



Legislation Text

File #: 3386-2018, Version: 2

This ordinance establishes new Columbus City Code sections as follows: 107.02 - Campaign finance; 107.03 Election Period Communications and Disclosure of Sources of Funds; 107.04 - Administration - Campaign Finance; and 107.05 - Violation - Penalty and Process; and repeals current Columbus City Code section 2321.53 - Campaign Finance.

In 2014, Columbus voters overwhelmingly approved charter amendments to build on the city's ability to address ethics, campaign contributions, and campaign disclosure. Mayor Andrew J. Ginther proposed and Columbus City Council adopted sweeping, comprehensive ethics laws, as well as the most frequent, timely and transparent disclosure of campaign spending for any city in Ohio.

In 2018, Mayor Ginther, in cooperation with Council President Shannon G. Hardin, directed city staff to research and recommend regulation of "dark money," as well as the city's first limits on the amounts and sources of campaign contributions. A review of other major cities in America reveals a wide range of campaign finance regulations. These include limits established at the local or state level; limits applied "per election," "per calendar year," or a combination of those options; variations in allowable contribution sources; and no clear trend in limits or disclosure requirements.

Research also highlighted the alarming proliferation of dark money, SuperPACs, and independent expenditure campaigns after the *Citizens United* decision by the United States Supreme Court. The sources behind most of the money raised by candidates and political groups are publicly disclosed. When the source of political money is hidden from disclosure, that's considered dark money. The two most common vehicles for dark money in politics are politically active nonprofits and corporate entities such as SuperPACs or limited liability companies. In the 2018 election cycle, more than \$1 billion in dark money was spent to influence elections in America.

A recent Supreme Court decision in *Citizens for Responsibility and Ethics in Washington v. Federal Election Commission and Crossroads Grassroots Policy Strategies*, opened the door for greater disclosure from the groups paying for election period communications, including dark money. Post *Citizens United*, any contribution limits in Columbus would have co-existed with unaccountable dark money. With both disclosure of dark money and reasonable contribution limits, the likelihood of campaign finance reform repeating the challenges in other peer cities is greatly reduced.

To address these issues, the city looked to Ohio Revised Code contribution limits which have not been found unconstitutional, as well as opportunities to increase disclosure of dark money. Specific changes include, but are not limited to, the following:

- Limit annual contributions to municipal candidates by following the state law contribution amounts.
- Create new, cutting edge "dark money" disclosure by requiring anyone issuing an election period communication to immediately disclose their contributions, expenditures, and debt.
- Continue to require more campaign finance disclosure than state law, and the most disclosure of any large city in Ohio.
- Require auditing of all campaign finance filings to assure compliance with campaign finance laws.
- Create a system to report and investigate alleged violations of the new city code.

· Allow a nonrefundable municipal tax credit of \$50 per individual or \$100 per joint filer if they file a city tax return, mirroring similar state law for state candidates.

To enact Columbus City Code sections 107.02, 107.03, 107.04, and ~~170.05~~ **107.05** regarding contribution limits for municipal candidates; campaign finance disclosure; disclosure for election period communications; new duties for the city clerk and city attorney; and fines and penalties for violation of the new code; and to repeal existing Columbus City Code section 2321.53.

WHEREAS, the voters of the City of Columbus expanded the City’s authority to regulate campaign finance limits and disclosure by a vote of 104,967 yes to 42,484 no on November 4, 2014; and

WHEREAS, Mayor Andrew J. Ginther and Columbus City Council previously expanded municipal candidate and ballot issue committee disclosure requirements; and

WHEREAS, a recent United States Supreme Court ruling allows the City to require disclosure of “dark money”; and

WHEREAS, the City may minimize constitutional concerns by following state law limits for contributions; and

WHEREAS, with both disclosure of dark money and reasonable contribution limits, the likelihood of campaign finance reform driving money underground and undisclosed is greatly diminished; now therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

Section 1. That existing section 2321.53 of the Columbus City Codes be and hereby is repealed, effective 11.59 p.m., February 28, 2019.

Section 2. That new sections 107.02, 107.03, 107.04, and 107.05 of the Columbus City Codes, as detailed in the attachment “COLUMBUS CITY CODE CAMPAIGN FINANCE,” be and hereby are enacted, effective from and after 12:00 a.m., March 1, 2019.

Section 3. That all contribution limits established herein shall be adjusted to the contribution limits in effect for Ohio House of Representative candidates as defined in division (B)(1)(a)(iii) of section 3517.102 of the Ohio Revised Code as of the effective date of Section 2, and the limits so adjusted shall be used as the basis for future adjustments as provided for herein.

Section 4. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.