The background of the slide features a stylized logo for the Philadelphia Board of Ethics. It consists of several overlapping, curved, translucent shapes in shades of blue and purple, creating a sense of depth and movement. The shapes are arranged in a way that suggests a circular or spiral pattern, with some areas appearing darker and more saturated than others.

# Philadelphia Board of Ethics

Philadelphia's Campaign Finance Law

# Overview of Campaign Finance Law

- Three main features:
  - 1) Sets Contribution Limits
  - 2) Mandates Disclosure
  - 3) Provides for Enforcement

# Distinguish Contract Reform & Financial Assistance Rules

- Campaign contribution rules of Chapter 20-1000 are different from the contract reform and financial assistance rules of Chapter 17-1400
  - Ethics Board does not enforce the contracting rules
  - Contracting rules are overseen by the Administration in connection with no-bid contracts and financial assistance

# Contract/Financial Assistance (continued)

- Attribution rules:
  - The contract and financial assistance laws have complex attribution rules about which your contributors should be aware, if they want to make sure that they are eligible to receive:
    - City contracts; or
    - Financial assistance

# “Candidate”

- A candidate for a city elective office is someone who has either:
  1. Filed nomination papers or petitions with the City Commissioners; or
  2. Publicly announces his or her candidacy

# **“Contributions”**

- ▣ **Include:**
  - ▣ **Money**
  - ▣ **Gifts**
  - ▣ **Forgiveness of debts**
  - ▣ **Things having a monetary value**
- ▣ **That are incurred or received by a candidate**
- ▣ **For use in advocating or influencing the election of the candidate**

# **“Contributions” (continued)**

- **Do not include:**
  - **Volunteer labor**
  - **Contributions from a candidate’s personal resources**

# Contribution Limits

- ▣ **Individuals:**
  - ▣ **\$2,500**
    - ▣ **In money or things of value**
    - ▣ **To a particular candidate for city elective office**
    - ▣ **In any calendar year**

# **Contribution Limits (continued)**

- ▣ **Businesses & political committees:**
  - ▣ **\$10,000**
    - ▣ **In money or things of value**
    - ▣ **To a particular candidate for city elective office**
    - ▣ **In any calendar year**



# “Doubling Provision”

- Special contribution rule for candidates for mayor in 2006-2007
- Contribution limits for candidates for mayor have doubled:
  - \$5,000 per year for individuals
  - \$20,000 per year for businesses & political committees

# “Doubling Provision” (continued)

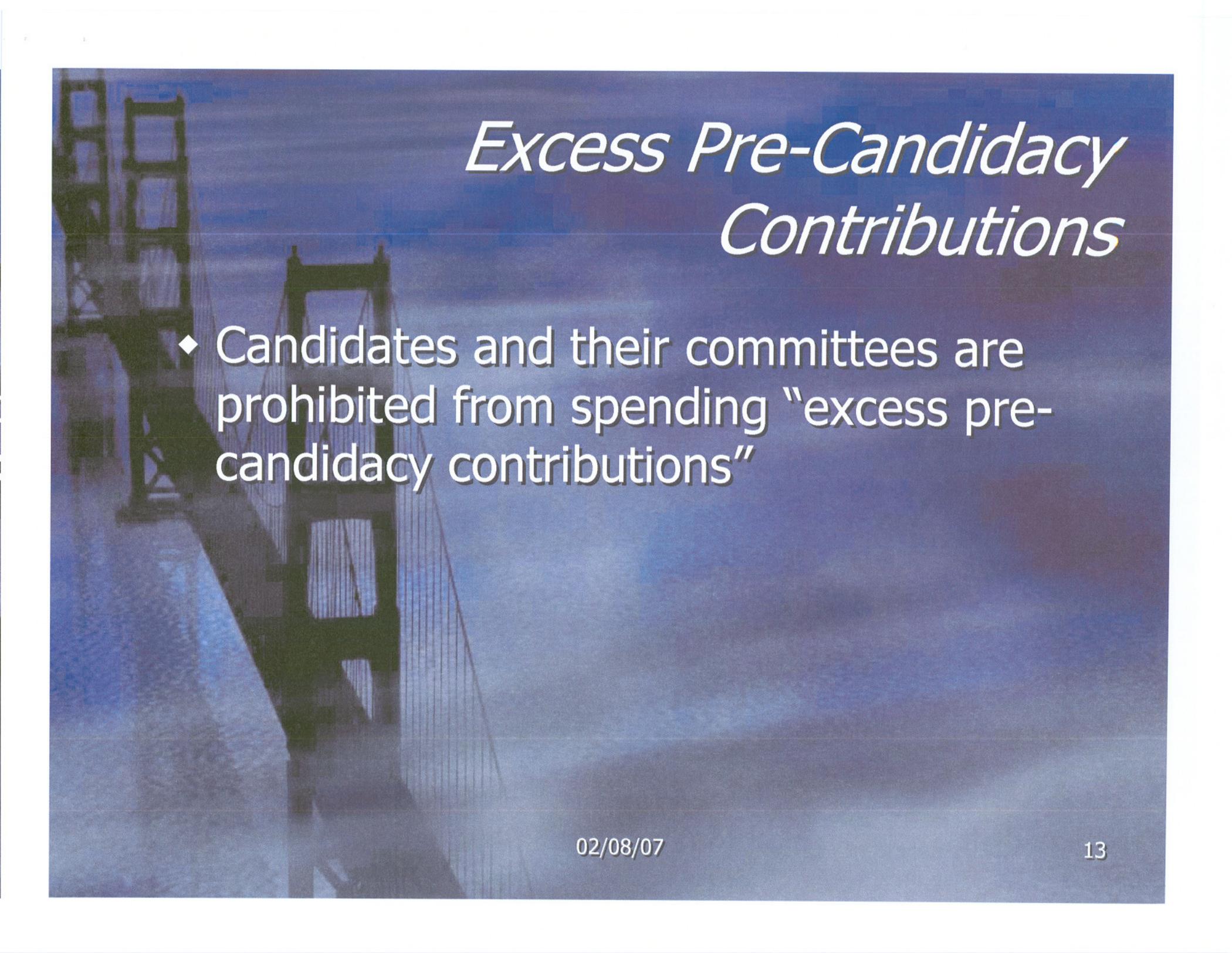


- Triggered because one declared candidate for mayor contributed more than \$250,000 from his own personal resources
- Effective December 16, 2006
- Explained in Ethics Board Advisory Opinion 2006-001

