

ORDINANCE NO. 978

ON ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
CYPRESS, CALIFORNIA, ADDING ARTICLE X TO
 CHAPTER 2 OF THE CYPRESS MUNICIPAL CODE,
 PROVIDING FOR THE HEIGHTENED REPORTING OF
 CONTRIBUTIONS AND EXPENDITURES FOR ELECTIONS
 IN THE CITY OF CYPRESS

WHEREAS, Government Code § 81013 authorizes the City of Cypress to impose "additional [campaign finance reporting] requirements on any person if the requirements do not prevent the person from complying with" state law; and

WHEREAS, Government Code § 81009.5 authorizes the City of Cypress to impose campaign finance reporting requirements beyond those specified in the Political Reform Act of 1974 provided such requirements "apply only to candidates seeking election in [the City's] jurisdiction, their controlled committees or committees formed or existing primarily to support or oppose their candidacies, and to committees formed or existing primarily to support or oppose a candidate or local ballot measure which is being voted on only in that jurisdiction, and to city . . . general purpose committees active only in that city; and

WHEREAS, the City Council of the City of Cypress desires to enact additional City requirements relating to the reporting of contributions and expenditures for campaigns for City offices or measures in the City of Cypress.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CYPRESS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Article X of Chapter 2 of the Cypress Municipal Code is hereby added, to read as follows:

Article X.- Campaign Finance Reporting.

2-95.1. Purpose. The purpose of this article is to ensure an environment in the City of Cypress wherein the public can be informed about all contributions made to or expenditures made by all candidates for elective office or persons supporting or opposing measures affecting the municipal affairs of the City. To achieve this purpose, this article imposes heightened reporting requirements for campaign contributions or expenditures beyond those required by state law.

2-95.2. Relationship to Political Reform Act. This article is intended to be a supplement to and in no way be in conflict with the Political Reform Act of 1974. Unless otherwise defined in this article, words and phrases shall have the same meaning here as that given to them by the Political Reform Act.

2-95.3. Definitions. Whenever the following words are used in this article, they shall be construed as follows:

- A. "Candidate" means any individual who is listed on the ballot, or who has begun to circulate nominating petitions or authorized others to circulate petitions on his or her behalf, for nomination for or election to a city office, or who receives a contribution or makes an expenditure or gives his or her consent for any other person to receive a contribution or make an expenditure with a view to bringing about his or her nomination or election to a city office, whether or not the specific intent to seek nomination or election to the city office is known at the time the contribution is received or the expenditure is made, and whether or not he or she has announced his or her candidacy or filed a declaration of candidacy at that time. "Candidate" also includes any person holding a city office.

- B. "City office" means an elected office of the city, including the city council, or any other office which shall become elective in the future.
- C. "City measure" means a measure or proposition, initiated pursuant to Elections Code §§ 9200 *et seq.*, 9235 *et seq.*, or 9255 *et seq.*, which is intended to be or is being voted on in a city election.
- D. "Committee" means any person or combination of persons who, for political purposes relating to a city election, directly or indirectly receive contributions in any forty eight (48) month period, or who directly or indirectly make expenditures in any forty eight (48) month period. "Committee" includes controlled committees.
- E. "Contribution" means a (1) payment, a forgiveness of a loan, a payment of a loan or pledge of security for a loan or an enforceable promise to make a payment, by anyone other than a candidate, his or her spouse, or the candidate's parents except to the extent that full and adequate consideration is received, unless it is clear from the surrounding circumstances that it is not made for political purposes; (2) forgiveness of a debt or other obligation to pay for goods or services rendered, or reduction of the amount of a debt or other obligation to pay for goods or services rendered resulting from a settlement of a claim disputed by the candidate or committee, unless it is clear from the circumstances that the amount of the reduction was reasonably based on a good faith dispute and not for political purposes; and (3) any expenditure made at the behest of a candidate or controlled committee, unless full and adequate consideration is received by the maker of the expenditure.
1. The term "contribution" shall also include the purchase of tickets for events such as dinners, luncheons, rallies and similar fund-raising events; a candidate's own money or property used on behalf of his or her candidacy; the granting of discounts or rebates not extended to the public generally; the granting of discounts or rebates by television or radio stations or newspapers which are not extended on an equal basis to all candidates for the same office; and the payment of compensation by any person for the rendition of personal services or expenses of any other person, or the rendition of personal services or the payment of expenses by any person, if such services are rendered or expenses incurred on behalf of a candidate or committee without payment of full and adequate consideration by the candidate or committee.
 2. The term "contribution" shall also include:
 - a. The cost of any meeting or fund-raising event held in a public or private facilities in honor or on behalf of a candidate or committee having a value of \$100.00 or greater; and
 - b. Volunteer personal services or payments made by a person for his or her own travel expenses even if such payments are made voluntarily without any understanding or agreement that they shall be, directly or

