

**ORDINANCE ESTABLISHING  
THE CHICAGO FAIR ELECTIONS PROGRAM**

**WHEREAS**, all residents of the City of Chicago should have a meaningful voice in Chicago elections; and

**WHEREAS**, Chicago candidates rely primarily on large contributions. In 2023, nearly two-thirds of contributions to candidates came from individuals giving one thousand dollars (\$1,000) or more or from corporations or PACs. By contrast, thirty-six (36) percent of census block groups in Chicago—primarily in the South and West sides of the City—made no contributions in excess of one-hundred and fifty dollars (\$150); and

**WHEREAS**, Candidate contributions in Chicago elections come disproportionately from Chicago's wealthiest neighborhoods. In 2023, Chicago zip codes with a median household income greater than seventy-five thousand dollars (\$75,000) were responsible for the sixty-six (66) percent of Aldermanic contributions while comprising only thirty-seven (37) percent of Chicago's population. The twenty-six (26) Chicago zip codes with median household incomes below sixty-five thousand dollars (\$65,000) provided approximately a quarter of candidate contributions while comprising more than half of Chicago's population; and

**WHEREAS**, the current campaign finance system reduces the opportunity of all Chicagoans to meaningfully participate in the democratic process, particularly among groups who have historically been underrepresented in the democratic process or who lack access to wealth; and

**WHEREAS**, meaningful participation in financing the campaigns of candidates for elected office in Chicago should not be limited to people and entities with significant wealth; and

**WHEREAS**, existing state and municipal laws allow candidates to disregard applicable contribution limits and receive unlimited contributions, enhancing the risk and appearance of quid pro quo corruption and further diminishing the ability of ordinary Chicagoans to participate meaningfully in the financing of campaigns; and

**WHEREAS**, the current campaign finance system discourages many qualified candidates from running for office because of the need to raise substantial sums of money to be competitive and their lack of personal wealth or access to a network of wealthy supporters; and

**WHEREAS**, the current campaign finance system creates opportunities for apparent and actual quid pro quo corruption by encouraging candidates to take contributions from private interests that are directly affected by governmental actions; and

**WHEREAS**, the current campaign finance system forces candidates to rely on large contributions from a relatively small group of wealthy donors and special interests, creating heightened risks for quid pro quo corruption and its appearance in city government; and

**WHEREAS**, the current campaign finance system creates the appearance that elected officials may be more responsive to the wealthy donors and special interests who finance their election campaigns rather than their constituents; and

**WHEREAS**, candidates' reliance on large contributions from a small number of deep-pocketed donors advantages incumbents over potential challengers who lack existing networks of wealthy contributors, thereby reinforcing existing barriers to running for office and decreasing the competitiveness of Chicago elections; and

**WHEREAS**, the current campaign finance system burdens candidates with the rigors of fundraising and thus decreases the time available to carry out their public responsibilities and to hear from constituents who lack the ability to make large contributions; and

**WHEREAS**, Chicago residents have a right to know who is spending big money to influence their elections and their government, but existing state and municipal laws fail to require meaningful transparency on ads paid for by large political spenders, resulting in inadequate access to information about large spenders trying to influence their votes; and

**WHEREAS**, the Fair Elections small donor matching system established by this ordinance will enhance participation in the financing of candidates for city office by amplifying small dollar contributions from ordinary Chicagoans with public funds, creating a system where elected officials rely on community support, thereby combatting the reality and appearance of corruption; and

**WHEREAS**, by enlarging public discussion and participation in the political process, the Fair Elections program will allow for more robust democratic self-governance, including by enabling candidates with substantial community support but who lack access to networks of wealthy donors to run competitive campaigns. The program will thereby encourage candidates from different backgrounds, including those from communities historically underrepresented in the democratic process, to seek public office and result in a pool of candidates more reflective of the people of Chicago; and

**WHEREAS**, the transparency requirements established by this ordinance will provide Chicago residents with more information about candidates and the outside groups supporting or opposing them, as well as groups supporting or opposing ballot measures, by requiring political committees to identify their top donors on political ads, enabling voters to better evaluate the political messages they receive about candidates and ballot measures; and

**WHEREAS**, requiring Chicago candidates and contributors to abide by contribution limits, instead of allowing unlimited contributions, and limiting contributions by individuals and entities doing business with the city will reduce opportunities for real and apparent corruption, thereby increasing competition and fostering more robust political participation; now, therefore,

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

**SECTION 1.** Section 2-156-010 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and deleting the language struck through, as follows:

## 2-156-010 Definitions.

The following definitions shall apply for purposes of this chapter:

*(Omitted text is not affected by this ordinance)*

(c-2) "Candidate for city office" or "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~~ the person (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. For purposes of this definition and under article VI of this chapter, the term "expenditure" has the meaning ascribed to that term in Article 9 of the Illinois Election Code, codified at 10 ILCS 5/9-1 et seq.

(c-3) "Authorized committee" means the candidate political committee established or designated by a candidate for city office to receive contributions and make expenditures on behalf of the candidate in connection with the candidate's own election. A candidate for city office may establish or designate no more than one authorized committee.

(c-4) "Chicago Fair Elections Program" or "Program" means the system of providing public matching funds to participating candidates as established under this chapter.

(c-5) "Chicago Fair Elections Commission" or "Commission" means the commission established under Section 2-156-460.

