ORDINANCE NO. _______

AN ORDINANCE REPEALING AND SUPERSEDING ORDINANCES 300-H AND 302-H FOR THE PURPOSE OF IMPLEMENTING CAMPAIGN FINANCE REFORM FOR MUNICIPAL ELECTIONS IN THE CITY OF ST. PETERSBURG; MAKING FINDINGS REGARDING FOREIGN INFLUENCE, SUPER-PAC FUNDING, AND DISCLOSURE IN MUNICIPAL ELECTIONS; AMENDING THE CITY CODE TO IMPOSE LIMITS ON CONTRIBUTIONS AND EXPENDITURES RELATED TO MUNICIPAL ELECTIONS INVOLVING SUPER PACS AND FOREIGN-INFLUENCED ENTITIES AND TO REQUIRE INCREASED DISCLOSURE OF CAMPAIGN FINANCE MATTERS RELATED TO MUNICIPAL ELECTIONS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on October 5, 2017, the City Council of the City of St. Petersburg, Florida, (“City Council”) adopted ordinance 300-H, amending the St. Petersburg City Code (“City Code”) to impose limits on contributions related to municipal elections from super PACs and foreign-influenced entities; and

WHEREAS, on October 5, 2017, City Council also adopted ordinance 302-H, amending City Code to require increased disclosure of independent expenditures, expenditures for electioneering communications, and other campaign finance matters related to municipal elections; and

WHEREAS, these ordinances amend the same portion of City Code but, as adopted, are inconsistent in places as to terminology and numbering; and

WHEREAS, because ordinances 300-H and 302-H have not yet gone into effect, City Council desires to resolve any inconsistencies in those ordinances by passing a new ordinance that repeals ordinances 300-H and 302-H and combines certain provisions previously adopted in those ordinances into a single ordinance that is consistent as to terminology and numbering.
NOW, THEREFORE, THE CITY OF ST. PETERSBURG ORDAINS THE FOLLOWING:

SECTION 1—PURPOSE AND EFFECT: This ordinance is adopted for the purpose of combining into a single ordinance certain provisions that were previously adopted by City Council through ordinances 300-H and 302-H but that have not yet gone into effect. Accordingly, this ordinance repeals ordinances 300-H and 302-H and is intended to supersede each of those ordinances in its entirety.

SECTION 2—FINDINGS REGARDING FOREIGN INFLUENCE AND SUPER-PAC FUNDING: The City Council of the City of St. Petersburg, Florida, makes the following findings regarding foreign influence and the effects of super-PAC funding in municipal elections:

(a) The U.S. government has concluded that the 2016 election was subject to extensive foreign involvement, as set forth in the U.S. Director of National Intelligence’s January 2017 report on “Assessing Russian Activities and Intentions in Recent US Elections.”

(b) The U.S. Congress, and the U.S. Supreme Court, have already recognized the need to protect U.S. elections (including local elections) from foreign influence, through the ban on contributions and expenditures by foreign nationals imposed by 52 U.S.C. 30121 and upheld by the Supreme Court in Bluman v. Federal Election Commission, 800 F. Supp. 2d 281 (D.D.C. 2011) (3-judge court), aff’d, 565 U.S. 1104 (2012).

(c) Current law does not adequately protect against foreign nationals (including foreign governments) from influencing elections through corporate political spending by U.S. corporations with significant foreign ownership, as explained by Federal Election Commissioner Ellen Weintraub, Professor John Coates, Professor Laurence Tribe, and Professor Charles Fried in letters submitted to the City Council in October 2016.

(d) Efforts to address this phenomenon through rulemaking at the Federal Election Commission that would apply to local elections have been unsuccessful, as summarized by Commissioner Weintraub in her July 19, 2017 statement “How Our Broken Campaign Finance System Could Allow Foreign Governments to Buy Influence in Our Elections and What We Can Do About It.”

(e) Federal law and academic literature on corporate governance consider a single shareholder owning 5% or more to be in a position to influence corporate governance, as explained in the report appended by Professor Coates to his October 2016 letter to the City Council. Testimony by experts at a Federal Election Commission forum in June 2016 converged toward this threshold.
(f) Similarly, a corporation with a collection of foreign owners totaling 20% ownership would be unacceptably subject to foreign influence, as illustrated by 47 U.S.C. 310(b)’s 20% maximum of foreign ownership for broadcast licensees.

