

ARTICLE II. - CAMPAIGN CONTRIBUTIONS AND EXPENDITURES

Footnotes:

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Charter reference— *Municipal campaign finance, § 1401 et seq.***State Law reference**— *Municipal authority to limit campaign contributions in municipal elections, Elections Code § 10202, Government Code § 85703; limitations on contributions, Government Code § 85100 et seq.*

Sec. 10-31. - Purpose and intent.

- (a) The problem of campaign expenditures has become a serious reality of American politics, and campaigns in the city are not excepted. Incidental to the high cost of election campaigning is the problem of improper influence, real or potential, exercised by campaign contributors over elected officials.
- (b) It is the purpose and intent of the city council in enacting this article to:
- (1) Place realistic and enforceable limits on the amounts individuals may contribute to political campaigns in municipal elections;
 - (2) Ensure and promote integrity, honesty and fairness in the decisions of public policy;
 - (3) Ensure that funds and services donated to a candidate or campaign committee are used solely for lawful campaign purposes;
 - (4) Ensure a level of discussion of public issues adequate for a viable political campaign;
 - (5) Provide opportunity for all citizens to become candidates for public office unhindered by a need to meet exorbitant campaign costs; and
 - (6) Provide full and fair enforcement of all the sections of this article.
- (c) In seeking to establish such realistic limitations, it is the intent of the city council to promote a broader and more open participation by all citizens in the electoral process, and it is in no way intended that such limitations should act to deprive or restrict any citizen in the exercise of rights guaranteed under the First and Fourteenth Amendments of the United States Constitution.

(Code 1959, § 2.1-1; Ord. No. 3682, § 1 (part))

Sec. 10-32. - Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Campaign contribution means any transfer, pledge or loan of money or a thing of value, including any in-kind contribution as defined by state law, made by a person or committee to a council candidate, committee, or for the purpose of supporting the election of such council candidate to the city council, or any transfer, pledge or loan of money or a thing of value, including any in-kind contribution as defined by state law, made by a person or committee to another person or committee for the purpose of supporting or opposing the election of a council candidate or committee, except to the extent that full and adequate consideration is received for such transfer,

pledge or loan. The term "campaign contribution" includes any payment made by a person for admission to a fundraising event conducted by or on behalf of a council candidate such as dinners, luncheons and rallies; the granting of discounts or rebates to a council candidate not extended to the public generally; or the granting of discounts or rebates of television stations, radio stations and newspapers to an individual council candidate not extended on an equal basis to all council candidates seeking election to the city council. The term "campaign contribution" shall not include a council candidate's own money or property used on behalf of his candidacy; personal services performed by a person campaigning for or against a council candidate if no compensation is paid, either directly or indirectly, to the person performing such services; or travel expenses incurred by a person campaigning for or against a council candidate if no reimbursement is made, directly or indirectly, for the expenses incurred by such person.

Candidate means any individual listed on the ballot for nomination for or election to any city office or who has otherwise taken affirmative action to seek nomination or election to city office.

Committee means any person or combination of two or more persons acting jointly on behalf of or in opposition to a candidate for municipal office or to the qualification for the ballot including the recall of any municipal officer. The term "committee" shall also include any person or combination of two or more persons, whether or not they have filed any documents formalizing their association or organization, as required by state law.

Election means any primary, general or special municipal election held in the city, including a recall election.

(Code 1959, § 2.1-2; Ord. No. 3682, § 1 (part); Ord. No. 3755, § 1 (part))

Cross reference— Definitions generally, § 1-2.

State Law reference— Definitions generally, Government Code § 82000 et seq.

Sec. 10-33. - Supplementation of state law.

This article is intended to supplement the Political Reform Act of 1974 (Government Code § 81000 et seq.). Unless otherwise provided in this article, words and phrases used in this article, including reporting periods and thresholds, shall have the same meaning as defined in the Political Reform Act of 1974.

(Code 1959, § 2.1-3; Ord. No. 3682, § 1 (part))

Sec. 10-34. - Campaign contribution limitations.

- (a) No person other than a candidate shall make and no person or candidate shall solicit or accept any contribution which will cause the total amount contributed by such person with respect to a single election in support of or opposition to a candidate, including contributions to all committees supporting or opposing such candidate, to exceed the following:
 - (1) For any city council candidate, \$500.00.
 - (2) For any mayoral candidate, \$1,000.00.
- (b) Loans for use in connection with an election for a period of more than 30 days are prohibited. Loans of more than \$500.00 for use in connection with an election are prohibited. Loans to a candidate or his

controlled committees shall be counted against the contribution limitations applicable to that candidate; provided, however, a candidate is not prohibited from obtaining a personal loan of any amount from a duly licensed financial lending institution in the regular course of business.

(c) Any contributions solicited or accepted pursuant to this section shall be expended only in connection with the candidacy for the office specified in the candidate's declaration of intent to solicit and receive contributions.

(d) For purposes of this section the primary and general elections are considered two separate single elections.

(e) For purposes of this section the limits in this section shall apply on a calendar-year basis.

(Code 1959, § 2.1-4; Ord. No. 3682, § 1 (part); Ord. No. 3755, § 1 (part))

Charter reference— Voluntary campaign expenditure ceiling, § 1401.

Sec. 10-35. - Cash contributions.

No person shall make and no candidate or committee shall solicit or accept any cash contribution in excess of \$99.00.

(Code 1959, § 2.1-5; Ord. No. 3682, § 1 (part))

Sec. 10-36. - Anonymous contributions; reporting of contributions.

(a) No person shall knowingly make and no candidate or committee shall solicit or accept any anonymous contributions with the intent of avoiding the reporting requirements of this article or state law. Any such contributions received by the candidate or committee shall be promptly paid over to the city treasurer for deposit in the general fund of the city.

(b) All contributions, including campaign contributions, in the amount of \$25.00 or more value shall be reported as required by this article or state law.

(Code 1959, § 2.1-6; Ord. No. 3682, § 1 (part); Ord. No. 3755, § 1 (part))

Sec. 10-37. - Campaign expenditures uncontrolled by candidate or committee.

Persons or organizations not subject to the control of a candidate but who make expenditures on his behalf shall indicate clearly on any material published, displayed or broadcast that it was not authorized by the candidate, when such expenditures in whole or part would have been covered by the limitations of this article if they were subject to the control of the candidate. Such persons or organizations shall comply with all filing requirements imposed upon candidates and committees by this article.

(Code 1959, § 2.1-7; Ord. No. 3682, § 1 (part))

Sec. 10-38. - Unexpended contributions.

If a candidate cancels his declaration of intent to solicit and receive contributions for a particular office, ceases to be a candidate or fails to qualify for an office for which contributions have been solicited or accepted, or if there remains a balance in a campaign checking account of a candidate or committee after the date of the election in which the candidate appeared on the ballot, all unexpended funds remaining in the account shall be returned on a pro rata basis to those who have made the contributions or be donated to one or more charitable organizations qualifying for federal income tax exemption. However, a maximum of \$5,000.00 in unexpended funds may be retained by a candidate or committee and may be used for any political purpose or other lawful use.

(Code 1959, § 2.1-8; Ord. No. 3682, § 1 (part))

Sec. 10-39. - Assumed name contributions.

Under this article no contribution shall be made, directly or indirectly, by any person or combination of persons acting jointly in a name other than the name by which they are identified for legal purposes nor in the name of another person or received from another person on the condition that it be used as a contribution. If it is discovered by a candidate or committee treasurer that a contribution has been received in violation of this article, the candidate or treasurer shall promptly pay the amount received in violation of this article to the city treasurer for deposit in the general fund of the city.

(Code 1959, § 2.1-9; Ord. No. 3682, § 1 (part))

Sec. 10-40. - Disclosure of records required from suppliers of goods, facilities and services.

No person who supplies goods, facilities or services to a candidate or committee for use in connection with a campaign shall knowingly refuse to divulge or disclose to the city clerk the record of any expenditures made by the candidate or committee in payment for such goods, facilities or services.

(Code 1959, § 2.1-10; Ord. No. 3682, § 1 (part))

Sec. 10-41. - Duties of city clerk.

- (a) The city clerk shall administer this article. In addition to other duties required by the city clerk under the terms of this article, the city clerk shall:
- (1) Supply appropriate forms and manuals prescribed by the state fair political commission. These forms and manuals shall be furnished to all candidates and committees and to all other persons required to file reports.
 - (2) Determine whether required documents have been filed and, if so, whether they conform on their face with the requirements of state law.
 - (3) Notify promptly all persons and known committees who have failed to file a document in the form and at the time required by state law.
 - (4) Report apparent violations of this article and applicable state law to the appropriate authorities.
 - (5) Compile and maintain a current list of all statements or parts of statements filed with the city clerk's

office pertaining to each candidate.

(6) Furnish a copy of this article to each candidate for elective city office.

- (b) In addition to all other duties set forth in this section, the city clerk shall be authorized to impose a fine in an amount not to exceed \$1,000.00 for each violation of this article. Prior to imposing any fine, the city clerk shall conduct an administrative hearing to review the circumstances surrounding the alleged violation of this article. Prior to conducting the hearing, the city clerk shall provide the accused violator with notice of the date of the hearing and the specific violation and applicable Code section at least ten business days prior to the hearing.

(Code 1959, § 2.1-11; Ord. No. 3682, § 1 (part); Ord. No. 3755, § 1 (part))

Cross reference— Officers and employees, § 2-71 et seq.

Sec. 10-42. - Construction of article.

This article shall be liberally construed in order to effectuate its purposes, and no error, irregularity, informality and no neglect or omission of any officer in any procedure taken under this article which does not directly affect the jurisdiction of the council or the city to control campaign contributions and expenditures shall avoid the effect of this article.

(Code 1959, § 2.1-12; Ord. No. 3682, § 1 (part))

Sec. 10-43. - Payments for communications to members, employees, shareholders, etc., of organization for purpose of supporting or opposing candidate.

For purposes of this article, payments for communications to members, employees, shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate are not contributions or expenditures, provided those payments are not made for general public advertising such as broadcasting, billboards, and newspaper advertisements. However, payments made by a political party for communications to its members who are registered with that party which would otherwise qualify as contributions or expenditures shall be reported in accordance with this article.

State Law reference— Mandatory provisions, Government Code §§ 85312, 85713.

Sec. 10-44. - Penalty.

Any person who knowingly or willfully violates any section of this article is guilty of a misdemeanor. In addition to any criminal penalties authorized by law, the city clerk shall be authorized to impose a fine in the amount not to exceed \$1,000.00 pursuant to section 10-41.

(Code 1959, § 2.1-13; Ord. No. 3682, § 1 (part); Ord. No. 3755, § 1 (part))

Sec. 10-45. - Effect of violation on outcome of election.

If a candidate is convicted of a violation of any section of this article and if the court determines that the violation was substantial and that it might have had a bearing on the outcome of the election:

- (1) If such conviction become final before the date of the election, the votes for such candidate shall not be counted, and the election shall be determined on the basis of the votes cast for the other candidates in that race.
- (2) If such conviction becomes final after the date of the election and if such candidate was declared to have been elected, such candidate shall not assume office, and the office shall be deemed vacant and shall be filled as otherwise provided by state law.

(Code 1959, § 2.1-14; Ord. No. 3682, § 1 (part))

Sec. 10-46. - Verification.

All declarations, reports and statements filed under this article shall be signed and verified by the filer under penalty of perjury.

(Code 1959, § 2.1-15; Ord. No. 3682, § 1 (part))

Sec. 10-47. - Electronic filing; Electronic filing of campaign statements and statements of economic interests.

- (a) Any elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Government Code chapter 4 - Political Reform Act (commencing with section 84100) shall file those statements, reports, or other documents online or electronically with the city clerk. Elected officers, candidates, or committees required to file statements must file such statements using the city clerk's online system, unless exempt from the requirement to file online pursuant to Government Code Section 84615(a) because the officer, candidate, or committee receives less than \$2,000.00 in contributions and makes less than \$2,000.00 in expenditures in a calendar year. All other individuals required to file statements of economic interest according to the city's adopted code of conflict of interest must file electronically using the city clerk's online system.
- (b) Any person holding a position listed in Government Code section 87200 or designated in the city's local conflict of interest code adopted pursuant to Government Code section 87300, shall file any required statement of economic interest reports (Form 700) online or electronically with the city clerk.
- (c) In any instance in which an original statement, report or other document must be filed with the California Secretary of State and a copy of that statement, report or other document is required to be filed with the city clerk, the filer may, but is not required to, file the copy electronically.
- (d) The online filing system shall ensure the integrity of the data transmitted and shall include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.
- (e) The online filing system shall only accept a filing in the standardized record format that is developed by the California Secretary of State pursuant to section 84602(a)(2) of the California Government Code and that is compatible with the Secretary of State's system for receiving an online or electronic filing.
- (f) The online filing system shall include a procedure for filers to comply with the requirement that they sign

statements and reports under penalty of perjury pursuant to section 81004 of the Government Code.

- (g) Any elected officer, candidate, or committee who has electronically filed a statement using the city clerk's online system is not required to file a copy of that document in paper format with the city clerk.
- (h) The city clerk shall issue an electronic confirmation that notifies the filer that the statement was received, the notification shall include the date and the time that the statement was received and the method by which the filer may view and print the data received by the city clerk. The date of filing for a statement filed online shall be the day that it is received by the city clerk.
- (i) If the city clerk's system is not capable of accepting a statement due to technical difficulties, an elected officer, candidate, or committee shall file that statement in paper format with the city clerk.
- (j) The online filing system shall enable electronic filers to complete and submit filings free of charge.
- (k) The city clerk's system shall make all the data filed available on the city's webpage in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the city's webpage shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. The city clerk's office shall make a complete, unredacted copy of the statement, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any person upon request.
- (l) The city clerk's office shall maintain, for a period of at least ten years commencing from the date filed, a secured, official version of each online or electronic statement which shall serve as the official version of that record for purpose of audits and any other legal purpose.

(Ord. No. 4298, § 2, 3-15-2021)