

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Bill No. 2016-8 Campaign Reform

SPONSOR(S): Councilor Ives

SUMMARY: The proposed bill amends Section 9-3 SFCC 1987, the public campaign finance code to include a definition for qualified small contribution; establishing a new section regarding qualified small contributions; and establishing a new section regarding reporting of qualified small contributions and matching payments.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: Yes

DATE: January 15, 2016

ATTACHMENTS: Resolution
FIR

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2016-8

INTRODUCED BY:

Councilor Peter N. Ives

AN ORDINANCE

AMENDING SECTION 9-3 SFCC 1987, THE PUBLIC CAMPAIGN FINANCE CODE TO INCLUDE A DEFINITION FOR QUALIFIED SMALL CONTRIBUTION; ESTABLISHING A NEW SECTION REGARDING QUALIFIED SMALL CONTRIBUTIONS; AND ESTABLISHING A NEW SECTION REGARDING REPORTING OF QUALIFIED SMALL CONTRIBUTIONS AND MATCHING PAYMENTS.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE.

Section 1. Subsection 9-3.3 SFCC 1987 (being Ord. #2009-44, §4, as amended)

is amended to read:

9-3.3 Definitions.

As used in this section, the following terms have the following meanings:

A. *Campaign depository* means a bank, mutual savings bank, savings and loan association or credit union doing business in this state under which a campaign account or accounts are maintained.

1 B. *Campaign materials* means any published communication, electronic or
2 otherwise, disseminated to more than one hundred (100) persons that either supports the election
3 or defeat of any identifiable candidate or candidates or supports the approval or defeat of a ballot
4 proposal, other than communications to, or editorials, reports, or commentary by news media.

5 C. *Candidate* means any individual who seeks election to a Santa Fe municipal
6 office. An individual shall be a candidate when they:

7 (1) Announce publicly;

8 (2) File for office;

9 (3) When contributions are accepted or expenditures made; or when

10 (4) Any activity is held to promote an election campaign of an individual if
11 that activity is endorsed or supported by that person or if the benefits of such activity are
12 later accepted by such person.

13 D. *Contested race* means a race in which there are at least two (2) candidates for the
14 office sought.

15 E. *Contribution* means a loan, loan guarantee, gift, advance, pledge, contract,
16 agreement or promise of money or anything of value or other obligation, whether or not legally
17 enforceable, made directly or indirectly, to a candidate or political committee, or to a person
18 obligated to file a report under subsection 9-2.6 SFCC 1987, for the purpose of supporting or
19 opposing the election of a candidate or the approval or defeat of a ballot proposition.

20 (1) The term "contribution" includes:

21 (a) The transfer of funds or anything of value between political
22 committees;

23 (b) The transfer of anything of value for less than full consideration;

24 (c) Interest, dividends or other income derived from the investment
25 of campaign funds;

1 (d) The payment for the services of an individual serving on behalf
2 of a candidate or political committee, which payments are made by a third party;

3 (e) The purchase of tickets for fundraising events such as dinners,
4 rallies, raffles, etc. and the proceeds of collections at fundraising events; and

5 (f) A coordinated expenditure.

6 (2) The term "contribution" does not include a volunteer's personal services
7 provided without compensation or the travel or personal expenses of such a campaign
8 worker.

9 F. *Coordinated expenditure* means an expenditure that is made:

10 (1) by an individual or entity other than a candidate or the candidate's
11 political committee; and

12 (2) in cooperation, consultation or concert with, or at the request or
13 suggestion of, a candidate, his/her representatives or agents or the candidate's political
14 committee, including but not limited to, the following examples in subsection 9-
15 3.3(F)(2)(a)-(d):

16 (a) there has been substantial discussion between the individual or
17 entity and the candidate, candidate's political committee or his/her
18 representatives or agents. Substantial discussion includes, but is not limited to, an
19 exchange of campaign strategies, polling information, voter lists or any other
20 similar information that would facilitate the election or defeat of a candidate;

