

Please note that, on May 12, 2010, chapter 2-164-070(a) was amended. This amendment is shown in ~~strikeout~~ text.

CAMPAIGN FINANCING ORDINANCE

CHAPTER 2-164 of the Municipal Code of Chicago

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2-164-010. Definitions.

Whenever used in this chapter, the following terms shall have the following meanings:

(a) **"Board of Ethics"** or **"Board"** means the Board of Ethics established by Chapter 2-156 of this code, as amended.

(b) **"Candidate"** means any person who seeks nomination for election, election to or retention in any elected office of the government of the City, whether or not such person is elected. A person seeks nomination for election, election or retention if he or she (1) takes the action necessary under the laws of the State of Illinois to attempt to qualify for nomination for election, election to or retention in public office, or (2) receives contributions or makes expenditures, or gives consent for any other person to receive contributions or make expenditures with a view to bringing about his or her nomination for election or election to or retention in such office.

(c) **"City"** means the City of Chicago.

(d) **"Contribution"** or **"political contribution,"** as defined in Chapter 2-156 of this code (under "political" contribution), means any gift, subscription, loan, advance, deposit of money, allotment of money, or anything of value given or transferred by one person to another, including in cash, by check, by draft, through a payroll deduction or allotment plan, by pledge or promise, whether or not enforceable, or otherwise, for purposes of influencing in any way the outcome of any election. For the purposes of this definition, a political contribution does not include:

- (1) A loan made at a market rate by a lender in his or her ordinary course of business;
- (2) The use of real or personal property and the cost of invitations, food, and beverages, voluntarily provided by an individual in rendering voluntary personal services on the individual's residential premises for candidate-related activities; provided the value of the service provided does not exceed an aggregate of \$150.00 in a reporting period as defined in Article 9 of the Illinois Election Code;
- (3) The sale of any food or beverage by a vendor for use in a candidate's campaign at a charge less than the normal comparable charge, if such charge for use in a candidate's campaign is at least equal to the cost of such food or beverage to the vendor.

(e) **"Committee"** or **"political committee"** means a political committee as defined in Article 9 of the Illinois Election Code, as amended.

(f) **"Doing business,"** as defined in Chapter 2-156 of this code, means any one or any combination of sales, purchases, leases or contracts to, from or with the City or any

City agency in an amount in excess of \$10,000.00 in any 12 consecutive months.

(g) **"Employee,"** as defined in Chapter 2-156 of this code, means an individual employed by the City of Chicago, whether part-time or full-time, but excludes elected officials and City contractors.

(h) **"Expenditure"** means an expenditure as defined in Article 9 of the Illinois Election Code, as amended.

(i) **"Financial interest,"** as defined in Chapter 2-156 of this code, means (i) any interest as a result of which the owner currently receives or is entitled to receive in the future more than \$2,500.00 per year; (ii) any interest with a cost or present value of \$5,000.00 or more; or (iii) any interest representing more than 10 percent of a corporation, partnership, sole proprietorship, firm, enterprise, franchise, organization, holding company, joint stock company, receivership, trust, or any legal entity organized for profit; provided, however, financial interest shall not include (a) any interest of the spouse of an official or employee which interest is related to the spouse's independent occupation, profession or employment; (b) any ownership through purchase at fair market value or inheritance of less than one percent of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended; (c) the authorized compensation paid to an official or employee for his office or employment; (d) any economic benefit provided equally to all residents of the City; (e) a time or demand deposit in a financial institution; (f) an endowment or insurance policy or annuity contract purchased from an insurance company.

(j) **"Official,"** as defined in Chapter 2-156 of this code, means any person holding any elected office of the City or any appointed, non-employee member of any City agency.

(k) **"Seeking to do business,"** as defined in Chapter 2-156 of this code, means (1) taking any action within the past six months to obtain a contract or business from the City when, if such action were successful, it would result in the person's doing business with the City; and (2) the contract or business sought has not been awarded to any person. (Prior Code §26.3-1)

(l) **"Domestic Partner"** means a "qualified domestic partner" as defined in section 2-152-072 of this code.

Additional Definitions from Chapter 2-156.

"Gift," as defined in Chapter 2-156 of this code, means any thing of value given without consideration or expectation of return.

"Person," as defined in Chapter 2-156 of this code, means any individual, entity, corporation, partnership, firm, association, union, trust, estate, as well as any parent or subsidiary of any of the foregoing, whether or not operated for profit.

"Political fundraising committee," as defined in Chapter 2-156 of this code,

means any fund, organization, political action committee or other entity that, for purposes of influencing in any way the outcome of any election, receives or expends money or anything of value or transfers money or anything of value to any other fund, political party, candidate, organization, political action committee, or other entity.

