

## **3517.1014 Transition funds.**

(A) As used in this section:

(1) "Donation" means a gift, subscription, loan, advance, or deposit of money, or anything of value that is specifically designated and used to defray any costs incurred for transition activities and inaugural celebrations and that is not used for the purpose of directly influencing the election of any candidate for any office.

(2) "Costs incurred for transition activities and inaugural celebrations" means legitimate and verifiable costs that are incurred for ordinary and necessary activities associated with either of the following:

(a) The transfer of power or authority from one officeholder to another following a general or special election or appointment to office;

(b) Ceremonies, events, or activities commemorating the commencement of a term or the commencement of an unexpired term of an officeholder.

"Costs incurred for transition activities and inaugural celebrations" includes, but is not limited to, costs incurred for office expenses; salaries for transition personnel; consulting fees; and food, beverages, and entertainment at an inaugural celebration.

(3) "Officeholder" means a person who has been or who may have been elected to any elective office other than a judicial office or who has been appointed to any elective office other than a judicial office.

(B)

(1)

(a) An officeholder may establish a transition fund to receive donations and to pay costs incurred for transition activities and inaugural celebrations. The officeholder shall file a statement with the secretary of state establishing the fund and designating a treasurer for the fund. The secretary of state shall specify, by rule, the form of the statement.

(b) The treasurer shall terminate the transition fund not later than one hundred twenty days after the fund is established. Donations may be accepted for and deposited into a transition fund, and disbursements may be made from a transition fund, only during the fund's existence. Costs incurred for transition activities and inaugural celebrations that are to be paid for with moneys from the fund shall be incurred only during the fund's existence.

(2) An officeholder may establish a transition fund:

(a) The day after the day of the election at which the person seeks election to office, if, based on the number of ballots outstanding for that election and the unofficial results of the election, it is mathematically possible for the person to have been elected to that office;

(b) After the person has been appointed to fill a vacancy in an unexpired term of an elective office.

(3)

(a) An officeholder who is elected at a general election or who may be elected at a general election and who wishes to establish a transition fund shall establish that fund not later than the last day of December of the year in which the election was held.

(b) An officeholder who is appointed and who wishes to establish a transition fund shall establish that fund not later than forty-five days after the day the person is appointed to office.

(c) An officeholder who is elected at a special election or who may be elected at a special election and who wishes to establish a transition fund shall establish that fund not later than forty-five days after the day of the special election.

(C)

(1)

(a) Any campaign committee and any person, including a for-profit corporation, may make a donation to a transition fund.

(b) No campaign committee or person shall make a donation or donations to a transition fund of an officeholder for the joint offices of governor and lieutenant governor aggregating more than ten thousand dollars.

(c) No campaign committee or person shall make a donation or donations to a transition fund of any officeholder other than an officeholder for the joint offices of governor and lieutenant governor aggregating more than two thousand five hundred dollars.

(2) No officeholder shall accept a donation unless both of the following apply:

(a) The officeholder has established a transition fund under division (B) of this section; and

(b) The donation is deposited to the credit of that fund.

(3)

(a) No officeholder for the joint offices of governor and lieutenant governor or treasurer of a transition fund for the joint offices of governor and lieutenant governor shall accept a donation or donations from any one campaign committee or any one person aggregating more than ten thousand dollars.

(b) No officeholder other than an officeholder for the joint offices of governor and lieutenant governor and no treasurer of a transition fund for any officeholder other than an officeholder for the joint offices of governor and lieutenant governor shall accept a donation or donations from any one campaign committee or any one person aggregating more than two thousand five hundred dollars.

(D)

(1)

(a) The treasurer of a transition fund shall keep a strict account of all donations to the fund and all disbursements from the fund.

(b) The treasurer of a transition fund shall deposit all monetary donations received by the transition fund into a separate bank or financial institution account established solely for the transition fund.

(2) The treasurer of a transition fund shall file, by electronic means of transmission to the office of the secretary of state, a full, true, and itemized statement describing each donation received and each disbursement made from the fund not later than four p.m. of the following dates:

(a) The fifteenth day of January of the calendar year following the general election at which the officeholder was elected, or, if the officeholder was elected at a special election or appointed to office, the sixty-fifth day after the transition fund is created, to reflect donations received and disbursements made from the creation of the transition fund to the close of business on the fifth day before the statement is required to be filed;

(b) The fifteenth day of each subsequent month of the fund's existence, to reflect donations received and disbursements made from the close of business on the last day reflected in the last previously filed statement to the close of business on the fifth day before the statement is required to be filed.

