

SENATE BILL No. 227

DIGEST OF INTRODUCED BILL

Citations Affected: IC 3-9; IC 3-14-1-10.

Synopsis: PAC contributions to school board candidates. Provides that a political action committee (PAC) may not make total annual contributions in excess of an aggregate of \$2,000 apportioned in any manner among all candidates for school board offices. Specifies a civil and criminal penalty for a PAC that violates this limitation.

Effective: July 1, 2023.

Hunley

January 10, 2023, read first time and referred to Committee on Elections.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

SENATE BILL No. 227

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 3-9-2-6.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2023]: **Sec. 6.5. During a year a political action committee may**
4 **not make total contributions in excess of an aggregate of two**
5 **thousand dollars (\$2,000) apportioned in any manner among all**
6 **candidates for school board offices.**

7 SECTION 2. IC 3-9-4-17, AS AMENDED BY P.L.169-2015,
8 SECTION 74, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2023]: Sec. 17. (a) In addition to any other penalty imposed,
10 a person who does any of the following is subject to a civil penalty
11 under this section:

- 12 (1) Fails to file with a county election board a report in the
13 manner required under IC 3-9-5.
- 14 (2) Fails to file a statement of organization required under
15 IC 3-9-1.
- 16 (3) Is a committee or a member of a committee who disburses or
17 expends money or other property for any political purpose before



- 1 the money or other property has passed through the hands of the
 2 treasurer of the committee.
- 3 (4) Makes a contribution other than to a committee subject to this
 4 article or to a person authorized by law or a committee to receive
 5 contributions in the committee's behalf.
- 6 (5) Is a corporation or labor organization that exceeds any of the
 7 limitations on contributions prescribed by IC 3-9-2-4.
- 8 (6) Makes a contribution in the name of another person.
- 9 (7) Accepts a contribution made by one (1) person in the name of
 10 another person.
- 11 (8) Is not the treasurer of a committee subject to this article, and
 12 pays any expenses of an election or a caucus except as authorized
 13 by this article.
- 14 (9) Commingles the funds of a committee with the personal funds
 15 of an officer, a member, or an associate of the committee.
- 16 (10) Wrongfully uses campaign contributions in violation of
 17 IC 3-9-3-4.
- 18 (11) Fails to designate a contribution as required by IC 3-9-2-5(c).
- 19 (12) Violates IC 3-9-3-5.
- 20 (13) Serves as a treasurer of a committee in violation of any of the
 21 following:
- 22 (A) IC 3-9-1-13(1).
- 23 (B) IC 3-9-1-13(2).
- 24 (C) IC 3-9-1-18.
- 25 (14) Violates IC 3-9-3-2.5 by making a communication that
 26 contains a disclaimer that is not presented in a clear and
 27 conspicuous manner, as required by IC 3-9-3-2.5(d) and
 28 IC 3-9-3-2.5(e). This subdivision does not apply to a person
 29 whose sole act is, in the normal course of business, participating
 30 in the preparation, printing, distribution, or broadcast of the
 31 communication containing the disclaimer.
- 32 **(15) Is a political action committee that exceeds the limitation**
 33 **on contributions prescribed by IC 3-9-2-6.5.**
- 34 (b) This subsection applies to a person who is subject to a civil
 35 penalty under subsection (a)(1) or (a)(2) for filing a defective report or
 36 statement. If the county election board determines that a person failed
 37 to file the report or a statement of organization not later than noon five
 38 (5) days after being given notice under section 14 of this chapter, the
 39 county election board may assess a civil penalty. The penalty is ten
 40 dollars (\$10) for each day the report is late after the expiration of the
 41 five (5) day period, not to exceed one hundred dollars (\$100) plus any
 42 investigative costs incurred and documented by the board. The civil



1 penalty limit under this subsection applies to each report separately.

2 (c) This subsection applies to a person who is subject to a civil
3 penalty under subsection (a)(1) or (a)(2) for a delinquent report or
4 statement. If the county election board determines that a person failed
5 to file the report or statement of organization by the deadline prescribed
6 under this article, the board shall assess a civil penalty. The penalty is
7 fifty dollars (\$50) for each day the report is late, with the afternoon of
8 the final date for filing the report or statement being calculated as the
9 first day. The civil penalty under this subsection may not exceed one
10 thousand dollars (\$1,000) plus any investigative costs incurred and
11 documented by the board. The civil penalty limit under this subsection
12 applies to each report separately.

