

**Councilmember Kowalski's Proposed Draft Replacement of Current  
Codified Ordinance Chapter 226, Campaign Finance Reform (Draft of January 5, 2022)**

**226.01 CAMPAIGN CONTRIBUTION LIMITS.**

**(a) *Contribution limitations.***

- (1) No Individual shall make and no candidate for Mayor or Council shall accept a contribution or in-kind contribution combined from the same source of more than \$250 per calendar year. For purposes of this section, "Individual" shall mean any person but excluding partnerships, unincorporated business organizations or associations, political action committees, separate segregated funds, political contributing entities, campaign committees, political parties, or other organizations, as such terms are defined in R.C. 3517.
- (2) No partnership, unincorporated business organization or association, political action committee, separate segregated fund, political contributing entity, campaign committee, political party or other organization, as such terms are defined in R.C. Chapter 3517, shall make and no candidate for Mayor or Council shall accept a contribution or in-kind contribution combined from the same source of more than \$500 per calendar year.

**(b) *Application.***

- (1) This section shall apply to all candidates for all elected city offices and partnerships, unincorporated business organizations or associations, political action committees, separate segregated funds, political contributing entities, political parties, and any other organization making an expenditure, as such term is defined in R.C. Chapter 3517 in support of or in opposition to candidates for city elected offices.
- (2) This section shall not apply to services provided without compensation by persons volunteering a portion or all of their time on behalf of a person, ordinary home hospitality, or the personal expenses of a volunteer paid for by that volunteer campaign worker.

**(c) *Contribution definition.*** Contribution means any money, gift, deposit, forgiveness of indebtedness or loan, donation, advance, payment, or transfer of funds or anything of value, including a transfer of funds from an inter vivos or testamentary trust or decedent's estate, which contribution is received for the purpose of influencing the results of an election. The date of a contribution is the date that it is received, not the date of deposit or the date on a check.

**(d) *In-kind contribution definition.*** In-kind contribution means anything of value other than money that is used to influence the results of an election or is transferred to or used in support of or in opposition to a candidate, campaign committee and that is made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of the benefitted candidate or campaign committee. When disclosing in-kind contributions pursuant to § 226.02 a candidate or campaign committee shall give a fair market value to the in-kind contribution.

- (e) *Candidate contributions.* The limitations imposed by this section shall not apply to contributions of a candidate's own resources to the candidate's own campaign.
- (f) *Loans.* The limitations imposed by this section shall not apply to loans to a candidate or campaign committee. Loans must be repaid in full to remain exempt from the contribution limits set forth in this section. Once a loan is received, the balance, along with any payments made, must be included in each financial disclosure statement that is required by law to be filed until the loan is repaid or forgiven by the contributor. The forgiveness of the loan shall not exceed the limitations imposed by this section. The financial disclosure statement that includes the loan information shall also be filed with the City Solicitor, in addition to the statement's filing with the County Board of Elections or a State of Ohio office. Before a campaign committee files a final disclosure statement and terminates itself pursuant to the provisions of RC Chapter 3517, all loans must be repaid or forgiven.
- (g) *Independent expenditures.* The limitations imposed by this section shall not apply to Independent Expenditures. "Independent Expenditures" shall mean expenditures by a person, partnership, unincorporated business organization or association, political action committee, separate segregated fund, political contributing entity, unaffiliated campaign committee, political party, or other organization advocating the election or defeat of an identified candidate or candidates, that is not made with the consent of, in coordination, cooperation, or consultation with, or at the request or suggestion of any candidate or candidates or of the campaign committee or agent of the candidate or candidates.

## **226.02 CAMPAIGN FINANCE DISCLOSURE.**

- (a) *Definitions.*
  - (1) Unless stated otherwise in this section, for the purposes of this section, the words and phrases used herein shall have the meanings set forth in R.C. Title 35. Contribution and in-kind contribution shall have the same meaning as in § 226.01 above. Expenditure means the disbursement or use of a contribution for the purpose of influencing the results of an election.
  - (2) Expenditures shall be disclosed by candidates for City of Hudson elective office as of the date they are paid. The date listed for each expense should be the date that a check or other payment instrument is mailed, handed over or transmitted.
- (b) *Application.* This section shall apply to all candidates for all elected city offices.
- (c) *Computation of time.* Notwithstanding any other provision in the Codified Ordinances of the City of Hudson, any reporting dates set forth below shall be computed using calendar days counting each day.
- (d) *Candidate disclosure statements.* In addition to the registration and reporting requirements contained in R.C. Chapter 3517, no candidate for city elective office shall fail to file a signed campaign financial statement with the Clerk of Council pursuant to the deadlines as set forth in § 226.02 (e)(1) and (e)(2).
- (e) *Deadlines for candidate disclosure statements.*
  - (1) By 4:00 p.m. on the twelfth day before the date of the election, reporting each contribution and all in-kind contributions and each expenditure as of the date and time of the filing; and

