

Chapter 6
ELECTION CAMPAIGN CONTRIBUTION CONTROL

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* Chapter 1-6, entitled “Election Campaign Contribution Control,” consisting of Sections 1-6.010 through 1-6.120, codified from Ordinance No. 1265-10 (CM), effective November 10, 2010, repealed and replaced by Ordinance No. 1392-19 (CM), effective October 24, 2019.

1-6.010 Intent and purpose of provisions.

(a) Inherent in the high cost of election campaigning is the problem of excessive or improper influence, real or perceived, exercised by campaign contributors over elected officials, and the electoral process. The purpose of this chapter is to enact realistic and enforceable limits on the amounts that individual campaigns may accept in City elections, in order to prevent corruption in local campaigns, reduce the influence of large contributions, ensure that individuals and interest groups continue to have a fair and equal opportunity to participate in electing City candidates, and maintain public trust in governmental institutions and the electoral process. To those ends, this chapter also enacts appropriate reporting to provide for transparency in City election finance and full enforcement of its provisions.

(b) This chapter is enacted in accordance with Section 7 of Article XI of the California Constitution, California Elections Code Section 10003, California Government Code Section 81013, and Watsonville City Charter Section 200 and may be cited as the “Watsonville Election Campaign Contribution Control Ordinance.”

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.020 Definitions.

The definitions of words and phrases provided in the Political Reform Acts of 1974 and 1996, as amended (Government Code Section 81000 et seq.), shall apply when those same words are used in this chapter, except:

(a) “Business or labor committee” shall mean a committee created or sponsored by a corporation, partnership, labor union, labor organization or other for-profit or not-for-profit business entity for the sole purpose of using the voluntary donations of its members or employees for public purposes.

(b) “Candidate” shall mean any individual listed on the ballot for nomination and for election to City Council, or who otherwise has taken affirmative action to seek nomination or election to City Council, or who receives a contribution or makes an expenditure, or who gives their consent for any other person to receive a contribution or make an expenditure with a view to bring about their nomination or election to City Council. “Candidate” also means an officeholder in connection with a recall election relating to such officeholder.

(c) “Committee” shall mean any person or combination of two or more persons acting in support of or in opposition to a candidate, or in support of or in opposition to the qualification for the ballot of any recall petition, or which seeks or plans to seek to influence the outcome of any election of a candidate, or which supports or opposes the qualification of any recall petition for the ballot.

(d) “Corporation” shall mean a corporation organized under the laws of California, or any other state or nation.

(e) “City Council” shall mean the office of City Council of the City of Watsonville.

(f) “Election,” “election of a candidate,” and “City election” shall mean any primary, general, or special City election held within the City, including a recall election, which involves the election of any person to City Council.

(g) “Election cycle” carries the definitions below, specific to the type of election at issue.

(1) General Municipal Election. For purposes of any general municipal election for any Council office, the term “election cycle” means the period commencing on the day after a general municipal election for such Council office and ending on the day of the next municipal general election for the same Council office. Notwithstanding the preceding sentences,

following a special election for any Council office, the “election cycle” for the next general municipal election for that office shall commence on the day following the special election and shall end on the day of the next general municipal election for the same Council office.

(2) Special Elections. For purposes of any special election for City Council, the term “election cycle” means the period commencing on the date a special election is called and ending on the day of the special election.

(3) Recall Elections. For purposes of any recall election, the term “election cycle” means the period commencing on either the date a committee is formed pursuant to the Political Reform Act in support of a recall election or the date the City Clerk approves a recall petition for circulation and gathering of signatures, whichever occurs earlier, and ending on the day the first of the following events occur:

(i) The time provided by law for the gathering of signatures on recall petitions expires without sufficient recall petition signatures having been filed with the City Clerk to require a recall election;

(ii) All committees formed in support of the recall have been terminated pursuant to the provisions of the Political Reform Act; or

(iii) The date the recall election is held.

(h) “Enforcement authority” shall mean the District Attorney of Santa Cruz County, except as such authority is vested in the California Fair Political Practices Commission by State law. Nothing in this chapter shall be construed as limiting the authority of any law enforcement agency, prosecuting attorney or other person to enforce the provisions of this chapter under any circumstances where such law enforcement agency, prosecuting attorney or other person has lawful authority to do so.

(i) “Indebted former candidate” means a person who was a candidate for a Council office at a City election and who has campaign debt remaining from such election after expiration of the election cycle for the Council office for which they were a candidate.

(j) “Individual” shall mean a human being, and shall not include a partnership, corporation, association, firm, business entity, committee, club, other organization, or a group of persons however organized.

(k) “Measure” shall mean a local proposition submitted to a popular vote at an election by initiative, referendum, or as an advisory measure.

