**South Carolina General Assembly**

123rd Session, 2019-2020

**H. 3138**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Clary, Norrell, S. Williams and Cogswell

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Introduced in the House on January 8, 2019

Currently residing in the House Committee on **Judiciary**

Summary: Definitions

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/18/2018 House Prefiled

12/18/2018 House Referred to Committee on **Judiciary**

1/8/2019 House Introduced and read first time ([House Journal‑page 100](file:///h:\hj\20190108.docx))

1/8/2019 House Referred to Committee on **Judiciary** ([House Journal‑page 100](file:///h:\hj\20190108.docx))

1/24/2019 House Member(s) request name added as sponsor: Cogswell

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**VERSIONS OF THIS BILL**

[12/18/2018](file:///p:\pprever\2019-20\3138_20181218.docx)

**A** **BILL**

TO AMEND SECTION 8‑13‑100, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEFINITION OF “CANDIDATE” FOR PURPOSES OF THE ETHICS, GOVERNMENT ACCOUNTABILITY, AND CAMPAIGN REFORM ACT, SO AS TO SPECIFY THAT A “CANDIDATE” IS ALSO A PERSON THAT MAINTAINS AN OPEN BANK ACCOUNT CONTAINING CONTRIBUTIONS; TO AMEND SECTION 8‑13‑1120, RELATING TO CONTENTS OF STATEMENTS OF ECONOMIC INTERESTS, SO AS TO REQUIRE DISCLOSURE OF THE SOURCE, TYPE, AND AMOUNT OF ANY INCOME RECEIVED IN THE PREVIOUS YEAR BY THE FILER OR A MEMBER OF HIS IMMEDIATE FAMILY FROM A DIRECT CONTRACTUAL OR EMPLOYMENT RELATIONSHIP TO INCLUDE CONSULTING, ACTING AS AN INDEPENDENT CONTRACTOR, SALARY, OR ANY OTHER ARRANGEMENT FROM WHICH PAYMENT IN RETURN FOR SERVICES OR GOODS IS MADE BY A LOBBYIST PRINCIPAL TO THE FILER OR A MEMBER OF HIS IMMEDIATE FAMILY; TO AMEND SECTION 8‑13‑1300, RELATING TO THE DEFINITION OF “CANDIDATE” FOR PURPOSES OF THE ETHICS, GOVERNMENT ACCOUNTABILITY, AND CAMPAIGN REFORM ACT, SO AS TO SPECIFY THAT A “CANDIDATE” IS ALSO A PERSON THAT MAINTAINS AN OPEN BANK ACCOUNT CONTAINING CONTRIBUTIONS; TO AMEND SECTION 8‑13‑1302, RELATING TO THE MAINTENANCE OF RECORDS OF CONTRIBUTIONS, SO AS TO AUTHORIZE THE APPROPRIATE SUPERVISORY OFFICE TO REQUEST IN WRITING THE DISCLOSURE OF CERTAIN MANDATORY RECORDS FOR THE PURPOSE OF VERIFYING CAMPAIGN DISCLOSURE FORMS; TO AMEND SECTION 8‑13‑1308, RELATING TO THE CONTENTS OF CERTIFIED CAMPAIGN REPORTS OF CANDIDATES AND COMMITTEES, SO AS TO REQUIRE A CAMPAIGN REPORT TO BE FILED SEVENTY‑TWO HOURS BEFORE AN ELECTION SHOWING CONTRIBUTIONS OF MORE THAN ONE HUNDRED DOLLARS AND EXPENDITURES TO OR BY THE CANDIDATE OR COMMITTEE FOR THE PERIOD COMMENCING AT LEAST TWENTY DAYS BEFORE THE ELECTION AND ENDING SEVENTY‑TWO HOURS BEFORE THE ELECTION; TO AMEND SECTION 8‑13‑1314, RELATING TO CAMPAIGN CONTRIBUTION LIMITS AND RESTRICTIONS, SO AS TO PROHIBIT CONTRIBUTIONS FROM CERTAIN NONCANDIDATE COMMITTEES; TO AMEND SECTION 8‑13‑1340, RELATING TO RESTRICTIONS ON CONTRIBUTIONS BY ONE CANDIDATE TO ANOTHER AND COMMITTEES ESTABLISHED, FINANCED, MAINTAINED, OR CONTROLLED BY A CANDIDATE, SO AS TO DELETE THE CONTRIBUTION RESTRICTION EXCEPTION FOR CERTAIN TYPES OF COMMITTEES; AND TO AMEND SECTION 8‑13‑1348, RELATING TO THE USE OF CAMPAIGN FUNDS FOR PERSONAL EXPENSES, SO AS TO CLARIFY THE TYPE OF PROHIBITED EXPENSES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 8‑13‑100(5) of the 1976 Code is amended to read:

“(5) ‘Candidate’ means a person who seeks appointment, nomination for election, or election to a state or local office, ~~or~~ authorizes or knowingly permits the collection or disbursement of money for the promotion of his candidacy or election, or maintains an open bank account containing contributions. It also means a person on whose behalf write‑in votes are solicited if the person has knowledge of ~~such~~ the solicitation. ‘Candidate’ does not include a person within the meaning of Section 431(b) of the Federal Election Campaign Act of 1976.”

SECTION 2. Section 8‑13‑1120(A) of the 1976 Code is amended to read:

“(A) A statement of economic interests filed pursuant to Section 8‑13‑1110 must be on forms prescribed by the State Ethics Commission and must contain full and complete information concerning:

(1) the name, business or government address, and workplace telephone number of the filer;

(2) the source, type, and amount or value of income, not to include tax refunds, of substantial monetary value received from a governmental entity by the filer or a member of the filer’s immediate family during the reporting period;

(3)(a) the description, value, and location of all real property owned and options to purchase real property during the reporting period by a filer or a member of the filer’s immediate family if:

(i) there have been any public improvements of more than two hundred dollars on or adjacent to the real property within the reporting period and the public improvements are known to the filer; or

(ii) the interest can reasonably be expected to be the subject of a conflict of interest; or

(b) if a sale, lease, or rental of personal or real property is to a state, county, or municipal instrumentality of government, a copy of the contract, lease, or rental agreement must be attached to the statement of economic interests;

(4) the name of each organization which paid for or reimbursed actual expenses of the filer for speaking before a public or private group, the amount of such payment or reimbursement, and the purpose, date, and location of the speaking engagement;

(5) the identity of every business or entity in which the filer or a member of the filer’s immediate family held or controlled, in the aggregate, securities or interests constituting five percent or more of the total issued and outstanding securities and interests which constitute a value of one hundred thousand dollars or more;

(6)(a) a listing by name and address of each creditor to whom the filer or member of the filer’s immediate family owed a debt in excess of five hundred dollars at any time during the reporting period, if the creditor is subject to regulation by the filer or is seeking or has sought a business or financial arrangement with the filer’s agency or department other than for a credit card or retail installment contract, and the original amount of the debt and amount outstanding unless:

(i) the debt is promised or loaned by a bank, savings and loan, or other licensed financial institution which loans money in the ordinary course of its business and on terms and interest rates generally available to a member of the general public without regard to status as a public official, public member, or public employee; or

(ii) the debt is promised or loaned by an individual’s family member if the person who promises or makes the loan is not acting as the agent or intermediary for someone other than a person named in this subitem; and

(b) the rate of interest charged the filer or a member of the filer’s immediate family for a debt required to be reported in (a);

If a discharge of a debt required to be reported in (a) has been made, the date of the transaction must be shown.

(7) the name of any lobbyist, as defined in Section 2‑17‑10(13) who is:

(a) an immediate family member of the filer;

(b) an individual with whom or business with which the filer or a member of the filer’s immediate family is associated;

(8) if a public official, public member, or public employee receives compensation from an individual or business which contracts with the governmental entity with which the public official, public member, or public employee serves or is employed, the public official, public member, or public employee must report the name and address of that individual or business and the amount of compensation paid to the public official, public member, or public employee by that individual or business;

(9) the source and a brief description of any gifts, including transportation, lodging, food, or entertainment received during the preceding calendar year from:

(a) a person, if there is reason to believe the donor would not give the gift, gratuity, or favor but for the official’s or employee’s office or position; or

(b) a person, or from an officer or director of a person, if the public official or public employee has reason to believe the person:

(i) has or is seeking to obtain contractual or other business or financial relationship with the official’s or employee’s agency; or

(ii) conducts operations or activities which are regulated by the official’s or employee’s agency if the value of the gift is twenty‑five dollars or more in a day or if the value totals, in the aggregate, two hundred dollars or more in a calendar year~~.~~;

(10) a listing of the private source and type of any income received in the previous year by the filer or a member of his immediate family. This item does not include income received pursuant to:

(a) a court order;

(b) a savings, checking, or brokerage account with a bank, savings and loan, or other licensed financial institution which offers savings, checking, or brokerage accounts in the ordinary course of its business and on terms and interest rates generally available to a member of the general public without regard to status as a public official, public member, or public employee;

(c) a mutual fund or similar fund in which an investment company invests its shareholders’ money in a diversified selection of securities; and

(11) the source, type, and amount of any income received in the previous year by the filer or a member of his immediate family from a direct contractual or employment relationship to include consulting, acting as an independent contractor, salary, or any other arrangement from which payment in return for services or goods is made by a lobbyist principal as defined in Section 2‑17‑10, to the filer or a member of his immediate family.”