(g) Corporations with foreign ownership at these levels have been politically active in recent years, including in local elections around the country, as explained in the letter from Professor Coates in his October 2016 letter to the City Council.

(h) To protect the integrity of the democracy of St. Petersburg, it is necessary to ensure that corporations that spend money in city elections are not foreign-influenced.

(i) “Super PACs,” including independent expenditure political committees and electioneering communications organizations, are a growing phenomenon in local elections and in Florida, as explained in the October 2016 letter to the City Council from Professor Joseph Morrissey.

(j) Large contributions to super PACs pose the risk of quid pro quo corruption or the appearance of quid pro quo corruption, even if the super PAC’s media activities are not “coordinated” with political campaigns, as explained in the letter from Professor Albert Alschuler submitted to the City Council in October 2016.

(k) Florida-based donors are very active in contributing to federal and state super PACs. One such contribution has led to a criminal indictment for bribery against both the super PAC donor and the supported candidate. Regardless of the eventual outcome of that criminal proceeding, it demonstrates how large contributions to super PACs can yield quid pro quo corruption, as explained in the letter from Professor Morrissey.

(l) Super PACs have become an increasing phenomenon in local elections, including in Florida. They are used to circumvent local contribution limits, as explained in the letter from Professor Morrissey.

(m) To protect the integrity of the democracy of St. Petersburg, it is necessary to ensure that large contributions not fund municipally active outside spending groups.

SECTION 3—FINDINGS REGARDING DISCLOSURE: The City Council of the City of St. Petersburg, Florida, makes the following findings regarding disclosure of independent expenditures and expenditures for electioneering communications:

(a) The campaign finance disclosure obligations established by the Florida Election Code (chapter 106, in particular) do not provide the City’s electors with sufficient information to
evaluate the sources of independent expenditures and expenditures for electioneering communications, including matters of corporate control, foreign influence, and business relationships with the City.

(b) Because most political committees and electioneering communications organizations involved with City elections claim to have statewide interests, they file required reports of campaign finance activity with the Florida Division of Elections. These reports do not identify which contributions, expenditures, and other financial transactions are related to elections held in the City (as opposed to other areas of the state), making it impossible for the City’s electors to evaluate the extent to which these groups participate in and influence City elections.

(c) Instituting local campaign finance disclosure requirements that are designed to supplement the campaign finance disclosure requirements imposed by the Florida Election Code will provide the City’s electors with access to meaningful information about the sources of funding behind independent expenditures and expenditures for electioneering communications that influence City elections.

(d) The local campaign finance disclosure requirements implemented by this ordinance are substantially related to the City’s important governmental interest in providing the City’s electors with access to information about those individuals and entities seeking to influence City elections through independent expenditures and expenditures for electioneering communications.

SECTION 4 — AMENDMENT OF CITY CODE: Chapter 10 of the St. Petersburg City Code is amended by reserving section numbers 10-42 through 10-50 as part of article II and inserting after article II the following new articles III, IV, and V:

ARTICLE III. — CAMPAIGN FINANCE, GENERALLY

Sec. 10-51. — Definitions.

In articles III, IV, and V:

(a) The following terms have the meanings provided by Florida Statutes chapter 106:

(1) Division.

(2) Electioneering communication.

(3) Electioneering communications organization.
(4) Expenditure.

(5) Independent expenditure.

(6) Person.

(7) Political committee.

(b) “Ballot question” means a referendum, initiative, recall, Charter amendment, or other ballot question put solely to the City’s electors.

(c) “Business entity” means any corporation, company, limited liability company, limited partnership, business trust, business association, or other similar entity.

(d) “Candidate” means a candidate for Mayor or City Council Member.

(e) “Chief executive officer” means the highest-ranking officer or decision-making individual with authority over a business entity’s affairs.

(f) “Covered communication” means (i) a political advertisement related to a candidate or a ballot question that is paid for, in whole or in part, through an independent expenditure or (ii) an electioneering communication related to a candidate.

(g) “Covered candidate-related expenditure” means (i) an independent expenditure made with respect to a candidate or (ii) an expenditure for an electioneering communication made with respect to a candidate.

