REPORT TO COUNCIL
City of Sacramento

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STAFF REPORT
September 13, 2005

Honorable Mayor and
Members of the City Council

Subject: Administrative Modifications to the Public Campaign Financing and Contribution Limitation Codes

Location/Council District: Citywide

Recommendation:

1) Adopt an ordinance amending the Public Campaign Financing Code (Section 2.14); and 2) Adopt an ordinance amending the Contribution Limitation Code (Section 2.13).

Contact: Stephanie Mizuno, Assistant City Clerk, 808-8093
Shirley Concolino, City Clerk, 808-5442

Presenters: Stephanie Mizuno

Department: City Clerk's Office

Division: N/A

Organization No: 0700

Summary:

In March of 2004, the City Council directed staff to provide a report back on the Public Campaign Financing Code. Since ordinance adoption on September 9, 2003, staff from the offices of the City Clerk, City Attorney and City's Internal Auditor have participated in the administration and analysis of how the code was implemented during the 2004 Council election. This report presents several changes to improve the administration and general understanding of the code.

Committee/Commission Action:

The proposed changes were presented to the Law and Legislation Committee on May 3, 2005 and June 21, 2005. At both meetings, the Committee recommended that the

changes be forwarded to the full Council for approval. Representatives from Common Cause and the League of Women Voters were present at both meetings and expressed support for the changes.

Background Information:

On May 3rd and June 21st of 2005, the Law & Legislation Committee was presented with a variety of proposed modifications to the Public Campaign Finance and Contribution Limitation Codes. In general, the changes will clarify a variety of terms, definitions, filing requirements, filing procedures, and administrative processes. A complete overview of the proposed changes and associated code sections are attached to this report as Attachment "A" (page 4).

In addition to the general changes, the Committee was presented with several options that would change the beginning date for when contributions are eligible for public matching funds. This change would replace the current ninety (90) day provision. This issue was brought forward by Common Cause and the League of Women Voters at the original adoption of the Code. It was also discussed at subsequent meetings with attendees from these groups, city staff, Councilmember Cohn and Mayor Fargo.

A complete listing of the options provided to the Committee is attached to this report as Attachment "B" (page 9). From the options, the Committee recommended approval of:

Public Match Funds (Beginning of Eligibility Period):

Primary Election: January 1 of the election year. With a June election, this will increase the eligibility period by approximately two months (5 months prior to election).

General Election (Run-Off): July 1 of the election year. This will increase the eligibility period by approximately one month (4 months prior to election).

Special Election: Shorten the eligibility period to 88 days prior to the election to correspond to the (modified) filing period for the supplemental pre-election campaign statement.

The Committee voted unanimously to support the changes and forward such to the full Council for approval. In addition, Rick Bettis, representing Common Cause and the League of Women Voters, spoke before the Committee to express support.

At the June 21, 2005 meeting, the Committee was presented with additional administrative changes that would improve and clarify the "periodic review" sections of the Code. The Committee voted to forward the changes to the full Council for approval. Representatives from both Common Cause and the League of Women Voters expressed support for the proposal prior to the Committee meeting.

Financial Considerations:

The extension of the eligibility period for contributions to qualify for public matching funds may result in a higher level of matching funds being disbursed to candidates. The budget for the FY06 election is $300,000.

Environmental Considerations: None

Policy Considerations:

Making administrative changes to the two Code sections are consistent with Council direction to improve systems and procedures.

Emerging Small Business Development (ESBD): None.

Respectfully Submitted by: S. Mizuno
Stephanie Mizuno
Assistant City Clerk

Recommendation Approved:

Shirley Concolino
Shirley Concolino
City Clerk

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Attachment A

OVERVIEW OF CHANGES TO CODES

Chapter 2.13 – Campaign Contribution Limitations

SECTION 2.13.040 – Definitions:

The term "campaign reform fund" is cross referenced to the campaign financing section of the city code.

Deletes the current term of "city campaign statement".

Clarifies the terms "city supplemental pre-election", "city supplemental post-election", and "city supplemental statements and forms", and includes examples of documents.

Adds the requirement to provide "per election to date" totals.

SECTION 2.13.040 (4) – Political Reform Act:

Further defines the terms "Political Reform Act", "Regulations", "Public Financing Matching Funds Request", "Statement of Organization Large Political Committee", and "Public Financing Matching Funds Request".

SECTION 2.13.050 (A) (B) (D) – Contribution Limitations:

Updates the contribution limits in accordance with the city code.

SECTION 2.13.055 (1) (2) – Statement of Organization Large Political Committee:

Further defines the process for "Filing of Statement of Organization Large Political Committee" and the criteria for such filing.

SECTION 2.13.065 (A) (B) – Written Solicitations by Candidate:

Updates the contribution limits to correspond to Section 2.13.050 for written solicitations.

SECTION 2.13.080 (A) – Aggregate Off-Election Year Contribution Limits:

Updates the aggregate off-election year contribution limits in accordance with city code.

SECTION 2.13.085 – Legal Expense Funds:

Updates the legal expense fund limits in accordance with city code.

SECTION 2.13.120 – Periodic Review:

Clarifies the method and timing for updating contribution limits.

Establishes a time period for updates of limits, and assigns responsibility for the process.

SECTION 2.13.130 – Filing of Campaign Disclosure Statements; Electronic Format:

Further defines the process and requirements for "Filing of Campaign Statements; Electronic Format".

Adds the requirement to provide "per election to date" totals.

Clarifies that only those candidates who qualify as a committee pursuant to Government Code Section 82013 are required to file the statements referred to in this section.

SECTION 2.13.150 – Independent Expenditures:

Clarifies language which includes the candidate who is the subject of the expenditure as a recipient of the 24 hour notification when any person or organization makes an independent expenditure of more than $5,000.

Chapter 2.14 – Campaign Spending Limits and Public Campaign Financing

SECTION 2.14.050 – Spending Limitations:

Updates the limits in accordance with city code.

SECTION 2.14.060 – Expenditure Ceiling Lifted:

Clarifies what supporting document can be used by the Clerk to determine when voluntary expenditure ceiling can be lifted.

SECTION 2.14.090 – Contingency Fee Arrangements:

Further clarifies contingency fee arrangements between a candidate and individuals retained to provide goods or services during a campaign.

SECTION 2.14.110 – City Supplemental Pre-Election Statement:

Clarifies the period covered and date for filing the supplement pre-election statement and what the statement must contain.

Adds the requirement to provide "per election to date" totals.

Clarifies that only those candidates who qualify as a committee pursuant to Government Code Section 82013 are required to file the statements referred to in this section.

SECTION 2.14.130 (e) – Qualification of Matching Funds; Aggregation:

Clarifies aggregation of contributions as to the source of the contribution.

SECTION 2.14.140 – Formula for Payment of City Funds:

Clarifies language regarding the beginning and ending periods for when contributions are eligible for matching funds.

Modifies the beginning period for when contributions are eligible for matching funds for a primary, general and special election.

SECTION 2.14.150 – Record Keeping and Reporting Requirements for Contributions Less Than $100.00:

Clarifies what documentation is used when requesting matching funds.

SECTION 2.14.165 – Limits on Contributions from Personal Funds by a Candidate:

Clarifies time period for limits on contributions of personal funds by a candidate, candidate's spouse or dependent children.

SECTION 2.14.180 – Procedure for Payment of City Funds:

Clarifies the documents (and format of such documents) to be filed with the City Clerk when requesting public matching funds.

Revises the process in which requests for matching funds are reviewed and processed.

Changes the time period for submitting the final request for matching funds to correspond with the filing period of the city supplemental post-election statement.

Changes the number of days the city has to process matching fund payments.

SECTION 2.14.190 – Withholding City Funds:

Clarifies forms and regulations applicable to the reporting of contributions and expenditures.

SECTION 2.14.260 – Campaign Statements and Audits:

Defines "city supplemental statements" and "forms"

SECTION 2.14.270 – City Supplemental Post-Election Statement:

Revises the procedures and filing period for the supplemental post-election statement, and the manner in which the statement is submitted.

Adds the requirement to provide "per election to date" totals.

Clarifies that only those candidates who qualify as a committee pursuant to Government Code Section 82013 are required to file the statements referred to in this section.

SECTION 2.14.280 – Duties of Treasurers and Candidates:

Clarifies the terms "statements" and "forms" to correspond to updated definitions.

SECTION 2.14.290 – Duties of City Clerk with Respect to City Supplemental Statements and Forms:

Clarifies the terms "statements" and "forms" to correspond to updated definitions.

SECTION 2.14.300 – Audits:

Clarifies the terms "statements" and "forms" to correspond to updated definitions.

SECTION 2.14.320 (A) (B) (C) – Periodic Review:

Clarifies the method and timing for updating expenditure limits.

Corrects the method of calculating matching fund limits.

Establishes a time period for updates of limits, and assigns responsibility for the process.

Attachment B

PUBLIC MATCHING FUNDS CONTRIBUTION ELIGIBILITY DATE OPTIONS

The Law and Legislation Committee was provided with the following information and options in regards to extending the date contributions become eligible for public matching funds.

Background

A request was made to lengthen the time that contributions qualify for public matching funds. Currently, contributions are eligible for matching funds ninety (90) days prior to the date of the election. The options provided for consideration cover the primary election, general election and special election. These options take into consideration three issues: 1) the desire to keep the process simple, 2) maintaining consistency between the filing of a matching funds request and the submission of campaign statements; and 3) establishing a reasonable extension date with the knowledge that future elections will now be held in June instead of March. The City Clerk is emphasizing the desire to correspond the eligibility date with the start date of a campaign statement. This is important as it provides a cleaner process and allows those reviewing and auditing the matching funds request to have supporting materials that fall within the same time frame. The options for consideration include:

Primary Election

1) January 1 of the election year. With a June election, this will increase the eligibility period by approximately two months (5 months prior to election).

2) July 1 of the year prior to the election. This will increase the eligibility period by approximately eight months (11 months prior to election).

General (Run Off) Election

1) July 1 of the election year. For a November election, this will increase the eligibility period by approximately one month. Based on provisions in the ordinances regarding start and end dates of election cycles, lengthening the eligibility period further would commingle the funds between the cycles which is prohibited. Therefore, this date cannot be extended past July 1.

Special Election

A special election to fill a vacant council seat could occur at any time for a number of reasons. Establishing a set number of days for which contributions are eligible for matching funds, and correlating that date to a campaign statement filing period, is difficult at best. Options to change the eligibility period for matching funds for a special election include:

1) Shorten the eligibility period to 88 days prior to the election to correspond to the (modified) filing period for the supplemental pre-election campaign statement.

   This approach will correlate a matching funds request with a campaign statement filing, and is two days short of the current policy. Administratively, this would be the easiest option to manage, and would ensure that relevant information was available for auditing and confirming matching fund requests. Although this option does not extend the eligibility period it does meet the criteria of creating consistency between the campaign statement and matching funds request, keeps the process simple, and is easier to understand.

2) Maintain the eligibility period at 90 days prior to the election.

   This approach is with the understanding that the eligibility period for a matching funds request will not correlate with a campaign statement filing, and the city's ability to use statements to audit and confirm requests would be challenging. It leaves the time frame at status quo.

3) January 1 and/or July 1, which ever month immediately precedes the date of the special election. Except for a special election held in March of an odd-numbered year.

   This approach would automatically correlate the eligibility period for requesting matching funds with the start of a campaign statement filing. This option extends the eligibility period to approximately 5 - 8 months prior to the election if the election is held in June or November of any year. If the election is held on March of an odd-numbered year, the January 1 immediately preceding the election date would only allow an eligibility period of 2 months. Extending the start of the eligibility period for a March election to July 1 of the previous year would create a period of up to 8 months. This option meets two criteria in that it provides an extended eligibility period and correlates the campaign statement filing with a matching funds request. However, it can be confusing considering the exception for March.

Attachment C

CHAPTER 2.13

CAMPAIGN CONTRIBUTION LIMITATIONS

Article I. General Findings

2.13.010 Title.

This chapter may be cited as the "Campaign Contribution Limits Code" of the city of Sacramento.

2.13.020 Findings.

The city council of the city of Sacramento finds and declares as follows:

A. The policy of this city is to protect the integrity of the electoral process.

B. Monetary contributions to political campaigns are a legitimate form of participation in the political process, but the financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates for municipal office. The increasing amounts of expenditures in political campaigns have forced many candidates for elective office to raise larger and larger sums from individuals or interest groups with a specific financial stake in city matters. This can cause the public perception that the votes of city council members and decisions of elected officials are being improperly influenced by monetary contributions. Such a perception can undermine the credibility of the city council and the governmental process.

C. The best interests of the citizens of the city of Sacramento are served by reducing the direct and indirect costs of campaigns.

D. The city finds that limitations on contributions of money, services and materials by individuals or groups to municipal election campaigns should be imposed by law to protect the public health, safety and welfare. These limitations, however, should be reasonable so as not to discourage personal expression or participation in the political process.

E. The constant pressure to raise contributions during both election years and off-election years is distracting elected municipal officials from addressing the needs of the community.

F. Some elected municipal officials are responding to high campaign costs by raising large amounts of money in off-election years to either pay off campaign debts previously incurred or to accumulate campaign funds for future use. This fundraising distracts elected officials from important public matters, encourages contributions which

may have a corrupting influence or, at the very least, the appearance of improper influence, and gives incumbent elected officials an unfair fundraising advantage over potential challengers.

G. The integrity of the legislative process and public confidence in elected municipal officials are diminishing.

2.13.030 Purpose and intent.

The city council of the city of Sacramento enacts this ordinance to accomplish the following purposes:

A. To encourage public trust in the electoral and decision-making processes of the city, and to ensure that individuals and interest groups have a fair and equal opportunity to participate in the elective and legislative process;

B. To reduce the potential for influence by large contributors with a specific financial stake in matters before the city, thus countering the perception that decisions of municipal officials are influenced more by the size of contributions than by the merits of proposals and what is in the best interest of the residents of the city;

C. To encourage smaller contributions;

D. To allow municipal officials and elected candidates to spend a smaller portion of their time on fundraising and a greater proportion of their time working on and discussing important city issues;

E. To help restore public trust in the city's legislative and electoral institutions; and

F. To limit the use of loans and credit in the financing of political campaigns for municipal elective office.

Article II. Definitions

2.13.040 Definitions.

Unless a particular word or phrase is otherwise specifically defined in this article, or the contrary is stated or clearly appears from the context, the definitions set forth in the Political Reform Act of 1974 (Government Code Sections 81000 et seq.) shall govern the construction, meaning, and application of words and phrases used in this article. References to particular sections of the Government Code or other statutes or laws, including references in this section, shall be deemed to include any changes to such sections, statutes or laws, including any amendments, deletions, additions, renumberings or recodifications that may occur subsequent to the enactment of this ordinance.

