



## Legislation Details (With Text)

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Int. No. 803

By Council Members Avella and Yassky

A Local Law to amend the administrative code of the City of New York, in relation to campaign finance law.

Be it enacted by the Council as follows:

Section 1. Declaration of legislative findings and intent.

The city council finds and declares that the current system of privately financed campaigns diminishes the meaning of the right to vote by allowing large contributions to have a deleterious influence on the political process. The current system also violates the rights of all citizens to equal and meaningful participation in the democratic or political process. It diminishes the free-speech rights of non-wealthy voters and candidates whose voices are muffled by those who can afford to monopolize political communications. Additionally, the current system fuels the public perception of conflicts of interest and the domination of special money interests. That perception undermines the electorate's confidence in the democratic process. It also makes it very difficult for qualified candidates without access to large contributors or personal fortunes to mount competitive

campaigns. Because it places challengers at a distinct disadvantage, the system inhibits the free exchange of ideas and communication with the electorate.

The city council finds and declares that providing a voluntary clean elections campaign finance system would enhance democracy. It would help eliminate the deleterious influence of large contributions on the political process, remove access to wealth as a major determinant of a citizen's influence within the political process, and restore the meaning of the principle of "one person, one vote." It would also help restore the rights of all citizens to equal and meaningful participation in the democratic process.

Instituting a public financing program would restore the free-speech rights of non-wealthy candidates and voters by providing candidates with resources with which to communicate ideas with the electorate. Such a system would thus help enhance the First Amendment rights of the electorate and candidates to be heard in the political process. It would help restore the core First Amendment value of open and robust debate in the political process. It would also diminish the electorate's perception of domination of special interests and strengthen the public's confidence in the democratic process and institutions. By providing for public financing, this act also addresses the genuine concern about the amount of time and effort that a candidate must devote to raising campaign funds.

Section 2. Title 3, Chapter 7 of the administrative code of the City of New York is amended as follows:

## CHAPTER 7

### CAMPAIGN FINANCING

§ 3-701 Short title. This chapter shall be known as the "New York City [campaign finance] clean elections act."

§ 3-702 Definitions. For purposes of this chapter, the following terms shall have the following meanings:

1. The term "[participating] qualified candidate" shall mean any candidate for nomination for election, or election, to the office of mayor, public advocate, comptroller, borough president or member of the city council who files a written certification pursuant to section 3-703 of this chapter.

2. The term "principal committee" shall mean the authorized committee designated by a candidate pursuant to paragraph (e) of subdivision 1 of section 3-703 [or paragraph (a) of subdivision one of section 3-718] of this chapter.

3. The term "[matchable] qualifying contribution" shall mean a contribution of between five dollars and one hundred dollars, inclusive, per contribution to a qualified candidate and which is counted toward the aggregate number of qualifying contributions needed to meet the threshold amount for a specific office. A contribution shall be deemed a qualifying contribution only if made by check, money order or cash and only if accompanied by a signed statement that it is intended to be a contribution to a qualified candidate. For a candidate seeking the nomination of a political party, the number of qualifying contributions from the candidate's party must be equal to three percent of the voters registered in that party in that district or the minimum number of qualifying contributions needed, whichever is less. [(i) a contribution, (ii) contributions or (iii) a portion of a contribution or contributions, not greater than the applicable contribution limitation set forth in paragraph (f) of subdivision one of section 3-703 for all covered elections held in the same calendar year, made by a natural person resident in the city of New York to a participating candidate which has been reported in full to the campaign finance board in accordance with subdivision six of section 3-703 by the candidate's principal committee 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. Any contribution, contributions, or a portion of a contribution determined to be invalid for matching funds by the board may not be treated as a matchable contribution for any purpose. A loan may not be treated as a matchable contribution. 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;

(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;

(d) money order contributions from any one contributor that are, in the aggregate, greater than \$100;

(e) contributions from individuals under the age of eighteen years;

(f) contributions from individual vendors to whom the participating candidate or his or her principal committee makes an expenditure, in furtherance of the nomination for election or election covered by the candidate's certification, unless such expenditure is reimbursing an advance;

(g) contributions from lobbyists or other persons required to be included in a statement of registration filed pursuant to section 3-213(c)(1) or section 3-213(d). The board shall rely on the database maintained by the city clerk pursuant to section 3-221 or such other information known to the board to determine whether a contribution is not matchable based on the contributor's status as a lobbyist or person required to be included in a statement of registration filed pursuant to section 3-213; and

(h) contributions from contributors subject to the limitations of subdivision one-a of section 3-703 of this chapter.]

4. The term "qualified campaign expenditure" shall mean an expenditure for which [public] qualifying contributions and clean election campaign funds may be used.

5. The term "fund" shall mean the New York city clean election campaign finance fund.

6. The term "threshold for eligibility" shall mean the total amount of [matchable] qualifying contributions that a [participating] qualified candidate and his or her principal committee must receive in order for such candidate to qualify for [optional public financing] clean election funding pursuant to this chapter.

7. The term "authorized committee" shall mean a political committee which has been authorized by one or more candidates to aid or take part in the elections of such candidate or candidates and which has filed a statement that such candidate or candidates have authorized such political committee pursuant to section 14-112 of the election law.

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 New York state 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 New York state 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~~ three 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 a [participating] qualified candidate or his or her principal committee[, or a non-participating candidate or his or her authorized committees] other than in the regular course of the lender's business shall be deemed, to the extent not repaid by the date of the first covered election in which such candidate is governed by

this chapter following the date of the loan, a contribution by the lender. A loan made to a [participating] qualified candidate or his or her principal committee, or a non-participating candidate or his or her authorized committees in the regular course of the lender's business shall be deemed, to the extent not repaid by the date of the first covered election in which the candidate is governed by this chapter following the date of the loan, a contribution by the obligor on the loan and by any other person endorsing, cosigning, guaranteeing, collateralizing or otherwise providing security for the loan.

9. The term "transfer" shall mean any exchange of funds or any thing of value between political committees authorized by the same candidate pursuant to section 14-112 of the election law and taking part solely in his or her campaign.

10. The term "covered election" shall mean any primary, run-off primary, special, run-off special or general election for nomination for election, or election, to the office of mayor, public advocate, 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.

12. The term "intermediary" shall mean an individual, corporation, partnership, political committee, employee organization or other entity which, (i) other than in the regular course of business as a postal, delivery

or messenger service, delivers any contribution from another person or entity to a candidate or other authorized committee; or (ii) solicits contributions to a candidate or other authorized committee where such solicitation is known to such candidate or his or her authorized committee. For purposes of clause (ii) of this subdivision only persons clearly identified as the solicitor of a contribution to the candidate or his or her authorized committee shall be presumed to be known to such candidate or his or her authorized committee. "Intermediary" shall not include spouses, domestic partners, parents, children or siblings of the person making such contribution, or any fundraising agent, as such term is defined in the rules of the board or any hosts of a campaign sponsored fundraising event paid for in whole or in part by the campaign. Where there are multiple individual hosts for a non-campaign sponsored event, the hosts shall designate one such host as the intermediary.

13. The term ["limited participating candidate" shall mean a candidate who meets the requirements of paragraph (a) of subdivision one of section 3-718] "allowable contribution" shall mean a qualifying contribution or personal contribution permitted under the terms of this chapter.

14. The term "non-participating candidate" shall mean any candidate for nomination for election, or election, to the office of mayor, public advocate, comptroller, borough president or member of the city council who [does not file a written certification pursuant to section 3-703 or meet the requirements of paragraph (a) of subdivision one of section 3-718 of this chapter, or who has, or the authorized committees of such candidate have, made expenditures in furtherance of the nomination for election or election to an office covered] rejects clean election campaign financing and chooses to run in an election with campaign contributions raised from private sources, or who otherwise is ineligible or fails to qualify for clean election campaign financing. Non-participating candidates are ineligible to receive clean election campaign financing or other benefits as defined by this chapter.

[15. The term "labor organization" shall mean any organization including any local, state, district council, joint council or national organization which exists and is constituted for the purpose, in whole or in part, of collective bargaining, or of dealing with employers concerning grievances, terms or conditions of employment,

or of other mutual aid or protection. For purposes of this section a labor organization shall also include any political committee it has established pursuant to state or federal law.

16. The term "lobbyist" shall mean a lobbyist as defined in subdivision (a) of section 3-211 of this title and the spouse or domestic partner and unemancipated children of the lobbyist, and if the lobbyist is an organization, the term "lobbyist" shall mean only that division of the organization that engages in lobbying activities and any officer or employee of such lobbyist who engages in lobbying activities of the organization or is employed in an organization's division that engages in lobbying activities of the organization and the spouse or domestic partner and unemancipated children of such officers or employees.

17. The term "lobbying" or "lobbying activities" shall mean lobbying and lobbying activities as defined in section 3-211 of this title.

18. a. The term "business dealings with the city" shall mean (i) any contract (other than an emergency contract or a contract procured through publicly-advertised competitive sealed bidding) for the procurement of goods, services or construction that is entered into or in effect with the city of New York or any agency or entity affiliated with the city of New York and is valued at or above the dollar value defined in subparagraph (a) of paragraph (3) of subdivision i of section 6-116.2 of the administrative code, or, with respect to a contract for construction, at or above five hundred thousand dollars, or an emergency contract awarded pursuant to section 315 of the charter, and shall include any contract for the underwriting of the debt of the city of New York or any agency or entity affiliated with the city of New York and the retention of any bond counsel, disclosure counsel or underwriter's counsel in connection therewith; or (ii) any acquisition or disposition of real property (other than a public auction or competitive sealed bid transaction or the acquisition of property pursuant to the department of environmental protection watershed land acquisition program) with the city of New York or any agency or entity affiliated with the city of New York; or (iii) any application for approval sought from the city of New York pursuant to the provisions of section 195 of the charter, any application for approval sought from the city of New York that has been certified pursuant to the provisions of section 197-c of the charter, and any



application for a zoning text amendment that has been certified pursuant to section 201 of the charter; provided, however, that for purposes of this clause, with respect to section 195 an applicant shall include the lessor of an office building or office space, and with respect to section 197-c an applicant shall include a designated developer or sponsor of a project for which a city agency or local development corporation is the applicant and provided, further, however, that owner-occupants of one, two and three family homes shall not be considered applicants pursuant to this clause; or (iv) any concession (other than a concession awarded through publicly-advertised competitive sealed bid) or any franchise from the city of New York or any agency or entity affiliated with the city of New York which has an estimated annual value at or above the dollar value defined in subparagraph (a) of paragraph (3) of subdivision i of section 6-116.2 of the administrative code; or (v) any grant that is valued at or above the dollar value defined in subparagraph (a) of paragraph (3) of subdivision i of section 6-116.2 of the administrative code, received from the city of New York or any agency or entity affiliated with the city of New York; or (vi) any economic development agreement entered into or in effect with the city of New York or any agency or entity affiliated with the city of New York; or (vii) any contract for the investment of pension funds, including investments in a private equity firm and contracts with investment related consultants. In addition, for purposes of this chapter a lobbyist as defined in section 3-211 of this title shall be deemed to be engaged in business dealings with the city of New York during all periods covered by a registration statement. For purposes of clauses (i), (iv) and (v) of this subdivision, all contracts, concessions, franchises and grants that are five thousand dollars or less in value shall be excluded from any calculation as to whether a contract, concession, franchise or grant is a business dealing with the city. For purposes of clauses (ii) and (iii) of this subdivision, the department of city planning, in consultation with the board, may promulgate rules to require the submission by applicants to the city of information necessary to implement the requirements of subdivisions 1-a and 1-b of section 3-703 of this chapter as they relate to clauses (ii) and (iii) of paragraph (a) of this subdivision for purposes of inclusion in the doing business database established pursuant to subdivision 20 of this section. For purposes of this subdivision, “agency or entity affiliated with the city of New

York” shall mean the city school district of the city of New York and any public authority, public benefit corporation or not for profit corporation, the majority of whose board members are officials of the city of New York or are appointed by such officials. The department of housing preservation and development shall promulgate the rules setting forth which categories of actions, transactions and agreements providing affordable housing shall and shall not constitute business dealings with the city of New York for purposes of this subdivision. The department shall consider the significance of the affordable housing program and the degree of discretions by city officials in determining which actions, transactions and agreements shall and shall not constitute such business dealings. Notwithstanding any provision of this subdivision, a housing assistance payment contract between a landlord and the department of housing preservation and development or the New York city housing authority relating to the provision of rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, 42 USC 1437 et., seq., shall not constitute business dealings with the city of New York for the purposes of this subdivision.

b. Business dealings with the city as defined in this subdivision shall be as follows: for purposes of clause (i) of paragraph (a) of this subdivision, bids or proposals on contracts for the procurement of goods, services, or construction shall only constitute business dealings with the city of New York for the period from the later of the submission of the bid or proposal or the date of the public advertisement for the contract opportunity until twelve months after the date of such submission or advertisement, and contracts for the procurement of goods, services or construction shall only constitute business dealings with the city of New York during the term of such contract (or in the case of purchase contracts for goods, from the date of such purchase) and for twelve months thereafter, provided, however that where such contract award is made from a line item appropriation and/or discretionary funds made by an elected official other than the mayor or the comptroller, such contract shall only constitute business dealings with the city from the date of adoption of the budget in which the appropriation of such contract is included until twelve months after the end of the term of such contract; for purposes of clause (ii) of paragraph a of this subdivision, leases in which the city of New York is the proposed

lessee, shall only constitute business dealings with the city from the date the application for acquisition is filed pursuant to section 195 or the date of the certification of such application pursuant to section 197-c to a period of one year after the commencement of the lease term or after the commencement of any renewal and where the city or any city affiliated entity is disposing of any real property interest, shall only constitute business dealings with the city from the date of the submission of a proposal and during the term of any agreement and one year after; for purposes of clause (iii) of paragraph (a) of this subdivision, applications for approval sought from the city of New York pursuant to the provisions of sections 197-c or 201 of the charter, except for applications for leases as described in clause (ii), shall only constitute business dealings with the city from the date of the certification of such application to the date that is one hundred twenty days after the date of filing by the council with the mayor of its action pursuant to subdivision e of section 197-d of the charter or, in the case of a decision of the city planning commission for which the council takes no action pursuant to paragraph (3) of subdivision (b) of section 197-d of the charter, the date which is twenty days following the filing of such decision with the council pursuant to subdivision a of section 197-d of the charter, provided, however, that in the case of a disapproval of a council action by the mayor pursuant to subdivision e of section 197-d of the charter, such date shall be one hundred twenty days after expiration of the ten day period for council override pursuant to such section; for purposes of clause (iv) of paragraph (a) of this subdivision, bids or proposals for franchises and concessions shall only constitute business dealings with the city of New York for the period from the submission of the bid or proposal until twelve months after the date of such submission, concessions shall only constitute business dealings with the city of New York during the term of such concession and for twelve months after the end of such term, and franchises shall only constitute business dealings with the city of New York for the period of one year after the commencement of the term of the franchise or after the commencement of any renewal; for purposes of clause (v) of paragraph (a) of this subdivision, grants shall constitute business dealings with the city of New York for one year after the grant is made; for purposes of clause (vi) of paragraph (a) of this subdivision, economic development agreements shall constitute business

dealings with the city from the submission of an application for such agreement and during the term of such agreement and for one year after the end of such term; and for purposes of clause (vii) of paragraph (a) of this subdivision, contracts for the investment of pension funds, including the investments in a private equity firm and contracts with investment related consultants shall constitute business dealings with the city from the time of presentation of investment opportunity or the submission of a proposal, whichever is earlier, and during the term of such contract and for twelve months after the end of such term.

