

# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

BILL NO. 2014-\_\_

### Campaign Contributions by City Contractors

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**SPONSOR(S):** Calvert

**SUMMARY:** The bill proposes to amend the Code of Ethics, Section 1-7 SFCC 1987 and the Campaign Code, Section 9-2 SFCC 1987 in the following manner:

1. Broadens the definition of "conflict of interest" in §1-7.5 of the Code of Ethics by including certain additional relationships and lowering to \$250, the threshold amount of campaign contributions that may give rise to such conflicts;
2. Amends §9-2.14 of the Campaign Code alerting campaign contributors to potential conflicts of interest arising from campaign contributions over \$250;
3. Amends §9-2.3(J) of the Campaign Code to eliminate a gap in the definition of "contributor"; and
4. Conforms the above amendment to §9-2.11(A) of the Campaign Code.

**PREPARED BY:** Melissa Byers, Legislative Liaison

**DATE:** January 9, 2014

**ATTACHMENTS:** Bill

1 CITY OF SANTA FE, NEW MEXICO

2 BILL NO. 2014-\_\_

3 INTRODUCED BY:

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6 Councilor Chris Calvert

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9  
10 AN ORDINANCE

11 RELATING TO CAMPAIGN CONTRIBUTIONS FROM CITY CONTRACTORS;  
12 AMENDING THE CODE OF ETHICS, SECTION 1-7 SFCC 1987 AND THE CAMPAIGN  
13 CODE, SECTION 9-2 SFCC 1987 TO REGULATE CONFLICTS OF INTEREST ARISING  
14 FROM CAMPAIGN CONTRIBUTIONS FROM CITY CONTRACTORS AND FOR  
15 RELATED PURPOSES.

16  
17 BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

18 Section 1. Subsection 1-7.5 SFCC 1987 (being Ord. #2005-15, §14, as amended) is  
19 amended to read:

20 1-7.5 Definitions.

21 As used in the Code of Ethics:

22 *Business* means a corporation, partnership, sole proprietorship, firm, or other profit-making  
23 enterprise.

24 *Confidential information* means information which is acquired by a public official or public  
25 employee by reason of his or her public office or public employment, which has not previously been

1 made public, and which is not required to be made available to the public under the Inspection of  
2 Public Records Act (§§10-15-1 et seq. NMSA 1978).

3 *Conflict of interest* means a specific and identifiable prospect of pecuniary gain or loss, other  
4 than a gain or loss that is de minimis in amount or shared with a substantial segment of the general  
5 public, to any of the individuals or entities here listed from an official act of any public official or  
6 employee:

7 (1) The public official or public employee who is to perform the official act;

8 (2) Any member of his or her family;

9 (3) Any business of which he or she or any member of his or her household is an owner;

10 (4) Any employer, client or customer from whom the public official or public employee  
11 knows or reasonably should know that he or she or any member of his or her household or any  
12 business of which he or she is an owner has received remuneration of more than five hundred dollars  
13 (\$500.00) during the year preceding the official act;

14 (5) Any civic group, labor union, or social, charitable or religious organization of which  
15 the public official or public employee or a member of his or her household is an officer or director; or

16 (6) ~~[Any "contributor" who has made "contributions," as those terms are defined in~~  
17 ~~subsection 9-2.3G. and H. SFCC 1987,] Any business or any of its owners, if the public official or  
18 public employee knows or reasonably should know that the business or any of its owners, has made  
19 "contributions" or has directed the making of "contributions," as that term is defined in subsection 9-  
20 2.3(I) SFCC 1987, to the public official's or public employee's campaign for elected office in an  
21 aggregate amount greater than two hundred fifty dollars (\$250) during the two (2) years preceding the  
22 official act [of more than one thousand dollars (\$1,000.) in the aggregate for councilor position and  
23 of more than two thousand five hundred dollars (\$2,500.) in the aggregate for mayor position]. A  
24 contribution made before [the effective date of this ordinance], shall not be counted toward the  
25 aggregate total.~~

1            *Employer, in the case of a person who is employed by a governmental entity other than the*  
2 *city, means the governmental department for which the person works.*

3            *Family of an individual means members of the individual's household, his or her children,*  
4 *step-children, brothers, sisters, parents, step-parents, domestic partner and all persons claimed as*  
5 *dependents on the individual's latest federal income tax return.*

6            *Financial benefit means any money, service, license, permit, contract, loan, travel,*  
7 *entertainment, gratuity or any other thing of monetary value or any promise of any of these.*

8            *Governing body means the mayor and the city council.*

9            *Governmental body means the governing body and any board, commission or committee*  
10 *appointed by the governing body or by the mayor with the advice and consent of the governing body.*

11            *Household of an individual means all persons whose primary residence is in the individual's*  
12 *home, including non-relatives, who are not rent-payers or employees.*

13            *Official act means an official decision, vote including, but not limited to items on a consent*  
14 *calendar, recommendation, approval, disapproval or other action which involves the use of*  
15 *discretionary authority.*

16            *Owner of a business means each of the business's proprietors, partners or holders of more*  
17 *than two percent (2%) of its outstanding stock.*

18            *Public employee means any exempt, classified, probationary, temporary, term or part-time*  
19 *employee of the city of Santa Fe except the municipal judge, the city manager, the city clerk, the city*  
20 *attorney and the members of the governing body.*

21            *Public official means the city manager, the city attorney, the city clerk and any member of a*  
22 *governmental body, including the governing body.*

23            *Subordinate of a public official or public employee means a public employee over whose*  
24 *work for the city the public official or public employee has direction, supervision or control. All*  
25 *public officials and public employees except other members of the governing body are deemed to be*

1 subordinates of each member of the governing body.

