#### **ANACT**

Codification
District of
Columbia
Official Code

2001 Edition

2005 Fall Supp.

West Group Publisher

# IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To require, on a temporary basis, all exploratory committees to file informational reports with the District of Columbia Office of Campaign Finance; to establish individual and aggregate contribution limits; to treat exploratory contributions as campaign contributions; and to amend the District of Columbia Campaign Finance Reform and Conflict of Interest Act to define terms relating to this act.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Exploratory Committee Disclosure Informational Report and Contribution Prohibition Temporary Amendment Act of 2005".

Sec. 2. Findings.

The Council of the District of Columbia finds that:

- (1) Before deciding to campaign for elected office, an individual may first want to "test the waters" or explore the feasibility of becoming a candidate;
- (2) An individual may organize a committee for testing the waters and the public shall be provided notice of its establishment by filing an informational report with the Office of Campaign Finance identifying the name and purpose of the exploratory committee:
- (3) Exploratory committees must be allowed to operate on a level-playing field with exploratory committees of incumbent office holders;
- (4) Contributions to an exploratory committee should be treated as contributions to the individual's campaign once candidacy is declared;
- (5) Transparency in the operations of the exploratory committee is critical to the government and the people it serves;
  - (6) Exploratory committee contributions and expenditures must be made

# available to the public; and

- (7) Contribution limits do not violate one's right to free speech and association and have been found constitutional by the Supreme Court.
  - Sec. 3. Informational reports of exploratory committees.
- (a) Each exploratory committee shall file an informational report with the Office of Campaign Finance that lists the following:
- (1) Each contributor's full name, employer, and the contributions received by the committee;
- (2) Itemized expenditures by category including polling, travel, office rent, and administrative costs; and (3) The balance of the exploratory committee fund.
- (b) The informational report shall be filed semi-annually. The reports shall be due on January  $31^{st}$  and July  $31^{st}$ .
- (c) An exploratory committee shall disclose all contributions that were made to, and expenditures made by, the committee on or after March 1, 2005.

# Sec. 4. Fund balance requirements.

- (a) Any balance in the exploratory committee fund may be transferred to an established principal campaign committee, political committee, or charitable organization in accordance with D.C. Official Code § 47-1803.03(a)(8).
- (b) Exploratory committee fund balances shall not be deemed the personal funds of any individual, including the individual seeking elective office.
  - Sec. 5. Aggregate and individual contribution limits.
  - (a) Exploratory committees shall not receive aggregate contributions in excess of:
    - (1) \$200,000 for a Mayoral exploratory committee;
    - (2) \$150,000 for a Chairman of the Council exploratory committee;
    - (3) \$100,000 for an At-large member of the Council exploratory committee; and
    - (4) \$50,000 for a Ward Councilmember exploratory committee.
- (b) Exploratory committees shall not receive contributions, individually or in the aggregaate, in excess of:
  - (1) \$2,000 for a Mayoral exploratory committee;
  - (2) \$1,500 for a Chairman of the Council exploratory committee;
  - (3) \$1,000 for an At-large member of the Council exploratory committee;
  - (4) \$500 for a Ward Councilmember exploratory committee.

## Sec. 6. Contribution prohibition.

and

When an individual decides to run for office and becomes a candidate, contributions received during the exploratory period, beginning March 1<sup>st</sup>, 2005 shall apply to the campaign contribution limits for the candidate, as provided under section 3 of the District of Columbia Campaign Contribution Limitation Initiative Act of 1992, approved March 17, 1993 (D.C. Law 9-204; D.C. Official Code § 1-1131.01).

Note, § 1-1101.01

- Sec. 7. Section 102 of the District of Columbia Campaign Finance Reform and Conflict of Interest Act, approved August 14, 1974 (88 Stat. 447; D.C. Official Code § 1-1101.01), is amended as follows:
  - (a) New paragraphs (12), and (13) are added to read as follows:
- "(12) The term "exploratory activity" means, but shall not be limited to, polling to determine one's electability to public office, travel, and telephone calls.
- "(13) The term "exploratory committee" means any individual or group of individuals organized for the purpose of examining or exploring the feasibility of becoming a candidate for an elective office in the District of Columbia. An exploratory committee shall not undertake any campaign activity. For the purposes of this paragraph, "campaign activity" means, but shall not be limited to:
- (A) Making or authorizing statements that refer to an individual as a candidate:
- (B) Using general public political advertising to publicize an individual's intent to seek elective public office;
- (C) Raising more money than is reasonably needed to test the waters, or amassing funds to be used after candidacy is established;
- (D) Conducting activities over a protracted period of time or shortly before the election; or
  - (E) Taking action to qualify for the ballot.".
- (b) Paragraph (2)(c) is amended by adding the phrase"; provided, that an individual shall not be deemed a candidate if he notifies each person in writing who has received contributions or made expenditures that such individual is only testing the waters, has not yet made any decision whether to seek nomination or election to public office, and is not a candidate." after the phrase "or making expenditures for that purpose".
  - Sec. 8. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat.813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 9. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of

#### **ENROLLED ORIGINAL**

veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

**Mayor District of Columbia**