c. Notwithstanding anything in this subdivision, a person, as defined by subdivision 20 of section 3-702, who has submitted bids or proposals on contracts for the procurement of goods, services or construction or who has submitted bids or proposals for franchises or concessions that are no longer being considered for an award or a person who for any other reason believes he or she should not be on the database may apply to the city chief procurement officer or other person designated by the mayor for removal from the doing business database and shall be removed from the database upon a determination that said person should not be included in the database. The city chief procurement officer may promulgate rules for a process by which a person, as defined by subdivision 20 of section 3-702, may apply to the city chief procurement officer for a waiver from inclusion in the doing business database as defined by such subdivision in instances in which such person is providing essential goods, services or construction such as those necessary for security or other essential government operations. Such rules shall provide that the city chief procurement officer shall transmit to the board a copy of any application for a waiver and any such waiver may not be granted prior to the expiration of ten days from the date such application is received by the board. Such rules shall also provide that any such waiver may be granted only after substantial efforts have been made by the city chief procurement officer to obtain the information required by this law. Such rules shall also provide that the city chief procurement officer may grant the waiver only upon a finding that it is in the best interests of the city, which finding shall only be made upon a determination that (i) there is a compelling need to obtain such essential goods, services or construction from the person seeking the exemption and (ii) no other reasonable alternative exists in light of

such considerations as cost, uniqueness and the critical nature of such goods, services or construction to the accomplishment of the purchasing agency's mission. Such rules may also provide that a waiver may be granted when a person is doing business with the city by virtue of the city's exercise of its powers of eminent domain. Any grant of a waiver shall be posted on the city's and the board's website in locations that are accessible by the public.

d. A person, as defined by subdivision 20 of section 3-702, shall be considered to have business dealings with the city as of the date the person's name is entered in the doing business database, as such date is indicated in such database or the date the person began doing business with the city, as such date is indicated in such database, whichever is earlier, except that the date on which the person is considered doing business with the city shall not be earlier than thirty days before the date the person's name is entered into such database.

19. The term "economic development agreement" means any contract or agreement in which financial incentives including, but not limited to, tax incentives, payments in lieu of taxes and financing are offered in return for the development, attraction or retention of business; provided, however that no financial incentives which are given to a person who qualifies for such incentive by operation of law shall be deemed to be pursuant to an economic development agreement for purposes of this chapter.

20. The term "doing business database" means a computerized database accessible to the board that contains the names of persons who have business dealings with the city; provided, however, that for purposes of this chapter the doing business database shall not be required to contain the names of any person whose business dealings with the city are solely of a type for which the board has not certified that such database includes the names of those persons engaged in such type of business dealings with the city. Such database shall be developed, maintained and updated by the office of the mayor in a manner so as to ensure its reasonable accuracy and completeness; provided, however, that in no event shall such database be updated less frequently than once a month. Such computerized database shall contain a function to enable members of the public to determine if a given person is in the database because such person has business dealings with the city. For

purposes of this definition, the term “person” shall include an entity that has business dealings with the city, any chief executive officer, chief financial officer and/or chief operating officer of such entity or persons serving in an equivalent capacity, any person employed in a senior managerial capacity regarding such entity, or any person with an interest in such entity which exceeds ten percent of the entity provided, however, that “entity” for purposes of this definition shall not include a neighborhood, community or similar association consisting of local residents or homeowners organized on a non-profit basis where such association is the applicant pursuant to subsection (3) of subdivision (a) of section 197-c of the charter or pursuant to section 201 of the charter or is a parent company or an affiliated company of an entity. For purposes of this subdivision, the phrase “senior managerial capacity” shall mean a high level supervisory capacity, either by virtue of title or duties, in which substantial discretion and oversight is exercised over the solicitation, letting or administration of business transactions with the city, including contracts, franchises, concessions, grants, economic development agreements and applications for land use approvals.

21. a. For purposes of campaigns that accept public funds pursuant to section 3-705 of this chapter, the terms “expenditure” and “campaign expenditure” shall include all payments and liabilities in furtherance of a political campaign for covered office, including, but not limited to, all qualified campaign expenditures and expenditures subject to or exempt from the expenditure limitations of this chapter. There shall be a rebuttable presumption that the following expenditures are in furtherance of a political campaign for elective office; provided, however that the presumptions contained in this subdivision shall not apply to an expenditure to a person or entity associated with the candidate; and provided further that in rebutting any such presumption the campaign finance board may consider factors including the timing of the expenditure and whether the campaign had an unusually high amount of spending on a particular type of expenditure. For purposes of this subdivision a person or entity associated with a candidate shall include the candidate’s spouse, domestic partner, child, parent, or sibling, or a person or entity with whom the candidate has a business or other financial relationship:

1. Contributions to charitable organizations designated as 501(c)(3) organizations pursuant to the internal

revenue code;

2. Contributions to candidates and political committees subject to the provisions of section 3-705(8);
  3. Community events including, but not limited to, events hosted by civic and neighborhood associations; provided, however that this presumption shall not apply to sporting events, concerts, theater or other entertainment events which shall be subject to the provisions of paragraph b;
  4. Ballot proposal advocacy where there are indicia that the expenditure relates to the candidate;
  5. Travel related solely and exclusively to a political campaign for a covered office or the holding of public office; provided, however that any travel not related solely and exclusively to a political campaign or the holding of public office shall be subject to the provisions of paragraph b;
  6. Legal defense of a non-criminal matter arising out of a political campaign;
  7. Computer hardware, software and other office technology purchased more than two weeks before the date of a primary election, in the case of a candidate who is opposed in the primary election, or two weeks before the date of a general election, in the case of a candidate who was not opposed in a primary election;
  8. A post-election event for staff, volunteers and/or supporters held within thirty days of the election;
  9. Payment of non-criminal penalties or fines arising out of a political campaign;
  10. Costs incurred in demonstrating eligibility for the ballot or public funds payments or defending against a claim that public funds must be repaid; and
  11. Food and beverages provided to campaign workers and volunteers.
- b. Campaign funds shall not be converted by any person to a personal use which is unrelated to a political campaign. Expenditures not in furtherance of a political campaign for elective office include the following:
- 1 Expenditures to defray the normal living expenses of the candidate, immediate family of the candidate or any other individual except for the provision of such expenses for professional staff as part of a compensation package;
  2. Any residential or household items, supplies or expenditures;

3. Clothing, haircuts and other personal grooming;
  4. Funeral, cremation or burial expenses including any expenses related to a death within a candidate's or officeholder's family;
  5. Automobile purchases;
  6. Tuition payments and childcare costs;
  7. Dues, fees or gratuities at a country club, health club, recreational facility or other nonpolitical organization unless part of a specific fundraising event that takes place on the organization's premises;
  8. Admission to a sporting event, theater, concert or other entertainment event not part of a specific campaign activity;
  9. Expenditures for non-campaign related travel, food, drink or entertainment; if a candidate uses campaign funds to pay expenses associated with travel that involves both personal activities and campaign activities, the incremental expenses that result from the personal activities shall be considered for personal use unless the candidate benefiting from the use reimburses the campaign account within thirty days for the full amount of the incremental expenses; and
  10. Gifts, except for brochures, buttons, signs and other campaign materials and token gifts valued at not more than fifty dollars that are for the purpose of expressing gratitude, condolences or congratulations.]
15. The term "primary election campaign period" shall mean the period after the qualifying period ending on the primary day.
16. The term "general election campaign period" shall mean the period beginning the day after the primary and ending thirty days after the general election.
17. The term "independent expenditure" shall mean an expenditure by any person, political party or other entity other than a candidate or a candidate's authorized committee that is made for a communication that expressly advocates the election or defeat of a clearly identified candidate which is made without participation, cooperation, coordination or consultation with any candidate, candidate's committee or persons working on



behalf of a candidate. A person, political party or entity is presumed to be in cooperation or coordination with a candidate if they provide the candidate with anything of value, discuss demographics, polling or related campaign strategy with a candidate, any campaign consultant or agent, or engage in joint fundraising with the campaign; once any type of coordination is established, the period of coordination is presumed to be the entire campaign.

18. The term “qualifying period” shall mean the period during which qualified candidates collect qualifying contributions.

§ 3-703 Eligibility and other requirements. 1. To be eligible for [optional public financing] clean election funding 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, public advocate, comptroller, borough president or member of the city council in a primary, special, or general election and meet the threshold for eligibility set forth in subdivision two of this section;
- (c) choose to participate in the [public] clean election campaign 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, [. The deadline for filing such certification for a primary and general election shall be:
  - (i) the tenth day of June in the year of the covered election, or such other later date as the board shall provide, provided, however, that any candidate who files such written certification prior to such date shall be permitted to rescind such certification in writing on or before such date; or
  - (ii) the thirtieth day after a special election is held to fill a vacancy for the office sought by the candidate; whichever is later. The deadline for filing such certification for a special election to fill a vacancy shall be on the seventh day after the proclamation of such special election. A certification may be filed on or before the seventh day after the occurrence of an extraordinary circumstance in an election, as declared by the campaign

finance board, following the receipt and review of a petition submitted by a candidate in such election. For purposes of this paragraph, an "extraordinary circumstance" shall include the death of a candidate in the election, the resignation or removal of the person holding the office sought, and the submission to the board of a written declaration by an officeholder that terminates his or her campaign for reelection;] such certification to be filed with the board of elections as follows:

(i) the qualifying period shall commence on December first of the year prior to the election and end on July thirty-first of the year of the election;

(ii) candidates who qualify for funds automatically achieve ballot status and do not need to establish ballot status through the established petition process;

(iii) candidates who qualify for funds may begin drawing on such funds as of April first or five days after qualifying, whichever is later;

(iv) candidates who win a primary election shall receive funds within five days after the date of the primary;

(v) the qualification period in a special election shall begin the day the election is announced. Candidates shall have up to fourteen days before the date of the special election to collect qualifying contributions. The number of qualifying contributions shall be half of the number of contributions required in a general election. Funds shall be released to special election candidates within three days of submission of qualifying contributions;

(d) obtain and furnish to the campaign finance board and his or her principal committee or authorized committees must obtain and furnish to the 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, provided, however, that the board shall accept such required documentation through an electronically scanned transmission;

(e) notify the board in the candidate's written certification as to: (i) the existence of each authorized committee authorized by such candidate that has not been terminated, (ii) whether any such committee also has

been authorized by any other candidate, and (iii) if the candidate has authorized more than one authorized committee, which authorized committee has been designated by the candidate as the candidate's principal committee for the election(s) covered by the candidate's certification; provided, that such principal committee (i) shall be the only committee authorized by such candidate to aid or otherwise take part in the election(s) covered by the candidate's certification, (ii) shall not be an authorized committee of any other candidate, and (iii) shall not have been authorized or otherwise active for any election prior to the election(s) covered by the candidate's certification. The use of an entity other than the designated principal committee to aid or otherwise take part in the election(s) covered by the candidate's certification shall be a violation of this section and shall trigger the application to such entity of all provisions of this chapter governing principal committees;

(f) not accept and his or her principal committee or authorized committees must not accept, either directly or by transfer, any contribution or contributions from any one individual, partnership, political committee, labor organization or other entity for all covered elections held in the same calendar year in which he or she is a [participating] qualified candidate or a non-participating candidate except for:

(i) a qualified candidate may accept qualifying contributions as defined in subdivision three of section 3-702 and as limited in subdivision two of section 3-706;

(ii) a non-participating candidate may accept contributions which in the aggregate: ([i]A) for the office of mayor, public advocate or comptroller shall not exceed four thousand [five] nine hundred fifty dollars, or ([ii]B) for borough president, shall not exceed three thousand [five] eight hundred fifty dollars, or ([iii]C) for member of the city council, shall not exceed two thousand [five] seven hundred fifty dollars; provided that [a participating candidate and his or her principal committee or] a non-participating 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 New York state election law, special election to fill a vacancy, run-off special election to fill a vacancy, delayed or otherwise postponed election, 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 for the purposes of this paragraph, contributions made by different labor organizations shall not be aggregated or treated as contributions from a single contributor for purposes of the contribution limit that is set forth in this paragraph if those labor organizations make contributions from different accounts, maintain separate accounts with different signatories, do not share a majority of members of their governing boards, and do not share a majority of the officers of their governing boards; 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) maintain and his or her principal committee or authorized committees must maintain such records of receipts and expenditures for a covered election as required by the board;

(h) [not make expenditures from or use his or her personal funds or property or the personal funds or property jointly held with his or her spouse, domestic partner, or unemancipated children in connection with his or her nomination for election or election except as a contribution to his or her principal committee in an amount that does not exceed three times the maximum contribution amount applicable pursuant to paragraph (f) of this subdivision. Such candidate shall not make expenditures from or use other personal funds or property of his or her spouse, domestic partner or unemancipated children in connection with his or her nomination for election or election; provided that this paragraph shall not be construed to limit contributions by persons other than the candidate] agree to participate in at least two public debates with other qualified candidates prior to the date of a primary election and at least two debates with other qualified candidates prior to the date of a general or special election, except that qualified candidates for mayor, public advocate or comptroller must agree to participate in at least three public debates with other qualified candidates prior to the date of a general or special election. Such debates shall be established under regulations promulgated by the board of elections. If a candidate fails to participate in any debate required under this section before an election, the candidate shall be

liable for return of moneys previously received for use by the candidate to pay election campaign expenses and shall be ineligible to receive any further clean election campaign funds for that election. For purposes of this subdivision, each primary, general, special or run off election shall be considered a separate election;

(i) not make and his or her principal committee must not make expenditures which in the aggregate exceed the applicable expenditure limitations set forth in section 3-706;

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

(k) a non-participating candidate must not accept and his or her principal committee must not accept, either directly or by transfer, any contribution, loan, guarantee, or other security for such loan from any political committee for all covered elections held in the same calendar year in which he or she is a [participating] candidate, except as is otherwise provided for contributions by political committees pursuant to section 3-707 of this chapter; and

(l) not accept and his or her principal committee or authorized committees must not accept, either directly or by transfer, any contribution, loan, guarantee, or other security for such loan from any corporation, limited liability company, limited liability partnership or partnership, other than a corporation, limited liability company, limited liability partnership or partnership that is a political committee as defined in subdivision eleven of section 3-702 of this chapter, for all covered elections held in the same calendar year in which he or she is a [participating] qualified or non-participating candidate, provided, however, that where a contribution is from a contributor whose name is followed by a professional designation including but not limited to “M.D.”, “Esq.” and “C.P.A.” the board shall not treat such contribution as coming from a corporation, limited liability company, limited liability partnership or partnership in the absence of further indicia that such contribution is from such an entity;

(m) fulfill the requirements of section 12-110 of the administrative code of the city of New York, including payment of any penalties as determined by the conflicts of interest board.

