



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
www.chicityclerk.com

Legislation Text

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Committee on Ethics & Government Oversight
Chicago City Council July 20, 2022

ORDINANCE ESTABLISHING PUBLICLY FINANCED ELECTIONS

WHEREAS, The participation of residents in municipal elections is vital to preserving democratic governance; and

WHEREAS, Funding for municipal candidates' electoral efforts is a highly consequential part of the electoral process; and

WHEREAS, In the last decade, funding in municipal elections has increasingly originated from corporations located outside of City limits and from non-residents of the City; and

WHEREAS, The financial contributions of corporations and non-residents of the City should not supersede the impact of contributions from and the participation of City residents; and

WHEREAS, The independence and objectivity of elected municipal officials is necessary for the efficient and effective functioning of City government; now, therefore,

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

SECTION 1. Title 1 of the Municipal Code of the City of Chicago is hereby amended by deleting Chapter 1-25 in its entirety and replacing it with a new Chapter 1-25, as follows:

Chapter 1-25 CHICAGO FAIR ELECTIONS ORDINANCE

1 25-010 Definitions.

For purposes of this chapter, the following definitions apply:

"Authorized committee" means the candidate political committee designated by a participating candidate to receive public matching funds under this Chapter.

"Person who has business dealings with the City" means: (a) any person "doing business", as defined in Chapter 2-156; and (b) any person required to register as a lobbyist under Chapter 2 156.

"Board" means the Fair Elections Board established in this Chapter.

"Board of Election Commissioners" means the Board of Election Commissioners for the City of Chicago.

"City" means the City of Chicago.

"Candidate political committee" means a candidate political committee as defined in the Illinois Election Code, 10 ILCS 5/9-1 et. seq.

"Contribution" means a gift, subscription, donation, dues, loan, advance, deposit of money, or anything of value, knowingly received in connection with the election of any candidate in a covered election.

"Covered election" means a consolidated primary election or a runoff election, whether general, supplementary, or special, for the office of Mayor, City Clerk, City Treasurer, or Alderman.

"Exchange" means an exchange of moneys or anything of value between political committees authorized by the same candidate and taking part solely in their political campaign.

"Expenditure" and "campaign expenditure," means a payment, distribution, loan, advance, deposit, or gift of money or anything of value.

"The Fund" means the Chicago Fair Elections Fund established by this Chapter.

"Matchable contributions" means that portion of the net amount of all monetary contributions received by a participating candidate or their authorized committee that qualify for public matching funds pursuant to this Chapter. The following shall not be considered contributions for the purposes of determining matchable contributions:

- A) the reasonable value of any goods or services provided to the contributor in connection with the contribution;
- B) contributions from a person who has received a payment or anything of value from the authorized committee or from a person who is an officer, director; or
- C) an employee of, or a person who has a 10% or greater ownership interest in any entity that has received the payment or thing of value.

"Nonparticipating candidate" means a candidate who is not eligible to participate in the public financing system established by this Chapter or has elected not to participate in the system.

"Participating candidate" means a candidate who has met the threshold for eligibility to participate in the public financing system established by this Chapter, and has elected to participate in the system.

"Political committee" means a political committee as defined in the Illinois Election Code, 10 ILCS 5/9-1 et. seq.

"Public matching funds" means the funds issued from the Fund pursuant to this Chapter.

"Qualified campaign expenditure" means an expenditure for which public matching funds may be used pursuant to this Chapter.

"Relative" shall have the meaning ascribed in Chapter 2-156.

"Senior managerial capacity" means a high level supervisory capacity, either by virtue of title or duties, in

which substantial discretion and oversight is exercised over the solicitation, letting, or administration of business transactions with the City, including contracts, franchises,

concessions, grants, economic development agreements, and applications for land use approvals.

