**South Carolina General Assembly**

126th Session, 2025-2026

**S. 84**

**STATUS INFORMATION**

General Bill

Sponsors: Senators Young and Graham

Document Path: SMIN-0021MW25.docx

Prefiled in the Senate on December 11, 2024

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

Summary: Interest on Campaign Bank Accounts

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/11/2024 Senate Prefiled

12/11/2024 Senate Referred to Committee on **Judiciary**

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**VERSIONS OF THIS BILL**

[12/11/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/84_20241211.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 8‑13‑1312, RELATING TO CAMPAIGN BANK ACCOUNTS, SO AS TO PROVIDE THAT ALL CONTRIBUTIONS RECEIVED BY CANDIDATES SHALL BE DEPOSITED INTO AN INTEREST ON CAMPAIGN ACCOUNT KNOWN AS AN “IOCA”, TO PROVIDE THAT AN IOCA SHALL BE ESTABLISHED WITH AN ELIGIBLE INSTITUTION THAT VOLUNTARILY CHOOSES TO PARTICIPATE, TO PROVIDE FOR THE RATE OF INTEREST OR DIVIDENDS PAYABLE ON ANY IOCA, TO PROVIDE THAT ONE PERCENT OF ALL CONTRIBUTIONS DEPOSITED INTO AN IOCA SHALL BE REMITTED TO BENEFIT THE STATE ETHICS COMMISSION, AND TO PROVIDE THAT THE FUNDS REMITTED TO THE STATE ETHICS COMMISSION SHALL BE USED BY THE STATE ETHICS COMMISSION TO CREATE A POSITION OR POSITIONS WITHIN ITS EMPLOY TO CHECK AND CONFIRM THE COMPLETENESS OF CANDIDATE FILINGS; BY AMENDING SECTION 8‑13‑320, RELATING TO DUTIES AND POWERS OF THE STATE ETHICS COMMISSION SO AS TO PROVIDE THAT THOSE DUTIES AND RESPONSIBILITIES INCLUDE RECEIVING, ADMINISTERING, INVESTING, DISBURSING, AND SEPARATELY ACCOUNTING FOR FUNDS REMITTED TO IT; AND BY AMENDING SECTION 8‑13‑340, RELATING TO ANNUAL REPORTS OF THE COMMISSION, SO AS TO PROVIDE THAT THE STATE ETHICS COMMISSION SHALL INCLUDE IN ITS REPORT TO THE GENERAL ASSEMBLY AND THE GOVERNOR THE AMOUNT OF FUNDS IT HAS RECEIVED FROM IOCAS, AND TO DEFINE NECESSARY TERMS.

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

SECTION 1. Section 8‑13‑1312 of the S.C. Code is amended to read:

Section 8‑13‑1312. (A) As used in this section:

(1) “Commission” means the South Carolina State Ethics Commission.

(2) “Eligible institution” means a financial institution with an office located within the State that conducts business within the State with the general public that is authorized by federal or state laws to do business in South Carolina and that is insured by the Federal Deposit Insurance corporation established by federal or state laws.

(3) “IOCA” means an Interest on Campaign Account benefitting the commission that is established with an eligible institution for the deposit of contributions. The account product may be an interest‑bearing account, a money market account with or tied to check writing, a sweep account that is a government money market fund or daily overnight financial institution repurchase agreement invested solely in or fully collateralized by United States government securities, or an open‑end money market fund solely invested in or fully collateralized by United States government securities.

(a) “Open‑end money market fund” means a fund holding itself out to be a money market fund as defined by applicable federal statutes and regulations under the Investment Act of 1940 and, at the time of the investment, having total assets of at least two hundred fifty million dollars.

(b) “United States government securities” means United States treasury obligations and obligations issued or guaranteed regarding principal and interest by the United States or any agency or instrumentality thereof, including obligations of government‑sponsored enterprises.

(c) “Reasonable fees” for IOCAs are per‑check charges, per‑deposit charges, a fee in lieu of a minimum balance, federal deposit insurance fees, sweep fees, and a reasonable IOCA administrative fee.

(B) All contributions received by candidates shall be deposited into an IOCA.

(C)(1) An IOCA shall be established with an eligible institution that voluntarily chooses to participate. Funds deposited in an IOCA shall be subject to withdrawal upon request without delay.

(2) The rate of interest or dividends payable on any IOCA shall be no less than:

(a) the highest interest rate or dividend generally available from the eligible institution to its non‑IOCA customers for each IOCA that meets the same minimum balance or other eligibility qualifications, if any. In determining the highest interest rate or dividend generally available from the eligible institution to its non IOCA customers, the eligible institution may consider factors, in addition to the IOCA balance, customarily considered by the eligible institution when setting interest rates or dividends for its customers, if such factors do not discriminate between IOCAs and accounts of non IOCA customers and the factors do not include that the account is an IOCA. The eligible institution shall also consider all product option types as provided in subsection (A)(3) for an IOCA offered by the eligible institution to its non IOCA customers by either establishing the applicable product as an IOCA or paying the comparable interest rate or dividend on the IOCA in lieu of actually establishing the dividend product; or

(b) a rate equal to the greater of the “index”, 0.65% or 65%, of the Federal Funds Target Rate, which is the “benchmark”, as of the first business day of the IOCA remitting period, a rate that is deemed to be net of reasonable fees on an IOCA. The index and benchmark are determined periodically, but not more frequently than every six months, by the commission to reflect an overall comparable rate for the commission. When applicable, the commission will express its benchmark in relation to the Federal Funds Target Rate.

(D) A candidate or committee shall advise the commission of the establishment and closing of an IOCA for funds covered by this section. The notice shall include the name of the candidate or committee, the name of the eligible institution where the IOCA is established or closed, the IOCA number assigned by the eligible institution, and the eligible institution’s address.

(E) Except as is required for the separation of funds and expenditures under the provisions of Section 8‑13‑1300(7), a candidate shall not establish more than one campaign checking account IOCA and one campaign savings account for each office sought, and a committee shall not establish more than one IOCA checking account and one savings account unless federal or state law requires additional accounts. For purposes of this article, certificates of deposit or other interest bearinginterest‑bearing instruments are not considered separate accounts.A candidate's accounts must be established in a financial institution that conducts business within the State and in an office located within the State that conducts business with the general public.

(F) The candidate or a duly authorized officer of a committee must maintain the IOCAs ~~accounts~~ in the name of the candidate or committee. An acronym must not be used in the case of a candidate's accounts. An acronym or abbreviation may be used in the case of a committee's accounts if the acronym or abbreviation commonly is known or clearly recognized by the general public.

(G) Except as otherwise provided under Section 8‑13‑1348(C), expenses paid on behalf of a candidate or committee must be drawn from the campaign account IOCA and issued on a check signed by the candidate or a duly authorized officer of a committee. All contributions received by the candidate or committee, directly or indirectly, must be deposited in the campaign account IOCA by the candidate or committee within ten days after receipt. All contributions received by an agent of a candidate or committee must be forwarded to the candidate or committee not later than five days after receipt. A contribution must not be deposited until the candidate or committee receives information regarding the name and address of the contributor. If the name and address cannot be determined within seven days after receipt, the contribution must be remitted to the Children's Trust Fund.

(H) A candidate or duly authorized officer of a committee depositing contribution funds into an IOCA shall direct the eligible institution to:

(1) calculate and remit interest or dividends, as net of reasonable service charges or fees, if any, on the average monthly balance in the IOCA, or as otherwise computed in accordance with the eligible institution’s standard accounting practice, monthly to the commission, which shall be the sole beneficial owner of the interest or dividends generated by the IOCA;

(2) transmit monthly to the commission a report, listing by IOCA the name of the candidate or committee for which each remittance is made, the candidate’s or committee’s IOCA number as assigned by the eligible institution, the rate and type of interest or dividend applied, the average IOCA balance for the reporting period or the other amount from which interest or dividends are determined, the amount of each remittance, the amount and type of any service charges or fees assessed during the remittance period, and the net amount of interest remitted for the period; and

(3) transmit at least quarterly to the depositing candidate or committee a report or statement in accordance with normal procedures for reporting to its depositors.

(I) Reasonable fees as defined in subsection (A)(4) may be deducted from interest or dividends on an IOCA provided that such fees shall be calculated in accordance with an eligible institution’s standard practice for non IOCA customers. No other fees or charges shall be assessed against the interest on an IOCA but rather shall be the responsibility of, and may be charged to, the candidate or committee maintaining the IOCA. Fees or charges in excess of the interest or dividend earned on the IOCA for any month shall not be taken from interest or dividends earned on other IOCAs or from the principal of the IOCA. Eligible institutions may elect to waive any or all fees on IOCAs.

(J) Participating eligible institutions shall allow the commission, the House of Representatives Ethics Committee, and the Senate Ethics Committee view only access to IOCAs. The House of Representatives Ethics Committee’s and the Senate Ethics Committee’s view only access shall be limited to those IOCAs in the name of candidates for the House of Representatives and the Senate, respectively.

(K) Each candidate or committee shall annually certify on the candidate’s or committee’s filings with the commission that he is in compliance with the provisions of this section.

(L) The commission shall, in accordance with its duties and responsibilities prescribed by law, receive, administer, invest, disburse, and separately account for all funds remitted to it pursuant to this section.

(M) The funds remitted to the commission pursuant to this section shall be used by the commission to create positions within its employ to check and confirm the completeness and accuracy of candidate filings.

SECTION 2. Section 8‑13‑320 of the S.C. Code is amended by adding:

(15) to receive, administer, invest, disburse, and separately account for funds remitted to it pursuant to Section 8‑13‑1312.

SECTION 3. Section 8‑13‑340 of the S.C. Code is amended to read:

Section 8‑13‑340. The State Ethics Commission at the close of each fiscal year shall report to the General Assembly and the Governor concerning the action it has taken, the names, salaries, and duties of all persons in its employ,; and the money it has disbursed; and the amount of funds it has received from IOCAs and shall make other reports on matters within its jurisdiction and recommendations for further legislation as may appear desirable.

SECTION 4. This act takes effect upon approval by the Governor.

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