SECTION 3. Section 8‑13‑1300(4) of the 1976 Code is amended to read:

“(4) ‘Candidate’ means a person:

(a) ~~a person~~ who seeks appointment, nomination for election, or election to a statewide or local office, or authorizes or knowingly permits the collection or disbursement of money for the promotion of his candidacy or election;

(b) ~~a person~~ who is exploring whether or not to seek election at the state or local level; ~~or~~

(c) ~~a person~~ on whose behalf write‑in votes are solicited if the person has knowledge of ~~such~~ the solicitation; or

(d) who maintains an open bank account containing contributions. ‘Candidate’ does not include a candidate within the meaning of ~~Section 431(b) of the Federal Election Campaign Act of 1976~~ 52 U.S.C. 30101.”

SECTION 4. Section 8‑13‑1302 of the 1976 Code is amended to read:

“Section 8‑13‑1302. (A) A candidate, committee, or ballot measure committee must maintain and preserve an account of:

(1) the total amount of contributions accepted by the candidate, committee, or ballot measure committee;

(2) the name and address of each person making a contribution and the amount and date of receipt of each contribution;

(3) the total amount of expenditures made by or on behalf of the candidate, committee, or ballot measure committee;

(4) the name and address of each person to whom an expenditure is made including the date, amount, purpose, and beneficiary of the expenditure;

(5) all receipted bills, canceled checks, or other proof of payment for each expenditure; and

(6) the occupation of each person making a contribution.

(B) The candidate, committee, or ballot measure committee must maintain and preserve all receipted bills and accounts required by this article for four years.

(C) An appropriate supervisory office may request in writing, disclosure of any records required to be maintained by this section, subject to the limitations of Section 8‑13‑320(9)(d). This request must be for purposes of verifying campaign disclosure forms filed pursuant to Section 8‑13‑1308. A candidate, committee, or ballot measure committee must comply with a written request from an appropriate supervisory office within thirty days.”

SECTION 5. Section 8‑13‑1308 of the 1976 Code is amended to read:

“Section 8‑13‑1308. (A) Upon the receipt or expenditure of campaign contributions or the making of independent expenditures totaling an accumulated aggregate of five hundred dollars or more, a candidate or committee required to file a statement of organization pursuant to Section 8‑13‑1304(A) must file an initial certified campaign report within ten days of these initial receipts or expenditures. However, a candidate who does not receive or expend campaign contributions totaling an accumulated aggregate of five hundred dollars or more must file an initial certified campaign report fifteen days before an election.

(B) Following the filing of an initial certified campaign report, additional certified campaign reports must be filed within ten days following the end of each calendar quarter in which contributions are received or expenditures are made, whether before or after an election, until the campaign account undergoes final disbursement pursuant to the provisions of Section 8‑13‑1370.

(C) Campaign reports filed by a candidate must be certified by the candidate. Campaign reports filed by a committee must be certified by a duly authorized officer of the committee.

(D)(1) At least fifteen days before an election, a certified campaign report must be filed showing contributions of more than one hundred dollars and expenditures to or by the candidate or committee for the period ending twenty days before the election. The candidate or committee must maintain a current list during the period before the election commencing at the beginning of the calendar quarter of the election of all contributions of more than one hundred dollars and expenditures. The list must be open to public inspection upon request.

(2) A committee immediately shall file a campaign report listing expenditures if it makes an independent expenditure or an incurred expenditure within the calendar quarter in which the election is conducted or twenty days before the election, whichever period of time is greater, in excess of:

(a) ten thousand dollars in the case of a candidate for statewide office; or

(b) two thousand dollars in the case of a candidate for any other office.

(3) In the event of a runoff election, candidates or committees are not required to file another campaign report in addition to the reports already required under this section. However, records must remain open to public inspection upon request between the election and the runoff.

(E) Seventy‑two hours before an election, a certified campaign report must be filed showing contributions of more than one hundred dollars and expenditures to or by the candidate or committee for the period commencing at least twenty days before the election and ending seventy‑two hours before the election.

~~(E)~~(F) Notwithstanding the provisions of subsections (B) and (D), if a ~~pre‑election~~ preelection campaign report provided for in subsection (D) is required to be filed within thirty days of the end of the prior quarter, a candidate or committee must combine the quarterly report provided for in subsection (B) and the ~~pre‑election~~ preelection report and file the combined report subject to the provisions of subsection (D) no later than fifteen days before the election.

~~(F)~~(G) Certified campaign reports detailing campaign contributions and expenditures must contain:

(1) the total of contributions accepted by the candidate or committee;

(2) the name and address of each person making a contribution of more than one hundred dollars and the amount and date of receipt of each contribution;

(3) the total expenditures made by or on behalf of the candidate or committee; and

(4) the name and address of each person to whom an expenditure is made from campaign funds, including the date, amount, purpose, and beneficiary of the expenditure.

~~(G)~~(H) Notwithstanding any other reporting requirements in this chapter, a political party, legislative caucus committee, and a party committee must file a certified campaign report upon the receipt of anything of value which totals in the aggregate five hundred dollars or more. For purposes of this section, ‘anything of value’ includes contributions received which may be used for the payment of operation expenses of a political party, legislative caucus committee, or a party committee. A political party also must comply with the reporting requirements of subsections (B), (C), and ~~(F)~~ (G) of Section 8‑13‑1308 in the same manner as a candidate or committee.

~~(H)~~(I) A committee that solicits contributions pursuant to Section 8‑13‑1331 must certify compliance with that section on a form prescribed by the State Ethics Commission.”

SECTION 6. Section 8‑13‑1314 of the 1976 Code is amended to read:

“Section 8‑13‑1314. (A) Within an election cycle, no candidate or anyone acting on his behalf shall solicit or accept, and no person shall give or offer to give to a candidate or person acting on the candidate’s behalf:

(1) a contribution which exceeds:

(a) three thousand five hundred dollars in the case of a candidate for statewide office; or

(b) one thousand dollars in the case of a candidate for any other office;

(2) a cash contribution from an individual unless the cash contribution does not exceed twenty‑five dollars and is accompanied by a record of the amount of the contribution and the name and address of the contributor;

(3) a contribution from, whether directly or indirectly, a registered lobbyist if that lobbyist engages in lobbying the public office or public body for which the candidate is seeking election;

(4) contributions for two elective offices simultaneously, except as provided in Section 8‑13‑1318;

(5) contributions from a noncandidate committee directly or indirectly established, financed, maintained, or controlled by a candidate or public official or any other entity maintained by or affiliated with a candidate or public official. This provision does not apply to legislative caucus committees or political parties nor does this provision prohibit a candidate or public official from making a contribution of their personal funds to a candidate for another office.

(B) The restrictions on contributions in subsections (A)(1) and (A)(2) do not apply to a candidate making a contribution to his own campaign.”

SECTION 7. Section 8‑13‑1340 of the 1976 Code is amended to read:

“Section 8‑13‑1340. (A) Except as provided in ~~subsections~~ subsection (B) ~~and (E)~~, a candidate or public official shall not make a contribution to another candidate or make an independent expenditure on behalf of another candidate or public official from the candidate’s or public official’s campaign account or through a committee, except legislative caucus committees, directly or indirectly established, financed, maintained, or controlled by the candidate or public official.

(B) This section does not prohibit a candidate from:

(1) making a contribution from the candidate’s own personal funds on behalf of the candidate’s candidacy or to another candidate for a different office; or

(2) providing the candidate’s surplus funds or material assets upon final disbursement to a legislative caucus committee or party committee in accordance with the procedures for the final disbursement of a candidate under Section 8‑13‑1370 of this article.

(C) Assets or funds which are the proceeds of a campaign contribution and which are held by or under the control of a public official or a candidate for public office on January 1, 1992, are considered to be funds held by a candidate and subject to subsection (A).

(D) A committee is considered to be directly or indirectly established, financed, maintained, or controlled by a candidate or public official if any of the following are applicable:

(1) the candidate or public official, or an agent of either, has signature authority on the committee’s checks;

(2) funds contributed or disbursed by the committee are authorized or approved by the candidate or public official;

(3) the candidate or public official is clearly identified on either the stationery or letterhead of the committee;

(4) the candidate or public official signs solicitation letters or other correspondence on behalf of the entity;

(5) the candidate, public official, or his campaign staff, office staff, or immediate family members, or any other agent of either, has the authority to approve, alter, or veto the committee’s solicitations, contributions, donations, disbursements, or contracts to make disbursements; or

(6) the committee pays for travel by the candidate or public official, his campaign staff or office staff, or any other agent of the candidate or public official, in excess of one hundred dollars per calendar year.