(i) The conflicts of interest board shall provide a [participating] qualified candidate with a receipt indicating

proof of compliance with section 12-110 of the administrative code of the city of New York in such form as the conflicts of interest board shall determine. Such receipt as provided by the conflicts of interest board shall indicate the time and date of filing of the financial disclosure report.

(ii) A [participating] qualified candidate shall provide the campaign finance board with the receipt provided by the conflicts of interest board pursuant to subparagraph (i) of this paragraph, in such form and manner as the campaign finance board shall require, by the last business day of July in the year of the covered election, or such other later date as the campaign finance board shall provide by rule, except that in a special election to fill a vacancy the deadline for filing such receipt shall be established by campaign finance board rule.

(iii) A [participating] qualified candidate who fails to adhere to the requirements of subparagraph (ii) of this paragraph may thereafter satisfy the requirements of this paragraph by submitting a receipt in accordance with subparagraph (i) of this paragraph at such times and in such manner as provided by campaign finance board rule. The campaign finance board shall thereafter allow the [participating] qualified candidate to make a claim for public funds upon satisfying the requirements of this paragraph and all other applicable law, rules and regulations; provided, however that a receipt that is not filed timely pursuant to subparagraph (ii) of this paragraph may result in a delay of any payment of public funds by the board; and

(n) satisfy any claim made by the board for the payment of civil penalties or repayment of public funds that remains outstanding against such candidate or his or her principal committee or an authorized committee of such candidate from a prior covered election, if (i) the candidate had written notice of such potential claim and ineligibility to receive public funds prior to filing a written certification for the current covered election pursuant to paragraph (c) of this subdivision, or (ii) in the event no such timely notice has been given pursuant to subparagraph (i), the candidate has been given an opportunity to present to the board reasons he or she should be eligible to receive public funds; and

(o) agree that expenditures by his or her principal committee for the purpose of advocating a vote for or against a proposal on the ballot in an election that is also a covered election shall be subject to the contribution

and expenditure limitations applicable in such covered election.

{1-a. Notwithstanding any inconsistent provision of this section, a participating candidate or his or her principal committee may not accept, either directly or by transfer, any contribution or contributions for a covered election in which he or she is a participating candidate from a natural person who has business dealings with the city, as that term is defined in subdivision eighteen of section 3-702 of this chapter, if the aggregate of such contributions to such candidate from such person for all covered elections in the same calendar year exceeds: (i) for the office of mayor, public advocate or comptroller four hundred dollars; (ii) for borough president three hundred twenty dollars; and (iii) for member of the city council two hundred fifty dollars; provided that a participating candidate or his or her principal committee 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 New York state election law, special election to fill a vacancy, run-off special election to fill a vacancy, delayed or otherwise postponed election, or election held pursuant to court order which is a covered election and in which the candidate seeks nomination for election or election. Any contribution made pursuant to this section shall not be a matchable contribution. For purposes of this subdivision, “person” shall include any chief executive officer, chief financial officer and/or chief operating officer of an entity which has business dealings with the city, any person employed in a senior managerial capacity regarding such an entity, or any person with an interest in such an entity which exceeds ten percent of the entity. For purposes of this subdivision, the phrase “senior managerial capacity” shall mean a high level supervisory capacity, either by virtue of title or duties, in which substantial discretion and oversight is exercised over the solicitation, letting or administration of business transactions with the city, including contracts, franchises, concessions, grants, economic development agreements and applications for land use approvals. Notwithstanding any provision of this subdivision, the limitations on contributions contained herein shall not apply to any contribution made by a natural person who has business dealings with the city to a participating candidate or his or her principal committee where such participating candidate is the contributor,

or where such participating candidate is the contributor's parent, spouse, domestic partner, sibling, child, grandchild, aunt, uncle, cousin, niece or nephew by blood or by marriage.

1-b. Individuals and organizations having business dealings with the city of New York. a. Each participating candidate and his or her principal committee shall inquire of every individual or entity making, a contribution, loan, guarantee or other security for such loan in excess of the amounts set forth in subdivision 1-a of section 3-703, through a question, in a form prescribed by the campaign finance board, as to whether such individual, corporation, partnership, political committee, employee organization or other entity has business dealings with the city, as that term is defined in this chapter, and, if so, the name of the agency or entity with which such business dealings are or were carried on and the appropriate type or category of such business dealings. Such form shall contain in prominent typeface and in a prominent location the statement "If a contributor has business dealings with the City as defined in the campaign finance act, such contributor may contribute only up to two hundred fifty dollars for city council, three hundred twenty dollars for borough president and four hundred dollars for mayor, comptroller or public advocate." Upon receipt of the response to such inquiry (including any failure to respond), the principal committee shall keep a copy in its records and shall report each contribution to the board on the next applicable filing deadline in accordance with the board's disclosure schedule. The board shall check each contribution against the doing business database and shall notify the principal committee within twenty days of the reporting of such contribution if a contribution exceeding the doing business contribution limitation set forth in subdivision 1-a of section 3-703 is subject to such limitations of this subchapter or if a contribution is not matchable pursuant to such subdivision. Notwithstanding any provision in this subdivision, in the six weeks preceding the covered election the board shall provide such notification to the principal or authorized committee within three business days of the reporting of such contribution to the board in accordance with applicable reporting deadlines. If the board fails to notify the principal committee that a contribution is in excess of the limitations set forth in subdivision 1-a of section 3-703 of this chapter in accordance with this subdivision, any such contribution shall be deemed valid for



purposes of such limitation provided, however, that no such contribution shall be matchable. Such principal committee shall have twenty days from the date of any such notification to return the amount of any contribution in excess of the limitations set forth in subdivision 1-a of section 3-703 to the contributor. No violation shall issue and no penalty shall be imposed where such excess amount is postmarked or delivered within twenty days of such notification by the board and the board shall not designate a candidate as having accepted a contribution in excess of such limitations where such excess has been returned in accordance with the time limitations set forth herein. Failure to return such excess amount in accordance with the provisions herein shall not result in the board withholding public funds for which the participating candidate's principal committee is otherwise eligible pursuant to section 3-705 of this chapter; provided, however, that the board may deduct an amount equal to the total unreturned contributions in excess of the limitations set forth in subdivision 1-a of section 3-703 of this chapter from such payment of public funds. For purposes of this section, "individual" shall include any chief executive officer, chief financial officer, and/or chief operating officer of an entity or persons serving in an equivalent capacity, any person in a senior managerial capacity regarding an entity, or any person with an interest in an entity, which exceeds ten percent of the entity. For purposes of this subdivision, the phrase "senior managerial capacity" shall mean a high-level supervisory capacity, either by virtue of title or duties, in which substantial discretion and oversight is exercised over the solicitation, letting or administration of business transactions with the city, including contracts, franchises, concessions, grants, economic development agreements, and applications for land use approvals. Notwithstanding any other provision of this section, no participating candidate shall be liable for any fine or penalty for the failure of any contributor to respond to any such request or for any erroneous response.]

2. (a) For a candidate seeking the nomination of a political party, the number of qualifying contributions from the candidate's party must be equal to three percent of the voters registered in that party in that district or the minimum number of qualifying contributions needed, whichever is less. The threshold for eligibility for [public] clean election campaign funding for [participating] qualified candidates in a primary or general

election, or special election to fill a vacancy, shall be in the case of:

(i) mayor, [not less than two hundred fifty thousand dollars in matchable contributions comprised of sums of up to one hundred seventy-five dollars per contributor including at least one thousand matchable contributions of ten dollars or more] public advocate or city comptroller, must collect at least four thousand qualifying contributions from persons eligible to vote in New York City;

(ii) [public advocate and comptroller, not less than one hundred twenty-five thousand dollars in matchable contributions comprised of sums of up to one hundred seventy-five dollars per contributor including at least five hundred 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 matchable contributions comprised of sums of up to one hundred seventy-five dollars per contributor including at least one hundred matchable contributions of ten dollars or more from residents of the borough, or ten thousand dollars comprised of sums of up to one hundred seventy-five dollars per contributor, whichever is greater] must collect at least two thousand five hundred qualifying contributions from persons eligible to vote in that borough;

(i[v]ii) member of the city council, [not less than five thousand dollars in matchable contributions comprised of sums of up to one hundred seventy-five dollars per contributor including at least seventy-five matchable contributions of ten dollars or more from residents of the district in which the seat is to be filled] must collect at least five hundred qualifying contributions from persons eligible to vote in that city council 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, other than a special election to fill a vacancy, held in the same calendar year] In addition to the requirements of paragraph (a) of this subdivision, in order to be eligible for clean election campaign financing for the general elections, the candidate must have participated in the primary election and receive the highest number of votes of the candidates contesting the primary election from his or her respective party and have won the party's

nomination. This provision shall not apply to independent candidates, whose eligibility requirements are set forth in this section.

3. (a) In order to be eligible to receive public funds in a primary election a [participating] qualified 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, other than a special election to fill a vacancy, that he or she will be bound in each such other election by the eligibility requirements and all other provisions of this chapter.

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

4. Qualified [C] 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~~ clean election campaign funds for any election to such office held in the same calendar year other than a special election to fill a vacancy.

5. [Participating candidates who are seeking nomination or election exclusively as write-in candidates, who are unopposed in a covered election, or who are opposed in a covered election only by candidates seeking nomination or election exclusively as write-in candidates, shall not be eligible to receive public funds for such election.] (a) Except as outlined in paragraph (b) of this subdivision, qualified candidates who are unopposed in a covered election, or who are opposed in a covered election only by candidates seeking nomination or election exclusively as write-in candidates, shall be eligible to receive twenty percent of the full clean election campaign funds for such election, unless any such write-in candidate, under subdivision four of section 3-706, reports expenditures of greater than twenty percent of the full clean election campaign funds, in which case such qualified candidates shall receive the full clean election campaign funds for that election.

(b) Qualified candidates who are unopposed in a primary election where another party has a contested primary election for the same office shall be eligible to receive fifty percent of the full clean election campaign

funds for such primary election, unless a non-participating candidate in such contested primary, under subdivision four of section 3-706, reports expenditures of greater than one hundred ten percent of the full clean election campaign funds, in which case such qualified candidate shall receive fifty percent of additional funds that would be made available under subdivision three of section 3-706 in a contested election.

6. (a) Each [participating or limited participating] qualified candidate and his or her principal committee, and each non-participating candidate and his or her authorized committees shall report to the board every contribution, loan, guarantee, or other security for such loan received by the candidate and such committee, the full name, residential address, occupation, employer, and business address of each contributor, lender, guarantor, or provider of security and of each person or entity which is the intermediary for such contribution, loan, guarantee, or other security for such loan, and every expenditure made by the candidate and such committee, [including expenditures not subject to section 3-706]. Disclosure reports shall be submitted at such times and in such form as the board shall require and shall be clearly legible.

(b) Notwithstanding paragraph (a) above:

(i) an intermediary need not be reported for any qualifying contribution to a [participating or limited participating] qualified candidate and his or her [principal] authorized committee or for any contribution to a non-participating candidate and his or her authorized committees 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] three hundred dollars for a covered election or the aggregate contributions received from that contributor at such events exceed five hundred dollars;

(ii) 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, and all qualifying contributions from any one contributor to a qualified candidate, need not be separately itemized in disclosure reports submitted to the board on behalf of a [participating, or limited participating] qualified or non-participating candidate and his or

her principal committee or authorized committees[, provided, however, that contributions which are not itemized shall not be matchable];

(iii) 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 or any contributor making qualifying contributions to a qualified candidate or his or her authorized committee; [provided, however, such occupation, employer, and business address shall be disclosed if such contributors are employees of a participating or limited participating candidate or the spouse or domestic partner of such candidate or an entity in which such candidate, spouse or domestic partner has an ownership interest of ten percent or more or a management position, including, but not limited to, being an officer, director or trustee;] and

(iv) disclosure reports, other than reports required to be filed every six months in accordance with the schedule specified by the New York state board of elections, need not be submitted on behalf of a [participating or limited participating] qualified candidate and his or her authorized committee or a non-participating candidate and his or her authorized committees if the cumulative amount of contributions and loans accepted by such candidate and committee following the period covered in the last disclosure report submitted to the campaign finance board on behalf of such candidate is less than two thousand dollars or such higher amount as may be determined by the campaign finance board, provided, however, that disclosure reports shall be submitted on behalf of a [participating or limited participating] qualified candidate and his or her authorized committee or a non-participating candidate and his or her authorized committees if that candidate and his or her committee have made expenditures in excess of forty-five percent of the expenditure limitation applicable to [participating or limited participating] qualified candidates under section 3-706. The campaign finance board shall make available to the public a copy of disclosure reports within two business days after they are accepted by the board.

6-a. Any rules promulgated by the board to require that disclosure reports submitted pursuant to this chapter

be submitted in an electronic format shall provide exemptions for small campaigns, as defined by board rules, and for other campaigns that demonstrate that submission in an electronic format would pose a substantial hardship.

7. Not later than the first day of March in the year two thousand eighteen 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 two thousand fifteen of such consumer price index; (ii) adjust each maximum contribution applicable for non-participating candidates pursuant to paragraph (f) of subdivision one of this section by the amount of such percentage difference to the nearest fifty dollars; [and] (iii) adjust each disbursement amount of clean election campaign funds to qualified candidates by the amount of such percentage difference to the nearest fifty dollars; and (iv) 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. If a [participating or limited participating] qualified candidate and his or her [principal] authorized committee or a non-participating candidate and his or her authorized committees demonstrate 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 represent that such committee will not accept contributions, loans, or other receipts or make expenditures or transfers in a covered election, the [participating or limited participating] qualified candidate and his or her principal committee or non-participating candidate and his or her authorized committees 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 designated by the board for purposes of subdivision six of this section.