"Campaign contribution account" means an account established pursuant to California Government Code Section 85201.

"Campaign reform fund" means those funds in the campaign reform budget unit established pursuant to ~~definition 6 of this article~~section 2.14.210..

"Candidate" means an individual who has filed a statement pursuant to California Government Code Section 85200 indicating an intent to run for city office.

~~"City campaign statement" means the statement which must be filed with the city clerk by candidates for city elective office pursuant to this ordinance.~~

"City supplemental post-election statement" means a statement filed under section 2.14.270 on a form prescribed by the city clerk and containing the information specified in section 84211 of the Political Reform Act, except as expressly waived by the city clerk, and any additional information as prescribed by the city clerk. The statement shall report information "per election to date."

"City supplemental pre-election statement" means a statement filed under section 2.14.110 on a form prescribed by the city clerk and containing the information specified in section 84211 of the Political Reform Act, except as expressly waived by the city clerk, and any additional information as prescribed by the city clerk. The statement shall report information "per election to date.

"City supplemental statements and forms" means the supplemental pre-election and supplemental post-election statements that must be filed with the city clerk by certain candidates for city elective office under sections 2.14.110 and 2.14.270, the Statement of Organization Large Political Committee that must be filed with the city clerk under section 2.13.055, and the Public Financing Matching Funds Request that must be filed with the city clerk under section 2.14.180.

"City office" means the offices of mayor and city council member.

"Contribution" means contribution as defined in California Government Code Section 82015, and shall include loans to the extent that loans are considered contributions pursuant to California Government Code Section 84216.

"Controlled committee" means controlled committee as defined in California Government Code Section 82016.

"Entity" means any person or organization, as those terms are defined herein, other than an individual.

"General election period" means the period from the first day of the month following the month in which a primary election is held through December 31st of the year in which the election for a city office is held; except that in the event a candidate for city office receives a majority of votes cast in the primary election, the period from the first day of the month following the month in which the primary election is held through

December 31st of that year shall be considered to be an off-election year for that candidate for purposes of applicable contribution limitations.

"Independent expenditure" means independent expenditure as defined in California Government Code Section 82031.

"Large political committee" means a political committee of persons that has been in existence for more than six months, receives contributions from one hundred or more persons and acting in concert makes contributions to one or more candidates for city elective office.

"Off-election year" shall mean each of the calendar years during the term of a city elective office in which an election for that office is not held, subject to the following:

1. For purposes of a regular election for city elective office, the period from January 1st through June 30th of the year preceding the year of the election shall be considered an off-election year, while the period from July 1st through December 31st of that year shall be considered part of the election year and the aggregate limitations on off-year contributions set forth in Section 2.13.050 shall not be applicable to contributions made during that period.

2. If a candidate for city elective office receives a majority of votes cast in the primary election, the period from the first date of the month immediately following the month of the primary election through December 31st of that year shall be considered an off-election year for that candidate.

3. For purposes of a special election to fill a city elective office that became vacant in a year prior to the year of the special election, the prior year shall not be considered an off-election year;

4. For purposes of a special election to fill a city elective office, the period from the first day of the month immediately following the month in which the special election is held through December 31st of the year of the special election shall be considered an off-election year for that candidate for purposes of applicable contribution limitations.

"Person" means an individual or any proprietorship, labor union, firm, partnership, joint venture, syndicate, business trust, company, corporation, association, political action committee, committee, or other entity which does not constitute a "large political committee" as defined above.

"Political Reform Act" or "Act" means the Political Reform Act of 1974, California Government Code section 81000 *et seq.*, as it may be amended from time to time.

"Primary election period" means the period from July 1st of the year preceding the year of the election through the last day of the month in which the primary election is held.

"Public Financing Matching Funds Request" means a form prescribed by the city clerk containing the information determined by the city clerk and the director of the City's Department of Finance to be needed to enable the clerk and the director to determine the candidate's eligibility to receive matching funds.

"Regulations" means Title 2 (Political Reform) of the California Code of Regulations (section 18110 *et seq.*) as it may be amended from time to time.

"Special election period" means the period from the date a city office becomes vacant through the last day of the month in which the special election for that city office is held.

"Statement of Organization Large Political Committee" means a form prescribed by the city clerk setting forth the name of the large political committee and the date of its formation, and certifying that the committee qualifies as a large political committee.

Article III. Contribution Limitations
2.13.050 Contribution limitations.

A. Council Members. Contributions to candidates for the office of city council member shall be subject to the following limitations in addition to the limitations established by Article 3 of Chapter 5 of the Political Reform Act (Government Code Sections 85301— 85307).

1. Contributions by Persons. No person shall make, and no candidate for the office of city council member, or a controlled committee of said candidate, or person acting by or on behalf of said candidate or said candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that person to the candidate, or to the candidate's controlled committee, to exceed ~~seven~~eight hundred ~~fifty~~ dollars ($~~750~~800.00) in any of the following periods: a primary election period, a general election period, or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

2. Contributions by Large Political Committees. No large political committee shall make, and no candidate for the office of city council member, or a controlled committee of said controlled committee, or person acting by or on behalf of said candidate or said candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that large political committee to the candidate, or to the candidate's controlled committee, to exceed three thousand three hundred dollars ($3,~~000~~300.00) in any of the following periods: a primary election period; a general election period; or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

B. Mayor. Contributions to candidates for the office of mayor shall be subject to the following limitations in addition to the limitations established by Article 3 of Chapter 5 of the Political Reform Act (Government Code Sections 85300 — 85307).

1. Contributions by Persons. No person shall make, and no candidate for the office of mayor, or a controlled committee of said candidate, or person acting by or on behalf of said candidate or said candidate's controlled committee, shall accept into the candidate's campaign contribution account, any contribution which would cause the total amount contributed by that person to the candidate, or to the candidate's controlled committee to exceed one thousand one hundred dollars ($1,~~000~~100.00) in any of the following periods: a primary election period; a general election period; or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

2. Contributions by Large Political Committees. No large political committee shall make, and no candidate for the office of mayor, or a controlled committee of said candidate or said candidate's controlled committee, or person acting by or on behalf of said candidate or said candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that large political committee to the candidate, or to the candidate's controlled committee, to exceed five thousand five hundred dollars ($5,~~000~~500.00) in any of the following periods: a primary election period; a general election period; or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

C. Contributions by a Candidate to the Candidate's Campaign. Nothing in subsections A and B of this section is intended to limit the amount that a candidate may con-tribute to his or her own campaign from his or her personal funds.

D. Contributions to Committees. No person shall make to any committee which contributes to any candidate for city elective office or makes expenditures for or against any candidate for city elective office, and no such committee shall accept from any person a contribution or contributions totaling more than ~~seven~~eight hundred ~~fifty~~ dollars ($~~750~~800.00) in a calendar year; and no large political committee shall make to any committee which contributes to any candidate for city elective office or makes expenditures for or against any candidate for city elective office, and no such committee shall accept from any large political committee a contribution or contributions totaling more than three thousand three hundred dollars ($3,~~000~~300.00) in a calendar year. The provisions of this subsection D shall not apply to contributions to candidates and candidate-controlled committees, which shall be subject to the limits set forth in subsections A and B of this section.

E. Making and Acceptance of Contributions, Timing of Contributions and Contributions to Officeholders in Off-Election Years.

1. Making and Acceptance of Contributions. For purposes of this chapter, a contribution shall have been considered to have been "made" and "accepted" as follows:

a. Monetary Contributions.

1. Making of Monetary Contributions. For purposes of the contribution limitations of this chapter, a monetary contribution is made on the date the contribution is mailed, delivered, or otherwise transmitted to the candidate or a controlled committee. The date of the check or other negotiable instrument by which the contribution is made may be presumed by the candidate or controlled committee to be the date on which the contribution was mailed, delivered or otherwise transmitted, unless it is known to the candidate to be later than the date the contribution is mailed, delivered or otherwise transmitted, in which case the earlier date shall be considered the date on which the contribution is made.

2. Acceptance of Monetary Contributions. For purposes of the contribution limits of this chapter, a monetary contribution shall be deemed "accepted" on the date that it is made; provided that a monetary contribution shall not be considered accepted for purposes of this chapter if it is not cashed, negotiated or deposited, and, in addition, is returned to the donor within fourteen (14) days of receipt.

b. Nonmonetary Contributions.

1. Making of Nonmonetary Contributions. A non-monetary contribution is made by the contributor on the earlier of the following dates: (i) the date that funds are expended by the contributor for goods or services if the specific expenditure is made at the request of the candidate or controlled committee; (ii) the date that the candidate or controlled committee or agent of the candidate or controlled committee obtains possession or control of the goods or services; or (iii) the date that the candidate or controlled committee otherwise receives the benefit of the expenditure.

2. Acceptance of Nonmonetary Contributions. A nonmonetary contribution is deemed accepted on the date that it is made by the contributor; provided, that a nonmonetary contribution shall be deemed not to have been accepted for purposes of this chapter if it is returned within fourteen (14) days of having been made by returning to the contributor any of the following: (i) the non-monetary contribution; (ii) its monetary equivalent; or (iii) the monetary amount by which the value of the non- monetary contribution exceeds the contribution limits of this chapter.

2. Timing of Contributions. For purposes of this chapter, a contribution shall be deemed to be a contribution during a general election period only if it is made by the contributor on or after the first day of the month immediately following the month in which the primary election is held.

3. Contributions Made in Off-Election Years.

a. Contributions made to candidates for city elective office during an off-election year shall be attributed to, and shall be considered to have been made during, the primary election period, general election period or special election period for purposes of the contribution limits established by subsections A and B above.

1. Contributions to Officeholders in Off-Election Years. Contributions to an incumbent mayor or an incumbent member of the city council made in an off-election year shall be considered contributions for the election in which the incumbent acquired his or her office, unless the contributions are accepted and deposited into a new campaign contribution account for a future election to the same or different office.

2. Contributions to Nonincumbent Candidates in Off-Election Years. Contributions made during an off-election year to a nonincumbent candidate for a future city elective office for which a primary or special election will be held shall be considered contributions made during the primary or special election period unless the contributions are accepted and deposited into a campaign contribution account established for a prior election or an election for a different office.

2.13.055 Filing of ~~statement by large political committee~~Statement of Organization Large Political Committee prior to making contributions that exceed the contribution limits applied to persons.

Not less than seven (7) calendar days prior to making a contribution to a candidate in an amount that itself or in combination with other contributions previously made to the candidate exceeds the amount that a person may contribute to a candidate pursuant to ~~Sections~~Sections 2.13.~~050A~~050 A (1) and 2.13.~~050B~~050 B (1), a large political committee shall file with the city clerk the following documents ~~with the city clerk~~:

~~A. A statement, under penalty of perjury on a form to be prescribed by the city clerk, setting forth the name of the large political committee and the date of its formation, and certifying that it meets the requirements of a large political committee by having been in existence for more than six months, has received contributions from one hundred or more persons, and acting in concert, has made contributions to one or more candidates for city elective office; and~~ 1. Statement of Organization Large Political Committee, and

~~B. A certified copy of the "statement of organization" by the political committee filed pursuant to Government Code Sec. 84101~~ 2. A copy of the large political committee's most recent Statement of Organization Recipient Committee (California Form 410) filed pursuant to the Act and the Regulations.

2.13.060 Aggregation of contributions.

For the purposes of the contribution limitations contained in this chapter, contributions of two or more persons or entities shall be aggregated as follows:

A. All payments made by a person or organization whose contributions or expenditure activities are financed, maintained or controlled by any corporation, labor organization, association, political party or any other person or committee, including any parent, subsidiary, branch, division department or local unit of the corporation, labor organization, association, political party or any other person, or by any group of such persons, shall be considered to be made by the person or organization financing, maintaining or controlling the contribution or expenditure.

B. Two or more persons shall be treated as one and the same person for purposes of the contribution limitations set forth in Section 2.13.050 and their contributions shall be aggregated and shall not exceed the limitations set forth in Section 2.13.050, in the following situations:

1. Related Entities. Two or more entities, including but not limited to, partnerships, limited partnerships, and corporations, shall be treated as one person for purposes of the contribution limitations set forth in 2.13.050 above, when any of the following circumstances apply:

a. The entities share the majority of members of their governing boards.

b. The entities share two or more officers.

c. The entities are owned or controlled by the same majority shareholder(s) or general partner(s). For purposes of this subsection, a controlling interest means fifty (50) percent or more of the voting power of a corporation.

d. The entities are in a parent-subsidiary relationship. A parent-subsidiary relationship exists when one corporation directly or indirectly owns shares possessing fifty (50) percent or more of the voting power of another corporation.

2. Controlling Interest. A person and any general partnership in which the person is a general partner, or a person and any corporation in which the person owns a controlling interest, shall be treated as one and the same, and the aggregate contributions made by the person and the corporation or partnership shall not exceed the contribution limitations set forth in Section 2.13.050.

For purposes of this subsection, a controlling interest in a corporation means fifty (50) percent or more of the voting power of a corporation.

C. Notwithstanding the provisions of Section 2.13.180, a candidate shall not be deemed to be in violation of this section if he or she accepts a contribution from a person or persons that exceeds the contribution limits set forth in Section 2.13.050 because of the aggregation of contributions pursuant to subsections A and B of this section. It is the intent of this section to make contributors, and not candidates, liable for violations of this section occurring as a result of the applicability of the aggregation rules set forth in subsections A and B of this section.

2.13.065 Written solicitations by candidates.

Any candidate or controlled committee of a candidate making a written solicitation for a contribution to the candidate's campaign for city elective office shall include one of the following written notices in no less than ten-point type on each solicitation.

A. Candidate for City Council Position. A candidate or controlled committee of a candidate for a city council position other than mayor shall provide the following written notice:

NOTICE

Chapter 2.13 of the Sacramento City Code limits the amounts that a contributor may give to a candidate for a City Council position for a primary, general or special election. Generally, a contributor other than a large political committee may not give more than $~~750~~800 to a candidate for a City Council position for a primary, general or special election, while a large political committee may not give more than $3,~~000~~300 to a candidate for City Council for a primary, general or special election. Chapter 2.13 contains certain other rules that may affect the amounts that an individual contributor may give. Please read Chapter 2.13 before making a contribution to my campaign.