1-25-020 The Fair Elections Board; general powers and duties.

a) There is hereby created and established the Fair Elections Board. The Board shall consist of seven members, of which two members shall be appointed by the City of Chicago Inspector General; two members shall be appointed by the Mayor; one member shall be appointed by the Board of Election Commissioners, and two members shall be appointed by a majority vote of City Council. Members of the Board shall: (1) reside within the corporate boundaries of the City; (2) be a registered voter in the City; (3) not hold other elected or appointed public or political party office for a period of three years prior to appointment, nor endorse, nor engage in any political or campaign activity on behalf of any candidate for public office; (4) not be an employee of the City or any subdivision thereof; (5) not be a lobbyist, as defined in Chapter 2-156; and (5) have no financial interest in any work or business of or official action by the City, or any other governmental agency within the jurisdiction of the City or Cook County.

b) The members of the Board shall designate a chair, chosen from the current board members, who shall serve as chair at the pleasure of the members of the Board. The chair shall be responsible for the administration of the Board.

c) The members shall each serve for a term of five years. The terms of office of the Board members first taking office after enactment of this Chapter expire as follows:

- 1) one member appointed by the Mayor for a term of one year,
- 2) one member appointed by the Inspector General for a term of two years,
- 3) one member appointed by the Board of Election Commissioners for a term of three years,
- 4) one member appointed by the City Council for a term of four years,
- 5) one member appointed by the City Council for a term of five years,
- 6) one member appointed by the Mayor for a term of five years,
- 7) one member appointed by the Inspector General for a term of five years.

d) Each Board member's term shall commence on July 1 of the calendar year following the effective date of this Chapter. In case of a vacancy, a new Board member shall be appointed to complete the term of the vacated seat according to the original manner of appointment.

e) Upon expiration of the term of a Board member, if a new member is not appointed within 120 days of the expiration of such term, the member whose term has expired shall be deemed appointed for an additional term of five years, provided, however, that if the expiration of such term occurs in a year in which a covered election, except special elections, is scheduled, the member whose term has expired shall be deemed appointed for an additional term of five years if, as appropriate, a member is not appointed within 90 days of the expiration of such term.

f) A Board member may be removed for cause by the appointing authority upon notice and an opportunity for a hearing.

g) No Board member may make a contribution to a candidate subject to this Chapter.

h) Board members shall receive no compensation for their services, but each Board member may be reimbursed for expenses reasonably incurred in the performance of Board duties.

(i) The Board may request, and shall receive, the assistance of the Office of Inspector General and Police Department in any investigation it conducts.

(j) In addition to other powers and duties specifically mentioned in this Chapter, the Board shall have the following powers and duties:

1) to hire such staff as the City Council shall provide in the annual appropriation ordinance;

2) to receive and refer complaints of violations of any of the provisions of this Chapter to the Inspector General for investigation;

3) in consultation with the Inspector General, to develop an interactive, searchable database that is accessible to the public on the Board's website, and that contains all information necessary for the proper administration of this Chapter, including information on contributions to and expenditures by participating candidates and their authorized committees, and the payment of moneys from the Fund.

4) to develop a program for informing and training candidates and the public as to the purpose and effect of this Chapter;

5) to promulgate rules and regulations for the conduct of hearings under this Chapter;

6) to promulgate rules and regulations, and prescribe such forms, as may be necessary for the administration of this Chapter; and

7) to administer oaths and examine witnesses under oath;

8) (A) to issue subpoenas to compel the attendance of witnesses for purposes of examination and the production of documents and other items for inspection and/or duplication; and

(B) to work with the Law Department to retain counsel to enforce and defend against subpoenas, provided:

(i) such counsel are, at the exclusive option and request of the Board, either: (A) Board attorneys whom the Corporation Counsel designates as Special Assistants Corporation Counsel for the limited purposes stated in this paragraph, or (B) outside counsel, acceptable to the Board, retained for said limited purposes by the Law Department; Corporation Counsel approval of the Board's requests made under this paragraph shall not be unreasonably withheld, delayed, or conditioned;

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 - (ii) any such outside counsel are retained pursuant to the standard terms of engagement then used by the Corporation Counsel, including any limitations fees or costs; and
 - (iii) the costs of such representation are paid from the appropriations of the Board;

Nothing in this provision shall be construed to alter the exclusive authority of the Corporation Counsel to either defend and supervise the defense of claims against the City and/or individual City defendants, or to provide the Board with the authority to settle monetary or other claims against the City and/or individual City defendants;

(9) render advisory opinions with respect to questions arising under this Chapter upon the written request of a candidate, an officer of a political committee or member of the public, or upon its own initiative; 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 the opinion shall be confidential; the Board shall indicate, in writing, those advisory opinions that have precedential value, and organize such opinions in a searchable database that is accessible from the Board's website; this subsection shall not be construed to prohibit the issuance of informal advisory opinions in accordance with rules promulgated by the Board.

1-25-030 Chicago Fair Elections Fund.

