

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2014**

No. 41

Introduced by Council Members Lander, Torres, Chin, Cumbo, Levine, Menchaca, Johnson, Miller, Reynoso, Van Bramer, Rosenthal, Kallos and Barron.

A LOCAL LAW

To amend the New York city charter, in relation to increasing independent expenditure disclosure requirements.

Be it enacted by the Council as follows:

Section 1. Legislative findings. Under current law, disclosure on independent expenditure advertisements includes only the name of the individual or organization responsible for the advertisement. Many independent expenditure-making organizations in the 2013 election cycle, however, had generic names that told voters little about who or what the organizations represented, obscuring the actual sources of the spending and making it difficult for voters to evaluate the arguments in election-related advertisements. Requiring the inclusion of the names of donors to these organizations within such advertisements, and linking to a website with more detailed information, will alleviate this problem in a targeted way by enhancing voters' understanding of the interests and individuals whose financial support substantially enabled the creation of such advertisements. The Council therefore finds that it has an interest in promoting transparency by ensuring that the electorate has sufficient information and that voters are informed about the sources of spending related to local elections, and that this legislation is substantially related to such interest.

§2. Subparagraph (b) of paragraph 15 of subdivision a of section 1052 of the New York city charter, as added by vote of the electors of the city of New York at a general election held on November 2, 2010, is amended to read as follows:

(b) Every individual and entity that makes independent expenditures aggregating one thousand dollars or more in support of or in opposition to any candidate in any covered election, or in support of or in opposition to any municipal ballot proposal or referendum, shall be required to disclose such expenditure to the board. In addition, every entity that, in the twelve months preceding a covered election, makes independent expenditures aggregating five thousand dollars or more in support of or in opposition to any candidate in any covered election shall disclose the following: (i) the identity of any entity that, *on or after the first day of the calendar year preceding the covered election*, contributed to the entity reporting the expenditure, and *the owners, partners, board members, and officers, or their equivalents, of such contributing entity, or, if no individuals exist in any such roles, the name of at least one individual who exercises control over the activities of such contributing entity*; (ii) the identity of any entity or individual who, *in the twelve months preceding the covered election, contributed twenty-five thousand dollars or more to any entity that, in the twelve months preceding the covered election, contributed fifty thousand dollars or more to the entity reporting the expenditure*; and (iii) the identity of any individual who, in the twelve months preceding the covered election, contributed one thousand dollars or more to the entity reporting the expenditure.

§3. Subparagraph (c) of paragraph 15 of subdivision a of section 1052 of the New York city charter, as added by vote of the electors of the city of New York at a general election held on November 2, 2010, is amended to read as follows:

(c) Any literature, advertisement or other communication in support of or in opposition to any candidate in any covered election that is paid for by an individual or entity making independent expenditures aggregating one thousand dollars or more shall, *in addition to any applicable disclosure requirements in state law*, disclose [the name of any individual or entity making the expenditure] *information as follows*:

(i) on any written, typed, or printed communication, or on any internet text or graphical advertisement, in a conspicuous size and style, the words "Paid for by" followed by the name of the individual or the name of the entity, the name of its owner, if any, and the name of its chief executive officer or equivalent, if any, and, following the words "Top Three Donors," a list of the three largest aggregate donors to such entity in the twelve months preceding the election, except that no donor that contributed less than five thousand dollars to the disclosing entity in the twelve months preceding the election shall be included in such disclosure, and except that if such entity has only one or two donors that contributed at least five thousand dollars the words "Top Three Donors" shall be replaced by the words "Top Donor" or "Top Donors" as applicable, and except that expenditures funded by an individual or where no such donors exist need not include the words "Top Three Donors" or a list of donors, and except that this clause shall not apply to communications required to include a disclosure pursuant to subdivision sixteen of section 3-703 of the administrative code. If the third largest donor to the disclosing entity has donated the same amount in the twelve months preceding the election as the fourth largest donor during such period, such entity may choose which three donors to include so long as no donor is included that has donated less in the twelve months preceding the election than any other donor that is not included. Such written disclosures shall further include, in a conspicuous size and style, the following words: "More information at nyc.gov/FollowTheMoney." The board may, at its discretion,

designate a website other than nyc.gov/FollowTheMoney as the website that must be included in such disclosure. All disclosures required by this clause shall be enclosed in a box within the borders of the communication or advertisement that contains only those disclosures required by this subparagraph, the rules of the board, the election law, or any other applicable law or rule. For the purposes of this clause, the “owner” of an entity shall be an individual or entity with a greater than fifty percent ownership interest in such entity. The disclosures required by this clause shall not apply to bumper stickers, pins, buttons, pens, and similar small items upon which such disclosures cannot be reasonably printed;

