

ORDINANCE NO. 2020-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ AMENDING
CHAPTER 2.10 OF THE SANTA CRUZ MUNICIPAL CODE PERTAINING TO CITY
COUNCIL ELECTION CAMPAIGN EXPENDITURES AND CONTRIBUTION
LIMITATIONS

BE IT ORDAINED By the City of Santa Cruz As Follows:

Section 1: Chapter 2.10 of the Santa Cruz Municipal Code is hereby amended to read as follows:

Chapter 2.10
VOLUNTARY CAMPAIGN EXPENDITURE LIMITATIONS AND MANDATORY
CONTRIBUTION LIMITATIONS FOR CITY COUNCIL CANDIDATES

Sections:

- 2.10.010 Purpose and intent.
- 2.10.020 Voluntary campaign expenditure limitations option.
- 2.10.030 Benefits and incentives.
- 2.10.040 Repealed by Ord. 2004-16 § 2.
- 2.10.050 Repealed by Ord. 2004-16 § 2.
- 2.10.055 Other city council candidates' statements on city's website.
- 2.10.060 Calculation of voluntarily limited campaign expenditures.
- 2.10.065 Mandatory contribution limitations.
- 2.10.070 No limitations on fund raising/contributions.
- 2.10.075 Requirement for third pre-election campaign filing.
- 2.10.080 Independent third party expenditures – public reporting.
- 2.10.085 Penalties.
- 2.10.090 Severability.

2.10.010 PURPOSE AND INTENT.

The city council 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 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.

2.10.020 VOLUNTARY CAMPAIGN EXPENDITURE LIMITATIONS OPTION.

Each candidate for election to the city council in November, 2020, and for each city council election thereafter, shall, at the time of filing his or her 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 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.

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 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;

(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) 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, which may differ from their statement provided for the ballot. 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.
- (2) The candidate's statement must be submitted electronically in a Microsoft Word document by email, as well as hard copy format..
- (3) 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).
- (4) A disclaimer shall accompany all such website postings that city council candidate statements have been posted by city clerk division staff in the form submitted by the candidate without editing, proofreading, or spell-checking by 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 posted 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.
- (5) The candidate's statement may be printed in English and/or a foreign language of the candidate's choice. The elections official shall provide translation done by someone who has specific credentials, per Elections Code 13307(b)(2)(A).
- (6) Candidates may submit one statement at any time prior to the election for the purposes of posting on the City's website. This is not to be confused with the ballot statement. City clerk division staff will post the statement within four business days of submittal.
- (7) Candidates will appear on the website in the alphabetical order drawn by the Secretary of State for the ballot.
- (8) The website will clearly identify whether each candidate has agreed to the voluntary expenditure limitations.

- (c) Committees formed in support of a city council candidate must maintain electronic campaign finance records from January first through December thirty-first for each election year, or from the date the candidate begins receiving contributions and/or making expenditures.
- (d) Expenditures for legal fees and costs incurred in connection with any litigation arising out of an election campaign shall be exempt from the voluntary expenditure limitations of this chapter.
- (e) In addition to any regular city council election, the benefits and incentives of this chapter shall also be available in any recall election.

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 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.

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. Commencing with the November 2014 city council election, the voluntary campaign expenditure limitation cap shall be calculated at a rate which corresponds to \$0.60 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 60,000 residents, a candidate who agrees to voluntary campaign expenditure limitations will be authorized to spend a maximum of \$36,000.00 (\$0.60 x 60,000) on his or her city council campaign. The \$0.60 figure referenced in this section shall be adjusted by the City Clerk Administrator each subsequent 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 2014.

- (b) The voluntary campaign expenditure limitation called for by this section shall 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.

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 any other entity, including an "organizational contributor" as defined below, of greater than \$400.00 in value per election in support of his or her candidacy, indexed by \$50 five year incremental increases as more fully delineated in subsection (b).
- (b) The \$400.00 mandatory contribution limitations shall apply to general and special municipal elections commencing with the November 2020 general municipal election. The mandatory contribution limitation dollar amount shall thereafter be automatically increased by increments of \$50 at five year intervals. Accordingly, by way of example, a maximum contribution limitation of \$400 will apply in the November 2020 and November 2024 general municipal elections, or in any special election prior to November 2025 in which individuals seek election to the city council. For general or special elections scheduled between November 2025 and November 2030 in which individuals seek election to the city council a maximum contribution limitation of \$450 will apply, and for general and special elections scheduled between November 2030 and November 2035 in which individuals seek election to the city council, a maximum contribution limitation of \$500 will apply.
- (c) As used in this section the term "organizational contributor" shall refer to 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.
- (d) The mandatory contribution limitation specified in this section shall not apply to campaign contributions made personally by the candidate to his or her own campaign.

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.

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 from time to time, 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 candidates' campaign committees.

2.10.080 INDEPENDENT THIRD PARTY EXPENDITURES – PUBLIC REPORTING.

- (a) In order to fully inform the city electorate and to assure that all expenditures made in support of a candidate's campaign, including those expenditures made in support of that candidate's campaign by independent third parties, are fully known and transparent to the city electorate, it is the policy of the city council that, to the extent feasible, the public shall be promptly notified of independent third party campaign expenditures.
- (b) Upon the city clerk administrator's receipt of any report documenting any independent third party expenditure made in support of a city council candidate's campaign, the city clerk administrator shall publicly notice that expenditure.
- (c) The city clerk administrator's independent third party expenditure public notice shall be made within two business days of the City Clerk Administrator's receipt of the report documenting the subject independent third party expenditure, but in no event later than the Monday preceding the subject city council election.
- (d) The city clerk administrator shall publicly notice independent third party expenditures by publishing those notices on the city's website and or issuing a press release disseminating those notices.

- (e) The independent third party expenditure notices shall, at a minimum, identify the person or entity making the expenditure, that person or entity's address, the amount of that person or entity's expenditure, and the total amount of independent third party expenditures to date made on behalf of the subject candidate's candidacy.

2.10.085 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 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.

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.

PASSED FOR PUBLICATION this 26th day of May, 2020, by the following vote:

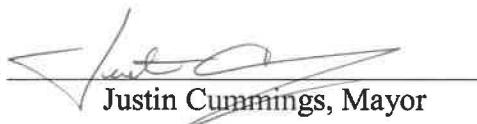
AYES: Councilmembers Beiers, Mathews, Brown, Golder, Watkins; Vice Mayor Meyers; Mayor Cummings.

NOES: None.

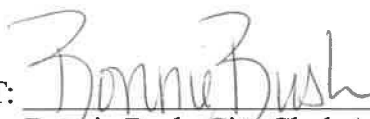
ABSENT: None.

DISQUALIFIED: None.

APPROVED:


Justin Cummings, Mayor

ATTEST:


Bonnie Bush, City Clerk Administrator

ORDINANCE NO. 2020-10

PASSED FOR FINAL ADOPTION this 9th day of June, 2020 by the following vote:

AYES: Councilmembers Beiers, Mathews, Brown, Golder, Watkins; Vice Mayor Meyers; Mayor Cummings.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: _____

Justin Cummings, Mayor

ATTEST: _____

Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2020-10 and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

Bonnie Bush, City Clerk Administrator