B. Candidate for Mayoral Position. A candidate or controlled committee of a candidate for mayor shall provide the following written notice:

NOTICE

Chapter 2.13 of the Sacramento City Code limits the amounts that a contributor may give to a candidate for Mayor for a primary, general or special election. Generally, a contributor other than a large committee may not give more than $1~~000~~,100 to a candidate for Mayor for a primary, general or special election, while a large political committee may not give more than $5,~~000~~500 to a candidate for Mayor for a primary, general or special election. Chapter 2.13 contains certain other rules that may affect the amounts that an individual contributor may give. Please read Chapter 2.13 before making a contribution to my campaign.

2.13.070 Transfers of funds or contributions by committees to controlled committees of candidates for city elective office.

A. Except as provided in subsection B below, any transfer of funds or contributions by a committee to a controlled committee of a candidate for city elective office including an elected councilmember or mayor, shall comply with the contribution limits set forth in Section 2.13.050; and any contribution or transfer of funds by a committee to another committee which makes contributions to a candidate for city elective office, including an elected councilmember or mayor, or which makes expenditures for or against a candidate for city elective office, including an elected

councilmember or mayor, shall comply with the contribution limits set forth in Section 2.13.050.

B. Subject to the limitations of Government Code Section 85305 and the implementing regulations adopted by the Fair Political Practices Commission for special elections, a candidate for city elective office, including an elected councilmember or mayor, may transfer funds from one campaign account of a committee controlled by the candidate or elected official and established for a city elective office to the campaign account of another committee controlled by the candidate or elected official and established for a city elective office.

2.13.080 Aggregate off-election year contribution limitations.

A. Aggregate Limits.

1. Except as provided in subsection (A)(2) below, the following aggregate off-election year contribution limits shall apply:

a. No councilmember or candidate for the city office of councilmember shall accept contributions totaling more than ~~fifteen~~sixteen thousand four hundred and fifty dollars ($~~15,000~~16,450.00) in any single off-election year.

b. No mayor or candidate for the city office of mayor shall accept contributions totaling more than thirty two thousand nine hundred dollars ($~~30,000~~32,900.00) in any single off-election year.

2. Exception: contributions to pay off campaign debt. Notwithstanding the limits set forth in subsection (A)(1) above, a contributor may make, and a candidate or former candidate may accept, a contribution to pay off debts incurred for a primary or other election occurring prior to the date of the contribution, provided that the aggregate of contributions made to the candidate for one or more city offices does not exceed the contribution limits set forth in Section 2.13.050 above, and the contribution is properly reported on ~~the state or city~~ any required campaign statement~~.~~ filed under the Political Reform Act or the Regulations or any required city supplemental statement or form.

B. The aggregate off-election year contribution limits set forth in subsection A of this section shall be in addition to the individual limits set forth in Section 2.13.050. The intent of this section is to impose an absolute limit on the amount that a candidate, including an incumbent, for city elective office may receive in contributions in any single off-election year, even if no single contribution exceeds the limits set forth in Section 2.13.050. It is the further intent that contributions made during off-election years shall be attributed to a particular election period, and shall be included in the amount attributed to a particular contributor for purposes of the contribution limits established by Section 2.13.050, pursuant to the rules set forth in subsection E of that section.

2.13.085 Legal expense funds.

A. In addition to contributions received in connection with an election to an elective city office, an elected city officer or a candidate for elective city office may receive contributions for a separate legal expense fund, for deposit into a separate account, to be used solely to defray attorney's fees and other legal costs incurred in the candidate's or officer's legal defense to any civil, criminal, or administrative action or actions arising directly out of the conduct of the campaign or election process, or the performance of the officer's governmental activities and duties.

B. Any elected city officer or candidate for elective city office wishing to establish a legal expense fund pursuant to this section shall file a statement of organization for the legal expense fund pursuant to Government Code Section 84101, as amended, with the secretary of state and a copy with the city clerk. The legal expense fund shall be named "The (name of candidate or officeholder) Legal Expense Fund." The statement of organization shall identify the specific civil, criminal or administration proceeding or proceedings for which the legal expense fund is established and shall conform to the requirements of Government Code Sections 84102 — 84104, as amended.

C. The legal expense fund shall establish a single account at an office of a financial institution located in the city of Sacramento, and all contributions to the officer or candidate for his or her legal expenses shall be deposited into that account.

D. Only contributions that are specifically designated by the donor as being made to the legal expense fund may be deposited into the legal expense fund account. All such contributions must be made payable to the legal expense fund, and no contribution that is not specifically made payable to the legal expense fund may be deposited into the legal expense fund account. However, nonmonetary contributions may be received and used for purposes directly related to the legal expenses for which the fund is established if the donor specifically designates in writing that the contributions have been made for such purposes.

E. No person (other than the officer or candidate) shall make, and no legal expense fund committee for an elective city officer or candidate for elective city office shall solicit or accept, contributions from any person to a legal defense fund totaling more than ~~seven~~eight hundred ~~fifty~~ dollars (~~$750~~800.00).

F. Expenditures from the legal expense fund account shall be made only for legal costs directly related to the civil, criminal, or administrative proceeding or proceedings for which the legal expense fund was established. In no event, however, shall any expenditures from the legal expense fund account be used to pay or reimburse any fines, penalties, judgments or settlements in connection with any criminal prosecution or any civil or administrative action in which the officer or candidate is found to have committed, or admits to, an intentional or negligent violation of the law.

G. No funds may be transferred from the legal expense fund to any other committee. Surplus funds remaining in the legal expense fund account after the proceeding or proceedings in connection with which the account was established have concluded, and after all debts are paid, may not be used for any other purpose. Such surplus funds shall be returned to donors on a pro rata basis or given to the city's general fund within six months after final conclusion of the proceeding or proceedings and the payment of all debts incurred.

H. The legal expense fund shall file campaign disclosure statements containing the same information and at the same times that the candidate or elective city officer files his or her statements in accordance with Government Code Sections 84100, et seq., as amended.

I. Except as provided in this section, a donation to a legal expense fund established pursuant to this section shall not be subject to contributions limitations.

J. This section shall constitute the sole authority for soliciting or accepting donations for legal costs for the defense of an action relating to the election process or an officer's conduct in office.

2.13.090 Contributions by spouses and children.

A. Contributions by a husband and wife shall be treated as separate contributions and shall not be aggregated.

B. Except as provided in Section 2.13.100, contributions by dependent children shall be treated as contributions by their parent or parents. If there is joint custody of the child, one-half of the contribution shall be attributed to each parent, and if there is a single custodial parent, the contribution shall be attributed to that parent.

2.13.100 Contributions by spouse, children, or family members of candidate.

Contributions to a candidate by his or her spouse of separate property, and contributions by a candidate's children or any other family members, shall be subject to the contribution limits of this article.

2.13.110 Effective date of contribution limitations.

A. The contribution limitations of this chapter shall apply to contributions made on or after January 1, 2001 to a candidate for city office seeking election in 2001 or thereafter.

B. No candidate or other person shall be deemed to have violated any provisions of this article because contributions in excess of the limitations contained in Section 2.13.050 were accepted or made before the effective date of this chapter. Nothing in this chapter shall be deemed to require the return of any contribution made prior to the effective date of this chapter, and contributions made prior to the effective

date of this chapter shall not be considered in determining whether a contributor or candidate is in compliance with the contribution limitations of this chapter.

2.13.120 Periodic review.

The contribution limits set forth in this chapter shall be adjusted in ~~January~~the first quarter of every ~~even~~odd-numbered year ~~after 2000~~ to reflect any increase or decrease in the cost of living ~~since January 1, 2001 through December 31st of the year prior to~~over the ~~year in which the adjustment is made~~previous two-year period, as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U). Such adjustments shall be rounded off to the nearest fifty dollars ~~($50.00)~~. No later than March 1 of each odd-numbered year, the city clerk shall bring forth to the city council an ordinance amending the contribution limit amounts stated in this chapter to reflect the increase or decrease in the CPI-U pursuant to this section.

Article IV. Filing and Disclosure Requirements

2.13.130 Filing of campaign statements~~.~~; electronic format.

A. Whenever any elected city officer, candidate or committee is required ~~by the~~ to file California Form 460 under the Political Reform Act ~~(Government Code Sec. 81000 et seq.)~~and Regulations with the city clerk, the information reported shall include information "per election to date."

B. Whenever any elected city officer, candidate or committee is required to file a ~~semi-annual~~ campaign statement~~, a preelection campaign statement or a supplemental preelection campaign statement,~~ under the Political Reform Act or the Regulations with the city clerk, the elected officer, candidate or committee shall file at the same time a copy of the statement on a computer diskette or other electronic media, in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement ~~or report~~ is due. If no format has been ~~described~~ prescribed in a timely manner, the elected city officer, candidate or committee shall file the ~~report~~ statement in a format suitable for electronic scanning. The provisions of this subsection B. shall apply only to persons or combinations of persons who qualify as a "committee' under section 82013 of the Political Reform Act.

~~2.13.140 Filing of statement by large political committee prior to making contributions that exceed the contribution limits applicable to persons.~~

~~Prior to making contributions to a candidate for city elective office in an amount that exceeds the contribution limits for persons set forth in Section 2.13.050, a large political committee shall file a statement with the city clerk, on a form prescribed by the city clerk, indicating its status as a large political committee.~~

2.13.150 Independent expenditures.

Any person or organization who makes independent expenditures of more than five thousand dollars ($5,000.00) in support of or in opposition to any candidate for city office shall notify the city clerk, the candidate who is the subject of the expenditure, and all other candidates of such expenditure or expenditures by mailgram, telegram, guaranteed overnight mail through the United States Postal Service or equivalent private delivery service, or personal delivery within twenty-four (24) hours. Such notification shall be made each time this threshold of five thousand dollars ($5,000.00) is met. For purposes of this section, expenditures made during the primary and general election periods shall be accumulated and notice shall be given each time the five thousand dollar ($5,000.00) threshold is reached, regardless of whether five thousand dollars ($5,000.00) is spent in a single election period.

2.13.160 Independent expenditures—Advertisements—Disclosures.

A. If the expenditure for a broadcast or mass mailing advertisement that expressly advocates the election or defeat of any candidate is an independent expenditure, the committee shall include on the advertisement the names of the two persons making the largest cumulative contributions to the committee making the independent expenditure. If an acronym is used to specify any committee names in this section, the names of any sponsoring organization of the committee shall be printed on print advertisements or spoken in broadcast advertisements. For the purposes of determining the two contributors to be disclosed, the contributions of each person to the committee making the independent expenditure during the one-year period before the election shall be aggregated.

B. Any broadcast or mass mailing advertisement by an independent expenditure committee that expressly advocates the election or defeat of any candidate shall clearly state that the advertisement is authorized and paid for by a committee independent of the candidate.

Article V. Enforcement

2.13.170 Application of state laws.

Nothing in this article shall be deemed to exempt any person from complying with applicable provisions of any other laws of this state, including the contribution limitations contained within the California Political Reform Act (Government Code Sections 81000 et seq.).

2.13.180 Enforcement.

A. Except as provided otherwise in this article, any person who willfully or knowingly violates any provision of this chapter is guilty of a misdemeanor.

B. In addition to the penalties provided in subsection A, if after election a candidate is convicted of a violation of any of the provisions of this chapter, the election

to office of such candidate shall be void and such office shall become vacant immediately thereupon or on the date upon which the candidate, if he or she is not an incumbent, would otherwise take office, whichever occurs later. In such event, the vacancy shall be filled in accordance with the procedures set forth in the city charter for the filling of vacant city offices. If a candidate is convicted of a violation of this division at any time prior to election, his or her candidacy shall be terminated immediately and the candidate shall no longer be eligible for election. Any person convicted of a violation of this article shall be ineligible to hold city office for a period of five years from and after the date of conviction.

2.13.190 Injunctive relief.

Any candidate or other resident of the city may bring an action, at any time during an off-election year, an election year or thereafter, in a court of competent jurisdiction, to enjoin actual or threatened violations of, or to compel compliance with, or to obtain judicial declarations regarding, the provisions of this chapter.

Attachment D

CHAPTER 2.14

CAMPAIGN SPENDING LIMITS AND PUBLIC CAMPAIGN FINANCING

Article I. General Findings
2.14.010 Title.

This chapter may be cited as the "Campaign Spending Limits Code" of the city of Sacramento.

2.14.020 Findings.

The city council of the city of Sacramento finds and declares as follows:

A. The policy of this city is to protect the integrity of the electoral process.

B. Monetary contributions to political campaigns are a legitimate form of participation in the political process, but the financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates for municipal office. The increasing amounts of expenditures in political campaigns have forced many candidates for elective office to raise larger and larger sums from individuals or interest groups with a specific financial stake in city matters. This can cause the public perception that the votes of city council members and decisions of elected officials are being improperly influenced by monetary contributions. Such a perception can undermine the credibility of the city council and the governmental process.

C. The best interests of the citizens of the city of Sacramento are served by reducing the direct and indirect costs of campaigns.

D. The city finds that limitations on contributions of money, services and materials by individuals or groups to municipal election campaigns should be imposed by law to protect the public health, safety and welfare. These limitations, however, should be reasonable so as not to discourage personal expression or participation in the political process.

E. Campaign spending for municipal office campaigns is escalating to dangerous and unreasonable levels.

F. The constant pressure to raise contributions during both election years and off-election years is distracting elected municipal officials from addressing the needs of the community.

G. Some elected municipal officials are responding to high campaign costs by raising large amounts of money in off-election years to either pay off campaign debts

previously incurred or to accumulate campaign funds for future use. This fundraising distracts elected officials from important public matters, encourages contributions which may have a corrupting influence or, at the very least, the appearance of improper influence, and gives incumbent elected officials an unfair fundraising advantage over potential challengers.

H. The integrity of the legislative process and public confidence in elected municipal officials are all diminishing.

I. The public has the right to ensure the fullest and most thorough discussion and debate of public issues during an election campaign by expending public funds to secure the widest possible dissemination of information from diverse and opposing sources to assure an unfettered interchange of ideas.

J. The city finds that voluntary campaign expenditure limitations, coupled with the provision of public funds for campaign purposes, are necessary to further these public interests at a reasonable cost to the city, and that such a program should therefore be established.