- a) There is established in the custody of the City Comptroller a special, non-lapsable trust fund to be known as the "Chicago Fair Elections Fund".
- b) The appropriations to the Fund during each fiscal year shall be not less than one tenth of one percent (0.1%) of the annual appropriation of all funds contained in the annual appropriation ordinance, as adjusted, including, at a minimum, from the following sources:
 - 1) all amounts collected from fines related to campaign finance violations, whether under this Chapter or Chapter 2-156;
 - 2) general donations made to the Fund; and
 - 3) any surplus in the Fund from prior covered elections.
- c) The Fund shall be kept separate from and not commingled with other funds held in the custody of the City Comptroller.
- d) Public matching funds shall be paid out of the Fund by the City Comptroller on vouchers certified or approved by the Board not more than three business days after a voucher is duly certified, approved, and executed by the Board in the form prescribed by the City Comptroller.
- e) If, in any fiscal year, the Fund lacks the amount of money to pay all claims vouchered by eligible candidates and certified or approved by the Board, the deficiency shall be paid, upon audit and warrant of the City Comptroller, from funds deposited in the City's general fund of the state not more than three business days after the voucher is received by the City Comptroller.

1-25-040 Eligibility for funds.

(a) To be eligible for public matching funds under this section, a candidate shall:

1) not solicit or direct any funds in connection with the applicable covered election, other than in accordance with this Chapter;

2) meet all requirements of law to have the candidate's name appear on the ballot for the applicable covered election;

3) be a qualified candidate for Mayor, City Clerk, City Treasurer, or Alderman in the applicable covered election;

4) elect to participate in the public financing system established by this Chapter by filing a written certification in such form as may be prescribed by the Board, which sets forth the candidate's acceptance of and agreement to comply with the terms and conditions for the provision of such funds; the deadline for such certification shall be established by the Board;

5) furnish to the Board any evidence it may reasonably require relating to the candidate's expenditures or contributions, and furnish such other proof of compliance with this Section as may be reasonably required by the Board;

6) designate no more than one candidate political committee as their authorized committee;

7) comply with all applicable requirements of the Election Code;

8) meet the threshold for eligibility set forth in this Section;

9) not accept, either directly or by transfer, any contribution, loan, guarantee, or other security for such loan from any political committee or party for all covered elections held in the same calendar year in which the candidate is a participating candidate;

10) agree not to accept, either directly or by exchange, any contribution from any corporation, limited liability company, limited liability partnership, or partnership, other than a political committee, for all covered elections held in the same calendar year in which the candidate is a participating candidate; provided that nothing in this paragraph shall prohibit a candidate from accepting individual contributions aggregated through independent Internet sites, if the donor is an individual whose contribution would otherwise be qualifying under the terms of this section;

(11) agree not to accept, either directly or by exchange, any contribution or contributions over \$250 in a covered election in which the candidate is a participating candidate from a person who has business dealings with the City, unless such person is the participating candidate or a relative of the participating candidate; for the purposes of this paragraph, "person" shall include any chief executive officer, chief financial officer and/or chief operating officer of an entity, which has business dealings with the City, any person employed in a senior managerial capacity regarding such an entity, or any person with an ownership interest in such an entity that exceeds 10%;

(12) comply with Article IV of Chapter 2-156; and

(13) satisfy any claim made by the Board for the payment of civil penalties or repayment of public funds that remains outstanding against such candidate from a prior covered election, if (i) the candidate had written notice of such potential claim and ineligibility to receive public funds prior to filing a written certification for the current covered election, or (ii) in the event no such timely notice has been given, the candidate has been given an opportunity to present to the Board reasons the candidate should be eligible to receive public funds.

b) Each participating candidate and their authorized committee shall inquire, of a form prescribed by the Board, of every person making a contribution as to whether such person has business dealings with the City, and, if so, the name of the agency or entity with which such business dealings are or were carried on and the appropriate type or category of such business dealings. Such form shall contain in prominent typeface and in a prominent location the statement "If a person has business dealings with the City as defined in this Chapter, such contributor may contribute only up to two hundred fifty dollars." Upon receipt of the response to such inquiry (including any failure to respond after 10 business days), the authorized committee shall keep a copy in its records and shall report each contribution to the Board on the next applicable filing deadline in accordance with the Board's disclosure schedule. The Board shall check each contribution against the database established by the Board pursuant to Section 1-25-020, and shall notify the authorized committee within 20 days of the reporting of such contribution if a contribution exceeding the applicable contribution limitation or if a contribution is not matchable pursuant to this Chapter. Notwithstanding any other provision of this Section, no participating candidate shall be liable for any fine or penalty for the failure of any contributor to respond to any such request or for any erroneous response.

