

Attachment C

SB438 Presentation

**NORMAN
ELECTION COMMISSION**

JULY 27, 2016

PURPOSE OF MEETING & INTRODUCTIONS

OUTLINE

- History of Norman's Municipal Election Ordinance
- Review of recent state legislative activity
- Comparison of state and local rules
- Final thoughts, observations, questions

HISTORY OF NORMAN'S MUNICIPAL ELECTION ORDINANCE

LOCAL OVERSIGHT BEGINS: 1977

- Disclosure for contributions over \$25
- Refer violations to the City Attorney
- Penalty of \$100 fine and/or one month jail
- No contribution limits

LOCAL OVERSIGHT

ENDS: 2014

- Disclosure for contributions over \$50
- Individual contribution limit: \$500 for Council, \$1,000 for Mayor
- Refer violations to the City Attorney
- Penalty up to \$750 fine and/or 60 days jail

REVIEW OF RECENT STATE LEGISLATIVE ACTIVITY

2014: SENATE BILL 1745

- Established state authority over municipal elections, eliminated local
- Individual contribution limit: \$2,700
- Refer violations to the State Ethics Commission
- Penalty up to 4x the contribution overage and/or 1 year state prison

NORMAN CITY COUNCIL RESPONSE

- November 2014, amended Chapter 7.5 to eliminate conflict with state law
- December 2014, passed a resolution petitioning state legislators to amend SB 1745 and allow a return to local oversight.

2015: SENATE BILL 438

- Amended SB 1745 to allow local oversight of municipal elections
- Must be a comprehensive code which addresses all state requirements
- State is completely removed from municipal election oversight

COMPARISON OF STATE AND LOCAL RULES

FILING THRESHOLD

- State: file report after \$1,000 in contributions/expenditures
- Previous local ordinance:
 - Candidates report all contributions
 - Non-candidate committee: report after \$200 (2011) or \$500 (2014) in contributions/expenditures

INDIVIDUAL CONTRIBUTION LIMITS

- State: \$2,700
- Previous local ordinance:
\$500 to Council candidates
\$1,000 to Mayoral candidates

ENCUMBRANCES

- State: not required to declare until invoiced
- Previous local ordinance: Must report if encumbered

PENALTIES

- State: up to 4x the contribution overage and/or 1 year state prison
- Previous local ordinance: Up to \$750 and/or 60 days county jail
(Compliance vs. Enforcement)

LATE FILING FEES

- State: \$100 per day up to \$1,000
- Previous local ordinance: \$10 per day up to \$100

ENFORCEMENT / COMPLAINT PROCESS

- State: no complaints accepted during election cycle (blackout period)
- Previous local ordinance: NEC investigates and refers willful violations to City Attorney

**WHICH DIRECTION
FROM HERE**

OPTION A: REMAIN UNDER SB 1745

- Higher penalties
- Higher contribution limits
- Higher statement thresholds
- Blackout period
- State Ethics Commission investigates and enforces

OPTION B: DRAFT NEW COMPREHENSIVE LOCAL CODE

- Capped (municipal-level) penalties
- Potential lower contribution limits
- Potential lower statement thresholds
- No state-mandated blackout period
- NEC investigation and Municipal Court prosecution

An Act

ENROLLED SENATE
BILL NO. 438

By: Sparks of the Senate

and

Virgin of the House

An Act relating to cities and towns; amending Section 13, Chapter 313, O.S.L. 2014 (11 O.S. Supp. 2014, Section 56-103), which relates to the Municipal Campaign Finance and Financial Disclosure Act; authorizing certain municipalities to enact certain ordinances; and requiring notice be filed with Ethics Commission.

SUBJECT: Municipal campaign finance

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 13, Chapter 313, O.S.L. 2014 (11 O.S. Supp. 2014, Section 56-103), is amended to read as follows:

Section 56-103. A. The Municipal Campaign Finance and Financial Disclosure Act shall apply only to municipalities with a population of more than ten thousand (10,000) according to the most recent Federal Decennial Census and a general fund expenditure budget in excess of Ten Million Dollars (\$10,000,000.00) in the fiscal year in which the municipal elections are held.

B. A municipality described in subsection A of this section may enact a comprehensive code of campaign finance and personal financial disclosure ordinances, including provisions for enforcement thereof, in which case the Municipal Campaign Finance and Financial Disclosure Act shall not apply to the municipality. Any municipality enacting such a code shall file a notice of its action with the Ethics Commission, which shall have no enforcement responsibilities under the code.

Passed the Senate the 18th day of May, 2015.

Presiding Officer of the Senate

Passed the House of Representatives the 20th day of April, 2015.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____

Approved by the Governor of the State of Oklahoma this _____
day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____
day of _____, 20_____, at _____ o'clock _____ M.
By: _____