*(Omitted text is not affected by this ordinance)*

(g-3) "Coordinate" means to make in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate. To coordinate includes making pursuant to any expressed or implied agreement with, or any general or particular understanding with, or pursuant to any request by or communication with, the candidate.

*(Omitted text is not affected by this ordinance)*

(g-5) "Covered office" means the office of Alderman.

*(Omitted text is not affected by this ordinance)*

~~(g-4 g-7)~~ "Covered relative" means the spouse or domestic partner of any official, candidate for city office, or employee, or the immediate family, and relatives residing in the same residence with the official, candidate for city office, or employee.

*(Omitted text is not affected by this ordinance)*

(i) ~~[Reserved]~~ "Election cycle" means the period beginning on the day after the date of the most recent consolidated general election for a covered office and ending on the date of the consolidated general election for the covered office.

*(Omitted text is not affected by this ordinance)*

(j-0) "Executive director" means the executive director of the board of ethics established in this chapter, except as provided in Sections 456 through 460 of this chapter.

*(Omitted text is not affected by this ordinance)*

(l-5) "Fund" means the Chicago Fair Elections Fund created by Section 2-156-456.

*(Omitted text is not affected by this ordinance)*

(m-8) "In-kind personal services" means paid staff time to perform any of the following activities or services that are directly related to the candidate's campaign:

(1) Volunteer outreach and coordination of volunteer activities, including canvassing, phone banking, and text banking performed by volunteers;

(2) Event security services;

(3) Interpretation and translation services; or

(4) Child-care services and care services for persons who are elderly, disabled, or ill.

*(Omitted text is not affected by this ordinance)*

(p-0) "Membership organization" means an organization that meets all of the following conditions:

(1) Is a membership organization as defined under Section 114.1(e) of Title 11 of the Code of Federal Regulations;

(2) Has only individuals as members; and

(3) Has been registered with the State of Illinois as a not-for-profit corporation for at least 2 years.

*(Omitted text is not affected by this ordinance)*

(q-5) "Participating candidate" means a candidate who has been certified by the Commission under Section 2-156-458.

*(Omitted text is not affected by this ordinance)*

(t) "Political contribution" or "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. A political contribution includes an expenditure, as defined in Article 9 of the Illinois Election Code, 10 ILCS 5/9-1 et seq., that is coordinated with a candidate. For the purposes of this definition, a political contribution does not include:

*(Omitted text is not affected by this ordinance)*

(v-3) "Public communication" means a communication to the general public by means of broadcast, cable, satellite, internet or other digital method, newspaper, magazine, outdoor advertising facility, mass mailing, or telephone bank, or any other form of general public political advertising or marketing regardless of medium.

*(Omitted text is not affected by this ordinance)*

(v-5) "Public funds" means any funds issued from the fund pursuant to this Chapter.

*(Omitted text is not affected by this ordinance)*

(v-7) "Qualified contribution" means a monetary contribution in an aggregate amount of not less than \$10 and not more than \$150 per election cycle from a qualified contributor. The following contributions are not qualified contributions:

(1) an in-kind contribution;

(2) a loan;

(3) a contribution from a person, other than a paid employee of a candidate's authorized committee, that has contracted with or received compensation for goods or services from the candidate's authorized committee, from person who holds a 10% or greater ownership interest in such person, or from an officer, director, or employee of such person;

(4) a contribution from a person who is seeking to do business or has business dealings with the city; and

(5) a contribution from a lobbyist registered with the Board of Ethics under this chapter.

(v-8) "Qualified contributor" means an individual who is a resident of the City, eighteen years of age or older, and not prohibited from making a contribution under 52 U.S.C. § 30121.

*(Omitted text is not affected by this ordinance)*

**SECTION 2.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and deleting the language struck through, as follows:

**2-156-445 Limitation of contributing to candidates and elected officials.**

*(Omitted text is not affected by this ordinance)*

(a-7) Paragraphs 10 ILCS 5/9-8.5(h), (h-5), and (h-10) do not apply to elections for a covered office.

(b) For purposes of ~~subsection (a) above, an~~ contribution limits established under this Article:

(1) 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~~ the employee, officer, director, or partner is not reimbursed by a person with whom ~~he or she~~ the employee, officer, director, or partner is affiliated; ~~even if solely because that person has made the maximum contribution allowed under subsection (a) this Article.~~

(2) Any person that is established, financed, maintained, or controlled by the same person or group of persons, or substantially the same person or groups of persons, shall be considered a single person.

(c) For purposes of ~~subsection (a) above~~ this Article, a contribution to (i) any political fundraising committee of a candidate for city office 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 for city office, elected official, or the authorized fundraising committee of that candidate or elected official, shall be considered a contribution to that candidate or elected official.

*(Omitted text is not affected by this ordinance)*

(c-3) For purposes of this Article, any contribution to an authorized committee of a candidate for City office is a contribution to the candidate.

*(Omitted text is not affected by this ordinance)*

(e) For the purposes of this Article, "candidate for city office" and "candidate" include a candidate's agents or officers.

**SECTION 3.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 2-156-447 as follows:

**2-156-447 Required disclosures for public communications in City elections.**

(a) A political advertisement made by a committee registered as required under 10 ILCS 5/9-3 shall state the following information in a clear and conspicuous manner:

(1) "Paid for by" immediately followed by the name of the person paying for the political advertisement. This requirement is satisfied if the political advertisement includes the statement required for political communications under 10 ILCS 5/9-9.5.

