

## FACT SHEET ON HOME OR OFFICE FUNDRAISERS FOR CITY CANDIDATES

When a person spends money at the request of a candidate, that payment is generally considered a contribution to the candidate. There is an exemption under state and local law, however, for certain types of fundraising events hosted by a person in his or her own home or office. This fact sheet is designed to provide guidance with regard to the rules for these types of fundraising events.

- ❖ If one or more occupants of a home or office host a fundraiser to support a City candidate, the money they spend on the event is not considered a contribution to the candidate as long as the total cost of the event is \$500 or less.
- ❖ Because hosting a fundraiser costing \$500 or less does not constitute the making of a contribution to a candidate, the host of such an event may also make a monetary contribution to the candidate within the City's contribution limits (\$750 per election for Council district races; \$1,350 per election for Citywide races).
- ❖ Goods or services donated to the fundraising event by anyone other than the occupants of the home or office are considered a non-monetary contribution to the candidate. The value of such goods and services also count toward the \$500 per event limit.
- ❖ If the total cost of a fundraiser exceeds \$500, the exemption disappears. The costs of the fundraiser may be paid by the candidate's election committee, contributions from individuals in amounts that do not exceed the City's contribution limits, or a combination thereof.
- ❖ The \$500 limit is an event limit, not a per host limit. This means that the exemption will not apply to an event that costs more than \$500, even if it is hosted by multiple individuals. A fundraising event that is hosted by two individuals and costs \$600 will result in each individual making a \$300 non-monetary contribution to the City candidate. Note that non-monetary and monetary contributions are aggregated for purposes of the City's contribution limits.
- ❖ The \$500 limit is not considered an exemption for the first \$500 of an event costing more than that amount. In other words, an individual paying to host a fundraiser that costs \$750 will have made a \$750 contribution - a contribution that exceeds the City's contribution limit for district elections.
- ❖ The fair rental value of the premises (home or office) does not count toward the \$500 limit. In other words, the total cost of the fundraiser does not include the daily rate a host would pay to a landlord for renting the premises.
- ❖ Businesses and non-profit organizations may lawfully host candidate fundraisers that do not exceed the \$500 per event limit, but may not donate money, goods, or services to a fundraising event for a City candidate that is hosted by someone else. The City's campaign laws prohibit non-individuals from making monetary and non-monetary contributions in candidate elections.
- ❖ If a candidate's committee pays to mail more than 200 invitations to a fundraiser (the cost of the invitations and mailing is included in the \$500 limit), the name and address of the candidate's committee must appear on the outside of the envelope.

For additional information, please contact the ethics commission at (619) 533-3476.