(ii) on any paid television advertisement or paid internet video advertisement, clearly spoken in a pitch and tone substantially similar to the rest of the advertisement, at the beginning or end of the advertisement, the words “paid for by” followed by the name of the individual or the name of the entity, and, in a conspicuous size and style simultaneous with such spoken disclosure, the written words “Paid for by” followed by the name of the individual or the name of the entity, followed by the words “The top three donors to the organization responsible for this advertisement are,” followed by a list of the three largest aggregate donors to such entity in the twelve months preceding the election, except that no donor that contributed less than five thousand dollars to the disclosing entity in the twelve months preceding the election shall be included in such disclosure, and except that if such entity has only one or two donors that contributed at least five thousand dollars the words “top three donors” shall be replaced by the words “top donor” or “top donors” as applicable, and except that expenditures funded by an individual or where no such donors exist need not include the words “The top three donors to the organization responsible for this advertisement are” or a list of donors, and except that this clause shall not apply to communications required to include a disclosure pursuant to subdivision sixteen of section 3-703

of the administrative code. If the third largest donor to the disclosing entity has donated the same amount in the twelve months preceding the election as the fourth largest donor during such period, such entity may choose which three donors to include so long as no donor is included that has donated less in the twelve months preceding the election than any other donor that is not included. Such written disclosures shall further include, in a conspicuous size and style, the following words: "More information at nyc.gov/FollowTheMoney." The board may, at its discretion, designate a website other than nyc.gov/FollowTheMoney as the website that must be included in such disclosure. All written disclosures required by this clause shall be enclosed in a box that contains only those disclosures required by this subparagraph, the rules of the board, the election law, or any other applicable law or rule;

(iii) in any paid radio advertisement, paid internet audio advertisement, or automated telephone call, clearly spoken in a pitch and tone substantially similar to the rest of the advertisement or call, at the end of the advertisement or call, the words "paid for by" followed by the name of the individual or the name of the entity, followed by the words "with funding provided by," followed by a list of the three largest aggregate donors to such entity in the twelve months preceding the election, except that no donor that contributed less than five thousand dollars to the disclosing entity in the twelve months preceding the election shall be included in such disclosure, and except that expenditures funded by an individual or where no such donors exist need not include the words "with funding provided by" or a list of donors, and except that this clause shall not apply to communications required to include a disclosure pursuant to subdivision sixteen of section 3-703 of the administrative code. If the third largest donor to the disclosing entity has donated the same amount in the twelve months preceding the election as the fourth largest donor during such period, such entity may choose which three donors to include so long as no donor is

included that has donated less in the twelve months preceding the election than any other donor that is not included. In the case of a radio or internet audio advertisement covered by this clause that is thirty seconds in duration or shorter, the clearly spoken words “more information at nyc.gov/FollowTheMoney” may be included in a pitch and tone substantially similar to the rest of the advertisement, instead of the words “with funding provided by” followed by a list of the three largest aggregate donors in the twelve months preceding the election. The board may, at its discretion, designate a website other than nyc.gov/FollowTheMoney as the website that must be included in such disclosure; and

(iv) in any non-automated telephone call, clearly spoken during any such call lasting longer than ten seconds, the words “this call is paid for by,” followed by the name of the individual or the name of the entity, followed by the words “more information is available at nyc.gov/FollowTheMoney.” The board may, at its discretion, designate a website other than nyc.gov/FollowTheMoney as the website that must be included in such disclosure.

(v) For communications primarily in languages other than English for which disclosure is required under this subparagraph, such disclosure shall be in the primary language of the communication instead of English, except that the web address nyc.gov/FollowTheMoney, or such other website as the board has designated, if required to be written or spoken in such disclosure, shall be in English.

§4. Severability. If any section, subsection, sentence, clause, phrase or other portion of this local law is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this local law, which remaining portions shall continue in full force and effect.

§5. This local law shall take effect one year after its enactment, provided, however, that the campaign finance board shall take such actions, including the promulgation of rules, as are necessary for timely implementation of this local law.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on August 21, 2014 and approved by the Mayor on August 28, 2014.

MICHAEL M. McSWEENEY, City Clerk, Clerk of the Council.

CERTIFICATION OF CORPORATION COUNSEL

I hereby certify that the form of the enclosed local law (Local Law No. 41 of 2014, Council Int. No. 148-A of 2014) to be filed with the Secretary of State contains the correct text of the local law passed by the New York City Council and approved by the Mayor.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel.