

LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 1990

No. 69

Introduced by Council Member Gerges and The Speaker (Council Member Vallone); also Council Members Albanese, Dryfoos, Eisland, Greitzer and Harrison—read and referred to the Committee on Governmental Operations. Amended October 25, 1990. Ordered reprinted and laid over.

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to simplifying the requirements of the campaign finance program for city elections.

Be it enacted by the Council as follows:

Section 1. Declaration of legislative intent and findings. The council finds that simplifying and clarifying the requirements of the New York City Campaign Finance Act will encourage greater candidate participation in the voluntary system of public financing created thereunder. Under the New York City Charter, approved by the electorate in 1989, the council will expand from thirty-five to fifty-one districts before elections to be held in 1991. Thus, it is especially important at this time to simplify the Act in order to promote participation in the Program by candidates for these seats.

The council intends by means of this local law to reaffirm the goals and strengthen the achievements of the landmark campaign finance legislation it enacted in Local Law No. 8 of 1988: reducing the possibility and the appearance that wealthy special interests exercise corrupt or undue influence over local elected officials; making public funds available to candidates for municipal office who abide by contribution and expenditure limitations and who abide by reasonable requirements for campaign financing disclosure and record-keeping; providing computerized public disclosure of meaningful information about the sources of campaign financing during the course of the election; increasing voter participation and information about candidates in local elections; and enhancing public confidence in local government.

§2. Subdivisions one, two, three, six, eight, ten, and eleven of section 3-702 of the administrative code of the City of New York, as added by local law number eight of nineteen hundred eighty-eight, are amended to read as follows:

1. The term ["eligible] *participating candidate*" shall mean any candidate for nomination for election, or election, to the office of mayor, president of the city council, comptroller, borough president or member of the city council who [meets the requirements for eligibility as set forth in] *files a written certification* pursuant to section 3-703 of this chapter.

2. The term ["threshold contribution" shall mean (i) a contribution, (ii) contributions or (iii) a portion of a contribution or contributions, not exceeding five hundred dollars made by a natural person resident in the city of New York to a candidate for nomination for election, or election, to any of the offices covered by the provisions of this chapter or any of such candidate's authorized committees which has been reported in full to the campaign finance board in accordance with subdivision six of section 3-703 by the authorized committee designated by such candidate pursuant to such subdivision and has been contributed on or before December thirty-first in the

year of such election that may be used by a candidate to meet the threshold for eligibility. A "threshold contribution" shall be the net amount of any monetary contribution realized by a candidate or an authorized committee after deducting the reasonable value of any goods or services provided the contributor in connection with the contribution. A loan may not be treated as a threshold contribution. For purposes of this subdivision, a "person" shall be deemed to include the spouse and unemancipated children of such person] "*principal committee*" shall mean the authorized committee designated by a candidate pursuant to subdivision six of section 3-703 of this chapter.

3. The term "matchable contribution" shall mean (i) a contribution, (ii) contributions or (iii) a portion of a contribution or contributions, not [exceeding five hundred] *greater than one thousand dollars [per election] for all covered elections held in the same calendar year, other than special elections*, made by a natural person resident in the city of New York to a *participating* candidate [for nomination for election, or election, to any of the offices covered by the provisions of this chapter or any of such candidate's authorized committees] which has been reported in full to the campaign finance board in accordance with subdivision six of section 3-703 by the candidate's [authorized] *principal committee* [designated by such candidate pursuant to such subdivision] and has been contributed on or before December thirty-first in the year of such election that may be matched by public funds in accordance with the provisions of this chapter. [A "matchable contribution" shall be the net amount of any monetary contribution realized by a candidate or an authorized committee after deducting the reasonable value of any goods or services provided the contributor in connection with the contribution.] A loan may not be treated as a matchable contribution. [For purposes of this subdivision, a "person" shall be deemed to include the spouse and unemancipated children of such person.] *The following contributions are not matchable:*

(a) *in-kind contributions of property, goods, or services;*

(b) *contributions in the form of the purchase price paid for an item with significant intrinsic and enduring value; and*

(c) *contributions in the form of the purchase price paid for or otherwise induced by a chance to participate in a raffle, lottery, or a similar drawing for valuable prizes.*

In a special election to fill a vacancy a matchable contribution shall not be greater than five hundred dollars per contributor.

6. The term "threshold for eligibility" shall mean the total amount of [threshold] *matchable* contributions that [an eligible] *a participating* candidate [for nomination for election or election to office] and the authorized committees of such candidate must receive in order for such candidate to qualify for optional public financing pursuant to this chapter.

