

BILL NO. 44 - 2021

INTRODUCED BY COUNCIL

May 19, 2021

AN ORDINANCE

Supplementing Part One, Administrative Code, Title Eleven, Authorities, Boards and Commissions of the Codified Ordinances of Allentown, Pennsylvania, by adding a new Article 171B entitled "Campaign Finance Regulations". The legislation is based on Campaign Finance legislation used in Pittsburgh. It fixes the contribution limit to the federal limits, currently there are no limits – this would limit individuals to \$2,900 to campaign, eliminate stacking, limit PAC Contributions to \$5000 a candidate. Contributions could not exceed the limitations that are in effect and published by the Federal Election Commission as of the first day of that same calendar year. Political contribution limits for donations made by a political committee to a candidate committee shall be the same as the federal contribution limit for "PAC-Multicandidate" that makes contributions to "candidate committees."

WHEREAS, Allentown has suffered the consequences of pay-to-play politics and experienced first-hand the corrosive impact of big money in our local election; and

WHEREAS, faith and trust in the democratic process are critical ensuring effective governance; and

WHEREAS, the State of Pennsylvania currently imposes no limitation on the contributions of both individuals and political action committees; and

WHEREAS, the fundamental weakness in Pennsylvania's campaign finance laws create an environment conducive to corruption and special-interested controlled decision-making; and

WHEREAS, there is widely documented research that confirms donor preferences and demands determine legislative outcomes more than the will of the public; and

WHEREAS, the ability of candidates to raise large sums of money from wealthy, well-connected donors undermine the capacity of grassroots candidates with community support to communicate their message and advance the public good; and

WHEREAS, this political environment creates a disconnect between the needs of the community and the desires of a wealthy and privileged class of contributors; and

WHEREAS, the reality and perception of corruption creates a political culture of cynicism and despair that reduces enthusiasm and participation in the democratic process which in turn amplifies the ability of candidates with significant financial backing to dominate the political process.

THEREFORE, Allentown City Council with the support of the administration implements the following campaign finance reforms in the City of Allentown.

SECTION ONE: That the following article be added Part One, Administrative Code, Title Eleven, Authorities, Boards and Commissions of the Codified Ordinances of Allentown, Pennsylvania, by adding a new Article 171B entitled "Campaign Finance Regulations".

Article 171B Campaign Finance Regulations

171B.01 Definitions.

BOARD OF ETHICS The Board established pursuant to §171.10 of the City of Allentown Administrative Code

CANDIDATE.

- (a) Any individual who files nomination papers or petitions for City elected office;
- (b) Any individual who publicly announces his or her candidacy for City elected office.

CANDIDATE COMMITTEE. The political committee, any money or assets associated with it, and any associated bank account into which all contributions in support of a campaign for City elected office shall be made, and out of which all expenditures for that office shall be made.

CITY ELECTED OFFICE. The offices of: Mayor, City Controller, and City Council.

COORDINATED EXPENDITURE. Any expenditure made by any person (other than a candidate or candidate committee) in support of a candidate's campaign that is made in cooperation, consultation, or in concert with, or at the direction of a candidate, candidate committee, or agent thereof.

COVERED ELECTION. Every primary election, or general election, or special election for a city elected office.

ELECTION CYCLE. Begins on the day after a covered election for the City elected office which the candidate seeks and ends on the day of the next covered election for that same City elected office. For the purposes of the contribution limits set forth in the following section, primary and general elections shall be considered separate elections.

INDEPENDENT EXPENDITURE. An expenditure made for the purpose of influencing an election, without cooperation or consultation with any Candidate or any Political Committee authorized by that Candidate, and which is not made in concert with, or at the request or suggestion of, any Candidate or Political Committee or agent thereof.

PERSON. An individual, partnership, corporation, sole proprietorship, or other form of organization permitted under the laws of the Commonwealth to make political contributions. For the purposes of this Chapter, person shall not include a political committee.

POLITICAL COMMITTEE. Any committee, association, political party, or other group of persons, including a candidate committee as required by section 171B.03 of this Chapter, operating with the purpose of influencing the outcome of an election, including but not limited to covered elections.

POLITICAL CONTRIBUTION. Money, gifts, forgiveness of debts, loans, or things having a monetary value incurred or received by a candidate for City elected office or a political committee to which they are legally associated for use in advocating or influencing the election of the candidate for City elected office. For the purposes of this Chapter, political contribution shall include all coordinated expenditures.

171B.02 Contribution Limits

- A. No person, except the candidate shall be permitted to make political contributions to a candidate or candidate committee per covered election for the office that the committee has been established to seek, that exceeds the limitations that are in effect and published by the Federal Election Commission as of the first day of that same calendar year. Political contribution limits for donations made by a person to a candidate committee shall be the same as the federal contribution limit for "individuals" who make contributions to "candidate committees."
- B. No political committee or candidate committee shall make political contributions to a candidate or candidate committee per covered election that exceeds the limitations that are in effect and published by the Federal Election Commission as of the first day of that same calendar year. Political contribution limits for donations made by a political committee to a candidate committee shall be the same as the federal contribution limit for "PAC-Multicandidate" that makes contributions to "candidate committees."
- C. The limitations imposed by this Section shall not apply to volunteer labor hours.
- D. No candidate for City elected office and no political committee shall accept any political contribution which exceeds the contribution limits set forth in this Chapter.
- E. For reporting purposes, the date of a political contribution shall be the date that the contribution is received by the campaign. The act of pledging a political contribution or depositing a political contribution into the bank account associated with a candidate committee, or expending campaign funds that a political contribution may have been earmarked or otherwise planned for shall not be a sufficient act to indicate the date of a contribution.
- F. The practice by which a candidate receives funds for both the primary and general election simultaneously or "stacking" shall be prohibited.