21 (b) an entity making an expenditure is directly or indirectly formed
22 or established by or at the request or suggestion of, or with the encouragement of
23 the candidate, candidate's political committee or his/her representatives or
24 agents;

25 (c) the candidate, candidate's political committee or his/her

1 representatives or agents has solicited funds or engaged in other fundraising
2 activities on behalf of the person or entity making the expenditure during the
3 twelve-month (12) period preceding the date of the expenditure. Fundraising
4 activities, include but are not limited to, exchanging names of potential donors or
5 other lists to be used in engaging in fundraising activity, regardless of whether or
6 not the individual or entity pays fair market value for the names or lists provided;
7 or being a featured guest or speaker at a fundraising event for the benefit of the
8 entity making the expenditures;

9 (d) if the individual or entity making the expenditure has employed,
10 has in a leadership position, or has accepted a donation of the campaign related
11 professional services of any person, who, during the twelve-month (12) period
12 preceding the date of the expenditure, has been an employee of, has advised, or
13 provided or is providing services to the candidate or candidate's political
14 committee. These services include, but are not limited to, any services in support
15 of the candidate's or candidate's political committee's campaign activities, such
16 as advertising, message, strategy or policy services, polling, allocation of
17 resources, fundraising or campaign operations.

18 (e) an expenditure is not a coordinated expenditure solely because:

19 (i) the individual or entity and a candidate or candidate's
20 political committee use the same vendor to provide polling services,
21 printing or distribution services or physical space, provided that the
22 vendor has in place prior to the expenditure a firewall to ensure that there
23 is no exchange of information between the individual or entity and the
24 candidate or campaign committee. Evidence of an adequate firewall is a
25 vendor's formal written policy or a contractual agreement with the

1 vendor prohibiting the exchange of information between the individual
2 or entity and the candidate or candidate's political committee, which
3 policy or contract is distributed to all relevant employees, consultants
4 and clients affected by the policy or contract. The firewall shall be
5 designed and implemented to prohibit the flow of information between
6 employees and consultants providing services to the individual and entity
7 and to those currently or previously providing services to the candidate
8 or candidate's political committee. Coordination will be presumed in the
9 absence of such a firewall; or

10 (ii) the individual or entity making the expenditure
11 interviews a candidate; has endorsed a candidate; has obtained from the
12 candidate a biography of the candidate or a position paper, press release,
13 or similar material about the candidate; has invited the candidate to make
14 an appearance before the person's members, employees or shareholders;
15 or has shared space with a candidate or candidate's political committee
16 for one or more single events of limited duration.

17 G. *Election* means any regular or special Santa Fe municipal election.

18 H. *Expenditure* means a payment or transfer of anything of value in exchange for
19 goods, services, property, facilities or anything of value for the purpose of supporting or opposing
20 the election of a candidate or the approval or defeat of a ballot proposition. This includes
21 contributions, subscriptions, distributions, loans, advances, deposits, or gifts of money or
22 anything of value, and includes a contract, a promise or agreement, whether or not legally
23 enforceable, to make an expenditure. The term "expenditure" also means the transfer of funds or
24 anything of value between political committees.

25 I. *Fund* means the public campaign finance fund created by subsection 9-3.4 SFCC

1 1987.

2 J. *Non-participating candidate* means a candidate who is not a participating
3 candidate.

4 K. *Participating candidate* means a candidate who has qualified and has been
5 certified pursuant to subsection 9-3.9 SFCC 1987 as eligible to receive payments from the fund.

6 L. *Qualified elector* means a person who is registered to vote in the City of Santa
7 Fe.

8 M. *Qualified small contribution* means a contribution of no more than one hundred
9 dollars (\$100) made and accepted in compliance with the provisions of subsection 9-3.12 SFCC
10 1987.

11 M. *Qualifying contribution* means a contribution of no more or no less than five
12 dollars (\$5.00) that is received from a qualified elector during the qualifying period by a
13 candidate seeking to become a participating candidate. A candidate for council shall only receive
14 qualifying contributions from qualified electors registered to vote in the council district in which
15 the candidate is running.

16 N. *Qualifying period* means the period during which a candidate seeking to become
17 a participating candidate is permitted to collect qualified small contributions and to apply for
18 certification as a participating candidate. It begins one hundred eighty-three (183) days before the
19 election and ends one hundred six (106) days before the election.

20 O. *Race* means the electoral process in which one (1) or more candidates run and
21 one (1) candidate is elected to the office of mayor, municipal judge or city councilor for a
22 particular district.

23 P. *Seed money contribution* means a contribution of no more than one hundred
24 dollars (\$100.) made and accepted in compliance with the provisions of subsection 9-3.6 SFCC
25 1987 and used exclusively for the purposes specified in that section.

1 P. *Uncontested race* means a race in which there is only one (1) candidate for the
2 office sought.

3 Section 2. Subsection 9-3.4 SFCC 1987 (being Ord. #2009-44, §5, as amended)
4 is amended to read:

5 **9-3.4 Public Campaign Finance Fund.**

6 A. A dedicated public campaign finance fund ("the fund") is established to be
7 administered by the [municipal] city clerk for the purpose of providing public financing for the
8 election campaigns of participating candidates. Monies in the fund and disbursed from the fund to
9 participating candidates are public monies entrusted to the candidates to be used solely for the
10 public purposes specified in this Section 9-3 SFCC 1987.

11 B. Beginning with the city budget for fiscal year 2009-2010 and in each fiscal year
12 thereafter, the sum of one hundred fifty thousand dollars (\$150,000.) shall be budgeted for and
13 deposited in the fund.

14 C. Beginning with the election of 2014, the governing body shall appropriate and
15 deposit in the fund such additional sums, if any, as may be necessary to ensure:

16 (1) That the balance in the fund one hundred nineteen (119) days preceding
17 each election for mayor and four (4) council seats is at least six hundred thousand dollars
18 (\$600,000.); and

19 (2) That the balance in the fund one hundred nineteen (119) days preceding
20 each election for municipal judge and four (4) council seats is at least three hundred
21 thousand dollars (\$300,000.).

22 D. In addition to the deposits required by paragraphs B. and C. of this subsection,
23 the following shall also be deposited in the fund:

24 (1) All seed money contributions received by candidates seeking to become
25 certified as participating candidates which remain unspent;

1 (2) All qualifying contributions received by candidates seeking to become
2 certified as participating candidates;

3 (3) All amounts paid from the fund to participating candidates which have
4 not been spent or obligated as of the date of the election;

5 (4) All fines levied by the ethics and campaign review board or as decreed
6 by a court of competent jurisdiction as a condition of probation;

7 (5) Voluntary donations made to the fund;

8 (6) All interest and other income earned from investment of the fund; and

9 (7) Such other appropriations to the fund as may be made by the governing
10 body as necessary to fulfill the requirements of this Section 9-3 SFCC 1987.

11 **Section 3. Subsection 9-3.5 SFCC 1987 (being Ord. #2009-44, §6, as amended)**

12 **is amended to read:**

13 **9-3.5 Eligibility as a Participating Candidate.**

14 [~~Beginning with the election of 2012, a~~] Any candidate for municipal office may qualify
15 as a participating candidate eligible to receive payments from the fund pursuant to subsections 9-
16 3.10 and 9-3.13 SFCC 1987 if the candidate:

17 A. Meets the requisites to be listed on the ballot as a certified candidate for
18 municipal office pursuant to the provisions of Section 3-8-27 (B) through (E) NMSA 1978 and
19 Article IV Section 4.03 of the Santa Fe Municipal Charter;

20 B. Has collected the requisite number of qualifying contributions, as follows:

21 (1) For a candidate running for the office of mayor, six hundred (600)
22 qualifying contributions from separate qualified electors;

23 (2) For a candidate running for the office of city councilor, one hundred fifty
24 (150) qualifying contributions from separate qualified electors registered to vote in the
25 council district in which the candidate is running;

1 (3) For a candidate running for the office of municipal judge, one hundred
2 fifty (150) qualifying contributions from separate qualified electors.

