Campaign Contribution Limitations

RECOMMENDATION:

Council provide direction to City Staff regarding the Draft Ordinance adopting campaign contribution limitations.

DISCUSSION:

I. BACKGROUND

Cities and counties throughout the State of California have adopted ordinances addressing campaign contribution limitations for candidates during the election season. Often times, these policies aim to protect the integrity of the electoral process since local government should serve the needs and respond to the wishes of all citizens equally, without regard to their wealth. And though monetary contributions to political campaigns are a legitimate form of participation in the political process, 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 and the passage or defeat of City ballot measures. Therefore, limitations on contributions of money, services and materials by individuals and especially groups or businesses to municipal election campaigns should be imposed 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.

II. PERMISSIBLE RESTRICTIONS

The City may not impose unreasonable contribution limitations since such limitations may in fact infringe on the contributor's ability to engage in free communication and association, and consequently, their First Amendment rights. With that said, limitations are legitimate tools to curb the appearance of impropriety associated with large campaign contributions and the City may regulate them to a certain degree.
These limitations are especially helpful in regulating contributions made by non-persons or “organization contributions.” There is a legitimate governmental interest in closely regulating the contributions made by organizations given the unique characteristics of corporate structure; particularly, a corporation’s easy access to larger sums of money and the high possibility that organizations may provide large contributions to candidates with expectations of future aid for their own interests. This concern appears to provide cities with the ability to treat organizations differently from individuals with respect to campaign finance regulations.

III. INITIATIVES AND REFERENDUMS

Unlike campaign contributions made by organizations, which the City has greater discretion to regulate, the City may not limit contributions to committees that support or oppose local initiatives, referendums, or other ballot box measures. Since campaign contributions in these efforts are not being used to support a particular candidate, the city’s interests in preserving government integrity does not outweigh the public’s right to control laws and regulations.

IV. ASSEMBLY BILL 1294

Assembly Bill 1294 (“AB 1294”), introduced by Assembly Members Mullin (D-19) and Leno (D-13), proposes to provide local jurisdictions the ability to use ranked voting systems to elect their representatives. Pertinent to the City of Atascadero, future elections for council members, for example, could be done through a ranked system if this legislation passes. It is important to note; however, that this legislation merely gives local agencies the option to use this system, but does not make it mandatory.

The bill also allows “Instant Runoff Voting” (“IRV”) for single-winner elections or “Choice Voting” (a ranked voting system similar to IRV) for multiple-winner elections. IRV is essentially a method that requires at least a majority of votes for a candidate to win. At present, only charter cities and counties may use the ranked system, though many general law cities and voters throughout the State of California have expressed interest in this method.

IRV also works to ensure that the winner of a single-winner election has the support of the majority of voters in any given election. Consequently, IRV eliminates the need for run-off elections and vote-splitting effects since the winner is, as the method is appropriately entitled, “instantly” chosen among the candidates with fewer votes.

V. OTHER JURISDICTIONS

Numerous other jurisdictions throughout the State of California have already adopted similar, sometimes more stringent, campaign finance laws and contribution limits. The City of Irvine’s limits, codified at Section 1-2-401 limit contributions to $300 from any person in any election cycle.
Newport Beach has also adopted election campaign contribution and expenditure controls and requires the filing of certain documents with the City Clerk. Newport Beach limits contributions to $500 from any person in any given election cycle (Codified in Chapters 1.25 and 1.30 of the Newport Beach Municipal Code).

The City of Concord’s limitations greatly exceed the others raising contribution limitations to $1,000 from any person in any given election cycle to a candidate and $1,500, if that amount comes from a political committee. (Concord Municipal Code section 26-31).

The City of San Diego is another example of a city capping campaign contributions. This city’s limit differs based on who is making the donation. For example, whether the source is a family member, political organization, or anonymous person, affects the maximum dollar contribution. (San Diego Municipal Code Chapter 2, Article 7, Division 29).

FISCAL IMPACT:

None.

ALTERNATIVES:

Provide direction to Staff.

ATTACHMENTS:

Attachment 1: Draft Ordinance Adopting Campaign Contribution Limitations