# Single Committee/Account Rule

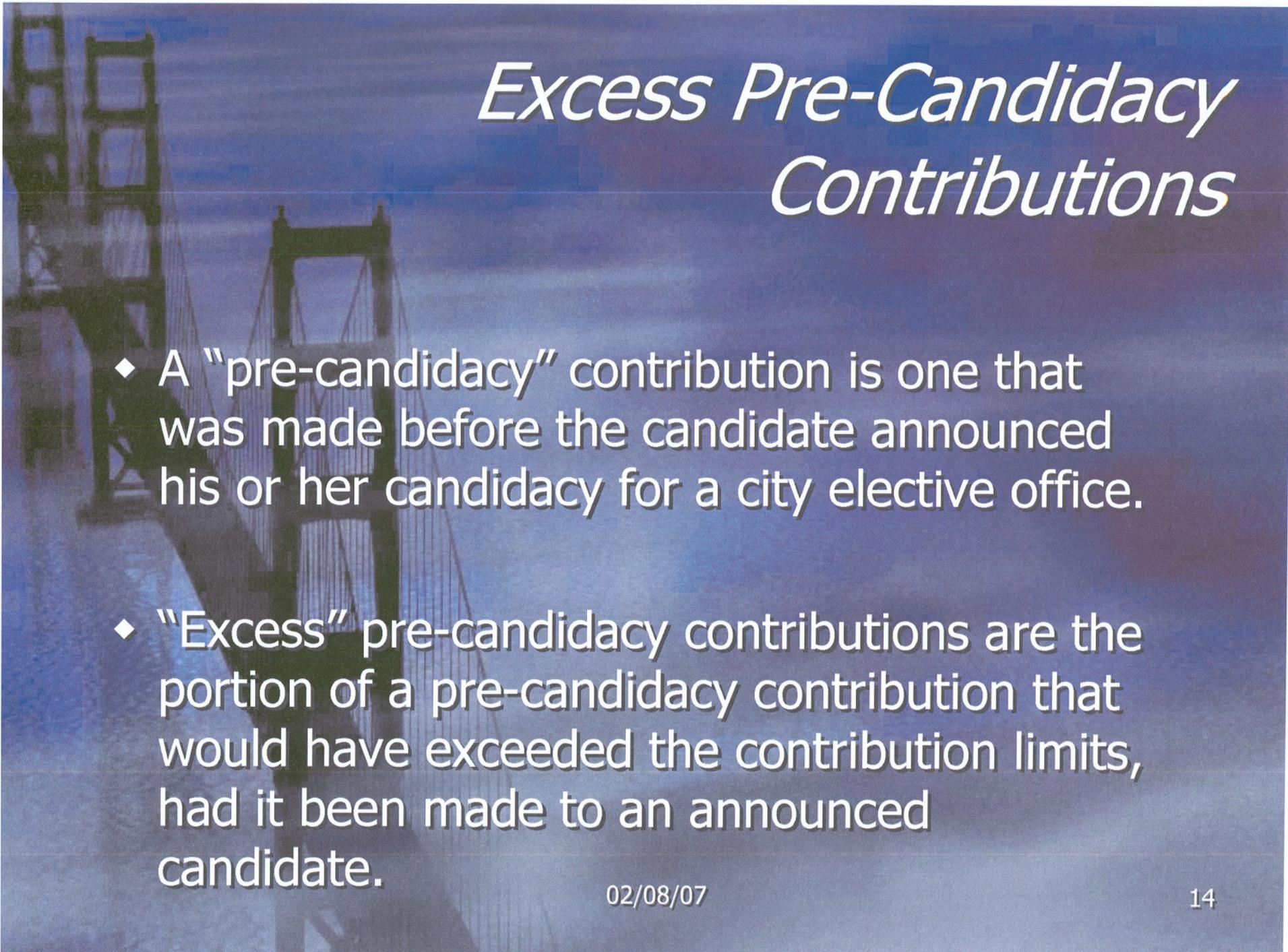


- Candidates must use only one political committee and one checking account for receiving contributions or making expenditures for their candidacy
- Candidates should identify their single committee & account to the Ethics Board

A photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking down the length of the bridge towards the water. The bridge's towers and suspension cables are visible against a clear blue sky.

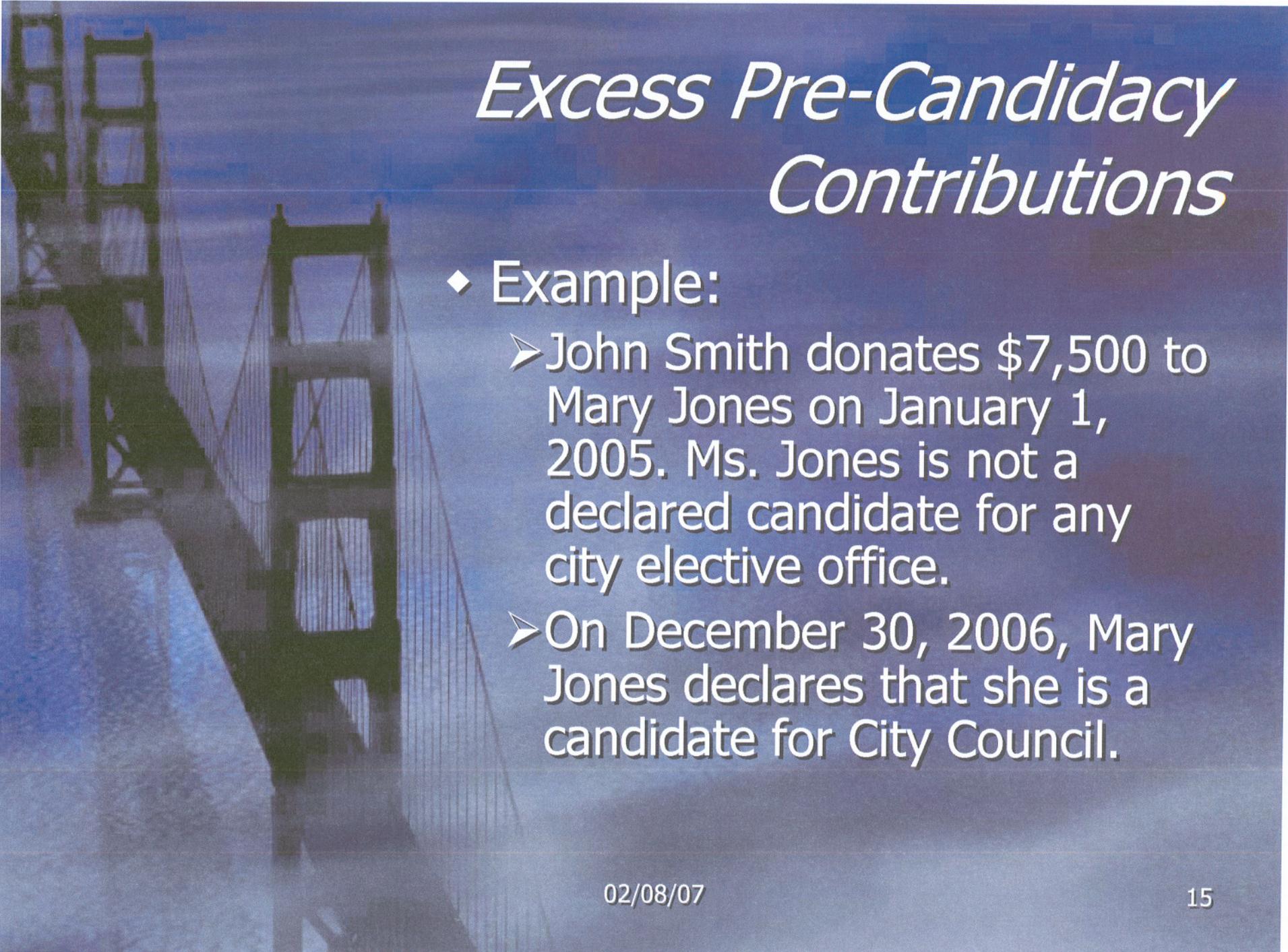
## *Excess Pre-Candidacy Contributions*

- ◆ Candidates and their committees are prohibited from spending “excess pre-candidacy contributions”

A background image of the Golden Gate Bridge in San Francisco, viewed from a low angle looking up at the towers and cables. The sky is a clear, bright blue.

# *Excess Pre-Candidacy Contributions*

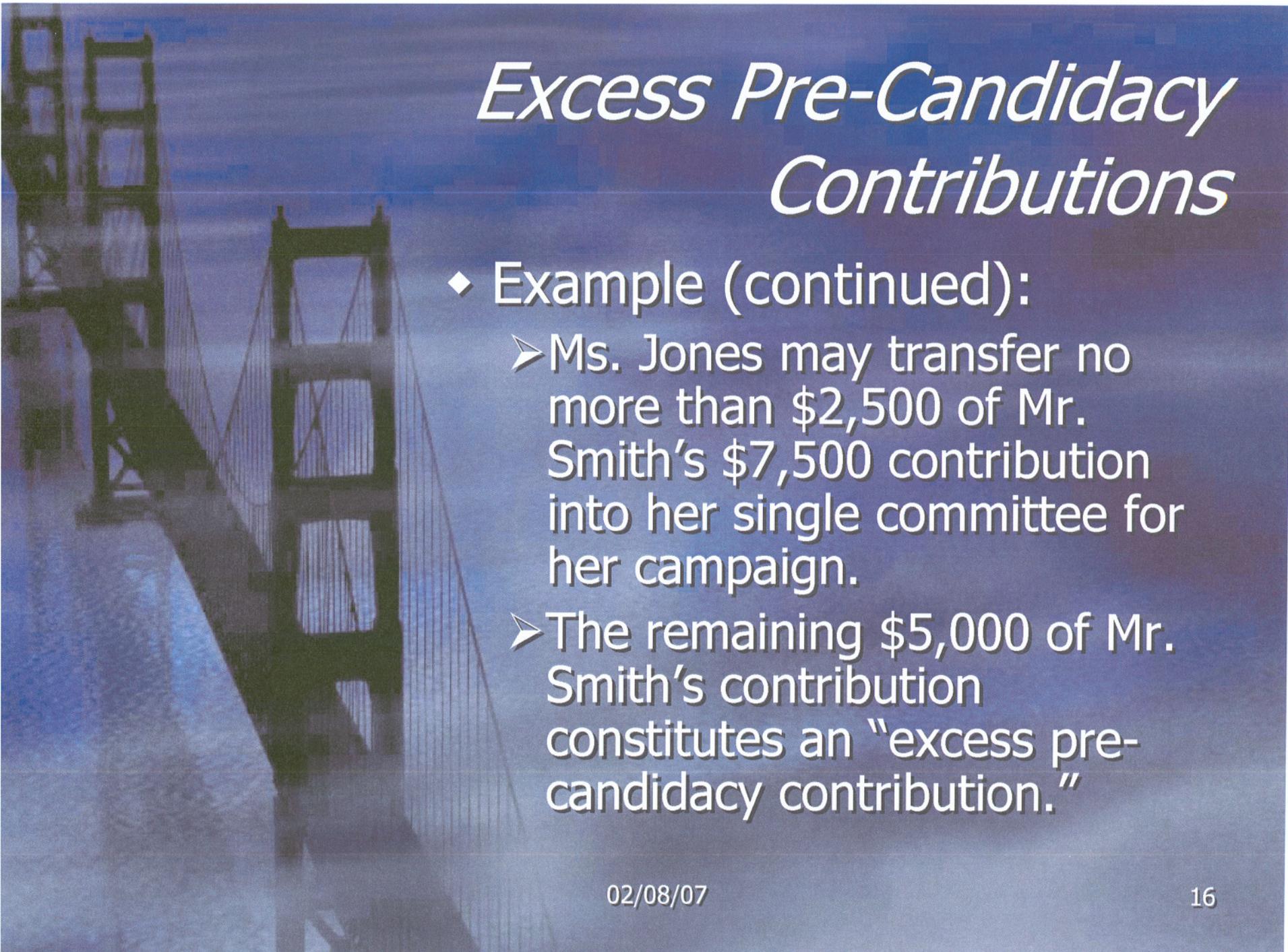
- ◆ A “pre-candidacy” contribution is one that was made before the candidate announced his or her candidacy for a city elective office.
- ◆ “Excess” pre-candidacy contributions are the portion of a pre-candidacy contribution that would have exceeded the contribution limits, had it been made to an announced candidate.

A photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking down the length of the bridge towards the towers. The bridge's structure is silhouetted against a clear blue sky. The text of the slide is overlaid on the right side of the image.

# *Excess Pre-Candidacy Contributions*

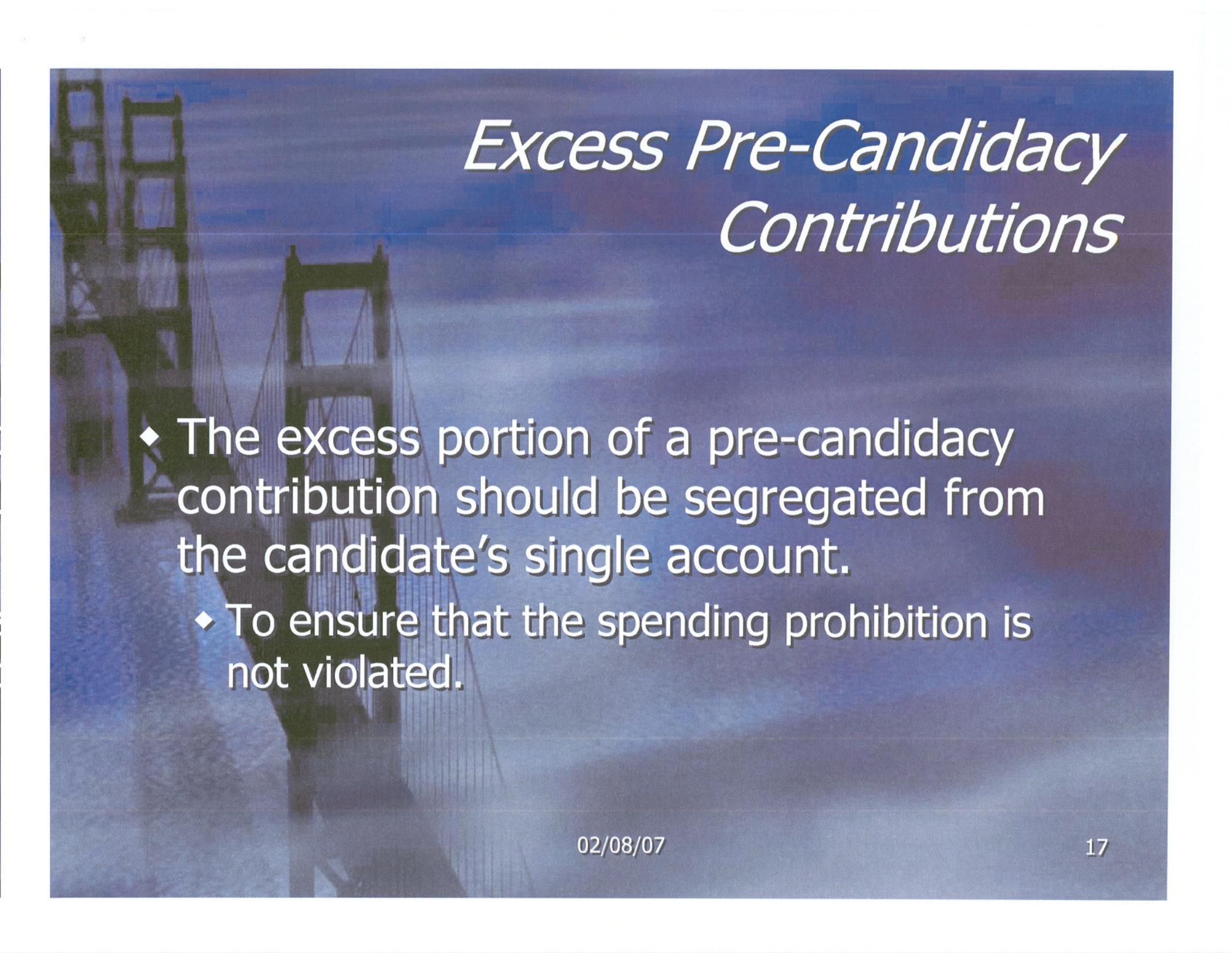
## ◆ Example:

- John Smith donates \$7,500 to Mary Jones on January 1, 2005. Ms. Jones is not a declared candidate for any city elective office.
- On December 30, 2006, Mary Jones declares that she is a candidate for City Council.

A photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking down the length of the bridge towards the towers. The bridge's structure is silhouetted against a clear blue sky. The text of the slide is overlaid on the right side of the image.

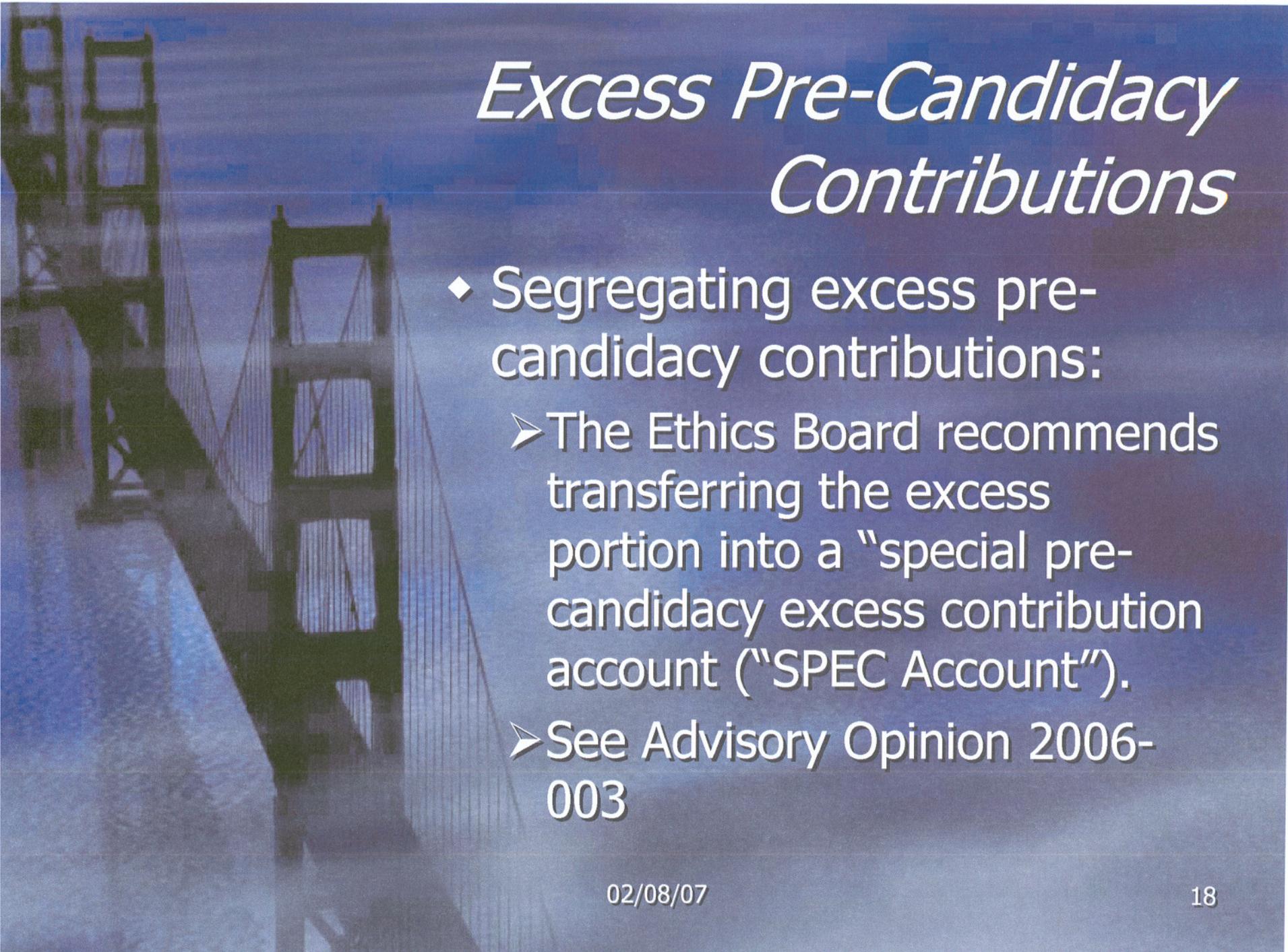
# *Excess Pre-Candidacy Contributions*

- ◆ Example (continued):
  - Ms. Jones may transfer no more than \$2,500 of Mr. Smith's \$7,500 contribution into her single committee for her campaign.
  - The remaining \$5,000 of Mr. Smith's contribution constitutes an "excess pre-candidacy contribution."

A background image of the Golden Gate Bridge in San Francisco, viewed from a low angle looking up at the towers and cables. The sky is a deep blue, and the bridge's structure is silhouetted against it.

# *Excess Pre-Candidacy Contributions*

- ◆ The excess portion of a pre-candidacy contribution should be segregated from the candidate's single account.
  - ◆ To ensure that the spending prohibition is not violated.

A photograph of the Golden Gate Bridge in San Francisco, viewed from a low angle looking down the length of the bridge towards the towers. The bridge's structure is silhouetted against a clear blue sky. The water of the bay is visible in the foreground, reflecting the bridge's lights.

# *Excess Pre-Candidacy Contributions*

- ◆ Segregating excess pre-candidacy contributions:
  - The Ethics Board recommends transferring the excess portion into a “special pre-candidacy excess contribution account (“SPEC Account”).
  - See Advisory Opinion 2006-003



# Non-Election Year Rules

- Limits on *total* contributions from political committees in *non-election* years:
  - Mayor: \$250,000
  - District Attorney & Controller: \$100,000
  - City Council: \$75,000

# Disclosure

## ■ Electronic Filing Rule:

### ■ Regulation No. 1

- Approved by the Ethics Board on December 18, 2006.
- Took effect on January 17, 2007.
- Requires campaign finance reports to be filed with the Records Department in an electronic format.
- The format is identical to the State's format.

# Disclosure

## ■ Electronic Filing Rule (continued):

### ➤ Three ways to comply:

- ✓ Submit a CD with the data in the proper format
- ✓ “Mass import” the data via the Internet
- ✓ Online submission: create a report online

# Disclosure

## ■ Electronic Filing Rule (continued):

### ➤ Submitting a CD:

- 1) Enter the required data in the appropriate files
- 2) Save the files on a CD
- 3) Mail or deliver the CD to:

City of Philadelphia  
Department of Records  
Broad & Market Streets  
City Hall Room 156  
Philadelphia, PA 19107  
Attn: Campaign Finance

# Disclosure

- Electronic Filing Rule (continued):
  - Mass Import via the Internet
    - 1) Enter the required data in the appropriate files
    - 2) Register an account with the Records Department (call 215 686-2262, or email [records.info@phila.gov](mailto:records.info@phila.gov))
    - 3) Transmit the data in a zip file on the website

# Disclosure

- Electronic Filing Rule (continued):
  - Online Submission
    - 1) Register an account with the Records Department
    - 2) Get access to a PC with an Internet connection
    - 3) Create a campaign finance report on the Records Department's website

# Disclosure

## ■ Campaign Finance Database

- The Records Department (on behalf of the Ethics Board) is required to maintain a searchable database of all campaign finance reports on the City's web site.
- [http://www.phila.gov/records/campaign\\_finance/campaign\\_finance.html](http://www.phila.gov/records/campaign_finance/campaign_finance.html)

# Penalties & Remedies

- Monetary Fines:
  - Escalating monetary fines for violations:
    - \$1,500 per violation in calendar year 2007
    - \$1,900 per violation in calendar year 2008
    - \$2,000 per violation after 2008

# Jurisdiction of the Ethics Board

- Render advice
- Provide training
- Receive complaints
- Conduct investigations
- Enforce

# About the Ethics Board

- Approved by voters in May 2006
- Installed on November 27, 2006
- Five members
  - Appointed by the Mayor
  - Confirmed by City Council