3 C. Submits an application for certification pursuant to subsection 9-3.8 SFCC 1987
4 setting forth the agreement and the averments and accompanied by the forms, reports and
5 payments that are required by that section.

6 **Section 4. Subsection 9-3.6 SFCC 1987 (being Ord. #2009-44, §7, as amended)**
7 **is amended to read:**

8 **9-3.6 Seed Money Contributions.**

9 A. A candidate seeking to become a participating candidate may solicit and accept
10 seed money contributions to defray expenses incurred in obtaining qualifying contributions and in
11 seeking certification as a participating candidate

12 B. The aggregate amount of seed money contributions from any one contributor to
13 any one candidate shall not exceed one hundred dollars (\$100), and the aggregate amount of seed
14 money contributions accepted by a candidate shall not exceed ten percent (10%) of the amount
15 payable under subsection 9-3.10 SFCC 1987 to a candidate in a contested election for the office
16 sought.

17 C. Each seed money contribution shall be accompanied by a form signed by the
18 contributor, which shall include the contributor's name, home address, telephone number,
19 occupation and name of employer.

20 D. All seed money contributions received by a candidate shall be deposited in a non-
21 interest-bearing account in a campaign depository to be established by the candidate before
22 soliciting or accepting any such contributions. All expenditures of seed money shall be made
23 from the campaign depository.

24 E. Seed money contributions shall be used only for the purposes specified in
25 paragraph A. of this subsection, and all seed money contributions that have not been spent or used

1 for such purposes by the time the candidate applies for certification as a participating candidate or
2 by the end of the qualifying period, whichever is sooner, shall then be paid over to the municipal
3 clerk for deposit in the fund; provided, however, that if payment of all of the candidate's unspent
4 seed money to the municipal clerk would cause the bank account in the campaign depository to
5 be closed, an amount of seed money necessary to keep the account open may be temporarily
6 retained in the account and paid over to the municipal clerk at a later time in compliance with
7 paragraph C of subsection 9-3.10 SFCC 1987.

8 **Section 5. Subsection 9-3.8 SFCC 1987 (being Ord. #2009-44, §9, as amended)**
9 **is amended to read:**

10 **9-3.8 Application for Certification as a Participating Candidate.**

11 A. A candidate who wishes to be certified as a participating candidate shall, before
12 the end of the qualifying period, file an application for such certification with the municipal clerk
13 on a form prescribed by the [~~municipal~~] city clerk.

14 B. The application shall identify the candidate and the office that the candidate is
15 seeking, and shall set forth:

16 (1) The candidate's averment under oath that the candidate satisfies the
17 requisites for qualification and certification as a participating candidate prescribed by
18 subsection 9-3.5 SFCC 1987;

19 (2) The candidate's averment under oath that the candidate has accepted no
20 contributions to the candidate's current campaign other than qualifying contributions and
21 seed money contributions solicited and accepted pursuant to subsections 9-3.6 SFCC
22 1987 and 9-3.7 SFCC 1987;

23 (3) The candidate's averment under oath that the candidate has made no
24 expenditures for his or her current campaign from any source other than seed money
25 contributions; and

1 (4) The candidate's agreement that his or her current campaign will not
2 solicit, direct, or accept any further contributions or make any further expenditures from
3 any sources other than payments received from the fund pursuant to subsections 9-3.10
4 and 9-3.13 SFCC 1987 and qualified small contributions received pursuant to subsection
5 9-3.12 SFCC 1987.

6 C. The application shall be accompanied by:

7 (1) Reports listing all seed money contributions and qualifying contributions
8 received by the candidate and all expenditures of seed money contributions made by the
9 candidate, and showing the aggregate amounts of all such contributions and expenditures
10 and the aggregate amounts of all contributions received from each contributor;

11 (2) Copies of forms signed by contributors for all seed money contributions
12 and qualifying contributions received by the candidate; and

13 (3) A check or checks issued to the City of Santa Fe from the candidate's
14 campaign depository for the amount of all qualifying contributions received by the
15 candidate and all seed money contributions received by the candidate except:

16 (a) Amounts previously spent for the purposes specified in
17 paragraph A of subsection 9-3.6 SFCC 1987; and

18 (b) The amount, if any, that has been temporarily retained by the
19 candidate for the purpose of keeping open the bank account in the campaign
20 depository pursuant to paragraph E of subsection 9-3.6 SFCC 1987.

