



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: O-1415-23

File ID: O-1415-23

Type: Ordinance

Status: Non-Consent Items

Version: 1

Reference: Item No. 47

In Control: City Council

Department: Legal Department

Cost:

File Created: 11/04/2014

File Name: Ordinance amending Section 7.5 regarding
Campaign Reports

Final Action:

Title: CONSIDERATION OF ORDINANCE NO. O-1415-23 UPON SECOND AND FINAL READING: AN ORDINANCE OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA AMENDING SECTION 7.5-21 OF CHAPTER 7.5 OF THE CODE OF THE CITY OF NORMAN BY DELETING CERTAIN DEFINITIONS ADDRESSED BY STATE LAW; ADDING DEFINITIONS OF A CAMPAIGN COMMITTEE, MUNICIPAL OFFICE, AND MUNICIPAL POLITICAL COMMITTEE TO CONFORM TO STATE LAW; AND RENUMBERING REMAINING DEFINITIONS; DELETING SECTIONS 7.5-22, 7.5-23, AND 7.5-24 OF CHAPTER 7.5 OF THE CODE OF THE CITY OF NORMAN REMOVING CAMPAIGN STATEMENT FILING REQUIREMENTS NOW GOVERNED BY STATE LAW; AMENDING SECTION 7.5-25 OF CHAPTER 7.5 OF THE CODE OF THE CITY OF NORMAN TO MODIFY THE DUTIES OF THE CITY CLERK TO BE CONSISTENT WITH APPLICABLE PROVISIONS OF STATE LAW; AMENDING SECTION 7.5-26 OF CHAPTER 7.5 OF THE CODE OF THE CITY OF NORMAN TO MODIFY AND RENUMBER THE DUTIES OF THE NORMAN ELECTION COMMISSION TO BE CONSISTENT WITH STATE LAW; AMENDING SECTION 7.5-27 OF CHAPTER 7.5 OF THE CODE OF THE CITY OF NORMAN TO PROVIDE A CITY OF NORMAN ELECTION COMMISSION COMPLAINT REFERRAL PROCEDURE THAT IS CONSISTENT WITH STATE LAW; DELETING SECTION 7.5-28 OF CHAPTER 7.5 OF THE CODE OF THE CITY OF NORMAN REGARDING PENALTIES TO BE CONSISTENT WITH STATE LAW; RENUMBERING SECTIONS NOT DELETED; AND PROVIDING FOR THE SEVERABILITY THEREOF.

Notes: ACTION NEEDED: Motion to adopt or reject Ordinance No. O-1415-23 upon Second Reading section by section.

ACTION TAKEN: _____

ACTION NEEDED: Motion to adopt or reject Ordinance No. O-1415-23 upon Final Reading as a whole.

ACTION TAKEN: _____

Agenda Date: 11/25/2014

Agenda Number: 47

Attachments: O-1415-23, O-1415-23 Annotated, October 20 NEC
Minutes, Pert Exc 10/28/14 Conf Minutes

Project Manager: Kristina Bell, Assistant City Attorney

Entered by: Ellen.Usry@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	11/10/2014	Introduced and adopted on First Reading by title only				Pass
Action Text: That this Ordinance be Introduced and adopted on First Reading by title only. by consent roll call							

Text of Legislative File O-1415-23

Body

BACKGROUND: The State Legislature passed Senate Bill 1745 ("SB 1745"), the Local Government Campaign Finance and Financial Disclosure Act, which goes into effect on January 1, 2015. SB 1745 expressly states that the conduct of local elections is a matter of statewide concern and that the enforcement of laws governing these campaigns for local elective office should be uniform statewide. This bill repeals the Political Subdivisions Ethics Act, 51 O.S. §§ 301-325, which currently governs campaign financing for state and county elections, and creates three new state statutes regulating the conduct of campaigns for counties, technology centers/independent school districts, and municipal elections. SB 1745 bestows upon the Oklahoma Ethics Commission the authority to promulgate specific rules governing such conduct and grants the Oklahoma Ethics Commission sole enforcement authority.

The City's current Chapter 7.5 requires City Council and Mayoral candidates to file municipal campaign statements, charges the NEC with receiving and investigating complaints, and provides penalties for violating these sections. SB 1745 prohibits municipalities from enacting their own regulations of campaign reporting and requires candidates for elective municipal office to file state forms with the Municipal Clerk in compliance with the state Ethics rules. Many of the City's provisions regarding Municipal Elections set out in Chapter 7.5 are now in conflict with the provisions of SB 1745.

