

# PHILADELPHIA BOARD OF ETHICS

## REGULATION NO. 1

### CAMPAIGN FINANCE

#### SUBPART A. SCOPE; DEFINITIONS.

**1.0 Scope.** The requirements and prohibitions of Philadelphia's campaign finance law supplement the requirements and prohibitions imposed by the Pennsylvania Election Code (25 P.S. §3241, *et seq.*). This Regulation, promulgated by the Board pursuant to its authority under Sections 4-1100 and 8-407 of the Philadelphia Home Rule Charter and Chapter 20-600 of the Philadelphia Code, interprets Philadelphia's campaign finance law found at Code Chapter 20-1000.

**1.1 Definitions.** As used herein, the following words and phrases shall have the meanings indicated.

- a. Agent.** An individual who acts at the direction of or is authorized to act on behalf of a candidate, former candidate, a chair or treasurer of a political committee, or a political committee.
- b. Board.** The body of members of the Board of Ethics appointed pursuant to Section 3-806 of the Home Rule Charter.
- c. Candidate.** An individual who i) files nomination papers or petitions for City elective office, or ii) publicly announces his or her candidacy for City elective office.
- d. City elective office.** The offices of Mayor, District Attorney, City Controller, Sheriff, Clerk of Quarter Sessions, City Commissioner, or City Council.
- e. Candidate political committee.** The one political committee used by a candidate to receive all contributions and make all expenditures as required by Section 20-1003 of the Philadelphia Code.
- f. Contribution.**
  - i. Any money, gifts, forgiveness of debts, or loans incurred or received by a candidate or his or her agent for use in advocating or influencing the election of the candidate;
  - ii. Any thing having a monetary value incurred or received by a candidate or his or her agent for use in advocating or influencing the election of the candidate, which includes 1) any payment by a person or a political committee provided for the benefit of the candidate, including any payment for the services of a person serving as an agent of the candidate, candidate political committee, or litigation fund committee, and 2) any in-kind contributions, as defined at Subparagraph 1.1(m); or
  - iii. Any post-candidacy contribution, as defined at Subparagraph 1.1(q).

- g. Contributor.** A person or political committee who makes a contribution to a candidate, former candidate, litigation fund committee, or political committee.
- h. Covered election.** Every primary, general or special election for City elective office.
- i. Excess post-candidacy contribution.** The portion of a post-candidacy contribution that, had it been contributed for the purpose of retiring debt that was incurred to influence the outcome of a covered election, or for the purpose of defraying the cost of transition or inauguration of a candidate elected to City elective office, would have been in excess of the contribution limitations set forth in Sections 20-1002(4) or 20-1002(5) of the Philadelphia Code.
- j. Excess pre-candidacy contribution.** The portion of a pre-candidacy contribution to a political committee that, had it been made to a candidate for City elective office, would have been in excess of the contribution limitations set forth in Sections 20-1002(1) or 20-1002(2) of the Philadelphia Code.
- k. Expenditure.** The payment, distribution, loan, or advancement of money or things having a monetary value by a candidate, political committee, or other person for the purpose of influencing the outcome of a covered election.
- l. Independent expenditure.** An expenditure made to influence the outcome of a covered election without the cooperation or consultation of any candidate or candidate political committee and which is not made in concert with or at the request or suggestion of any candidate, candidate political committee, or agent thereof.
- m. In-kind contribution.** The provision of or payment for goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services where such provision or payment is made for the benefit of the candidate.
- n. Litigation fund committee.** The committee established by a candidate to receive contributions and make expenditures solely to pay professional fees and related costs incurred in defense of a civil, criminal, or administrative proceeding arising directly out the conduct of a candidate's election campaign or participation in an election, as described in Subpart H.
- o. Person.** An individual, or a partnership, sole proprietorship, or other form of business organization.
- p. Political committee.** Any committee, club, association, political party, or other group of persons, including the candidate political committee of a candidate for office in a covered election, which receives contributions or makes expenditures for the purpose of influencing the outcome of a covered election.

