

Regular Session, 2012

SENATE BILL NO. 591

BY SENATOR CLAITOR

CAMPAIGN FINANCE. Authorizes the creation of the Candidates Others PACS Education Trust Interest Credit program. (8/1/12)

AN ACT

To enact R.S. 18:1488, relative to the Louisiana Election Code; to authorize the creation of the Candidates Others PACS Education Trust Interest Credit 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. Candidates Others PACS Education Trust Interest Credit
(COPASETIC) program; purpose; goals

A.(1) In order to enhance a candidate's, other's, and PAC's, as defined in R.S. 18:1484, 1486 and 1501.1, respectively, ability to collect and distribute the interest earned on campaign contributions, the supervisory committee shall establish the Candidates Others PACS Education Trust Interest Credit (COPASETIC) program. COPASETIC shall be a trust fund program that receives the interest or other income earned on a candidate's, PAC's, or other's

1 contribution account net of any tax required to be paid on such interest or other
2 income and distributes these funds to certain nonprofit organizations.

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

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

8 (b) Participation in the COPASETIC program shall be voluntary. Any
9 candidate electing to participate in the COPASETIC program shall file a
10 certification of intent to participate with the supervisory committee.

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

19 (d) The supervisory committee shall establish rules and regulations
20 governing the determination of a financial institution's eligibility to hold
21 COPASETIC accounts and shall publish a list of the approved or certified
22 eligible 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 COPASETIC accounts may be made
28 available to or utilized by a PAC, other, or by a candidate, his principal
29 campaign committee, or a subsidiary committee except to pay any tax which

1 may be required to be paid on such interest or income.

2 (ii) Interest and income net of any tax required to be paid on such
3 interest or income shall be payable at least quarterly to the foundation created
4 by the supervisory committee.

5 (g) Interest or dividends earned by the COPASETIC program paid to
6 the foundation shall be credited to the Bond Security and Redemption Fund and
7 after a sufficient amount is allocated from that fund to pay all obligations
8 secured by the full faith and credit of the state which become due and payable
9 within any fiscal year, the treasurer shall pay an amount equal to the interest
10 earnings on the COPASETIC account into the TOPS Fund as established in
11 Article VII, Section 10.8(A)(4)(a) of the Louisiana Constitution.

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

18 B. All rules and regulations necessary to implement the provisions of
19 this Section shall be adopted in accordance with the Administrative Procedure
20 Act and shall be subject to oversight by the Senate Committee on Senate and
21 Governmental Affairs and the House Committee on House and Governmental
22 Affairs.

23 C. The COPASETIC program shall commence no later than January 1,
24 2015.

The original instrument was prepared by Tim Prather. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

Claitor (SB 591)

Proposed law requires Supervisory Committee on Campaign Finance Disclosure to establish the Candidates Others PACS Education Trust Interest Credit (COPASETIC) program.

Proposed law provides that the COPASETIC account will be a trust fund program that receives the interest or other income earned on a candidate's, PAC's, or other's contribution account net and net of any tax required to be paid on such interest or other income and distributes such funds to the TOPS fund.

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

1. A foundation created and managed by the supervisory committee with the purpose of approving and authorizing COPASETIC accounts.
2. Participation in the COPASETIC program shall be voluntary. Any candidate electing to participate in the COPASETIC program shall file a certification of intent to participate with the supervisory committee.
3. COPASETIC 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 such campaign contributions be kept in one or more separate interest-bearing COPASETIC 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 COPASETIC 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 COPASETIC accounts may be made available to or utilized by a PAC, other, or by a candidate, his principal campaign committee, or a subsidiary committee except to pay any tax which may be required to be paid on such interest or income.
 - (b) Requires that interest and income net of any tax required to be paid on such interest or income be payable at least quarterly to the TOPS 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 COPASETIC 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 COPASETIC program will commence no later than January 1, 2015.

Effective August 1, 2012.

(Adds R.S. 18:1488)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Senate and Governmental Affairs to the original bill.

1. Changes the name of the program from "Interest On Candidate Contributions Trust Account (IOCCTA)" to the "Candidates Others PACS Education Trust Interest Credit (COPASETIC)".
2. Makes participation in the program voluntary rather than mandatory.
3. Delays the implementation of the program from January 1, 2014 to January 1, 2015.
4. Requires that interest and income be payable at least quarterly to the foundation and contributed solely to the TOPS Fund.

Senate Floor Amendments to engrossed bill.

1. Specifies that the interest or other income earned on a candidates, PAC's, or other's contribution account net of any tax required to be paid on such interest or other income are all received into the COPASETIC program for distribution pursuant to proposed law.
2. Requires that PAC's and other's campaign contributions accounts submit to the same rules and regulations of the COPASETIC programs that apply to the candidate's accounts.
3. Clarifies that no interest on income on COPASETIC accounts may be used except to pay any tax due on such account.