2-164-020. Gifts and Favors to Candidates.

(a) No person shall give or offer to give to any candidate, or to the spouse or domestic partner or minor child of a candidate, and none of them shall accept (i) any anonymous gift or contribution or (ii) anything of value, including but not limited to a gift, favor or promise of future employment, based on an understanding, either implicit or explicit, that the candidate's votes, official actions, decisions or judgments as an elected official of the City government would be influenced thereby.

(b) Except as prohibited in subsection (a), nothing in this section shall prohibit any person from giving or receiving (i) an award presented in recognition of public service; (ii) commercially reasonable loans made in the ordinary course of the lender's business; (iii) political contributions, provided that they are reported to the extent required by law; (iv) reasonable hosting, including travel expenses, entertainment, meals or refreshments in connection with public events, appearances or ceremonies related to official City business, if furnished by the sponsor of such event. (Prior Code §26.3-2)

2-164-030. Anonymous and Pseudonymous Contributions.

No person shall offer or make, and no candidate, candidate's committee or person acting in behalf of either of them shall solicit or accept, any contribution that is (a) anonymously given; or (b) made or to be made other than in the name of the true donor. (Prior Code §26.3-3)

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.

(b) For purposes of subsection (a) above, an entity and its subsidiaries, parent company or otherwise affiliated companies, and any of their employees, officers, directors and partners who make a political contribution for which they are reimbursed by the entity or its affiliates shall be considered a single person. However, nothing in this provision shall be construed to prohibit such an employee, officer, director or partner from making a political contribution for which he is not reimbursed by a person with whom he or she is affiliated, even if that person has made the maximum contribution allowed under subsection (a).

(c) For purposes of subsection (a) above, a contribution to (i) any political fundraising committee of a candidate or elected official, or (ii) any political fundraising committee which, during the reporting year in which the contribution is to be made, has itself made contributions or given financial support in excess of 50 percent of that committee's total receipts for the reporting year to a particular candidate, elected official, or the authorized fundraising committee of that candidate or elected official, shall be considered a contribution to that candidate or elected official. (Prior Code §26.3-4)

2-164-041 Cash Contributions.

No person shall make any cash contribution to any candidate in an amount in excess of \$250.

2-164-050. Financial Disclosure by Candidates.

Every person who qualifies as a candidate shall thereby become a "reporting individual" for purposes of Chapter 2-156 of this code, and shall file a statement of financial interests, in the form prescribed by the Board of Ethics pursuant to said chapter, within five days after qualifying as a candidate. The provisions of Chapter 2-156 relating to time, place and manner of filing statements, delivering notices and receipts shall apply to statements of candidates. (Prior Code §26.3-5)

2-164-060. Failure to File Financial Disclosure.

No elected official shall be allowed to take the oath of office, continue in office or receive compensation from the City unless he has filed the statement of financial interest required by Section 2-164-050 and Chapter 2-156 of this code. (Prior Code §26.3-6)

2-164-070. Powers and Duties of Board in Regard to Campaign Financing Ordinance.

In addition to the other powers and duties conferred on it by this code, the Board of Ethics shall have the following powers and duties:

(a) To initiate and to receive complaints of violations of any of the provisions of this chapter and to investigate and act upon such complaints as provided by this chapter; ~~provided, however, that the Board shall have no authority to investigate any complaint alleging a violation of any provision of this ordinance or alleging other misconduct by an alderman. If the Board receives a complaint alleging a violation or other misconduct by an alderman, the Board shall, within two days after receipt thereof, transmit such complaint to the standing committee of the City Council having jurisdiction over such~~

(b) To conduct investigations, inquiries, and hearings concerning any matter covered by this chapter, subject to the limitation expressed in the preceding subsection, and to certify its own acts and records. In the process of investigating complaints of violations of this chapter, the Board, by a majority vote, may request the issuance of a subpoena by the City Council in accordance with Illinois law. The Board may exercise appropriate discretion in determining whether to investigate and whether to act upon any particular complaint or conduct. When the Board determines that assistance is needed in conducting investigations, or when required by law, the Board shall request the assistance of other appropriate agencies;

(c) To require the cooperation of City agencies, officials, employees and other persons whose conduct is regulated by this chapter, in investigating alleged violations of this chapter. Information reasonably related to an investigation shall be made available to the Board by such persons on written request;

(d) To consult with City agencies, officials and employees on matters involving ethical conduct;

(e) To recommend such legislative action as it may deem appropriate to effectuate the policy of this chapter;

(f) To conduct research in the field of governmental ethics and to carry out such educational programs as it deems necessary to effectuate the policy and purpose of this chapter;

