

Chapter 2.10

VOLUNTARY CAMPAIGN EXPENDITURE LIMITATIONS AND MANDATORY CONTRIBUTION LIMITATIONS FOR CITY COUNCIL CANDIDATES

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2.10.010 PURPOSE AND INTENT.

The city council, in consultation with the City of Santa Cruz Campaign Finance Reform Task Force, finds and declares:

(a) Monetary contributions to political campaigns are a legitimate form of participation in the American political process, but the financial strength of individuals or organizations should not permit them to exercise a controlling influence on the election of candidates. The rapidly increasing costs of political campaigns have forced many candidates to raise larger and larger percentages of money from interest groups with a specific financial stake in matters before government.

(b) The city council enacts this chapter to accomplish the following separate but related purposes:

- (1) To ensure that individuals and interest groups have a fair and equitable opportunity to participate in the city's electoral and governmental processes.

(2) To minimize the potentially corrupting influence and appearances of corruption caused by excessive contributions and expenditures in campaigns by providing for reasonable ~~recommended~~-voluntary campaign expenditure limitations and mandatory contribution limitations for city council candidates.

(3) To limit overall expenditures in campaigns, thereby allowing city council candidates and incumbent city councilmembers to spend less of their time on fundraising and more of their time communicating on issues of importance to voters and constituents.

(4) To provide impartial and noncoercive incentives that encourage city council candidates to agree to voluntarily limit campaign expenditures.

~~(Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000).~~

2.10.020 VOLUNTARY CAMPAIGN EXPENDITURE ~~AND CONTRIBUTION~~ LIMITATIONS S OPTION.

Each candidate for election to the city council in November, 2002, and for each city council election thereafter, shall, prior to the time he or she files nomination papers with the city clerk administrator, advise the city clerk administrator in writing whether or not the candidate will opt to voluntarily limit his or her campaign expenditures and fund raising in accordance with the formula for voluntary campaign expenditure ~~and contribution~~-limitations set forth in this chapter. The agreement to voluntarily limit campaign expenditures shall pertain to all expenditures incurred by the candidate or the candidate's committee in support of his or her candidacy and shall include such expenditures which a candidate or candidate's committee is required to report pursuant to the California Political Reform Act of 1974, as amended in 2001, whether those expenditures are made before or after the filing of nomination papers.

~~(Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000).~~

2.10.030 BENEFITS AND INCENTIVES.

- (a) The city council candidate will receive the benefits and incentives prescribed in subsection
- (b) when the city council candidate does each of the following:

- (1) Voluntarily agrees to limit campaign expenditures ~~and contributions~~ in accordance with this chapter;
- (2) Thereafter abides by that agreement;
- (3) Forms a controlled campaign committee in accordance with California Government Code Section 84101 (without regard to whether or not the candidate intends to make campaign expenditures in the minimum amount called for by Political Reform Act of 1974, Chapter 4, Campaign Disclosure);
- (4) Either spends \$1,000.00 in support of his or her candidacy or procures 250 signatures of city electors;

~~(5) On behalf of the candidate and candidate's campaign committee, agrees not to accept campaign contributions from an individual, corporation or other entity (other than an "organizational contributor" as defined below) of greater than \$250.00 in value (other than contributions made by the candidate herself or himself) per election in support of his or her candidacy indexed by the applicable cost of living adjustment ("COLA"); and~~

~~(6) On behalf of the candidate or candidate's committee, agrees to accept organizational contributions only under the following conditions:~~

~~(i) Organizational contributions shall not exceed a total of \$600.00 indexed by the applicable COLA;~~

~~(ii) The organizational contributor has received no contributions from individuals which exceed the limitations established in this chapter for total contributions to candidates or committees by individuals;~~

~~(iii) The organizational contributor has reported all individual contributions pursuant to the provisions of this chapter and any applicable provisions of state law. If the organizational contributor is not required to formally organize under the Political Reform Act of 1974, as amended in 2001, then the organizational contributor shall make complete contribution information available upon written request of the city.~~

(b) A city council candidate who performs each of the acts delineated in subsection (a) shall receive the following benefits and incentives at no cost to themselves or their candidate's campaign committee:

(1) Committees formed in support of a city council candidate ~~must~~ may maintain electronic campaign finance records from ~~January~~ July first through ~~December~~ January thirty-first for each election ~~year, or from the date the candidate begins receiving contributions and/or making expenditures. The city will provide the vendor, as approved by the Secretary of State and the city will pay for the cost of maintaining the required filings during that period.~~

(2) Candidates who agree to abide by the voluntary campaign expenditure limitations and mandatory contribution limitations shall be identified prominently on the city's website with a 400 word written statement. The statement will be printed exactly as submitted with no editing by staff. Statements which exceed 400 words will be returned to the candidate who shall be responsible for editing the statement to comply with the 400 word limitation and resubmitting the statement. One photograph of the candidate supplied by the candidate shall be allowed as part of the statement.

