

AN ORDINANCE enacting new Chapter 507, Campaign Finance Regulations, of the Codified Ordinances of the City of Lakewood to help preserve the public trust and foster public confidence in city government and elections.

WHEREAS, pursuant to the Constitution of the State of Ohio and the Ohio Revised Code, municipalities have the power of local self-governance; and

WHEREAS, pursuant to the Constitution of the State of Ohio and the Ohio Revised Code, municipalities have the power to enact laws that are for the health, safety, welfare, comfort and peace of the citizens of the municipality; now, therefore,

BE IT ORDAINED BY THE CITY OF LAKEWOOD, OHIO:

Section 1. New Chapter 507, Campaign Finance Regulations, of the Codified Ordinances of the City of Lakewood, shall be enacted to read as follows:

**CHAPTER 507**  
**Campaign Finance Regulations**

**507.02 Definitions.**

**507.02 Contribution Limits**

**507.03 Prohibited Contributions from City Employees.**

**507.04 Adjustments to Contribution Limits.**

**507.05 Disclosure of Contributors and Employers of Contributor.**

**507.06 Campaign Finance Report.**

**507.07 Tax Credit Campaign Contribution.**

**507.08 Administration – Campaign Finance.**

**507.09 Lakewood Election Fund.**

**507.10 Violations – Penalty and Process.**

**507.01 DEFINITIONS.**

As Used in the chapter:

(a) “Federal Political Committee” means a committee registered with the Federal Election Commission.

(b) “Municipal ballot issue” means any ballot issue certified to be submitted solely to the electors of the City of Lakewood.

(c) “Municipal ballot issue committee” means a political action committee that is organized to propose, support, or oppose a municipal ballot issue.

(d) "Municipal campaign committee" means a municipal candidate or one or more persons authorized by a municipal candidate under section 3517.081 of the Ohio Revised Code to receive contributions and make expenditures.

(e) “Municipal candidate” means any individual who has filed, at any election, a petition or statement of write-in candidacy to be a candidate for nomination or election to office for mayor, city council, or municipal judge for the City of Lakewood, and also includes any person

who, at any time before or after an election, receives contributions or makes expenditures or other use of contributions, has given consent for another to receive contributions or make expenditures or other use of contributions, or appoints a campaign treasurer, for the purpose of bringing about the person's nomination or election to office for mayor, city council, or municipal judge for the City of Lakewood.

(f) "Municipal officeholder" means an individual elected, appointed, or otherwise holding the office of mayor, municipal judge, or member of city council for the City of Lakewood.

(g) "Contribution" means a gift, subscription, loan, advance or deposit of money or anything of value given to influence a municipal election; or the payment by any person of compensation for the personal services of another person if those services are rendered without charge to a political committee for any purpose.

(h) The definitions set forth in sections 3517.01 and 3517.102 of the Ohio Revised Code shall apply to this chapter except to the extent modified in this chapter.

### **507.02 CONTRIBUTION LIMITS**

#### **(a) Individual**

(1) No individual shall make a contribution, or contributions aggregating, more than two thousand seven hundred dollars (\$2,700.00) to any one municipal campaign committee in a calendar year.

(2) In the case of a contribution made by a partner of a partnership or an owner or a member of any other unincorporated business from any funds of the partnership or other unincorporated business, applicable provisions of section 3517.10 of the Ohio Revised Code apply regarding making and reporting such a contribution.

#### **(b) Political Action Committee, Political Contribution Entity, Other Campaign Committees, and Federal Political Committee.**

(1) No political action committee, political contributing entity, campaign committee that is not a municipal campaign committee under 507.01 (b), or federal political committee shall make a contribution or contributions aggregating more than five thousand dollars (\$5,000.00) to any one municipal campaign committee in a calendar year.

#### **(c) Municipal Campaign Committee**

(1) No municipal campaign committee shall make a contribution or contributions aggregating more than two thousand dollars (\$2,000.00) to any one municipal campaign committee in a calendar year.

(2) A municipal campaign committee for a candidate who either was last a candidate for nomination or election to an office other than a City of Lakewood office or who was undeclared for an office, and that accepted one or more contributions in excess of the applicable limits or from a prohibited source under this chapter beginning the day following such election or after declaring for a City of Lakewood office shall dispose of the excess amount of the contributions in accordance with section 507.05(B) not later than five days after the candidate declares his or her candidacy for a City of Lakewood office.