2.14.030 Purpose and intent.

The city council of the city of Sacramento enacts this ordinance to accomplish the following purposes:

A. To encourage public trust in the electoral and decision-making processes of the city, and to ensure that individuals and interest groups have a fair and equal opportunity to participate in the elective and legislative process;

B. To reduce the potential for influence by large contributors with a specific financial stake in matters before the city, thus countering the perception that decisions of municipal officials are influenced more by the size of contributions than by the merits of proposals and what is in the best interest of the people of the city;

C. To assist candidates for municipal elective office in raising enough money to communicate their views and positions adequately to the public without excessive expenditures or large contributions, thereby promoting public discussion of the important issues involved in political campaigns;

D. To limit overall expenditures and campaigns for municipal elective offices, thereby reducing the pressure on candidates to raise large campaign war chests beyond the amount necessary to communicate reasonably with voters;

E. To provide a neutral source of campaign financing by providing a limited amount of public funds to defray a portion of the costs of campaigns for municipal elective office;

F. To encourage smaller contributions;

G. To allow municipal officials and elected candidates to spend a smaller portion of their time on fundraising and a greater proportion of their time discussing important city issues;

H. To help restore public trust in the city's legislative and electoral institutions; and

I. To limit the use of loans and credit in the financing of political campaigns for municipal elective office.

Article II. Definitions

2.14.040 Definitions.

Unless a particular word or phrase is otherwise specifically defined in this article, or the contrary is stated or clearly appears from the context, the definitions set forth in the Political Reform Act of 1974 (Government Code Sections 81000 et seq.) and in Chapter 2.13 shall govern the construction, meaning, and application of words and phrases used in this chapter. References to particular sections of the Government Code or other statutes or laws, including references in this section, shall be deemed to include any changes to such sections, statutes or laws, including any amendments, deletions, additions, renumberings or recodifications that may occur subsequent to the enactment of this code.

Article III. Spending Limitations

2.14.050 Spending limitations.

A. No candidate for the office of city council member who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100(A), and whose statement is not rescinded pursuant to Section 2.14.100(C), shall make campaign expenditures in an election for the office of city council member in excess of the following amounts:

1. Seventy-~~five~~seven thousand dollars ($~~75~~77,000.00) in a primary election period; and

2. Seventy-~~five~~seven thousand dollars ($~~75~~77,000.00) in a general or special election period.

B. No candidate for the office of mayor who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100 and whose statement is not rescinded pursuant to Section 2.14.100, shall make campaign expenditures in excess of the following amounts:

1. Five hundred and fourteen thousand dollars ($~~500~~514,000.00) in a primary election period; and

2. Five hundred and fourteen thousand dollars ($~~500~~514,000.00) in a general or special election period.

C. Although only candidates for city office who have filed a statement of acceptance of financing are subject to the expenditure limitations set forth in subsections (A) and (B) above, it is the intent of this section that such expenditure limitations apply to all candidates for the following purposes:

1. For purposes of determining when otherwise applicable expenditure limitations no longer apply to candidates who have filed a statement of acceptance; and

2. For purposes of determining when a candidate must provide the notification required by Section 2.14.100.

2.14.060 Expenditure ceilings lifted.

A. Subject to the city ~~clerk~~clerk's providing notice pursuant to subsection ~~(B)~~., below, the voluntary expenditure ~~limits~~ ceiling shall be lifted as to ~~one or more candidates as specified below~~any candidate running for a city elective office upon the occurrence of one ~~or both~~ of the following:

1. If ~~a candidate~~another candidate for the same office declines to accept the voluntary expenditure ceilings and receives contributions, has cash on hand, or makes qualified campaign expenditures in excess of seventy-five ~~(75)~~ percent (75%) of the recommended expenditure ceiling for that office; or

2. If an independent expenditure committee or committees in the aggregate spend more than fifty ~~(50)~~ percent (50%) of the applicable recommended expenditure ceiling for that same office in support of or in opposition to ~~a~~any other candidate for ~~city elective~~that office~~, the voluntary expenditure ceiling shall no longer be binding on any candidate running for the same office.~~.

B. Upon a determination that one or more of the events specified in subsection ~~(A)~~, above, has occurred, the city clerk shall notify candidates of the occurrence of such event(s)~~,~~ and shall indicate those candidates for city elective office who are entitled to exceed the expenditure limits established by this chapter. The city clerk shall base his/ or her determination ~~solely~~ upon the information disclosed ~~on~~ in the ~~campaign statements filed pursuant to the Political Reform Act, this chapter~~ notification provided by a candidate under section 2.14.070 and ~~Chapter~~/or upon the information disclosed on any city supplemental statement or form filed under this chapter or chapter 2.13 or any campaign statement filed under the Political Reform Act or the Regulations by candidates for city elective office or by committees making independent

expenditures. No candidate who accepted the voluntary expenditure limits may exceed the expenditure limits except upon notice by the city clerk pursuant to this section.

C. Any candidate running for ~~that~~a city elective office for which the voluntary expenditure ceiling has been lifted who originally accepted the voluntary expenditure ceilings, who did not rescinded his or her statement of acceptance under section 2.14.100 C., and who qualified for matching funds as set forth in ~~Sections~~sections 2.14.100, 2.14.130 and 2.14.140, shall be permitted to continue receiving matching funds.

2.14.070 Notification by telegram.

Any candidate for city office who receives contributions, has cash on hand or makes qualified campaign expenditures in excess of seventy-five (75) percent of the applicable expenditure limitation set forth in Section 2.14.050 shall notify all opposing candidates and the city clerk of such over expenditure by mailgram, telegram, guaranteed overnight mail through the United States Postal Service or equivalent private delivery service, or personal delivery, within twenty-four (24) hours of such over expenditure.

2.14.080 Extensions of credit.

A. Extensions of credit to a candidate for a period of more than ninety (90) days, or in an amount in excess of the contribution limitations established in Chapter 2.13, shall be prohibited.

B. Extensions of credit to a candidate shall be considered campaign expenditures for purposes of this article as of the time the extension of credit is granted.

2.14.090 Contingency fee arrangements.

~~The~~

For purposes of the spending limits specified in this Article III, the amount of the maximum possible fee in a contingency fee arrangement ~~based on the outcome of an election~~that is entered into between ~~candidates~~a candidate and individual(s) retained to provide goods or services during the course of a campaign and that bases the contingency fee on the outcome of the election, shall be considered ~~for purposes of the spending limits specified in Article 3~~an expenditure.

Article IV. Public Financing

2.14.100 Statement of acceptance or rejection.

A. At the time of filing nomination papers by or on behalf of a candidate for the office of mayor or city council member, the candidate shall file with the city clerk one of the following statements:

1. A statement of acceptance of financing from the Campaign Reform Fund; or

2. A statement of rejection of financing from the Campaign Reform Fund.

Candidates for the office of mayor or city council member who have filed or will have filed nomination papers prior to the effective date of this chapter and code shall file a statement of acceptance or rejection of financing from the Campaign Reform Fund not later than fifteen days following the effective date of this chapter and code. Not later than fifteen days prior to the effective date of this chapter and code, the city clerk shall notify candidates who filed nomination papers of candidacy prior to the effective date of this chapter and code of their obligation to file a statement of acceptance or rejection of financing from the Campaign Reform Fund, and shall provide such notice via registered or certified mail.

B. Not later than ten (10) days following the filing of a statement pursuant to subparagraph (A) above, the city clerk shall notify other candidates for the same city office who have filed statements pursuant to subsection (A) above of the filing. The clerk shall provide notice by mailing a copy of the notice via registered or certified mail to the other candidate(s) for the same city office.

C. If a candidate files a statement of rejection of financing, any opposing candidate who has filed a statement of acceptance of financing may rescind such statement and file a statement of rejection with the city clerk within ten (10) days of the notice given by the city clerk.

1. For purposes of this subparagraph, notice shall be deemed to have occurred on the date that the clerk places the notice in the mail.

D. Except as provided in subsection (C), a candidate who files a statement of acceptance or rejection of financing from the Campaign Reform Fund may not change that decision.

2.14.110 City ~~campaign~~ supplemental pre-election statement.

~~All candidates shall file a city campaign statement with the city clerk on the same date that nomination papers are filed by or on behalf of the candidate.~~ A. All candidates for city elective office shall file with the city clerk on the eighty-third (83rd) day prior to the election a city supplemental pre-election statement. The city ~~campaign~~supplemental pre-election statement required by this section shall include all information ~~required by Article IV of this chapter for the election year~~current up through five (5) days before the date ~~on which the nomination papers are filed.~~ of filing and shall report information "per election to date." Each candidate shall file at the same time a copy of the statement on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely

manner, the candidate shall file the statement in a format suitable for electronic scanning.

B. This section shall apply only to persons who qualify as a "committee' under section 82013 of the Political Reform Act.

2.14.120 Notification by candidates.

Any candidate for mayor who receives contributions of ten thousand dollars ($10,000.00) or more, or who deposits in the candidate's campaign contribution account funds in the amount of ten thousand dollars ($10,000.00) or more, and any candidate for councilmember who receives contributions of seven thousand five hundred dollars ($7,500.00) or more, or who deposits in the candidate's campaign contribution account funds in the amount of seven thousand five hundred dollars ($7,500.00) or more, shall notify the city clerk of such fact by mailgram, telegram, guaranteed overnight mail through the United States Postal Service or equivalent private delivery service, or personal delivery within twenty-four (24) hours of reaching the ten thousand dollar ($10,000.00) or seven thousand five hundred dollar ($7,500.00) limit. The city clerk shall mail notification of such fact, within two working days, to all opposing candidates for whom nomination papers have been filed.

2.14.130 Qualification for matching funds.

A. A candidate shall qualify to receive payments from the Campaign Reform Fund for a primary or special election only if he or she meets all of the following requirements:

1. The candidate has filed a statement of acceptance of financing and has not rescinded such statement;

2. The candidate has raised and deposited in the candidate's campaign contribution account, after the first day of the primary election period or the special election period, as those terms are defined in Section 2.13.040, at least ten thousand dollars ($10,000.00) if a candidate for mayor, and at least seven thousand five hundred dollars ($7,500.00) if a candidate for a city council position, consisting of contributions totaling two hundred fifty dollars ($250.00) or less per source from sources other than themselves, their spouses or their dependent children;

3. The candidate is opposed by a candidate who has qualified for payments from the Campaign Reform Fund or who has raised or deposited in his or her campaign contribution account contributions of ten thousand dollars ($10,000.00) or more if a candidate for mayor, or seven thousand five hundred dollars ($7,500.00) or more, if a candidate for a city council position; and

4. The candidate has filed a statement agreeing to participate in at least one public forum at which all opponents of the candidate who qualified for the ballot are invited to participate. Notwithstanding any other provision of this chapter, the failure of a

candidate to participate in at least one such public forum shall not be deemed a misdemeanor or infraction, shall not be the basis of any criminal or civil liability and shall not alter or affect the right of the candidate to receive matching public funds under this chapter to the extent he/she otherwise meets the requirements to receive such matching public funds.

B. All candidates in a general election who have filed a statement of acceptance of financing, have not rescinded such statement, and who meet the requirements of this section shall be entitled to receive payments from the Campaign Reform Fund.

C. For purposes of determining whether a candidate has raised the minimum amount specified in subsection (A)(2) of this section, the first two hundred fifty dollars ($250.00) of any contribution that exceeds two hundred fifty dollars ($250.00) shall be counted, and the remainder shall not.

D. For purposes of determining whether a candidate has raised the minimum amount specified in subsection (A)(2) of this section, a loan, pledge, extension of credit, or a non-monetary contribution shall not be considered a contribution.

E. For purposes of determining whether a candidate has raised the minimum amount specified in subsection A.2. of this section, the provisions of section 2.13.060 and 2.13.090 relating to aggregation of contributions shall apply to the determination of the source of a contribution.

2.14.140 Formula for payment of city funds.

A candidate who is eligible to receive payments from the Campaign Reform Fund shall receive payments on the basis of the following formula: For a contribution or contributions totaling two hundred fifty dollars ($250.00) or less from a single source that is received within ~~ninety (90) days~~that period of time beginning on the 1st of January preceding the date of the primary election and running through to the end of that primary election period, or ~~after~~that period of time beginning on the first day of the general election period and running through to the end of that general election period, or ~~within ninety (90) days~~ that period of time beginning eighty-eight (88) days prior to the date of a special election and running through to the end of that special election period, a matching ratio of one dollar ($1.00) from the Campaign Reform Fund for each dollar received up to a maximum city match of (1) thirty thousand eight hundred dollars ($30,~~000~~800.00) per election period per candidate for the office of city council member~~;~~, and (2) one hundred and two thousand eight hundred dollars ($~~100,000~~102,800.00) per election period per candidate for the office of mayor. It is the intent of this section to provide a city match of two hundred fifty dollars ($250.00) even though the total contribution or contributions from a single source exceeds two hundred fifty dollars ($250.00). It is the further intent of this section that matching funds shall not be paid during the primary election period for contributions made earlier than ~~ninety (90) days prior to the date of~~ the 1st of January preceding the date of the primary election;

that matching funds shall not be paid during the general election period for contributions made prior to the first day of the general election period; and that matching funds shall not be paid during a special election period for contributions made earlier than ~~ninety (90~~eighty-eight (88) days prior to the date of the special election.

2.14.150 Record keeping and reporting requirements for contributions of less than $100.00.

A. In order for contributions of less than one hundred dollars ($100.00) but more than fifty dollars ($50.00) to be eligible for a match from the Campaign Reform Fund, a candidate must provide the following information on the ~~city campaign statement~~Public Financing Matching Funds Request filed in support of the request to match such contribution: the names and addresses of the donor and intermediary, the amount contributed, and the date of each such contribution. This reporting requirement shall also apply to any contribution of fifty dollars ($50.00) or less for which matching funds are requested where the cumulative contributions from the donor or intermediary total more than fifty dollars ($50.00) in any election period.

B. With respect to any contribution of fifty dollars ($50.00) or less for which a candidate requests matching funds from the Campaign Reform Fund, the candidate shall maintain, and shall make available to the city clerk, upon request, a record of the names and addresses of the donor and intermediary, the amount, and the date of each such contribution.

2.14.160 Contributions by candidate, spouse or dependent children.

Contributions by a candidate, a candidate's spouse, or a candidate's dependent children shall not be considered a contribution for purposes of receiving payments from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.140.

2.14.165 Limits on contributions of personal funds by a candidate.

Notwithstanding any other provisions of this code to the contrary, including but not limited to the provisions of Chapter 2.13, if a candidate has filed a statement of acceptance pursuant to Section 2.14.~~110~~100, the cumulative total of contributions made by that candidate, the candidate's spouse and the candidate's dependent children to the candidate's campaign account shall not exceed thirty thousand dollars ($30,000.00) ~~in a single election period~~ for a candidate for the office of mayor in a single election period, for a single election, or seven thousand five hundred dollars ($7,500.00) ~~in a single election period~~ for a candidate for ~~a~~the office of city council member ~~position.~~ in a single election period, for a single election.