(i) The candidate's statement must be submitted on a computer diskette in a form compatible with the system employed by or approved by the city clerk ~~administrator's department~~ or alternatively ~~by e-mail to the city clerk's department.~~

(ii) The candidate's statement must conform to candidate statement guidelines provided by the city clerk administrator and the content shall be consistent with the requirements of Elections Code Section 13307(a)(1).

(iii) A disclaimer shall accompany all such website postings that city council candidate statements have been posted by ~~the~~ city clerk division staff in the form submitted by the candidate without editing, proofreading, or spell-checking by ~~the~~ city clerk division staff, that the opinions and statements set forth are those of the candidates to whom they are attributed and do not reflect the city's official positions on issues addressed in the statement, that the candidate's statement is not a city endorsement of any candidate's candidacy, that the information is

submitted to the voters by the city as a service to assist voters and for informational purposes only, and that the statement is not intended to, and does not, exempt any candidate or statement author from civil or criminal liability for any false, slanderous or libelous statements set forth on the city's website.

(iv) The candidate's statement may be printed in English and/or a foreign language of the candidate's choice; however, the city will not provide translation services to the candidate and more than one statement in different languages will not be permitted if cumulatively the statements would exceed 400 words.

(v) Candidates may submit one statement at any time prior to the election. ~~The city~~ City clerk division staff will post the statement within four business days of submittal.

(vi) Candidates will appear on the website in the alphabetical order drawn by the Secretary of State for the ballot.

(vii) The website will clearly identify whether each candidate has agreed to the voluntary ~~expenditure spending and contribution~~ limitations.

(c) A city council candidate who performs each of the acts delineated in subsection (a) shall receive matching public campaign finance funds from the city's general fund in accordance with the following regulations and subject to the following restrictions.

(1) A city council candidate may receive matching public campaign funds in the maximum amount of fifty percent (50%) of voluntarily limited campaign expenditures for the subject city council election as calculated per the formula prescribed in Section 2.10.060. By way of example: If the voluntary campaign expenditure cap, as calculated per the Section 2.10.060 formula, is \$28,000, the city council candidate would be eligible to receive a maximum of \$14,000 in matching public funds after receiving non-public campaign funds through contributions totaling \$14,000.

(2) A city council candidate will be entitled to receive his/her first disbursement of matching public campaign funds only after receiving non-public campaign funds through contributions totaling \$5,000. Upon verification of said contributions by the city clerk

administrator, the city finance department, within ten (10) days of verification, shall disburse to the candidate \$5,000 in matching public campaign funds to be used by the candidate for campaign purposes only. Thereafter, following the same procedure, the candidate shall receive matching public campaign funds in \$5,000 increments up to the maximum amount of matching public campaign funds available for that election. By way of example: If the Section 2.10.060 voluntary campaign expenditure cap is calculated to be \$28,000, the maximum amount of matching public campaign funds would total \$14,000. \$5,000 would be disbursed to the candidate after the candidate raised \$5,000 in non-public campaign contributions. A second \$5,000 disbursement would be made to the candidate after the candidate raised \$10,000 in non-public campaign contributions. A final disbursement of \$4,000 would be made after the candidate raised \$14,000 in non-public campaign contributions.

(3) In accordance with applicable FPPC regulations, the candidate shall account for the manner in which all matching public campaign funds have been spent and verify that all such matching public campaign funds were spent only for valid campaign purposes. At any time within one year following the date of the subject city council election the city shall have the right to audit the financial records of the city council candidate's campaign to verify compliance with this chapter. The city council candidate shall preserve all such records and make them immediately available for review upon request by the city clerk administrator.

(4) Any unspent matching public campaign funds shall be reimbursed to the city no later than December 31st of the year in which the city council election occurs. For purposes of this subsection, it will be conclusively presumed that fifty percent of the candidate's remaining campaign funds are matching public campaign funds subject to reimbursement to the city, provided that amount does not exceed the total amount of matching public campaign funds disbursed by the city to the candidate.