8. The term "contribution" shall mean: (a) any gift, subscription, advance, or deposit of money or any thing of value, made in connection with the nomination for election, or election, of any candidate; (b) any funds received by a political committee from another political committee to the extent such funds do not constitute a transfer; (c) any payment, by any person other than a candidate or a political committee authorized by the candidate, made in connection with the nomination for election, or election, of any candidate, including but not limited to compensation for the personal services of any individual which are rendered in connection with a candidate's election or nomination without charge; provided however, that none of the foregoing shall be deemed a contribution if it is made, taken or performed by a person or a political committee independent of the candidate or his or her agents or political committees authorized by such candidate pursuant to section 14-112 of the election law. For purposes of this subdivision, the term "independent of the candidate or his or her agents or political committees authorized by such candidate pursuant to section 14-112 of the election law" shall mean that the candidate or his or her agents or political committees so authorized by such candidate did not authorize, request,

suggest, foster or cooperate in any such activity; and provided further, that the term "contribution" shall not include:

(i) the value of services provided without compensation by individuals who volunteer a portion or all of their time on behalf of a candidate or political committee,

(ii) the use of real or personal property and the cost of invitations, food and beverages voluntarily provided by an individual to a candidate or political committee on the individual's residential premises for candidate-related activities to the extent such services do not exceed five hundred dollars in value, and

(iii) the travel expenses of any individual who on his or her own behalf volunteers his or her personal services to any candidate or political committee to the extent such expenses are unreimbursed and do not exceed five hundred dollars in value.

A loan made to [an eligible] *a participating* candidate or an authorized committee of such candidate other than in the regular course of the lender's business shall be deemed, to the extent not repaid by the date of the primary or general election, as the case may be, a contribution by the lender. A loan made to [an eligible] *a participating* candidate or an authorized committee of such candidate in the regular course of the lender's business shall be deemed, to the extent not repaid by the date of the primary or general election, as the case may be, a contribution by the obligor on the loan and by any other person endorsing, cosigning, guaranteeing, collateralizing or otherwise providing security for the loan.

10. The term ["election"] "*covered election*" shall mean any primary, runoff primary, *special*, or general election for nomination for election, or election, to the office of mayor, president of the city council, comptroller, borough president or member of the city council.

11. The term "political committee" shall mean any corporation aiding or promoting and any committee, *political club* or combination of one or more persons operating or cooperating to aid or to promote the success or defeat of a political party or principle, or to aid or take part in the election or defeat of a candidate for public office or to aid or take part in the election or defeat of a candidate for nomination at a primary election or convention, including all proceedings prior to such primary election, or of a candidate for any party position voted for at a primary election, or to aid or defeat the nomination by petition of an independent candidate for public office; but nothing in this chapter shall apply to any committee or organization for the discussion or advancement of political questions or principles without connection with any vote. "Political committee" shall include any party committee or constituted committee, as such committees are defined in article fourteen of the election law.

§3. Sections 3-703 and 3-704 of such code, as amended by local law number four of nineteen hundred eighty-nine, are amended to read as follows:

§3-703 *Eligibility and other requirements*. 1. To be eligible for optional public financing under this chapter, a candidate for nomination for election or election must:

- (a) meet all the requirements of law to have his or her name on the ballot;
- (b) be a candidate for mayor, president of the city council, comptroller, borough president or member of the city council in a primary or general election and meet the threshold for eligibility set forth in subdivision two of this section;

(c) choose to participate in the public funding provisions of this chapter, by filing a written certification in such form as may be prescribed by the campaign finance board, which sets forth his or her acceptance of an agreement to comply with the terms and conditions for the provision of such funds; such certification to be filed with the campaign finance board not later than [(i) the tenth day after the first filing of a sworn verified statement pursuant to section 14-112 of the election law that such candidate has authorized a political committee to aid or take part in an election; or (ii) the third day of February in the year nineteen hundred eighty-nine and the first day of January in any other year in which the election for which he or she seeks to be

qualified as an eligible candidate is held, if such sworn verified statement has been filed more than ten days prior to such date and such candidate has not already filed such certification, provided, however, that if such certification has been filed for nomination for election to an office in a primary election, no additional certification shall be required for nomination for election, or election, to such office in any other election held in the same calendar year, and provided further that no certification shall be accepted by the board if filed later than the thirtieth day prior to the first day to file designating petitions for the office for which he or she is a candidate or,] : (i) *the thirtieth day of April in the year of the covered election, unless a special election to fill a vacancy is held for the office sought by the candidate prior to the primary election, in which case the deadline for filing the certification shall be no later than seven days after the special election or April thirtieth, whichever is later, provided however that for the primary and general elections to be held in the year nineteen hundred ninety-one the deadline for filing a certification shall be no earlier than the tenth day of May in that year,* (ii) if [a] no petition designating [petition] such candidate is [not] filed [on behalf of such candidate], not later than seven days after the filing of a petition of nomination of such candidate or the filing of a certificate of substitution naming such candidate, or (iii) notwithstanding subparagraph (i) or (ii) of this paragraph, seven days following the proclamation of a special election to fill a vacancy, in the case of a candidate in such election;

(d) obtain and furnish to the campaign finance board any information it may request relating to his or her campaign expenditures or contributions and furnish such documentation and other proof of compliance with this chapter as may be requested by such board;

(e) notify the board as to the existence of each authorized committee authorized by such candidate, whether any such committee has been so authorized by any other candidate, and, if the candidate has authorized more than one authorized committee, notify the board as to which authorized committee has been designated by the candidate as the principal committee pursuant to subdivision six of this section;