c) Each participating candidate, or their authorized committee, is required to maintain a separate bank account for all public matching funds.

d) The threshold for eligibility for public funding for candidates in a covered election for the following offices shall be:

1) Mayor: not less than \$200,000 from at least 1,145 matchable contributions made up of sums of up to \$175 per individual contributor who resides in the City of Chicago;

2) City Clerk: not less than \$17,500 from at least 100 matchable contributions made up of sums of up to \$175 per individual contributor who resides in the City of Chicago;

3) City Treasurer: not less than \$17,500 from at least 100 matchable contributions made up of sums of up to \$175 per individual contributor who resides in the City of Chicago;

4) Alderman: not less than \$17,500 from at least 100 matchable contributions made up of sums of up to \$175 per individual, and in which 60 of the first 100 contributors up to \$175 reside in the ward in which the seat is to be filled and 40 reside within the City of Chicago;

e) Candidates who are unopposed or write-in candidates in a covered election are not eligible to receive public matching funds. A candidate in a covered election shall not be deemed opposed unless there is at least one other candidate for the office in the election who raises at least 10% of the candidate's total amount of public matching funds six months prior to the election.

1-25-050 Qualified campaign expenditures.

a) For purposes of this section, a person associated with a candidate includes a relative of the candidate, an entity in which the candidate or a relative of the candidate has a 10% or greater ownership interest, or an entity for which the candidate or a relative of the candidate is an officer, director, or employee.

b) Public matching funds may only be used for expenditures in furtherance of the candidate's election in a covered election for services, materials, facilities, or other things of value. Public matching funds may only be used for expenditures during the period commencing six months before and ending 90 days after the date of the applicable covered election, or, in the case of a special election, for expenditures during the period commencing three months before and ending one month after the date of the special election.

c) Public matching funds may not be used for activities that are not in furtherance of a political campaign, which include but are not limited to:

- 1) an expenditure in violation of any law;
- 2) a payment or anything of value given or made to a person associated with a candidate;
- 3) a payment in excess of the fair market value of services, materials, facilities, or other things of value received in exchange;
- 4) an expenditure made after the participating candidate, or the only remaining opponent of the participating candidate, has been disqualified;
- 5) an expenditure made to challenge the validity of any petition of candidacy;
- 6) a gift, except for brochures, buttons, signs and other political campaign materials and token gifts valued at not more than \$50 that is for the purpose of expressing gratitude, condolences, or congratulations;
- 7) an expenditure to defray the normal living expenses of any person, including the candidate, except for the provision of the expenses for professional staff as part of a compensation package;
- 8) a residential or household item, supply, or expenditure;
- 9) clothing, haircuts, and other personal grooming expenses;
- 10) a funeral, cremation, or burial expense, including an expense related to a death within the candidate's family;
- 11) the purchase of an automobile;
- 12) lease with a term longer than the period during which public matching funds may be used;
- (13) tuition payments;
- 14) dues, fees, or gratuities at a country club, health club, recreational facility, or other nonpolitical organization, unless part of a specific campaign activity that takes place on such organization's premises;

15) admission to a sporting event, theater, concert, or other entertainment event not part of a specific campaign activity; and

16) an expenditure for non-campaign related travel, food, drink, or entertainment; provided that if a candidate uses campaign funds to pay expenses associated with travel that involves both personal activities and political campaign activities, the incremental expenses that result from the personal activities are deemed for personal use unless the candidate benefiting from the use reimburses the campaign account within 30 days for the full amount of the incremental expenses.

d) There is a rebuttable presumption that the following expenditures are in furtherance of a political campaign for elective office; provided, that such presumption shall not apply to an expenditure to a person associated with the candidate; and in rebutting the presumption the Board may consider factors including the timing of the expenditure and whether the political campaign had an unusually high amount of spending on a particular type of expenditure:

1) computer hardware, software, and other office technology purchased more than 14 days before the date of a covered election;

2) contributions to candidates and political committees subject to this Chapter;

3) contributions to charitable organizations designated as Section 501(c)(3) organizations pursuant to the federal Internal Revenue Code;