9. No political committee authorized by a [participating or limited participating] qualified or non-

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 a [participating or limited participating] qualified candidate and his or her [principal] authorized committee shall be deposited in an account of the [principal] authorized committee. All receipts accepted by a non-participating candidate and his or her authorized committees shall be deposited in an account of the authorized committees. The treasurer of the principal committee or authorized committee shall be responsible for making such deposits. All deposits shall be made within ten business days of receipt; provided, however, that deposits of contributions made in the form of checks received by a [participating or limited participating or] non-participating candidate and his or her committees for the office of city council more than one year before the first covered election for which such candidate is seeking nomination or election may be made within twenty 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] qualified candidate demonstrates eligibility for optional public financing under this chapter, a [participating] qualified candidate and his or her principal committee are nonetheless required to abide by the requirements of paragraphs (d), (e), (f), (g), ~~(h)~~, (i), (k) and (l) of subdivision one of this section.

12. [(a) Each participating candidate or limited participating candidate for nomination for election, or election, or the principal committee of such candidate, shall submit, in a contemporaneous manner, the disclosure reports required pursuant to this chapter, filed in accordance with the schedule specified by the state board of elections for the filing of campaign receipt and expenditure statements, and such other disclosure reports as the rules of the board may require, in order for any contributions received during the periods covered by such reports and prior to the last date upon which such candidate may file a certification pursuant to paragraph (c) of subdivision one of this section to qualify as matchable contributions.

(b) The board shall review each disclosure report timely submitted by a candidate prior to the last date upon

which such candidate may file a certification pursuant to paragraph (c) of subdivision one of this section, or subdivision one of section 3-718, and issue to the candidate a review before the next disclosure report is due. Such review shall inform the candidate of relevant questions the board has concerning the candidate's: (i) compliance with requirements of this chapter and of the rules issued by the board; and (ii) qualification for receiving public funds pursuant to this chapter. In the course of this review, the board shall give candidates an opportunity to respond to and correct potential violations, before the deadline for filing a certification pursuant to paragraph (c) of subdivision one of this section, or subdivision one of section 3-718, and give candidates an opportunity to address questions the board has concerning their matchable contribution claims or other issues concerning eligibility for receiving public funds pursuant to this chapter; provided, however, this paragraph shall not apply to the last required disclosure report before the deadline for filing a certification pursuant to paragraph (c) of subdivision one of this section or subdivision one of section 3-718. Nothing in this paragraph shall preclude the board from subsequently reviewing such disclosure reports and taking any action otherwise authorized under this chapter.

13. Candidates who file a certification pursuant to subdivision one of this section shall not be eligible to file a certification pursuant to section 3-718, and candidates who file a certification pursuant to section 3-718 shall not be eligible to file a certification pursuant to subdivision one of this section.

14. (a) Transfers that a principal committee receives from a political committee (other than another principal committee) at any time during an election cycle shall:

(i) be attributed to previous contributions in accordance with the duly promulgated rules of the campaign finance board applicable to such transfer or use;

(ii) exclude an amount equal to the total of:

(A) such previous contributions, or portions thereof, that violate the limitations, restrictions, or prohibitions of the charter and this chapter applicable in the covered election for which the principal committee is designated; and



(B) such previous contributions, or portions thereof, for which the principal committee has not obtained and submitted to the board, prior to receipt of the transfer, evidence of the contributor's intent to designate the contribution for such covered election, and any other record, as determined by the rules of the board; and

(iii) not be matchable.

(b) Each transfer, the contributions to which the transfer is attributed, and all expenditures made in connection with such contributions shall be reported to the board in the next disclosure report due pursuant to this section 3-703 after the transfer is received. These expenditures shall, at a minimum, include all expenditures made by the political committee making the transfer during the election cycle of the covered election. The board shall issue instructions defining the circumstances in which such disclosure reports shall also include additional expenditures made by other political committees authorized by the participating candidate that originally received such contributions and additional expenditures made prior to such election cycle. Such expenditures shall be applied to the expenditure limit applicable under 3-706.

(c) Participating candidates shall have the burden of demonstrating that expenditures reported pursuant to paragraph (b) of this subdivision are not subject to the expenditure limit applicable under section 3-706 and are not a basis for reducing public funds payments pursuant to subdivision eight of section 3-705 of this chapter.

(d) Nothing in this subdivision is intended to modify or supersede any federal law that prohibits or otherwise restricts the use of campaign or donated funds by political committees, candidates or federal officeholders.

15. Participating] Qualified candidates, their campaign managers, treasurers or persons with significant managerial control over a campaign shall be required to attend a training provided by the campaign finance board concerning compliance with the requirements of the campaign finance program and use of the campaign finance program software.

§ 3-704 Qualified campaign expenditures. 1. [Public] Qualifying contributions and clean election campaign funds provided under the provisions of this chapter may be used only for expenditures by a principal committee to further the participating candidate's nomination for election or election, either in a special election to fill a

vacancy, or during the calendar year in which the primary or general election in which the candidate is seeking nomination for election or election is held.

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, domestic partner, child, grandchild, parent, grandparent, brother or sister of the candidate or spouse or domestic partner 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, except that such expenditures may be made:

(A) as otherwise permitted pursuant to subdivision seven of section 3-709 of this chapter, or

(B) for a different covered election, other than a special election to fill a vacancy, held later in the same calendar year in which the candidate seeks election for the same office; provided, however, that public funds originally received for a special election to fill a vacancy may not be retained for expenditure in any other election];

(ii) any expenditure made after the only remaining opponent of 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[, except that such expenditures may be made for a different covered election, other than a special election to fill a vacancy, held later in the same calendar year in which the candidate seeks election for the same office; provided, however, that public funds originally received for a special election to fill a vacancy may not be retained for expenditure in any other election];

- (e) payments in cash, except as prescribed in subdivision fifteen of section 3-709 of this chapter;
- (f) any contribution, transfer, or loan made to another candidate or political committee;
- (g) gifts, except brochures, buttons, signs and other printed campaign material, or except for reasonable expenses for a post-election celebration held within thirty days after the final election in which the qualified candidate participates in any calendar year;
- (h) [any expenditures to challenge or defend the validity of petitions of designation or nomination, or of certificates of nomination, acceptance, authorization, declination, or substitution, and expenses related to the canvassing of election results, made pursuant to subdivision four of section 3-706;]
- [(i)] an expenditure made primarily for the purpose of expressly advocating a vote for or against a ballot proposal, other than expenditures made also to further the [participating] qualified candidate's nomination for election or election; or
- (j) payment of any penalty or fine imposed pursuant to federal, state or local law.; or
- (k) payments made through advances, except in the case of individual purchases in excess of two hundred fifty dollars.]

§ 3-705 Optional [public] clean election campaign financing. Each [participating] qualified candidate for nomination for election or election in a covered election may obtain payment [to his or her principal committee from public] to the authorized committee designated by such candidate pursuant to this chapter from clean election campaign funds for qualified campaign expenditures, in accordance with the provisions of this chapter, and subject to appropriation.

1. No such [public] clean election campaign funds shall be paid to a principal committee unless the board determines that the [participating] qualified candidate has 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 [participating] qualified candidate's [principal] authorized 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. (a) If the threshold for eligibility is met, the participating candidate's principal committee shall receive payment for qualified campaign expenditures of six dollars for each one dollar of matchable contributions, up to one thousand fifty dollars in public funds per contributor (or up to five hundred twenty-two dollars in public funds per contributor in the case of a special election), obtained and reported to the campaign finance board in accordance with the provisions of this chapter.

(b) Except as otherwise provided in subdivision three of section 3-706, in no case shall the principal committee of a participating candidate receive public funds pursuant to paragraph (a) above in excess of an amount equal to fifty-five percent 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.

(c) No funds shall be provided pursuant to this subdivision with respect to any covered election specified in subdivision five of this section.] A qualified candidate seeking or obtaining nomination for election by more than one party shall be deemed one candidate, and shall not receive additional clean election campaign 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 of this chapter or make additional expenditures by reason of such candidate seeking or obtaining nomination for election by more than one party.

3. [A participating candidate seeking or obtaining nomination for election by more than one party shall be deemed one candidate, and shall not 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 three 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.

4. The campaign finance board shall make possible payment within four business days after receipt of reports of matchable contributions, or as soon thereafter as is practicable, but not earlier than the earliest dates for making such payments as provided in subdivisions five and six of section 3-709; provided, however, that the board shall withhold up to five percent of all public funds payments to participating candidates until the final pre-election payment for any given election. The board shall schedule a minimum of three payment dates within the thirty days prior to a covered election. For purposes of such payment dates, the board shall provide each candidate with a written determination specifying the basis for any non-payment. The board shall provide candidates with a process by which they may immediately upon receipt of such determination petition the board for reconsideration of any such non-payment and such reconsideration shall occur within five business days of the filing of such petition. In the event that the board denies such petition then it shall immediately notify the candidate of his or her right to bring a special proceeding pursuant to article 78 of the civil practice law and rules.

5. (a)] Notwithstanding any other provision of this chapter, [a participating candidate in a run-off primary election held pursuant to section 6-162 of the New York state election law or a run-off special election to fill a vacancy] if there is an additional day for voting held pursuant to state law or court order, a qualified candidate in such election shall obtain ~~prompt~~ payment for qualified campaign expenditures in an amount equal to twenty-five cents for each one dollar of [public] clean election campaign funds paid pursuant to this chapter to the candidate's principal committee for the preceding election. Except as provided by this subdivision, no additional clean election campaign funds shall be provided to any candidate for such election or additional day for voting.

[(b) The board shall promulgate rules to provide for the prompt issuance of additional public funds to eligible participating candidates for qualified campaign expenditures in the case of an additional day for voting

held pursuant to section 3-108 of the New York state election law, an election held pursuant to court order, or a delayed or otherwise postponed election.

(c) Except as provided for by this subdivision and any rules promulgated hereby, no public funds shall be provided to any candidate for any run-off primary election, run-off special election to fill a vacancy, additional day for voting, election held pursuant to court order, or delayed or otherwise postponed election.

6. Notwithstanding any other provision of this chapter to the contrary, to protect the public fund from disproportionately large payments when the number of voters eligible to vote in a primary election is small, the board shall adopt rules setting a reduced maximum primary election public funds payment for participating candidates on the ballot in one or more primary elections in which the number of persons eligible to vote for party nominees total fewer than such number as shall be specified by the board in such rules, if any. Any such rules shall not apply to participating candidates opposed in a primary election by one or more participating candidates who are not subject to such reduced maximum primary election public funds payment or by a non-participating candidate who makes expenditures in excess of a specified amount for such primary election, as determined by the board.

7. Notwithstanding any provision of this section to the contrary, the amount of public funds payable to a participating candidate on the ballot in any covered election shall not exceed one quarter of the maximum public funds payment otherwise applicable under subdivision two of this section, unless:

(a) the participating candidate is opposed by a candidate and the board has determined that such other 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 one-fifth of the applicable expenditure limit for such office fixed by subdivision one of section 3-706 of this chapter for participating candidates; or

(b) the participating candidate has submitted a certified signed statement attesting to the need and stating the reason for additional public funds in such election, in which case the board shall publish such statement at the

time such additional public funds are paid, including on the board's internet website. Such statement must certify that (i) one or more of the following conditions apply and (ii) such condition or conditions reasonably demonstrate the need for such public funds and the participating candidate must provide documentation demonstrating the existence of such condition or conditions:

(1) the participating candidate is opposed by (i) a non-participating candidate or (ii) a limited participating candidate, and provides a factual basis with supporting documentation of such candidate's ability to self finance;

(2) the participating candidate is opposed by a candidate who has received (i) the endorsement of a citywide or statewide elected official or a federal elected official representing all or a portion of the area covered by the election; (ii) two or more endorsements from other city elected officials who represent all or a part of the area covered by the election; or (iii) endorsements of one or more membership organizations with a membership of over 250 members;

(3) the participating candidate is opposed by a candidate who has had significant media exposure in the twelve months preceding the election. For purposes of this paragraph, significant media exposure shall mean appearance of the opponent or his or her name on television or radio in the area of the covered election or in print media in general circulation in the area of the covered election at least twelve times in the year preceding the covered election; provided, however that the listing of names of candidates or potential candidates for a covered election without additional information concerning the opponent shall not constitute an appearance for purposes of this paragraph;

(4) the participating candidate is opposed by a candidate who has received twenty-five percent or more of the vote in an election for public office in an area encompassing all or part of the area that is the subject of the current election in the last eight years preceding the election;

(5) the participating candidate is opposed by a candidate whose name is substantially similar so as to result in confusion among voters, as determined by the board;

(6) the participating candidate in a city council or borough-wide race is opposed by a candidate who is a chairman or president of a community board or district manager of a community board;

or

(7) the participating candidate is opposed by a candidate whose spouse, domestic partner, sibling, parent or child holds or has held elective office in an area encompassing all or part of the area of the covered election in the past ten years.

The board shall be authorized to verify the truthfulness of any certified statement submitted pursuant to this paragraph and of any supporting documentation and shall post such certified statements and supporting documentation on its website.

(c) the participating candidate is opposed in a primary or special election for an office for which no incumbent is seeking re-election.

If any of the conditions described in paragraphs (a), (b), or (c) occur in such election, the board shall pay any and all additional public funds due to the participating candidate up to the maximum total payment applicable in such election under subdivisions two or six of this section or subdivision three of section 3-706 of this chapter.

8. Contributions by a principal committee of a participating candidate to other political committees shall not be a basis for reducing public funds payments, provided that: (a) such principal committee has received contributions (other than matchable contributions) that, in the aggregate, exceed the total of such contributions to other political committees and (b) such contributions in the aggregate do not exceed:

(i) three thousand dollars, if such principal committee is the principal committee of a participating candidate seeking nomination for election or election to the office of member of the city council;

(ii) five thousand dollars, if such principal committee is the principal committee of a participating candidate seeking nomination for election or election to the office of borough president; and

(iii) ten thousand dollars, if such principal committee is the principal committee of a participating candidate



seeking nomination for election or election to a city-wide office.

9. If a participating candidate endorses or publicly supports his or her opponent for election, such candidate shall not be eligible for public funds.

10. A participating candidate who loses in the primary election but remains on the ballot for the general election must certify to the board that he or she will actively campaign for office; such campaign activity shall include, but not be limited to, raising and spending funds, seeking endorsements and broadly soliciting votes.]