### **507.03 PROHIBITED CONTRIBUTIONS FROM CITY EMPLOYEES**

No person shall knowingly solicit or accept a contribution from a City of Lakewood employee to the municipal campaign committee of the person who is the employee's appointing authority or will be the employee's appointing authority if elected to the office for which the committee

is established. If such a contribution is received, the municipal campaign committee shall dispose of it in accordance with section 507.05(B).

#### **507.04 ADJUSTMENTS TO CONTRIBUTION LIMITS.**

All contribution limits established herein shall be adjusted by the city council in keeping federal contribution limits and at which time federal campaign contribution limits are adjusted. The adjusted contribution limits shall be made publicly available by electronic means.

#### **507.05 DISCLOSURE OF CONTRIBUTORS AND EMPLOYERS OF CONTRIBUTOR.**

Municipal campaign committees and municipal ballot issue committees shall include on the campaign finance reports required to be filed under section 3517.10 of the Ohio Revised Code and by this chapter, the name and address of each contributor regardless of the amount of the contribution and the name of contributor's employer and occupation. If a contributor is self-employed, the name of the contributor's business and the contributor's occupation shall be included on the campaign finance reports. If a contributor is not employed, this fact shall be noted by use of the phrase "not applicable."

#### **507.06 CAMPAIGN FINANCE REPORT**

- (a) Municipal campaign committees and municipal ballot issue committees shall file complete, accurate, and itemized campaign finance reports required by this section or state law with the Cuyahoga County Board of Elections in accordance with state law.
- (b) The campaign finance reports required to be filed by a municipal campaign committee or municipal ballot issue committee under Ohio Revised Code section 3517.10 and under subsection (a) of this section shall be filed with the Cuyahoga County Board of Elections in accordance with instructions issued by the board.
- (c) Municipal campaign committees of candidates certified by the Cuyahoga County Board of Elections are required to file all the campaign finance reports required by division (D) of this section and by section 3517.10 of the Ohio Revised Code even when no primary election is held that year for the office for which the candidate was certified under Article 9.1 of the Lakewood City Charter. In the case of a ballot issue committee that intends to circulate a petition proposing a municipal ballot issue, the designation of treasurer form shall be filed before receiving donations or making expenditures required to be reported under division (E)(4) of this section.
- (d) Municipal campaign committees and municipal ballot issue committees required to file campaign finance reports by this section shall file a designation of treasurer, as required by division (D) of section 3517.10 of the Ohio Revised Code, setting forth the full name and address of the campaign treasurer and also of each deputy treasurer, with the County Board of Elections.
- (e) Municipal ballot issue committees shall itemize on reports required under this section all monetary and in-kind donations received and expenditures made in connection with preparing, printing, distributing, promoting, and circulating a petition seeking to place a municipal ballot issue on the ballot to the same extent and in the same manner as contributions and expenditures for the purpose of influencing the results of an election are required to be reported.
- (f) If a campaign finance report required under this section is found to be incomplete or inaccurate, the committee shall file an addendum, correction, or amendment as provided by Ohio Revised Code section 3715.11.

#### **507.07 TAX CREDIT CAMPAIGN CONTRIBUTION**

- (a) A nonrefundable credit is allowed against a taxpayer's aggregate City of Lakewood municipal tax liability for contributions of money made to the campaign committee of candidates for mayor, municipal judge, or member of city council.
- (b) The amount of the credit for a taxable year shall equal the lesser of the combined total contributions made during the taxable year by each taxpayer filing a return for City of Lakewood municipal taxes, or fifty dollars for an individual return or one hundred dollars for a joint return.

**507.08 – ADMINISTRATION – CAMPAIGN FINANCE.**

(a) Duties of the City Ethics Commission

- (1) The City Ethics Commission or designee shall conduct such administrative functions as may be necessary to implement the requirements of this chapter. The City Ethics Commission shall designate and assign a classified employee to oversee applicable requirements of this chapter.
- (2) The City Ethics Commission or designee shall review report filings, other than those required to be filed with the County Board of Elections, for compliance with this chapter, and shall enter into a memorandum of understanding with the city attorney to secure internal or outside counsel, as needed, to advise the City Ethics Commission or designee on matters related to the requirements of this chapter.
- (3) The City Ethics Commission or designee shall establish a process to receive and seek legal review of sworn complaints alleging a violation of this chapter.
- (4) No municipal officer or municipal candidate shall attempt, or have another person attempt on their behalf, to unlawfully interfere with or influence the City Ethics Commission or the Commission's staff, in the performance of the City Ethics Commission's or the City Ethics Commission staff's duties under this chapter.
- (5) The City Ethics Commission or designee shall establish and maintain an electronic filing portal for the filing of reports required by this chapter and shall provide filing instructions on the city website containing the portal. Such reports shall be immediately accessible by the public on the website.
- (6) The City Ethics Commission may establish fees for the filing of reports required by sections XXX.02 and XXX.03 to cover a portion or all of the costs of administering the provisions of this chapter. The fees shall be the same for like filings and may be adjusted on an annual basis.
- (7) The City Ethics Commission, in the Commission's sole discretion, may designate special counsel to investigate compliance with the requirements of this chapter. The Commission or special counsel designee of the Commission shall investigate compliance with this chapter upon presentation of evidence of an alleged violation by the Commission, or upon a written affidavit based on personal knowledge alleging a violation filed with the City Ethics Commission or designee in accordance with the process established by the City Ethics Commission as provided for herein.
- (8) The City Ethics Commission may review any and all reports, contributions or any other document submitted to the County Board of Elections, financial or otherwise, by any municipal candidate, candidate committee, Political Action Committee, at any time.

**507.09 LAKEWOOD ELECTIONS FUND**

There is hereby created the Lakewood Elections Fund. All fees and administrative fines imposed under this chapter shall be deposited in such Fund. The Fund shall be used solely for the purpose of paying expenses related to the administration of this chapter, or for other elections-related expenses that are allowable uses of public funds

#### **507.10– VIOLATIONS – PENALTY AND PROCESS**

(a) Findings of violation.

- (1) If the City Ethics Commission or designated special counsel find that an administrative violation of this chapter has occurred, the Commission shall notify the affected party in writing within five business days of the finding. The affected party shall have fifteen days from the date of notification to file an appeal. If the affected party does not file an appeal in fifteen days, the City Ethics Commission shall forthwith assess and collect the fine associated with the violation.
- (2) Any appeal to the imposition of any finding or administrative fine pursuant to this section must be filed with the City Ethics Commission within fifteen days of the date of the City Ethics Commission's issuance of a written notice of the finding or fine. Upon receipt of a timely filed appeal, the City Ethics Commission or designee shall cause such appeal to be heard by an independent hearing officer, who shall conduct an oral hearing and issue a written decision to the City Ethics Commission and the affected party within sixty days of the filing of the appeal. The decision of the hearing officer may affirm, reverse, or modify the City Ethics Commission's imposition of the finding or fine and shall be final. If the finding or fine is sustained, the City Ethics Commission shall forthwith assess and collect the fine associated with the violation.
- (3) If the City Ethics Commission or designated special counsel finds that there is probable cause to believe that a criminal violation of this chapter has occurred, the Commission or designated special counsel shall institute such proceedings as are appropriate.

(b) Excess Prohibited Contribution.

- (1) If a municipal campaign committee receives a contribution in excess of the limits or from a source prohibited by city code, the committee shall dispose of the funds in any of the following ways:
  - (A) Refund the contribution or excess amount of the contribution to the contributor;  
or
  - (B) Donate the amount of the contribution or excess amount of the contribution to a tax-exempt non-profit organization; or
  - (C) Pay the amount of the contribution or excess amount of the contribution to the Lakewood Elections Fund.
- (2) If a municipal campaign committee disposes of the excess amount of a contribution within five business days of the initial receipt of the contribution, the receipt shall not be deemed a violation of this code and the provisions of 507.10 shall not apply.

(c) Prohibitions and Administrative Penalties.

- (1) Prohibitions.
  - (A) No person shall fail to file a campaign finance report required under section 507.06. A fine of up to \$500 may be assessed by the City Ethics Commission for failure to comply.

- (B) No person shall file a false campaign finance report or election period communication report required under section 507.08. A fine of up to \$500 may be assessed by the City Ethics Commission for failure to comply.
  - (C) No person shall knowingly solicit or accept a campaign contribution from a source prohibited by this chapter. A fine of up to \$500 may be assessed by the City Ethics Commission for failure to comply.
  - (D) Whoever knowingly violates 507.08 (4) shall be guilty of unlawful interference with the City Ethics Commission. A violation of this division is a misdemeanor of the first degree.
- (d) Administrative Fines.
- (1) Upon a finding of a violation, the City Ethics Commission may impose administrative fines in accordance with the amounts set forth under 507.10 (c).
  - (2) No person shall knowingly accept a contribution or contributions aggregating more than the contribution limits established in this chapter. A person who is found to have violated this shall be fined \$500 or an amount equal to three times the amount contributed in excess of the amount permitted, whichever is greater.
  - (3) A fine of \$100 per day shall be assessed for each day that a report required by chapter 507.01 is not timely filed.
  - (4) A fine of up to \$500 may be assessed for any violation of this chapter.