- (2) By 4:00 p.m. on the thirty-eighth day after the date of the election, reporting each contribution and all in-kind contributions and each expenditure as of the date and time of the filing.
- (3) The statements required under this section(e) shall be filed in addition to any other provisions of state law and notwithstanding any provisions of state election law that exempt from reporting requirements contributions under a minimum amount.
- (f) *Contents of pre-election disclosure statement.* The statements filed on the twelfth day before the election by candidates for elective city offices shall include a list of each contribution received, all in-kind contributions, and the name and address of each donor, an aggregate total of all contributions and in-kind contributions received, and a list of each expenditure of contributions made during the campaign period, and the recipient of each expenditure.
- (g) *Contents of post-election disclosure statement.* The statements filed on the thirty-eighth day after the election by candidates for elected city offices shall include a list of each contribution and in-kind contribution received after the date for the statement filed twelve days before the election, and the name and address of each donor, an aggregate total of all contributions and in-kind contributions received after the date for the statement filed twelve days before the election, and a list of each expenditure of contributions made after the date for the statement filed twelve days before the election, and the recipient of each expenditure.
- (h) *Publication.* The Clerk of Council shall publish the candidate disclosure statements discussed in divisions (f) and (g) of this section on the city's web site or other generally accepted medium, as designated by City Council.
- (i) *Review.* The Finance Director shall review all candidate disclosure statements filed under the provisions of this section for compliance and shall refer to the City Solicitor any matter which appears to possibly conflict with or violate any of the provisions of this Chapter.
- (j) *Ohio law.* The provisions of the laws of the State of Ohio pertaining to elections that are not inconsistent with the provisions of this Chapter shall remain in full force and effect and shall apply in addition to the requirements of this section. In the event of a conflict between the provisions of the laws of the State of Ohio and the provisions of this Chapter, the provisions of this Chapter shall control.

### **226.03 CAMPAIGN FINANCE ENFORCEMENT.**

- (a) *Contribution limit penalties.* Any candidate or person who knowingly refuses or fails to comply with the requirements of § 226.01 (a) is guilty of an unclassified misdemeanor and shall be fined not more than three times the amount accepted. A partnership, unincorporated business organization or association, political action committee, separate segregated fund, political contributing entity, campaign committee, political party, or other organization violating § 226.01 (a) shall be fined not more than three times the amount contributed.
- (b) *Return of contribution.* In the event that a candidate returns to its source any contribution or contributions received from that source in excess of the amounts permitted under the provisions of this Chapter within ten (10) business days of the receipt of such excess

contribution, such excess contribution shall not be considered to have been solicited or accepted by such candidate and the candidate, person, partnership, unincorporated business organization or association, political action committee, separate segregated fund, political contributing entity, political party, or other organization will not be liable under the provisions of this section.

- (c) *Candidate disclosure statement penalties.* Any candidate who fails to file any disclosure statement required under § 226.02, knowingly files inaccurate information, or fails to provide information required in any such report is guilty of a fourth degree misdemeanor.
- (d) *Reporting.* Any person with personal knowledge of a violation of § 226.01 or 226.02 may report such information on a sworn affidavit to the City Solicitor. The City Solicitor shall transmit sworn affidavits to the City Manager, who shall consult with the City Solicitor to hire Special Counsel who shall investigate the allegations and prosecute violations. The City Solicitor shall also transmit to the City Manager matters referred from the Finance Director under § 226.02 (i), and the City Manager shall consult with the City Solicitor in the same manner to hire Special Counsel. If Special Counsel determines that there is probable cause to prosecute, Special Counsel shall prosecute the matter in the Stow Municipal Court.

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### **Current Regulations:**

#### **226.01 CAMPAIGN FINANCE REFORM.**

(a) Preamble. In order to demonstrate and promote ethics by government within the City of Hudson; to further integrity in campaigns for public office; to prevent corruption and/or the appearance of corruption; and to restore and enhance the faith of the citizenry in government, this Council does hereby establish this Amendment to the Codified Ordinances of the City of Hudson.

(b) Limits on cash contributions. No candidate for Mayor or Council shall accept, as a campaign contribution, more than one hundred dollars (\$100.00) in cash (i.e., hard currency) from any person within any calendar year. No person shall contribute cash in excess of said amount.

(c) Limits on non-cash monetary and in-kind contributions and loans. No candidate for Mayor or Council shall accept or solicit, as a non-cash monetary (i.e., checks, money orders, credit cards) or in-kind campaign contribution or loan, more than one hundred dollars (\$100.00) from any person, campaign committee, political party, or political action committee within any calendar year. No person, political action committee, political party or political campaign shall contribute funds or in-kind contributions in excess of said amounts. Contributions from the candidate and labor of volunteers are exempt from these provisions.

(d) Severability. If any provision of the amendment, or the application of a provision to any person or circumstance, is held to be invalid, the remainder of this amendment, and the application of the provisions to any person or circumstance, shall not be affected by the holding. (Ord. 08-82. Passed 8-6-08.)