4) costs incurred in demonstrating eligibility for the ballot or public matching funds pursuant to this Chapter or defending against a claim that public matching funds received pursuant to this Chapter must be repaid;

5) expenditures in connection with community events hosted by civic and neighborhood associations, other than sporting events, concerts, theater, or other entertainment events;

6) food and beverages provided to campaign workers and volunteers;

7) legal defense of a non-criminal matter arising out of a political campaign;

8) payment of non-criminal penalties or fines arising out of a political campaign;

9) a post-election event for staff members, volunteers, or supporters held within 30 days after the election; and

10) travel related solely and exclusively to a covered election or the holding of public office.

e) A participating candidate or authorized committee may make post-election expenditures only for routine activities involving nominal costs associated with ending a political campaign

and responding to the post-election audit required under this Chapter, including but not limited to expenditures related to an official vote recount or any legal challenge to such covered election in which the participating candidate was on the ballot.

(f) Expenditures by participating candidates and authorized committees in a covered election made prior to or on the date of such covered election shall be deemed to have been made for such election.

1-25-060 Public financing.

a) Participating candidates may obtain payment from public matching funds for qualified campaign expenditures. No public matching funds may be paid to an authorized committee until the candidate has qualified to appear on the ballot, filed a sworn statement with the Board electing to participate in the public financing system, and agreed to abide by the requirements of this Chapter. Payments may not exceed the amounts specified in Section 1-25-080, and may be made only in accordance with this Chapter. The payments may only be made to a participating candidate's authorized committee. No public matching funds may be used except as reimbursement or payment for qualified campaign expenditures actually and lawfully incurred, or to repay loans used to pay qualified campaign expenditures.

b) The authorized committee of each participating candidate is entitled to six dollars in public matching funds for each one dollar obtained, up to \$175. To qualify as matchable contributions, a contribution shall be made:

1) in the case of a regular covered election, no earlier than six months before and no later than 90 days after the date of the covered election; or

2) in the case of a special covered election, no earlier than three months before and no later than one month after the election.

c) The Board shall promptly examine all reports of contributions within 45 days to determine whether, on their face, they meet the requirements for matchable contributions.

d) The Board shall adopt rules for the certification of the amount of public matching funds payable by the Comptroller from the Fund to a participating candidate that has qualified to receive the payment. The rules shall include the forms on which contributions and expenditures are to be reported, the periods during which the reports must be filed, and the verification required. The Board shall commence procedures that will make possible payment by the Fund within two business days after receipt of the required forms and verifications.

(f) Public funds will not be available to participating candidates prior to January 1, 2026.

1-25-070 Contribution limits.

(a) In any covered election, no contributor may make a contribution to any participating candidate or authorized committee, and no participating candidate or authorized committee may accept any contribution from any contributor which, in the aggregate amount, is greater than \$500.

(b) A participating candidate or authorized committee may not accept matchable contributions earlier than six months before or later than 90 days after the date of the covered election.

1-25-080 Limitations on the receipt of public matching funds.

a) In a covered election, receipt of public matching funds by participating candidates or their authorized

committee shall not exceed the following amounts:

- 1) for Mayor, the sum of \$3,600,000;
- 2) for City Clerk, the sum of \$180,000;
- 3) for City Treasurer, the sum of \$180,000;
- 4) for Alderman, the sum of \$150,000.

b) The amount of private funds a participating candidate may receive is not limited subject to the contribution limits contained in (a) of this Section.

1-25-090 Adjustment of values.

a) No later than March 1, 2031, and every fourth year thereafter, in proportion to the change in the Consumer Price Index for this State as published by the United States Bureau of Labor Statistics, measured by comparing the consumer price index for the 12 months preceding the beginning of the calendar year against the calendar year 2026 consumer price index, the Board shall adjust:

- 1) eligibility threshold values established in Section 1-25-040;
- 2) contribution and receipt values established in Section 1-25-070; and
- 3) limits for the receipt of public matching funds established in Section 1-25-080.

b) The Board shall publish the adjusted values on its website. The adjusted values shall apply for a covered election held before the next adjustment.