(l) “Proceedings to qualify a recall petition for the ballot” shall mean the attempt by any person or persons to qualify a recall petition for submission of the same to a popular vote at any election,

whether or not such recall is ultimately qualified for the ballot.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.030 Interpretation.

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

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.040 Campaign contribution limit.

(a) Elections of a Candidate. Except as otherwise provided in this section, no person shall make, and no City candidate or treasurer of any controlled committee of any City candidate shall solicit or accept, any contributions which would cause the total amount contributed by such person to such candidate or to their controlled committee to exceed Five Hundred and no/100ths (\$500.00) Dollars during any election cycle for any Council office. No contributions shall be accepted by any candidate before the beginning of the election cycle related to the election for which the person is a candidate. Contributions accepted for campaign expenses and for officeholder expenses shall be aggregated for purposes of the limitation set forth in this section.

(b) City Council Members with Outstanding Debt from Prior Election. No person shall make, and no City Council Member or any controlled committee shall solicit or accept, any contributions for the purpose of retiring outstanding debt from a prior City election which would cause the total amount contributed by such person to such Council Member or to their controlled committee to exceed Five Hundred and no/100ths (\$500.00) Dollars for the election in which the outstanding debt was incurred, regardless of when the contributions are made or received. This restriction shall not apply to indebted former candidates who are not elected.

(c) Recall Elections. The contribution limitations set forth in subsection (a) of this section shall also apply to any committee which collects contributions for the purpose of making expenditures in support of or opposition to the recall of any City Council office, and to contributions received by such Council Member.

(d) Candidate's Personal Funds. This section shall not apply to a Council candidate's contribution of their personal funds to their own controlled committee. Contributions by the spouse of a Council candidate from such spouse's separate property shall be subject to the contribution limitations set forth in subsection (a) of this section.

(e) Escalator. Contribution limits shall be increased by Twenty-Five and no/100ths (\$25.00) Dollars every two (2) years, with the first escalation to occur on January 1, 2022.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.050 Business and labor union contribution limitations.

(a) No corporation, partnership, labor union, labor organization or other business entity shall make a contribution to any candidate, to any committee organized to support or oppose the nomination or election of any candidate, or any person or committee in support of or in opposition to any proceedings to qualify a recall petition for the ballot.

(b) Notwithstanding Section 1-6.040 and subsection (a) of this section, a business or labor committee created for or sponsored by a corporation, partnership, labor union, labor organization or other business entity for the sole purpose of using the voluntary donations of its individual members or employees for political purposes may make contributions from such accumulated voluntary donations to one or more candidates or committees; provided, that:

(1) Such contributions shall not exceed a total of One Thousand and no/100ths (\$1,000.00) Dollars in support of or in opposition to a candidate, or in support of or in opposition to a recall;

(2) No contribution to any business or labor committee from an individual member or employee shall exceed the limitations established in this chapter for total contributions to candidates or committees;

(3) Contributions to any business or labor committee by an individual member or employee shall be reported by the recipient committee pursuant to this chapter and State law.

(c) If a candidate, campaign treasurer or other person is offered a contribution which would be in excess of the limitations set forth in this section, the candidate, campaign treasurer or other person must refuse the contribution. If, however, a contribution is accepted which is in violation of this section, the candidate, campaign treasurer or other person accepting such contribution shall report in writing within ten (10) days of the acceptance of the contribution to the enforcement authority the facts surrounding such payment or contribution. The amount of any such payment or contribution accepted which is in excess of the amount permitted by this section shall be paid to the City Finance Director, at the time such written report is made, for deposit in the general fund of the City, and shall not be used to benefit any candidate or committee. In addition and at the same time that the excess amount is paid to the City Finance Director, the same amount shall be paid to the person or entity making the payment or contribution.

(d) Any corporation, partnership, labor union, labor organization or other business entity found by a court to be in violation of this section shall pay promptly the amount contributed in excess of the amount permitted by this section to the City Finance Director, for deposit in the general fund of the City. In addition, and at the same time that the excess amount is paid to the City Finance Director, the same amount shall be paid to the person or entity making the payment or contribution.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.060 Reporting requirements—Generally.

(a) In order to make certain that the campaign contribution limitations established by this chapter will in fact be enforceable and enforced, the City Council determines that the reporting requirements contained in this section are necessary; the City Council further determines that the requirements of this section and this chapter do not prevent any person from complying with the requirements of the California Political Reform Act, or other provisions of State law relating to campaign disclosure.

(b) **Checking Account Required.** Every candidate, committee or other person who accepts any campaign contribution, or who makes any expenditure to influence the outcome of any City election, including any expenditure directly or indirectly in aid of or in opposition to the nomination or election of one or more candidates, or in aid of or in opposition to the qualification of any recall petition for the ballot shall, before accepting any contributions or making such expenditure, establish a checking account at a recognized financial institution. All monetary contributions accepted by such candidate, committee or other person, and the proceeds from the sale or transfer of any nonmonetary contributions accepted, shall be placed in the account established pursuant to this section. All expenditures made by such candidate, committee or other person to influence the outcome of any election, or in support of or in opposition to any proceedings to qualify a recall petition for the ballot, shall be made by drawing a check on such account.

