

Expansion of NYC's Campaign Finance Act

Local Law 34 of 2007 (LL34) went into effect in January 2008, expanding the New York City Campaign Finance Act (Campaign Finance Act) by mandating disclosure and limiting contributions from organizations and individuals that have business dealings with the City. Human and Social Service Providers (and their principal officers and senior managers) with contracts valued at more than \$100,000 total are considered to have business dealing with the City. LL34 limits contributions to candidates for municipal office from organizations and individuals listed in the Doing Business Database (DBDB). The Campaign Finance Board will administer LL34 and provides assistance to campaigns.

Where the Act can be found: New York City Administrative Code §§3-211; 3-213; 3-221; 3-702; 3-703; 3-705 and 6-116; <http://www.nycouncil.info/html/legislation/legislation.cfm>

When the Act became effective: Local law 34 was enacted on July 3, 2007 and came into effect on January 1, 2008.

Practice Guidelines: The expansion of LL34 establishes lower contribution limits from organizations and individuals doing business with New York City; increases matching rate for public funds per contribution from 4:1 to 6:1 and expands the definition of intermediaries subject to public disclosure to included principal officers and senior managers.

LL34 limits municipal campaign contributions from principal officers, owners, and senior managers of City vendors and mandates the creation of the DBDB to facilitate enforcement of the law. The Doing Business Accountability Project (DBAP) of the Mayor's Office of Contract Services collects all non-lobbyist data about organizations and individuals covered by the law.¹ The DBDB is being released in phases. At present, it covers organizations that hold contracts, franchises, and concessions with the City, and the principal officers and owners of those organizations. Later in 2008, the database will be expanded to include additional types of transactions, as well as senior managers who oversee those transactions. DBAP also provides forms for organizations and individuals to apply to be removed from the DBDB.

The DBDB has gone live and can be found at www.nyc.gov/html/doingbiz/home/html. As of February 2008, entities and persons listed in the DBDB are now subject to reduced contribution limits and the contributions are not matched with public funds. The reduced limits are as follows: (i) Mayor: \$400; (ii) Comptroller: \$400; (iii) Public Advocate: \$400; (iv) Borough President: \$320; and (v) City Council: \$250.²

The City has released a Doing Business Data Form (DBDF) to collect accurate, up-to-date identification information about vendors that have business dealings with the City of New York to comply with LL34. The information requested in the DBDF must be provided each time an entity responds to a request for funding proposal, regardless of whether the vendor or the people associated with it make or intend to make campaign contributions. No sensitive personal information collected will be disclosed to the public, and home address and phone number information will not be used for communication purposes. Most individuals and business who have or are entering into contracts, franchises, and concessions with the City for \$5,000 or more will receive the DBDF with exception for transactions awarded on an

emergency basis or by non-pre-qualified competitive sealed bid. Vendors that hold contracts for goods or services, or franchises or concessions, valued at more than \$100,000, or contracts for construction valued at more than \$500,000, are considered to be doing business with the City for the purposes of LL34 and will be included in the DBDB.

This alert is meant to provide general information only, not legal advice. Please contact David Hartman at Lawyers Alliance for New York at (212) 219-1800 x 236 or visit our website www.lawyersalliance.org for further information.

¹ Any person who believes that s/he should not be listed may apply for removal from the database by contacting the Doing Business Accountability Project of the Mayor's Office of Contract Services. Reasons that a person would be removed include his/her no longer being the principal officer, owner or senior manager of the vendor. Vendors may also contact the DBA Project to add or remove such individuals. Removal and update forms will be available on-line at nyc.gov/mocs, or by contacting the Doing Business Accountability Project at 212-788-8104.

² Please contact the NYC Campaign Finance Board for information on contribution limits, at www.nycffb.info, or 212-306-7100.

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