171B.03 Candidate Committees and Accounts

- A. A candidate for City elected office shall have no more than one (1) candidate committee and one (1) associated bank account for each City elected office being sought, into which all political contributions in

support of a campaign for said office shall be made, and out of which all expenditures in support of a campaign for said office shall be made.

- B. Candidates are prohibited from donating or transferring funds from one (1) candidate committee or any other political committee to another candidate committee at an amount above the campaign finance limits set forth in this Chapter in any and all circumstances.
- C. Candidates are prohibited from amending an existing candidate committee and assigning it and the funds associated with it for the use in support of a different campaign for City elected office than it was originally intended.

171B.04 Reporting Requirements

- A. Candidates for City elected office and candidate committees shall, on the first business day of each of the (5) months prior to election day, provide a campaign finance report, for all candidate committees associated with the candidate for any office sought, to the City Clerk's Office, including the full campaign finance report and all donations received.
- B. City Clerk's Office shall maintain an online database of all campaign finance reports provided by candidates and their committees. The database shall be searchable by the candidates' name and date of receipt for each campaign finance report that is required under this legislation.
- C. Political Committees shall report all expenditures to, or made on behalf of, any question appearing on the ballot, in the same manner required of a Candidate Committee, as described in subsection (A) of this section. Political Committees must also report in the same manner required of a Candidate Committee, as described in subsection (A) of this section, all Independent Expenditures made to encourage or defeat an election outcome, or to advocate the election or defeat of a clearly identified Candidate or question appearing on the ballot. This provision is in addition to any other filing and reporting provisions of this Code that apply to such committees, their treasurers and chairpersons.
- D. Every person, other than a Political Committee or Candidate, who makes Independent Expenditures to encourage or defeat an election outcome, or to advocate the election or defeat of a clearly identified Candidate or question appearing on the ballot, other than by contribution to a Political Committee or Candidate, in an aggregate amount over one hundred dollars (\$100.00) during a calendar year, shall file with the City Clerk's Office in physical or electronic form, based on the State's Independent Expenditure Report. Reports required by this subsection shall be filed by dates on which reports by Candidates making expenditures are required under this section.
- E. Campaign finance reports will be regularly audited by the City Controller.

171B.05 Conflicts with other Articles.

This Article supersedes all chapters or parts of Articles adopted prior thereto that are in conflict herewith, to the extent of such conflict

171B.06 Severability

If any section, subsection, sentence, clause, phrase or word of this Article is for any reason held illegal or invalid by any court of competent jurisdiction, such provision shall be deemed a separate, distinct and independent provision, and such holding shall not render the remainder of this Article invalid.

171B.99 Penalties and Investigations

- A. Any resident residing in the City of Allentown, including the City Solicitor may bring an action for injunctive relief in any court of competent jurisdiction to enjoin any violations of, or to compel compliance with, the provisions of this Chapter.
- B. The Board of Ethics of the City of Allentown shall be empowered to hear complaints from the City of Allentown residents regarding violations of this Chapter and may use all of its powers to investigate and adjudicate these alleged violations in accordance with its normal administrative procedures and powers
- C. If the Board of Ethics levies a fine on a candidate for violations of this Chapter, the fine shall be the greater of either one thousand dollars (\$1,000.00) per instance of a violation of this law, in which an instance shall be a single donation above the campaign finance limit, or one thousand dollars (\$1,000.00) for every two thousand dollars (\$2,000.00) accepted by the candidate committee above the campaign finance limits set forth in this Chapter. Candidates shall also be required to fully refund all donations received above the campaign finance limits set forth in this Chapter.
- D. The Board of Ethics may levy a fine of up to fifty dollars (\$50.00)/day for the late filing of reports required under Section 3 of this Chapter.
- E. No person elected to a public office of the City of Allentown shall receive a salary or payment of funds of any sort from the City of Allentown if they have outstanding fines owed to the Treasury of the City of Allentown related to penalties levied by the Board of Ethics, or if they have not completed any action required by the Board of Ethics related to a penalty levied or issued by the Board of Ethics.

SECTION 2. That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

SECTION 3: That this legislation become effective January 1, 2022.

Legislative Template:

The legislation is based on Campaign Finance legislation used in Pittsburgh. It fixes the contribution limit to the federal limits, currently there are no limits – this would limit individuals to \$2,900 to campaign, eliminate stacking, limit PAC Contributions to \$5000 a candidate. Contributions could not exceed the limitations that are in effect and published by the Federal Election Commission as of the first day of that

same calendar year. Political contribution limits for donations made by a political committee to a candidate committee shall be the same as the federal contribution limit for "PAC-Multicandidate" that makes contributions to "candidate committees."