21 Section 7. Subsection 9-3.9 SFCC 1987 (being Ord. #2009-44, §10, as amended)

22 is amended to read:

23 **9-3.9 Certification as a Participating Candidate.**

24 A. On or before the eighty-ninth (89th) day before the election the municipal clerk
25 shall make a determination whether the candidate's application complies with the requirements of

1 subsection 9-3.8 SFCC 1987 and whether the candidate satisfies the requisites for certification as
2 a participating candidate prescribed by subsection 9-3.5 SFCC 1987, and shall thereupon issue a
3 decision, in accordance with the determination so made, granting or refusing such certification to
4 the candidate.

5 B. The [~~municipal~~] city clerk may revoke a candidate's certification as a
6 participating candidate for any violation by the candidate of the requirements of this section, and
7 may require that any candidate whose certification has been revoked to pay over to the municipal
8 clerk for deposit in the fund any amounts previously paid to the candidate pursuant to subsections
9 9-3.10 and 9-3.13 SFCC 1987.

10 **Section 8. Subsection 9-3.10 SFCC 1987 (being Ord. #2009-44, §11, as**
11 **amended) is amended to read:**

12 **9-3.11 Use of Payments from the Fund; the Fund as Exclusive Source.**

13 A. All payments received by a participating candidate from the fund shall be
14 deposited in a non-interest-bearing account in the candidate's campaign depository and shall be
15 used exclusively to pay expenses reasonably incurred in furtherance of the candidate's current
16 campaign.

17 B. Payments received from the fund shall not be used for any other purpose,
18 including:

19 (1) The candidate's personal living expenses or compensation to the
20 candidate or the candidate's family;

21 (2) A contribution to another campaign of the candidate or a payment to
22 retire debt from another such campaign;

23 (3) A contribution to the campaign of another candidate or to a political
24 party or political committee or to a campaign supporting or opposing a ballot proposition;

25 (4) An expenditure supporting the election of another candidate or the

1 approval or defeat of a ballot proposition or the defeat of any candidate other than an
2 opponent of the participating candidate;

3 (5) Payment of legal expenses or any fine levied by a court or the ethics and
4 campaign review board.

5 (6) Any gift or transfer for which compensating value is not received.

6 C. All payments from the fund received by a participating candidate which have not
7 been spent or obligated for the purposes specified in paragraph A of this subsection and any
8 tangible assets purchased with such payments remaining in the possession of the campaign as of
9 the date of the election shall be returned by the candidate and shall be conveyed to the municipal
10 clerk within forty-five (45) days after that date. Returned payments shall be deposited in the
11 fund. Tangible assets shall be conveyed to the city for its use or disposition in accordance with
12 the city's procurement code. Proceeds from such disposition shall be deposited in the fund.

13 D. In accordance with the agreement entered into pursuant to subparagraph B(4) of
14 subsection 9-3.8 SFCC 1987, a candidate who has been certified as a participating candidate shall
15 not thereafter accept any contribution to the candidate's campaign other than payments received
16 from the fund pursuant to subsections 9-3.10 and 9-3.13 SFCC 1987 and qualified small
17 contributions received pursuant to subsection 9-3.12 SFCC 1987, and shall not make any
18 expenditure in support of the candidate's campaign from any source other than payments and
19 contributions so received and previously deposited in the candidate's campaign depository.

20 **Section 9. A new Subsection 9-3.12 SFCC 1987 is ordained to read:**

21 **9-3.12 [Reserved.] [NEW MATERIAL] Qualified Small Contributions.**

22 A. A participating candidate may solicit and accept qualified small contributions
23 beginning on the date on which the candidate is certified as a participating candidate pursuant to
24 subsection 9-3.9(A) SFCC 1987.

25 B. The aggregate amount of qualified small contributions from any one contributor

1 to any one candidate shall not exceed one hundred dollars (\$100.00).

2 C. Each qualified small contributions shall be accompanied by a form signed by the
3 contributor, which shall include the contributor's name, home address, telephone number,
4 occupation and name of employer. The ethics and campaign review board may, by regulation,
5 permit the use of an electronic signature on such forms.

6 D. All qualified small contributions received by a candidate shall be recorded by the
7 candidate's campaign treasurer, deposited in a non-interest bearing account in the campaign
8 depository and used in the candidate's campaign or disposed of following the election in the
9 manner required by subsection 9-2.9 SFCC 1987. All such contributions shall be reported in a
10 timely manner in a campaign finance statement prepared in the manner and filed on the dates
11 required by subsections 9-2.10 through 9-2.12 SFCC 1987. Campaign finance statements
12 reporting the receipt of qualified small contributions shall be accompanied by copies of the forms
13 signed by each contributor pursuant to paragraph C of this subsection.

14 **Section 10. A new Subsection 9-3.13 SFCC 1987 is ordained to read:**

15 **9-3.13 [Reserved.] [NEW MATERIAL] Additional Reports of Qualified Small**
16 **Contributions; Additional Matching Payments from the Fund.**

17 A. In addition to the dates specified for the filing of campaign finance statements by
18 subsection 9-2.10 SFCC 1987, campaign finance statements reporting the receipt of qualified
19 small contributions may also be filed by participating candidates on the fifty-seventh day
20 preceding the election.

21 B. Within two business days after the filing of a campaign finance statement by a
22 participating candidate reporting the receipt of qualified small contributions and accompanied by
23 copies of the foms signed by the contributors as required by paragraph C of subsection 9-3.12
24 SFCC 1987, the city clerk shall disburse to the candidate an additional payment from the fund
25 equal to two times the total amount of the qualified small contribution reported in the campaign

1 finance statement distributed pursuant to subsection 9-2.10(A)(1-2).

2 C. The aggregate amount of additional payments made to a participating candidate
3 pursuant to paragraph B of this subsection shall not exceed two hundred percent (200%) of the
4 amount initially paid to the candidate pursuant to subsection 9-3.10 SFCC 1987.

5 D. If the amounts required to be paid to candidates under paragraph B of this
6 subsection exceed the total amount available in the fund, each payment shall be reduced in
7 proportion to the amount of such excess.

8 **Section 11. Section 9-3.13 SFCC 1987 (being Ord. No. 2009-44, § 15, as amended) is**
9 **amended to read:**

10 **9-3.14 Reports of Expenditures; Exemption from Certain Reporting Requirements.**

11 A. A participating candidate shall file with the municipal clerk reports under oath of
12 expenditures made from the payments received from the fund, showing the date and amount of
13 each such expenditure, the name and address of the person or organization to whom it was made,
14 the purpose of the expenditure, the aggregate amount of such expenditures made to each person
15 or organization and the aggregate amount of all such expenditures made by the candidate or by
16 his or her campaign. A copy of each receipt, printed on 8 ½" by 11" paper, shall be filed with
17 the municipal clerk with the reports provided for in this subsection.

18 B. The reports required by paragraph A of this subsection shall be filed on each of
19 the days prescribed for the filing of campaign finance statements by subsection 9-2.10 SFCC
20 1987.

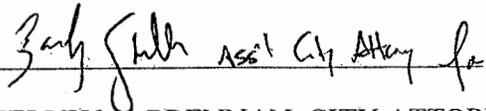
21 C. Except as provided in paragraph A and B of this subsection and paragraph C of
22 subsection 9-3.8 SFCC 1987, paragraph D of subsection 9-3.12 SFCC 1987 and paragraph A of
23 subsection 9-3.13 SFCC 1987, participating candidates are exempt from the requirement to file
24 campaign finance statements imposed by subsections 9-2.10 SFCC 1987 through 9-2.12 SFCC
25 1987 and from the requirements to file campaign records with the municipal clerk imposed by

1 paragraph D of subsection 9-2.9 SFCC 1987; provided, however, that campaign records shall be
2 maintained in the manner required by the applicable provisions of the Campaign Code (Section 9-
3 2 SFCC 1987) and shall be made available upon request to the municipal clerk and the ethics and
4 campaign review board.

