



## **COUNCIL COMMITTEE REPORT AUDIT AND FINANCE COMMITTEE**

Date: October 28, 2015

Agenda Item #:8

Draft resolution regarding mandating disclosure of campaign contributions and expenditures by non-profits and other entities not currently required to disclose their funding ("dark money" sources)

### **Vote**

4-0 [Committee members are Mayor Pro Tem Tovo (chair), Council Member Troxclair (vice-chair), Council Member Renteria, and Council Member Pool]

### **Sponsors/Department:**

Mayor Steve Adler

### **Summary of Discussion**

There was no presentation on the item, but two citizens spoke in favor of the item (Fred Lewis and David King).

Committee members asked about timing, outside legal assistance or model ordinances, clarification between 501(C)(3) and 501(C)(4) organization characteristics, and the accounting mechanics of categorizing donations for political activity.

Questions that were raised:

- How many 501(C)(4) organizations are active and not engaged in political activities that this may also impact?
- Are there any legal issues with the City of Austin having different disclosure requirements as other cities in Texas?
- Would there be jurisdiction to require disclosure requirements for local 501(C)(4) organizations that are active in only statewide political activities?

Language from the draft resolution was read into the record:

The City Manager is directed to draft an ordinance and commentary for the Committee's consideration, no later than the Committee's regular meeting in November 2015 that : 1) reviews other jurisdiction's dark money laws and proposals; 2) identifies those timely and effective laws that ensure comprehensive disclosure of election contributions and expenditures that are funneled through 501(c)4 non-profit organizations and other non-disclosing entities and persons, and 3) recommends a proposed comprehensive, effective dark money ordinance that includes provisions such as define political

### **Direction**

The motion to forward the proposed request to the full Council for consideration passed on Council Members Pool's motion, Vice Chair Troxclair's second on a 4-0 vote.

**Recommendation:**

The motion to forward the proposed request to the full Council for consideration passed on Council Members Pool's motion, Vice Chair Troxclair's second on a 4-0 vote.