



LOUISIANA BOARD OF ETHICS ETHICS ADMINISTRATION PROGRAM

SUMMARY OF THE LOUISIANA CAMPAIGN FINANCE DISCLOSURE ACT

I. Introduction to the Campaign Finance Disclosure Act (CFDA)

- A. Purpose (R.S. 18:1482)
 - 1. Provide public disclosure of the financing of election campaigns
 - 2. Regulate certain campaign practices
 - 3. Insure a knowledgeable electorate
 - 4. Promote confidence in elected officials
- B. Administration (R.S. 18:1511.1 et seq.)
 - 1. Supervisory Committee on Campaign Finance Disclosure
 - a. prepares and distributes forms (reports must be submitted on these forms, on forms specifically authorized by the Supervisory Committee, or electronically)
 - b. receives reports and makes them available to the public (\$.25 per page for copies or access through the Board's website at www.ethics.la.gov)
 - c. enforces Campaign Finance Disclosure Act (CFDA)
 - d. issues advisory opinions interpreting the CFDA

II. Persons Required to File Disclosure Reports (R.S. 18:1484 and 1486)

- A. Candidates for "Major" or "District" offices. (Terms are defined on page 2)
- B. **Each Candidate for "Any Other" public office who:**
 - 1. **makes expenditures in excess of \$2,500; or,**
 - 2. **receives contributions from a single source; other than from the candidate's personal funds, totaling in excess of \$200.**
- C. All political committees. A \$100 filing fee must be paid by political committees each year when they submit a Statement of Organization. PACs file reports on the same schedule as the candidates they support or oppose or on a monthly basis.
- D. Any person who makes independent expenditures in excess of \$500. (R.S. 18:1501.1)
- E. Any person, other than a candidate or political committee, who solicits or receives any contribution or makes any expenditure in support of, or opposition to, a **proposition** or question submitted to the voters if the aggregate amount of contributions or expenditures equals or exceeds \$1,000. Any Candidate or political committee who solicits or receives any contribution or makes any expenditure in support of, or opposition to, a **proposition** or question submitted to the voters if the aggregate amount of contributions or expenditures equals or exceeds \$200. (R.S. 18:1486)
Note: The use of public funds to urge a voter to vote for or against a candidate or proposition is prohibited. Public funds may be used to disseminate factual information relative to a proposition. (R.S. 18:1465)
- F. Any person who files a petition to be used to seek the **recall** of any public officer and who collects contributions or makes expenditures in the aggregate in excess of \$200.

III. Key Definitions (R.S. 18:1483)

- A. **"Candidate"** Person who seeks nomination or election to public office (except national offices and political party offices). A person is a candidate when: (1) he receives a contribution or makes an expenditure, or gives his consent for another person to do so, with a view to influencing his nomination or election to office, even if the specific office is not known, or (2) he qualifies for office.
- B. **"Contribution"** and **"Expenditure"** definitions hinge on supporting, opposing, or otherwise influencing the nomination or election of a person to a public office, or supporting or opposing a proposition or question submitted to the voters or a recall. "In-Kind" contributions or expenditures involve the use of something of value other than money when value exceeds \$25.
- C. **"Political Committee"** means two or more persons, other than a husband and wife, and any corporation organized for the primary purpose of supporting or opposing one or more candidates, political parties, propositions or recall efforts, which has financial activity in excess of \$500 within a calendar year in the name of the committee. It also includes any corporation or group that accepts payments for personal services related to an election or campaign in excess of \$500 during a calendar year unless it has been permitted or licensed to provide that type of service and has been regularly doing so in the area at least 90 days prior to the services being rendered.
- D. Types of Offices (Classifications are based on 2010 census figures.)
1. **"Major Office"**
 - a. offices elected statewide
 - b. Public Service Commissioner, Supreme Court Justice, Court of Appeal Judges, BESE, and district court judges elected parishwide in Orleans
 - c. any office with an election district containing a population in excess of 250,000, including offices elected parishwide in Caddo, East Baton Rouge, Jefferson and Orleans.
 2. **"District Office"**
 - a. office of a member of the Louisiana Legislature
 - b. offices elected parishwide (except in Caddo, East Baton Rouge, Jefferson and Orleans)
 - c. offices elected in more than one parish (unless the population exceeds 250,000)
 - d. offices elected in a district with a population in excess of 35,000, but less than 250,000, including offices elected citywide in the cities of Alexandria, Bossier City, Kenner, Lafayette, Lake Charles, Marrero, Metairie, Monroe and Shreveport, and offices elected in East Baton Rouge that are not parishwide.
 - e. district court judgeships (except those in Orleans Parish); family court; juvenile; and, city court judgeships; city court marshals and city court constables.
 - f. other than major offices, offices elected in a city or parish election in a parish with a municipality with a population of 300,000 or more (Orleans Parish).
 - g. offices to a board or governing authority which has within its jurisdiction a municipality with a population of 225,000 or more (East Baton Rouge Parish).
 3. **"Any Other Office"** means offices not considered major or district, i.e., offices elected in a district having a population of 35,000 or less and not elected parishwide.
- E. **"Person"** means any individual, partnership, association, labor union, political committee, corporation, limited liability company or other legal entity, including their subsidiaries.

