



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 070069

Introduced February 8, 2007

Councilmembers Kenney, DiCicco and Goode

**Referred to the
Committee on Law and Government**

AN ORDINANCE

Amending Chapter 20-1000 of The Philadelphia Code, entitled "Campaign Contributions and Expenditures," by establishing a system of public financing for election campaigns for certain offices, and by amending the provisions providing for voluntary expenditure limitations; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 20-1000 of The Philadelphia Code, entitled "Campaign Contributions and Expenditures," is hereby amended to read as follows:

CHAPTER 20-1000. CAMPAIGN CONTRIBUTIONS AND EXPENDITURES.

§20-1001. Definitions.

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[(6) [Election Reform Board. A nonpartisan, non-governmental entity to be created that will execute and monitor voluntary contracts for expenditure limitations and will include representation from the League of Women Voters of Philadelphia and/or the Committee of Seventy.]

(6) *Independent Expenditure. An expenditure by a person made for the purpose of influencing a covered election without the cooperation or consultation with any candidate or his/her authorized political committee and which is not made in concert with or at the request or suggestion of any candidate, candidate's political committee or agent thereof.*

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§20-1004. Candidate Expenditure Limitations.

(1) Expenditure Contract.

(a) Effective for the elections for District Attorney and City Controller in the year 2005, and Mayor, Register of Wills, Sheriff, Clerk of Quarter Sessions Court, City Commissioner and City Council in the year 2007 and thereafter, a candidate seeking election to any of said offices may sign a contract with the [Election Reform Board] *Board of Ethics* to abide by limitations on expenditures and agreeing to report his/her contributions and expenditures to the [Election Reform Board] *Board of Ethics* to be publicly posted on a website developed by the [Election Reform Board] *Board of Ethics*.

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§20-1008. *Public Financing of Campaigns.*

(1) *Eligibility.*

(a) *Public financing under this Section shall be available to a candidate in a covered election who meets all the requirements of law to have his/her name on the ballot, faces one or more opponents in the election for which he/she is seeking funds, agrees to participate in at least two pre-election debates as delineated in §20-1008(4), and:*

(i) *For the office of Mayor, raises fifty thousand dollars (\$50,000) with contributions of no more than one hundred dollars (\$100) from no less than five hundred (500) contributors who reside in the City of Philadelphia;*

(ii) *For the office of City Council Member-at-Large or other elective City office elected City-wide, raises ten thousand dollars (\$10,000) with contributions of no more than fifty dollars (\$50) from no less than two hundred (200) contributors who reside in the City of Philadelphia;*

(iii) *For the office of District City Council Member, raises five thousand dollars (\$5,000) with contributions of no more than fifty dollars (\$50) from no less than one hundred (100) contributors who reside in the applicable Council District.*

(b) *Candidates must submit evidence of meeting the eligibility requirements of subsection (1)(a) to the Board of Ethics for verification. Upon verification of eligibility, a candidate who wishes to receive public funding must sign an expenditure contract agreeing to abide by limitations on expenditures, as provided by §20-1004(1). After*

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verification of eligibility and the signing of an expenditure contract, a candidate shall be eligible to receive public funding in accordance with this Section, provided that no funds shall be disbursed to any eligible candidate prior to certification of his or her candidacy by the City Board of Elections in the calendar year in which the election is to be held.

(c) *Candidates who run in both the primary and general election of the same year only need to meet the eligibility requirements for the first election in which they run in order to qualify for public matching funds for both elections.*

(2) *Public Funding Formula.*

(a) *For all contributions of one hundred dollars (\$100) or less for Mayoral candidates, and fifty dollars (\$50) or less for all other candidates, from residents of the City of Philadelphia or, in the case of a candidate for District City Council Member, from residents of the applicable Council District, the candidate shall be entitled to receive four dollars for every dollar contributed, but not in a total amount exceeding eighty percent (80%) of the applicable expenditure ceiling set forth in §20-1004 or §20-1008(2)(c), whichever is applicable.*

(b) *If a candidate in a covered election chooses not to sign an expenditure contract as provided by §20-1004(1), and if the Board of Ethics has determined from inspection of such candidate's pre-election financial disclosure reports as required under the state Election Code at 25 P.S. §3246(d) and §3248, that said candidate has raised or spent more than half the applicable expenditure limit, then:*

(i) *the expenditure limits shall no longer apply to participating candidates for election to the same office; and*

(ii) *the participating candidates shall receive payment for campaign expenditures of five dollars for each dollar of eligible contributions as computed under §20-1008(2)(a), except in no case shall the candidate receive public funds exceeding the amount of expenditure limitations as set forth in §20-1004 or §20-1008(2)(c), whichever is applicable.*

(c) *If the Board of Ethics determines that an independent expenditure campaign has been undertaken either for or against a candidate or candidates in a covered election, then the expenditure limits for all candidates who have signed an expenditure contract and who do not benefit from such campaign shall be raised by the amount of the expenditures made in the independent expenditure campaign.*

(3) *Permitted Use of Public Matching Funds.*

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(a) *Public matching funds shall be expended only for the candidate's direct campaign purposes such as, but not limited to, purchasing campaign literature or media space or time, mailings, renting campaign headquarters, or paying for campaign telephones.*