(f) [state that, except as is otherwise provided in paragraph (g) of this subdivision, such candidate and the authorized committees of such candidate have not accepted and agree] not [to] accept and his or her principal committee and any other political committee authorized by such candidate must not accept, either directly or by transfer, any contribution or contributions from any one individual, corporation, partnership, political committee, employee organization or other entity for [each election] all covered elections held in the same calendar year in which he or she [seeks to be qualified as an eligible candidate] is a participating candidate which in the aggregate: (i) for the office of mayor, president of the city council or comptroller, shall exceed [three] six thousand five hundred dollars, or (ii) for borough president, shall exceed [two] five thousand [five hundred] dollars, or, (iii) for member of the city council, shall exceed [two] three thousand dollars; provided that a candidate and his or her authorized committees may accept additional contributions which do not exceed one half the amount of the applicable limitation for any run-off primary election, additional day for voting held pursuant to section 3-108 of the election law, special election to fill a vacancy, or election held pursuant to court order which is a covered election and in which the candidate seeks nomination for election or election; and provided further that if state law prescribes a contribution limitation of a lesser amount, this paragraph shall not be deemed to authorize acceptance of a contribution in excess of such lesser amount. The maximum contributions set forth in this paragraph shall be adjusted in accordance with subdivision seven of this section[;

(g) state, if such candidate and the authorized committees of such candidate have accepted any contribution or contributions from any one individual, corporation, partnership, political committee, employee organization or other entity, prior to the effective date of this chapter which in the aggregate exceed the maximum contribution applicable pursuant to paragraph(f) of this subdivision, that such candidate and such authorized committees have not,

subsequent to the effective date of this chapter, spent, and agree not to spend for such nomination for election or election, any portion of any contributions from any one individual, corporation, partnership, political committee, employee organization or other entity to the extent that such portion exceeds the maximum contribution applicable pursuant to paragraph (f) of this subdivision]. Any contribution made prior to the effective date of this chapter shall not be deemed a matchable contribution [or threshold contribution] for purposes of this chapter for any election held in the year nineteen hundred ninety or thereafter;

(g) *maintain such records of receipts and expenditures for a covered election as required by the board;*

(h) [state that he or she has not made and agrees] not [to] make expenditures from or use his or her personal funds or property or the personal funds or property of his or her spouse or unemancipated children in connection with his or her nomination for election or election except as a contribution to his or her [authorized] *principal* committee [designated pursuant to subdivision six of this section] in an amount that does not exceed the maximum contribution amount applicable pursuant to paragraph (f) of this subdivision; [and]

(i) [state that such candidate and the authorized committees of such candidate have not and agree not to] *not make and his or her principal committee and any other political committee authorized by such candidate must not make expenditures which in the aggregate exceed the applicable expenditure limitations set forth in section 3-706; and*

(j) *meet the threshold for eligibility set forth in subdivision two of this section.*

2. (a) The threshold for eligibility for public funding for *participating* candidates in a primary or general election shall be in the case of:

(i) mayor, not less than two hundred fifty thousand dollars in [threshold] *matchable* contributions *of ten dollars or more* including at least one thousand [such] *matchable* contributions [in the amount of ten dollars or more];

(ii) president of the city council and comptroller, not less than one hundred twenty-five thousand dollars in [threshold] *matchable* contributions *of ten dollars or more* including at least five hundred [such] *matchable* contributions [of ten dollars or more];

(iii) borough president, an amount equal to the number of persons living in such borough as determined by the last census multiplied by two cents in [threshold] *matchable* contributions *of ten dollars or more* including at least one hundred [such] *matchable* contributions [of ten dollars or more] from residents of the borough, or ten thousand dollars, whichever is greater;

(iv) member of the city council, not less than [seven] *five* thousand [five hundred] dollars in [threshold] *matchable* contributions *of ten dollars or more* including at least fifty [such] *matchable* contributions [of ten dollars or more] from residents of the district in which the seat is to be filled, *except that in city council elections held in nineteen hundred ninety-one the fifty required matchable contributions may be from individuals who are not residents of such district.*

(b) Any *participating* candidate meeting the threshold for eligibility in a primary election for one of the foregoing offices shall be deemed to have met the threshold for eligibility for such office in any other election held in the same calendar year.

3. In order to be eligible to receive public funds in a primary election a *participating* candidate must agree that in the event he or she is a candidate for such office in any other election held in the same calendar year, that he or she will be bound in each such other election by the eligibility requirements and all other provisions of this chapter.

4. [Candidates] *Participating candidates* who are contested in a primary election for nomination for election to office and who do not file a written certification pursuant to paragraph (c) of subdivision one of this section shall not be eligible for public funds for any election to such office held in the same calendar year.

5. [Candidates] *Participating candidates* who are unopposed in [an] a covered election shall not be eligible to receive public funds for such election.