2.14.170 Loans, pledges and non-monetary contributions.

A loan, a pledge, an extension of credit, or a non-monetary contribution shall not be considered a contribution for purposes of receiving payments from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.220.

2.14.180 Procedure for payment of city funds.

A. Requests for payment of public matching funds may be filed pursuant to this section~~,~~ and shall be paid by the director of the city's Department of Finance pursuant to this section upon a determination that the requirements of this section and this chapter have been satisfied.

B. ~~The~~ Each request for public matching funds shall be made ~~on a form specified~~ by ~~the director of the Department of Finance. Requests shall be filed~~ filing with the city clerk~~, who~~ the following documents:

1. A Public Financing Matching Funds Request;

2. A copy of the Public Financing Matching Funds Request on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning, and

3. Copies of each check, money order, or other written legal tender eligible to be matched by public funds.

The city clerk shall immediately transmit ~~them~~the Request and the accompanying documents to the director of the city's Department of Finance. The ~~city campaign statements~~Public Financing Matching Funds Request required by this section shall be current through two calendar days before ~~they are filed.~~filing. Contributions made more than two calendar days prior to the preceding ~~Campaign Statement~~Public Financing Matching Funds Request filed under this section shall not be eligible for matching public funds.

C. A candidate or candidate's controlled committee~~,~~ certified as eligible to receive public matching funds~~,~~ may submit a ~~request for public matching funds~~Public Financing Matching Funds Request each time a threshold of ten thousand dollars ($10,000.00) or more in matchable private contributions is reached for mayoral candidates, and seven thousand five hundred dollars ($7,500.00) or more in matchable private contributions is reached for candidates for city council member. ~~In order to qualify for payment the candidate must file the following documents at the same time he or she files a request for payment:~~

~~1. A City Campaign Statement; and~~

~~2. Copies of each check, money order or other written legal tender eligible to be matched by public funds.~~

D. In addition to requests for payment allowed by subsection ~~(B)~~C., above, a candidate or candidate's controlled committee~~, a candidate or candidate's controlled~~

~~committee,~~ may submit a ~~request for public matching funds of~~ Public Financing Matching Funds Request for one thousand dollars ($1,000.00) or more during the ten (10) calendar days ~~before~~preceding the election.

E. In addition to requests for payment allowed by subsections ~~(C)~~. and ~~(D)~~., above, after the date of an election, each candidate may submit one final request for payment from the Campaign Reform Fund. Such request shall be submitted within ~~thirty (30~~two (2) days after the ~~date~~ last day of the election ~~and payment shall be made by the director of the Department of Finance within five working days.~~period. Requests for payment received by the city clerk ~~more than thirty (30) days~~ after ~~the~~this date ~~of the election~~ shall not be eligible for payment from the Campaign Reform Fund.

F. The director of the city's Department of Finance shall have ~~five~~ten (10) working days to approve or reject a request for payment of matching funds and disburse the public funds to the candidate or candidate's controlled committee. If the director of ~~the~~the city's Department of Finance is required to make a payment to a candidate on a day on which city offices are closed, payment shall be made on the next ~~working day.~~ day that city offices are open.

2.14.190 Withholding city funds.

A. If a candidate is eligible to receive funds from the Campaign Reform Fund pursuant to the foregoing provisions of this chapter, the fact that the candidate is, or is alleged to be, in violation of another provision of this chapter shall not constitute grounds for withholding or denying such funds to the candidate except as provided in subsection (B) of this section.

B. Candidates who are eligible to receive funds from the Campaign Reform Fund, and whose ~~state or city~~ campaign statement filed under the Political Reform Act or the Regulations or city supplemental statement or form discloses on its face that such candidate has exceeded the expenditure limitations set forth in Section 2.14.050, shall not be eligible for any further funds from the Campaign Reform Fund unless such expenditure took place after otherwise applicable expenditure limitations were waived for the candidate pursuant to Section 2.14.060.

2.14.200 Use of public matching funds.

A. Public matching funds shall be used exclusively for legitimate campaign expenses to promote the candidacy of the recipient candidate.

B. All surplus public matching funds, or matching funds used in violation of the requirements of this code, shall be returned or reimbursed to the city's Campaign Reform Fund.

Article V. Public Funds

2.14.210 Campaign reform fund.

There is hereby established in the annual city budget a Campaign Reform Budget Unit to be administered by the city clerk pursuant to the provisions of this article.

2.14.215 Appropriation.

A. During the preparation of the budget for any fiscal year which contains either a general election period or a primary election period, the city manager shall estimate the amounts necessary to provide the public funding established by this article, and to make all other payments and meet all other expenses authorized by the provisions of this article. Thereafter, the city council shall include in its final budget for the fiscal year the amount, if any, that it determines to be appropriate for the Campaign Reform Budget Unit. In the event that the amounts estimated by the city manager to be necessary to provide the public funding established by this article and to make all other payments and meet all other expenses authorized by the provisions of this article are inadequate, the city clerk shall advise the city council of the shortage, and the city council shall thereafter transfer such additional funds, if any, that it determines to be appropriate, from the General Fund Administrative Contingencies Unit to the Campaign Reform Budget Unit.

B. If a special election or special runoff election is held for a city office and there are not sufficient funds in the Campaign Reform Budget Unit to provide in full the public funding established by this article and to make the other payments authorized by this article, the city clerk shall advise the city council of the shortage, and the city council shall thereafter transfer such additional funds, if any, that it determines to be appropriate, from the General Fund Administrative Contingencies Unit to the Campaign Reform Budget Unit.

2.14.220 Administrative expenses.

All administrative expenses incurred by the city clerk and the Department of Finance in connection with the administration of this article, including, but not limited to, salaries, benefits, supplies and overhead, shall be charged to, and paid from, the Campaign Reform Budget Unit.

2.14.230 Report by city clerk.

A. During an election year, the city clerk shall advise the city council and each candidate on the fifth of each month following a month in which payments were made from the Campaign Reform Fund of the following:

1. The candidates who received funds from the Campaign Reform Fund;

2. The amount received by each candidate from the Campaign Reform Fund; or

3. The cumulative amounts received by each candidate from the Campaign Reform Fund.

B. Within four months following each election in which funds are provided from the Campaign Reform Fund, the city clerk shall submit a final report to the city council reporting the amount of funds paid to each candidate from the Campaign Reform Fund. In the event a race involves both a primary and general election, the report required by this section shall be submitted within four months of the general election and shall cover both the primary and general elections.

2.14.240 Surplus funds.

All surplus funds remaining after all obligations are met by a candidate shall be returned to the Campaign Reform Fund, not to exceed the amount paid to the candidate from the Campaign Reform Fund, as follows:

A. In the case of a primary or special election where one candidate does not receive a majority of the votes cast, all candidates, except those two candidates who will appear on the ballot in a general or runoff election, must return surplus funds within ninety (90) days after the primary or special election.

B. In the case of a primary or special election where one candidate does receive a majority of the votes cast, and in general and special runoff elections, all candidates must return surplus funds within ninety (90) days after the election.

2.14.250 Insufficient funds—Allocation and disbursement.

A. At the close of the period for filing nomination papers for city elective office, the director of the Department of Finance, in consultation with the city clerk and any other city officers, employees or agents as required, shall determine:

1. The total amount of money in the Campaign Reform Fund as of that date; and

2. The amount estimated as necessary to provide participating candidates with matching public funds. For purposes of estimating the amount of public funds required, the director of the Department of Finance shall presume that each participating candidate will request, and will be entitled to, the maximum amount of matching public funds made available during the primary and general election periods pursuant to Section 2.14.140.

B. If the director of the Department of Finance determines the monies in the Campaign Reform Fund are insufficient to satisfy the estimated needs of the eligible candidates, and if additional funds adequate to meet the estimated needs of participating candidates are not thereafter transferred into the Campaign Reform Fund, the director of the Department of Finance shall allocate and thereafter disburse the matching public funds on a pro rata basis.

1. Allocation Between Mayoral and Councilmember Races. If it is determined that the amounts in the Campaign Reform Fund are insufficient to meet the estimated needs of participating candidates, the director of the Department of Finance shall allocate forty (40) percent of the Campaign Reform Fund for the mayoral race and sixty (60) percent of the Campaign Reform Fund for the city councilmember races, except as provided below.

a. Exception. To the extent an amount allocated pursuant to the foregoing procedure exceeds the estimated needs of the remaining participating candidates in the mayoral or city councilmember races, the surplus shall be allocated to the other race(s).

2. Reallocation After Primary Election Period. Following the primary elections for the mayor and/or city councilmember races, the director of the Department of Finance shall determine whether the aggregate amounts remaining in the Campaign Reform Fund are sufficient to provide the remaining participating candidates with matching funds in the general election. If it is determined that the amounts are insufficient to meet the estimated needs of the remaining participating candidates, the director of the Department of Finance shall again allocate forty (40) percent of the Campaign Reform Fund for the mayoral race and sixty (60) percent of the Campaign Reform Fund for the city councilmember races, except as provided below.

a. Exception. To the extent an amount allocated pursuant to the foregoing procedure exceeds the estimated needs of the remaining participating candidates in the mayoral and/or city councilmember races, the surplus shall be allocated to the other race(s).

C. Reassessment After Primary Election Period. Following the primary elections for the mayor and/or city councilmember races, the director of the Department of Finance shall determine whether the aggregate amounts remaining in the Campaign Reform Fund are sufficient to provide the remaining participating candidates with matching funds in the general election. If it is determined that the amounts are insufficient to meet the estimated needs of the remaining participating candidates, the director of the Department of Finance shall again allocate and thereafter disburse the matching public funds on a pro rata basis.

D. Disbursement of Public Funds. The director of the Department of Finance shall disburse monies from the Campaign Reform Fund, as allocated above, to qualifying candidates for the mayoral or city councilmember races pursuant to the following procedures:

1. Primary and Special Elections. The director of the Department of Finance shall disburse matching public funds to participating candidates for the mayoral or city councilmember races on a first come-first served basis, provided that the total amount disbursed to participating candidates in the mayoral or city councilmember races shall not exceed one-half of the amounts allocated to those races pursuant to subsection (B)(1) above. Disbursements to participating mayoral candidates shall be made only

from the funds allocated to the mayoral race pursuant to subsection (B)(1) above, and disbursements to participating city councilmember candidates shall be made only from the funds allocated to the city councilmember races pursuant to subsection (B)(1) above.

2. General Elections. The director of the Department of Finance shall disburse matching public funds to participating candidates for the mayoral or city councilmember races on a first come-first served basis, provided that the total amount disbursed to participating candidates in the mayoral or city councilmember races shall not exceed the amounts allocated to those races pursuant to subsection (B)(2) above. Disbursements to participating mayoral candidates shall be made only from the funds allocated to the mayoral race pursuant to subsection (B)(2) above, and disbursements to participating city councilmember candidates shall be made only from the funds allocated to the city councilmember races pursuant to subsection (B)(2) above.

C. Commencing one week after the last date for filing declarations of candidacy, and continuing until the date of the ensuing general election, the director of the Department of Finance, in consultation with the city clerk and any other city officers, employees, or agents as required, shall issue bi-weekly reports on the financial status of the Campaign Reform Fund. Such report shall include an accounting of how much money remains available in the fund for distribution to qualifying candidates, how many candidates have declared their intention to accept financing and have qualified for financing from the fund, the comparable data regarding eligible candidates and available funds at similar stages in prior elections, if any, and any other information that will assist candidates in estimating whether sufficient funds are likely to be available in the Campaign Reform Fund to satisfy the full entitlement of qualifying candidates.

Article VI. Campaign Statements and Audits

2.14.260 ~~Contents of city campaign~~City supplemental statements and forms.

~~A.~~ All city ~~campaign statements~~supplemental statement sand forms required to be filed with the city clerk pursuant to this chapter ~~shall contain the following information:~~

~~1. The information required by Government Code Section 84211 and any administrative regulations adopted pursuant thereto;~~ and

chapter 2. ~~Any information required by the city clerk.~~

~~B. All city campaign statements required to be filed with the city clerk pursuant to this article~~13 shall be on a form prescribed by the city clerk~~.~~ and shall be signed under penalty of perjury.

2.14.270 ~~Final campaign~~City supplemental post-election statement.

A. Within ~~ninety (90~~five (5) days after the last day of an election period for city elective office, each candidate shall file with the city clerk a city ~~campaign statement with the city clerk itemizing all campaign contributions to the candidate, all campaign expenditures by the candidate, and any surplus funds.~~supplemental post-election statement. The city ~~campaign~~supplemental post-election statement required by this section shall include all ~~required~~ information current up through ~~five calendar days before~~ the ~~date~~last day of ~~filing.~~ the election period and shall report information "per election to date." Each candidate shall file at the same time a copy of the statement on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning.

B. This section shall apply only to persons who qualify as a "committee' under section 82013 of the Political Reform Act.

2.14.280 Duties of treasurers and candidates.

A. All city ~~campaign~~supplemental statements and forms filed under this chapter shall be signed under penalty of perjury and certified by both the candidate and the campaign treasurer. The certification shall state that the candidate and the campaign treasurer have used all reasonable diligence in preparing the city ~~campaign statement~~supplemental statements and forms, and that to the best of their knowledge it is true and complete.

B. A campaign treasurer to comply with his or her duties with respect to the preparation of city ~~campaign~~supplemental statements and forms shall:

1. Establish a system of record keeping sufficient to ensure that receipts and expenditures are recorded promptly and accurately;

2. Either maintain the records personally or monitor such record keeping by others;

3. Take steps to ensure that all requirements of this chapter concerning the receipt and expenditure of funds and the reporting of such funds are complied with;

4. Either prepare city ~~campaign~~supplemental statements and forms personally or review with care the city ~~campaign~~supplemental statements and forms and underlying records prepared by others;

5. Correct any inaccuracies or omissions in city ~~campaign~~supplemental statements and forms of which the treasurer knows, and cause to be checked and, if necessary, corrected, any information in city ~~campaign~~supplemental statements and forms which a person of reasonable prudence would question based on all the

surrounding circumstances of which the treasurer is aware or should be aware by reason of his or her duties under this chapter.

