

Regular Session, 2012

SENATE BILL NO. 591

BY SENATOR CLAITOR

CAMPAIGN FINANCE. Authorizes the creation of the Interest On Candidate Contributions Trust Account program. (8/1/12)

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AN ACT

To enact R.S. 18:1488, relative to the Louisiana Election Code; to authorize the creation of the Interest On Candidate Contributions Trust Account program; to authorize the supervisory committee on campaign finance disclosure to adopt rules and regulations relative to such program; to provide for oversight of such program; to provide for basic criteria for program development; to provide for implementation; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 18:1488 is hereby enacted to read as follows:

§1488. Interest On Candidate Contributions Trust Account (IOCCTA);

program; purpose; goals

A.(1) In order to enhance the Supervisory Committee on Campaign Finance Disclosure's ability to govern and enforce the Campaign Finance Disclosure Act, and to enhance a candidate's ability to collect and distribute the interest earned on campaign contributions, the supervisory committee shall establish the Interest On Candidate Contributions Trust Account (IOCCTA) program. IOCCTA shall be a trust fund program that receives the interest on

1 a candidate's campaign contributions account and distributes these funds to
2 certain nonprofit organizations.

3 (2) At a minimum, the following basic specifications shall be used to
4 implement the IOCCTA program:

5 (a) A foundation shall be created and managed by the supervisory
6 committee with the purpose of approving and authorizing IOCCTA accounts.

7 (b) All candidates shall be required to create and maintain an IOCCTA
8 account that shall be an interest-bearing account for all campaign
9 contributions. However, any candidate may elect to not participate in the
10 IOCCTA program by filing a certification of intent to not participate with the
11 supervisory committee.

12 (c) IOCCTA accounts shall be of a type approved and authorized by the
13 supervisory committee and maintained only in financial institutions as
14 approved and certified by the supervisory committee. The program shall
15 require that a candidate's campaign contributions be kept in one or more
16 separate interest-bearing IOCCTA accounts maintained in a bank or savings
17 and loan authorized by federal or state law to do business in Louisiana, the
18 deposits of which are insured by any agency of the federal government.

19 (d) The supervisory committee shall establish rules and regulations
20 governing the determination of a financial institution's eligibility to hold
21 IOCCTA accounts and shall publish a list of the approved or certified eligible
22 financial institutions on the Board of Ethics website.

23 (e) Participation in the program shall be voluntary for financial
24 institutions.

25 (f) The following principles shall apply to campaign contributions
26 deposited under the program:

27 (i) No interest or income on IOCCTA accounts may be made available
28 to or utilized by a candidate, his principal campaign committee, or a subsidiary
29 committee.

1 **(ii) Interest and income shall be payable at least quarterly to the**
2 **foundation created by the supervisory committee.**

3 **(g) Interest or dividends earned by the IOCCTA program paid to the**
4 **foundation shall be contributed only to the following entities:**

5 **(i) The LSU Foundation.**

6 **(ii) Higher Education Initiative Fund.**

7 **(h) The foundation created by the supervisory committee shall prepare**
8 **an annual report to the Senate Committee on Senate and Governmental Affairs**
9 **and the House Committee on House and Governmental Affairs that summarizes**
10 **the foundation's income, operating expenses, the amounts contributed to the**
11 **foundations listed in Subparagraph (A)(2)(g) of this Section, and any other**
12 **issues arising out of administration of the IOCCTA program.**

13 **B. All rules and regulations necessary to implement the provisions of**
14 **this Section shall be adopted in accordance with the Administrative Procedure**
15 **Act and shall be subject to oversight by the Senate Committee on Senate and**
16 **Governmental Affairs and the House Committee on House and Governmental**
17 **Affairs.**

18 **C. The IOCCTA program shall commence no later than January 1, 2014.**

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Tim Prather.

DIGEST

Proposed law requires Supervisory Committee on Campaign Finance Disclosure to establish the Interest On Candidate Contributions Trust Account (IOCCTA) program.

Proposed law provides that IOCCTA will be a trust fund program that receives the interest on a candidate's campaign contributions account and distributes such funds to certain nonprofit organizations.

Proposed law provides that at a minimum, the certain basic specifications will be used to implement the IOCCTA program:

1. A foundation created and managed by the supervisory committee with the purpose of approving and authorizing IOCCTA accounts.
2. All candidates are required to create and maintain an IOCCTA account as an interest-bearing account for all campaign contributions unless the candidate files a certification of intent to not participate in the program.

3. IOCCTA accounts to be of a type approved and authorized by the supervisory committee and maintained only in financial institutions as approved and certified by the supervisory committee. Requires that campaign contributions be kept in one or more separate interest-bearing IOCCTA accounts maintained in a bank or savings and loan authorized by federal or state law to do business in Louisiana, the deposits of which are insured by any agency of the federal government.
4. The supervisory committee will establish rules and regulations governing the determination of a financial institution's eligibility to hold IOCCTA accounts and publish a list of the approved or certified eligible financial institutions on the Board of Ethics website.
5. Participation in the program will be voluntary for financial institutions.
6. The following principles will apply to campaign contributions under the program:
 - (a) No interest or income on IOCCTA accounts may be made available to or utilized by a candidate, his principal campaign committee, or a subsidiary committee.
 - (b) Requires that interest and income be payable at least quarterly to the foundation and contributed solely to the following entities:
 - (i) Tiger Athletic Fund Foundation.
 - (ii) The LSU Foundation.
 - (iii) Louisiana State University Press.
 - (iv) Higher Education Initiative Fund.
7. The foundation is to prepare an annual report to the Senate Committee on Senate and Governmental Affairs and the House Committee on House and Governmental Affairs that summarizes the foundation's income, operating expenses, the amounts contributed to the respective entities listed in proposed law, and any other issues arising out of administration of the IOCCTA program.

Proposed law authorizes promulgation of rules and regulations necessary to implement the provisions of proposed law subject to oversight by the Senate Committee on Senate and Governmental Affairs and the House Committee on House and Governmental Affairs.

Proposed law requires that the IOCCTA program will commence no later than January 1, 2014.

Effective January 1, 2013.

(Adds R.S. 18:1488)