1-25-100 Payment of Public Matching Funds.

a) Public matching funds may not be paid to participating candidates or authorized committees until 14 days after the last day to file designating petitions for the covered election. Public matching funds may not be paid to a participating candidate in a covered election any earlier than the day that the candidate is certified as being on the ballot for the covered election.

b) Public matching funds may not be paid to any participating candidate who has been disqualified by the Board or whose designating petitions have been declared invalid by the Board of Election Commissioners or a court of competent jurisdiction. Public matching funds in the possession of a participating candidate or their authorized committee on the date of the disqualification or invalidation may not thereafter be expended for any purpose except the payment of liabilities incurred before that date, and all excess public matching funds shall be

repaid to the Board for deposit in the Fund not less than 30 days after such disqualification or invalidation.

1-25-110 Reporting requirements.

a) Every participating candidate shall contemporaneously submit to the Board all financial disclosure reports that must be filed with the Illinois State Board of Elections. The Board shall review each such

disclosure report for compliance with this Chapter. In the course of the review, the Board shall give participating candidates and their authorized committees an opportunity to respond to and correct potential violations and give candidates an opportunity to address questions the Board has concerning their matchable contribution claims or other issues concerning eligibility for receiving public matching funds under this Chapter. This section does not preclude the Board from subsequently reviewing a disclosure report and taking any action authorized by this Chapter.

b) Only itemized contributions contained in reports filed with the Illinois State Board of Elections are eligible for public matching funds pursuant to this Chapter.

c) The Board shall inform participating candidates and their authorized committees of relevant questions the Board has concerning:

- 1) compliance with requirements of this Chapter and of the rules adopted by the Board; and
- 2) **qualification for receiving public matching is pursuant to this Chapter. 1-25-120**

Examinations and audits.

a) The Board shall conduct a thorough examination and audit of the contributions and qualified campaign expenses of any authorized committee of a participating candidate who receives public matching funds. The audits shall be conducted as frequently as the Board deems necessary to ensure compliance with this Chapter. The Board may conduct sample audits or perform selective audits of a participating candidate as the Board deems necessary.

b) A candidate who receives public matching funds shall also be audited by the Board after each covered election. The cost of complying with a post-election audit shall be borne by the candidate.

c) A participating candidate who has received public matching funds shall maintain a reserve of at least 1% of the total amount of public matching funds received by the participating candidate or their authorized committee to comply with the post-election audit; provided that a participating candidate may use public matching funds, private funds, or a combination of public matching funds and private funds to comply with a post-election audit.

d) Upon completion of an audit, the Board shall issue the applicable final post-election audit report that details its findings to each participating candidate, and shall make each audit report publicly available on the Board's website within two years after the covered election.

e) If the Board determines that any public matching funds given to a participating candidate or an authorized committee exceeds the limits under Section 1-25-080, it shall notify the participating candidate and their authorized committee of the excess amount and participating

candidate or authorized committee shall pay to the Board an amount equal to the amount of excess payments, which shall be deposited in the Fund; provided that if the erroneous payment was due to an error made by the Board, such erroneous payment shall be offset against any future payment, if any.

f) If the Board determines that any public matching funds were used for purposes other than qualified campaign expenses, it shall notify the participating candidate and their authorized committee of the amount disqualified, and the participating candidate or their authorized committee shall promptly repay any such amounts to the Board, which shall be deposited in the Fund.

g) If the total public matching funds received by any participating candidate or their authorized committee exceeds the qualified campaign expenditures for the applicable covered election, including any post-election qualified campaign expenditures, the participating candidate and their authorized committee shall send such repay public matching funds to the Board not later than 10 days after all permissible liabilities have been paid, and in any event not later than 20 days after the date on which the Board issues its final audit report of the participating candidate's authorized committee. Any public matching funds repaid under this subsection shall be deposited in the Fund.

h) Upon determination by the Board that a participating candidate or their authorized committee willfully delayed the post-election audit process, all unspent public matching funds for a participating candidate are immediately due and payable to the Board for deposit in the Fund.

(i) If a court of competent jurisdiction disqualifies a participating candidate from received public matching funds on the grounds that the participating candidate committed fraudulent acts in order to obtain a place on the ballot and the decision is not reversed by a higher court, the participating candidate and the participating candidate's authorized committee shall pay to the Board an amount equal to the totality of public matching funds received by the authorized committee.

(j) The Board shall provide written notice of all payments due from a participating candidate or their authorized committee to the Board and provide an opportunity for the participating candidate or their authorized committee to rebut, in whole or in part, the alleged amount due. Upon a final written determination by the Board, the amount due shall be paid to the Board within 30 days after the determination.

