



NOREEN FENNER explains the benefits and potential pitfalls of pooling resources in a political committee

Crowd Sourcing

Political committee here. Political committee there. Political committees everywhere. Everyone has one. At least one. Often referred to as PACs, Florida's state political committees (PCs) connected to candidates are so popular they are siphoning contributions away from major political parties in unprecedented amounts.

In 2013, the Florida Legislature passed a sweeping rewrite of Florida's campaign finance laws, due in part to spending habits enjoyed by some committees of continuous existence (CCEs). They outlawed CCEs and stepped up transparency and the frequency of report filing. In addition, the Florida Division of Elections is taking a much more active role in compliance matters, now conducting audits of all reports filed. As you can imagine, this reverberated throughout the political world. However, this move did not curb the ability of organizations to raise and spend large sums of money.

Gov. **Rick Scott's** "Let's Get to Work" is the big fish, with \$52 million collected. Agriculture Commissioner **Adam Putnam** has quickly amassed \$5 million in political committee contributions, ostensibly to be utilized in his 2018 run for governor. Florida Senate and House leadership have done well on the PC fundraising trail, too. While the Senate president war was waged between **Joe Negron**, the ultimate winner,

and **Jack Latvala**, each raised millions of dollars for their PCs. Speaker **Steve Crisafulli** has raised more than \$1 million into a new political committee in less than a year, while incoming Speaker **Richard Corcoran** has raised \$2 million into his PC.

As unlimited money flows into PCs, messaging and campaign contributions flow out. While there are limits on how much can be contributed to candidate accounts, there are no such contribution limits from a PC to political parties, other political committees and electioneering communications organizations. The doling out of unlimited funds gives PCs a powerful purse to support or oppose myriad candidates and issues.

Unfortunately, it is not quite as simple as saying "Hey, let's all pool our money into one account and start writing checks!" Internal Revenue Service regulations and Florida campaign finance laws abound. PCs are required to regularly report to filing officers and, in some cases, file tax returns. Fines can accumulate quickly if reports are filed late — such as a 35 percent tax penalty from the IRS or up to \$500 per day from the state filing officer.

In Florida, we see violations like this, and far worse, all too often. A seemingly innocent late-filed or unfiled report can result in automatic fines reaching into the thousands of dollars. Even small PCs with

limited activity have been fined the maximum allowed by Florida Statutes. For example, a late-filed report with \$10,000 in contributions or expenditures can carry a fine of up to \$2,500.

Political committees are also under the jurisdiction of the Florida Elections Commission (FEC). FEC staff can use its subpoena power to investigate alleged violations, which carry fines of up to \$1,000 per count and include everything from missing or incorrect disclaimers to misuse of PC funds. The FEC has handed down jaw-dropping fines over the years; some reaching into the tens, and even hundreds of thousands of dollars.

Even with these hoops to jump through, political committees are well worth the time and effort. The ability to shout your message louder than the guy next to you can be greatly enhanced with the help of a well-managed political committee. After all, it is working for 900 other groups, with more on the way.

Noreen Fenner is president of PAC Financial Management, a Tallahassee-based campaign finance management firm, specializing in establishing, maintaining, and reporting for Florida candidate campaigns and political committees of all sizes. For additional information, please visit PACFM.net.