Ordinance O-1415-23 modifies Chapter 7.5 of the Code of the City of Norman to make these Code provisions consistent with the State Law contained in SB 1745. The NEC met on October 20, 2014, to discuss the new state law and the proposed ordinance amendments and voted to recommend that Council adopt the revised ordinance. This information was presented to, and discussed by, Council at a Council Conference on October 28, 2014.

DISCUSSION: The statute created by SB 1745 pertaining to municipal elections is the Municipal Campaign Finance and Financial Disclosure Act ("Municipal Act"), 11 O.S. §§ 56-101 - 56-110. The Municipal Act applies to municipalities with a population of more than 10,000 and a general fund expenditure budget in excess of \$10,000,000. 11 O.S. § 56-103. Since the City of Norman meets both of these requirements, the City of Norman is governed by this law.

SB 1745 includes the following legislative findings:

1. The Oklahoma Constitution requires that all elections shall be free and equal and prohibits local and special laws for the conduct of elections;
2. The conduct of campaigns for county, municipal, technology center district and independent school district elections is inextricably intertwined with the elections themselves and that the conduct of such campaigns is a matter of statewide concern;
3. For the citizens of this state to be adequately informed regarding possible conflicts of interest, financial disclosure by candidates, elected officials and other officials of certain county and municipal governments is necessary;
4. Information regarding campaigns for county, municipal, technology center district and independent school district elections and financial disclosure documents should be made available locally to be more accessible to

the electorate; and

5. Enforcement of laws governing campaigns for elective office for counties, municipalities, technology center districts and independent school districts should be uniform statewide.

The Municipal Act regulates the financial reporting requirements of “campaign committees” and “municipal political committees.” The Municipal Act requires both campaign committees and municipal political committees to file a “statement of organization” and a “report of contributions and expenditures” with the municipal clerk. 11 O.S. §§ 56-104, 56-105, and 56-106. Such statements and reports shall be “subject to the same requirements as set forth for candidate committees for state office . . . [and] political committees” required to file with the Ethics Commission under the Rules of the Ethics Commission, “including but not limited to time for filing and contents.” *Id.* All candidates for municipal office and all elected municipal officers are also required to file a “statement of financial interests” with the municipal clerk subject to the same requirements as set forth for candidates for state office. 11 O.S. § 56-107. The City Clerk may post these reports on the City’s website and shall retain them for 4 years after the date on which they are filed. 11 O.S. §§ 56-107 and 56-108. All such reports shall be public records. 11 O.S. §§ 56-107 and 56-109.

The Municipal Act shall be “enforced by the Ethics Commission in the same manner as Rules of the Ethics Commission are enforced, including but not limited to acceptance of complaints, civil prosecutions, settlement agreements and any other compliance practices or requirements.” 11 O.S. §§ 56-110. Late filing fees not to exceed \$100 per day, not to exceed \$1,000 per report, shall be assessed by the Ethics Commission. *Id.* Appeals of such assessments shall be governed by the Administrative Procedures Act. *Id.*

The Ethics Commission has already promulgated new rules, which will go into effect on January 1, 2015. The provisions of these rules apply to the timing and contents of the required disclosure reports. The new Ethics rules provide specific regulations pertaining to required forms and contents, filing deadlines, contribution limits, allowable expenditures, complaint filing and investigation procedures, and civil penalties.

The Municipal Act and the corresponding Oklahoma Ethics Commission Rules effectively preempt many provisions of the City’s ordinance contained in Chapter 7.5 pertaining to the duties of the Norman Election Commission (“NEC”) and requiring City Council and Mayor candidates to file separate municipal reports in addition to state reporting requirements. Accordingly, the proposed Chapter 7.5 amendments modify definitions to be consistent with state law, remove the requirement of filing separate municipal forms, modify the duties of the City Clerk to accept and review only state forms, and modify and clarify the duties of the NEC to be consistent with state law. Specifically, the NEC will be charged with the duties to educate, review, and report. The NEC will continue to work with the City Clerk to educate candidates on their reporting obligations and to educate the public on the importance of transparency in elections. The NEC will review state reports for compliance with state law and will have the option of filing a formal written complaint or making a referral to the Oklahoma Ethics Commission if it finds substantial discrepancies. The NEC will also continue to file reports with Council.

RECOMMENDATION: SB 1744 specifically states that municipal elections are a matter of statewide concern and shall be uniform throughout the state and therefore explicitly prohibits municipalities from enacting local or special laws regulating the conduct of local elections and election campaign reporting. The modification to Chapter 7.5 of the Code of Ordinances contained in Ordinance No. O-1415-23 brings these code provisions into conformity with state law. Staff recommends that Council adopt the proposed ordinance amendments to be effective prior to January 1, 2015.