(de) Should a city council candidate agree to voluntary campaign expenditure ~~and contribution~~ limitations and thereafter, whether intentionally or inadvertently, fail to abide by that agreement, the candidate, upon discovering said failure, shall immediately notify the city clerk ~~administrator~~ who shall then, to the extent feasible, cease conferring the benefits and incentives afforded by this chapter. Candidates who fail to abide by their agreement shall ~~be responsible for reimbursing~~

reimburse the city for all costs incurred by the city pursuant to this chapter in reliance upon the agreement. Said reimbursements shall be made to the city no later than December 31st of the year in which the city council election occurs. Upon failure to make said reimbursements in a timely fashion, the city may assess penalties for late payment up to one hundred dollars (\$100) per day of delinquency. Liability for said reimbursements and penalties shall constitute a debt to the city.

~~(d) (i) As used in this section the term “applicable cost of living adjustment” or “COLA” shall refer to the Consumer Price Index (CPI) for all urban consumers for the San Francisco/Oakland Bay Area (all items) provided by the U.S. Bureau of Labor Statistics as indexed from a base year that commences as of November 2000. Updated COLA adjustment information shall be made available annually, and shall be rounded to the nearest increment of five dollars.~~

~~(ii) As used in this section the terms “organizational contributor” and “organizational contribution” shall refer to contributions made by non-commercial organizations such as political action committees or special interest groups formed by individuals or entities that have common interests with the objective, among others, to actively participate in the political/electoral process so as to advance and foster their organizational goals.~~

~~(de)~~ Expenditures for legal fees and costs incurred in connection with any litigation arising out of an election campaign shall be exempt from the ~~contribution and~~voluntary expenditure limitations of this chapter.

~~(ef)~~ In addition to any regular city council election, the benefits and incentives of this chapter shall also be available in any recall election.

~~(Ord. 2004-16 § 1, 2004: Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000).~~

2.10.040 Repealed by Ord. 2004-16 § 2.

2.10.050 Repealed by Ord. 2004-16 § 3.

2.10.055 OTHER CITY COUNCIL CANDIDATES' STATEMENTS ON CITY'S WEBSITE.

City council candidates who do not agree to voluntary campaign expenditure ~~and contribution~~ limitations or who otherwise do not qualify for inclusion on the city's website may appear on the website by tendering a fee to the city clerk administrator. The amount of the fee shall be equivalent to the fee charged by the county elections office for the candidates' inclusion in the sample ballot prepared by the county elections office pursuant to California Elections Code Section 13307.

~~(Ord. 2004-16 § 4, 2004).~~

2.10.060 CALCULATION OF VOLUNTARILY LIMITED CAMPAIGN EXPENDITURES.

(a) City council candidates who agree to adhere to voluntary campaign expenditure limitations in accordance with this chapter shall be allowed to spend on their city council campaign no more than the voluntary campaign expenditure limitation cap as established by the city clerk administrator prior to the city council election. The voluntary campaign expenditure limitation cap shall be calculated at a rate which corresponds to \$0.35 per city resident. In determining the appropriate number of city residents for purposes of this calculation, the city clerk administrator shall use the most recent number established by the California Department of Finance. By way of example: If the city population is 50,000 residents, a candidate who agrees to voluntary campaign expenditure limitations will be authorized to spend a maximum of \$17,500.00 ($\$0.35 \times 50,000$) on his or her city council campaign. The \$0.35 figure referenced in this section shall be adjusted by the city clerk administrator each year for which a city council election is scheduled. For city council elections conducted with the city's general municipal election, the adjustment will be made on June 1. For special municipal elections called to fill a vacant seat on the city council, the adjustment will be made ninety days before the election. The adjustment called for by this section shall be the cost of living adjustment (COLA) computed by reference to the Consumer Price Index (CPI) for all urban consumers for the San Francisco/Oakland Bay Area (all items) provided by the U.S. Bureau of Labor Statistics as indexed from a base year that commences in November 2002.

(b) The voluntary campaign expenditure limitation called for by this section shall not include any expenditures made by the candidate or by the candidate's campaign committee in connection with the preparation and publication of the candidate's statement of qualifications in the sample ballot pamphlet published in accordance with California Elections Code Section 13307.

(c) Any campaign committee formed by or on behalf of an indigent candidate as defined by, and pursuant to, Business and Professions Code Section 8030.4(f) and City of Santa Cruz Resolution No. NS-18,233 shall be responsible for reimbursing the city for any costs incurred by the city with regard to the preparation and publication of the candidate's statement of qualifications in the sample ballot pamphlet published in accordance with California Elections Code Section 13307.

