

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1037 CS Campaign Financing
SPONSOR(S): Rivera and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 2156

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Ethics & Elections Committee</u>	<u>6 Y, 5 N, w/CS</u>	<u>Shaffer</u>	<u>Mitchell</u>
2) <u>Transportation & Economic Development Appropriations Committee</u>	<u>17 Y, 1 N, w/CS</u>	<u>McAuliffe</u>	<u>Gordon</u>
3) <u>State Administration Council</u>	<u>8 Y, 0 N, w/CS</u>	<u>Shaffer</u>	<u>Bussey</u>
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

HB 1037 CS allows candidates for the Florida House of Representatives to transfer or retain a maximum per election of \$50,000 in a campaign account for the same office to which the candidate was elected by virtue of being unopposed. The bill allows candidates for the Florida Senate to transfer or retain a maximum per election of \$150,000 in a campaign account for the same office to which the candidate was elected by virtue of being unopposed.

The bill prohibits an unopposed candidate for the House of Representatives who exercises this option from accepting campaign contributions for one year after the date of qualifying, and an unopposed candidate for the Senate for two years after the date of qualifying.

HB 1037 CS is effective July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

HB 1037 CS does not appear to implicate any House principle.

B. EFFECT OF PROPOSED CHANGES:

Background

Section 106.141, F.S., currently provides for disposition of surplus campaign funds by candidates. Any candidate required to dispose of surplus funds may dispose of them in a variety of ways:

- Return pro rata to each contributor the funds that have not been spent or obligated;
- Donate to a charitable organization or organizations that meet the qualifications of s. 501(c) (3) of the Internal Revenue Code the funds that have not been spent or obligated;
- Give a portion of the funds that have not been spent or obligated to their political party, candidates for the House may give up to \$10,000 and candidates for the Senate may give up to \$30,000;
- Give the funds in the case of a candidate for state office, to general revenue or the Election Campaign Financing Trust Fund; or
- Give the funds in the case of a candidate for an office of a political subdivision, to such political subdivision.

Section 106.011(15), F.S. defines an “unopposed candidate” as a “candidate for nomination or election to an office who, after the last day on which any person, including a write-in candidate, may qualify, is without opposition in the election at which the office is to be filled or who is without such opposition after such date as a result of any primary election or of withdrawal by other candidates seeking the same office.”

An unopposed candidate may transfer a prescribed amount of funds to an office account. A House candidate may transfer up to \$10,000; and a Senate candidate \$20,000. (s.106.141(5)(c), F.S., provides for funding an office account up to \$5,000 multiplied by the number of years in the term of office for which elected.)

If any funds have been received from general revenue as a participant in the matching funds program they must be returned.

Effects of Proposed Changes

HB 1037 CS allows candidates for the Florida House of Representatives to transfer or retain a maximum per election of \$50,000 in a campaign account for the same office to which the candidate was elected by virtue of being unopposed. The bill also allows candidates for the Florida Senate to transfer or retain a maximum per election of \$150,000 in a campaign account for the same office to which the candidate was elected by virtue of being unopposed.

Candidates will continue to be able to exercise other options for disposing of surplus funds prescribed in s. 106.141(4), F.S. HB 1037 CS will provide another option for disposal for unopposed candidates campaign contributions. The bill prohibits an unopposed candidate for the House of Representatives who exercises this option from accepting campaign contributions for one year after the date of qualifying, and an unopposed candidate for the Senate for two years after the date of qualifying.

Candidates cannot transfer or retain more than the amounts provided therein (\$50,000; \$150,000) from one election year to another. For example, an unopposed House candidate in 2006 could retain up to \$50,000, but if running unopposed again in 2008 could not transfer or retain another \$50,000 for a total of \$100,000.

The following table shows the number of unopposed candidates for the three previous election cycles.

Election Year	House candidates elected without opposition
2000	14
2002	18
2004	52

C. SECTION DIRECTORY:

Section 1: Amends s. 106.141, F.S., to allow unopposed candidates for the House of Representatives or the Senate to transfer the funds or to retain the funds in a campaign account for the same office to which the candidate was elected by virtue of being unopposed with a maximum per election of \$50,000 for a candidate for the House of Representatives and \$150,000 for a candidate for the Senate.

Section 2: Provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

HB 1037 CS may have a fiscal impact on charitable and other organizations. The current law, s. 106.141, F.S., requires candidates to dispose of funds in several specified ways, including donating the funds that have not been spent or obligated to a charitable organization or to the candidate's political party, or returning the contributions pro rata to contributors or by giving them to the General Revenue Fund. These entities, which may have otherwise received funds, may not receive them from legislative candidates if the bill is enacted.

D. FISCAL COMMENTS:

HB 1037 CS will have no significant fiscal impact.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

N/A

2. Other:

N/A

B. RULE-MAKING AUTHORITY:

HB 1037 CS does not grant any rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 29, 2006 the Committee on Ethics & Elections adopted one amendment. The amendment prohibits an unopposed candidate who exercises this option from accepting campaign contributions for one year after the date of qualifying.

At the April 4, 2006 meeting, the Transportation and Economic Development Appropriations Committee approved HB 1037 with one amendment. The amendment clarified an unopposed candidate for the Florida Senate who exercises this option is prohibited from accepting campaign contributions for two years after the date of qualifying.

On April 19, 2006 the State Administration Council adopted one amendment. The amendment clarifies that a candidate who exercises the rollover option is prohibited from raising funds for one year from the date of qualifying for the election in which the rollover option is exercised.