indirectly, repaid to him or her having a value of \$100.00 or greater.

3. A contribution is made on the date the payment, forgiveness of debt or loan, expense or donation is actually received or the date when an irrevocable pledge to make a payment, forgive a debt or loan, or incur and expense or make a donation is actually made, whichever is earlier.
- F. "Controlled committee" means a committee which is controlled directly or indirectly by a candidate, or which acts jointly with a candidate in connection with his or her campaign. A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.
 - G. "Election" means any primary, general or special election held in the City of Cypress, and includes any recall election.
 - H. "Expenditure" means a payment, a forgiveness of a loan, pledge of security for a loan; or a payment of a loan by anyone other than a candidate or his or her spouse, or an enforceable promise to make any of the above, unless it is clear from the surrounding circumstances that it is not made for political purposes. An expenditure is made on the date the payment is made or on the date consideration, if any, is received, whichever is earlier.
 - I. "Independent expenditure" means any expenditure or donation of anything of value, including the gratuitous rendition of services having a value of \$100.00 or greater, made by any person in connection with a communication which expressly supports or opposes the nomination, election, defeat, or recall of a candidate(s) for city office, city measure(s), or otherwise unambiguously urges a particular result in a City election. An independent expenditure is made on the date the payment is made, services are rendered, or consideration, if any, is received, whichever is earlier.
 - J. "Payment" means a payment, reimbursement, distribution, transfer, loan, advance, deposit, gift or other rendering of money, property services or anything else of value, whether tangible or intangible.
 - K. "Person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, committee, labor union, and any other organized group of persons acting in concert.
 - L. "Political Reform Act" shall mean the Political Reform Act of 1974, as amended, Government Code §§ 81000 *et seq.*, as it may be amended from time to time.

2-95.4. Reports.

- A. Any candidate, person, or committee meeting the criteria of subsection D below, who receives contributions or who makes expenditures, independent expenditures, or payments in any calendar year, shall, in addition to and as a supplement to the requirements of the Political Reform Act regarding the filing of campaign statements, file one original and one copy of the campaign statement in the manner required herein detailing all contributions, expenditures, independent expenditures, and

payments, received and/or made toward a candidate for City office or for or against a City measure.

B. The report required hereunder shall be on the form required by the Political Reform Act, and shall contain all of the following:

1. The name, street address, and telephone number of the person or committee making the contribution, expenditure, independent expenditures, or payment and of the committee's treasurer.
2. If the report is related to a candidate, the full name of the candidate and the City office for which the candidate seeks nomination or election.
3. If the report is related to a City measure, the full name by which the City measure is designated or proposed to be designated.
4. The total amount of contributions received related to the candidate for City office or City measure during the period covered by the report.
5. The total amount of expenditures related to the candidate for City office or City measure during the period covered by the report.
6. The total amount of independent expenditures related to the candidate for City office or City measure during the period covered by the report.
7. The total amount of payments made related to the candidate for City office or City measure during the period covered by the report.
8. For each person from whom a contribution has been received, and/or from each person to whom an expenditure, independent expenditure, or payment has been made on behalf of a candidate for City office or City measure during the period covered by the report:
 - a. His or her full name.
 - b. His or her street address.
 - c. If the person is a committee, the name of the committee, the number assigned to the committee by the Secretary of State, or if no number has been assigned, the full name and street address of the treasurer of the committee.
 - d. The date of the contribution, expenditure, independent expenditure, and/or payment.
 - e. The amount of the contribution, expenditure, independent expenditure, and/or payment.
 - f. A brief description of the consideration for which each such expenditure or independent expenditure was made and the value of the

418

C-7-5

consideration if less than the total amount of the same.

g. The cumulative amount of expenditures, independent expenditures, and/or payments to such person over the period covered by the report.