IV. Recordkeeping and Reporting (R.S. 18:1491.4, 18:1491.5 and 18:1491.7)

- A. Records of receipts and disbursements must be kept by the candidate or his committee and maintained for two years after the final report is filed. Records of PACs and persons supporting propositions must be maintained for six years.
- B. Candidates/committees must designate a bank or savings and loan or a money market mutual fund as a campaign depository. All receipts must be deposited into an account maintained at the depository and all expenditures (except for petty cash) should be by check drawn on the account. The memo line of the check should indicate the objects or services for which it is drawn.

Petty Cash Exception: A petty cash fund may be maintained. No expenditure in excess of \$100 may be made from the fund and no expenditure shall be made from the petty cash fund for any personal services, except tips for serving food and drink. A complete record shall be kept of all expenditures made from a petty cash fund and a receipt shall be kept in any case in which a receipt would be provided in the usual course of business. Petty cash expenditures must be itemized as all other expenditures on the disclosure forms.

- C. Records are required to be kept of every contribution, including the sale of tickets to testimonials or other fundraising events. The date, amount, and name and address of the contributor must be recorded and reported. Candidates may use a maximum of 10 days after the receipt of a contribution to decide whether that contribution will be accepted and deposited. This 10 day period does not apply during the 20 day period immediately preceding the election day when special reports are due.

Exception: Records are not required to be kept of the name and addresses of individual purchasers of campaign paraphernalia for \$25 or less. The total amount received and deposited from campaign paraphernalia sales must be recorded and reported. Paraphernalia sales are still contributions and successive single sales may not be used to avoid the recordkeeping requirements.

- D. Cash contributions are subject to a \$100 per person limit during the calendar year. The cash contributor must be given a receipt containing the name, address, social security number and signature of the contributor. The candidate must keep a copy of the receipt. (The contributor's social security number is not reported on the disclosure forms.)
- E. Records are required to be kept of every expenditure, including those made by a public relations firm, advertising agency or agent. The date, amount and name and address of the recipient must be recorded and reported. The public relations firm, advertising agency or agent must collect the information required to complete the candidate's report and furnish it on a timely basis. The public relations firm, advertising agency or agent is prohibited from accepting payment from a third party to place an advertisement which purports to be paid for by a candidate or his committee.
- F. Each person who makes an expenditure for the purpose of canvassing shall submit in writing to the candidate or political committee on whose behalf the expenditure was made the name, address and last four digits of the social security number of the canvasser.

- G. Every transaction involving receipts or disbursements must be reported, regardless of amount.
- H. A political committee is required to clearly indicate that its contribution to a candidate or a candidate's committee is from a political committee either by a designation on the check or by a separate notification attached to the contribution.

V. Reporting Deadlines (R.S. 18:1491.6 or 1495.4)

Note: A specific reporting schedule is available for each election. Reports are filed when received, when postmarked or receipted on a return receipt request if sent by United States Mail, when received electronically, or when deposited for delivery with a commercial delivery service as indicated on a receipt.

Political committees that receive contributions in excess of \$50,000 or make expenditures in excess of \$50,000 in a calendar year, other than a political committee of a recognized political party, must electronically file disclosure reports.

All candidates for a major or district level office are required to electronically file campaign finance disclosure reports. Electronic filing for other candidates is voluntary.

The L.E.A.D.E.R.S. software used for electronic filing can be downloaded from the Board's website, www.ethics.la.gov. To begin filing electronically, a password and identification number must be applied for at least five business days prior to a reporting deadline.