- q. **Post-candidacy contribution.** Money, gifts, forgiveness of debts, loans, or things having a monetary value, received by a former candidate or his/her agent for use in retiring debt that was incurred to influence the outcome of a covered election, or for the purpose of defraying the cost of transition or inauguration of a candidate elected to City elective office.
- r. **Post-candidacy expenditure.** An expenditure made by a candidate, former candidate, or candidate political committee to defray the candidate's cost of transition or inauguration to City elective office or to retire debt that the candidate incurred to (i) influence the outcome of a covered election; or (ii) cover transition or inauguration expenses.
- s. **Pre-candidacy contribution.** A contribution made to a political committee that: (a) has been transferred to, or otherwise becomes available for expenditure by, a candidate for City elective office; and (b) was made before such candidate became a candidate.
- t. **SPEC account.** A segregated pre/post-candidacy excess contribution account, as described in Subpart C of this Regulation.
- u. **Sample ballot.** A ballot distributed by a political committee that lists more than one candidate in a specific covered election and recommends that voters vote for the listed candidates.

## **SUBPART B. CONTRIBUTION LIMITS**

### **1.2 Limits on contributions from individuals**

- a. An individual shall not make total contributions per calendar year of more than \$2,600 to a candidate for City elective office, including contributions made through one or more political committees.
- b. An individual shall not make total contributions per calendar year of more than \$2,600, including contributions made through one or more political committees, to a litigation fund committee established as described in Subpart H by a candidate for City elective office.
- c. An individual shall not make total post-candidacy contributions to a former candidate, including contributions made through one or more political committees, of more than \$2,600 between the general election and the end of that calendar year (or, in the case of candidates who do not win nomination, between the primary election and the end of that calendar year), and in each calendar year that follows the year of the general election.

**1.3** A contribution by an individual is made through a political committee for the purposes of Paragraph 1.2 if the individual makes a contribution to a political committee and then directs, suggests, or requests that the political committee use the contributed money to make a contribution to a specific candidate. For the purpose of the contribution limits, the contribution is from both the individual and the political committee. The entire amount of the contribution shall count toward the individual's contribution limits, and the entire amount shall also count toward the political committee's contribution limits.

**1.4 Limits on contributions from political committees, partnerships, sole proprietorships, or other forms of business organization.**

- a. During an election year, a political committee, partnership, sole proprietorship, or other form of business organization shall not make total contributions per calendar year of more than \$10,600 to a candidate for City elective office.
- b. A political committee, partnership, sole proprietorship, or other form of business organization shall not make total contributions per calendar year of more than \$10,600 to a litigation fund committee established as described in Subpart H by a candidate for City elective office.
- c. A political committee, partnership, sole proprietorship, or other form of business organization shall not make total post-candidacy contributions to a former candidate, including contributions made through one or more political committees, of more than \$10,600 between the general election and the end of that calendar year (or, in the case of candidates who do not win nomination, between the primary election and the end of that calendar year), and in each calendar year that follows the year of the general election.
- d. In order to qualify for the \$10,600 contribution limit described in this Paragraph, the finances of a sole proprietorship or partnership must be distinct and segregated from the personal finances of its proprietor or partners.

**1.5** A political committee makes a contribution through another political committee for the purposes of Subparagraph 1.4(c) if the contributing political committee makes a contribution to another receiving political committee and then directs, suggests, or requests that the receiving political committee use the contributed money to make a contribution to a specific candidate. For the purpose of the post-candidacy contribution limits, the contribution is from both political committees. The entire amount of the contribution shall count fully toward the contribution limits of each of the political committees.

**1.6** During non-election years:

- a. Candidates for Mayor shall receive no more than \$250,000 in total contributions from political committees;
- b. Candidates for District Attorney and Controller shall receive no more than \$100,000 in total contributions from political committees; and
- c. Candidates for City Council, Sheriff, Clerk of Quarter Sessions, and City Commissioner shall receive no more than \$75,000 in total contributions from political committees.