6. Each *participating* candidate shall designate [his or her authorized committee, or if he or she has more than one authorized committee], *not later than thirty days after filing the written certification required pursuant to subdivision one of this section*, a single [authorized] *principal* committee, to receive public funds pursuant to this chapter and report, to the best of [its] *the candidate's, treasurer's, and authorized committees'* knowledge, to the campaign finance board every contribution, loan, guarantee, or other security for such loan received by the candidate, such [authorized] *principal* committee and any other authorized committee of such candidate, the full name, residential address, occupation, employer, and business address of each individual, corporation, partnership, political committee, employee organization or other entity making, or which is the intermediary for, such contribution, loan, guarantee, or other security for such loan and every expenditure made by the candidate, such [authorized] *principal* committee, and any other authorized committee of such candidate, including expenditures not subject to section 3-706. *An intermediary need not be reported for any contribution that was collected from a contributor in connection with a party or other candidate-related event held at the residence of the person delivering the contribution, unless the expenses of such events at such residence for such candidate exceed five hundred dollars for a covered election or the aggregate contributions received from that contributor at such events exceed five hundred dollars. Contributions aggregating not more than ninety-nine dollars from any one contributor for all covered elections held in a single calendar year or for a special election need not be separately itemized in disclosure reports submitted to the board on behalf of a participating candidate, provided, however, that contributions which are not itemized shall not be matchable. The treasurer of the principal committee need not collect or disclose the occupation, employer, and business address of any contributor making contributions aggregating not more than ninety-nine dollars for all covered elections held in a single calendar year or for a special election.* Such reports shall be submitted at such times and in such form as the campaign finance board shall require *and shall be clearly legible. Disclosure reports, other than reports required to be filed every six months in accordance with the schedule specified by the state board of elections, need not be submitted on behalf of a participating candidate if the cumulative amount of contributions and loans accepted by such candidate and his or her authorized committees following the period covered in the last disclosure report submitted to the board on behalf of such candidate is less than two thousand dollars or such higher amount as may be determined by the board, provided, however, that disclosure reports shall be submitted on behalf of a participating candidate if that candidate and his or her authorized committees have made expenditures in excess of eighty-five percent of the expenditure limitation applicable under section 3-706. The board shall make available to the public a copy of disclosure reports within two business days after they are accepted by the board.*

7. Not later than the first day of March in the year nineteen hundred ninety and every fourth year thereafter the campaign finance board shall (i) determine the percentage difference between the average over a calendar year of the consumer price index for the metropolitan New York-New Jersey region published by the United States bureau of labor statistics for the twelve months preceding the beginning of such calendar year and the average over the calendar year nineteen hundred eighty-seven of such consumer price index; (ii) adjust each maximum contribution applicable pursuant to paragraph (f) of subdivision one of this section by the amount of such percentage difference to the nearest fifty dollars; and (iii) publish such adjusted maximum contribution in the City Record. Such adjusted maximum contribution shall be in effect for any election held before the next such adjustment.

8. *Each political committee authorized by a participating candidate that accepts contributions, loans, or other receipts or makes expenditures or transfers in a covered election shall have*

~~the same treasurer. If a participating candidate demonstrates to the board that a political committee has not accepted contributions, loans, or other receipts or made expenditures or transfers in a covered election, and represents that such committee will not accept contributions, loans, or other receipts or make expenditures or transfers in a covered election, the participating candidate may submit to the board legible copies of financial disclosure reports, required to be filed with the city or state board of elections, for such committees in lieu of the disclosure report form designed by the board for purposes of subdivision six of this section.~~

9. No political committee authorized by a participating candidate for a covered election may be authorized to aid or take part in the elections of more than one candidate.

10. All receipts accepted by an authorized committee shall be deposited in an account of the authorized committee. The treasurer of the authorized committee shall be responsible for making such deposits. All deposits shall be made within ten business days of receipt. Each disclosure report filed pursuant to subdivision six of this section shall include the date of receipt of each contribution accepted.

11. Regardless whether a participating candidate demonstrates eligibility for optional public financing under this chapter, a participating candidate and his or her authorized committees are nonetheless required to abide by the requirements of paragraphs (d), (e), (f), (g), (h) and (i) of subdivision one of this section.

§3-704 Qualified campaign expenditures. 1. Public funds provided under the provisions of this chapter may be used only for expenditures by an authorized committee on behalf of a candidate to further the candidate's nomination for election or election during the calendar year in which the primary or general election in which the candidate is seeking nomination for election or election is held. [Such public funds may be used only for services, material, facilities or other things of value used to educate the public as to the candidates and issues of such election. Such expenditures may include expenditures associated with advertising, communication with potential voters, and voter registration drives, and such other expenditures that the campaign finance board determines serve the function of educating the public.]