(2) The names of the top three contributors required to be reported under 10 ILCS 5/9-10 or 10 ILCS 5/9-11 who contributed in excess of \$5,000 during the election cycle to the person paying for the political advertisement.

(b) Any political advertisement that has a visual component shall clearly and conspicuously display the names of the top three contributors in a written statement as follows: "\_\_\_\_\_ (three persons) are the top (three) contributors who helped pay for this message."

(c) Any political advertisement that has an audio component shall clearly and conspicuously state the names of the top three contributors in an audio statement as follows: "\_\_\_\_\_ (three persons) are the top (three) contributors who helped pay for this message."

(d) For purposes of this section, a political advertisement does not make a statement in a clear and conspicuous manner if the statement is difficult to read or hear or if the placement is easily overlooked.

(e) In the case of any internet or digital political advertisement which is disseminated through a medium in which the provision of all of the information specified in this section is not technologically possible, the advertisement shall, in a clear and conspicuous manner:

(1) State the name of the person who paid for the advertisement.

(2) Provide a means for the recipient of the advertisement to immediately obtain the remainder of the information required under this section with minimal effort and without receiving or viewing any additional material other than the required information.

(f) A statement in an internet or digital political advertisement shall be considered to be made in a clear and conspicuous manner if the statement meets the following requirements:

(1) In the case of a text or graphic advertisement, the statement:

(A) Appears in letters at least as large as the majority of the text in the advertisement.

(B) Is contained in a printed box set apart from the other contents of the advertisement.

(C) Is printed with a reasonable degree of color contrast between the background and the printed statement.

(2) In the case of an audio advertisement, the statement is spoken in a clearly audible and intelligible manner at the beginning or end of the communication and lasts at least 4 seconds.

(3) In the case of a video advertisement which also includes audio, the statement:

(A) Is included at either the beginning or the end of the advertisement.

(B) Is made both in a written format that meets the requirements of paragraph (1) of this subsection and appears for at least 4 seconds, and in an audible format that meets the requirements of paragraph (2) of this subsection.

(4) In the case of any other type of advertisement, the statement is at least as clear and conspicuous as the statement specified in paragraphs (1), (2), and (3) of this subsection.

(5) In the case of a video advertisement that is an internet or digital advertisement shorter than 10 seconds, the audible portion of the statement may be omitted.

(g) For the purposes of this section, "political advertisement" means a paid public communication that does any of the following:

(1) Expressly advocates for or against the nomination or election of a clearly identified candidate or the initiation or passage of a referendum question.

(2) Promotes, attacks, supports, or opposes the nomination or election of a clearly identified candidate or the initiation or passage of a referendum question, regardless of whether the public communication contains express advocacy.

(3) Refers to a clearly identified candidate during the period beginning 120 days before a primary election through the general election and is disseminated within the City.

(h) The requirement to include top donors under subsection (a)(2) does not apply to political advertisements made by the authorized committee of a candidate for a covered office.

(i) The Commission shall promulgate rules to implement this section.

**SECTION 4.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 2-156-456 as follows:

**2-156-456 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) Revenue from the following sources shall be deposited in the fund:



(1) Annual appropriations to the fund. 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.

(2) All amounts collected from fines related to violations of this Article.

(3) Funds remitted to the Commission by a participating candidate.

(4) General donations made to the fund from any source.

(5) Any surplus in the fund from prior election cycles.

(c) The fund shall be kept separate from and not commingled with other funds held in the custody of the City Comptroller.

**SECTION 5.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 2-156-457 as follows:

**2-156-457 Chicago Fair Elections Administration.**

In addition to other powers and duties created under this Article, the Commission shall:

(a) Administer the fund as follows:

(1) No later than June 1 in a year prior to a consolidated general election, determine whether the fund has sufficient funds to provide maximum public funds available to all participating candidates in an election. If the Commission determines the fund does not have sufficient funds to provide the maximum public funds to all participating candidates, the Commission shall approve a staff-proposed plan to ensure the solvency of the fund, which may include adjusting the maximum public funds available to each participating candidate, or adjusting the ratio of public funds available to participating candidates.

(2) Conduct a financial audit of the fund following each election cycle and develop projections for the fund up to no fewer than 3 election cycles.

(3) Deposit funds received by the Commission in the fund as provided by this chapter.

(b) Conduct a review of the program following each election cycle and provide all of the following to the city council no later than February 1 of the year following the year in which the city holds a consolidated general election, including:

(1) A report that describes all of the following for the election cycle:

(A) The number and names of participating candidates running for a covered office.

(B) The amount of base payments and matching funds provided to each participating candidate and the contributions received and expenditures made by each participating candidate.

(C) The number and names of non-participating candidates running for a covered office and amounts of contributions received and expenditures made by each non-participating candidate.

(D) The amount of funds in the fund before and following the election cycle.

(E) The financial projection of the fund for the subsequent 3 election cycles.

(F) The number and nature of public education and outreach events conducted by the Commission and the number of persons who participated in the education and outreach events.

(2) Legislative recommendations for changes to improve the program, if any, including recommendations for adjustments to all of the following amounts:

(A) The number and amount of qualified contributions required under Section 2-156-458.

(B) The maximum amounts of base payments and public matching funds a participating candidate may receive under Section 2-156-459.