§ 3-706 Receipt and [E]expenditure[s] limitations; additional financing and limits. 1. The following limitations apply to all receipts made from a clean election campaign fund and all expenditures made by a qualified candidate and his or her [principal] authorized committee, except for qualifying contribution receipts and expenditures allowed under this chapter, [on or after the first day of January preceding the] for an election for which such candidate chooses to participate in the [public] clean election campaign 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 two of this section, in each general and primary election, [in each special election to fill a vacancy, and in each general election,] receipts from a clean election campaign fund and expenditures by a [participating candidate or a limited participating] qualified candidate and his or her [principal] authorized committee for one of the following offices shall not exceed the following amounts:

[mayor:	\$6,158,000
public advocate or comptroller:	\$3,850,000
borough president:	\$1,386,000
member of the city council:	\$ 161,000]

<u>Office</u>	<u>General Election</u>	<u>Primary Election</u>
<u>Mayor</u>	<u>\$4,000,000</u>	<u>\$4,000,000</u>
<u>Public Advocate</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
<u>Comptroller</u>	<u>\$2,000,000</u>	<u>\$2,000,000</u>
<u>Borough President</u>	<u>\$750,000</u>	<u>\$750,000</u>
<u>City Council Member</u>	<u>\$100,000</u>	<u>\$100,000</u>

(b) [(i) The expenditure limitation in a run-off primary election held pursuant to section 6-162 of the New York state election law or a run-off special election held to fill a vacancy 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.

(ii) The board shall promulgate rules to provide for a separate expenditure limit applicable to campaign expenditures for an additional day for voting held pursuant to section 3-108 of the New York state election law, an election held pursuant to court order, or a delayed or otherwise postponed election.

(c) Expenditures by participating or limited 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 two thousand ten] following the general election after this paragraph has taken effect, 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 [two thousand seven] next succeeding the year in which this paragraph shall have taken effect of such consumer price index; (ii) adjust each expenditure limitation applicable either pursuant to this subdivision [or subdivision 2 of this section] 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 qualified contribution limitations apply to [all expenditures made by a participating or a limited participating] each qualified candidate and his or her [principal] authorized committee [in the three calendar years preceding the year of the election] during the entire qualifying period and calendar year in [for] which such candidate chooses to [file a certification as a participating or limited participating candidate pursuant to] participate in the clean election campaign 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~~ during such [calendar years] period. Such [expenditures] qualifying contributions by a [participating or limited participating] qualified candidate for one of the following offices and his or her [principal] authorized committee shall not exceed the following amounts:

[mayor, public advocate or comptroller: \$290,000

borough president: \$129,000

member of the city council: \$ 43,000]

Mayor \$75,000

Public Advocate \$50,000

Comptroller \$50,000

Borough President \$25,000

City Council Member                      \$12,500

If a qualified candidate or his or her authorized committee should raise more than the limitations set forth in this subdivision, the amount of clean election funds such qualified candidate and his or her authorized committee shall receive shall be reduced by the amount by which such limitations are exceeded.

[2-a. (a) If the expenditures made by a candidate and his or her principal committee subject to the expenditure limitation of subdivision two of this section exceed the amount of the expenditure limitation applicable under such subdivision, such candidate or his or her principal committee 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 or his or her principal committee pursuant to subdivision one of this section; and further provided that the amount of the expenditure limitation which next applies to such candidate or his or her principal committee, 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) Nothing contained in paragraph (a) 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 the principal committee;

(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 three of this section.

3. (a) If any candidate in any covered election chooses not to file a certification as a participating or limited participating candidate pursuant to 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, then:

(i) such expenditure limit applicable to participating candidates and limited participating candidates in such election for such office shall be increased to one hundred fifty percent of such limit;

(ii) the principal committees of such participating candidates shall receive payment for qualified campaign expenditures of five dollars for each one dollar of matchable contributions, up to one thousand two hundred fifty dollars in public funds per contributor (or up to six hundred twenty five dollars in public funds per contributor in the case of a special election); provided, however, that (A) participating candidates in a run-off election shall receive public funds for such election pursuant to subdivision five of section 3-705 and shall not receive any additional public funds pursuant to this section, and (B) in no case shall a principal committee receive in public funds an amount exceeding two-thirds of the expenditure limitation provided for such office in subdivision one of this section; and

(iii) for elections occurring on or after January first, two thousand eight, the campaign finance board shall promulgate rules to provide that the principal committees of such participating candidates shall receive payment for qualified campaign expenditures that will provide the highest allowable matchable contribution to be matched by an amount up to one thousand two hundred fifty dollars in public funds per contributor (or up to six hundred twenty five dollars in public funds per contributor in the case of special election); provided, however, that (A) participating candidates in a run off election shall receive public funds for such election pursuant to subdivision five of section 3-705 and shall not receive any additional public funds pursuant to this section, and (B) in no case shall a principal committee receive in public funds an amount exceeding two-thirds of the expenditure limitation provided for such office in subdivision one of this section.

(b) If any candidate in any covered election chooses not to file a certification as a participating or limited participating candidate pursuant to 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 three times the applicable expenditure limit for such office fixed by subdivision one of this section, then:

(i) such expenditure limit shall no longer apply to participating candidates and limited participating candidates in such election for such office;

(ii) the principal committees of such participating candidates shall receive payment for qualified campaign expenditures of six dollars for each one dollar of matchable contributions, up to one thousand five hundred dollars in public funds per contributor (or up to seven hundred fifty dollars in public funds per contributor in the case of a special election); provided, however, that (A) participating candidates in a run-off election shall receive public funds for such election pursuant to subdivision five of section 3-705 and shall not receive any additional public funds pursuant to this section, and (B) in no case shall a principal committee receive in public funds an amount exceeding one hundred twenty-five percent of the expenditure limitation provided for such office in subdivision one of this section; and

(iii) for elections occurring after January first, two thousand eight, the campaign finance board shall promulgate rules to provide that the principal committees of such participating candidates shall receive payment for qualified campaign expenditures that will provide the highest allowable matchable contribution to be matched by an amount up to one thousand five hundred dollars in public funds per contributor (or up to seven hundred fifty dollars in public funds per contributor in the case of special election); provided, however, that (A) participating candidates in a run-off election shall receive public funds for such election pursuant to subdivision five of section 3- 705 and shall not receive any additional public funds pursuant to this section, and (B) in no case shall a principal committee receive in public funds an amount exceeding one hundred twenty-five percent of the expenditure limitation provided for such office in subdivision one of this section.]  
Additional funds from the fund shall be awarded to a qualified candidate when the total of campaign expenditures by non-participating candidates who oppose a qualified candidate or in support of the qualified candidate's opponent, exceeds one hundred ten percent of the spending limits established in subdivision one of

this section. An additional dollar shall be awarded for each dollar in excess of one hundred ten percent of the limit, up to a total of four hundred percent of said expenditure limits.

4. [(a) Expenditures made for the purpose of: (i) bringing or responding to any action, proceeding, claim or suit before any court or arbitrator or administrative agency to determine a candidate's or political committee's compliance with the requirements of this chapter, including eligibility for public funds payments, or pursuant to or with respect to election law or other law or regulation governing candidate or political committee activity or ballot status, (ii) expenses to challenge or defend the validity of petitions of designation or nomination or certificates of nomination, acceptance, authorization, declination or substitution, and expenses related to the canvassing or re-canvassing of election results, and (iii) expenses related to the post-election audit shall not be limited by the expenditure limitations of this section.] Non-participating candidates and persons or committees making independent expenditures shall comply with all reporting requirements for political committees, and in addition shall, beginning nine weeks for the date of any primary election or seven weeks before a general election and every two weeks thereafter until three weeks before the election, report any and all expenses and obligations to make expenditures made to that date, and in addition shall, three weeks before the date of the election, report any and all expenditures expected to be made on the election and may not spend any amounts not so reported unless the total reported shall exceed four hundred ten percent of the limit for qualified candidates.

5. In addition to any other provision of this chapter limiting or qualifying or defining a qualified campaign expenditure, the following expenditures shall be deemed independent expenditures for the purpose of this chapter:

(a) Any written or broadcast advertisement distributed within ninety days prior to a primary, general or special election in which a candidate's name or a candidate's political party is included shall be deemed a campaign expenditure; and

(b) Any advertisement distributed within ninety days prior to a primary, general or special election which, as

indicated by its timing, placement, message, context or other objective and apparent message or other criteria which in the opinion of the board of elections is intended to influence the outcome of such election shall be deemed a campaign expenditures.

6. Any person or committee who distributes an advertisement which includes the name of a candidate nominated for a primary, general or special election shall comply with all of the disclosure requirements imposed on political committees pursuant to this chapter.

7. Any expenditure made by a membership organization, as defined by the federal election commission, to a member in good standing of such organization shall not be deemed to be a campaign expenditure but the amount thereof shall be disclosed in the same manner as a campaign expenditure is disclosed pursuant to this chapter.

§ 3-707 Voluntary registration by political committees. 1. [Participating] A qualified candidate and his or her authorized committee[s] may not accept contributions from political committees that choose to register with the board, as provided in this section. The board shall issue rules providing for such registration. A non-participating candidate may accept such contributions, but s[S]uch contributions may not exceed the amount applicable under paragraph (f) of subdivision one of section 3-703 of this chapter. The board shall regularly publish a cumulative list of political committees that have registered, including on the internet and in periodic mailings to candidates.

[2. It is the responsibility of the participating candidate to determine whether he or she may accept a contribution pursuant to this section. A participating candidate who receives a contribution from a political committee that has not registered with the board prior to making the contribution shall either return the contribution to the contributor or pay to the fund an amount equal to the amount of the contribution, unless the political committee registers with the board within ten days after the publication of the next subsequent list of registered political committees by the board following the date the contribution is received.]

§ 3-708 Campaign finance board. 1. There shall be a campaign finance board consisting of five members.



Two members of the board shall be appointed by the mayor, provided that not more than one such member shall be enrolled in any one political party, and two members shall be appointed by the speaker of the council, provided that not more than one such member shall be enrolled in any one political party, and one member, who shall be the chairperson, shall be appointed by the mayor after consultation with the speaker. The members shall first be appointed to serve as follows:

- (a) one member appointed by the speaker for a term of one year;
- (b) one member appointed by the mayor for a term of two years;
- (c) one member appointed by the speaker for a term of three years;
- (d) one member appointed by the mayor for a term of four years; and
- (e) the chairperson for a term of five years.

(b) Each term shall commence on April first, nineteen hundred eighty-eight. Thereafter, each member shall be appointed for a term of five years by the mayor or the speaker, according to the original manner of appointment.

In case of a vacancy in the office of a member, a member shall be appointed to serve for the remainder of the unexpired term by the mayor or the speaker, according to the original manner of appointment. In the case of a vacancy in the office of a member for which a member is holding over after expiration of the term for which the member was appointed, an appointment to such office made after June 1 in a year in which covered elections are scheduled shall not take effect prior to December 1 of that calendar year. Each member shall be a resident of the city, registered to vote therein. Each member shall agree not to make contributions to any candidate for nomination for election, or election, to the office of mayor, public advocate, comptroller, borough president or member of the council which in the aggregate are in excess of the maximum contribution applicable to such office pursuant to paragraph (f) of subdivision one of section 3-703. No member shall serve as an officer of a political party or be a candidate or participate in any capacity in a campaign by a candidate for nomination for election or election to the office of mayor, public advocate, comptroller, borough president or member of the

city council. Officers and employees of the city or any city agency, lobbyists required to file a statement of registration under section 3-213 and the employees of such lobbyists shall not be eligible to be members of the board. In appointing members to the board, the mayor and the speaker shall consider campaign experience in general and particularly campaign experience with the New York city campaign finance system. Members of the board shall be required to undergo training developed pursuant to paragraph 14 of subdivision a of section 1052 of the charter.

2. The members of the board shall be compensated at the rate of one hundred dollars per calendar day when performing the work of the board.

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 candidates and prospective candidates in covered elections, for the purpose of promoting understanding of, participation in, and compliance with the requirements of the provisions of this chapter.

4. No member of the campaign finance board shall be removed from office except for cause and upon notice and hearing.

5. The board shall have the power to investigate all matters relating to the performance of its functions and any other matter relating to the proper administration of this chapter and for such purposes shall have the power to require the attendance and examine and take the testimony under oath of such persons as it shall deem necessary and to require the production of books, accounts, papers and other evidence relative to such investigation.

6. The board shall publicize, as it deems appropriate, the names of candidates for nomination or election to the offices of mayor, public advocate, comptroller, borough president, or city council who violate any of the provisions of this chapter.

7. (a) The board shall render advisory opinions with respect to questions arising under this chapter upon the

written request of a candidate, an officer of a political committee or member of the public, or upon its own initiative. The board shall promulgate rules regarding reasonable times to respond to such requests. The board shall make public the questions of interpretation for which advisory opinions will be considered by the board and its advisory opinions, including by publication on its internet website.

(b) 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. When disclosure reports are generated by use of the board's disclosure software, the board shall provide an opportunity for candidates to test their electronic filings on any of the three business days prior to the deadline for the filing of such disclosure reports. Any disclosure software issued by the board on or after January 1, 2008 shall enable users to meet their electronic disclosure obligations under this chapter and under article 14 of the election law, as amended by chapter 406 of the laws of 2005.

8. The board shall have the authority to promulgate such rules and regulations and provide such forms as it deems necessary for the administration of this chapter. The board shall promulgate regulations concerning the form in which contributions and expenditures are to be reported, the periods during which such reports must be filed and the verification required. The board shall require the filing of reports of contributions and expenditures for purposes of determining compliance with paragraph (f) of subdivision one of section 3-703, section 3-706, subdivision 1-a of section 3-703, and section 3-718, [and section 3-719,] in accordance with the schedule specified by the state board of elections for the filing of campaign receipt and expenditure statements.

9. The board shall develop a computer data base that shall contain all information necessary for the proper administration of this chapter including information on contributions to and expenditures by candidates and their authorized committees and distributions of moneys from the campaign finance fund. Such data base shall

be accessible to the public.

10. The board shall have the authority to implement any system established for the regulation of inauguration and transition donations and expenditures including the promulgation of rules and regulations and the imposition of any penalties related thereto, as required by local law. The specific powers enumerated in subdivisions 5, 6, 7, 8, 9 and 11 of this section, for purposes of this chapter, shall also be applicable in full for purposes of such chapter 8.

11. The board may take such other actions as are necessary and proper to carry out the purposes of this chapter.

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

2. The fund shall be kept separate and shall be credited with all sums appropriated therefor, any donations received pursuant to subdivision nine of this section, [and] all earnings accruing on such funds and any monies realized from the provisions of subdivisions seven, nine and ten of this section and subdivision three of section 3-710 of this chapter.

3. As soon as practicable in the year nineteen hundred eighty-eight and in time for inclusion in the executive expense budget in every year thereafter, and at such other times as the board shall deem necessary, the board shall submit its estimate of the amount of public funds which will be necessary to provide candidates sufficient financing for elections in the next year in which elections are scheduled pursuant to the charter and for elections to fill vacancies to be held prior to such year, and a reserve for contingencies. Such estimates shall be submitted in such manner and at such times as to assure that such amounts as shall be necessary may be appropriated in full by the beginning of the fiscal year prior to that in which elections are scheduled pursuant to the charter and that additional amounts may be appropriated as necessary.