C. A candidate to comply with his or her duties with respect to the preparation of city ~~campaign~~supplemental statements and forms shall:

1. Ascertain whether the treasurer is exercising all reasonable diligence in the performance of his or her duties, including those duties specified under subsection (B);

2. Take whatever steps are necessary to replace the treasurer, or raise the ~~treasurer's~~treasurers performance to required standards, if the candidate knows or has reason to know that the treasurer is not exercising all reasonable diligence in the performance of his or her duties;

3. Review with care the city ~~campaign~~supplemental statements and forms prepared for filing by the treasurer;

4. Correct any inaccuracies and omissions in city ~~campaign~~supplemental statements and forms of which the candidate knows, and cause to be checked and, if necessary, corrected, any information in city ~~campaign~~supplemental statements and forms which a person of reasonable prudence would question based on all the surrounding circumstances of which the candidate is aware or should be aware by reason of his or her duties under this chapter; and

5. Perform with due care any other tasks assumed in connection with the raising, spending or recording of campaign funds insofar as such tasks relate to the accuracy of information entered on city ~~campaign~~supplemental statements~~.~~ and forms.

2.14.290 Duties of the city clerk with respect to ~~campaign~~city supplemental statements and forms.

A. It shall be the duty of the city clerk to determine whether required city ~~campaign~~supplemental statements and forms have been filed. In order to fulfill this duty, if the city clerk is aware that a candidate has an obligation to file a city ~~campaign~~supplemental statement or forms and has failed to do so, the city clerk shall notify the candidate of the obligation to file a city ~~campaign~~supplemental statement or form. In determining whether required documents have been filed, the city clerk shall not be required to conduct any investigation to determine whether or not a candidate has an obligation to file a city ~~campaign~~supplemental statement or form.

B. It shall be the duty of the city clerk to determine whether city ~~campaign~~supplemental statements and forms filed conform on their face with the requirements of this chapter. The city clerk, in determining whether city ~~campaign~~supplemental statements and forms conform on their face with the requirements of this chapter, shall not be required to seek or obtain information to verify entries on a city ~~campaign~~supplemental statement or form.

1. The city clerk, in determining whether city ~~campaign~~supplemental statements and forms conform on their face with the requirements of this chapter, shall review:

a. All statements and forms to determine whether they contain the full name, residential and business addresses and phone number of the candidate and the campaign treasurer;

b. All statements and forms to determine whether they have been signed, dated and verified by the candidate and the campaign treasurer;

c. All statements and forms to determine whether they are legible and printed in ink or typewritten so that reasonable reproductions can be made;

d. All statements and forms to determine whether beginning and closing dates for the statement or form which are prescribed by law are accurate;

e. All statements and forms to determine whether the following information is contained in the statement or form:

_____ (1) The total amount of contributions received during the period and the cumulative total amount of contributions;

_____

_____(2) The total amount of campaign expenditures made during the period and the cumulative total amount of campaign expenditures;

_____ (3) The total amount of contributions received from persons who have given one hundred dollars ($100.00) or more;

_____ (4) The total amount of contributions received from persons who have given less than one hundred dollars ($100.00);

_____ (5) The total amount of campaign expenditures of one hundred dollars ($100.00) or more;

_____ (6) The total amount of campaign expenditures under one hundred dollars ($100.00);

_____ (7)_ The total amount of accrued expenses of one hundred dollars ($100.00) or more;

_____ (8)_ The total amount of accrued expenses of less than one hundred dollars ($100.00);

_____ (9)_ The balance of cash and cash equivalents on hand at the beginning and end of the period;

_____ (10)_ For each person listed as contributor or lender of a cumulative amount of one hundred dollars ($100.00) or more, the complete name, address, occupation and employer, if any (or name of business, if described as self-employed), cumulative amount contributed, date and amount of contribution or loan;

_____ (11)_ For each recipient committee listed as a contributor or lender of a cumulative amount of one hundred dollars ($100.00) or more, in addition to the information specified in subsection (10) above, the identification number assigned to the committee by the secretary of state or the full name and address of the treasurer of the committee;

_____ (12)_ The following information must be provided for campaign expenditures of one hundred dollars ($100.00) or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement or form indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;

_____ (13)_ The following information must be provided for accrued expenses of one hundred dollars ($100.00) or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement or form indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;

_____ (14)_ For each committee listed as a recipient of a campaign expenditure of one hundred dollars ($100.00) or more, in addition to the information specified in subsection (10) above, the identification number assigned to the committee by the secretary of state or the full name and address of the treasurer of the committee; and

_____ (15)_ The information required by subsection (A) of Section 2.13.140.

f._ All statements and forms to determine whether there are no gross or readily apparent errors in arithmetic calculations.

C._ It shall be the duty of the city clerk to accept for filing any city ~~campaign statement~~supplemental statement or form which this chapter requires to be filed. In those cases where the city clerk discovers in his or her review of city ~~campaign statements~~supplemental statements and forms that a candidate has filed an incorrect, incomplete or illegible statement or form, or a statement or form which cannot be reproduced, he or she shall make reasonable efforts to notify the candidate of the error or omission. No notification is required in those cases in which the errors or omissions are minor ones which do not recur throughout the statement. An error or omission is minor if it does not result in omission of the amount of an individual contribution or expenditure. An error or omission in connection with the identification of a donor or intermediary is minor if such persons is identified by name and either street address, occupation, employer or principal place of business. An error or omission in connection with the identification of the recipient of an expenditure or person providing consideration for an expenditure is minor if such person is identified by name.

D._ Notwithstanding the provisions relating to minor errors or omissions set forth in subsection (C), a contribution of one hundred dollars ($100.00) or more shall not qualify for purposes of receiving funds from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.140 unless the candidate's city ~~campaign statement includes~~supplemental statements and forms include the following information with respect to each such contribution: the complete name, address, occupation, and employer, if any (or name of business, if self-employed), of the donor or intermediary.

2.14.300 Audits.

A._ The director of the Department of Finance or his or her authorized representative may make, or have made, investigations or audits with respect to any city ~~campaign~~supplemental statements and forms required by this chapter, or any campaign accounts for either city or non-city elective office maintained by any candidate, at any time between the last day for filing a nomination papers for a city office and one year following the date of the election in which a candidate is elected to that city office.

B._ Each candidate who receives money from the Campaign Reform Fund shall be subject to audit.

C._ Any candidate whose ~~campaign~~city supplemental statements and forms are subject to an investigation or audit by the director of the Department of Finance or authorized representative shall provide the director of the Department of Finance or authorized representative with all financial records, documents and any other

information or material requested by the director of the Department of Finance or authorized representative~~.~~

2.14.310 Operative date.

The provisions of this chapter shall apply to elections for the office of city council member commencing with city elections, if any, to be held in 2004. The provisions of this chapter shall apply to elections for the office of mayor commencing with city elections, if any, to be held in 2008.

2.14.320 Periodic review.

A. The expenditure limitations set forth in section 2.14.050 of Article III of this chapter shall be adjusted in ~~January~~the first quarter of every ~~even~~odd-numbered year ~~after 2004~~ to reflect any increase or decrease in the ~~Consumer Price Index~~ cost of living over the previous two-year period, as ~~reported~~shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U~~.S. Department of Commerce or its successor agency.~~). Such adjustments shall be rounded off to the nearest thousand dollars.

B. The matching public fund amounts set forth in section 2.14.140 of Article IV of this chapter shall be adjusted in ~~January~~the first quarter of every ~~even year after 2004 to levels~~odd year so that the maximum funds made available in a council race is equal to ~~one-half~~forty percent (40%) of the expenditure ~~levels~~limitations, as adjusted ~~pursuant to~~ under subsection (A~~)~~), above~~.~~, and the maximum funds made available in a mayoral race is equal to twenty percent (20%) of the expenditure limitations, as adjusted under subsection (A), above.

C. No later that March 1 of each odd-numbered year, the city clerk shall bring forth to the city council an ordinance amending the expenditure limitation amounts set forth in section 2.14.050 of Article III of this chapter and the matching public fund amounts set forth in section 2.14.140 of Article IV of this chapter to reflect the increase or decrease in the CPI-U pursuant to this section.

Article VII. Enforcement

2.14.330 Application of state laws.

Nothing in this article shall be deemed to exempt any person from complying with applicable provisions of any other laws of this state, including the contribution limitations contained within the California Political Reform Act (Government Code §§ 81000 et seq.).

2.14.340 Enforcement.

A. Except as provided otherwise in this article, any person who willfully or knowingly violates any provision of this chapter is guilty of a misdemeanor.

B. In addition to the penalties provided in subsection (A), if after election a candidate is convicted of a violation of any of the provisions of this chapter, the election to office of such candidate shall be void and such office shall become vacant immediately thereupon or on the date upon which the candidate, if he or she is not an incumbent, would otherwise take office, whichever occurs later. In such event, the vacancy shall be filled in accordance with the procedures set forth in the city charter for the filling of vacant city offices. If a candidate is convicted of a violation of this division at any time prior to election, his or her candidacy shall be terminated immediately and the candidate shall no longer be eligible for election. Any person convicted of a violation of this article shall be ineligible to hold city office for a period of five years from and after the date of conviction.

2.14.350 Injunctive relief.

Any candidate or other resident of the city may bring an action, at any time during an off-election year, an election year or thereafter, in a court of competent jurisdiction, to enjoin actual or threatened violations of, or to compel compliance with, or to obtain judicial declarations regarding, the provisions of this article.

2.14.360 Civil liability.

A. The city council may maintain on behalf of the city, or a candidate or other resident of the city may maintain on their own behalf, a civil action to recover personally from a candidate any contributions received by the candidate in excess of the contribution limitations established by this article, any contributions which a candidate fails or refuses to remit to the city clerk or return to the donor pursuant to Section 2.14.050, any campaign expenditures made in excess of the expenditure limitations established by Section 2.14.050, and any funds received by the candidate from the Campaign Reform Fund in violation of any provision of this article.

B. Any money recovered in any action maintained pursuant to this section shall be deposited in the Campaign Reform Fund.

C. The city council may maintain an action pursuant to this section only after the election in which a candidate is election to the city elective office for which the election is held. A candidate or other city resident may maintain an action pursuant to this section at any time during an off-election year, election year or thereafter.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTER 2.13 AND REPEALING SECTION 2.13.140 OF THE SACRAMENTO CITY CODE RELATING TO CAMPAIGN CONTRIBUTION LIMITATIONS

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO

SECTION 1. **Section 2.13.040 of the Sacramento City Code is amended as follows:**

A. The definition of "Campaign reform fund" set forth in section 2.13.040 is amended to read as follows:

"Campaign reform fund" means those funds in the campaign reform budget unit established pursuant to section 2.14.210.

B. The definition of "City campaign statement" set forth in section 2.13.040 is repealed.

C. The definition of "City supplemental post-election statement" is added to section 2.13.040 to read as follows:

"City supplemental post-election statement" means a statement filed under section 2.14.270 on a form prescribed by the city clerk and containing the information specified in section 84211 of the Political Reform Act, except as expressly waived by the city clerk, and any additional information as prescribed by the city clerk. The statement shall report information "per election to date."

D. The definition of "City supplemental pre-election statement" is added to section 2.13.040 to read as follows:

"City supplemental pre-election statement" means a statement filed under section 2.14.110 on a form prescribed by the city clerk and containing the information specified in section 84211 of the Political Reform Act, except as expressly waived by the city clerk, and any additional information as prescribed by the city clerk. The statement shall report information "per election to date.

E. The definition of "City supplemental statements and forms" is added to section 2.13.040 to read as follows:

"City supplemental statements and forms" means the supplemental pre-election and supplemental post-election statements that must be filed with the city clerk by certain candidates for city elective office under sections 2.14.110 and 2.14.270, the Statement of Organization Large Political Committee that must be filed with the city clerk under section 2.13.055, and the Public Financing Matching Funds Request that must be filed with the city clerk under section 2.14.180.

F. The definition of "Political Reform Act" or "Act" is added to section 2.13.040 to read as follows:

"Political Reform Act" or "Act" means the Political Reform Act of 1974, California Government Code section 81000 *et seq.*, as it may be amended from time to time.

G. The definition of "Regulations" is added to section 2.13.040 to read as follows:

"Regulations" means Title 2 (Political Reform) of the California Code of Regulations (section 18110 *et seq.*) as it may be amended from time to time.

H. The definition of "Statement of Organization Large Political Committee" is added to section 2.13.040 to read as follows:

"Statement of Organization Large Political Committee" means a form prescribed by the city clerk setting forth the name of the large political committee and the date of its formation, and certifying that the committee qualifies as a large political committee.

I. The definition of "Public Financing Matching Funds Request" is added to section 2.13.040 to read as follows:

"Public Financing Matching Funds Request" means a form prescribed by the city clerk containing the information determined by the city clerk and the director of the City's Department of Finance to be needed to enable the clerk and the director to determine the candidate's eligibility to receive matching funds.

J. Except as specifically amended in subsections A through and including I, above, all other provisions of section 2.13.040 shall remain unchanged and in full force and effect.

SECTION 2. Section 2.13.050 of the Sacramento City Code is amended to read as follows:

2.13.050 Contribution limitations.

A. Council Members.

Contributions to candidates for the office of city council member shall be subject to the following limitations in addition to the limitations established by Article 3 of

Chapter 5 of the Political Reform Act (Government Code Sections 85301--85307).

1. Contributions by Persons.

No person shall make, and no candidate for the office of city council member, or a controlled committee of said candidate, or person acting by or on behalf of said candidate or said candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that person to the candidate, or to the candidate's controlled committee, to exceed eight hundred dollars ($800.00) in any of the following periods: a primary election period, a general election period, or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

2. Contributions by Large Political Committees.

No large political committee shall make, and no candidate for the office of city council member, or a controlled committee of said controlled committee, or person acting by or on behalf of said candidate or said candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that large political committee to the candidate, or to the candidate's controlled committee, to exceed three thousand three hundred dollars ($3,300.00) in any of the following periods: a primary election period; a general election period; or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

B. Mayor.

Contributions to candidates for the office of mayor shall be subject to the following limitations in addition to the limitations established by Article 3 of Chapter 5 of the Political Reform Act (Government Code Sections 85300--85307).

1. Contributions by Persons.

No person shall make, and no candidate for the office of mayor, or a controlled committee of said candidate, or person acting by or on behalf of said candidate or said candidate's controlled committee, shall accept into the candidate's campaign contribution account, any contribution which would cause the total amount contributed by that person to the candidate, or to the candidate's controlled committee to exceed one thousand one hundred dollars ($1,100.00) in any of the following periods: a primary election period; a general election period; or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

2. Contributions by Large Political Committees.

No large political committee shall make, and no candidate for the office of mayor, or a controlled committee of said candidate or said candidate's controlled committee, or

person acting by or on behalf of said candidate or said candidate's controlled committee shall accept, any contribution which would cause the total amount contributed by that large political committee to the candidate, or to the candidate's controlled committee, to exceed five thousand five hundred dollars ($5,500.00) in any of the following periods: a primary election period; a general election period; or a special election period; provided that, to the extent the Political Reform Act establishes a lower limit for special elections, the lower limit shall apply.

C. Contributions by a Candidate to the Candidate's Campaign.

Nothing in subsections A and B of this section is intended to limit the amount that a candidate may contribute to his or her own campaign from his or her personal funds.

D. Contributions to Committees.

No person shall make to any committee which contributes to any candidate for city elective office or makes expenditures for or against any candidate for city elective office, and no such committee shall accept from any person a contribution or contributions totaling more than eight hundred dollars ($800.00) in a calendar year; and no large political committee shall make to any committee which contributes to any candidate for city elective office or makes expenditures for or against any candidate for city elective office, and no such committee shall accept from any large political committee a contribution or contributions totaling more than three thousand three hundred dollars ($3,300.00) in a calendar year. The provisions of this subsection D shall not apply to contributions to candidates and candidate-controlled committees, which shall be subject to the limits set forth in subsections A and B of this section.

E. Making and Acceptance of Contributions, Timing of Contributions and Contributions to Officeholders in Off-Election Years.

1. Making and Acceptance of Contributions.

For purposes of this chapter, a contribution shall have been considered to have been "made" and "accepted" as follows:

a. Monetary Contributions.

i. Making of Monetary Contributions.

For purposes of the contribution limitations of this chapter, a monetary contribution is made on the date the contribution is mailed, delivered, or otherwise transmitted to the candidate or a controlled committee. The date of the check or other negotiable instrument by which the contribution is made may be presumed by the candidate or controlled committee to be the date on which the contribution was mailed, delivered or otherwise transmitted, unless it is known to the candidate to be later than the date the contribution is mailed, delivered or otherwise transmitted, in which case the earlier date shall be considered the date on which the contribution is made.

ii. Acceptance of Monetary Contributions.

For purposes of the contribution limits of this chapter, a monetary contribution shall be deemed "accepted" on the date that it is made; provided that a monetary contribution shall not be considered accepted for purposes of this chapter if it is not cashed, negotiated or deposited, and, in addition, is returned to the donor within fourteen (14) days of receipt.

b. Nonmonetary Contributions.

i. Making of Nonmonetary Contributions.

A non-monetary contribution is made by the contributor on the earlier of the following dates: (i) the date that funds are expended by the contributor for goods or services if the specific expenditure is made at the request of the candidate or controlled committee; (ii) the date that the candidate or controlled committee or agent of the candidate or controlled committee obtains possession or control of the goods or services; or (iii) the date that the candidate or controlled committee otherwise receives the benefit of the expenditure.

ii. Acceptance of Nonmonetary Contributions.

A nonmonetary contribution is deemed accepted on the date that it is made by the contributor; provided, that a nonmonetary contribution shall be deemed not to have been accepted for purposes of this chapter if it is returned within fourteen (14) days of having been made by returning to the contributor any of the following: (i) the non-monetary contribution; (ii) its monetary equivalent; or (iii) the monetary amount by which the value of the non- monetary contribution exceeds the contribution limits of this chapter.

2. Timing of Contributions.

For purposes of this chapter, a contribution shall be deemed to be a contribution during a general election period only if it is made by the contributor on or after the first day of the month immediately following the month in which the primary election is held.

3. Contributions Made in Off-Election Years.

a. Contributions made to candidates for city elective office during an off-election year shall be attributed to, and shall be considered to have been made during, the primary election period, general election period or special election period for purposes of the contribution limits established by subsections A and B above.

i. Contributions to Officeholders in Off-Election Years.

Contributions to an incumbent mayor or an incumbent member of the city council

made in an off-election year shall be considered contributions for the election in which the incumbent acquired his or her office, unless the contributions are accepted and deposited into a new campaign contribution account for a future election to the same or different office.

ii. Contributions to Nonincumbent Candidates in Off-Election Years.

Contributions made during an off-election year to a nonincumbent candidate for a future city elective office for which a primary or special election will be held shall be considered contributions made during the primary or special election period unless the contributions are accepted and deposited into a campaign contribution account established for a prior election or an election for a different office.

SECTION 3. Section 2.13.055 of the Sacramento City Code is amended to read as follows:

2.13.055 Filing of Statement of Organization Large Political Committee prior to making contributions that exceed the contribution limits applied to persons.

Not less than seven (7) calendar days prior to making a contribution to a candidate in an amount that itself or in combination with other contributions previously made to the candidate exceeds the amount that a person may contribute to a candidate pursuant to sections 2.13.050 A (1) and 2.13.050 B (1), a large political committee shall file with the city clerk the following documents:

1. Statement of Organization Large Political Committee, and

2. A copy of the large political committee's most recent Statement of Organization Recipient Committee (California Form 410) filed pursuant to the Act and the Regulations.

SECTION 4. Section 2.13.065 of the Sacramento City Code is amended to read as follows:

2.13.065 Written solicitations by candidates.

Any candidate or controlled committee of a candidate making a written solicitation for a contribution to the candidate's campaign for city elective office shall include one of the following written notices in no less than ten-point type on each solicitation.

A. Candidate for City Council Position.

A candidate or controlled committee of a candidate for a city council position other than mayor shall provide the following written notice:

NOTICE

Chapter 2.13 of the Sacramento City Code limits the amounts that a contributor may give to a candidate for a City Council position for a primary, general or special election. Generally, a contributor other than a large political committee may not give more than $800 to a candidate for a City Council position for a primary, general or special election, while a large political committee may not give more than $3,300 to a candidate for City Council for a primary, general or special election. Chapter 2.13 contains certain other rules that may affect the amounts that an individual contributor may give. Please read Chapter 2.13 before making a contribution to my campaign.

B. Candidate for Mayoral Position.

A candidate or controlled committee of a candidate for mayor shall provide the following written notice:

NOTICE

Chapter 2.13 of the Sacramento City Code limits the amounts that a contributor may give to a candidate for Mayor for a primary, general or special election. Generally, a contributor other than a large committee may not give more than $1,100 to a candidate for Mayor for a primary, general or special election, while a large political committee may not give more than $5,500 to a candidate for Mayor for a primary, general or special election. Chapter 2.13 contains certain other rules that may affect the amounts that an individual contributor may give. Please read Chapter 2.13 before making a contribution to my campaign.

SECTION 5. Subsection (A) of Section 2.13.080 of the Sacramento City Code is amended to read as follows:

A. Aggregate Limits.

1. Except as provided in subsection (A)(2) below, the following aggregate off-election year contribution limits shall apply:

a. No councilmember or candidate for the city office of councilmember shall accept contributions totaling more than sixteen thousand four hundred and fifty dollars ($16,450.00) in any single off-election year.

b. No mayor or candidate for the city office of mayor shall accept contributions totaling more than thirty two thousand nine hundred dollars ($32,900.00) in any single off-election year.

2. Exception: contributions to pay off campaign debt.

Notwithstanding the limits set forth in subsection (A)(1) above, a contributor may

make, and a candidate or former candidate may accept, a contribution to pay off debts incurred for a primary or other election occurring prior to the date of the contribution, provided that the aggregate of contributions made to the candidate for one or more city offices does not exceed the contribution limits set forth in Section 2.13.050 above, and the contribution is properly reported on any required campaign statement filed under the Political Reform Act or the Regulations or any required city supplemental statement or form.

SECTION 6. Subsection (E) of Section 2.13.085 of the Sacramento City Code is amended to read as follows:

E. No person (other than the officer or candidate) shall make, and no legal expense fund committee for an elective city officer or candidate for elective city office shall solicit or accept, contributions from any person to a legal defense fund totaling more than eight hundred dollars ($800.00).

SECTION 7. Section 2.13.120 of the Sacramento City Code is amended to read as follows:

2.13.120 Periodic review.

The contribution limits set forth in this chapter shall be adjusted in the first quarter of every odd-numbered year to reflect any increase or decrease in the cost of living over the previous two-year period, as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U). Such adjustments shall be rounded off to the nearest fifty dollars. No later than March 1 of each odd-numbered year, the city clerk shall bring forth to the city council an ordinance amending the contribution limit amounts stated in this chapter to reflect the increase or decrease in the CPI-U pursuant to this section.

SECTION 8. Section 2.13.130 of the Sacramento City Code is amended to read as follows:

2.13.130 Filing of campaign statements; electronic format.

A. Whenever any elected city officer, candidate or committee is required to file California Form 460 under the Political Reform Act and Regulations with the city clerk, the information reported shall include information "per election to date."

B. Whenever any elected city officer, candidate or committee is required to file a campaign statement under the Political Reform Act or the Regulations with the city clerk, the elected officer, candidate or committee shall file at the same time a copy of the statement on a computer diskette or other electronic media, in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the elected city officer, candidate or committee shall file the statement in a format

suitable for electronic scanning. The provisions of this subsection B. shall apply only to persons or combinations of persons who qualify as a "committee' under section 82013 of the Political Reform Act.

SECTION 9. **Section 2.13.140 of the Sacramento City Code is repealed.**

SECTION 10. **Section 2.13.150 of the Sacramento City Code is amended to read as follows:**

2.13.150 Independent expenditures.

Any person or organization who makes independent expenditures of more than five thousand dollars ($5,000.00) in support of or in opposition to any candidate for city office shall notify the city clerk, the candidate who is the subject of the expenditure, and all other candidates of such expenditure or expenditures by mailgram, telegram, guaranteed overnight mail through the United States Postal Service or equivalent private delivery service, or personal delivery within twenty-four (24) hours. Such notification shall be made each time this threshold of five thousand dollars ($5,000.00) is met. For purposes of this section, expenditures made during the primary and general election periods shall be accumulated and notice shall be given each time the five thousand dollar ($5,000.00) threshold is reached, regardless of whether five thousand dollars ($5,000.00) is spent in a single election period.

ORDINANCE NO.

Adopted by the Sacramento City Council

Date Adopted

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTERS 2.14 OF THE SACRAMENTO CITY CODE RELATING TO CAMPAIGN SPENDING LIMITS AND PUBLIC CAMPAIGN FINANCING

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO

SECTION 1. **Section 2.14.050 of the Sacramento City Code is amended to read as follows:**

2.14.050 Spending limitations.

A. No candidate for the office of city council member who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100(A), and whose statement is not rescinded pursuant to Section 2.14.100(C), shall make campaign expenditures in an election for the office of city council member in excess of the following amounts:

1. Seventy-seven thousand dollars ($77,000.00) in a primary election period; and

2. Seventy-seven thousand dollars ($77,000.00) in a general or special election period.

B. No candidate for the office of mayor who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100 and whose statement is not rescinded pursuant to Section 2.14.100, shall make campaign expenditures in excess of the following amounts:

1. Five hundred and fourteen thousand dollars ($514,000.00) in a primary election period; and

2. Five hundred and fourteen thousand dollars ($514,000.00) in a general or special election period.

C. Although only candidates for city office who have filed a statement of acceptance of financing are subject to the expenditure limitations set forth in subsections (A) and (B) above, it is the intent of this section that such expenditure limitations apply to all candidates for the following purposes:

1. For purposes of determining when otherwise applicable expenditure limitations no longer apply to candidates who have filed a statement of acceptance; and

2. For purposes of determining when a candidate must provide the notification required by Section 2.14.100.

SECTION 2. Section 2.14.060 of the Sacramento City Code is amended to read as follows:

2.14.060 Expenditure ceilings lifted.

A. Subject to the city clerk's providing notice pursuant to subsection B., below, the voluntary expenditure ceiling shall be lifted as to any candidate running for a city elective office upon the occurrence of one of the following:

1. If another candidate for the same office declines to accept the voluntary expenditure ceilings and receives contributions, has cash on hand, or makes qualified campaign expenditures in excess of seventy-five percent (75%) of the recommended expenditure ceiling for that office; or

2. If an independent expenditure committee or committees in the aggregate spend more than fifty percent (50%) of the applicable recommended expenditure ceiling for that same office in support of or in opposition to any other candidate for that office.

B. Upon a determination that one or more of the events specified in subsection A, above, has occurred, the city clerk shall notify candidates of the occurrence of such event(s) and shall indicate those candidates for city elective office who are entitled to exceed the expenditure limits established by this chapter. The city clerk shall base his or her determination upon the information disclosed in the notification provided by a candidate under section 2.14.070 and/or upon the information disclosed on any city supplemental statement or form filed under this chapter or chapter 2.13 or any campaign statement filed under the Political Reform Act or the Regulations by candidates for city elective office or by committees making independent expenditures. No candidate who accepted the voluntary expenditure limits may exceed the expenditure limits except upon notice by the city clerk pursuant to this section.

C. Any candidate running for a city elective office for which the voluntary expenditure ceiling has been lifted who originally accepted the voluntary expenditure ceilings, who did not rescinded his or her statement of acceptance under section 2.14.100 C., and who qualified for matching funds as set forth in sections 2.14.100, 2.14.130 and 2.14.140, shall be permitted to continue receiving matching funds.

SECTION 3. Section 2.14.090 of the Sacramento City Code is amended to read as follows:

2.14.090 Contingency fee arrangements.

For purposes of the spending limits specified in this Article III, the amount of the maximum possible fee in a contingency fee arrangement that is entered into between a candidate and individual(s) retained to provide goods or services during the course of a campaign and that bases the contingency fee on the outcome of the election, shall be considered an expenditure.

SECTION 4. Section 2.14.110 of the Sacramento City Code is amended to read as follows:

2.14.110 City supplemental pre-election statement.

A. All candidates for city elective office shall file with the city clerk on the eighty-third (83rd) day prior to the election a city supplemental pre-election statement. The city supplemental pre-election statement required by this section shall include all information current up through five (5) days before the date of filing and shall report information "per election to date." Each candidate shall file at the same time a copy of the statement on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning.

B. This section shall apply only to persons who qualify as a "committee' under section 82013 of the Political Reform Act.

SECTION 5. Paragraph E. is added to section 2.14.130 of the Sacramento City Code to read as follows:

E. For purposes of determining whether a candidate has raised the minimum amount specified in subsection A.2. of this section, the provisions of section 2.13.060 and 2.13.090 relating to aggregation of contributions shall apply to the determination of the source of a contribution.