- A. ANNUAL REPORTS are filed for each candidate/committee no later than February 15 of each year and are complete as of the preceding December 31. The reports are used when a candidate begins participating in an election set for a future calendar year.
Exceptions: An annual report is not due (1) if another required report was filed any time after the preceding December 10 and prior to the February 15 due date, or (2) if the candidate/committee has received no contributions, made no expenditures, and received or made no loans during the reporting period.
- B. 180 DAYS PRIOR TO THE PRIMARY ELECTION (180-P) Filed only by **major** office candidates and their committees
- C. 90 DAYS PRIOR TO THE PRIMARY ELECTION (90-P) Filed only by **major** office candidates and their committees
- D. 30 DAYS PRIOR TO THE PRIMARY ELECTION (30-P)
- E. 10 DAYS PRIOR TO THE PRIMARY ELECTION (10-P)
- F. ELECTION DAY EXPENDITURES (EDE-P) REPORT – TO BE FILED ONLY IF EXPENDITURES MADE ARE SUBJECT TO THE REPORTING REQUIREMENT
 - 1. due 10 days after the primary election.

2. name and address of all election day workers must be reported, as well as expenditures for election day advertisements and expenditures on automated calling that are performed, or broadcasted or published on election day.

G. 10 DAYS PRIOR TO THE GENERAL ELECTION (10-G)

1. filed by all candidates and committees participating in the primary election
2. last report required for candidates with no outstanding debts or loans and not participating in general election or committees not participating in general election

H. ELECTION DAY EXPENDITURES (EDE-G) REPORT

1. due 10 days after the general election
2. name and address of all election day workers must be reported as well as expenditure for election day advertisements

I. 40 DAYS AFTER THE GENERAL ELECTION (40-G)

1. filed only by candidates and committees participating in the general election
2. last report required if there are no outstanding debts or loans or surplus

J. AFFIDAVITS IN LIEU OF REPORTS

1. Candidates for major or district offices, and committees supporting such candidates, who do not spend over \$5,000 and do not receive contributions from one source, including the use of the candidate's personal funds, totaling in excess of \$200, may file an affidavit in lieu of each report required above.
2. A separate affidavit is required for each report and once a candidate exceeds either of the threshold amounts he may not return to filing affidavits for that election. Candidates for "any other offices" may never file an affidavit.

K. SPECIAL REPORTS are required during the 20 day period immediately preceding an election **if**:

1. a contribution or loan in excess of \$1,000 for major office candidates or \$500 for district office candidates, or \$250 for any other office candidates is received and accepted during the 20 day period, **or**
2. an expenditure in excess of \$200 is made during the 20 day period to a candidate, committee or other person required to file disclosure reports who makes endorsements.

Note: Special Reports must be filed within 48 hours after the transaction occurs.

L. SUPPLEMENTAL REPORTS are required to be filed annually by February 15, complete through the preceding December 31, if the last report of a candidate for an election shows outstanding debts or loans or surplus funds. Exception: A supplemental report need not be filed if the candidate is not elected to any office and shows outstanding debts and loans or a surplus totaling less than \$2,500.

M. WITHDRAWN AND UNOPPOSED CANDIDATES: The final report of a candidate who withdraws or is unopposed is the next report due after the date that the candidate officially withdraws from the election, through the Secretary of State, or becomes unopposed.

N. PROPOSITION ELECTIONS: Reports are required 30 days prior to the election, 10 days prior to the election and 40 days after the election. Special reports are required for any contribution or

expenditure in excess of \$200 during the 20 day period immediately preceding the election.

- O. RECALL ELECTIONS: A statement of organization is required within 3 days of the filing of the recall petition. Reports are due 45 days, 135 days, and 200 days after the filing of the recall petition. If the recall effort is successful, the rules for proposition elections then apply.

VI. Contribution Limits (R.S. 18:1505.2 H, K)

- A. Contributions, in-kind contributions, loans, endorsements or guarantees on loans and transfers of funds are all counted towards the contribution limits.
- B. Exceptions:
1. A candidate's personal funds are not subject to the limits.
 2. Loans obtained by the candidate made in the ordinary course of business, on a basis which assures repayment, at the usual and customary interest rate from a state bank, a federally chartered depository institution, a depository institution with insured accounts, a licensed lender or an insurance company do not count towards the limits. However, a loan from such an institution shall be considered a "loan" by each endorser or guarantor in the proportion of their liability, and the endorsement or guarantee is subject to the contribution limit.