**1.7 Doubling of Contribution Limits.**

- a. If a candidate for City elective office contributes more than \$250,000 of his or her own personal resources to his or her candidate political committee, the contribution limits for all candidates for that office shall be doubled for that year and each subsequent year up to and including the year in which the covered election occurs, except as provided in Subparagraph 1.7(b).
- b. The limits for post-candidacy contributions (Subparagraphs 1.2(c) and 1.4(c)) and the limits for contributions to litigation fund committees (Subparagraphs 1.2(b) and 1.4(b)) do not double if a candidate contributes more than \$250,000 to his or her candidate political committee.
- c. A contribution that exceeds the contribution limits at the time it is accepted by a candidate exceeds the contribution limits described in this Subpart even if the contribution limits subsequently double and the contribution is less than the doubled limits.
- d. If a candidate political committee returns, repays, or refunds to a candidate any money the candidate had contributed from his or her personal resources, the returned amount shall not count toward the \$250,000 contribution amount required to trigger doubling of the limits.
- e. Once the contribution limits double, they remain doubled even if:
  - i. The candidate whose contributions from his or her personal resources triggered the doubling ceases to be a candidate; or
  - ii. After the limits have doubled, a candidate political committee returns, repays, or refunds to the candidate a portion of the money contributed from the candidate's personal resources.

**1.8** Candidates, former candidates, candidate political committees, and litigation fund committees shall not accept any contribution that exceeds the limits set forth in this Subpart.

**1.9** A pre-candidacy contribution made in the same calendar year that an individual becomes a candidate shall count toward the contribution limits set forth in this Subpart.

**1.10** Candidates and contributors shall include the value of in-kind contributions when determining the total amount of contributions made or accepted in a calendar year.

**1.11 Transactions that do not count toward the contribution limits.** The following are not subject to the contribution limits set forth in this Subpart:

- a. Contributions from a candidate's personal resources to the candidate's candidate political committee or to the candidate's litigation fund committee;
- b. Contributions from a candidate's candidate political committee to the candidate's litigation fund committee;
- c. Volunteer labor provided to a candidate or political committee; and
- d. A political committee's costs to print or distribute a sample ballot where a candidate, person, or another political committee has paid the usual and normal charge to that political committee to have the candidate placed on a sample ballot distributed by that political committee.
- e. A political committee's costs to print or distribute sample ballots that are distributed in a candidate's ward pursuant to Paragraph 1.36.

**SUBPART C. EXCESS PRE-CANDIDACY CONTRIBUTIONS;  
EXCESS POST-CANDIDACY CONTRIBUTIONS**

**1.12** A candidate or candidate political committee shall not spend any excess pre-candidacy contributions for the purpose of influencing the outcome of a covered election in which he or she is a candidate.

**1.13** A candidate shall not transfer excess pre-candidacy contributions to the candidate's litigation fund committee established as described in Subpart H.

**1.14** A candidate or former candidate shall not spend any excess pre-candidacy contributions or excess post-candidacy contributions for the purposes of:

- a. Transition or inauguration expenses; or
- b. Retiring debt that was incurred to (i) influence the outcome of an already completed covered election; or (ii) cover transition or inauguration expenses related to an already completed covered election.

**1.15** A candidate shall exclude all excess pre-candidacy contributions from his or her candidate political committee checking account by one of the following methods:

- a. Transferring excess pre-candidacy contributions to a segregated pre/post-candidacy excess contribution account ("SPEC" account) within ten days after the individual becomes a candidate; or
- b. Returning excess pre-candidacy contributions to the contributors who made those contributions within ten days after the individual becomes a candidate.

**1.16.** A candidate shall exclude all excess post-candidacy contributions from his or her candidate political committee checking account by one of the following methods:

- a. Transferring excess post-candidacy contributions to a SPEC account within ten days of receiving the contributions; or
- b. Returning excess post-candidacy contributions to the contributors who made those contributions within ten days of receiving the contributions.

**1.17** A candidate, former candidate, or a candidate political committee shall not use money held in a SPEC account to influence the outcome of a covered election in which the candidate participates, or to make post-candidacy expenditures.

**1.18** Within seven days of establishing a SPEC account, a candidate shall notify the Board of the name of the bank at which the account was established by postal mail or email sent to the attention of the Board's Executive Director.

#### **SUBPART D. DATE OF ACCEPTANCE OF CONTRIBUTIONS WITH RESPECT TO THE CONTRIBUTION LIMITS**

**1.19** Except as provided in Paragraphs 1.20, 1.21, and 1.22 the date of acceptance of a contribution is the date that the contribution comes into the possession of the recipient candidate, former candidate, treasurer, litigation fund committee, political committee, or agent thereof.