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

5. No moneys shall be paid to [participating] qualified candidates in a primary election any earlier than [two weeks after the last day to file designating petitions for such primary election] than April 1 of the year in which such primary election shall take place, and in a general election any earlier than the day after the day of the primary election held to nominate candidates for such election.

6. (a) No moneys shall be paid to [participating] qualified candidates in a run-off 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.

(b) No moneys shall be paid to [participating] qualified candidates in a run-off special election held to fill a vacancy any earlier than the day after the day of the special election for which such run-off special election is held.

7. No moneys shall be paid to any [participating] qualified 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]. Any payment from the fund in the possession of such a candidate or his or her [principal] authorized committee 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.

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.

9. The board shall be empowered to accept donations to be credited to the fund. The board may devise such

methods of soliciting and collecting donations as it may deem feasible and appropriate.

10. (a) A qualified candidate who has been defeated in a primary election or who fails to remain as a candidate throughout a primary or general election period shall return all unspent funds that were raised or distributed to him or her to the fund.

(b) All other qualified candidates shall return all unspent qualifying campaign contributions and other fund revenues that were distributed to him or her to the fund.

11. The aggregate amount which may be provided to qualified candidates in any four-year election cycle from the fund shall not exceed one tenth of one percent of the total expenditures made pursuant to appropriations made by law during such time period. If the amount of funds for which qualified candidates have qualified reaches or exceeds this level, the board of elections shall reduce, by an equal percentage for all candidates, the respective amount of public financing made available to qualified candidates.

12. Upon certifying that a candidate is eligible for clean election campaign financing, the campaign finance board shall disburse such funds as shall be made available to the candidate directly to the candidate's or his or her authorized committee's campaign account.

13. A qualified candidate and his or her representative and authorized committee are prohibited from paying for campaign expenses in any way other than by use of the funds deposited into the candidate's or his or her authorized committee's campaign account, except as exempted in subdivision four of this section. The use of clean election campaign funds to general personal credit or a loan is prohibited.

14. All forms of payment shall be permissible only if they are drawn directly from the clean election funds in the candidate's or his or her authorized committee's campaign account, except as exempted in subdivision fifteen of this section.

(a) All campaign purchases for goods and services shall be paid for with money drawn from the candidate's or his or her authorized committee's campaign account at the time of purchase, except that fees for services, including salaries and fees for staff members and consultants, may be made available at any time up until the

last day of the relevant primary, special or general campaign periods.

(b) Estimated payments for utility bills, including telephone, heat and electricity charges, shall be made available by the last day of the relevant election period. In budgeting their projected expenses, qualified candidates must estimate the cost of utilities. The board is authorized to provide a formula for such estimates.

15. A petty cash fund may be established consistent with the other provisions of this chapter.

(a) Qualified candidates may have a daily petty cash fund, for daily expenses, including food, newspapers, magazines, public telephones, and other minor necessities unrelated to the direct operating costs of the campaign. The daily maximum amount of the petty cash fund shall be established by the board.

(b) All cash expenditures in excess of twenty-five dollars require a cash receipt specifying the item purchased and its purpose, its cost, and the place of purchase.

§ 3-709.5 Mandatory debates. 1. (a) In any year in which a primary, general or special election is to be held, any [participating candidate and any limited participating] qualified candidate for nomination or election [to a city-wide office] shall participate in [either of the] two pre-election debates[, or both,] held pursuant to this section for which he or she is eligible and is required to debate pursuant to this section. A [participating candidate or limited participating] qualified candidate for nomination or election to a city-wide office [is eligible to] shall participate in [a] three debates for each general election in which he or she is on the ballot [if he or she has met such criteria for participation] as shall be specified in any agreement between the debate sponsor and the board. Any non-participating candidate who meets the criteria for participation may also participate in all such debates.

(b) In any year in which a run-off primary or run-off special election to fill a vacancy for a city-wide office is held, any [participating candidate and any limited participating] qualified candidate for nomination or election to such city-wide office who is on the ballot shall participate in one run-off election debate. Any non-participating candidate who meets the criteria for participation may also participate in all such debate.

(c) In the case of a primary, the debate shall be among [participating candidates and limited participating]

qualified candidates seeking the nomination of the same political party who meet the requirements provided in paragraph (a) of this subdivision, and all non-participating candidates who meet the requirements provided in paragraph (a) of this subdivision and who choose to participate in such debates. If there is no contested primary for an office in a political party then no debate for that party's nomination shall be held pursuant to this section.

(d) Each debate held pursuant to this section shall be at least one hour's duration.

2. For purposes of this section, a "debate" shall mean the moderated reciprocal discussion of issues among candidates on the ballot for the same office.

3. The campaign finance board shall select one or more sponsors for each debate required pursuant to this section. For primary, general and special elections, the second and third debates shall be [a debate] among the leading contenders for the office, as described in paragraph (b) of subdivision five of this section.

4. Organizations which are not affiliated with any political party or with any holder of or candidate for public office, which have not endorsed any candidate in the pending primary, special, general, or run-off election for the city-wide office shall be eligible to sponsor one or more of the required debates. The rules for conducting such debates shall be solely the responsibility of the organizations selected but shall not be made final without consultation with the campaign finance board. The organizations selected shall be responsible for choosing the date, time and location of the debates.

5. Written applications by organizations to sponsor a debate shall be submitted to the campaign finance board on a form provided by the board not later than a date chosen by the board in any year in which an election is held for city-wide offices.

(a) The written application shall:

(i) demonstrate that the organization and any proposed co-sponsor meet the criteria of subdivision four of this section;

(ii) specify the election and office for which the organization seeks to sponsor the debate;

(iii) set forth the date, time, duration, and location of the debate and the specific and exclusive circumstances



under which the date or time may be changed, together with a provision for when the rescheduled debate would be held;

(iv) provide a detailed description of the format and ground rules for the debate;

(v) verify that the staging, promotion, and coverage of the debate shall be in conformance with all applicable laws;

(vi) include an agreement to indemnify the city for any liability arising from the acts or omissions of the sponsor; and

(vii) set forth plans for publicity and for broadcast and other media coverage for the debate; and

(viii) set forth the criteria for determining which candidates are eligible to participate in each debate the organization seeks to sponsor, in accordance with paragraph (b) of this subdivision.

(b)(i) Except as otherwise provided in subparagraph (ii) below, each debate for a primary, general or special election shall include only those [participating candidates or limited participating] candidates the sponsor of each such debate has determined meet the non-partisan, objective, and non-discriminatory criteria set forth in any agreement between the sponsor and the board; provided, however, that the criteria for [the first] each debate for a primary, general, or special election shall provide, among other criteria, [(A)] that a [participating] qualified candidate shall be eligible to participate in such debate if he or she has achieved ballot status by collecting sufficient qualifying contributions, and a non-participating candidate shall be eligible to participate in such debate if he or she has achieved ballot status through the petition process [by the last filing date prior to such debate, (I) spent, contracted, or obligated to spend, and (II) received in contributions, an amount equal to or more than twenty percent of the threshold for eligibility for public funding applicable to participating candidates contained in subdivision two of section 3-703, and (B) that a limited participating candidate shall be eligible to participate in such debate if he or she has, by the last filing date prior to such debate, spent, contracted, or obligated to spend, an amount equal to or more than twenty percent of the threshold for eligibility for public funding applicable to participating candidates seeking the office for which such debate is being held

contained in subdivision two of section 3-703; provided however, that for the purpose of determining whether a candidate has met the financial criteria to be eligible to participate in such debate, only contributions raised and spent in compliance with the act shall be used to determine whether the candidate has raised and spent twenty percent of the threshold for eligibility for public funding applicable to participating candidates contained in subdivision two of section 3-703]; provided, further, that the second and third debates for a primary, general, or special election shall include only those [participating] qualified candidates or [limited] non-participating candidates who the sponsor has also determined are leading contenders on the basis of additional non-partisan, objective, and non-discriminatory criteria set forth in any agreement between the sponsor and the board. Nothing in this provision is intended to limit the debates to the two major political parties.

(ii) If a debate sponsor has determined that a non-participating candidate has met all the non-partisan, objective, and non-discriminatory criteria applicable to [participating candidates or limited participating] qualified candidates for access to any of the primary, general, or special election debates, the sponsor may invite that candidate to participate in such debate. In the case of a run-off primary election or a run-off special election, the sponsor may invite a non-participating candidate to participate in such debate. However, if a non-participating candidate does not accept such invitation to debate or does not appear at such debate, the debate shall go forward as scheduled; provided, however, if there is only one [participating candidate or limited participating] candidate participating in any such debate, such debate shall be canceled.

6. Prior to choosing a sponsor, the board shall provide for the receipt of comments from interested persons regarding the qualifications of potential sponsors. The board shall consider and give substantial weight to such comments submitted by candidates.

7. Based upon the criteria in subdivision four above and any comments received pursuant to subdivision six above, the board shall select the organization or organizations to sponsor the debates and shall provide written notification to the organization or organizations so selected. In addition to the sufficiency of the application, the board shall consider the applicant's ability to reach a wide audience and present a fair and impartial debate. The

board may accept an application subject to modifications as it deems appropriate and as are acceptable to the sponsor.

8. For all debates, the board shall provide each debate sponsor it has selected with a list of [participating] qualified candidates and [limited] non-participating candidates who are eligible to be considered to participate in such debates.

9. If a candidate fails to participate in any debate required under this section before an election, the candidate shall be liable for return of any [public matching] clean election campaign funds previously received pursuant to the certification filed by the candidate in connection with the election for which such debate is held, shall be ineligible to receive any further [matching] clean election campaign funds for that election, and may be subject to a civil penalty pursuant to section 3-711. For purposes of this subdivision, each primary, general, special or run-off election shall be considered a separate election.

10. Following the submission of a petition on behalf of the candidate and a hearing before the board, the sanction or sanctions provided in subdivision nine of this section applicable to a candidate for failure to participate in any debate as required under this section may be waived upon a determination by the board that the failure to participate in the debate occurred under circumstances beyond the control of the candidate and of such nature that a reasonable person would find the failure justifiable or excusable.

11. Nothing contained in this section shall preclude any candidate from agreeing to participate in any number of additional debates between any and all candidates [for a city-wide office,] including non-participating candidates [or limited participating candidates]. These debates need not be held under guidelines or the purview of the campaign finance board.

12. The city of New York shall indemnify each sponsor for any liability of such sponsor arising out of the acts or omissions of the city of New York in connection with the selection of candidates for participation in any debate held pursuant to this section 3-709.5.

§ 3-710 Examinations and audits; repayments. 1. The campaign finance board is hereby empowered to audit

and examine all matters relating to the performance of its functions and any other matter relating to the proper administration of this chapter and of chapter 8 of title 3 of this code. The board shall conduct its campaign audits in accordance with generally accepted government auditing standards, and shall promulgate rules regarding what documentation is sufficient in demonstrating financial activity. These audit and examination powers extend to all [participating candidates, and limited participating] qualified candidates, and non-participating candidates, and the principal and authorized committees of all [participating, limited participating,] qualified and non-participating candidates, provided that:

a. Any draft audit, the subject of which is a [participating, limited participating] qualified or non-participating candidate, or the principal and/or authorized committees of any [participating, limited participating] qualified or non-participating candidate shall be completed within (i) eight months after the submission of the final disclosure report for the covered election for city council races and borough-wide races, and (ii) ten months after the submission of the final disclosure report for the covered election for citywide races, unless the subject of such audit consents in writing to a longer period of time;

b. The campaign finance board shall provide each candidate a final audit, which shall contain the final resolution of all issues raised in the draft audit; such final audit shall be provided to the candidate, where such candidate or such candidate's campaign manager or treasurer has completed audit training provided by the board, within (i) fourteen months after the submission of the final disclosure report for the covered election, for city council races and borough-wide races, and (ii) sixteen months after the submission of the final disclosure report for the covered election for citywide races, unless the subject of such audit consents in writing to a longer period of time. Where such candidate or such candidate's campaign manager or treasurer has not completed audit training provided by the campaign finance board, such final audit shall be provided to such candidate within (i) sixteen months after the submission of the final disclosure report for the covered election, for city council races and borough-wide races, and (ii) eighteen months after the submission of the final disclosure report for the covered election for citywide races, unless the subject of such audit consents in writing

to a longer period of time. Provided, however, that where the issuance of such final audit is preceded by a notice of violations and recommended penalties and/or a notice of repayment of public funds, such notice or notices shall include all potential penalties and/or repayment obligations and a notice of a candidate's right to a hearing pursuant to section 3-710.5 or section 3-710(4) of this chapter and shall be provided to the candidate according to the deadlines applicable to final audits as set forth in this paragraph.

c. Any advice provided by board staff to a [participating, limited participating,] qualified or non-participating candidate with regard to an action shall be presumptive evidence that such action taken in reliance on such advice should not be subject to a penalty or repayment obligation where such candidate or such candidate's committee has confirmed such advice in a writing to such board staff by registered or certified mail to the correct address, or by electronic or facsimile transmission with evidence of receipt, describing the action to be taken pursuant to the advice given and the board or its staff has not responded to such written confirmation within seven business days disavowing or altering such advice, provided that the board's response shall be by registered or certified mail to the correct address, or by electronic or facsimile transmission with evidence of receipt.

d. Notwithstanding the provisions of paragraphs a and b of this subdivision, if a committee has failed to respond to a request for information made by board auditors during the post-election audit process, the time period for completing the draft and final audits shall be tolled and extended by the number of days by which the committee has exceeded the original deadline for a response, provided that the committee has received timely written notice of: (i) the original deadline to provide the information, which shall not have been less than thirty days from the date such information was requested; and (ii) the commencement of the tolling period pursuant to this section. If a committee has responded to a request for information made by board auditors but such response is inadequate, the time period for completing the draft and final audits shall be tolled and extended by the number of days until an adequate response is provided, provided that the committee has received timely written notice of: (i) the original deadline to provide the information, which shall not have been less than thirty

days from the date such information was requested; (ii) the commencement of the tolling period pursuant to this section; and (iii) the detailed reasons why the original response was inadequate.

e. Notwithstanding any provision of law to the contrary, the deadlines provided in paragraphs a and b of this subdivision for the completion of draft and final audits shall not apply in cases where the audit raises issues involving potential campaign-related fraud, potential other criminal activity, or activity that may constitute a breach of certification pursuant to rules of the board or potential significant violations of the limits set forth in section 3-706.

f. Notwithstanding any provision of the law to the contrary, the deadlines provided in paragraphs a and b of this subdivision for the completion of draft and final audits shall not apply in the event that board operations are interrupted due to a catastrophic emergency such as a natural disaster or criminal event, provided that once board operations resume, the board shall within two weeks announce new deadlines for the completion of draft and final audits consistent with paragraphs a and b.

