

## A G E N D A



## Recommendation for Council Action

Austin City Council	Item ID	58343	Agenda Number	20.
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Meeting Date:	6/23/2016	Department:	City Clerk's Office
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## Subject

Approve an ordinance amending City Code Chapter 2-2 relating to campaign finance reporting and disclosure requirements associated with direct campaign expenditures; and creating an offense.

## Amount and Source of Funding

Funding for this item has not been identified. The anticipated resources necessary to meet the requirements of this ordinance are for the FY 2017 budget.

## Fiscal Note

Staff estimates requiring \$350,000 (estimated cost for personnel, office setup, technology and software) to meet the requirements set forth in this ordinance. Funding is not requested for FY 2016. This item will be considered as part of the FY 2017 budget process. Additionally, office space will also be needed for these positions, but the cost is unknown at this time.

Purchasing Language:	
Prior Council Action:	On August 6, 2015 and April 7, 2016 Council passed ordinances amending City Code Chapter 2-2 relating to revision of campaign finance forms and filing requirements.
For More Information:	Jannette Goodall, 512-974-2210
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

## Additional Backup Information

In December 2015, the City Council passed Resolution No. 20151217-070 related to the funding of political activity which directed the City Manager to review related laws from other jurisdictions and develop a comprehensive direct campaign expenditure disclosure ordinance for Council consideration.

If approved by Council, the ordinance would amend Chapter 2-2 of City Code relating to campaign finance by doing the following:

- Requiring persons who make direct campaign expenditures in City elections to report contributions that they have received in certain circumstances.
  - "Direct campaign expenditures" are election-related expenditures that are not made by or coordinated with any candidate for office.

- Existing City Code requires reporting of direct campaign expenditures made in City elections, but those reports are not required to include information about contributions received by the person making the expenditure.
- The ordinance would amend existing requirements to require a person making a direct campaign expenditure to report a contribution if, at the time of making the contribution, the contributor has reason to know that the contribution may be used to make political contributions or direct campaign expenditures or may be co-mingled with other funds that will be used to make political contributions or direct campaign expenditures.
- Requiring persons who make covered transfers related to city elections to file a report with the City Clerk.
  - Generally, a person makes a covered transfer if the person makes a contribution to a second person with the knowledge that the second person is reasonably likely to use the contribution to either make a direct campaign expenditure or transfer the contribution to a third person who will make a direct campaign expenditure.
- Clarifying existing disclosure statement requirements relating to identification of contributors in political advertisements, electioneering communications, or express advocacy paid for in whole or in part by a direct campaign expenditure.
- Requiring persons who make the reports or disclosures discussed above to retain associated financial records for a period of five years.

Violation of any of the above proposed requirements would be a class C misdemeanor criminal offense.