

**New York City
Campaign Finance Board
Notice of Final Rules**

IN COMPLIANCE WITH SECTION 1043 OF THE NEW YORK CITY CHARTER, and exercising authority vested in the Campaign Finance Board (the (“CFB” or “Board”) under Chapters 45 and 46 of the New York City Charter (including Sections 1043, 1052(a)(8) and 1052(a)(12) thereof) and under the New York City Campaign Finance Act (including Section 3-708(8) of the New York City Administrative Code), the Board hereby adopts amendments to the Campaign Finance Board Rules (the “Board rules”) related to expenditures made for the purpose of furthering a candidate’s selection as Speaker of the City Council.

These amendments are being made to clarify the requirements applicable to candidates who wish to use campaign funds to run for Council Speaker.

I. Explanation, Basis, and Purpose

The Board rules are codified in Chapter 52 of the Rules of the City of New York.

The CFB is a nonpartisan, independent City agency that empowers New Yorkers to make a greater impact in elections. The CFB administers the City’s campaign finance system, overseeing and enforcing the regulations related to campaign finance and holding candidates accountable for using public funds responsibly. The CFB publishes detailed public information about money raised and spent in City elections by candidates and independent spenders, and engages and educates voters through community outreach, the Voter Guide, and the Debate Program.

The CFB is amending several of its rules regarding expenditures made for the purpose of furthering a candidate’s selection as Speaker of the City Council. Candidates who receive public funds may make post-election expenditures only for very narrow purposes related to winding down the campaign and responding to the post-election audit. However, in recognition of the fact that a significant portion of expenditures related to the Speaker’s race may be made after the election, the CFB is allowing elected candidates who received public funds to make such expenditures either from a segregated account, or from a transition and inauguration entity. The following is a summary of the changes.

Summary of Final Rules

Section 6-01(h)(v) is amended to add the word “of.”

Section 7-07 is amended to provide that, for elected candidates who receive public funds, expenditures for the Speaker’s race may be made after the election from a segregated bank account. Contributions deposited into a segregated bank account are not matchable and must be accompanied by a contribution card attesting that the contributor is aware that the funds will be

deposited into a segregated account and used for specific purposes as enumerated in section 7-07(a).

Section 9-02(c)(i) is amended to replace the phrase “winding up” with “winding down.”

Section 13-03(b)(i) is amended to provide that expenditures for the Speaker’s race may be made from a transition and inauguration entity (TIE).

II. Final Rules

New material is underlined.

[Deleted material is in brackets.]

§ 1. Paragraph (v) of subdivision (h) of section 6-01 of chapter 6 of title 52 of the rules of the city of New York is amended to read as follows:

(v) Timing of expenditures. As provided and described in §§ 3-706 (1) and (2) of the Code, an expenditure for goods or services is made when the goods or services are received, used, or rendered, regardless of when payment is made. Expenditures for goods or services received, used, or rendered in more than one year, including campaign websites, shall be attributed in a reasonable manner to the expenditure limits of § 3-706(1) or (2) of the Code, as appropriate.

§ 2. Subparagraph (F) of paragraph (ii) of subdivision (a) of section 7-07 of chapter 7 of title 52 of the rules of the city of New York is amended to read as follows:

(f) expenditures made for the purpose of furthering the candidate’s [election to the position of] selection as Speaker of the City Council.

§ 3. Subdivision (e) of section 7-07 of chapter 7 of title 52 of the rules of the city of New York is amended to read as follows:

(e) Any funds remaining in a segregated bank account after the election must be returned to the contributors whose contributions were deposited into the account, or, if that is impracticable, to the Fund, on or before December 31 in the year following the year of the election; provided, however, that expenditures made for the purpose of furthering the candidate’s selection as Speaker of the City Council may be made from a segregated bank account after the election, but no later than the financial disclosure cut-off date of the first semi-annual disclosure statement in the year following the year of the election.

§ 4. Paragraph (i) of subdivision (c) of section 9-02 of chapter 9 of title 52 of the rules of the city of New York is amended to read as follows:

(i) Before repaying campaign funds remaining in the committee bank account, a candidate may make post-election expenditures only for routine activities involving nominal cost associated with winding [up] down a campaign and responding to the post-election audit. Such expenditures may include: payment of utility bills and rent; reasonable staff salaries and consultancy fees for responding to a post-election audit; reasonable staff salaries and legal fees incurred prior to the date of the issuance of the candidate's final audit report and associated with defending against a claim that public funds must be repaid; a post-election event for staff, volunteers, or supporters held within 30 days of the election; reasonable moving expenses related to closing the campaign office; a holiday card mailing to contributors, campaign volunteers, and staff; thank you notes to contributors, campaign volunteers, and staff; payment of taxes and other reasonable expenses for compliance with applicable tax laws; and interest expense. Routine post-election expenditures that may be paid for with remaining campaign funds do not include such items as post-election mailings other than as specifically provided for in this paragraph; making contributions; or making bonus payments or gifts to staff or volunteers. Campaign funds remaining in the committee account may not be used for transition and inauguration activities.

§ 5. Paragraph (i) of subdivision (b) of section 13-03 of chapter 13 of title 52 of the rules of the city of New York is amended to read as follows:

(i) Funds raised for a TIE may not be used for any purpose other than transition or inauguration expenses. Expenses related to the holding of office, or related to any past or future election, are prohibited. The following are examples of types of expenditures that are presumed to be TIE-related:

(A) Transition[.]

(1) Conferences and seminars related to city government and elected service;

(2) Costs related to seeking and selecting city office staff;

(3) Payroll and consulting fees directly related to transition; [and]

(4) Costs related to fundraising to pay for transition expenses[.]; and

(5) Expenditures made for the purpose of furthering the elected candidate's selection as Speaker of the City Council.