(h) “Covered expenditure” means (i) an independent expenditure made with respect to a candidate or a ballot question or (ii) an expenditure for an electioneering communication made with respect to a candidate.

(i) “Covered election” means any election (regardless of whether it is a primary, general, or special election) in which the City’s electors vote on election of a candidate or a ballot question.

(j) “Covered transaction” means any contribution, transfer of funds, loan, expenditure, or other financial transaction that is (i) required to be included in a statutory report and (ii) related to a candidate or a ballot question.

(k) “Entity” means any person that is not an individual, including any business entity.
“Foreign national” means (i) a foreign national, as defined in 52 U.S.C. § 30121(b); or (ii) an entity for which a foreign national, as defined in 52 U.S.C. § 30121(b), holds, owns, controls, or otherwise has direct or indirect beneficial ownership of 50% or more of the equity, outstanding voting shares, membership units, or other applicable ownership interests of the entity.

“Foreign-influenced business entity” means a business entity for which at least one of the following conditions is met:

1. A single foreign national holds, owns, controls, or otherwise has direct or indirect beneficial ownership of 5% or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity;

2. Two or more foreign nationals, in aggregate, hold, own, control, or otherwise have direct or indirect beneficial ownership of 20% or more of the total equity, outstanding voting shares, membership units, or other applicable ownership interests of the business entity;

3. A foreign national participates directly or indirectly in the entity’s decision-making process with respect to the entity’s political activities in the United States, including the business entity’s political activities with respect to a covered election for a candidate.

“Independent spender” means any person who qualifies as such pursuant to section 10-71.

“Independent spending report” means any report filed with the City Clerk by an independent spender pursuant to article V. Notice of independent spender status filed with to the City Clerk pursuant to section 10-72 is not an independent spending report.

“Individual” means one person who is a natural person, rather than a legal entity or other combination of individuals having collective capacity.

“Outside-spending group” means any political committee or electioneering communications organization that qualifies as such pursuant to section 10-61.
“Statutory report” means any report of campaign finance activity described in F.S. §§ 106.07, 106.0703, or 106.071.

“Supervisor of elections” means the Pinellas County Supervisor of Elections.

Sec. 10-52. – Enforcement

(a) The POD is authorized to enforce the provisions of articles III, IV, and V through the imposition of penalties in accordance with Florida law.

(b) If the amount appropriated for enforcement of articles III, IV, and V has been completely expended for the current fiscal year but additional enforcement expenses are expected before the end of that fiscal year, the POD shall prepare and submit to City Council an estimate of enforcement costs expected to be incurred during the remainder of the current fiscal year, and the City Council shall consider that estimate in its decision to appropriate additional funds for the enforcement of articles III, IV, and V.

Sec. 10-53. – Severability.

In accordance with section 1-11, each provision of articles III, IV, and V is intended to be severable, and a determination that any portion of article III, IV, or V is invalid should not affect the validity of the remaining portions of articles III, IV, and V.

Secs. 10-54—10-60. – Reserved.

ARTICLE IV. – CONTRIBUTION LIMITS

Sec. 10-61. – Contribution limits for outside-spending groups.

(a) A political committee or electioneering communications organization is considered an outside-spending group for purposes of this article when that political committee or electioneering communications organization either:

(1) makes a covered candidate-related expenditure; or

(2) mentions this city, either explicitly or by means susceptible of no reasonable interpretation other than this city, in a solicitation for a contribution or in a description of a planned covered candidate-related expenditure, that is distributed or otherwise made available to contributors or to the general public; or
(3) solicits contributions for, among other purposes, the purpose of covered candidate-related expenditures; or

(4) otherwise conveys, in solicitations for contributions or in materials otherwise made available to prospective or actual contributors, either explicitly or by means susceptible to no other reasonable interpretation, that contributions may be used for covered candidate-related expenditures; or

(5) accepts a contribution that has been specifically designated for partial or exclusive use in a covered candidate-related expenditure.

(b) The treasurer of an outside-spending group shall separately designate, record, and account for, by any means consistent with state law, funds that are eligible for use for covered candidate-related expenditures.

(c) The following shall not be designated as eligible for use for covered candidate-related expenditures:

(1) any portion of a contribution to an outside-spending group that exceeds the aggregate of $5,000 per person per calendar year; or

(2) any contribution from a business entity to an outside-spending group for which the business entity fails to provide, within 30 days of making the contribution, a copy of the statement of certification required under Section 10-62.

(d) The treasurer of an outside-spending group shall ensure that disbursements for covered candidate-related expenditures are made from funds designated as eligible for such use.

(e) It shall be unlawful for the treasurer of an outside-spending group to make or authorize disbursements in violation of this section.

(f) The treasurer of an outside-spending group shall advise contributors and prospective contributors of the limits in this section.

Sec. 10-62. – Election spending by foreign-influenced business entities.

(a) This section applies to any business entity that:

(1) makes a covered candidate-related expenditure of $5,000 or more or
(2) makes a contribution to an outside-spending group.

(b) The chief executive officer of a business entity subject to this section shall file with the City Clerk’s Office, within 30 days after making the contribution or expenditure, a statement of certification avowing that, after due inquiry and under penalty of perjury, the business entity is not a foreign-influenced business entity. The statement of certification shall include the following:

(1) the name and mailing address of the business entity,

(2) for each contribution or expenditure, the amount, date, and recipient,

(3) the statement “I certify, after due inquiry and under penalty of perjury, that, on the date(s) on which the referenced contribution(s) or expenditure(s) was/were made, [name of business entity] was not a foreign-influenced business entity as defined by the St. Petersburg City Code,” and

(4) the signature of the business entity’s chief executive officer.

(c) It shall be unlawful for a business entity that is subject to this section to fail to timely file the statement of certification.

Secs. 10-63—10-70. – Reserved.

ARTICLE V. – DISCLOSURE

Sec. 10-71. – Scope and purpose of disclosures.

(a) A person is considered an independent spender for a particular covered election once that person has made one or more covered expenditures with respect to any candidate or ballot question for that covered election that aggregate to $5,000 or more.

(b) Once a person is considered an independent spender for a particular covered election, that person shall comply with the disclosure obligations imposed by this article.

(c) The disclosure obligations imposed by this article are intended to supplement disclosure obligations established by the Florida Election Code by
providing information to the City’s electors that is not available through statutory reports.

(d) The disclosure obligations imposed by this article are intended to be carried out in conjunction with (and not instead of) the disclosure obligations imposed by the Florida Election Code. Accordingly, the City shall promulgate forms and procedures to be used in conjunction with forms and procedures established by the Florida Election Code and the division.

(e) The disclosure obligations imposed by this article are not intended to be perpetual and are based on statutory reporting schedules, as more particularly described in section 10-73, and statutory disclaimers, as more particularly described in section 10-75.

Sec. 10-72. – Notice of independent spender status.

(a) Timing. Once a person has qualified as independent spender for a covered election pursuant to section 10-71, that person shall provide notice of its status as independent spender for that covered election by doing one of the following, no later than the date of filing its first independent spending report for a covered election: (i) file the information described in this section 10-72 with the City Clerk; or (ii) affirm that information filed with the City Clerk pursuant to this section 10-72 for a previous covered election remains a complete and accurate disclosure of the information currently required by this section 10-72.

(b) Statement of organization. If, pursuant to F.S. § 106.03, an independent spender is required to file a statement of organization with the division, the supervisor of elections, or any election officer in the state other than the City Clerk, that independent spender shall, at its discretion, file with the City Clerk either (i) a copy of that statement of organization or (ii) the name of the election official with whom that statement of organization is filed.

(c) Information in lieu of statement of organization. If an independent spender is not required to file a statement of organization directly with the City Clerk pursuant to F.S. § 106.03 or file information related to a statement of organization filed elsewhere pursuant to subsection (b), that independent spender shall instead file the following information with the City Clerk in lieu of a statement of organization:

(1) The name, mailing address, street address, telephone number, and e-mail address of the independent spender.
(2) If the independent spender is an individual, (i) the independent spender’s occupation and (ii) the name, mailing address, street address, telephone number, and e-mail address of the independent spender’s employer.

(3) If the independent spender is an entity, the name, mailing address, street address, and relationship of any organization affiliated with or connected to the independent spender.

(4) If the independent spender is an entity and has a custodian of books and accounts or other individual officially responsible for the entity’s recordkeeping, the name, mailing address, street address, telephone number, and e-mail address of that individual.

(5) If the independent spender is an entity and has any principal officers or other individuals who are officially responsible for the operation and control of the entity, the name, mailing address, street address, telephone number, and e-mail address of each such individual.

(6) The name, address, office sought, and party affiliation of any candidate the independent spender is supporting or opposing, as well as an indication of support or opposition for that candidate.

(7) Any ballot question the independent spender is supporting or opposing, as well as an indication of support or opposition for that ballot question.

(8) If the independent spender is supporting all candidates from a particular party, a statement to that effect and the name of the applicable party.

(d) Relationship with City. An independent spender shall provide the following information about itself to the City Clerk as part of the notice requirement established by this section:

(1) Whether the independent spender or an entity owned by, controlled by, or affiliated with that independent spender either (i) has a current contract with the City for the provision of goods or services valued in excess of $5,000 or (ii) expects to bid, within the following 12 months, on any contract with the City for the provision of goods or services valued in excess of $5,000.
(2) Whether the independent spender or an entity owned by, controlled by, or affiliated with that independent spender is a lobbyist or a lobbying firm with respect to the City under F.S. §§ 11.045, 112.3215.

(e) Corporate information. An independent spender that is an entity shall provide the following information to the City Clerk as part of the notice requirement established by this section:

(1) The URL for the entity’s website, if any.

(2) The type of entity (e.g., corporation, LLC, etc.) and the state of formation, if any.

(3) The tax-exempt status of the entity.

(4) Whether the entity is a foreign-influenced business entity.

(5) The name of any principal owner of the entity.

(6) The name of each officer, board member, or equivalent for the entity.

(7) The name, mailing address, street address, telephone number, and e-mail address of at least one individual in charge of making decisions regarding covered spending for the entity.

(8) The name, mailing address, street address, telephone number, and e-mail address of the agent for service of process in Florida for the entity.

(9) The name, mailing address, street address, telephone number, and e-mail address of the person filing the notice on behalf of the entity.

(f) Certification. The person filing information with the City Clerk pursuant to this section shall certify as to the correctness of that information; and each person so certifying shall bear the responsibility for the accuracy and veracity of that information. To the fullest extent possible under applicable law, this certification is deemed to be an oath or affirmation in connection with and arising out of an election pursuant to F.S. § 104.011.
Sec. 10-73. – Filing schedule for independent spending reports.

An independent spender shall file each independent spending report with the City Clerk as follows:

(a) *Political committee.* If the independent spender is a political committee required to file a statutory report pursuant to F.S. § 106.07, that independent spender shall file each independent spending report with the City Clerk according to the statutory reporting schedule established pursuant to F.S. § 106.07.

(b) *Electioneering communications organization.* If the independent spender is an electioneering communications organization required to file statutory reports pursuant to F.S. § 1106.0703, that independent spender shall file each independent spending report with the City Clerk according to the statutory reporting schedule established pursuant to F.S. § 106.0703.

(c) *Other independent spending.* If the independent spender is required to file statutory reports pursuant to F.S. § 106.071, that independent spender shall file each independent spending report with the City Clerk according to the statutory reporting schedule established pursuant to F.S. § 106.071.

(d) *No statutory reporting requirement.* If the independent spender is not required to file a statutory reports pursuant to F.S. §§ 106.07, 106.0703, or 106.071, the independent spender shall file each independent spending report with the City Clerk according to the reporting schedule established by the Clerk for political committees pursuant to F.S. § 106.07.

Sec. 10-74. – Contents of independent spending reports.

(a) *Statutory reporting.* Each independent spender shall include in each independent spending report the information identified in the Florida Election Code as part of the statutory reporting process as follows:

(1) If an independent spender is a political committee required to file a statutory report with the division or the supervisor of elections pursuant to F.S. § 106.07, that independent spender shall also file a version of that report with the City Clerk that is limited to covered transactions.

(2) If an independent spender is an electioneering communications organization required to file a statutory report with the division or the
supervisor of elections pursuant to F.S. § 106.0703, that independent spender shall also file a version of that report with the City Clerk that is limited to covered transactions.