~~(E)~~ ~~The provisions of subsection (A) do not apply to a committee directly or indirectly established, financed, maintained, or controlled by a candidate or public official if the candidate or public official directly or indirectly establishes, finances, maintains, or controls only one committee in addition to any committee formed by the candidate or public official to solely promote his own candidacy and one legislative caucus committee.~~

~~(F)~~ ~~No committee operating under the provisions of Section 8‑13‑1340(E) may:~~

~~(1)~~ ~~solicit or accept a contribution from a registered lobbyist if that lobbyist engages in lobbying the public office or public body for which the candidate is seeking election; or~~

~~(2)~~ ~~transfer anything of value to any other committee except as a contribution under the limitations of Section 8‑13‑1314(A) or the dissolution provisions of Section 8‑13‑1370.~~”

SECTION 8. Section 8‑13‑1348 of the 1976 Code is amended to read:

“Section 8‑13‑1348. (A) No candidate, committee, public official, or political party may use campaign funds to defray personal expenses which are unrelated to the campaign or the office if the candidate is an officeholder nor may these funds be converted to personal use. The prohibition of this subsection does not extend to the incidental personal use of campaign materials or equipment nor to an expenditure used to defray any ordinary expenses incurred in connection with an individual’s duties as a holder of elective office. Personal expenses include:

(1) fines, fees or other charges imposed by an appropriate supervisory office; or

(2) fines, fees, or charges imposed by a court as a result of a criminal matter.

(B) The payment or reimbursement of reasonable and necessary ~~travel~~ expenses ~~or for food or beverages consumed by the candidate or members of his immediate family while at, and in connection with, a political event are permitted~~ associated with the campaign or the office are permitted, however:

(1) a payment or reimbursement of mileage for travel associated with the campaign or office must be at the rate established for the year by the Internal Revenue Service;

(2) the payment or reimbursement for any lodging, food and beverage, or travel expenses, other than mileage, for the candidate, a member of the candidate’s immediate family or staff must be for travel for the purpose of campaigning for office or otherwise a part of the official responsibilities of an officeholder. Official responsibilities of the officeholder include events to which an officeholder is invited in his official capacity to include, but not limited to, political party events, official appearances or meetings for which reimbursement is not offered by a governmental entity, educational forums and conventions;

(3) communication or other office equipment purchased with campaign funds including, but not limited to, cell phones, computers, printers, copiers, and other similar devices are considered the sole property of the campaign and must be disclosed as assets of the campaign at the time of purchase. Further, this equipment must be accounted for pursuant to Sections 8‑13‑1368 and 8‑13‑1370 upon the final disbursement of a campaign account; and

(4) payments to campaign or office staff must be made contemporaneously with the work provided. A campaign may not compensate an immediate family member of the candidate.

(C)(1) An expenditure ~~of more than twenty‑five dollars~~ drawn upon a campaign account must be made by:

(a) a ~~written instrument~~ check drawn upon a campaign account;

(b) debit or credit card; or

(c) online transfers.

(2) ~~The campaign account must contain the name of the candidate or committee, and the expenditure must contain the name of the recipient.~~ These expenditures must be reported pursuant to the provisions of Section 8‑13‑1308.

~~(2)~~ ~~Expenditures of twenty‑five dollars or less that are not made by a written instrument, debit card, or online transfer containing the name of the candidate or committee and the name of the recipient must be accounted for by a written receipt or written record.~~

(3) Nothing in this section applies to an expenditure of funds not contained in a campaign bank account.

(D) An expenditure may not be made that is clearly in excess of the fair market value of services, materials, facilities, or other things of value received in exchange.

~~(E)~~ ~~A candidate or a duly authorized officer of a committee may not withdraw more than one hundred dollars from the campaign account to establish or replenish a petty cash fund for the candidate or committee at any time, and at no time may the fund exceed one hundred dollars. Expenditures from the petty cash fund may be made only for office supplies, food, transportation expenses, and other necessities and may not exceed twenty‑five dollars for each expenditure.~~”

SECTION 9. This act takes effect upon approval by the Governor.

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