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2 Councilmember David Grosso

_____ Councilmember Tommy Wells

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5 A BILL
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8 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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12 Councilmembers Tommy Wells and David Grosso introduced the following bill, which was
13 referred to the committee on _____.
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15 To amend the Board of Ethics and Government Accountability Establishment and
16 Comprehensive Ethics Reform Amendment Act of 2011 to close the corporate and
17 limited liability company bundling loopholes, to stop pay-to-play by prohibiting
18 contractors and grantees that do business with the District government from making
19 political contributions to the very people that decide and approve government contracts,
20 and to add a simple disclosure requirement associated with a corporate political
21 contribution to list the name and address of a person with a 51 percent or greater
22 ownership interest.
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24 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
25 act may be cited as the "Campaign Finance Reform, Transparency and Accountability
26 Amendment Act of 2013".

27 Sec. 2. The Board of Ethics and Government Accountability Establishment and
28 Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law 19-
29 124; D.C. Official Code 1-1161.01 *et seq.*) is amended as follows:

30 (a) Section 101 (D.C. Official Code 1-1161.01) is amended by adding a new paragraph
31 (48A) to read as follows:

32 "(48A) "Related party," with respect to any entity (including a political committee or
33 political action committee), means:

34 "(A) A person controlling, controlled by, or in common control with, the entity;

35 "(B) An officer or director of, or a person performing similar functions with
36 respect to, a person described in subparagraph (A); or

37 "(C) If the entity is an organization, an officer or director of, or a person
38 performing similar functions with respect to, the organization.

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“(2) Section 333 (D.C. Official Code 1-1163.33) is amended by adding a new paragraph (j) to read as follows:

“(j) For the purposes of determining applicable contribution limits pursuant to this title, contributions attributable to an entity shall include any contributions made by a related party.”.

(b) A new section 334(a) is added to read as follows:

“334(a). Covered Contractor Campaign Restrictions.

“(a) Neither the District of Columbia nor any of its purchasing agents or agencies or those of its independent authorities shall enter into an agreement of otherwise contract to procure goods, services or equipment from or to sell property to any covered contractor if:

“(1) The covered contractor seeks or holds contracts or grants with the District with a cumulative value of \$250,000 or more; and

“(2) The covered contractor or a related party has solicited or made any contribution or expenditure to a prohibited recipient between the following dates:

“(A) If the covered contractor’s bids or proposals were unsuccessful, between the date on which the covered contractor knows that a solicitation will be issued, and termination of negotiations or notification by the District that the covered contractor’s bids or proposals were unsuccessful;

“(B) If the covered contractor received the contracts or grants, between the date on which the contractor knows that a solicitation will be issued, and one year after final payment is made on the contracts or grants.

“(b) No covered contractor who seeks or holds grants or contracts to procure goods, services or equipment from or to sell property to the District of Columbia with a cumulative value of \$250,000 or more shall solicit or make any contribution or expenditure to a prohibited recipient between the following dates:

“(1) If the covered contractor’s bids or proposals were unsuccessful, between the date on which the covered contractor knows that a solicitation will be issued, and termination of negotiations or notification by the District that the covered contractor’s bids or proposals were unsuccessful;

1 “(2) If the covered contractor received the contracts or grants, between the date on
2 which the contractor knows that a solicitation will be issued, and one year after final payment is
3 made on the contracts or grants.

4 “(c) The prohibition on contributions and expenditures in paragraphs (a) and (b) shall
5 apply to any related party, including trusts, limited liability corporations, general partners of such
6 limited liability corporations, and political committees. If a covered contractor is a corporation,
7 the prohibition on contributions and expenditures in paragraphs (a) and (b) shall also apply to
8 any officer or director of the corporation, or to any principal who has a controlling interest in the
9 corporation.

10 “(d) Immediate family members of a covered contractor, and of its officers, directors and
11 principals, may make campaign contributions to, and expenditures in support of, a prohibited
12 recipient, but these contributions and expenditures shall not exceed in the aggregate \$300 per
13 person per election.

14 “(e) For the purpose of this section and section 335a, any payment of money in an
15 amount greater than \$500, or any payment of in-kind services valued at more than \$500, to an
16 organization controlled by a candidate or a member of the candidate’s immediate family
17 constitutes a contribution.

18 “(f) The restrictions in this section shall apply beginning on the date when the cumulative
19 value of the grants or contracts held or sought by a covered contractor reaches or exceeds
20 \$250,000. If the cumulative value of the contracts or grants sought or held by a covered
21 contractor reaches or exceeds \$250,000, but subsequently falls below \$250,000, the restrictions
22 in this section shall cease to apply; provided that a covered contractor may not make political
23 contributions to a prohibited recipient until one year after the date on which the aggregate value
24 of the contractor’s contracts or grants fall below \$250,000.

25 “(g) The value of a contract or grant sought or held by a covered contractor shall be
26 determined by the total amount of payment to be made under the contract or grant, including the
27 value of any option under the contract.

28 “(h) For the purposes of this section, a “covered contractor” means any individual or sole
29 proprietor, business, corporation, firm, partnership or association seeking or holding a contract to
30 provide goods or services to the District of Columbia, or seeking or holding a grant from the
31 District of Columbia.

1 “(i) For the purposes of this section, a “prohibited recipient” means:

2 “(1) Any elected District official who is or could be involved in influencing the
3 award of a contract or grant to a covered contractor.

4 “(2) Any candidate for elective District office who is or could be involved in
5 influencing the award of a contract or grant to a covered contractor.

6 “(3) Any political committee affiliated with a District candidate or official
7 described in subparagraphs (1) and (2), including any principal campaign, exploratory, inaugural,
8 transitional or legal defense committee.

9 “(4) Any constituent-service program or fund, or substantially similar entity,
10 controlled, operated, or managed by:

11 “(i) Any elected District official who is or could be involved in
12 influencing the award of a contract or grant to a covered contractor; or

13 “(ii) Any person under the supervision, direction, or control of an elected
14 District official who is or could be involved in influencing the award of a contract or grant to a
15 covered contractor.

16 “(5) Any political party.

17 “(6) Any entity or organization:

18 “(i) Which a candidate or public official described in subparagraphs (1)
19 and (2), or a member of his or her immediate family, controls; or

20 “(ii) In which a candidate or public official described in subparagraphs (1)
21 and (2) has an ownership interest of 10 percent or more.””

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23 (c) D.C. Official Code § 1-1163.09(c) is amended by adding a new paragraph (2a) to read as
24 follows:

25 “(2a) The name and address of each person, as defined in section 2(5) of the General
26 Legislative Procedures Act of 1975, effective September 23, 1975 (D.C. Law 1-17; D.C. Official
27 Code § 1-301.45(11)), for each contribution to or for a committee or candidate by a business or
28 corporation, whose ownership interest in the corporation exceeds 50 percent, along with any
29 other information as determined by the Director;”.

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31 Sec. 3. Fiscal impact statement.

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

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5 Sec. 4. Effective date.

6 This act shall take effect following approval by the Mayor (or in the event of veto by the
7 Mayor, action by the Council to override the veto), a 30-day period of Congressional review as
8 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
9 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
10 Columbia Register.