Chapter 2.28 CAMPAIGN CONTRIBUTIONS AND EXPENDITURES

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2.28.010 Intent and purpose.

It is the intent of the City Council in enacting the ordinance codified in this chapter to place realistic and enforceable limits on the amount individuals may contribute to political campaigns in municipal elections, as well as to supplement the requirements of State law with regard to the making and reporting of campaign contributions and expenditures, for the purpose of preventing the exercise by campaign contributors of potential undue or improper influence over elected officials and to inform the public of the sources and objects of campaign contributions and expenditures. The City Council finds that municipal elections are municipal affairs and that the regulation of campaign expenditures and contributions in municipal elections is not preempted by general State law and is the proper subject of municipal regulation under authority granted to cities by Article XI, Section 7 of the California Constitution and Government Code Section 81013. The contribution limitations of this chapter shall not apply to ballot measure elections or to that portion of a recall election in which the electorate determines whether or not to recall an officeholder, but shall apply to all candidate elections, including the candidate election portion of a consolidated recall election. It is the intent of the City Council that this chapter be interpreted in a manner consistent with Constitutional requirements. Should any provision of this chapter be determined to be invalid for any reason, the remainder shall be severed therefrom and shall remain in full force and effect. (Ord. 737 § 2, 2012)

2.28.020 Definitions.

For the purposes of this chapter, the words and phrases used herein shall have the meanings respectively ascribed to them by the Political Reform Act of 1974, as amended, Government Code Sections 82000 et seq., except as follows:

- A. "Charitable organization" shall mean any bona fide charitable, educational, civic, religious, or similar tax exempt nonprofit organization.
- B. "Committee" shall have the meaning set forth in Government Code Section 82013 as amended from time to time, except that all dollar limits set forth therein shall be "\$250.00 or more."
- C. "Contribution" shall have the meaning set forth in Government Code Section 82015, as amended from time to time, except that the exclusion set forth therein for costs of a meeting or fund-raising event in the home or office of the occupant shall be limited to costs of "\$250.00 or less."
- D. "Election" means any City general, special, initiative, referendum or recall election.
- E. "Entity" means any corporation, company, association, or other organization other than an individual or a political party.
- F. "Independent committee" means any committee which receives contributions or makes expenditures for the purpose of influencing or attempting to influence a City election which is neither controlled by a candidate nor coordinates its expenditures with the expenditures of a candidate or a committee controlled by a candidate.
- G. "Individual" means a sole human being.
- H. "Political party" means any organization qualified to participate in any primary election in the State of California as set forth in California Elections Code Section 5100, or such law as may replace Section 5100. (Ord. 834 § 5, 2019; Ord. 737 § 2, 2012)

2.28.030 Limitations.

- A. Contributions Generally.
 - 1. Except as expressly provided in this section, no individual or political party (including any controlled committee or independent committee) shall make, nor shall any person solicit or accept, any contribution in aid of and/or in opposition to the nomination or election of a candidate which will cause the total amount contributed to (a) the candidate and any controlled committee of such candidate, or to (b) any independent committee, by such person in a single election to exceed \$250.00.
 - 2. The prohibition of subsection (A)(1) of this section shall not apply to any independent committee which receives contributions to be expended in the elections of more than one city.

- 3. The \$250.00 limitation of subsection (A)(1) of this section is not a limitation upon expenditures and shall not limit the expenditures by any candidate or any committee.
- 4. Spouses are two separate individuals for purposes of the contribution limitation of subsection (A)(1) of this section.
- 5. a. Joint funding of campaign expenditures by two or more committees shall not be deemed a contribution by any such committee to any candidate; provided, that each such committee contributes equal amounts to each such expenditure.
 - b. Any such joint expenditure shall cause any theretofore independent committee participating therein to be deemed a controlled committee of any and all candidates for whose benefit such joint expenditure is made.
 - c. Any independent committee which becomes a controlled committee by reason of subsection (A)(5)(b) of this section shall be deemed a controlled committee for purposes of the \$250.00 limitation on contributions to the committee, effective retroactive to the date upon which the first contribution to such committee was received by such committee.
- 6. The \$250.00 limitation of subsection (A)(1) of this section shall not apply to a candidate in aid of himself or herself, or to any committee which makes expenditures solely for the purpose of advocating the adoption or defeat of a ballot measure or to any committee advocating or opposing the recall of an officeholder. Said limitation shall apply to the candidate election portion of a recall.
- 7. Subject to subsections (A)(5)(b) and (c) of this section, the \$250.00 limitation of subsection (A)(1) of this section shall not apply to any independent committee composed solely of:
 - a. One individual; or
 - b. One other person organized principally for a purpose other than participating in or influencing an election or elections.
- 8. No person shall make a contribution anonymously or under an assumed name. No person shall make a contribution on behalf of another person, whether as agent, intermediary, or otherwise.
- 9. Contributions are not permitted to be retained by a candidate or any committee when received from anonymous sources or from persons who do not consent to having their name made known. Any such contributions shall be refunded to the donor (if known) or (if unknown) shall be turned over to the City Clerk and deposited to the City's treasury, in any event within 72 hours of receipt.

10. No committee shall make any expenditures to influence or attempt to influence the voters in a City election if such committee has not complied with the contribution limitations imposed by this chapter upon such committees' receipt of funds.

B. Prohibited Activities.

- 1. No person or entity, other than an individual or political party, shall make a contribution to any candidate or committee; provided, however, that this section shall not apply to contributions made to a committee which is organized solely for the purpose of supporting or opposing the qualification for the ballot or adoption of one or more City measures.
- 2. No officer, employee, agent or attorney or other representative of a person covered by this subsection shall aid, abet, advise, or participate in a violation of this section.
- 3. No person shall knowingly accept a payment or contribution made in a violation of this section.
- 4. If a committee treasurer is offered a contribution which would be in excess of the limitation, the treasurer must refuse the contribution. If, however, a contribution is deposited into the campaign trust account which is in violation of this section, the treasurer shall report in writing within five days of learning of the illegal nature of the contribution to the City Clerk the facts surrounding such contribution. Any such contribution so deposited shall be paid promptly, from available campaign funds, if any, to the City, and shall be deposited in the general fund of the City. (Ord. 834 § 5, 2019; Ord. 737 § 2, 2012)

2.28.040 Statements generally.

Subject to Government Code Section 81009.5, each candidate and each committee, including all independent committees, shall file as a public record with the City Clerk campaign statements showing the amounts of contributions received and expenditures made with respect to such election at the time required by the Political Reform Act of 1974, as amended. (Ord. 834 §§ 7, 8, 2019; Ord. 737 § 2, 2012. Formerly 2.28.060)

2.28.050 Media exemptions.

The provisions of this chapter shall not apply to any publication or broadcast or to any news story, commentary or editorial distributed through the facilities of a broadcasting station or bona fide newspaper, magazine or other periodical publication. A news story, commentary or editorial is not considered to be distributed through a bona fide newspaper, magazine, or other periodical publication if:

- A. Such publication is primarily for distribution to individuals affiliated by membership or stock ownership with the person (other than an individual) distributing it or causing it to be distributed; or
- B. Such publication is not primarily for purchase by the public at newsstands or paid by subscription; or
- C. The news story, commentary or editorial is distributed by a person (other than an individual) who devotes a

substantial part of his activities to attempting to influence the outcome of City elections, or to influence public opinion with respect to matters of City policy or concern. (Ord. 834 § 7, 2019; Ord. 737 § 2, 2012. Formerly 2.28.080)

2.28.060 Suppliers of goods and services – Disclosure of records required.

No person who supplies goods or services, or both goods and services, to a candidate or committee for use in connection with the campaign of the candidate or for or against a measure shall refuse to divulge or disclose to the enforcement authority the record of any expenditures made by the candidate or committee in payment for such goods or services, or both. (Ord. 834 § 7, 2019; Ord. 737 § 2, 2012. Formerly 2.28.090)

2.28.070 Late filing of campaign statement.

A. If any person files a campaign statement after any deadline imposed by this chapter, he or she shall, in addition to any other penalties or remedies established in this chapter, be liable to the City Clerk in the amount of \$10.00 per day after the deadline until the statement is filed, as set forth in California Government Code Section 91013, as may be amended from time to time.

B. The City Clerk shall deposit any funds received under this section into the general fund of the City to defray the cost of municipal elections. (Ord. 834 §§ 7, 9, 2019; Ord. 737 § 2, 2012. Formerly 2.28.100)

2.28.080 Violation - Penalty.

A. Any knowing or wilful violation of any provision of this chapter may be prosecuted, either as an infraction or as a misdemeanor, at the discretion of the prosecutor. The maximum fine which may be imposed for each misdemeanor conviction shall be \$1,000. The chairperson and treasurer of any committee shall be both criminally and civilly responsible for any violation of this chapter by the committee. In addition, the candidate shall be both criminally and civilly responsible for any violation of this chapter by the committee. In addition, the candidate shall be both criminally and civilly responsible for any violation by a committee controlled by the candidate.

B. If a candidate is convicted of a wilful violation of PMC <u>2.28.030</u>, the election to office of such candidate shall be void and such office shall immediately become vacant. In such event the vacancy shall be filled in accordance with the procedures as set forth in the Government Code. (Ord. 834 § 7, 2019; Ord. 737 § 2, 2012. Formerly 2.28.120)

2.28.090 Civil liability and penalties.

A. Any person who violates any provision of this chapter shall be liable in a civil action brought by the City for an amount up to \$1,000. In addition thereto, such person shall be liable for the reasonable attorney's fees and costs incurred by the City in any civil proceeding filed to enforce the provisions hereof.

B. Enforcement of this chapter through civil action may be filed as an alternative to criminal enforcement pursuant to PMC <u>2.28.080</u>. Civil enforcement shall not require that the violation be knowing or willful. All

discovery provisions of State law shall be available to the City in the civil enforcement of this chapter. The City shall have the power to subpoen documents and other materials as may be necessary to conduct the investigation. No civil action alleging a violation of this chapter shall be filed against a person pursuant to this section if the City is maintaining a criminal action against that person pursuant to PMC <u>2.28.080</u>.

- C. Each violation of this chapter shall be a separate offense subject to the civil penalty provided in subsection A of this section.
- D. The City's counsel is authorized to settle any civil enforcement hereof prior or subsequent to the filing of a civil action by the imposition of a civil penalty in an amount which does not exceed the potential civil liability, including attorney's fees, set forth in subsection A of this section. Upon payment in full of such civil penalty, the City shall agree to forbear from filing civil or criminal action or, if action has already been filed, shall agree to dismiss such action. The imposition of all civil penalties shall be made a matter of public record.

E. All civil fines shall be deposited into the general fund. (Ord. 834 §§ 7, 10, 2019; Ord. 737 § 2, 2012. Formerly 2.28.130)

2.28.100 Application of Government Code Section 83116.5.

To the greatest extent permitted by law, Government Code Section 83116.5 shall not be applied to any person who is an employee or under contract to the City and is giving advice interpreting the campaign, disclosure, or conflict of interest provisions of the Political Reform Act of 1974 or of this chapter as part of that person's government contract or employment. (Ord. 834 § 7, 2019; Ord. 737 § 2, 2012. Formerly 2.28.150)