(3) If an independent spender is required to file a statutory report with the division or the supervisor of elections pursuant to F.S. § 106.071, that independent spender shall also file a version of that report with the City Clerk that is limited to covered transactions.

(4) Otherwise, the independent spender shall file with the City Clerk the statutory report required to be filed with the City Clerk by F.S. §§ 106.07, 106.0703, or 106.071, as applicable.

(b) Bifurcated transactions. To the extent that any covered transaction filed with the City Clerk pursuant to subsection (a) is only partially applicable to a candidate or a ballot question, the independent spender shall identify what percentage of the covered transaction is applicable to the applicable candidate or a ballot question.

(c) Supplemental information regarding contributions. For each contribution filed with the City Clerk pursuant to subsection (a), the independent spending report must also include the following information about that contribution:

(1) If the contributor is an entity, the name of an individual serving as president, managing member, or CEO or who otherwise exercises control over the entity, along with the name of that individual’s position or a description of that individual’s role in controlling the entity.

(2) If the contributor’s aggregate contributions to the independent spender over the preceding 12 months exceeds $5,000, the information listed in section 10-72(d) with respect to that contributor.

(3) If the contributor is an entity and the contributor’s aggregate contributions to the independent spender over the preceding 12 months exceeds $5,000, the information listed in section 10-72(e) with respect to that contributor.

(d) Certification. The person filing an independent spending report with the City Clerk shall certify the correctness of all information contained in that independent spending report in the same manner as the applicable statutory
Sec. 10-75. – Disclaimers.

(a) **Requirement.** This section requires that additional information be incorporated into disclaimers already required by the Florida Election Code as follows:

1. If an independent spender is required to include a disclaimer on a political advertisement pursuant to F.S. § 106.071, that independent spender shall incorporate into the disclaimer required by that statute, on any version of that political advertisement distributed in the City, the supplemental information required by this section.

2. If an independent spender is required to include a disclaimer on an electioneering communication pursuant to F.S. § 106.1439, that independent spender shall incorporate into the disclaimer required by that statute, on any version of that electioneering communication that is distributed in the City, the supplemental information required by this section.

3. Any information that must be incorporated in a disclaimer pursuant to this section must be presented in the same manner as the information required by the applicable statute with respect to size, duration, placement, and other applicable characteristics.

(b) **Control of Entity.** If the disclaimer must, pursuant to the applicable statute, include name of a person who paid for the covered communication and that person is an entity, the disclaimer must also include the name of an individual who is an officer or who is otherwise officially responsible for the operation and control of the entity.

(c) **Identification of Top Donors.** For purposes of this section, an independent spender’s “top donors” are its largest aggregate contributors who, during the preceding 12 months, have each contributed an aggregate amount of $5,000 or more to the independent spender for use in making covered expenditures, listed in descending order by aggregate amount.

(d) **Listing of Top Donors.** If there are no top donors at the time a covered communication is distributed, no additional information is required by this
section. Otherwise, the independent spender shall identify top donors in the disclaimer as follows:

(1) The disclaimer must include the three top donors, if that many exist. Otherwise, the one or two existing top donors must be included.

(2) If the third largest donor has donated the same amount as the fourth largest donor, the independent spender may choose which three top donors to include, so long as no donor is included that has donated less than any other donor that is not included.

(3) The disclaimer must identify the top donors by name and identify them as “top donors.”

(4) If any top donor is an entity, the disclaimer must also include the name of an individual serving as president, managing member, or CEO of that entity or who otherwise exercises control over that entity.

Sec. 10-76. – Records.

For a period of three years following the applicable covered election or for any longer period imposed by applicable law, an independent spender shall keep any record needed to verify any disclosure information filed with the City Clerk pursuant to this article and make any such record available to the City Clerk and the POD upon request.

SECTION 5—EFFECTIVE DATE: If this ordinance is not vetoed by the Mayor in accordance with the City Charter, it will become effective on January 1, 2018. If this ordinance is vetoed by the Mayor in accordance with the City Charter, it will not become effective unless the City Council overrides the veto in accordance with the City Charter, in which case it will become effective on January 1, 2018.

Approved as to form:

__________________________
City Attorney (Designee)