(k) All payments received by the Board pursuant to this Section shall be deposited in the Fund. The participating candidate and the candidate's authorized committee shall be jointly and severally liable for any payments due to the Board under this Section.

1-25-130 Unspent Public Matching Funds.

a) Participating candidates and authorized committees shall repay unspent public matching funds from a covered election to the Board for deposit in the Fund no later than 30 days after all their liabilities for such election have been paid, and in any event, not less than 20 days after the date upon which the Board issues its final audit report for the participating candidate's authorized committee.

b) Unspent public matching funds determinations made by the Board shall be based on the participating candidate's or their authorized committee's receipts and expenditures. The Board

may also consider any other relevant information revealed in the course of its audits or investigations, or the investigations by any other agency.

c) A participating candidate may not use receipts for any purpose other than disbursements in the preceding covered election or for the post-election expenditures pursuant to this section until all unspent public campaign funds have been repaid. There is a rebuttable presumption that a post-election expenditure is not for the preceding covered election.

d) Before repaying unspent public campaign funds, a participating candidate may make post-election expenditures only for routine activities involving nominal costs associated with winding up a political campaign and responding to the post-election audit. The expenditures may include:

- 1) payment of utility bills and rent;
 - 2) reasonable staff salaries and consultant fees for responding to a post-election audit;
 - 3) reasonable moving expenses related to closing a campaign office;
 - 4) a holiday card mailing to contributors, campaign volunteers, and staff members;
 - 5) thank you notes for contributors, campaign volunteers, and staff members;
 - 6) payment of taxes and other reasonable expenses for compliance with applicable tax laws; and
 - 7) interest expenses.
- e) Routine post-election expenditures that may not be paid for with unspent campaign funds include:
- 1) post-election mailings other than as specifically provided for in this section;
 - 2) campaign contributions;
 - 3) bonus payments or gifts to staff members or volunteers; or
 - 4) holding a post-election day event that includes meals, parties, or transition or inauguration activities.
- f) All monies received by the Board pursuant to this section shall be deposited into the Fund.

1-25-140 Investigation by Inspector General; Enforcement.

(a) Upon receipt of a complaint and supporting information alleging any violation of this Chapter, the Inspector General shall analyze the complaint to determine if an investigation should be undertaken. The Inspector General may request additional information from the complainant to assist in making this determination. The Inspector General shall submit the results of its analysis to the Board.

b) Upon receipt of the Inspector General's initial analysis of a complaint, the Board shall determine whether or not the allegations, if true, would constitute a violation of this Chapter. If the Board determines that the allegations, if true, would constitute a violation of this Chapter and that the allegations are supported by credible evidence, it shall direct the Inspector General to conduct an investigation. If the Board determines that the allegations are either untrue or not supported by credible evidence, it shall direct the Inspector General not to conduct an investigation.

c) At the conclusion of its investigation, the Inspector General shall provide the Board with a written recommendation as to:

- 1) whether substantial reason exists to believe a violation of this Chapter has occurred and, if so, the nature of the violation and any applicable penalty; and

2) whether a referral should be made to the State's Attorney or the Attorney General because reasonable cause exists to believe a violation warranting criminal prosecution has taken place.

d) Upon receipt of a written recommendation from the Inspector General, the Board shall accept, modify, or reject the Inspector General's recommendation no later than 60 days after receipt of the recommendation. In making its determination, the Board shall consider whether the complaint alleges a violation of the ordinance and whether the subject of the complaint has made a good faith effort to correct the violation.

e) The Inspector General may initiate investigations it deems necessary without a complaint or referral from audit.

f) The Inspector General shall prepare an annual report summarizing its activities during the previous year. The report must include the number of complaints received, the number of complaints that were found to require investigation, and the number of matters that have been resolved.

g) Any action of the Board denying eligibility or regarding a question or issue relating to payments for qualified campaign expenditures shall be subject to judicial review as provided by law.

h) A proceeding with respect to a determination of eligibility of payment for qualified campaign expenditures must be commenced within seven days after the determination is made. The Board shall be made a party to the proceeding.

(i) If the Board does not receive the amount due from a participating candidate or their authorized committee after the issuance of written notice of the amount due, the Board may commence a special proceeding or civil action to obtain a judgment for any amounts determined to be payable to the Board as a result of an examination and audit made pursuant to this Chapter.