(C) The ratio of public matching funds available under Section 2-156-459.

(D) The contribution limits established under Section 2-156-458.

(3) The financial and operational audit reports for the program completed by the Inspector General under subsection (h).

(c) Create and maintain database that is accessible to the public on the Commission's website and contains a complete record of all information necessary for the proper administration of the program, including information on contributions to and expenditures by participating candidates and their authorized committees, and the payments of public funds from the fund. The database shall be available in a standardized, machine-readable, searchable, sortable, downloadable, and publicly accessible format.

(d) Provide public education and training, including:

(1) Develop and conduct training for candidates.

(2) Publish guides and manuals for the public, candidates, public officials, political parties, and committees.

(3) Publish a timeline of important program dates.

(4) Conduct education and outreach activities for the public.

(5) Provide all educational and training materials on paper and through the Commission's public facing digital platform.

(6) Provide materials in all of the following languages:

(A) English.

(B) Spanish.

(C) Any additional language as required by law or as determined by the Commission.

(e) Conduct proceedings to determine whether a person violates the program. A person the Commission finds has violated this chapter may appeal the decision, including a penalty assessed by the Commission, to the district court. In conducting proceedings, the Commission may do any of the following:

(1) Receive and refer a complaint, from any person or on the Commission's own motion, to the inspector general and make a written determination of probable cause regarding the complaint for an alleged violation of the program in the same manner as provided under Section 2-156-385.

(2) Conduct a probable cause determination in the same manner as provided under Section 2-156-390.

(3) Conduct a hearing and make a determination of a violation of the program in the same manner as provided under Section 2-156-392.

(4) For the purpose of conducting a probable cause finding or hearing under this chapter, all of the following:

(A) Subpoena a witness.

(B) Subpoena a document.

(C) Take testimony under oath.

(D) Issue an order requiring a person to provide written answers under penalty of perjury.

(5) Following a hearing under this subsection, provide a written decision describing whether the Commission found a violation, the specific violation, and the facts found by the Commission.

(6) Assess a penalty against a person who violates the program. The Commission may not assess a penalty that exceeds three times the monetary value of the violation by the person or \$10,000, whichever is greater.

(f) Hire an executive director, legal counsel, and program staff to carry out the powers and duties of the Commission, subject to the following conditions:

(1) The executive director may be removed only by an affirmative vote of at least four commissioners. If there is a vacancy for the position of executive director, the Commission shall appoint an executive director within 120 days of the creation of the vacancy.

(2) The executive director, legal counsel, and program staff shall be residents of the City.

(3) The executive director, legal counsel, and program staff may not do any of the following:

(A) Seek or hold a position as an elected or appointed official or employee of the City, Cook County, or the State of Illinois.

(B) Be a lobbyist registered under this chapter or engage in any political activity.

(C) Hold a financial interest in any work or business of or official action by the city or any other governmental agency within the jurisdiction of Cook County or the City.

(g) No later than the March 31, 2030, and every fourth year thereafter, adjust the dollar amounts specified in Sections 2-156-458(a)(6), 2-156-458(b), 2-156-458(d), 2-156-459(c)(3), 2-156-459(e), and 2-156-459(g)(2) by the percentage increase in the consumer price index for all urban consumers for the Chicago metropolitan area, or a comparable index selected by the Commission in the event this index no longer exists, over the prior four years. Such adjustments shall be rounded to the nearest ten dollars with respect to Sections 2-156-458(a)(6), 2-156-458(b), 2-156-458(d), 2-156-459(c)(3), and 2-156-459(g)(2) and the nearest one thousand dollars with respect to Section 2-156-459(e).

(h) Provide records and staff assistance to the Inspector General to enable the Inspector General to conduct audits of the program. The Inspector General shall conduct a performance audit of the program following each election cycle. The Commission shall include the Inspector General's audit report in its report to the City Council under subsection (b) of this section.

(i) Conducts post-election financial audits of all participating candidates. A participating candidate shall retain at least 1% of all public matching funds received by the candidate to comply with a post-election audit. Upon completion, the Commission shall publish each post-election audit report and make the report available on the Commission's website.

(j) Promulgate rules necessary for the proper implementation of the program, as follows:

(1) The Commission may adopt, amend, or repeal a rule under this chapter only after the Commission publishes a proposed rule and provides an opportunity for the public to submit comments on the proposed rule in written or electronic form and holds a public hearing on the proposed rule at which the public may provide testimony in-person or

remotely. Adoption, amendment, or repeal of a rule under this subsection may not take effect until 30 days after the Commission adopts the rule.

(2) The period for the public to submit written or electronic comments shall be no less than 30 days and no more than 60 days from the day the Commission publishes the proposed rule on its website. The Commission shall publish a notice for the public comment period prominently on its website on the day the Commission publishes the proposed rule and for the duration of the public comment period. The notice shall include the dates of the public comment period, the text of the proposed rule, the method for submitting written and electronic comments to the Commission, and contact information for the Commission.

(3) The Commission shall hold the public hearing on a proposed rule no sooner than the last day of the public comment period and no later than 30 days from the last day of the public comment period. The Commission shall publish prominently on its website a notice for a public hearing on a proposed rule no later than 14 days prior to the public hearing. The notice shall include the time and place for the public hearing, information for viewing or participating in the public hearing remotely, the rules to be considered at the public hearing, and contact information for the Commission. Following the public hearing, the Commission shall draft a hearing report to be published on the Commission's website and presented at the subsequent regular meeting of the Commission.