2. (a) If the board determines that any portion of the payment made to the [principal] authorized committee of a [participating] qualified candidate 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 a [principal] authorized committee of a [participating] qualified candidate from the fund was used for purposes other than qualified campaign expenditures, it shall notify such candidate and committee of the amount so disqualified and such candidate and committee shall pay to the board an amount equal to such disqualified amount; provided, however that in considering whether or not a [participating] qualified candidate shall be required to pay to the board such amount or an amount less than the entire disqualified amount, the board shall act in accordance with the following: (i) where credible documentation supporting each qualified campaign expenditure exists but is incomplete, the board shall not impose such liability for such expenditure; and (ii) where there is an absence of

credible documentation for each qualified campaign expenditure, the board may impose liability upon a showing that such absence of credible documentation for such expenditure arose from a lack of adequate controls including, but not limited to trained staff, internal procedures to follow published board guidelines and procedures to follow standard financial controls.

(c) If the total of contributions, other receipts, and payments from the fund received by a [participating] qualified candidate and his or her [principal] authorized committee exceed the total campaign expenditures of such candidate and committee for all covered elections held in the same calendar year or for a special election to fill a vacancy such candidate and committee shall use such excess funds to reimburse the fund for payments received by such committee from the fund during such calendar year or for such special election. No such excess funds shall be used for any other purpose, unless the total amount of the payments received from the fund by the principal committee has been repaid.

3. If a [participating] qualified candidate whose [principal] authorized 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 or her [principal] authorized committee shall pay to the board an amount equal to the total of public funds received by such principal committee.

4. No claim for the repayment of public funds shall be made against any candidate or committee without written notice to such candidate or committee, issued in a timely manner pursuant to all of the requirements of subdivision one of this section, and an opportunity to appear before the board. Any such repayment claim shall be based on a final determination issued by the board following an adjudication before the board consistent with the procedures set forth in section 1046 of the charter unless such procedures are waived by the candidate or principal committee. Such final determination shall be included in and made part of the final audit which shall be issued within thirty days of such determination.

§ 3-710.5 Findings of violation; infraction; adjudications; or final determinations. (i) The board shall

determine whether a [participating, or limited participating] qualified or non-participating candidate, his or her principal committee, authorized committee, committee treasurer or any other agent of such candidate has committed a violation or infraction of any provision of this chapter or the rules promulgated hereunder, for which the board may assess a civil penalty pursuant to section 3-711 of this chapter. The board shall promulgate rules defining infractions, and such definitions shall include, but not be limited to, failures to comply with the provisions of this chapter or the rules promulgated hereunder that are limited and non-repetitive.

(ii) The board shall give written notice and the opportunity to appear before the board to any [participating, or limited participating] qualified or non-participating candidate, his or her principal committee, authorized committee, committee treasurer or any other agent of such candidate, if the board has reason to believe that such has committed a violation or infraction, before assessing any penalty for such action. Any such written notice of alleged violations shall be issued in a timely manner pursuant to all of the requirements of subdivision one of section 3-710 and shall precede the issuance of the final audit required pursuant to subdivision one of section 3-710. In the case of a written notice issued prior to the date of a covered election, or after the date of a covered election in the case of a notice regarding an alleged failure to respond to a request for audit documentation, such notice may be issued prior to the issuance of a draft audit. Alleged violations and proposed penalties shall be subject to resolution by adjudication before the board consistent with the procedures of section 1046 of the charter, unless such procedures are waived by the candidate or principal committee; provided, however, that in the case of adjudications conducted prior to the date of a covered election, the board shall use the procedures of section 1046 of the charter only to the extent practicable, given the expedited nature of such pre-election adjudications. The board shall issue a final determination within thirty days of the conclusion of the adjudication proceeding.

(b) The board shall include in every final determination: (i) notice of the respondent's right to bring a special proceeding challenging the board's final determination in New York State supreme court brought pursuant to article 78 of the civil practice law and rules; and (ii) notice of the commencement of the four month period



during which such a special proceeding may be brought pursuant to article 2 of the civil practice law and rules.

§ 3-711 Penalties. [\* 1. Any participating or limited participating candidate whose principal committee fails to file in a timely manner a statement or record required to be filed by this chapter or the rules of the board in implementation thereof or who commits a violation or infraction of any other provision of this chapter or rule promulgated thereunder, including any provision of section 3-709.5, and any principal committee treasurer or any other agent of a participating or limited participating candidate who commits such a violation or infraction, shall be subject to a civil penalty in an amount not in excess of ten thousand dollars. The board shall publish a schedule of civil penalties for common

infractions and violations, including examples of aggravating and mitigating circumstances that may be taken into account by the board in assessing such penalties. This schedule shall reflect that infractions are less serious failures to comply with the provisions of this chapter.

\* NB Separately amended LL58/2004; cannot be put together with LL59 & 60/2004 amendments]

\* 1. Any [participating, or limited participating] qualified candidate and his or her [principal] authorized committee or any non-participating candidate and his or her authorized committees that fail to file in a timely manner a statement or record required to be filed by this chapter or the rules of the board in implementation thereof or that violate any other provision of this chapter or rule promulgated thereunder, and any committee treasurer or any other agent of a [participating, or limited participating] qualified or non-participating candidate who commits such a violation or infraction, shall be subject to a civil penalty in an amount not in excess of ten thousand dollars. The board shall publish a schedule of civil penalties for common infractions and violations, including examples of aggravating and mitigating circumstances that may be taken into account by the board in assessing such penalties. This schedule shall reflect that infractions are less serious failures to comply with the provisions of this chapter.

[\* NB Separately amended by LL59 & 60/2004; cannot be put together with LL58/2004 amendment]

2. (a) In addition to the penalties provided in subdivision one of this section, if the aggregate amount of

expenditures by a [participating, or limited participating] qualified candidate and such candidate's [principal] authorized committee exceed the expenditure limitations contained in this chapter, such candidate and [principal] authorized committee 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;

(b) In addition to the penalties provided in subdivision one of this section, a [participating] qualified candidate or his or her [principal] authorized committee, that have been found by the board to have violated a provision of this chapter by failing to provide any response to a draft audit report sent to the candidate after the election by the board pursuant to section 3-710 of this chapter, shall be subject to a civil penalty for such violation of up to ten percent of the total public funds received by such candidate.

3. The intentional or knowing furnishing of any false or fictitious evidence, books or information to the board under this chapter, or the inclusion in any evidence, books, or information so furnished of a misrepresentation of a material fact, or the falsifying or concealment of any evidence, books, or information relevant to any audit by the board or the intentional or knowing violation of any other provision of this chapter shall be punishable as a class A misdemeanor in addition to any other penalty as may be provided under law, including subdivision one of this section. The board shall assess penalties for such conduct and seek to recover any public funds obtained.

4. Notwithstanding any provision of law to the contrary, any participating or limited participating candidate and his or her principal committee or any non-participating candidate and his or her authorized committees or any other person who commits any violation of this chapter or any rules promulgated hereunder and who takes all steps necessary to correct such violation prior to receiving written notice from the board of the existence of the potential violation shall not be subject to any penalty for such violation.

§ 3-712. Campaigns for office not subject to this chapter. Contributions, loans, guarantees and other security for such loans used and expenditures made toward the payment of liabilities incurred by a candidate in an election held prior to the effective date of this section or in a campaign for public office other than one covered

by this chapter, shall not be subject to the requirements and limitations of this chapter.

§ 3-713. Reports. [\* 1. The campaign finance board shall review and evaluate the effect of this chapter upon the conduct of election campaigns in the city and shall submit a report to the mayor and the city council on or before September first, nineteen hundred ninety, and every fourth year thereafter, and at any other time upon the request of the mayor or the city council and at such other times as the board deems appropriate, containing:

(a) the number and names of candidates qualifying for and choosing to receive public funds pursuant to this chapter, and of candidates failing to qualify or otherwise not choosing to receive such funds, in each election during the four preceding calendar years;

(b) the amount of public funds provided to the principal committee of each candidate pursuant to this chapter and the contributions received and expenditures made by each such candidate and the principal committee of such candidate, in each election during the four preceding calendar years;

(c) the number and names of candidates filing a certification pursuant to section 3-718 of this chapter in each election during the four preceding calendar years, together with the expenditures made by each such candidate and the principal committee of such candidate in each such election;

(d) recommendations as to whether the provisions of this chapter governing maximum contribution amounts, thresholds for eligibility and expenditure limitations should be amended and setting forth the amount of, and reasons for, any amendments it recommends;

(e) analysis of the effect of this chapter on political campaigns, including its effect on the sources and amounts of private financing, the level of campaign expenditures, voter participation, the number of candidates and the candidate's ability to campaign effectively for public office;

(f) a review of the procedures utilized in providing public funds to candidates; and

(g) such recommendations for changes in this chapter as it deems appropriate.

\* NB Separately amended LL58/2004; cannot be put together with LL59 & 60/2004 amendments

\* ]1. The campaign finance board shall review and evaluate the effect of this chapter upon the conduct of

election campaigns in the city and shall submit a report to the mayor and the city council on or before September first, nineteen hundred ninety, and every fourth year thereafter, and at any other time upon the request of the mayor or the city council and at such other times as the board deems appropriate, containing:

(a) the number and names of candidates qualifying for and choosing to receive public funds pursuant to this chapter, and of candidates failing to qualify or otherwise not choosing to receive such funds, in each election during the four preceding calendar years;

(b) the amount of public funds provided to the principal committee of each candidate pursuant to this chapter and the contributions received and expenditures made by each such candidate and the principal committee of such candidate, in each election during the four preceding calendar years;

(c) the number and names of candidates filing a certification pursuant to section 3-718 of this chapter in each election during the four preceding calendar years, together with the expenditures made by each such candidate and the principal committee of such candidate in each such election;

(d) the number and names of non-participating candidates in each election during the four preceding calendar years, together with the expenditures made by each such candidate and the authorized committees of such candidate in each such election;

(e) recommendations as to whether the provisions of this chapter governing maximum contribution amounts, thresholds for eligibility and expenditure limitations should be amended and setting forth the amount of, and reasons for, any amendments it recommends;

(f) analysis of the effect of this chapter on political campaigns, including its effect on the sources and amounts of private financing, the level of campaign expenditures, voter participation, the number of candidates and the candidates' ability to campaign effectively for public office;

(g) a review of the procedures utilized in providing public funds to candidates; and

(h) such recommendations for changes in this chapter as it deems appropriate.

[\* NB Separately amended LL59 & 60/2004; cannot be put together with LL58/2004 amendment]

2. For the report submitted in the year nineteen hundred ninety, the board also shall review any contributions made to candidates and authorized committees prior to the effective date of this chapter which exceed the amount of the maximum contribution applicable pursuant to paragraph (f) of subdivision one of section 3-703 and report as to whether such contributions were returned, expended or otherwise used and the purposes of such expenditures or other uses.

§ 3-714. Construction. Nothing in this chapter shall be construed to prohibit the making or receipt of contributions to the extent permitted by the election law or to permit the making or receipt of contributions otherwise prohibited.

§ 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.

§ 3-716 Application of the contribution and expenditure limitations to certain political activities. 1. Nothing in this chapter shall be construed to restrict candidates or their agents from making appearances at events sponsored or paid for by persons, political committees, or other entities that are not in any way affiliated with such candidate or any agent of such candidate. The costs of such events shall not be considered contributions to or expenditures by such a candidate pursuant to this chapter solely because such an appearance is made; provided that this subdivision shall not apply to any event in relation to which contributions are solicited on behalf of such candidate.

2. The following activities in support of other candidates by a [participating, or limited participating] qualified or non-participating candidate or his or her principal committee shall not be considered contributions to or expenditures by such [participating, or limited participating] qualified or non-participating candidate or his or her principal committee, except to the extent such activities are paid for by such candidate or his or her principal committee for a covered election:

(a) The act alone of endorsing or appearing with another candidate for public office, party nomination or party position.

(b) The insubstantial communication of such endorsement or appearance described in paragraph (a), such as where the [participating, or limited participating] qualified or non-participating candidate's name is one of several names appearing on the communication and is of equivalent prominence as the other names.

(c) Fundraising assistance to another candidate in the form of written communications that do not promote the [participating, or limited participating] qualified or non-participating candidate, such as the appearance of the [participating, or limited participating] qualified or non-participating candidate's name or signature on a letter soliciting funds for another candidate or the appearance of such [participating, or limited participating] qualified or non-participating candidate's name on fundraising material where such [participating, or limited participating] qualified or non-participating candidate's name appears alone or with other names and is of equivalent prominence as the other names.

(d) A typical communication by a political club to its members, which includes the name of a [participating, or limited participating] qualified or non-participating candidate, provided that such candidate is already a member of the political club, the political club has fewer than 500 members, and the communication does not solicit funds on behalf of or otherwise promote such candidate's campaign for a covered election.

3. The communication of an endorsement or appearance which is not insubstantial under paragraph (b) of subdivision two, fundraising assistance which is promotional under paragraph (c) of subdivision two and a political club communication which does not meet the requirements of paragraph (d) of subdivision two, shall be contributions to and expenditures by the [participating, or limited participating] qualified or non-participating candidate. Among the factors the board shall consider in determining the value of the contribution to and expenditure by the [participating, or limited participating] qualified or non-participating candidate are the following factors:

(a) the focus of the communication;

- (b) the geographical distribution or location of the communication;
- (c) the subject matter of the communication;
- (d) the references to the [participating, or limited participating] qualified or non-participating candidate or the [participating, or limited participating] qualified or non-participating candidate's appearances in the communication;
- (e) the relative prominence of a [participating, or limited participating] qualified or non-participating candidate's references or appearances in the communication, including the size and location of such references and any photographs of the participating, or limited participating or non-participating candidate; and
- (f) the timing of the communication.

[\* ]§ 3-717. [Receipt of post election contributions from previous contributors for debt repayment. 1. Eight or more years after the date of any covered election, a participating candidate, who has incurred debt as a result of his or her participation in such covered election and has not been a candidate in any subsequent election and is not raising funds for his or her candidacy in any election, may accept contributions pursuant to this section from contributors who previously contributed to the participating candidate's campaign for such covered election only for the purposes of repayment of debt incurred in connection with such covered election; provided, however, such participating candidate shall not accept contributions from corporations, except corporations that are political committees as defined in subdivision eleven of section 3-702 of this chapter. Debt repayment shall include payments for expenses incurred in maintaining a committee until debt is repaid and expenses incurred as a result of repaying the debt.

