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2 Councilmember Trayon White


Councilmember Vincent C. Gray

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5 A BILL
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10 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
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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 add definitions for the
17 terms "covered contractor", "prohibited recipient", and "related party"; to amend
18 definitions for the terms "contribution", "expenditure", and "political committee"; to
19 prohibit registered lobbyists from bundling contributions; to establish campaign
20 restrictions for covered contractors during prohibited periods prior to an election; to
21 prohibit contributions in excess of \$25 in the form of a money order; to require
22 disclosures from those who make substantial independent expenditures; to give
23 covered contractors an opportunity to cure violations prior to the commencement of an
24 enforcement action; and to provide a separate penalty provision for covered contractor
25 violations.
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27 BE IT ENACTED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this
28 act may be cited as the "Comprehensive Campaign Finance Reform Amendment Act of
29 2017".

30 Sec. 2. The Board of Ethics and Government Accountability Establishment and
31 Comprehensive Ethics Reform Amendment Act of 2011, effective April 27, 2012 (D.C. Law
32 19-124; D.C. Official Code § 1-1161.01 *et seq.*) is amended as follows:

33 (a) Section 101 (D.C. Official Code § 1-1161.01) is amended as follows:

34 (1) A new paragraph (10C) is added to read as follows:

35 "(10C) "Covered Contractor" means any individual or sole proprietor,
36 business, corporation, firm, partnership or association seeking or holding a contract to provide

1 goods or services to the District of Columbia, or seeking or holding a grant from the District
2 of Columbia.".

3 (2) A new paragraph (45A) is added to read as follows:

4 "(45A) "Prohibited recipient" means:

5 "(A) Any elected District official who is or could be involved in
6 influencing the award of a contract or grant to a covered contractor.

7 "(B) Any candidate for elective District office who is or could be involved
8 in influencing the award of a contract or grant to a covered contractor.

9 "(C) Any political committee affiliated with a District candidate or official
10 described in subparagraphs (A) and (B) of this paragraph.

11 "(D) Any constituent-service program or fund, or substantially similar
12 entity, controlled, operated, or managed by:

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

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

18 "(E) Any political party.

19 "(F) Any entity or organization:

1 "(i) Which a candidate or public official described in
2 subparagraphs (A) and (B) of this paragraph, or a member of his or her immediate
3 family, controls; or

4 "(ii) In which a candidate or public official described in
5 subparagraphs (A) and (B) of this paragraph has an ownership interest of 10% or more."

6 (3) A new paragraph (48A) is added to read as follows:

7 "(48A) "Related party," with respect to any entity (including a political
8 committee or political action committee), means:

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

11 "(B) An officer or director of, or a person performing similar
12 functions with respect to, a person described in subparagraph (A) of this paragraph; or

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

15 (b) Section 231 (D.C. Official Code § 1-1162.31) is amended to by adding a new
16 subsection (h) to read as follows:

17 "(h)(1) The following persons shall not bundle contributions:

18 "(A) Any lobbyist required to register under Title II of this Act; or

19 "(B) Any person acting on behalf of a lobbyist required to register
20 under Title II of this Act.

1 "(2) Paragraph (1) of this subsection shall not be construed to prohibit any person
2 from bundling contributions to a political committee or political action committee organized
3 for the principal purpose of supporting or opposing an initiative or referendum."

4 (c) Section 309 (D.C. Official Code § 1-1163.09) is amended as follows:

5 (1) Subsection (f)(1) is amended by striking the number "\$15,000" and inserting
6 the number "\$10,000" in its place.

7 (2) A new paragraph (g) is added to read as follows:

8 "(g) Prior to awarding any contract to procure goods or services with the District of
9 Columbia, or seeking a grant with the District of Columbia, the District of Columbia or any of
10 its purchasing agents or agencies or those of its independent authorities shall receive a sworn
11 statement from the covered contractor made under penalty of perjury that to the best of the
12 covered contractor's knowledge after due diligence, the covered contractor, any related
13 parties, any immediate family members of the covered contractor, and any immediate family
14 members of the officers or directors of the covered contractor are in compliance with section
15 334a. The covered contractor shall also assume a continuing duty to report any violations of
16 section 334a of this Act that may occur during the negotiation for a contract or agreement and
17 throughout the time period in which the prohibitions apply."

18 (d) Section 313 (D.C. Official Code § 1-1163.13) is amended by adding a new
19 subsection (e) to read as follows:

20 "(e) Any advertisement supporting or opposing a candidate, initiative, referendum, or
21 recall that is disseminated to the public by a political committee, a political action committee,
22 or any other person must disclose, in the advertisement, the identity of the advertisement's

1 sponsor.