(b) *A candidate who signs an expenditure contract may not use contributions or public matching funds for indirect campaign expenses such as, but not limited to, personal expenses, or donations to another candidate or political committee.*

(c) *Permissibility of an expenditure of public matching funds shall be determined by the Board of Ethics.*

(4) *Mandatory Debates.*

(a) *Candidates who receive public financing under this Section shall agree to participate in at least two one-hour debates per covered election.*

(5) *Violations of Certain Requirements.*

(a) *Late or inadequate filing of required financing reports by a candidate who is not receiving public financing under this Section shall be deemed an admission by such candidate that the candidate has raised or spent contributions exceeding half the applicable expenditure limit, thereby triggering the additional matching provisions set forth in §20-1008(2)(b).*

(b) *Candidates who have signed contracts agreeing to expenditure limits and have received public financing, and who, without the authority of this Section, have exceeded such expenditure limits, shall be required to reimburse the City the full amount of the excess expenditures, plus interest, plus the costs of collection, including reasonable attorney fees.*

(6) *Administrative Provisions.*

(a) *The Board of Ethics shall be responsible for the administration and implementation of the provisions of this Section, and shall promulgate any regulations necessary or proper to carry out the policies and purposes of this Section.*

(b) *The Board of Ethics shall disburse public matching funds to candidates in accordance with the provisions of this Section.*

(c) *The Board of Ethics shall publicize the names of all candidates who sign expenditure contracts, the names of those non-participating candidates who exceed the*

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campaign expenditure limits as specified in §20-1004, the names of participating candidates who violate the provisions of the expenditure contract and the names of all candidates who violate §20-1002 by accepting contributions exceeding the specified limitations.

(d) The Board of Ethics may render advisory opinions with respect to questions arising under this Section. Such advisory opinions may be rendered on the written request of a candidate, an officer of a political committee or a member of the public, or may be rendered on its own initiative. The Board of Ethics shall make public its advisory opinions. Any candidate who acts in good faith in accord with an advisory opinion received from the Board of Ethics shall not be subject to penalties for negligently failing to comply with the provisions of this Section or regulations promulgated thereunder.

(e) The Board of Ethics shall develop a program for informing candidates and the public of the purpose and effect of the provisions of this Section. The Board of Ethics shall prepare and make available to the public relevant educational materials, including, but not limited to, compliance manuals and summaries and explanations of the purposes and provisions of this Section.

(f) The Board of Ethics shall develop a computer data base that shall contain all information necessary for the proper administration of this Section, including information on contributions to, and expenditures by, candidates, and the provision of public financing to candidates. Such data base shall be made accessible to the public, in both electronic and printed form, in a timely manner as it is filed.

(g) The Board of Ethics shall establish a financial disclosure reporting schedule that will facilitate the policies and provisions of this Section, which schedule shall:

(i) require candidates to file reports at least monthly, including a final report to be filed seven (7) days before the election and a post-election report to be filed no later than thirty (30) days after the election;

(ii) require candidates to report the name, address, and contribution amount of each contribution of \$500 or more within two business days of its receipt by the candidate, which report shall be placed within two business days of its receipt by the Board of Ethics on its internet website.

In conjunction with such reporting requirements, the Board of Ethics may develop and disseminate computer software to candidates and other interested parties to implement more effectively record-keeping, monitoring, and disclosure requirements.

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(h) *The Board of Ethics shall periodically review and evaluate the effect of this Section upon the conduct of election campaigns in the City and shall submit a report to the Mayor and the City Council no later than four years after the date this Section was added to the Code, and no later than every fourth year thereafter, at any other time requested by the Mayor or the City Council, and at such other times as the Board of Ethics deems appropriate. Such reports shall include, but not be limited to, the following information:*

(i) *the number and names of candidates qualifying for and choosing to receive public funds pursuant to this Section, and the number of candidates failing to qualify or otherwise not choosing to receive such funds, in each covered election during the four preceding years;*

(ii) *the amount of public funds provided to each candidate pursuant to this Section and the contributions received and expenditures made by each candidate, in each covered election during the four preceding years;*

(iii) *recommendations as to whether the campaign expenditure limitations and eligibility amounts should be modified;*

(iv) *analysis of the effect of this Section on political campaigns, including its effect on the sources and amounts of private financing, the level of campaign expenditures, voter participation, the number of candidates, and the candidates' ability to campaign effectively for public office;*

(v) *a review of the procedures utilized in providing public funds to candidates; and*

(vi) *such recommendations for changes in this Section as it deems appropriate.*

(i) *The Board of Ethics shall conduct such investigations and hearings as it deems appropriate relating to compliance by any individual, candidate or entity or any class of individuals, candidates or entities, with the provisions of this Section or regulations promulgated thereunder.*

[§20-1008.] §20-1009. Penalties. * * *

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SECTION 2. Effective date. This Ordinance shall take effect upon approval by the voters of an amendment to the Philadelphia Home Rule Charter requiring appropriations for the purpose of public financing of campaigns as required by ordinance, but shall only apply with respect to covered elections occurring after January 1, 2010, provided that the Board of Ethics and all other City agencies may take action immediately to prepare for implementation of this Ordinance when it becomes effective.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.

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