9. A list of all the filing officers with whom the committee filed its most recent campaign statement.

C. The report required hereunder shall be filed semiannually. On January 31 a report shall be filed for the period covering July 1 through December 31 of the preceding year. On July 31, a report shall be filed for the period covering January 1 through June 30 of that year. A supplemental report shall also be filed for any candidate for city office or for any city measure after the closing date of the prior semi-annual report period in which the contribution(s), expenditure(s), independent expenditure(s) or payment(s) exceed(s) five hundred dollars (\$500.00). Such supplemental report shall be filed within twenty-four (24) hours of the receipt of a contribution(s) and/or the making of the expenditure(s), independent expenditure(s), or payment(s).

D. The reporting requirement contained herein shall apply, as provided in Government Code § 81009.5, only to candidates seeking election for city office, their controlled committees, committees formed or existing primarily to support or oppose the candidacy of a candidate for city office, to committees formed or existing primarily to support or oppose the qualification of, or passage of, a local ballot measure which is being voted on only in the city, and to city general-purpose committees active only within the city.

2-95.5. Penalty. Violation of this article shall be punished as an infraction, and subject to the penalty(ies) as specified in Section 1-7(c) of this Code.

2-95.6. Injunctive Relief. The City Attorney on behalf of the city, or any resident of the city, may sue for injunctive relief to enjoin any violation of or to compel compliance with any provision of this article.

2-95.7. Cost of Litigation. In any action authorized by this article, the court shall award to a prevailing party his or her costs of litigation, including reasonable attorneys' fees.

2-95.8. Limitation Period. Any civil action for violation of any provision of this article shall be commenced within four years after the date on which the violation occurred, or thereafter shall be barred.

2-95.9. Applicability of Other Laws. Nothing in this article shall exempt any person from the applicable provisions of any other laws of this State or the city.

2-95.10. Interpretation of Article. This article shall be liberally construed to accomplish its purposes.

SECTION 2. If any section, subsection, subdivision, clause, phrase or portion of Article X of Chapter 2 of the Code of the City of Cypress is for any reason held to be invalid or unconstitutional by decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each and every part thereof irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof, may be declared invalid or unconstitutional.

478 - 1/2

419

SECTION 3. This Ordinance shall operate prospectively only, and shall be of no force or effect prior to the date it becomes enforceable according to law.

SECTION 4. The City Clerk shall certify to the passage and adoption of this Ordinance and shall make a minute of the passage and adoption thereof in the records of and the proceedings of the City Council at which the same is passed and adopted. This ordinance shall be in full force and effect thirty (30) days after its final passage and adoption, and within fifteen (15) days after its final passage and adoption, the City Clerk shall cause the same to be posted in the established three (3) public places within the City of Cypress.

FIRST READ at a regular meeting of the City Council of the City of Cypress held on the 10th day of August, 1998, and finally adopted and ordered posted at a regular meeting held on the 24th day of August, 1998.

(d)(5)

(Mayor Pro tem)

MAYOR, CITY OF CYPRESS

ATTEST:

(d)(5)

CITY CLERK OF THE CITY OF CYPRESS

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS

I, **LILLIAN HAINA**, City Clerk of the City of Cypress, **DO HEREBY CERTIFY** that the foregoing Ordinance was duly adopted at a regular meeting of the said City Council held on the 24th day of August, 1998, by the following roll call vote:

AYES:	3	COUNCIL MEMBERS: Bowman, Carroll and Keenan
NOES:	1	COUNCIL MEMBERS: Piercy
ABSENT:	1	COUNCIL MEMBERS: Jones

(d)(5)

CITY CLERK OF THE CITY OF CYPRESS