5 D. ~~[A-s]~~Seed money and qualifying contribution reports, ~~[and an]~~ campaign finance
6 statements and contribution and expenditure reports of a candidate for municipal judge are not
7 required to be signed or acknowledged by the candidate.

8 APPROVED AS TO FORM:

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10  Ass't City Attorney for

11 KELLEY A. BRENNAN, CITY ATTORNEY

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25 *M/Legislation/Bills 2016/Campaign Finance Reform*

City of Santa Fe Fiscal Impact Report (FIR)

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

Section A. General Information

(Check) Bill: X Resolution: _____

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): AMENDING SECTION 9-3 SFCC 1987, THE PUBLIC CAMPAIGN FINANCE CODE TO INCLUDE A DEFINITION FOR QUALIFIED SMALL CONTRIBUTION; ESTABLISHING A NEW SECTION REGARDING QUALIFIED SMALL CONTRIBUTIONS; AND ESTABLISHING A NEW SECTION REGARDING REPORTS OF QUALIFIED SMALL CONTRIBUTIONS AND MATCHING PAYMENTS.

Sponsor(s): Councilor Peter Ives

Reviewing Department(s): City Attorney's Office

Persons Completing FIR: Zack Shandler Date: 1/15/16 Phone: x6303

Reviewed by City Attorney:  Date: 1/15/16
(Signature)

Reviewed by Finance Director: _____ Date: _____
(Signature)

Section B. Summary

Briefly explain the purpose and major provisions of the bill/resolution:

This bill will allow "public candidates" to raise \$100 contributions after being certified as "public candidates."

There is no cap on the amount of \$100 contributions a public candidate can collect.

The public candidate can submit a campaign report documenting the amount of \$100 contributions collected three times during the campaign.

The City Clerk will then provide a 2:1 match from the Election Fund within 2 days.

There is a cap on the amount of match the City Clerk can provide to the public candidates.

The match is capped at 2:1 (i.e. 200%) ratio of the initial grant of money (i.e. if a mayor candidate gets \$60,000 from the Fund in the initial grant—the City Clerk's match from the Fund is capped twice that at \$120,000).

Section C. Fiscal Impact

Note: Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)

Finance Director: _____

c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)*

1. Projected Expenditures:

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: “A” if current budget and level of staffing will absorb the costs
 “N” if new, additional, or increased budget or staffing will be required
- c. Indicate: “R” – if recurring annual costs
 “NR” if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

_____ Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
Expenditure Classification	FY 2016	“A” Costs Absorbed or “N” New Budget Required	“R” Costs Recurring or “NR” Non- recurring	FY 2018	“A” Costs Absorbed or “N” New Budget Required	“R” Costs – Recurring or “NR” Non- recurring	Fund Affected	

Personnel*	\$ TBA <u>(If the bill is adopted in its entirety, the City Clerk may have to review the additional workload and determine whether temporary workers need to be hired)</u>	<u>N</u>	<u>NR</u>	\$ TBA	<u>N</u>	<u>NR</u>	<u>General Fund</u>
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____
All Other Operating Costs	\$ TBA <u>(See Narrative below)</u>	<u>N</u>	<u>NR</u>	\$ TBA <u>(see narrative below)</u>	<u>N</u>	<u>NR</u>	<u>Public Campaign Finance Fund</u>

Total: \$ _____ \$ _____

* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. **For fringe benefits contact the Finance Dept.