(4) The Commission shall email all notices under this subsection to an email list of interested parties maintained by the Commission. The Commission shall add any person to the email list who requests to be added and provides a valid email address.

(5) Any person public may, at any time, submit to the Commission a request for the Commission to initiate rulemaking under this subsection. The Commission shall consider and decide whether to initiate rulemaking in response to the request at a meeting of the Commission no later than 60 days after the request is submitted.

(k) Notwithstanding Section 2-156-010(j-0), for the purposes of sections 456 through 460 of this chapter, "executive director" means the executive director of the Chicago Fair Elections Commission.

**SECTION 6.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 2-156-458 as follows:

**2-156-458 Public funds eligibility.**

(a) Beginning with the consolidated primary election to be held in 2027, a person may apply to the Commission for certification as a participating candidate if the person satisfies all of the following conditions:

(1) Is eligible to run for a covered office.

(2) Has established and designated no more than one authorized committee.

(3) Certifies to the Commission that the person's authorized committee has filed all campaign finance reports required by this chapter and by Illinois Election Code 10 ILCS 5/9-1 et seq.

(4) Certifies to the Commission that the person has complied with the requirements of this chapter and Illinois Election Code 10 ILCS 5/9-1 et seq.

(5) Agrees to comply with all of the following requirements for the applicable election cycle:

(A) Participate in no fewer than 2 nonpartisan debates prior to a consolidated primary election and no fewer than 2 nonpartisan debates prior to the consolidated general election.

(B) Solicit or accept aggregate contributions as provided in paragraph (d).

(C) Spend public funds only as permitted under Section 2-156-459.

(D) Provide the Commission with itemized statements of contributions and expenditures and other information as determined by the Commission to ensure compliance with this chapter.

(E) In the person's reports filed pursuant to 10 ILCS 5/9-10 of the Illinois Election Code, itemize all contributions for which the person seeks public matching funds as described under 10 ILCS 5/9-11, including contributions in an aggregate amount or value of \$150 or less.

(6) Has spent no more than \$5,000 in personal funds for the candidate's direct campaign costs during the applicable election cycle.

(7) Has complied with the requirements of this subsection for the entirety of the applicable election cycle prior to submitting the application for certification as a participating candidate.

(b) The Commission shall certify a candidate as a participating candidate if the candidate applies as provided under subsection (a) and the Commission verifies the candidate has received no less than \$17,500 from at least 100 qualified contributions. At least 60 of the 100 qualified contributions must come from qualified contributors who reside in the ward in which the candidate is seeking election.

(c) A person may not apply for certification under this section after the last day on which nomination petitions for candidacy may be submitted.

(d) A participating candidate may solicit or accept contributions only from the following sources that, in the aggregate, do not exceed the following amounts:

(1) \$500 per election from an individual.

(2) \$12,000 per election from a political committee.

(A) A political committee may make contributions to a participating candidate only using funds contributed to the political committee by individuals.

(B) A political committee may make contributions to a participating candidate under this subsection only if the political committee is registered with the Illinois State Board of Elections or its successor agency, has filed all required reports during the election cycle, maintains records establishing the funds contributed to a participating candidate comply with subparagraph (A) of this paragraph, and, upon request, provides such records to the Commission.

(3) \$12,000 in in-kind contributions per election from a membership organization, consisting solely of in-kind personal services that are paid for by the organization's membership dues. For the purposes of this paragraph, in-kind contributions made by two or more membership organizations established, financed, maintained or controlled by the same person or group of persons, or substantially the same person or groups of persons, shall be considered to be made by a single membership organization.

(4) \$5,000 per election cycle from the personal funds of the participating candidate.

(5) A participating candidate may not use any funds received in a prior election cycle by the participating candidate or any previous or existing authorized committee of the participating candidate in connection with any election in which the candidate is a participating candidate.

(6) Notwithstanding paragraph (5), the Commission may promulgate rules to allow a participating candidate to transfer funds from a prior election cycle. If the Commission promulgates such rules, the rules at a minimum shall:

(A) Require funds transferred from a prior election cycle comply with all program requirements, including the source and amount limitations of this section.

(B) Provide an aggregate limit on the amount of funds a participating candidate may transfer from a prior election cycle, not to exceed \$5,000.

(C) Require that the participating candidate use reasonable accounting methods to attribute any transferred funds to one or more contributors and that such attributed contributions shall be deemed a contribution from such contributor(s) for the current election for purposes of the amount limitation established in this subparagraph (B) of this paragraph.

(D) Specify that any funds transferred are not qualified contributions and are not eligible to be matched under Section 2-156-459.

(E) Specify that the total amount of public funds available to the participating candidate under Section 2-156-459 shall be reduced by the amount of funds the participating candidate transfers from a prior election cycle.

(7) Notwithstanding paragraph (1), \$250 per election from an individual subject to the limit under Section 2-156-445(a).

(e) The Commission shall revoke a participating candidate's certification if the Commission determines the participating candidate has done any of the following:

(1) Withdrawn from the election or otherwise failed to actively campaign for the covered office.

(2) Failed to advance to the consolidated general election.

(3) Materially violated the certification requirements under subsection (a) of this section.