2. Such public funds may not be used for:

(a) an expenditure in violation of any law;

(b) payments made to the candidate or a spouse, child, grandchild, parent, grandparent, brother or sister of the candidate or spouse of such child, grandchild, parent, grandparent, brother or sister, or to a business entity in which the candidate or any such person has a ten percent or greater ownership interest;

(c) payments in excess of the fair market value of services, materials, facilities or other things of value received in exchange;

(d) (i) any expenditure made after the candidate has been *finally* disqualified or had his or her petitions *finally* declared invalid by the New York city board of elections or a court of competent jurisdiction [until and unless such finding is reversed], except as expenditures for a *different covered election held later in the same calendar year in which the candidate seeks election for the same office* [from funds which are carried over pursuant to subdivision three of section 3-706]; and

(ii) any expenditure made after the only remaining opponent of the candidate has been *finally* disqualified or had his or her petitions declared invalid by the New York city board of elections or a court of competent jurisdiction [until and unless such finding is reversed], except as expenditures for a *different covered election held later in the same calendar year in which the candidate seeks election for the same office* [from funds which are carried over pursuant to subdivision three of section 3-706];

(e) payments in cash;

(f) [any expenditure for food, drink, or entertainment] *any contribution or loan made to*

another candidate or political committee;

(g) gifts, except brochures, buttons, signs and other printed campaign material; or

(h) [any direct payment of a salary or wage to any individual, or

(i)] any expenditures *to challenge or defend the validity of petitions of designation, acceptance, authorization, declination, or substitution* made pursuant to [paragraph a of] subdivision [five] *four* of section 3-706.

§4. The undesignated opening subdivision and subdivisions one, two, three, and five of section 3-705 of such code, as added by local law number eight of nineteen hundred eighty-eight, are amended to read as follows:

Each [eligible] *participating* candidate for nomination for election or election in [primary and general elections] *a covered election* may obtain payment to the authorized committee designated by such candidate pursuant to subdivision six of section 3-703 from public funds for qualified campaign expenditures, in accordance with the provisions of this chapter, and subject to appropriation.

1. No such public funds shall be paid to [an authorized] *a principal* committee [until] *unless the board determines that the participating candidate has [qualified as an eligible candidate and has filed the written certification required pursuant to section 3-703 with the campaign finance board] met the eligibility requirements of this chapter.* Payment shall not exceed the amounts specified in this chapter, and shall be made only in accordance with the provisions of this chapter. Such payment may be made only to the [authorized committee designated by the eligible candidate pursuant to subdivision six of section 3-703] *participating candidate's principal committee.* No public funds shall be used except as reimbursement or payment for qualified campaign expenditures actually and lawfully incurred or to repay loans used to pay qualified campaign expenditures.

2. [The authorized] *If the threshold for eligibility is met, the participating candidate's principal* committee [designated by an eligible candidate pursuant to subdivision six of section 3-703] shall receive payment for qualified campaign expenditures of one dollar for each one dollar of matchable contributions [in excess of the threshold for eligibility], obtained and reported to the campaign finance board in accordance with the provisions of this chapter, but in no case shall such [authorized] *principal* committee receive in public funds an amount exceeding one-half of the expenditure limitation provided in subdivision one of section 3-706 for the office for which such candidate seeks nomination for election or election *or forty thousand dollars in the case of candidates for city council.* No funds shall be provided pursuant to this subdivision with respect to any *covered* election specified in subdivision five of this section. [No contribution, contributions, or portion of a contribution or contributions, exceeding five hundred dollars made by a person, including the spouse and unemancipated children of such person, may be used as either a threshold contribution or a matchable contribution, or both, in any one election.]

3. A *participating* candidate seeking or obtaining nomination for election by more than one party shall be deemed one candidate, and shall receive additional public funds or be authorized to accept contributions in excess of the maximum contribution applicable pursuant to paragraph (f) of subdivision one of section 3-703 or make additional expenditures by reason of such candidate seeking or obtaining nomination for election by more than one party. Subdivision five of section 3-703 shall not be applicable to such a candidate who is opposed for the nomination of at least one party in a primary election. The elimination of the expenditure limitations and qualification for additional matching funds provided in subdivision four of section 3-706 shall not be applicable to such a candidate who is opposed for the nomination of at least one party solely by *participating* candidates [who choose to participate in the public funding provisions of this chapter].

5. Notwithstanding any other provision of this chapter, [an eligible] *a participating* candidate in a run-off primary election held pursuant to section 6-162 of the election law, an

additional day for voting held pursuant to section 3-108 of the election law or an election held pursuant to court order, shall obtain payment for qualified campaign expenditures in an amount equal to twenty-five cents for each one dollar of public funds paid pursuant to this chapter to the [authorized] *candidate's principal* committee [designated by such eligible candidate pursuant to subdivision six of section 3-703] for the preceding election. Except as provided by this subdivision, no additional public funds shall be provided to any candidate for such election or additional day for voting.