The contribution limits are detailed in the following chart:

| | To a major office candidate or candidate committee per election ¹ | To a district office candidate or candidate committee per election ¹ | To an any other office candidate or candidate committee per election ¹ | To a PAC between 1/1/19 and 12/31/22 |
|---|--|---|---|--|
| Individual may give ² | \$5,000 | \$2,500 | \$1,000 | \$100,000 ⁸ |
| Family Member of Candidate may give | \$5,000 | \$2,500 | \$1,000 | \$100,000 ⁸ |
| Legal Entity may give ³ | \$5,000 | \$2,500 | \$1,000 | \$100,000 ⁸ |
| PAC may give ⁴ | \$5,000 | \$2,500 | \$1,000 | \$5,000/2,500/1,000 ⁶ (\$100,000 Party PAC's ⁷) |
| Big PAC ⁵ may give ⁴ | \$10,000 | \$5,000 | \$2,000 | \$10,000/5,000/2,000 ⁶ (\$100,000 Party PAC's ⁷) |
| Democratic or Republican Party or committees may give | no limits | no limits | no limits | no limits |

¹ The primary and general elections are considered as two separate elections. A candidate may accept contributions for the general election only if he is in the general election and only after the primary election.

² A husband and wife may each make contributions to the same candidate up to the limit. However, separate checks should be used. If a single check is signed by one spouse, the other must provide an affidavit as to their intent to share in the contribution.

³ Includes legal entities owned wholly or partially by candidates, except Internal Revenue Code Sub-chapter S corporations and limited liability companies wholly owned by the candidate. Parent corporations and their subsidiaries are subject to a single limit. A corporation is a parent if it owns 50% of another corporation.

⁴ Candidates are also subject to an aggregate limit on the contributions they may accept from all PACs combined for both the primary and general elections. The aggregate must be calculated beginning with the first report filed for the election through the current reporting period for that election. Those limits are: \$80,000 - major office, \$60,000 - district office, and \$20,000 - any other office.

⁵ A PAC with over 250 members who contributed over \$50 to the PAC during the preceding calendar year and has been certified by the Ethics Administration as meeting that membership requirement.

⁶ The applicable limit is determined by the level of office sought by the candidates supported/opposed by the recipient PAC, e.g., a contribution by a PAC to another PAC supporting only major office candidates is subject to the \$5,000 limit (or the \$10,000 limit if the contributor is a Big PAC). If the PAC receiving the contribution supports candidates for more than one type of office, then the highest limits shall apply. See website www.ethics.la.gov for additional information.

⁷ Contributions made by a political committee to a recognized political party or any committee thereof is \$100,000.

⁸ In *The Fund for Louisiana's Future v. Louisiana Board of Ethics*, et al., USDC, Eastern District of Louisiana No. 14-0368 (May 2, 2014), the Court concluded that the limit did not apply to contributions received by an independent expenditure-only political committee.

VII. Maintenance of records (R.S. 18:1495.3(B)(2))

A record must be kept for every transaction, including the sale of tickets to fundraising events. The sale of a ticket to a fundraising event is reported as a contribution. Exception: In the case of a single transaction involving the sale of campaign paraphernalia for \$25 or less, no record need be kept except the total amount received and deposited and the fact that such amount was received from such sale. Successive sales cannot be done to avoid the reporting requirements. Campaign paraphernalia includes campaign pins, buttons, badges, flags, emblems, hats, shirts, banners, literature and similar items (R.S. 18:1483(6)(b)(iii)). (Campaign paraphernalia does not include the sale of raffle tickets or dinners; those sales need to be reported as contributions.)

VIII. Prohibited Practices (R.S. 18:1505.2)

A. Failure to file or failure to timely file a required report. Automatic penalties of at least \$100, \$60 or \$40 per day for “Major,” “District,” and “Any Other” office, respectively, will be assessed for late reports.

NOTE: Unpaid campaign finance fines, fees or penalties may have an adverse effect on a candidate’s ability to run for public office in the future, as the Board of Ethics will object to the candidacy of a person who has an outstanding fine, fee or penalty equal to or in excess of \$250 assessed for a violation of the Campaign Finance Disclosure Act for which all appeals have been exhausted. Also a candidate or a candidate’s committee which owes outstanding fines or late fees may not expend campaign contributions until all such fines are paid.

B. Making contributions or loans through or in the **name of another**.

C. Using funds from an **anonymous** source. Anonymous contributions must be transmitted to the State.

D. Making or receiving **cash** contributions in excess of \$100 in a calendar year per source. Any cash contribution must be evidenced by a receipt containing the name, address, social security number and signature (or mark) of the contributor.

E. Making or receiving payments, including reimbursements of costs, for the **transportation** of any voter to a polling place or for absentee voting unless the payment is to a licensed bus, taxi, or transportation service. (R.S. 18:1531) Medical transportation services do not qualify to receive payments for transporting voters.

F. Making expenditures in excess of \$100 from a petty cash fund or making cash payments for

personal services, except for tips for serving food or drink.