(4) Materially violated the requirements of this chapter or Illinois Election Code 10 ILCS 5/9-1 et seq.

(f) A person may request reconsideration by the Commission and appeal the Commission's decision regarding certification or the revocation of certification under this section in the same manner as requests for reconsideration and appeals as described under Section 2-156-396.

(g) The Commission shall promulgate rules to specify the timing and method by which a participating candidate shall return contributions that exceed the limits or are made by a prohibited source under this chapter, including the circumstances under which a candidate's compliance with such rules will result in a determination that the candidate has not materially violated the requirements of this chapter. The rules shall provide that such contributions may be returned to the contributor or to the Commission for deposit in the fund.

**SECTION 7.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 2-156-459 as follows:

**2-156-459 Public funds payments.**

(a) The Commission shall establish a process for authorizing the City Comptroller to distribute public funds from the fund to participating candidates who meet the requirements for receiving public funds. The Comptroller shall distribute public funds to participating candidates no later than 2 business days after the distributions have been authorized by the Commission.

(b) The Commission shall establish by rule the information and documents that a participating candidate must submit for the Commission to verify qualified contributions and authorize distributions of public funds to the participating candidate. The Commission may not authorize distributions of public funds for which a participating candidate fails to submit the required information and documents. The Commission may only verify qualified contributions if the contributions are itemized as described under Section 10 ILCS 5/9-11 of the Illinois Election Code. If the Commission rejects, in whole or in part, a request by a participating candidate for a distribution of public funds, the Commission shall make its rejection in writing and provide the reasons for rejection. The candidate may request reconsideration and appeal the Commission's rejection in the same manner as described under Section 2-156-396.



(c) Except as provided in subsection (g), the Commission shall authorize base payments to a candidate certified as a participating candidate as follows:

(1) Within five days of a candidate being certified as a participating candidate, the Commission shall authorize the City Comptroller to distribute 50% of the base payment amount under paragraph (3) to the participating candidate.

(2) Within five days after a participating candidate qualifies for the ballot, the Commission shall authorize the City Comptroller to distribute 50% of the base payment amount under paragraph (3) to the participating candidate.

(3) The base payment amount for each covered office shall be \$50,000.

(d) The Commission shall establish a schedule for authorizing disbursements of public matching funds to participating candidates no less frequently than once per month until 8 weeks prior to the election. During the 8 weeks prior to the election, the Commission shall authorize disbursements of public matching funds no less frequent than weekly.

(e) In accordance with the schedule established under subsection (c) and subject to the limits in subsection (f), after a candidate is certified as a participating candidate, the participating candidate shall receive public matching funds for qualified contributions that the participating candidate received in the applicable election cycle before the participating candidate was certified under Section 2-156-458 and qualified contributions received after the candidate was certified in the following amounts:

(1) An amount equal to \$12 in public matching funds for each \$1 in qualified contributions for the first \$25 received in the aggregate per qualified contributor per election cycle.

(2) An amount equal to \$9 in public matching funds for each \$1 in qualified contributions for amounts in excess of \$25 in the aggregate per qualified contributor per election cycle.

(f) A participating candidate may receive no more than \$150,000 in public matching funds in an election cycle.

(g) (1) To be eligible to receive the maximum amounts of public funds under subsections (c) and (f), a participating candidate must be opposed by a candidate who either has been certified by the Commission as a participating candidate or has received aggregate contributions or made aggregate expenditures in excess of \$10,000 in the election cycle.

(2) A participating candidate who is not opposed as described in paragraph (1) may receive up to 10% of the amount specified in subsection (f) of this section in public matching funds. The participating candidate may receive no more than the following base payment amounts:

(A) A base payment of \$5,000 prior to qualifying for the ballot.

(B) A base payment of \$5,000 after qualifying for the ballot.

(3) If a participating candidate who is unopposed becomes opposed as described under paragraph (1), the Commission shall authorize the City Comptroller to disburse the following amounts of public funds from the fund to the participating candidate:

(A) Public matching funds for qualified contributions as provided under subsection (e) of this section, after accounting for any public matching funds already provided under paragraph (2) of this subsection.

(B) If the participating candidate has not qualified for the ballot, 50% of the base payment under subsection (c) of this section after accounting for any base payment provided to the participating candidate under subparagraph (A) of paragraph (2).

(C) If the participating candidate has qualified for the ballot, 100% of the base payment under subsection (c) of this section after accounting for any base payments provided to the participating candidate under subparagraphs (A) and (C) of paragraph (2).

(4) If a participating candidate who is opposed becomes unopposed before the participating candidate has qualified for the ballot but after having received the first half of the base payment, the participating candidate may retain unspent public funds in an amount equal to the greater of \$25,000 or the amount necessary to repay campaign expenses incurred prior to the participating candidate becoming unopposed. Upon qualifying for the ballot, the participating candidate may not receive the second half of the base payment under subsection (c) of this section and may only receive the base payment amount provided under subparagraph (B) of paragraph (2).

(A) If the participating candidate has unspent public funds of \$25,000 or greater on the day the candidate becomes unopposed, the candidate may not receive any additional public matching funds.

(B) If the participating candidate has unspent public funds of less than \$25,000 on the day the candidate becomes unopposed, the candidate may receive additional public matching funds up to either the difference between \$25,000 and the amount of unspent public funds or 10% the amount specified in subsection (f) of this section, whichever is less.