13 (d) This subsection applies to a person who is subject to a civil
14 penalty under subsection (a)(3), (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), or
15 (a)(10). If the county election board determines that a person is subject
16 to a civil penalty under subsection (a), the board may assess a civil
17 penalty of not more than one thousand dollars (\$1,000), plus any
18 investigative costs incurred and documented by the board.

19 (e) This subsection applies to a person who is subject to a civil
20 penalty under subsection (a)(5). If the county election board determines
21 that a person is subject to a civil penalty under subsection (a)(5), the
22 board may assess a civil penalty of not more than three (3) times the
23 amount of the contribution in excess of the limit prescribed by
24 IC 3-9-2-4, plus any investigative costs incurred and documented by
25 the board.

26 (f) This subsection applies to a person who is subject to a civil
27 penalty under subsection (a)(11). If the county election board
28 determines that a corporation or a labor organization has failed to
29 designate a contribution in violation of IC 3-9-2-5(c), the board shall
30 assess a civil penalty equal to the greater of the following, plus any
31 investigative costs incurred and documented by the board:

32 (1) Two (2) times the amount of the contributions undesignated.

33 (2) One thousand dollars (\$1,000).

34 (g) This subsection applies to a person who is subject to a civil
35 penalty under subsection (a)(12). If the county election board
36 determines, by unanimous vote of the entire membership of the board,
37 that a person has violated IC 3-9-3-5, the board may assess a civil
38 penalty of not more than five hundred dollars (\$500), plus any
39 investigative costs incurred and documented by the board.

40 (h) This subsection applies to a person who is subject to a civil
41 penalty under subsection (a)(13). If the county election board
42 determines, by unanimous vote of the entire membership of the board,



1 that a person has served as the treasurer of a committee in violation of
 2 any of the statutes listed in subsection (a)(13), the board may assess a
 3 civil penalty of not more than five hundred dollars (\$500), plus any
 4 investigative costs incurred and documented by the board.

5 (i) This subsection applies to a person who is subject to a civil
 6 penalty under subsection (a)(14). If the board determines that a person
 7 is subject to a civil penalty under subsection (a)(14), the board may
 8 assess a civil penalty of not more than one thousand dollars (\$1,000)
 9 for each communication circulated or published (but not for each of the
 10 copies of the communication actually circulated or published), plus any
 11 investigative costs incurred and documented by the election division.

12 **(j) This subsection applies to a person who is subject to a civil**
 13 **penalty under subsection (a)(15). If the county election board**
 14 **determines that a person is subject to a civil penalty under**
 15 **subsection (a)(15), the board may assess a civil penalty of not more**
 16 **than three (3) times the amount of the contribution in excess of the**
 17 **limit prescribed by IC 3-9-2-6.5, plus any investigative costs**
 18 **incurred and documented by the board.**

19 ~~(j)~~ **(k)** All civil penalties collected under this section shall be
 20 deposited with the county treasurer to be deposited by the county
 21 treasurer in a separate account. The funds in the account are available,
 22 with the approval of the county fiscal body, to augment and supplement
 23 the funds appropriated for the administration of this title in the county.

24 ~~(k)~~ **(l)** Money in the account established under subsection ~~(j)~~ **(k)**
 25 does not revert to the county general fund at the end of a county fiscal
 26 year.

27 ~~(l)~~ **(m)** Proceedings of the county election board under this section
 28 are subject to IC 4-21.5.

29 SECTION 3. IC 3-14-1-10 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 10. **(a)** A corporation
 31 or labor organization that recklessly exceeds any of the limitations on
 32 contributions prescribed by IC 3-9-2-4 commits a Class B
 33 misdemeanor.

34 **(b) A political action committee that recklessly exceeds the**
 35 **limitation on contributions prescribed by IC 3-9-2-6.5 commits a**
 36 **Class B misdemeanor.**