SECTION 6. Section 2.14.140 of the Sacramento City Code is amended to read as follows:

2.14.140 Formula for payment of city funds.

A candidate who is eligible to receive payments from the Campaign Reform Fund shall receive payments on the basis of the following formula: For a contribution or contributions totaling two hundred fifty dollars ($250.00) or less from a single source that is received within that period of time beginning on the 1st of January preceding the date of the primary election and running through to the end of that primary election period, or that period of time beginning on the first day of the general election period and running through to the end of that general election period, or that period of time beginning eighty-eight (88) days prior to the date of a special election and running through to the end of that special election period, a matching ratio of one dollar ($1.00) from the Campaign Reform Fund for each dollar received up to a maximum city match

of (1) thirty thousand eight hundred dollars ($30,800.00) per election period per candidate for the office of city council member, and (2) one hundred and two thousand eight hundred dollars ($102,800.00) per election period per candidate for the office of mayor. It is the intent of this section to provide a city match of two hundred fifty dollars ($250.00) even though the total contribution or contributions from a single source exceeds two hundred fifty dollars ($250.00). It is the further intent of this section that matching funds shall not be paid during the primary election period for contributions made earlier than the 1st of January preceding the date of the primary election; that matching funds shall not be paid during the general election period for contributions made prior to the first day of the general election period; and that matching funds shall not be paid during a special election period for contributions made earlier than eighty-eight (88) days prior to the date of the special election.

SECTION 7. Subsection (A) of Section 2.14.150 of the Sacramento City Code is amended as follows:

A. In order for contributions of less than one hundred dollars ($100.00) but more than fifty dollars ($50.00) to be eligible for a match from the Campaign Reform Fund, a candidate must provide the following information on the Public Financing Matching Funds Request filed in support of the request to match such contribution: the names and addresses of the donor and intermediary, the amount contributed, and the date of each such contribution. This reporting requirement shall also apply to any contribution of fifty dollars ($50.00) or less for which matching funds are requested where the cumulative contributions from the donor or intermediary total more than fifty dollars ($50.00) in any election period.

SECTION 8. Section 2.14.165 of the Sacramento City Code is amended to read as follows:

2.14.165 Limits on contributions of personal funds by a candidate.

Notwithstanding any other provisions of this code to the contrary, including but not limited to the provisions of Chapter 2.13, if a candidate has filed a statement of acceptance pursuant to Section 2.14.100, the cumulative total of contributions made by that candidate, the candidate's spouse and the candidate's dependent children to the candidate's campaign account shall not exceed thirty thousand dollars ($30,000.00) for a candidate for the office of mayor in a single election period, for a single election, or seven thousand five hundred dollars ($7,500.00) for a candidate for the office of city council member in a single election period, for a single election.

SECTION 9. Section 2.14.180 of the Sacramento City Code is amended to read as follows:

2.14.180 Procedure for payment of city funds.

A. Requests for payment of public matching funds may be filed pursuant to this section and shall be paid by the director of the city's Department of Finance

pursuant to this section upon a determination that the requirements of this section and this chapter have been satisfied.

B. Each request for public matching funds shall be made by filing with the city clerk the following documents:

1. A Public Financing Matching Funds Request;

2. A copy of the Public Financing Matching Funds Request on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning, and

3. Copies of each check, money order, or other written legal tender eligible to be matched by public funds.

The city clerk shall immediately transmit the Request and the accompanying documents to the director of the city's Department of Finance. The Public Financing Matching Funds Request required by this section shall be current through two calendar days before filing. Contributions made more than two calendar days prior to the preceding Public Financing Matching Funds Request filed under this section shall not be eligible for matching public funds.

C. A candidate or candidate's controlled committee certified as eligible to receive public matching funds may submit a Public Financing Matching Funds Request each time a threshold of ten thousand dollars ($10,000.00) or more in matchable private contributions is reached for mayoral candidates, and seven thousand five hundred dollars ($7,500.00) or more in matchable private contributions is reached for candidates for city council member.

D. In addition to requests for payment allowed by subsection C., above, a candidate or candidate's controlled committee may submit a Public Financing Matching Funds Request for one thousand dollars ($1,000.00) or more during the ten (10) calendar days preceding the election.

E. In addition to requests for payment allowed by subsections C. and D., above, after the date of an election, each candidate may submit one final request for payment from the Campaign Reform Fund. Such request shall be submitted within two (2) days after the last day of the election period. Requests for payment received by the city clerk after this date shall not be eligible for payment from the Campaign Reform Fund.

F. The director of the city's Department of Finance shall have ten (10) working days to approve or reject a request for payment of matching funds and disburse the public funds to the candidate or candidate's controlled committee. If the director of the city's Department of Finance is required to make a payment to a candidate on a day on which city offices are closed, payment shall be made on the next day that city offices are open.

SECTION 10. Subsection (B) of section 2.14.190 of the Sacramento City Code is

amended to read as follows:

B. Candidates who are eligible to receive funds from the Campaign Reform Fund, and whose campaign statement filed under the Political Reform Act or the Regulations or city supplemental statement or form discloses on its face that such candidate has exceeded the expenditure limitations set forth in Section 2.14.050, shall not be eligible for any further funds from the Campaign Reform Fund unless such expenditure took place after otherwise applicable expenditure limitations were waived for the candidate pursuant to Section 2.14.060.

SECTION 11. Section 2.14.260 of the Sacramento City Code is amended to read as follows:

2.14.260 City supplemental statements and forms.

All city supplemental statements and forms required to be filed with the city clerk pursuant to this chapter and chapter 2.13 shall be on a form prescribed by the city clerk and shall be signed under penalty of perjury.

SECTION 12. Section 2.14.270 of the Sacramento City Code is amended to read as follows:

2.14.270 City supplemental post-election statement.

A. Within five (5) days after the last day of an election period for city elective office, each candidate shall file with the city clerk a city supplemental post-election statement. The city supplemental post-election statement required by this section shall include all information current up through the last day of the election period and shall report information "per election to date." Each candidate shall file at the same time a copy of the statement on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning.

B. This section shall apply only to persons who qualify as a "committee' under section 82013 of the Political Reform Act.

SECTION13. Section 2.14.280 of the Sacramento City Code is amended to read as follows:

2.14.280 Duties of treasurers and candidates.

A. All city supplemental statements and forms filed under this chapter shall be signed under penalty of perjury and certified by both the candidate and the campaign treasurer. The certification shall state that the candidate and the campaign treasurer have used all reasonable diligence in preparing the city supplemental statements and forms, and that to the best of their knowledge it is true and complete.

B. A campaign treasurer to comply with his or her duties with respect to the preparation of city supplemental statements and forms shall:

1. Establish a system of record keeping sufficient to ensure that receipts and expenditures are recorded promptly and accurately;

2. Either maintain the records personally or monitor such record keeping by others;

3. Take steps to ensure that all requirements of this chapter concerning the receipt and expenditure of funds and the reporting of such funds are complied with;

4. Either prepare city supplemental statements and forms personally or review with care the city supplemental statements and forms and underlying records prepared by others;

5. Correct any inaccuracies or omissions in city supplemental statements and forms of which the treasurer knows, and cause to be checked and, if necessary, corrected, any information in city supplemental statements and forms which a person of reasonable prudence would question based on all the surrounding circumstances of which the treasurer is aware or should be aware by reason of his or her duties under this chapter.

C. A candidate to comply with his or her duties with respect to the preparation of city supplemental statements and forms shall:

1. Ascertain whether the treasurer is exercising all reasonable diligence in the performance of his or her duties, including those duties specified under subsection (B);

2. Take whatever steps are necessary to replace the treasurer, or raise the treasurers performance to required standards, if the candidate knows or has reason to know that the treasurer is not exercising all reasonable diligence in the performance of his or her duties;

3. Review with care the city supplemental statements and forms prepared for filing by the treasurer;

4. Correct any inaccuracies and omissions in city supplemental statements and forms of which the candidate knows, and cause to be checked and, if necessary, corrected, any information in city supplemental statements and forms which a person of reasonable prudence would question based on all the surrounding circumstances of which the candidate is aware or should be aware by reason of his or her duties under this chapter; and

5. Perform with due care any other tasks assumed in connection with the

raising, spending or recording of campaign funds insofar as such tasks relate to the accuracy of information entered on city supplemental statements and forms.

SECTION14. Section 2.14.290 of the Sacramento City Code is amended to read as follows:

2.14.290 Duties of the city clerk with respect to city supplemental statements and forms.

A. It shall be the duty of the city clerk to determine whether required city supplemental statements and forms have been filed. In order to fulfill this duty, if the city clerk is aware that a candidate has an obligation to file a city supplemental statement or forms and has failed to do so, the city clerk shall notify the candidate of the obligation to file a city supplemental statement or form. In determining whether required documents have been filed, the city clerk shall not be required to conduct any investigation to determine whether or not a candidate has an obligation to file a city supplemental statement or form.

B. It shall be the duty of the city clerk to determine whether city supplemental statements and forms filed conform on their face with the requirements of this chapter. The city clerk, in determining whether city supplemental statements and forms conform on their face with the requirements of this chapter, shall not be required to seek or obtain information to verify entries on a city supplemental statement or form.

1. The city clerk, in determining whether city supplemental statements and forms conform on their face with the requirements of this chapter, shall review:

a. All statements and forms to determine whether they contain the full name, residential and business addresses and phone number of the candidate and the campaign treasurer;

b. All statements and forms to determine whether they have been signed, dated and verified by the candidate and the campaign treasurer;

c. All statements and forms to determine whether they are legible and printed in ink or typewritten so that reasonable reproductions can be made;

d. All statements and forms to determine whether beginning and closing dates for the statement or form which are prescribed by law are accurate;

e. All statements and forms to determine whether the following information is contained in the statement or form:

(1) The total amount of contributions received during the period and the cumulative total amount of contributions;

(2) The total amount of campaign expenditures made during the period

and the cumulative total amount of campaign expenditures;

(3) The total amount of contributions received from persons who have given one hundred dollars ($100.00) or more;

(4) The total amount of contributions received from persons who have given less than one hundred dollars ($100.00);

(5) The total amount of campaign expenditures of one hundred dollars ($100.00) or more;

(6) The total amount of campaign expenditures under one hundred dollars ($100.00);

(7) The total amount of accrued expenses of one hundred dollars ($100.00) or more;

(8) The total amount of accrued expenses of less than one hundred dollars ($100.00);

(9) The balance of cash and cash equivalents on hand at the beginning and end of the period;

(10) For each person listed as contributor or lender of a cumulative amount of one hundred dollars ($100.00) or more, the complete name, address, occupation and employer, if any (or name of business, if described as self-employed), cumulative amount contributed, date and amount of contribution or loan;

(11) For each recipient committee listed as a contributor or lender of a cumulative amount of one hundred dollars ($100.00) or more, in addition to the information specified in subsection (10) above, the identification number assigned to the committee by the secretary of state or the full name and address of the treasurer of the committee;

(12) The following information must be provided for campaign expenditures of one hundred dollars ($100.00) or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement or form indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;

(13) The following information must be provided for accrued expenses of one hundred dollars ($100.00) or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement or form indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;

(14) For each committee listed as a recipient of a campaign expenditure of one hundred dollars ($100.00) or more, in addition to the information specified in subsection (10) above, the identification number assigned to the committee by the secretary of state or the full name and address of the treasurer of the committee; and

(15) The information required by subsection (A) of Section 2.13.140.

f. All statements and forms to determine whether there are no gross or readily apparent errors in arithmetic calculations.

C. It shall be the duty of the city clerk to accept for filing any city supplemental statement or form which this chapter requires to be filed. In those cases where the city clerk discovers in his or her review of city supplemental statements and forms that a candidate has filed an incorrect, incomplete or illegible statement or form, or a statement or form which cannot be reproduced, he or she shall make reasonable efforts to notify the candidate of the error or omission. No notification is required in those cases in which the errors or omissions are minor ones which do not recur throughout the statement. An error or omission is minor if it does not result in omission of the amount of an individual contribution or expenditure. An error or omission in connection with the identification of a donor or intermediary is minor if such persons is identified by name and either street address, occupation, employer or principal place of business. An error or omission in connection with the identification of the recipient of an expenditure or person providing consideration for an expenditure is minor if such person is identified by name.

D. Notwithstanding the provisions relating to minor errors or omissions set forth in subsection (C), a contribution of one hundred dollars ($100.00) or more shall not qualify for purposes of receiving funds from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.140 unless the candidate's city supplemental statements and forms include the following information with respect to each such contribution: the complete name, address, occupation, and employer, if any (or name of business, if self-employed), of the donor or intermediary.

<u>SECTION 15.</u> Section 2.14.300 of the Sacramento City Code is amended to read as follows:

2.14.300 Audits.

A. The director of the Department of Finance or his or her authorized representative may make, or have made, investigations or audits with respect to any city supplemental statements and forms required by this chapter, or any campaign accounts for either city or non-city elective office maintained by any candidate, at any time between the last day for filing a nomination papers for a city office and one year following the date of the election in which a candidate is elected to that city office.

B. Each candidate who receives money from the Campaign Reform Fund

shall be subject to audit.

C. Any candidate whose city supplemental statements and forms are subject to an investigation or audit by the director of the Department of Finance or authorized representative shall provide the director of the Department of Finance or authorized representative with all financial records, documents and any other information or material requested by the director of the Department of Finance or authorized representative

SECTION 16. Section 2.14.320 of the Sacramento City Code is amended to read as follows:

2.14.320 Periodic review.

A. The expenditure limitations set forth in section 2.14.050 of Article III of this chapter shall be adjusted in the first quarter of every odd-numbered year to reflect any increase or decrease in the cost of living over the previous two-year period, as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U). Such adjustments shall be rounded off to the nearest thousand dollars.

B. The matching public fund amounts set forth in section 2.14.140 of Article IV of this chapter shall be adjusted in the first quarter of every odd-numbered year so that the maximum funds made available in a council race is equal to forty percent (40%) of the expenditure limitations, as adjusted under subsection (A), above, and the maximum funds made available in a mayoral race is equal to twenty percent (20%) of the expenditure limitations, as adjusted under subsection (A), above.

C. No later that March 1 of each odd-numbered year, the city clerk shall bring forth to the city council an ordinance amending the expenditure limitation amounts set forth in section 2.14.050 of Article III of this chapter and the matching public fund amounts set forth in section 2.14.140 of Article IV of this chapter to reflect the increase or decrease in the CPI-U pursuant to this section.