



City of San Leandro Campaign Finance and Contribution Limits

San Leandro City Council

January 06, 2020

City Clerk's Office



Background



- On February 19, 2019, City Council directed staff to bring a discussion item to the Rules Committee on Campaign Finance and Contribution limits.
- Discussed at the April 11, July 11, and the October 10, 2019 Rules Committee Meetings.



Background (cont.)

- **October 10, 2019, Committee recommends the item return to City Council for further direction.**
 - **Should the Rules Committee continue to consider an ordinance establishing contribution limits for City Council elections?**
 - **If yes, should the contribution limit be voluntary or mandatory?**
 - **What should be the amount of the limit?**
 - **When should a potential ordinance go into effect?**



Fair Political Practices Commission (“FPPC”)

- Establishes and enforces rules regarding fundraising, donations and other aspects of running for state or local office in California.
- Currently only state office elections have a contribution limit.
- A jurisdiction can have a local ordinance regulating Campaign Finance and/or Contributions
- New Campaign Finance and Contribution limit Laws effective January 1, 2021



Topics Discussed

- Voluntary or Mandatory contribution limits
- What should the contribution limits be? Does self-funding count toward the limit?
- Potential Costs to the City
- Implementation
- Violations and fines
- Enforcement



Contributions

- Other questions
 - If a person owns multiple businesses, can they make contributions from each business?
 - Are Political Action Committees (PACs) treated differently or are they considered one person?
 - Should the limit be higher for someone campaigning as a candidate for Mayor, since they are at-large and cover all six districts?



Contributions (cont.)

- Other questions
 - Should the contribution cap apply for the elected term of office (4 years) or should it be 2 years since some incumbents run for different positions (ex. a seated council member running for mayor)?
 - When a candidate runs for a term in office for city council and succeeds, then decides to run for mayor, how are funds separated? If the candidate is not elected mayor, what happens to the balance of funds raised?



Potential Cost to the City

- Staff time required for monitoring and enforcing contribution limits.
- Ordinance structure/requirements are an unknown for accurate time estimate
 - ~ 1/2 - 1 hour per candidate per day during campaign periods
 - Variable on number of donations each candidate receives and ordinance structure
 - Enforcement cases may be time consuming



Potential Cost to the City (cont.)

- City Clerk's Office workload
- Higher Attorney workload and costs
- District Attorney may not agree to enforce - falling on the City Attorney and City Staff to prosecute violations
- Should there be a full cost analysis?



Implementation

- Will require additional processes, procedures, policies, election forms, campaign disclosures, programs, staffing resources, funding, etc.
- All contributions must meet standards (i.e. no anonymous contributions)
- All contributions must be reported



Enforcement

- If by City Clerk and City Attorney, additional resources will be necessary.
- For in-kind contributions, if a candidate forgets to self-report a contribution that goes over a contribution limit, would this be considered a violation?
- If a candidate were charged with a violation of a campaign contribution, what if they were not proven guilty?
- Should complaints be anonymous?





Enforcement (cont.)

Other enforcement options

- **Possibly FPPC**
 - **The City of Sacramento and San Bernardino County currently contract with FPPC for the following Campaign Law Enforcement Services:**
 - **Auditing**
 - **Enforcement**
 - **Advice, Education, and Training**
 - **Legal review**
- **FPPC bills hourly for service performed. However, there is a minimum \$55,000.00 minimum annual payment, regardless of the numbers of hours worked.**
- **It is currently unknown whether the FPPC would be willing to contract with San Leandro for enforcement of a City campaign finance ordinance. Especially in light of AB 571.**



Potential penalties for violations?

- Misdemeanor criminal charge; or
- Administrative Fines (other local jurisdictions range from \$500 up to \$5,000 or 3 time the unlawful contribution, whichever is greater)
- Could also include disqualification from running for any City office for a period of time (e.g. 4 years). This generally only applies for criminal violations of the ordinance.



Next Steps

After three meetings, the Rules Committee asks the City Council to provide direction before proceeding any further. Specifically, the Committee recommends the City Council provide direction on the following:

- Should the Rules Committee continue to consider an ordinance establishing contribution limits?
- If yes, should the contribution limit be voluntary or mandatory?
- What should be the amount of the contribution limit?
- Should a potential ordinance apply to the 2020 election cycle or the 2022 election cycle?

Should Council provide further direction to proceed, the Rules Committee will continue discussion of the item accordingly based on the Council's direction.

Questions