(3) Each statement required under division (D)(2) of this section shall contain the following information:

(a) The full name and address of the treasurer filing the statement and the full name and address of the officeholder who is the beneficiary of the transition fund;

(b) The balance in the transition fund brought forward from the most recently filed statement, if any;

(c) A statement of donations received, which shall include all of the following:

(i) The month, day, and year on which each donation was received;

(ii) The full name and street address of each donor;

(iii) The nature of each donation, if other than money;

(iv) The value of each donation in dollars and cents; and

(v) If applicable, the name of the donor's current employer, or, if the donor is self-employed, the donor's occupation and the name of the donor's business.

(d) A statement of disbursements, which shall include all of the following:

(i) The name and address of the recipient of each disbursement;

(ii) The date of each disbursement;

(iii) The amount of each disbursement;

(iv) The purpose for which each disbursement was made; and

(v) The date the transition fund incurred the cost for which the disbursement was made.

(e) The balance remaining in the fund.

(E)

(1) No treasurer of a transition fund shall knowingly fail to file a statement required to be filed under this section.

(2) No treasurer of a transition fund shall knowingly fail to report, or shall knowingly misrepresent, a donation required to be reported on a statement required to be filed under this section.

(3) No treasurer of a transition fund shall knowingly fail to report, or shall knowingly misrepresent, a disbursement required to be reported on a statement required to be filed under this section.

(F) Upon request, the secretary of state shall issue a receipt for each statement filed under this section. The secretary of state shall maintain a record of the filing for at least ten years. All statements filed under this section shall be open to public inspection in the office in which they are filed.

(G)

(1) Except as otherwise provided in division (H)(1) or (2) of this section, no treasurer of a transition fund shall make a disbursement from the fund for a purpose other than to pay costs incurred for transition activities and inaugural celebrations.

(2) No treasurer of a transition fund shall make a disbursement from the fund to make a contribution to a campaign committee, political action committee, legislative campaign fund, political party, or political contributing entity.

(3) No treasurer of a transition fund shall make a disbursement from the fund to reimburse any personal expenses of the beneficiary of the transition fund, except to reimburse the beneficiary of the transition fund for costs incurred for transition activities and inaugural celebrations.

(4) No treasurer of a transition fund shall make a disbursement from the fund for the purpose of influencing the results of any election.

(H)

(1) Except as otherwise provided in division (H)(2) of this section, after the payment of all costs incurred for transition activities and inaugural celebrations, the treasurer of the transition fund shall dispose of any money or assets remaining in the transition fund prior to terminating the fund by doing either of the following:

(a) Giving the amount, pro rata, to all persons who made donations to that transition fund as a refund of all or part of their donations;

(b) Giving the amount to a corporation that is exempt from federal income taxation under subsection 501(a) and described in subsection 501(c) of the Internal Revenue Code.

(2) If, upon the completion of the canvass of election returns for the election at which the beneficiary of a transition fund seeks election to office, it is determined that the beneficiary has not been elected to that office, within thirty days after the completion of the canvass the treasurer

of the beneficiary's transition fund shall dispose of all assets remaining in the transition fund in the manner provided in division (H)(1) of this section.

(3) In disposing of assets under division (H)(1) or (2) of this section, the treasurer of a transition fund shall not refund to any campaign committee any donation received from that campaign committee.

(I)

(1) Not later than one hundred twenty days after a transition fund has been established, the treasurer of the transition fund shall file a final statement of donations and disbursements under division (D) of this section that shall include the disbursements made under division (H)(1) of this section, as applicable. The final statement shall be filed with a termination statement that meets the requirements of division (I)(3) of this section.

(2) Not later than thirty-five days after a determination that the beneficiary of a transition fund has not been elected to office under division (H)(2) of this section, the treasurer of the transition fund shall file a final statement of donations and disbursements under division (D) of this section that shall include the disbursements made under division (H)(2) of this section, as applicable. The final statement shall be filed with a termination statement that meets the requirements of division (I)(3) of this section.

(3) The secretary of state shall specify, by rule, the form of the termination statement required to be filed under division (I)(1) or (2) of this section. The rule shall require that a copy of all available statements from the bank or other financial institution that held transition fund moneys be filed with the termination statement. The bank or financial institution statements shall contain a zero balance confirming that all transition fund moneys were disposed of prior to the termination of the transition fund. If final bank or financial institution statements are not available at the time of the filing of the termination statement, the rule shall require the treasurer of the transition fund to do both of the following:

(a) State in the termination statement that all transition fund moneys were disposed of prior to the termination of the transition fund;

(b) File with the secretary of state copies of the final bank or financial institution statements within five days after the treasurer receives those statements from the bank or financial institution.

(4) Upon the filing of a termination statement, the transition fund shall cease to exist.

Added by 128th General Assembly File No.40, HB 5, §1, eff. 9/10/2010