

CFO

CONFIDENTIAL

March 11, 1999

Alderman [John Doe]
XXth Ward
City Hall
121 N. LaSalle St.
Chicago, IL 60602

Re: Case No. 99016.Q

Dear Alderman [Doe]:

Recently, [a member] of your staff contacted our office at your request and asked for a letter that explains the limitations on campaign contributions to Chicago Aldermen and aldermanic candidates that are imposed by the City's Campaign Financing Ordinance (chapter 2-164 of the Municipal Code) (the "CFO"). Specifically, she asked that the letter address whether the CFO limits all campaign contributions to Aldermen or aldermanic candidates to \$1,500 per reporting year. This letter is being sent in response to her inquiry.

Section 2-164-040(a) of the CFO provides:

2-164-040. Limitation of Contributing to Candidates and Elected Officials.

(a) No person who has done business with the City, or with the Chicago Transit Authority, Board of Education, including the Chicago School Reform Board of Trustees, Chicago Park District, Chicago City Colleges, or Metropolitan Pier and Exposition Authority within the preceding four reporting years or is seeking to do business with the City, or with any of the other aforementioned entities and no lobbyist registered with the board of ethics shall make contributions in an aggregate amount exceeding \$1,500.00 (i) to any candidate for City office during a single candidacy; or (ii) to an elected official of the government of the City during any reporting year of his term; or (iii) to any official or employee of the City who is seeking election to any other office. For purposes of this section, (i) candidacy in primary and general elections shall be considered separate and distinct candidacies; and (ii) all contributions to a candidate's

authorized political committees shall be considered contributions to the candidate. The combined effect of these provisions is intended to permit total contribution up to but not exceeding \$3,000.00 in a reporting year in which a candidacy occurs. A reporting year is from July 1st to June 30th. The first filing date will be July 30, 1988 and annually thereafter. For purposes of this subsection only "seeking to do business" means (i) the definition set forth in Section 2-156-010(x); and (ii) any matter that was pending before the City Council or any City Council committee in the 6 months prior to the date of the contribution if that matter involved the award of loan funds, grant funds or bond proceeds, bond inducement ordinances, leases, land sales, zoning matters, the creation of tax increment financing districts, concession agreements or the establishment of a Class 6(b) Cook County property tax classification.

Accordingly, the following persons ("person" is defined in § 2-156-010(r) of the Governmental Ethics Ordinance), and only the following persons, are limited to contributing up to \$1,500 in campaign contributions to any Alderman or aldermanic candidate in a single reporting year (July 1 through June 30):

1. Persons who have "done business" with the City, or the Chicago Transit Authority, Board of Education (including the Chicago School Reform Board of Trustees), Chicago Park District, Chicago City Colleges, or Metropolitan Pier and Exposition Authority within the preceding four reporting years (the term "doing business" is defined in § 2-164-010(f) of the CFO);
2. Persons who are "seeking to do business" (a term defined in § 2-164-040(a) of the CFO and also in § 2-156-010(x) of the City's Governmental Ethics Ordinance) with the City or any of the entities mentioned in #1; or
3. Lobbyists registered with the Board of Ethics.

Thus, persons who do not fall into any of the above categories may, under this section of the CFO, make campaign contributions in any amount to Aldermen or aldermanic candidates (they are, of course, subject to the restrictions imposed by §§ 2-164-020, -030 and -040(b) and (c) of the CFO, but these restrictions do not per se limit the amount of campaign contributions).

Additionally, please be aware that §2-164-041 of the CFO provides that no person shall make any cash contribution to any "candidate" (a term defined in §2-164-010(b)) in an amount in excess of \$250. The Board of Ethics has held that the term cash includes cashier's checks and money orders. See Case No. 97032.A (enclosed). Finally, please be aware that in Case No. 90066.A (enclosed), the Board held that the limit on contributions to aldermanic candidates per reporting year from persons subject to the limitations in § 2-164-040(a) of the CFO is \$1,500, even if there are run-off

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elections involving those candidates. This is true despite the sentence in § 040(a) which states "the ... effect of these provisions is intended to permit total contributions up to but not exceeding \$3,000.00 in a reporting year in which a candidacy occurs." The Board reasoned that these aldermanic run-offs are neither primary nor separate general elections.

For your convenience, we enclose copies of the City's Governmental Ethics and Campaign Financing Ordinance, in which we have highlighted the provisions referred to in this letter. We also remind you that a list of lobbyists currently registered with the Board (as well as complete texts of both Ordinances) can be found on our agency's page on the City's Mosaic on the Internet:

www.ci.chi.il.us/WorksMart/Ethics

We hope this letter answers the questions [your staff member] expressed. We appreciate the inquiry and your exemplary concern to abide by the standards embodied in the City's Governmental Ethics and Campaign Financing Ordinances. Of course, please feel free to call us if you need more specific guidance.

Yours very truly,
SIGNED

Steven I. Berlin
Deputy Director

approved:
SIGNED

Dorothy J. Eng
Executive Director

enclosures