


SUBJECT: ORDINANCE AMENDING CHAPTER 18 OF THE CODE OF ORDINANCES, HOUSTON, TEXAS, RELATING TO THE CONTRIBUTION AND SOLICITATION OF FUNDS FOR ELECTION CAMPAIGNS		Page 1 of 1	Agenda Item #
FROM (Department or other point of origin): Legal Department		Origination Date DATE - 6/23/16	Agenda Date
DIRECTOR'S SIGNATURE: 		Council District affected: All	
For additional information contact: Ronald C. Lewis Phone: 832-393-6202 Tracy Calabrese 832-393-6448, Danielle Folsom 832-393-6308		Date and identification of prior authorizing Council action: Ord. No. 1992-1245 (Sept. 16, 1992)	
RECOMMENDATION: (Summary) Approve the proposed ordinance amendments relating to political contributions for City elective office.			
Amount and Source of Funding: N/A			
SPECIFIC EXPLANATION: The Legal Department recommends that City Council amend Chapter 18 of the City of Houston Code of Ordinances. The proposed changes will adapt the existing campaign finance regulations to the City's new four-year terms of office for elected officials. The changes also provide clarity to candidates and contributors on when contribution limits reset.			
<u>Blackout period.</u> In 2015, a federal district court enjoined the City from enforcing a ban on fundraising by candidates for City elective office except during a period beginning on February 1 of an election year and ending March 4 after election day, or April 4 if the candidate was in a run-off. As a result, candidates for City elective office are now able to fundraise at any time.			
<u>Contribution limits.</u> The injunction did not affect the City's contribution limits for persons and political committees, which are still in place as safeguards against quid pro quo corruption. However, eliminating the fundraising blackout period has raised questions as to when the contribution limits reset in a given election cycle. <u>Under the proposed changes, a person will be able to contribute up to \$5,000 to any candidate per contribution cycle. A political committee will be able to contribute up to \$10,000 to any candidate per contribution cycle. Each contribution cycle will last two years; there will be two contribution cycles before an election. A person or political committee will also be able to donate an additional \$5,000 or \$10,000, respectively, to a run-off candidate during a separate run-off contribution cycle.</u>			
<u>Personal loan reimbursement.</u> The proposed changes also increase the amount (from \$15,000 to \$75,000) that a candidate for Controller or an at-large council seat may be reimbursed from campaign contributions for campaign expenditures from personal funds. The reimbursement limit is also increased from \$5,000 to \$50,000 for candidates for a district council seat.			
<u>Effective date.</u> The ordinance will take effect July 1, 2016. Because of the transition to the new four-year council terms and contribution cycles, any contributions made on or before March 4, 2016, or on or before April 4, 2016, for candidates in the December 12, 2015 run-off, will be governed by the Sec. 18-38 contribution limits in effect as of the date the contribution was made. Thus, the proposed changes would apply retroactively to March 5, 2016, for contributions to a candidate who participated in the November 3, 2015 general election, and April 5, 2016, for contributions to a candidate who participated in the December 12, 2015 run-off election. The beginning date of the current contribution cycle is March 5, 2016, or April 5, 2016, for contributions to a candidate who was in the December 12, 2015 run-off.			
After this transition to the new contribution cycles, the beginning date of the contribution cycles will be: <ul style="list-style-type: none"> January 1, following general election, ending December 31 of next year (e.g., Jan. 1, 2020 – Dec. 31, 2021) January 1 after end of last cycle, and ending December 31 following general election (e.g., Jan. 1, 2022 – Dec. 31, 2023). 			
REQUIRED AUTHORIZATION			
Other Authorization:	Other Authorization:	Other Authorization:	