§5. Section 3-706 of such code, as amended by local law number four of nineteen hundred eighty-nine, is amended to read as follows:

§3-706 Expenditures limitations; additional financing and limits. 1. The following limitations apply to all expenditures made by a candidate and his or her authorized committees on or after the first day of January preceding the election for which such candidate chooses to participate in the public funding provisions of this chapter and to expenditures made at any time prior to such date for services, materials, facilities, advertising or other things of value received, rendered, published, distributed or broadcast on or after such date:

(a) Except as provided in paragraph (b) of this subdivision, in each primary election, *in each special election to fill a vacancy*, and in each general election, expenditures by [an eligible] *a participating* candidate for one of the following offices and his or her authorized committees shall not exceed the following amounts:

mayor:	[\$3,000,000] \$4,000,000
president of the city council or comptroller:	[\$1,750,000] \$2,500,000
borough president:	[\$ 625,000] \$ 900,000
member of the city council:	[\$ 60,000] \$ 105,000

(b) The expenditure limitation in a run-off primary election, an additional day for voting held pursuant to section 3-108 of the election law or an election held pursuant to court order shall be one half the amount of the applicable limitation provided for an election for such office pursuant to the provisions of paragraph (a) of this subdivision.

(c) Expenditures by [eligible] *participating* candidates in a primary election made prior to or on the date of such primary election shall be deemed to have been made for such primary election.

(d) The campaign finance board shall, pursuant to section 3-713, submit a report to the mayor and the council on or before September first, nineteen hundred ninety, containing its recommendations whether the expenditure limitations provided by this subdivision should be modified. Such report shall set forth the amount of, and reasons for, any modifications it recommends.

(e) Not later than the first day of March in the year nineteen hundred ninety and every fourth year thereafter the campaign finance board shall (i) determine the percentage difference between the average over a calendar year of the consumer price index for the metropolitan New York-New Jersey region published by the United States bureau of labor statistics for the twelve months preceding the beginning of such calendar year and the average over the calendar year nineteen hundred eighty-seven of such consumer price index; (ii) adjust each expenditure limitation applicable pursuant to this subdivision by the amount of such percentage difference to the nearest thousand dollars; and (iii) publish such adjusted expenditure limitation in the City Record. Such adjusted expenditure limitation shall be in effect for any election held before the next such adjustment.

2. The following limitations apply to all expenditures made by a candidate and his or her authorized committees in the calendar year preceding the year of the election for which such candidate chooses to participate in the public funding provisions of this chapter and to expenditures made at any time prior to such date for services, materials, facilities, advertising or

other things of value received, rendered, published, distributed or broadcast in such calendar year. Such expenditures by [such] a *participating* candidate for one of the following offices and his or her authorized committees shall not exceed the following amounts:

mayor,		
president of the city council		
or comptroller:	[\$150,000]	\$180,000
borough president:	[\$100,000]	\$120,000
member of the city		
council:	[\$ 50,000]	\$ 40,000

2-a. (a) If the expenditures made by a candidate and his or her authorized committees subject to the expenditure limitation of subdivision two of this section exceed the amount of the expenditure limitation applicable under such subdivision, such candidate shall not be ineligible to receive public funding for qualified campaign expenditures or be in violation of this chapter by reason of exceeding such limitation unless the amount by which such expenditures exceed such limitation is in excess of the expenditure limitation which next applies to such candidate pursuant to subdivision one of this section; and further provided that the amount of the expenditure limitation which next applies to such candidate, pursuant to subdivision one of this section, shall be reduced by the amount by which the expenditure limitation applicable under subdivision two of this section is exceeded.

(b) [If the expenditures made by a candidate and his or her authorized committees subject to the expenditure limitation of subdivision two of this section are less than the amount of the expenditure limitation applicable under such subdivision, the amount of the expenditure limitation which next applies to such candidate, pursuant to subdivision one of this section, shall be increased by the amount by which the applicable expenditure limitation of subdivision two of this section exceeds the expenditures made by a candidate and his or her authorized committees; provided, however, that an expenditure limitation applicable to an office pursuant to subdivision one of this section shall in no case be increased by an amount which exceeds fifty percent of the amount of the expenditure limitation applicable to such office pursuant to subdivision two of this section].

(c) Nothing contained in [paragraphs] *paragraph* (a) [or (b)] of this subdivision shall:

(i) operate to increase or decrease the amount of public funds that may be received pursuant to section 3-705 by an authorized committee of an eligible candidate;

(ii) affect the expenditure limitation set forth in paragraph (b) of subdivision one of this section; or

(iii) affect the expenditure limitation set forth in paragraph (a) of subdivision one of this section for purposes of the application of subdivision four of this section.

3. [Funds received from contributions and payments from the fund not expended by an eligible candidate for nomination for election or election to an office or his or her authorized committees in an election may be carried over for expenditure by such candidate or committees in the next following election for nomination for election or election to such office in the same calendar year, provided that such carry over may not in any way affect, modify or waive the obligation of such candidate or committees to comply with the provisions of this chapter, including the limitations on the receipt of contributions and on the making of expenditures for each election.