2           **Section 2.       Subsection 9-2.14 SFCC 1987 (being Ord. #1998-41, §13, as amended) is**  
3 **amended to read:**

4           **9-2.14 Spending Limitations.**

5           A.     A candidate may volunteer, to limit the candidate's expenditures to one dollar (\$1.00)  
6 per registered voter in the city for the mayoral or municipal judgeship or one dollar (\$1.00) per  
7 registered voter in the applicable district for the city council election.

8           B.     A candidate may volunteer to make no contributions to the candidate's own campaign  
9 or political committee of personal assets that in aggregate exceeds ten percent (10%) of the applicable  
10 expenditure limits for the mayoral or municipal judgeship position. A candidate may volunteer to  
11 make no contributions to the candidate's own campaign or political committee of personal assets that  
12 in aggregate exceeds twenty-five percent (25%) of the applicable expenditure limits for the city  
13 council position.

14           C.     No candidate for councilor or municipal judge or the candidate's political committee  
15 shall accept contributions from any one individual, entity or organization which in the aggregate  
16 exceed one thousand dollars (\$1000.) in any one election.

17           D.     No candidate for mayor or the candidate's political committee shall accept  
18 contributions from any one individual, entity or organization which in the aggregate exceed two  
19 thousand five hundred dollars (\$2,500.) in any one election.

20           E.     Contributions from any one individual, entity or organization to any elected official or  
21 his or her election campaign, which in the aggregate exceed two hundred fifty dollars (\$250) during  
22 the two years preceding any official act of the elected official affecting the financial interest of the  
23 contributor, are subject to the conflict-of-interest provisions of subsections 1-7.5 and 1-7.7(L) SFCC  
24 1987.

25           **Section 3.       Subsection 9-2.3 (J) SFCC 1987 (being Ord. #Ord. #1998-41, §3, as**

1 amended) is amended to read:

2 J. *Contributor* means:

3 (1) *Individual contributor* means an individual who makes a contribution from  
4 their personal assets which are not those of a business, corporation, partnership, labor  
5 organization, unincorporated association or political committee.

6 (2) *Business or organizational contributor* means an individual who uses the  
7 assets of a business, corporation, partnership, labor organization, unincorporated association  
8 or political committee as a contribution, or any business, corporation, partnership, sole  
9 proprietor, labor organization, unincorporated association or political committee which makes  
10 a contribution.

11 Section 4. Subsection 9-2.11 SFCC 1987 (being Ord. #Ord. #1998-41, §10, as  
12 amended) is amended to read:

13 **9-2.11 Campaign Finance Statement; Contents.**

14 A. Each campaign finance statement shall be filed in accordance with subsection 9-2.10  
15 SFCC 1987. The initial statement shall begin with the date of the first contribution or expenditure.  
16 Subsequent statements shall begin on the day after the end date of the previous reporting period.  
17 Statements shall contain the following information:

18 (1) The funds on hand at the beginning of the period. This shall include the  
19 cumulative total amount of all contributions and expenditures. This includes, but is not  
20 limited to, contributions and expenditures in aid of, or in opposition to, candidates or ballot  
21 propositions before they qualify for the ballot and contributions and expenditures following  
22 the election;

23 (2) The full name, home address, occupation, name of employer, date of receipt  
24 and amount of each contribution received from each individual contributor from whom a  
25 contribution in money, goods, materials, services, facilities or anything of value has been

1 received and whether the contribution was received in cash, by check, by credit card, by  
2 electronic transfer or otherwise;

3 (3) The full name, type of business, physical address, date of receipt and amount  
4 of each contribution for each business or organizational contributor, from whom a  
5 contribution in money, goods, materials, services, facilities or anything of value has been  
6 received, and whether the contribution was received in cash, by check, by credit card, by  
7 electronic transfer or otherwise;

8 (4) The date of receipt and amount of any anonymous contribution received by  
9 the campaign treasurer or deputy campaign treasurer and the disposition that was made of  
10 each such contribution pursuant to subsection 9-2.9B SFCC 1987, including the date when it  
11 was donated to the city or to a charity and the identity of the recipient of the donation.

12 (5) The full name and complete mailing address of each individual or business to  
13 whom an expenditure has been made, the purpose of each campaign expenditure and the date  
14 each expenditure was made. This report shall be itemized with the total amount paid to each  
15 individual or business for the goods, services or facilities provided;

16 (6) The full name of the candidate or political committee and the full name and  
17 complete address of the campaign treasurer or deputy campaign treasurer;

18 (7) For each contributor, the cumulative total of all contributions made; and

19 (8) Where goods, materials, services, facilities or anything of value other than  
20 money is contributed or expended, the monetary value thereof shall be reported at the fair  
21 market value.

22 B. Loans of money, property or other things made to a candidate or political committee  
23 during the period covered by the campaign finance statement shall be reported separately in the  
24 statement, with the following information:

25 (1) The total value of all loans received during the period covered by the

1 campaign finance statement;

2 (2) The full name and address of each lender, the date of the loan, the interest  
3 rate and the amount of the loan remaining unpaid;

4 (3) The cumulative total value of all loans received; and

5 (4) The total amount of loans remaining unpaid.

6 C. If a loan has been forgiven or paid by a third person, it shall be reported pursuant to  
7 this section.

8 D. Investments made with campaign funds under subsection 9-2.9 SFCC 1987 and  
9 interest, dividends and/or other income received shall be reported separately in the statement.

10 APPROVED AS TO FORM:

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13 KELLEY A. BRENNAN, INTERIM CITY ATTORNEY