(j) The Board may commence a special proceeding or civil action to obtain a judgment for civil penalties determined to be payable to the Board pursuant to Section 1-25-160. Litigation costs associated with a special proceeding or civil action are not qualified expenditures for the purposes of this ordinance.

1-25-150 Complaint filing authorization.

a) A resident of the City who is 18 years of age or older may file a complaint with the Inspector General or the Board that alleges a violation of this Chapter no later than 180 days after the date of the alleged violation. A complaint filed under this section must satisfy all of the following requirements:

- 1) be signed by the complainant;
- 2) state the name, address, and telephone number of the complainant; and

3) include the complainant's certification that, to the best of the complainant's knowledge, and upon information and belief formed after a reasonable inquiry under the circumstances, each factual contention of the complaint is supported by evidence or if, after a reasonable inquiry under the circumstances, the complainant is unable to certify that certain factual contentions are supported by evidence, the complainant may certify that, to the best of their knowledge, and upon information and belief, there are grounds to conclude that those specifically identified factual contentions are likely to be supported by evidence after a reasonable opportunity for further inquiry.

b) The Board shall develop a form that satisfies the requirements of subsection (a) of this Section that may be used for the filing of complaints. The Board and the Inspector General shall post a digital copy of the complaint form on their respective websites.

c) A person who files a complaint with a false certificate under subsection (a)(3) of this Section is subject to a fine not to exceed \$10,000, in addition to any other penalties provided by law including under Chapter 1-21.

1-25-160 Penalties for violation.

a) A participating candidate or authorized committee who knowingly and willfully fails make a filing required by this Chapter is subject to a civil penalty not to exceed \$5,000.

b) A person or authorized committee who knowingly and intentionally violates this Chapter other than as provided in subsection (a) or a rule adopted under this Chapter is subject to a civil penalty not to exceed \$10,000.

c) Any person who knowingly and willfully contributes, accepts, or aids or participates in the contribution or acceptance of a contribution in an amount in excess of any limitation imposed by this Chapter is subject to a fine not to exceed \$10,000.

d) A person who knowingly and willfully makes a false statement or knowingly omits a material fact to the Board or an auditor designated by the Board during any audit conducted pursuant to this Chapter is subject to a fine of \$10,000, in addition to any other penalties provided by law including under Chapter 1-21.

e) In addition to any fines imposed under this Chapter, the Board may require that a participating candidate or authorized committee repay any public matching funds obtained as a result of any violation of this Chapter.

(f) The Board may impose fines authorized under this section only after a hearing at which the person or authorized committee is given an opportunity to be heard. For purposes of conducting the hearings, the Board shall adopt rules governing the conduct of adjudicatory proceedings and appeals taken pursuant to a proceeding relating to the assessment of the civil penalties. The Board shall publish on its website the final order adjudicating any matter brought pursuant to this Section. All payments received by the Board pursuant to this section shall be deposited in the Fund.

1-25-170 Reports.

The Board shall submit a report to the Mayor and City Council on or before February 1, 2028, and every four years thereafter, which shall include:

- 1) a list of the participating and nonparticipating candidates in covered elections, and the votes received by each candidate in those elections;
- 2) the amount of contributions and loans received, and expenditures made, on behalf of participating and nonparticipating candidates;
- 3) the amount of public matching funds each participating candidate received, spent, and repaid

pursuant to this Chapter;

4) an analysis of the effect of this Chapter on covered elections, including its effect on:

- i) the sources and amounts of private financing;
- ii) the level of campaign expenditures;
- iii) voter participation;
- iv) the number of candidates;
- v) the candidates' abilities to campaign effectively for public office; and
- vi) the diversity of candidates seeking and elected to office;

5) recommendations for changes to this Chapter, including changes in contribution limits, and thresholds for eligibility and limits on total public matching funds; and

6) **any other information that the Board deems relevant. 1-25-180**

Debates.

The Board shall adopt rules to facilitate debates among participating candidates. Participating candidates shall participate in at least two debates before the covered election for which the candidate receives public matching funds; provided that any nonparticipating candidates may elect to be a party to the debates.

1-25-190 Applicability.

Candidates for Mayor, City Clerk, and City Treasurer and Alderman are eligible to participate in the public financing system beginning with the 2027 consolidated primary election.

SECTION 2. This ordinance takes effect upon passage and publication.

Matthew J. Martin Alderman, 47th Ward