(5) For the purposes of this subsection, "qualify for the ballot" means the participating candidate's certificate of nomination or nominating papers have been determined to be in apparent conformity with the requirements of the Illinois Election Code under 10 ILCS 5/10-8.

(h) A participating candidate may use public funds only for the candidate's direct campaign expenses. Public funds may not be used to pay any of the following expenses:

(1) Payments to a business in which the candidate or a candidate's immediate family member has a 10% or greater ownership interest.

- (2) A penalty or fine.
- (3) An amount in excess of fair market value for goods or services received.
- (4) Payments for the legal defense of an alleged violation of this chapter.
- (5) Payments for a good or service that is for personal use.
- (6) Expenses incurred by a participating candidate after the events described under subsection 2-156-458(e).
- (7) Any additional expenses as determined by the Commission by rule.

(i) A participating candidate shall return to the Commission for deposit into the fund all remaining public funds the candidate received, after accounting for campaign debts and expenses, no later than six months after any of the following events:

- (1) The Commission revokes the participating candidate's certification.
- (2) The participating candidate dies.
- (3) The consolidated general election occurs.

(j) In the event that 90% of the existing fund has been distributed, the Commission shall give notice within 24 hours to all participating candidates that only 10% of the fund remains. Thereafter, the Commission shall make no further public funds payments until after election day and it shall only pay requests submitted after notice has been distributed under this subsection proportionally, spread over all participating candidates and requests equally, in a manner established by the Commission by rule.

**SECTION 8.** Chapter 2-156-460 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and deleting the language struck through, as follows:

**2-156-460. Reserved Chicago Fair Elections Commission.**

(a) There is hereby created and established the Chicago Fair Elections Commission. The Commission shall consist of five members. The members shall elect a chairperson and vice chairperson by majority vote of the members. Subject to the consent of the City Council, the Mayor shall appoint one member. The City Clerk, City Treasurer, Speaker Pro Tempore of the City Council, and the Vice Mayor shall each submit a list of three individuals for consideration by the Mayor for appointment to the Commission. The Mayor shall appoint one member from each list of nominees submitted by the City Clerk, City Treasurer, Speaker Pro Tempore of the City Council, and the Vice Mayor, subject to the consent of the City Council.

(b) All initial appointments to the Commission shall be made within 90 days of creation of the Commission. The members initially nominated by the City Treasurer, Speaker Pro Tempore, and the Vice Mayor and appointed by the Mayor shall serve a term of three years; the member

initially nominated by the City Clerk and appointed by the Mayor and the remaining member appointed by the Mayor shall serve a term of five years.

(c) All members appointed after initial appointments made under subsection (b) shall serve for a term of five years. Members may serve no more than two terms. Members shall serve until their successors have been appointed and confirmed or up to six months after their term expires, whichever occurs earlier. If a nominating authority has not submitted to the Mayor a list of nominees for appointment of a successor at least 60 days prior to the expiration of the term of the member whose 5-year term is expiring, the term of the member in office shall be extended for one additional year and the term of the successor shall be shortened by one year. The Mayor shall appoint a member from the list of nominees provided by the nominating authority. If the City Council fails to confirm or reject a nomination within 90 days of receiving the nomination, the nomination is confirmed.

(d) Any vacancy occurring other than by expiration of a term shall be filled by nomination by the appointing authority who nominated the member who created the vacancy. The appointing authority shall submit to the Mayor a list of nominees within 30 days of the creation of the vacancy for the unexpired portion of the term of the member creating the vacancy. The Mayor shall appoint a member from the list of nominees provided by the nominating authority. If the City Council fails to confirm or reject the nomination within 90 days of receiving the nomination, the nomination is confirmed.

(e) Each member of the Commission shall be a resident of the City. A member may not do any of the following:

(1) Seek or hold a position as an elected or appointed official or employee of the City, Cook County, or the State of Illinois.

(2) Be a lobbyist registered under this chapter or engage in any political activity.

(3) Hold a financial interest in any work or business of or official action by the city or any other governmental agency within the jurisdiction of Cook County or the City.

(f) A member may be removed only for substantial neglect of duty, gross misconduct in office, inability to discharge the powers and duties of office, or violation of this section. The Mayor shall provide a written notice to the member stating the reasons for removal and submit a copy of the notice to the City Clerk. The City Council shall hold a public hearing at which the Mayor shall present the reasons for removal and the member shall have an opportunity to reply. A member may be removed under this subsection only by two-thirds vote of the City Council.

(g) The Commission shall meet no less than monthly at a regular scheduled day and time determined by the Commission and at other times as determined by the chairperson. The Executive Director may request a meeting of the Commission. The Commission shall publish a notice and an agenda prominently on the Commission's website for each meeting no less than seven days prior to the day of the meeting. In the circumstance that a meeting of the Commission is called under exigent circumstances, the Commission shall publish the notice and agenda as soon as practicable. The Commission shall email notices and agendas under this subsection to an email list of interested parties maintained by the Commission. The Commission

shall add any person to the email list who requests to be added and provides a valid email address.

(h) Members of the Commission shall be reimbursed for expenses reasonably incurred in the performance of Commission duties.