- G. Contributions or expenditures made by a **corporation**, labor organization, or trade, business, or professional association unless specifically authorized by either (1) a vote of the board of directors or executive board, or (2) any person whom the board has specifically empowered to authorize such contributions or expenditures, or (3) a vote of the membership of the labor organization. Cash contributions in any amount by a corporation, labor organization, or trade, business or professional organization are prohibited.
- H. Financial activity over \$500 in a calendar year by a political committee that has failed to file a statement of organization and contributions by a candidate to any political committee which should have filed a statement of organization but failed to do so. Committees that have filed statements of organization are issued certificates of registration by the Supervisory Committee on an annual basis.
- I. Campaign funds may not be used for any personal use unrelated to a political campaign or the holding of public office. Campaign funds may not be used to pay a fine for penalties imposed pursuant to the Code of Governmental Ethics. Also, campaign funds may not be used to purchase immovable property or a motor vehicle. The expenditure disclosed on the campaign finance report should fully disclose the purpose of the expenditure as it relates to the campaign or holding of public office. **Excess funds** may be: (1) returned to contributors on a pro rata basis, (2) given as an IRS approved charitable donation, (3) expended in support of or opposition to another candidate, a proposition, or a political party, or (4) maintained for future campaigns.
- J. Only the candidate assessed a campaign finance fine can pay the fine using funds of the campaign or his personal funds (Third parties cannot pay campaign finance fines or penalties.). The Supervisory Committee may prohibit the use of campaign funds to pay fines or penalties for intentional or egregious violations of the Campaign Finance Disclosure Act. Also, campaign funds cannot be used to pay for fines or penalties of the Code of Governmental Ethics.
- K. Coercing or attempting to coerce a person to make or withhold a contribution or affecting an individual's employment based on a contribution or the failure to make a contribution.
- L. A candidate's immediate family member may not be paid for services provided to that candidate's campaign unless (1) the business is a bona fide business registered with the Secretary of State that has been doing business regularly in the state for at least 12 months prior to the time of the payment, and (2) that provides services related to the payment; and, (3) the payment is made through an arm's length transaction in which the value of the goods or services furnished is commensurate with the consideration provided. "Immediate family member" is a candidate's children, his brothers and their spouses, his sisters and their spouses, his parents, his spouse, and the parents of his spouse.
- M. Persons substantially interested in the gaming industry* are prohibited from making contributions and loans to candidates and political committees that support or oppose candidates. Prohibited sources* include:
 - (1) any person who, pursuant to the Louisiana Riverboat Economic Development and Gaming Control Act, holds a license to conduct gaming activities on a riverboat, holds a license or permit as a distributor, supplier, or manufacturer of gaming devices or equipment including slot machines, or owns a riverboat,

- (2) any person who, pursuant to the Louisiana Economic Development and Gaming Corporation Act, holds a license or entered into a contract to conduct casino gaming activities, holds a license or permit as a distributor or manufacturer of gaming devices or equipment including slot machines, or owns a casino where gaming operations are licensed,
- (3) any person who has a direct or indirect “interest” in any legal entity included in (1) & (2) (“Interest” means ownership by an individual or spouse, individually or collectively, of more than 10% of any legal entity. An indirect interest is ownership through any number of layers of legal entities when 25% or more of each legal entity is owned by the legal entity ownership beneath it),
- (4) any holding, intermediary, or subsidiary company of any person in (1) & (2) and any officer, director, trustee or partner thereof,
- (5) any officer, director, trustee, partner, or senior management level employee or key employee (as defined in R.S. 4:605(19)) of any person included in (1) - (4),
- (6) any person subject to provisions of R.S. 4:523C(4), 626C(4), or 661D, and
- (7) the spouse of any person included in (1) - (6).

* These rules do not prohibit a candidate from using personal funds for his own campaign.

Penalties for Violations:

- (1) Upon notification of the Supervisory Committee candidates or committees who accept illegal gaming contributions must pay those contributions over to the state within 10 days of the notification.
- (2) Contributors violating this ban are subject to civil penalties of up to \$10,000, criminal penalties, and will be rendered unsuitable to hold the license which made the contributor subject to the ban.

Note: This outline was produced by the Louisiana Ethics Administration Program, Post Office Box 4368, Baton Rouge, LA 70821; 225-219-5600; www.ethics.la.gov. It is intended as a summary of reporting requirements. It does not purport to fully state the law. For further information, reporting forms, and schedules of reporting and filing dates for particular elections, please refer to the CFDA at LSA-R.S. 18:1481 et seq.

Rev. 11/2014