**1.20.** If a contribution is delivered to a mailbox, the date that the contribution is accepted is the date on which the recipient candidate, former candidate, treasurer, litigation fund committee, political committee, or agent thereof finds the contribution in the mailbox.

**1.21** If a contribution is made by credit card through a website, the date that the contribution is accepted is the date on which the contributor submits his or her credit card information on the website.

**1.22** The date of acceptance of an in-kind contribution is the date that the contributor provides the goods or services, or makes payment to a third party for the provision of goods or services, to the recipient candidate, former candidate, litigation fund committee, or political committee, or agent thereof.

**1.23** A candidate, former candidate, litigation fund committee, or political committee shall not designate as the date a contribution is accepted any date other than the date of acceptance as identified in this Subpart.

## **SUBPART E. ATTRIBUTING CONTRIBUTIONS MADE BY CHECK FOR THE PURPOSE OF THE CONTRIBUTION LIMITS**

**1.24** A contribution made by a check that reflects a joint checking account of two or more individuals shall be attributed to the joint account holder who signs the check. If more than one account holder signs a contribution check, the contribution shall be apportioned evenly between the signers. If an individual other than an account holder signs a contribution check, the contribution shall be attributed evenly among the joint account holders.

**1.25** A contribution made by a check drawn on the account of a political committee is a contribution from that political committee.

**1.26** A contribution made by check drawn on the account of a partnership, sole proprietorship, or other form of business organization is a contribution from the partnership, sole proprietorship, or other form of business organization, unless other facts demonstrate that the contribution is from the signer of the check.

## **SUBPART F. RETIRING DEBT**

**1.27** Except as provided in Paragraph 1.28, forgiveness of debt incurred to influence the outcome of a covered election or to cover transition or inauguration expenses is a contribution from the creditor to the former candidate and is subject to the contribution limits set forth in Subpart B.

**1.28** If a debt owed by a former candidate is not collectable as defined below, a creditor may forgive the debt without such forgiveness being subject to the contribution limits set forth in Subpart B. A debt is not collectable if all of the following are true:

- a. The creditor billed the candidate for its services in the ordinary course of its business and the terms of the transaction were commercially reasonable;
- b. The debt has been outstanding for at least 24 months;
- c. The candidate political committee does not have sufficient cash on hand to pay the creditor;
- d. The candidate political committee receives less than \$1,000 in contributions during the previous 24 months;
- e. The candidate political committee spends less than \$1,000 during the previous 24 months;
- f. Forgiveness of the debt is not prohibited by any other relevant law;
- g. The creditor and candidate disclose the forgiveness to the extent required by the Pennsylvania Election Code, if applicable; and
- h. The creditor notifies the Board by postal mail or email sent to the attention of the Board's Executive Director of its intent to forgive the debt and demonstrates that all the conditions set forth in this Paragraph have been satisfied.



## **SUBPART G. USE OF POLITICAL COMMITTEES AND CHECKING ACCOUNTS BY CANDIDATES**

**1.29** A candidate or former candidate for City elective office shall have no more than one political committee and one checking account for the City office being sought, into which all contributions and post-candidacy contributions for such office shall be made, and out of which all expenditures for that office shall be made, including post-candidacy expenditures.

**1.30** If a candidate or former candidate maintains other political or non-political accounts for which contributions are solicited, such funds collected in those accounts shall not be used for the purpose of influencing the outcome of a covered election or to make post-candidacy expenditures.

**1.31** A candidate or former candidate for City elective office may transfer funds between his or her candidate political committee checking account and a single savings account so long as:

- a. The candidate or former candidate establishes the savings account at the same bank that has his or her checking account;
- b. The candidate or former candidate deposits all contributions into his or her checking account before transferring such funds to the savings account;
- c. The candidate or former candidate does not make any expenditures or withdrawals directly from the savings account, but first transfers funds to the checking account in order to make expenditures or withdrawals; and
- d. Within three business days of the establishment of the savings account, the candidate or former candidate shall notify the Board by postal mail or email sent to the attention of the Board's Executive Director that he or she has established a savings account.

