

Legislation Text

File #: 100124, **Version:** 1

Amending Chapter 20-1000 of The Philadelphia Code, entitled “Political Contributions and Expenditures,” by permitting a candidate for elective office to establish a litigation fund to receive contributions and make expenditures for the defense of certain proceedings relating to the candidate’s campaign, and further regulating and limiting such contributions and expenditures, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 20-1000 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 20-1000. POLITICAL CONTRIBUTIONS AND EXPENDITURES.

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§20-1009. Litigation Funds.

(a) In addition to establishing a political committee to receive campaign contributions, a candidate for City elective office may establish a separate committee to solicit and receive contributions to a litigation fund. The name of such separate committee shall include the terms “Litigation Fund.”

(b) A litigation fund may be used solely to pay professional fees and related costs incurred in defense of a civil, criminal, or administrative proceeding arising directly out of the conduct of the candidate’s election campaign or arising directly out of the candidate’s participation in the election (such as a recount proceeding), including, but not limited to, an investigation or enforcement action initiated by the Board of Ethics with respect to the conduct of the candidate’s campaign. A litigation fund may not be used to pay any judgment, settlement, fine, sanction, or other type of penalty arising out of any such proceeding.

(c) A candidate shall establish a single committee to receive and expend litigation funds for the purposes set forth in subsection (b), above, and a single separate checking account for such purposes, except that this shall not prohibit a candidate from making expenditures from his or her candidate political committee for the purposes set forth in subsection (b), above. The Board of Ethics shall by regulation require a candidate to provide the Board with such information as the Board deems necessary to identify the candidate’s litigation fund committee and checking account, within such period of time as the Board specifies.

(d) Each litigation fund committee shall have a treasurer who shall be responsible for keeping records of contributions and expenditures to the same extent and in the same detail that records of contributions and expenditures must be kept by the candidate’s candidate political committee pursuant to this Chapter or applicable State law.

§20-1010. Limits on Contributions to a Litigation Fund.

(a) No person shall make a contribution to a litigation fund in excess of the limits set forth in §20-1002, and no candidate or litigation fund committee shall solicit or accept a contribution in excess of such limits, provided, however, that when a candidate makes contributions of \$250,000 or more from his or her personal resources to his or her candidate political committee, the limits set forth in § 20-1002 shall not double with respect to contributions to a litigation fund.

(b) The limit on contributions to a litigation fund shall be separate from and in addition to the limit on campaign contributions set forth in §20-1002, so that a contribution to a litigation fund shall not count toward the campaign contribution limits set forth in §20-1002.

(c) The limitations imposed by this Chapter shall not apply to contributions to a litigation fund from a candidate's personal resources or from a candidate's candidate political committee, provided, however, that a candidate may not transfer excess pre-candidacy contributions to his or her litigation fund.

§20-1011. Reporting.

(a) A litigation fund committee shall file reports of contributions and expenditures in such detail and on such schedule as is prescribed by law for the reporting of contributions to and expenditures by a candidate's political committee.

(b) The reports required by this Section shall be filed with the Board of Ethics in an electronic format mandated by the Board of Ethics, and shall be accompanied by a written statement, signed by the person making the filing, that subscribes and swears to the information set forth in such filing. Upon receipt of such filing, the Board of Ethics shall issue a written receipt to the person making the filing.

(c) The Board of Ethics shall provide for the publication of all reports filed under this Section in the same manner and on the same timetable it provides for publishing of campaign finance reports under §20-1006.

§20-1012. Required Termination of a Litigation Fund Committee.

(a) A litigation fund committee must be terminated no later than six months after the date of the general election for the office which the candidate seeks, except that if any matters for which litigation funds may be expended are pending during such six month period, then the litigation fund shall be terminated within six months after the conclusion of all such matters, including any appeals.

(b) Before a litigation fund committee is terminated, any remaining litigation funds shall be returned to contributors on either a "last in, first out" or "first in, first out" accounting basis, or on such other equitable basis as may be approved by the Board of Ethics, and the litigation fund checking account shall be closed.

(c) The Board of Ethics may for good cause shown extend the deadline for termination of a litigation fund committee.

Explanation:

Italics indicate new matter added.