2. A participating candidate who chooses to accept contributions pursuant to paragraph one of this section shall designate a single committee to accept such contributions.

- a. The designated committee shall register with the board.
- b. The designated committee shall report to the board every contribution received by the committee, 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. 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 for such events exceed five hundred dollars or the aggregate contributions received from that contributor at such events exceed five hundred dollars. Contributions pursuant to paragraph one aggregating not more than ninety-nine dollars from any one contributor need not be separately itemized in disclosure reports submitted to the board on behalf of a participating candidate. For purposes of this section, the treasurer of the designated committee need not collect or disclose the occupation, employer, and business address of any contributor pursuant to paragraph one making contributions aggregating not more than ninety-nine dollars. Such reports shall be submitted at such times and in such form as the board shall require and shall be clearly legible. The committee designated to accept contributions pursuant to paragraph one of this section shall maintain any additional records of receipts and debt repayment expenditures as required by the board.

3. A participating candidate accepting contributions pursuant to paragraph one of this section shall not accept and his or her designated committee shall not accept, either directly or by transfer, any contribution or contributions from any one individual, partnership, political committee, employee organization or other entity which in the aggregate shall exceed the contribution limitations as set forth under paragraph f of subdivision one of section 3-703 as of the date such contributions are received, as adjusted pursuant to subdivision seven of section 3-703. Contributions received pursuant to this section shall not be aggregated with contributions received during the covered election for which the debt was incurred for the purposes of determining compliance with such contribution limitations.

4. After all debt referred to in subdivision one has been repaid, the participating candidate shall no longer accept contributions pursuant to this section. If any excess funds remain after such debt has been repaid, the participating candidate shall return such excess funds to contributors in reverse order of contribution, beginning



with the most recent contributor, until the excess funds are exhausted.

\* NB Expired June 30, 2005

§ 3-718. Limited Participation.

1. Requirements. (a) To be a limited participating candidate, a candidate for nomination for election or election must:

(i) be a candidate for mayor, public advocate, comptroller, borough president or member of the city council in a primary, special, or general election;

(ii) not have filed a certification pursuant to section 3-703 for the election or elections for which he or she seeks to file a certification pursuant hereto; and

(iii) (A) file a written certification in such form as may be prescribed by the campaign finance board, which sets forth his or her acceptance of and agreement to comply with the terms and conditions of this section and the rules promulgated hereby, which includes an affirmation that the candidate has a sufficient amount of personal funds to fund his or her campaign; and

(B) the deadline for filing such certification for a primary, general, or special election shall be the deadline date for filing written certifications pursuant to section 3-703(1)(c) by candidates seeking nomination for election or election to the same office in the same calendar year as candidates seeking to file a certification pursuant to this subparagraph, and the provisions of such section 3-703(1)(c) relating to the occurrence of an "extraordinary circumstance" shall apply to limited participating candidates; and

(iv) notify the board in the candidate's written certification as to:

(1) the existence of each authorized committee authorized by such candidate that has not been terminated, (2) whether any such committee also has been authorized by any other candidate, and (3) if the candidate has authorized more than one authorized committee, which authorized committee has been designated by the candidate as the candidate's principal committee for the election(s) covered by the candidate's certification; provided, that such principal committee (a) shall be the only committee authorized by such candidate to aid or

otherwise take part in the election(s) covered by the candidate's certification, (b) shall not be an authorized committee of any other candidate, and (c) shall not have been authorized or otherwise active for any election prior to the election(s) covered by the candidate's certification. The use of an entity other than the designated principal committee to aid or otherwise take part in the election(s) covered by the candidate's certification shall be a violation of this section and shall trigger the application to such entity of all provisions of this chapter governing principal committees.

(b) A limited participating candidate, and the authorized committees of such a limited participating candidate, and his or her principal committee shall comply with the provisions of paragraphs (d), (e), (g), and (i) of subdivision one, and subdivisions six, six-a, eight, nine, ten, and twelve of section 3-703 of this chapter.

(c) A limited participating candidate and his or her principal committee shall not accept, at any time before or after the filing of a certification pursuant to paragraph (a) of this subdivision, either directly or by transfer, any monetary or in-kind contribution, or any loan, guarantee, or other security for such loan made in connection with such candidate's nomination for election or election, except for monetary contributions from the candidate to his or her principal committee made out of the candidate's personal funds, in-kind contributions made by the candidate to his or her principal committee, and advances received pursuant to subparagraph (d) of this paragraph.

(d) A limited participating candidate and his or her principal committee shall make expenditures in furtherance of the election(s) for which the candidate has filed a certification pursuant to paragraph (a) of this subdivision, whether before or after the filing of such certification, only with contributions received pursuant to subparagraph (c) of this paragraph and, to the extent permitted by rule promulgated by the board pursuant hereto, advances by the limited participating candidate.

(e) A limited participating candidate, together with his or her principal committee, shall not make expenditures which in the aggregate exceed the applicable expenditure limitations set forth in section 3-706.

(f) Neither a limited participating candidate nor an authorized committee of a limited participating candidate

shall be eligible to receive public funds pursuant to section 3-705.

(g) If a limited participating candidate is a candidate for the same office for which he or she filed a certification pursuant to paragraph (a) of this subdivision in any other election held in the same calendar year as the election for which such candidate filed such certification, other than a special election to fill a vacancy, he or she shall be bound in each such other election by the provisions of this section.

(h) A candidate who files a certification pursuant to paragraph (a) of this subsection shall not be eligible to file a certification pursuant to section 3-703.

(i) Notwithstanding any limitations in this chapter, a limited participating candidate may contribute to his or her own nomination for election or election with his or her personal funds or property, in-kind contributions made by the candidate to his or her authorized committees with the candidate's personal funds or property, and advances made by the limited participating candidate with the candidate's personal funds or property. A candidate's personal funds or property shall include his or her funds or property jointly held with his or her spouse, domestic partner, or unemancipated children, but shall not include other personal funds or property of his or her spouse, domestic partner or unemancipated children.

§ 3-719.] Obligations of non-participating candidates.

1. Disclosure requirements of non-participating candidates.

(a) A non-participating candidate shall notify the board in such form as may be prescribed by the board as to: (i) the existence of each committee authorized by such candidate that has not been terminated, and (ii) whether any such committee also has been authorized by any other candidate.

(b) A non-participating candidate, and the authorized committees of such a non-participating candidate, shall comply with the same requirements as a participating candidate who files a certification pursuant to paragraph (c) of subdivision one of section 3-703 of this chapter as provided in paragraphs (d) and (g) of such subdivision, subdivision one-b of section 3-703, and subdivisions six, six-a and eight of section 3-703 of this chapter.

(c) A non-participating candidate and his or her authorized committee shall submit the disclosure reports

required pursuant to this chapter, filed in accordance with the schedule specified by the state board of elections for the filing of campaign receipt and expenditure statements, and such other disclosure reports as the rules of the board may require.

(d) Neither a non-participating candidate nor an authorized committee of a non-participating candidate shall be eligible to receive public funds pursuant to section 3-705.

2. Contribution limitations of non-participating candidates.

(a) A non-participating candidate shall notify the board in such form as may be prescribed by the board as to: (i) the existence of each committee authorized by such candidate that has not been terminated, and (ii) whether any such committee also has been authorized by any other candidate.

(b) A non-participating candidate, and the authorized committees of such a non-participating candidate, shall only accept contributions as limited by the provisions of paragraphs (f) and (l) of subdivision one of section 3-703, [subdivision 10a of section 3-703,] and subdivision ten of section 3-703 of this chapter. Notwithstanding any contribution limitations in paragraphs (f) [and (h)] of subdivision one of section 3-703 [and subdivision 1-a of section 3-703], a non-participating candidate may contribute to his or her own nomination for election or election with his or her personal funds or property, in-kind contributions made by the candidate to his or her authorized committees with the candidate's personal funds or property, and advances or loans made by the non-participating candidate with the candidate's personal funds or property. A candidate's personal funds or property shall include his or her funds or property jointly held with his or her spouse, domestic partner, or unemancipated children.

(c) Neither a non-participating candidate nor an authorized committee of a non-participating candidate shall be eligible to receive public funds pursuant to section 3-705.

§ 3-7[20]18. Tolling of time for notice of violations and/or notice of repayment of [public] clean election campaign funds. If a committee has failed to respond to a request for information made by board auditors or has inadequately responded during the postelection audit process and the board has satisfied the provisions of

subdivision 1 of section 3-710, the time period for serving notice shall be tolled and extended by the number of days by which the committee has exceeded the original deadline for a response, provided that the committee has received timely written notice of: (a) the original deadline to provide the information, which shall not have been less than thirty days from the date such information was requested, and (b) the commencement of the tolling period pursuant to this section.

Section 3. Title 3, Chapter 8 of the administrative code of the City of New York is amended as follows:

## CHAPTER 8

### TRANSITION AND INAUGURAL DONATIONS AND EXPENDITURES

§ 3-801. Transition and inauguration [donations and] expenses. 1. Candidates elected to the office of mayor, public advocate, comptroller, borough president, or member of the city council may authorize [one or more] an entity[ies], other than a political committee, for the purpose of [accepting donations and loans,] receiving public money from the campaign finance board, and for making expenditures, for transition or inauguration into office. Regardless of whether the candidate was a qualified candidate or a non-participating candidate as defined in subdivisions 1 and 13 of chapter 3-702 of this code, donations and loans may not be accepted by this committee. [Such donations and loans may not be accepted and such ~~e~~Expenditures may not be made on behalf of the candidate prior to the registration with the campaign finance board of [each] such entity. The campaign finance board shall promulgate rules to establish the time and manner for such registration.

2. Candidates elected to the office of mayor, public advocate, comptroller, borough president, or member of the city council, and the entity[ies they] each candidate authorizes pursuant to subdivision one of this section, shall:

(a) not use funds accepted by a political committee authorized by the candidate for any election to make expenditures for transition or inauguration into office, and shall not transfer funds from a political committee to an entity the candidate is required to register pursuant to subdivision one of this section;

(b) not accept any donation or donations of money, goods, or services from any individual, political

committee, employee organization, or entity[ which in the aggregate exceeds:

(i) four thousand five hundred dollars, in the case of a candidate elected to the office of mayor, public advocate, or comptroller;

(ii) three thousand five hundred dollars, in the case of a candidate elected to the office of borough president; or

(iii) two thousand five hundred dollars, in the case of a candidate elected to the office of member of the city council]; and

(c) not incur any liabilities after January thirty-first in the year following the election[.]. [nor accept any donations after all liabilities are paid; and

(d) not accept any donation or donations of money, goods, or services from any corporation, limited liability company, limited liability partnership or partnership not permitted to contribute pursuant to paragraph (l) of subdivision 1 of section 3-703 or from any person whose name appears in the doing business database as of the date of such donation; provided, however, that this limitation on donations shall not apply to any donation made by a natural person who has business dealings with the city where such donation is from the candidate-elect or from the candidate-elect's parent, spouse, domestic partner, sibling, child, grandchild, aunt, uncle, cousin, niece or nephew by blood or by marriage.]

3. [Donations that do not exceed the limitations set forth in paragraph (b) of subdivision 2 of this section may be accepted only from political committees that register with the campaign finance board, as shall be provided for in rules issued by such board. Any donation accepted from a political committee that has not registered with the board prior to making the donation must be returned to the political committee. However, a subsequent donation may be accepted if such political committee registers with the board in accordance with the rules issued by the board.

4. To the extent not repaid by the date of the candidate's inauguration into office, a loan received by such entity shall be deemed a donation subject to the limits and restrictions set forth in paragraph (b) of subdivision

2 and subdivision 3 of this section.

5. (a)] Each transition and inauguration entity authorized pursuant to subdivision one of this section shall report to the campaign finance board [every donation of money, goods, or services, and every loan, it receives, the full name, residential address, occupation, employer, and business address of each individual, corporation, partnership, political committee, employee organization or other entity making or serving as the intermediary for such donation or loan, and] every expenditure it makes.

(b) [Donations aggregating not more than ninety-nine dollars from any one donor need not be separately itemized in disclosure reports submitted to the campaign finance board. The treasurer of such entity need not collect or disclose the occupation, employer, or business address of any donor making donations aggregating not more than ninety-nine dollars.

(c)] Disclosure reports shall be submitted at such times and in such form as the campaign finance board shall require and shall be clearly legible. The campaign finance board shall make available to the public a copy of these disclosure reports within two business days after they are accepted by the campaign finance board.

[6]4. The final disclosure report submitted by such entity shall set forth the disposition of any funds remaining after all liabilities are paid, after which the entity shall be terminated. If an entity has funds remaining after all liabilities have been paid, it shall return those funds to [one or more of the entity's donors, or if that is impracticable, to] the New York City clean election campaign finance fund.

[7]5. Entities required to be registered pursuant to subdivision one of this section shall not incur liabilities for purposes other than transition or inauguration into office.

[8]6. This section shall apply to every candidate elected to the office of mayor, public advocate, comptroller, borough president, or member of the city council, regardless whether such candidate filed a written certification pursuant to section 3-703 of this code.

[9. For purposes of this chapter, the terms "intermediary" and "political committee" shall have such meanings as are set forth in section 3-702 of this code.]

7. Candidates elected to the office of mayor, public advocate, comptroller, borough president, or member of the city council who receive public funding may not receive and expenditures by such qualified candidate and his or her authorized committees shall not exceed the following amounts:

<u>Office</u>	<u>Amount</u>
<u>Mayor</u>	<u>\$500,000</u>
<u>Public Advocate</u>	<u>\$100,000</u>
<u>Comptroller</u>	<u>\$100,000</u>
<u>Borough President</u>	<u>\$ 50,000</u>
<u>City Council Member</u>	<u>\$ 10,000</u>

[10]8. Notwithstanding any restriction in this section, a candidate may self-fund his or her own entity.

§ 3-802. Penalties. 1. Any candidate whose transition or inauguration entity fails to file in a timely manner a statement or record required to be filed by this chapter or the rules of the board in implementation thereof or who violates any other provisions of the chapter or rules promulgated thereunder, and any transition or inauguration entity treasurer or any other agent of the 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 amount of a donation to the candidate is transition or inauguration entity exceeds the limitations contained in this chapter such candidate, such entity shall be subject to a civil penalty in an amount not to exceed three times the sum by which such donation exceeds the applicable donation limitation.

3.] The intentional or knowing furnishing of any false or fictitious evidence, books, or information to the board under this chapter, or the inclusion of any evidence, books, or information so furnished of a misrepresentation of a material fact, or the intentional or knowing violation of any other provision of this chapter shall be punishable as a class A misdemeanor in addition to any other penalty as may be provided under law.



Section 4. This local law shall take effect on the first day of January following the first general election for Mayor of New York City following enactment into law.