2. Revenue Sources:

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY 2016	"R" Costs Recurring or "NR" Non-recurring	FY 2018	"R" Costs – Recurring or "NR" Non-recurring	Fund Affected

_____	\$0	_____	\$ 0	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____
Total:	\$ _____		\$ _____		

3. Expenditure/Revenue Narrative:

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

*Under a system where a mayoral candidate could raise money and could get a 2 X1 match (capped at 200% of the initial grant)?

Mayor Candidate A would get \$60,000 in the initial city grant and if they raised \$60,000 in small contributions and they would get a city match of \$120,000.

(The candidate could raise more than \$60,000, but only the first \$60,000 would be eligible for the match).

In 2014, there were three mayor candidates under the public financing system:

2014 cost to the Public Campaign Finance Fund: \$180,000

Under the bill, the cost to the Fund (if they all raised \$60,000 in small contributions): \$540,000 (\$180,000 and \$360,000 in matching funds)

Under a system where council or judge candidates could raise money and could get a 2 X1 match (capped at 200% of the initial grant)?

Candidate A would get \$15,000 in the initial grant, and if they raised \$15,000 in small contributions and get a match of \$30,000.

(The candidate could raise more than \$15,000, but only the first \$15,000 would be eligible for the match).

In 2014, there were 7 council candidates under the public financing system:

2014 cost with 7 candidates to the Fund: \$105,000

Under the bill, the cost to the Fund (if they all seven raised \$15,000 in small contributions): \$315,000 (\$105,000 in grant funds and \$210,000 in matching funds)

In 2016, there are 3 opposed council candidates and 2 judge candidates under the public financing system.

2016 cost with 5 candidates to the Fund: \$75,000.

Under the bill, the cost to the Fund (if they all five raised \$15,000 in small contributions): \$215,000 (\$75,000 in grant funds and \$150,000 in matching funds)

Notes:

*The proposed 200% cap on the initial city grant of fund creates a known cap on the city match. For example, Mayoral Candidate A could never get more than \$120,000 in matching funds. A council candidate can never get more than \$30,000 in matching funds.

*There is an annual distribution from the General Fund to the Public Campaign Finance Fund. The current code in Section 9-3.4B provides that "each fiscal year...the sum of one hundred fifty thousand shall be budgeted for and deposited in the fund."

*There is a current floor of the minimum amount of \$ that needs to be in the fund. The current code in Section 9-3.4C provides that "beginning with the election of 2014, the governing body shall appropriate and deposit in the fund such additional sums, if any, as many be necessary to ensure that the balance ... [during a mayoral election year] is at least six hundred thousand dollars...[and] that the balance in the fund ... [during a council and judge year] is at least three hundred thousand dollars...."

*The balance in the Public Campaign Finance Fund at the end of FY 2015 is \$493,000. The annual distribution from the general fund of \$150,000 is distributed to the fund on a proportional quarterly basis (\$37,500 per quarter). This means the balance of the fund was approximately \$568,000 at the end of Calendar Year 2015, not including prior the initial grant to the five council and judge 2016 candidates. (Therefore, calculating the costs to the fund in December 2015, the fund current balance is approximately \$490,000)

*There is a process where unopposed publicly funded candidates get less public money. The current code in Section 9-3.10A4 provides that "a candidate in an uncontested race, ten percent of the amount that would be due to a candidate in a contested race for the same office" shall be disbursed.

*There is a current process that reduces the allotment of funds to candidates to avoid a "run on the bank" scenario. The current code in Section 9-3.10B provides that "if the amount to be paid to candidates ...exceed the total amount available in the fund, each payment shall be reduced in proportion to the amount of such excess. Any such proportionate reduction in the payment due to any candidate ... shall give the candidate the option to reject the payment and to withdraw as a participating candidate."

Section D. General Narrative

1. Conflicts: Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

No

2. Consequences of Not Enacting This Bill/Resolution:

Are there consequences of not enacting this bill/resolution? If so, describe.

Status quo

3. Technical Issues:

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None at this time

4. Community Impact:

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

In July 2015, the City Council adopted some of the ECRB's recommended changes. This bill represents ECRB's additional recommendation changes.