4.) If any candidate in any primary or general election for an office for which public funds are available pursuant to the provisions of this chapter chooses not to participate in the public financing provisions of this chapter, and where the campaign finance board has determined that such candidate and his or her authorized committees have spent or contracted or have obligated to spend, or received in loans or contributions, or both, an amount which, in the aggregate exceeds

half the applicable expenditure limit for such office fixed by subdivision one of this section for participating candidates or thirty thousand dollars in the case of candidates for city council [who have chosen to participate in the public funding provisions of this chapter], then:

(a) such expenditure limit shall no longer apply to [those] participating candidates in such election for such office; [who have chosen to receive public funds] and

(b) the [authorized] principal committees of such candidates shall receive payment for qualified campaign expenditures of two dollars for each one dollar of matchable contributions, except that in no case shall a [candidate and his or her authorized committees] principal committee receive in public funds an amount exceeding one-half of the expenditure limitation provided for such office in subdivision one of this section or forty thousand dollars in the case of candidates for city council.

[5. (a)] 4. Expenditures [for professional services, including legal fees and accounting fees,] made for the purpose of complying with the provisions of this chapter or the election law, including legal fees, accounting fees, the cost of record creation and retention, and other necessary compliance expenditures, and expenses to challenge or defend the validity of petitions of designation or nomination or certificates of nomination, acceptance, authorization, declination or substitution shall not be limited by the expenditure limitations of this section.

[(b) Expenditures in connection with the solicitation of funds shall not be limited by the expenditure limitations of this section, except that if such expenditures by a candidate and his or her authorized committees, made within the period during which an expenditure limitation is applicable pursuant to subdivision one or two of this section, exceed twenty percent of the applicable expenditure limitation or twenty thousand dollars, whichever is greater, such expenditures in excess of such amount shall be subject to the limitation applicable at the time that such amount is exceeded.

6.]5. The campaign finance board may adopt a regulation providing for expenditure limitations for expenditures made in the two calendar years preceding the calendar year specified in subdivision two of this section, in accordance with section eleven hundred five of the charter, provided, however, that, notwithstanding any inconsistent provision of section eleven hundred five of the charter, the city council may within forty-five days after the first stated meeting of the city council following the receipt of a copy of such regulation, as provided in subdivision c of section eleven hundred five of the charter, approve or disapprove such regulation by adoption of an appropriate resolution. Upon approval by the city council such regulation shall take effect as provided therein. If the city council disapproves such regulation, the board shall not be precluded from adopting and transmitting to the city council for its approval or disapproval any other such regulation providing for such expenditure limitations in accordance with this subdivision. If the city council does not approve or disapprove such regulation within such forty-five day period, such regulation shall be deemed to be approved on the forty-sixth day after such first stated meeting.

§6. Section 3-707 of such code is REPEALED.

§7. Subdivisions three and seven of section 3-708 of such code, as added by local law number eight of nineteen hundred eighty-eight, are amended to read as follows:

3. The board may employ necessary staff, including an executive director and a counsel, and make necessary expenditures subject to appropriation. *The board may employ such staff, including legal and accounting staff, as are necessary for providing technical assistance to prospective and participating candidates, for the purpose of promoting understanding of, participation in, and compliance with the requirements of the campaign finance program created by this chapter.*

7. The board may render advisory opinions with respect to questions arising under this chapter. Such advisory opinions may be rendered on the written request of a candidate, an officer

of a political committee or member of the public, or may be rendered on its own initiative. The board shall make public its advisory opinions. The board shall develop a program for informing candidates and the public as to the purpose and effect of the provisions of this chapter. *The board shall prepare and make available educational materials, including compliance manuals and summaries and explanations of the purposes and provisions of this chapter. These materials shall be prepared in plain language. The board shall prepare and make available materials, including, to the extent feasible, computer software, to facilitate the task of compliance with the disclosure and record-keeping requirements of this chapter.*

§8. Subdivision one, four, five, six, seven, and eight of section 3-709 of such code, as added by local law number eight of nineteen hundred eighty-eight, as amended to read as follows:

§3-709 New York city campaign finance fund. 1. There is hereby established a special fund, to be known as the New York city campaign finance fund. The moneys in such fund may be expended by the campaign finance board only as payments for [eligible] *participating* candidates in accordance with the provisions of this chapter.

4. The moneys in such fund shall be paid to *participating* candidates by the board upon its certification that such candidates qualify for such funds.

5. No moneys shall be paid to *participating* candidates in a primary election any earlier than two weeks after the last day to file designating petitions for such primary election.

6. No moneys shall be paid to *participating* candidates in a runoff primary election held pursuant to section 6-162 of the election law or in a general election any earlier than the day after the day of the primary election held to nominate candidates for such election.

7. No moneys shall be paid to any *participating* candidate who has been *finally* disqualified or whose designating or nominating petitions have been *finally* declared invalid by the New York city board of elections or a court of competent jurisdiction [until and unless such finding is reversed]. Any payment from the fund in the possession of such a candidate or his or her authorized committees on the date of such *final* disqualification or invalidation may not thereafter be expended for any purpose except the payment of liabilities incurred in qualified campaign expenditures before such date and shall be *promptly* repaid to the fund. [If such finding is reversed, the campaign finance board shall return such funds to such candidate or authorized committees and such funds may be expended as provided pursuant to this chapter.]