**1.32 Notice of formation of candidate political committee.** Within three business days of the formation of a candidate political committee or within three business days of becoming a candidate, the candidate shall notify the Board of the following information by postal mail or email sent to the attention of the Board's Executive Director:

- a. The committee's name and street address (other than a P.O. box);
- b. The name of the bank where the committee's checking account is established; and
- c. The name and telephone number of the treasurer of the committee. If the treasurer has an email address, he or she shall also provide that email address.

A candidate may satisfy the requirements of this Paragraph by providing the Board with a copy of the Political Committee Registration Statement he or she filed with the City Commissioners or Secretary of State as long as the candidate includes the information described in (a)-(c) above.

**1.33 Exercising control over another political committee.** A candidate has a political committee, for the purposes of this Subpart, if he or she exercises control over the political committee. The following are factors relevant to determining whether a candidate exercises control over a political committee other than his or her candidate political committee:

- a. The candidate is the treasurer or chair of the other political committee;
- b. The candidate established or registered the other political committee;
- c. The candidate is an authorized user or signer on the other political committee's bank account;
- d. The treasurer or chair of the other political committee is an employee of the candidate;
- e. The other political committee has the same treasurer or chair as the candidate political committee; or
- f. The political committee's registered address is the same as the registered address of the candidate political committee or the residence or business of the candidate or the candidate political committee's treasurer or chair.

The presence of one or more of the factors enumerated above does not mandate a finding that a candidate exercises control over a given committee if the candidate does not in fact exercise control over that committee. Likewise, the absence of most or all of the factors enumerated above does not mandate a finding that a candidate does not exercise control over a given committee if the candidate does in fact exercise control over that committee.

**1.34 Exercising control over another political committee's expenditures.** A candidate also has a political committee, for the purposes of this Subpart, if the candidate or the candidate's agent exercises control over a specific expenditure made by that political committee. The following are factors relevant to determining whether a candidate or the candidate's agent exercises control over a specific expenditure made by a political committee:

- a. The candidate, candidate political committee, or the candidate's agent, provides the money to cover the specific expenditure;
- b. The candidate, candidate political committee, or the candidate's agent, selects the recipient of the expenditure; or
- c. The candidate, candidate political committee, or the candidate's agent decides or directs that the expenditure be made.

**1.35** This Subpart does not prohibit a candidate from maintaining a litigation fund committee as described in Subpart H.

**1.36** This Subpart does not prohibit a candidate from making expenditures through up to one political committee in addition to his or her candidate political committee for the printing and distribution of sample ballots that are distributed in the candidate's ward. However, all contributions to the candidate for the City elective office being sought shall be made into the candidate's candidate political committee.

**1.37** This Subpart shall not be construed to prevent a candidate from paying a political committee to conduct or organize get-out-the-vote activities (such as canvassing and the distribution of campaign literature or sample ballots) as long as:

- a. The recipient political committee offers similar services to other candidates; and
- b. The candidate does not exercise control over the political committee as defined in Paragraph 1.33.

**1.38** This Subpart shall not be construed to prevent a candidate from making a contribution within the contribution limits to his or her candidate political committee from any other political committee controlled by the candidate, as defined in Paragraph 1.33, other than the candidate's litigation fund committee.

## **SUBPART H. LITIGATION FUND COMMITTEE**

### **1.39 Litigation fund committee requirements.**

- a. In addition to a candidate political committee, a candidate for City elective office may establish a litigation fund committee with a single separate checking account to solicit and receive contributions and make expenditures for the purposes described in Subparagraph 1.39(d).
- b. The name of a litigation fund committee shall include the term "Litigation Fund."
- c. A litigation fund committee shall have a treasurer who shall be responsible for keeping records of contributions and expenditures as described in Paragraph 1.44.
- d. A candidate shall make expenditures from a litigation fund committee 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 participation in a covered election, such as a nomination petition challenge, a recount proceeding, or a Board investigation.
- e. A candidate shall not make expenditures from a litigation fund committee to pay any judgment, settlement, fine, sanction, or other type of penalty arising out of any civil, criminal, or administrative proceeding.
- f. A candidate may make expenditures from his or her candidate political committee for the purposes described in Subparagraph 1.39(d).