(g) To promulgate rules for the conduct of Board activities, including procedural rules consistent with the requirements of due process of law. Provided, however, no such rules and regulations shall become effective until 45 days after their submission to the City Council. And, provided further, no such rules and regulations shall become effective if, during said 45-day period, the City Council, by majority vote of aldermen entitled to be elected, acts to disapprove said rules and regulations;

(h) To prescribe forms for the disclosure and registration of information as provided in this chapter;

(i) To hire such staff as the City Council shall provide in the annual appropriation ordinance;

(j) To prepare and publish, from time to time but at least annually, reports summarizing the Board's activities and to present such report to the Mayor and the City Council;

(k) To render advisory opinions with respect to the provisions of this chapter based upon a real or hypothetical set of circumstances, when requested in writing by an official or employee, or by a person who is personally and directly involved. Advisory opinions shall be made available to the public, but the identity of the person requesting the

opinion and of any person whose conduct is involved in the set of circumstances described in the request for opinion, shall be confidential. (Prior Code §26.3-7)

2-164-080. Complaints and Investigations Under Campaign Financing Ordinance.

(a) Prior to the conclusion of an investigation, the Board shall give the person under investigation notice of the substance of the complaint and an opportunity to present such written information as the person may desire, including the names of any witnesses the person wishes to have interviewed by the Board.

(b) At the conclusion of an investigation, the Board shall prepare a written report including a summary of its investigation, a complete transcript of any proceeding including but not limited to any testimony heard by the Board, to be duly recorded by a qualified reporter, and including recommendations for such administrative or legal action as it deems appropriate. If the Board determines that the complaint is not sustained, it shall so state in its report and so notify the person investigated and any other person whom the Board has informed of the investigation. If the person investigated is an employee and the Board finds that corrective action should be taken, the Board shall send its report to the head of the department or agency in which the employee works. If the person investigated is a department head or appointed official, and the Board finds that corrective action should be taken, the Board shall send its report to the Mayor. If the person investigated is a City Council employee, and the Board finds that corrective action should be taken, the Board shall send its report to the chairman of the City Council committee or to the alderman for whom the employee works. If the person investigated is an elected official other than an alderman, the Board shall send its report to that official and to the Mayor. In all instances the Board shall also send its report to the Corporation Counsel. A person to whom the Board has transmitted a recommendation for action shall, within 30 days of receipt of the recommendation, report to the Board in writing the actions taken on the recommendation and, to the extent that the person declines to take any recommended action, provide a statement of reasons for his decision.

Nothing in this section shall preclude the Board from notifying a person, prior to or during an investigation, that a complaint against him is pending and, where appropriate, recommending to him corrective action; provided, however, that any such notification and recommendation shall be made in writing and a copy thereof shall be transmitted contemporaneously by the Board to the Corporation Counsel. (Prior Code §26.3-8)

2-164-090. Confidentiality.

Complaints to the Board and investigations and recommendations thereon shall be confidential, except as necessary to carry out powers and duties of the Board or to enable another person or agency to consider and act upon the notices and recommendations of the Board; provided that, without identifying the person complained against or the specific transaction, the Board may (a) comment publicly on the disposition of its requests and recommendations; and (b) publish summary opinions to inform City personnel and the public about the interpretation of provisions of this chapter. (Prior Code §26.3-9)

2-164-100. Sanctions.

Any employee found to have violated any of the provisions of this chapter, or to have furnished false or misleading information to the Board of Ethics with the intent to mislead, shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined. Any official who intentionally files a false or misleading statement of financial interests, or knowingly fails to file a statement within the time prescribed in this chapter, or otherwise violates any provision of this chapter, shall be subject to removal from office. (Prior Code §26.3-10)

2-164-110. Judicial Penalties.

Any person found by a court to be guilty of knowingly violating any of the provisions of this chapter or of furnishing false, misleading or incomplete information to the Board of Ethics with the intent to mislead, upon conviction thereof shall be punished by a fine of no more than \$500.00 for any one offense. (Prior Code §26.3-11)

2-164-120. Relationship to Other Laws.

The procedures and penalties provided in this chapter are supplemental and do not limit either the power of the City Council to discipline its own members or the power of any other City agency to otherwise discipline officials or employees or take appropriate administrative action. Nothing in this chapter is intended to repeal or is to be construed as repealing in any way the provisions of any other law or ordinance. (Prior Code §26.3-12)

2-164-130. Severability.

If any provision of this chapter or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid application or provision, and to this end each such invalid provision or invalid application of the chapter is severable, unless otherwise provided by this chapter. It is hereby declared to be the legislative intent of the City Council that this chapter would have been adopted had any such unconstitutional or otherwise invalid provision or application not been included. (Prior Code §26.3-13)