~~(Ord. 2004-16 § 5, 2004: Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000):~~

2.10.065 MANDATORY CONTRIBUTION LIMITATION

(a) Neither a candidate nor a candidate's campaign committee shall accept campaign contributions from an individual, corporation or other entity (other than an "organizational contributor" as defined below) of greater than \$250.00 in value (other than contributions made by the candidate herself or himself) per election in support of his or her candidacy indexed by the applicable cost of living adjustment ("COLA"); and

(b) A candidate or a candidate's committee shall accept organizational contributions only under the following conditions:

(1) Organizational contributions shall not exceed a total of \$600.00 indexed by the applicable COLA;

(2) The organizational contributor has received no contributions from individuals which exceed the limitations established in this chapter for total contributions to candidates or committees by individuals;

(3) The organizational contributor has reported all individual contributions pursuant to the provisions of this chapter and any applicable provisions of state law. If the organizational contributor is not required to formally organize under the Political Reform Act of 1974, as amended in 2001, then the organizational contributor shall make complete contribution information available upon written request of the city clerk administrator.

(c) As used in this section the term “applicable cost of living adjustment” or “COLA” shall refer to the Consumer Price Index (CPI) for all urban consumers for the San Francisco/Oakland Bay Area (all items) provided by the U.S. Bureau of Labor Statistics as indexed from a base year that commences in November 2002. Updated COLA adjustment information shall be made available annually, and shall be rounded to the nearest increment of five dollars.

(d) As used in this section the terms “organizational contributor” and “organizational contribution” shall refer to contributions made by non-commercial organizations such as political action committees or special interest groups formed by individuals or entities that have common interests with the objective, among others, to actively participate in the political/electoral process so as to advance and foster their organizational goals.

(e) Expenditures for legal fees and costs incurred in connection with any litigation arising out of an election campaign shall be exempt from the mandatory contribution limitations of this chapter.

(f) In addition to any regular city council election, the mandatory contribution limitations of this section shall apply in any recall election.

(Codification note: The \$250 and \$600 contribution limitations, originally enacted in 2004 per Ordinance 2004-16, per the indexing provisions of this Section are, as of the 2014 effective date of this ordinance \$345 per individual or business, and \$825 per organization respectively)

2.10.070 NO LIMITATION ON FUND RAISING/CONTRIBUTIONS.

This chapter is not intended to, and shall not be construed to, limit the amount of money a city council candidate who does not agree to voluntary campaign expenditure limitations may raise in support of his or her candidacy.

~~(Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000).~~

2.10.075 REQUIREMENT FOR THIRD PRE-ELECTION CAMPAIGN FILING.

(a) In order to make certain that the voluntary campaign expenditure limitations and mandatory contribution limitations established by this chapter will in fact be enforceable and be enforced, the city council determines that the reporting requirement contained in this section is necessary. The city council hereby determines that a third pre-election statement is necessary. The city council further determines that the requirements of this section and chapter do not prevent any person from complying with the requirements of the California Political Reform Act of 1974, as amended in 2002, or other provisions of state law relating to campaign disclosure.

(b) In addition to all campaign finance disclosure requirements otherwise imposed by law, city council candidate committees are hereby required to file a third pre-election statement. The third pre-election statement shall be filed with the city clerk administrator on the Friday prior to a special or regular election for the period from sixteen days before the election through the Thursday before the election. This statement is required for all campaign finance committees, as defined by the Political Reform Act of 1974, as amended in 2001.

~~(Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002).~~

2.10.080 PENALTIES.

(a) Willful violation of any provision of this chapter by any city council candidate, campaign worker, campaign committee worker, or any other person, including the acceptance of benefits conferred by this chapter to which the candidate is not entitled and including the filing of false reports which entitle the candidate to the benefits conferred by this chapter and including the candidate's decision to renege on his or her original agreement to abide by voluntary campaign expenditure and voluntary campaign contribution limitations, shall constitute a misdemeanor.

(b) In addition to, or in lieu of, criminal penalties for violation of this chapter, the city may seek civil or administrative remedies as provided for in this code.

~~(Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000).~~

2.10.090 SEVERABILITY.

If any part or provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this chapter are severable.

~~(Ord. 2002-14 § 1 (part), 2002: Ord. 2002-07 § 1 (part), 2002: Ord. 2000-11 § 1 (part), 2000).~~