2 (e) Section 333 (D.C. Official Code § 1-1163.33) is amended as follows:

3 (1) Subsection (e)(2) is amended to read as follows:

4 "(2) No person shall receive or make any contribution in the form of cash or a
5 money order in an amount of \$25 or more."

6 (2) A new subsection (l) is added to read as follows:

7 "(l) For the purposes of determining applicable contribution limits pursuant to this
8 section, contributions attributable to an entity shall include any contributions made by a
9 related party."

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

11 "334a. Covered contractor campaign restrictions.

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

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

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

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

23 "(B) If the covered contractor received a contract or grant, between the

1 date on which the contractor knows that a solicitation will be issued, and one year after final
2 payment is made on the contract or grant.

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

7 "(1) If the covered contractor's bids or proposals are unsuccessful, the date
8 on which the contractor knows that a solicitation will be issued, and the date on which
9 negotiations are terminated or the covered contractor is notified by the District that the
10 covered contractor's bids or proposals were unsuccessful;

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

14 "(c)(1) The prohibition on contributions and expenditures in subsections (a) and (b) of
15 this section shall apply to any related party, including trusts, limited liability corporations,
16 general partners of such limited liability corporations, and political committees.

17 "(2) If a covered contractor is a corporation the prohibition on contributions
18 and expenditures in subsections (a) and (b) of this section shall also apply to any officer or
19 director of the corporation, or to any principal who has a controlling interest in the
20 corporation.

21 "(d) Immediate family members of a covered contractor, and of its officers, directors,
22 and principals, may make campaign contributions to, and expenditures in support of, a
23 prohibited recipient; provided that these contributions and expenditures do not exceed an

1 aggregate of \$300 per person per election.

2 "(e) For the purpose of this section and section 335a, any payment of money in an
3 amount greater than \$500, or any payment of in-kind services valued at more than \$500, to an
4 organization controlled by a candidate or a member of the candidate's immediate family
5 constitutes a contribution.

6 "(f) The restrictions in this section shall apply beginning on the date when the
7 cumulative value of the grants or contracts held or sought by a covered contractor reaches or
8 exceeds \$250,000. If the cumulative value of the contracts or grants sought or held by a
9 covered contractor reaches or exceeds \$250,000, but subsequently falls below \$250,000, the
10 restrictions in this section shall cease to apply; provided, that a covered contractor may not
11 make political contributions to a prohibited recipient until one year after the date on which the
12 aggregate value of the contractor's contracts or grants falls below \$250,000.

13 "(g) The value of a contract or grant sought or held by a covered contractor shall be
14 determined by the total amount of payment to be made under the contract or grant, including
15 the value of any option under a contract."

16 (g) A new section 335a is added to read as follows:

17 "335a. Covered contractor penalties.

18 "(a) In addition to any penalties prescribed in section 335, a covered contractor that
19 knowingly solicits or makes unlawful campaign contributions to, or expenditures in support
20 of, a prohibited recipient in violation of this act shall be subject to a fine of up to 3 times the
21 amount of the unlawful contribution or expenditure, and such violation shall be considered a
22 breach of the terms of the contract or grant. At the discretion of the District, the existing
23 contracts or grants of the covered contractor may be terminated and the covered contractor

1 may be disqualified from eligibility for future District contracts or grants for a period of 4
2 calendar years from the date of determination that a violation of this act has occurred.

3 "(b) If a covered contractor, a related party, or a family member of a covered
4 contractor or of an officer or director of a covered contractor unknowingly solicited or made
5 campaign contributions or expenditures in violation of section 334a, the covered contractor
6 may cure the violation if, within 30 days after such violation, the covered contractor seeks and
7 receives full reimbursement of the unlawful contribution or expenditure from the prohibited
8 recipient or recipients. If the prohibited recipient or recipients are unable or unwilling to
9 reimburse the full amount of the unlawful contribution or expenditure because it would cause
10 an unreasonable financial hardship, the covered contractor will be considered in violation of
11 section 334a, but the effort to seek a cure may be considered in the determination of penalties.

12 "(c)(1) In addition to any penalties prescribed in section 335, any prohibited recipient
13 who knowingly solicits or accepts a campaign contribution or expenditure in violation of
14 section 334a shall be subject to a fine up to 3 times the amount of the unlawful contribution or
15 expenditure.

16 (2) If the prohibited recipient in violation of this act is a political committee
17 affiliated with a candidate or public official, or an entity or organization controlled by a
18 candidate or public official, the name of the candidate or public official shall be prominently
19 displayed on the web page of the Office of Campaign Finance."

20 Sec. 3. Fiscal impact statement

21 The Council adopts the fiscal impact statement in the committee report as the fiscal
22 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
23 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

1 Sec. 4. Effective date.

2 The act shall take effect following approval by the Mayor (or in the event of veto by6 the
3 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
4 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
5 24, 1973, (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of
6 Columbia Register.