**1.40 Notice of formation of a litigation fund committee.** Within three business days of the formation of a litigation fund committee, the candidate shall notify the Board of the following information by postal mail or email sent to the attention of the Board's Executive Director:

- a. The litigation fund committee's name and street address (other than a P.O. box);
- b. The name of the bank where the litigation fund committee's checking account is established; and
- c. The name and telephone number of the treasurer of the litigation fund committee. If the treasurer has an email address, he or she shall also provide that email address.

If the litigation fund committee has been registered as a political committee, a candidate may satisfy the requirements of this Paragraph by providing the Board with a copy of the Political Committee Registration Statement he or she filed with the City Commissioners or Secretary of State as long as the candidate includes the information described in (a)-(c) above.

**1.41 Termination of a litigation fund committee.**

- a. A litigation fund committee shall be terminated no later than six months after the date of the general election for the office which the candidate sought, except as provided in Subparagraph 1.41(b).
- b. If six months after the date of the general election any matters are pending for which litigation fund committee funds may be expended, then a litigation fund committee shall be terminated within six months after the conclusion of all such matters, including any appeals.
- c. Before a litigation fund committee is terminated, any remaining funds shall be returned to contributors according to one of the methods below, and the litigation fund committee's checking account shall be closed:
  - i. On a "last in, first out" accounting basis;
  - ii. On a "first in, first out" accounting basis;
  - iii. On a pro-rata accounting basis; or
  - iv. On such other equitable basis as may be approved by a majority vote of the Board upon application in writing by a candidate or treasurer of a litigation fund committee by postal mail or email directed to the attention of the Board's Executive Director at least 40 days prior to the termination deadline.
- d. The Board may grant an extension for terminating a litigation fund committee upon application at least 40 days prior to the termination deadline to the Board's Executive Director in writing that demonstrates good cause for an extension.

## **SUBPART I. CAMPAIGN FINANCE DISCLOSURES**

### **1.42 Disclosures required of candidates and former candidates.**

- a. Whenever a candidate for City elective office (or such a candidate's treasurer or agent) files a campaign finance report with the City Commissioners or the Secretary of State pursuant to the Pennsylvania Election Code, he or she shall file electronically a copy of that report with the Board, through the Department of Records.
- b. Former candidates shall file electronically with the Board, through the Department of Records, reports of post-candidacy contributions and expenditures.
  - i. Such reports shall be identical in form and content to, and filed on the same schedule as, campaign finance disclosure reports required to be filed by municipal candidate political committees with the City Commissioners or Secretary of State pursuant to the Pennsylvania Election Code.
  - ii. A former candidate may satisfy the requirements of this Paragraph by filing electronically with the Board copies of campaign finance reports the former candidate files with the Secretary of State or the City Commissioners, so long as such reports disclose all post-candidacy contributions received and expenditures made by the former candidate.

### **1.43 Disclosures required of political committees.**

- a. Whenever a political committee (or a political committee's treasurer or agent), files a campaign finance report with the City Commissioners or the Secretary of State, the political committee shall file electronically a copy of that report with the Board, through the Department of Records, if the report filed with the City Commissioners or Secretary of State discloses, or should disclose, any contributions or expenditures made to influence the outcome of a covered election, including contributions from or expenditures to a candidate for City elective office.
- b. Political committees shall file electronically with the Board, through the Department of Records, reports of all post-candidacy contributions made by the political committee to any former candidate.
  - i. Such reports shall be identical in form and content to, and filed on the same schedule as, campaign finance disclosure reports required to be filed by political committees with the City Commissioners or Secretary of State pursuant to the Pennsylvania Election Code.
  - ii. A political committee may satisfy the requirements of this Paragraph by filing electronically with the Board copies of campaign finance reports the political committee files with the Secretary of State or the City Commissioners, so long as such reports disclose all post-candidacy contributions made by the political committee.

