliated corporations”; limits contributions from affiliated corporations to a candidate or political committee supporting candidates to \$500 per election; clarifies and provides examples of indirect contributions involving employees of corporations, partnerships, and other business entities. (WITH TITLE AMENDMENT)

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