(c) Upon the establishment of a campaign contribution account, the name of the financial institution, the specific location, and the account number shall be filed with the City Clerk within twenty-four (24) hours, or prior to the close of business on the first working day following the establishment of such an account.

(d) The City Council may adopt, from time to time, specific forms to be used for complying with the reporting requirements established by this chapter.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.070 Reporting requirements—Statement of organization.

Every committee which seeks or intends to seek to influence the outcome of any City Council election, or which seeks or intends to seek to influence any proceeding to qualify a recall petition for the ballot, shall file with the City Clerk, in conformance with the applicable provisions of the Political Reform Act, a copy of any statement of organization or amendment thereto that the committee filed with the California Secretary of State (see Government Code Section 84101 et seq.).

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.080 Reporting requirements—Campaign statements.

(a) Every candidate, committee or other person who accepts any campaign contribution, or who makes any expenditure to influence the outcome of any City election, including any expenditure in

aid of or in opposition to one (1) or more candidates, or in aid of or in opposition to the qualification for the ballot of any recall petition, shall file campaign statements with the City Clerk at the same times as campaign statements are required to be filed under the provisions of the Political Reform Act, California Government Code Section 81000 et seq. In addition to the statements required to be filed under the provisions of the Political Reform Act, California Government Code Section 81000 et seq., every candidate, committee or other person must also file a statement with the City Clerk on the Friday before any election for the period from sixteen (16) days before the election through Thursday before the election, and in addition to disclosing contributions received during that period, shall disclose estimated expenditures, debts, loans or contributions through the date of the election.

(b) Each campaign statement required to be filed by this section shall contain the same information required by California Government Code Section 84211, be on the same form required by the California Fair Political Practices Commission, and shall be timely filed as required by California Government Code Section 84200.8.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.090 Reporting requirements—Exceptions.

(a) The provisions of Section 1-6.070 relating to reporting requirements shall not apply to any loans and/or donations made by a candidate of their own money or property used in behalf of his or her own candidacy, except insofar as such expenditures exceed Two Thousand and no/100ths (\$2,000.00) Dollars. For the purposes of this subdivision, in calculating whether Two Thousand and no/100ths (\$2,000.00) Dollars in expenditures have been made, payments for a filing fee or for a statement of qualification shall not be included if these payments have been made from the candidate's personal funds.

(b) The provisions of Sections 1-6.060, 1-6.070 and 1.6-080 relating to reporting requirements shall not apply to any expenditures made by an individual from their own financial resources to express personal political views when such expenditure is made independent of any candidate or committee and is in no way subject to the control of any candidate or committee, except insofar as such expenditures exceed Two Thousand and no/100ths (\$2,000.00) Dollars.

(c) The provisions of Section 1-06.060 shall not apply to any candidate who did not receive any contribution and the only expenditure will be made with their own personal funds for a filing fee and/or statement of qualification that will appear in the voter information pamphlet.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.100 Advertising rates—Service fees and charges.

To the extent that any person sells space in any newspaper, newsletter, or magazine, or sells any advertising time on any radio, television, or cable television station, or performs other services in connection with any efforts to support or oppose any proceedings to qualify a recall petition for the

ballot, or in connection with any election relating to a measure, or in connection with any efforts to support or oppose any proceedings to qualify a measure for the ballot, the charges made for the use of such space, time or services shall not exceed the charges normally made for comparable use of such space, time or services by other purchasers or users thereof.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.110 Enforcement authority—Complaints, legal action, investigatory powers.

(a) Any person who believes that a violation of any portion of this chapter has occurred may file a written complaint with the enforcement authority. A copy of any such written complaint shall, at the time such complaint is made, be filed with the City Clerk, and a copy shall also be provided to any person alleged to have violated any portion of this chapter. If the enforcement authority determines that there is a reason to believe a violation of this chapter has occurred, it shall make an investigation. Whenever the enforcement authority has reason to believe a violation of this chapter has occurred or is about to occur, it may institute such legal action as it deems necessary, including, but not limited to, the following: criminal action, civil action in the name of the City for damages or money due and owing, injunctive relief, and/or declaratory relief.

(b) The enforcement authority shall have such investigative powers as are necessary for the performance of the duties prescribed in this chapter, and may, as provided by State law, demand and be furnished records of campaign contributions and expenses at any time.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)

1-6.120 Violation—Penalty.

A violation of any of the provisions of this chapter shall be a misdemeanor and punishable as provided by this code.

(§ 1, Ord. 1392-19 (CM), eff. October 24, 2019)