**1.44 Disclosures required of litigation fund committees.**

- a. A litigation fund committee established as described in Subpart H shall file electronically with the Board, through the Department of Records, reports of contributions and expenditures.
- b. Such disclosure reports shall be identical in form and content to, and filed on the same schedule as, campaign finance reports required to be filed by municipal candidate political committees with the City Commissioners or Secretary of State pursuant to the Pennsylvania Election Code.
- c. If a litigation fund committee is established as a political committee pursuant to the Pennsylvania Election Code, the litigation fund committee may satisfy the requirements of this Paragraph by filing electronically with the Board copies of campaign finance reports it files with the Secretary of State or the City Commissioners, so long as such reports disclose all contributions received and expenditures made by the litigation fund committee.

**1.45** Any report required under this Subpart shall be accompanied by a written statement, on a form available from the Department of Records, signed by the individual filing the report, that subscribes and swears to the information set forth in the report.

**SUBPART J. PENALTIES**

**1.46 Acceptance of an excess contribution.** A candidate, former candidate, candidate political committee, or litigation fund committee that accepts a contribution in excess of the limits described in Subpart B shall be subject to a civil penalty of three times the amount by which the accepted contribution exceeded the limit, or \$2,000, whichever is less.

**1.47 Making an excess contribution.** A contributor who makes a contribution in excess of the limits described in Subpart B shall be subject to a civil penalty of three times the amount by which the contribution exceeded the limit, or \$2,000, whichever is less.

**1.48 Safe harbor if an excess contribution is returned within 15 days.** No civil penalty shall be imposed on a contributor or recipient of an excess contribution if the candidate or former candidate who accepted the excess contribution within fifteen days after receiving the contribution:

- a. Returns the excess amount to the contributor; and
- b. Notifies the Board of the following information by postal mail or email sent to the attention of the Board's Executive Director: the amount of the excess, the identities of the contributor and the candidate, the date of receipt, and the date of return.

**1.49 Failure to file campaign finance disclosures.**

- a. A civil penalty of \$250 shall be imposed for failure to file a campaign finance or litigation fund committee report as described in Subpart I.
- b. Each day the report is not filed shall be considered a separate offense for which an additional separate civil penalty of \$250 may be imposed. The total civil penalties that may be imposed for failure to file a particular report shall not exceed \$2,000 for the first thirty days the report is not filed, plus \$1,000 for each additional thirty-day period or part thereof the report is not filed.

**1.50 Other violations of the campaign finance law.** All other violations of the campaign finance law, including the making of material misstatements or omissions in a campaign finance report filed with the Board, are subject to a civil penalty of \$1,000, which may be increased or decreased depending on the presence of mitigating and aggravating factors as described in this Paragraph:

- a. Mitigating factors. The civil penalty of \$1,000 shall be reduced by \$500 if one of the following mitigating factors is present and shall be reduced by \$750 if more than one of the following mitigating factors is present:
  - i. Good faith effort to comply. The violator is found to have made a good faith effort to comply with the law.
  - ii. Prompt corrective action. The violator is found to have taken prompt corrective action where corrective action was possible to remedy the violation.
  - iii. Prompt self-reporting. The violator is found to have reported promptly the violation to the Board of Ethics.
- b. Aggravating factors. The civil penalty of \$1,000 shall be increased by \$1,000 for each of the following aggravating factors that is present, provided that the total civil penalty that may be imposed for one violation shall not exceed \$2,000:
  - i. Intent. The violator is found to have acted knowingly. An act is done knowingly if done voluntarily and intentionally and not because of mistake or accident or other innocent reason.
  - ii. Repeat violation. The violator previously has been found by the Board of Ethics in an administrative adjudication or by a court of competent jurisdiction to have violated the same provision.
  - iii. Obstruction of investigation. The violator is found to have obstructed the investigation of the Board of Ethics into the same violation.

Approved for public comment by the Board December 18, 2006  
Effective January 17, 2007  
Amended by adding ¶ 1.4 approved by Board August 21, 2007  
Effective September 21, 2007

Proposed amendments approved for public comment by Board on July 21, 2010 to expand the Regulation to address the requirements, other than electronic filing, of the City's campaign finance law, Philadelphia Code Chapter 20-1000, as that law was amended in June 2010. The amendments to Regulation No. 1 completely strike and replace the original text of the regulation and delete the original exhibit.

Public hearing held September 8, 2010  
Adopted by Board with modifications September 15, 2010  
Effective September 27, 2010