**SECTION 9.** Chapter 2-156 of the Municipal Code of Chicago is hereby amended by inserting a new section 2-156-466 as follows:

**2-156-466 Chicago Fair Elections Program violations.**

In addition to any other penalties provided for under this chapter:

(a) The Commission may require a participating candidate to return to the Commission for deposit in the fund an amount equal to all public funds received by the candidate if the candidate's certification is revoked under paragraphs (3) or (4) of section 2-156-458(e).

(b) In addition to penalty assessed under Section 2-156-457(e)(5):

(1) A participating candidate who knowingly and willfully violates a requirement of the Chicago Fair Elections Program shall be subject to a civil penalty not to exceed the greater of \$10,000.00 or the amount of the violation.

(2) A person who knowingly and willfully makes a false statement or omits a material fact to the Commission is subject to a civil penalty not to exceed the greater of \$10,000.00 or the amount of the violation.

**SECTION 10.** Chapter 2-156-465 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and deleting the language struck through, as follows:

**2-156-465 Sanctions.**

(a) *Employment sanction.* In addition to any other applicable penalty provided in this article, any employee found to have violated any of the provisions of this chapter, or to have knowingly furnished false or misleading information to the board of ethics, shall be subject to employment sanctions, including discharge, in accordance with procedures under which the employee may otherwise be disciplined. Any official who knowingly 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.

(b) *Fines.* The following fines shall, as appropriate, apply to violations of this chapter:

(1) *Failure to complete ethics training.* Any employee or official who violates Section 2-156-145 and any lobbyist who violates Section 2-156-146 shall be fined \$250.00 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. The Board shall also make public, in a manner that the Board may deem appropriate, the names of lobbyists, employees and officials who failed to complete a mandatory ethics training on time.

(2) *Failure to file a statement of financial interests.* Any reporting person who violates Section 2-156-190 shall be fined \$250.00 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. The Board shall also make public, in a manner that the Board may deem appropriate, the names of reporting persons who failed to file statements of financial interests on time.

(3) *Failure to register by lobbyists.*

(A) Any lobbyist who violates Section 2-156-245 because of failure to register on behalf of one or more clients pursuant to Section 2-156-230 shall be fined \$1,000.00 for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Any lobbyist who violates any provision of Article IV of this chapter shall be subject to the suspension of their lobbyist registration.

(B) Any lobbyist who is registered with the Board and who violates Section 2-156-245 because of failure to re-register with the Board or properly amend or terminate their registration as required in Section 2-156-240 or Section 2-156-280, respectively, shall be subject to a \$250.00 fine for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Provided, however, the maximum total fine for all violations of Section 2-156245 that stem from a single incident of Page 8 of 8 failure by a lobbyist to file a reregistration, amendment, or termination described in this subsection (3)(B) shall not exceed \$20,000.00.

(C) The Board shall also make public, in a manner the Board deems appropriate, the names of lobbyists who violate Section 2-156-245 or 2-156-270 and fine assessed.

(4) *Failure to file reports by lobbyists.* Any lobbyist who violates Section 2-156-270 shall be subject to a \$250.00 fine for each such violation. Each day that a violation continues shall constitute a separate and distinct offense to which a separate fine shall apply. Provided, however, the maximum total fine for all violations of Section 2-156-270 that stem from a single incident of failure to file a report by a lobbyist shall not exceed \$20,000.00. The Board shall also make public, in a manner the Board deems appropriate, the names of lobbyists who violate Section 2-156-270 and fine assessed.

(5) *Improper contributions.* Any person who knowingly makes, solicits or accepts a political contribution in violation of Section 2-156-140 or Section 2-156-445 shall be subject to a fine of not less than \$1,000.00 and up to the higher of \$5,000.00 or three times the amount of the improper contribution that was accepted for each violation of these sections.

(6) *Violation of chapter provisions.* Any person who violates any other provision of this chapter, where no other fine is specifically provided, shall be subject to a public censure by the Board and a fine of not less than \$500.00 and not more than \$20,000.00 for each offense; provided that the Board may also impose a fine equal to the financial benefit an official or employee realized from a violation, if higher.

(7) *Candidates: filing of statements of financial interests.* Any person who qualifies as a candidate for City office who knowingly files a false or misleading statement of financial interests shall be subject to fines as provided in subsection (b)(5) of this section.

(8) *Top donor transparency requirements.* Any person who violates the requirements for disclosures in public communications under Section 2-156-447 shall be subject to a fine of not less than \$500 and not more than the greater of \$10,000 or twice the amount of the violation.

(c) The board may recommend an employment sanction or impose a fine for any violation of this chapter in accordance with Section 2-156-385 or Section 2-156-392, respectively.

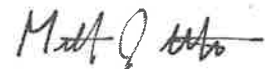
**SECTION 11.** Chapter 2-156-530 of the Municipal Code of Chicago is hereby amended by adding the language underscored, and deleting the language struck through, as follows:

**2-156-530 Annual public hearing on ethics.**

The board and the inspector general shall ~~coordinate~~ collaborate on and conduct a joint annual public hearing before the city council to review major activities, including trainings, investigations, settlements, and opinions; to describe resource usage; to address trends in ethics issues; to suggest ethics compliance strategies; and to assess challenges and recommend areas of improvement regarding the city's ethics institutions, and investigation and adjudication processes.

**SECTION 12.** If any provision of this ordinance or application to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this ordinance is severable.

**SECTION 13.** This ordinance takes effect upon passage and publication.



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Matthew J. Martin  
Alderman, 47th Ward