8. Prior to the first distribution of public funds to candidates in any election, the board shall make a determination whether the moneys in the fund are sufficient to provide all candidates the amounts they may receive pursuant to this chapter for all elections to be held during the calendar year for which such determination is made. Such determination shall be published in the City Record, together with information supporting such determination. [If the board determines that such moneys are or may be less than such amounts, the board shall submit to the mayor an estimate pursuant to subdivision three of this section and the mayor may propose to the city council and the board of estimate a modification of the expense budget in accordance with the provisions of the charter to provide such funds in whole or in part. The board shall first apply all moneys as are available to payments for eligible candidates in the next election following such determination. If the moneys allocated for payments for eligible candidates in any election are less than the amount the board estimates is necessary to provide candidates the amounts they may receive pursuant to this chapter for such election, the board shall reduce the payments equally for all eligible candidates for all offices in such election by the percentage it determines is necessary to assure such payments shall not exceed the moneys allocated for payments for eligible candidates in such election. The board shall adjust such percentage if additional moneys are received into the fund by appropriation or otherwise, or if, upon consideration of further facts, it changes its estimates of moneys available.]

§9. Subdivisions two and three of section 3-710 of such code, as added by local law number

eight of nineteen hundred eighty-eight, are amended to read as follows:

2. (a) If the board determines that any portion of the payment made to the [authorized] *principal* committee [designated by an eligible] of a *participating* candidate [pursuant to subdivision six of section 3-703] from the fund was in excess of the aggregate amount of payments which such candidate was eligible to receive pursuant to this chapter, it shall notify such committee and such committee shall pay to the board an amount equal to the amount of excess payments.

(b) If the board determines that any portion of the payment made to [an authorized] *a principal* committee of [an eligible] *a participating* candidate from the fund was used for purposes other than qualified campaign expenditures, it shall notify such [authorized] committee of the amount so disqualified and such [authorized] committee shall pay to the board an amount equal to such disqualified amount.

(c) If the total of contributions, *other receipts*, and payments from the fund received by [and eligible] *a participating* candidate and his or her authorized committees exceed the total campaign expenditures of such candidate and committees for all *covered* elections held in the same calendar year *or for a special election to fill a vacancy* such candidate and committees shall use such excess funds to reimburse the fund for payments received by the [authorized] *principal* committee from the fund during such calendar year. Such reimbursement shall be made not later than ten days after all liabilities have been paid and in any event, not later than [April tenth] *June thirtieth* of the year following such calendar year. No such excess funds shall be used for any other purpose, unless the total amount of the payments received from the fund by the authorized committee has been repaid.

3. If a *participating* candidate whose [authorized] *principal* committee has received public funds is disqualified by a court of competent jurisdiction on the grounds that such candidate committed fraudulent acts in order to obtain a place on the ballot and such decision is not reversed, such candidate and his [authorized] *or her principal* committee shall pay to the board an amount equal to the total of public funds received by such [authorized] *principal* committee.

§10. Subdivisions one and two of Section 3-711 of such code, as added by local law number eight of nineteen hundred eighty-eight, are amended to read as follows:

1. Any *participating* candidate [receiving public financing who has submitted a written certification pursuant to subdivision six of section 3-703 who] *whose principal committee fails to file in a timely manner* a statement or record required to be filed by this chapter or the rules [or regulations] of the board in implementation thereof or who violates any other provision of this chapter *or rule promulgated thereunder, and any principal committee treasurer or any other agent of a participating candidate who commits such a violation*, shall be subject to a civil penalty in an amount not in excess of ten thousand dollars.

2. In addition to the penalties provided in subdivision one of this section, if the aggregate amount of expenditures by a *participating* candidate and such candidate's authorized committees exceed the expenditure limitations contained in this chapter such candidate *and authorized committees* shall be subject to a civil penalty in an amount not to exceed three times the sum by which such expenditures exceed the applicable expenditure limitation.

§11. The title of Section 3-712, of such code as added by local law number eight of nineteen hundred eighty-eight, is amended to read as follows:

[Satisfaction of outstanding liabilities] *Campaigns for office not subject to this chapter.*

§12. Chapter seven of title three of such code, as added by local law number eight of nineteen hundred eighty-eight, is amended by adding a new section 3-715 to read as follows:

§3-715 *Joint campaign activities. Nothing in this chapter shall be construed to restrict candidates from authorizing expenditures for joint campaign materials and other joint campaign activities, provided that the benefit each candidate derives from the joint material or activity is*

proportionally equivalent to the expenditures authorized by such candidate.

§13. This local law shall take effect immediately and shall be applicable to all receipts, expenditures, and public fund claims for elections held on or after January first, nineteen hundred ninety-one, regardless whether the receipt, expenditure, or claim occurred prior to the effective date.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, S.S.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on November 8, 1990, and approved by the Mayor on November 27, 1990.

CARLOS CUEVAS, City Clerk, Clerk of the Council.

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed local law (Local Law 69 of 1990, Council Int. No. 441-A) contains the correct text and:

Received the following vote at the meeting of the New York City Council on November 8, 1990: 31 for 3 against

Was approved by the Mayor on November 27, 1990.

Was returned to the City Clerk on November 27, 1990.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel