

ORDINANCE NUMBER 1592

**AN ORDINANCE OF THE CITY OF SEAL BEACH, CALIFORNIA
AMENDING TITLE 2 (ELECTIONS) OF THE SEAL BEACH
MUNICIPAL CODE TO IMPOSE A \$500 LIMIT ON CAMPAIGN
CONTRIBUTIONS**

THE CITY COUNCIL OF THE CITY OF SEAL BEACH DOES HEREBY ORDAIN
AS FOLLOWS:

SECTION 1. Chapter 2.10 (Campaign Reform) of the Seal Beach
Municipal Code is hereby amended to read as follows:

"Chapter 2.10 Campaign Reform

§ 2.10.005 State and Federal Law.

Unless otherwise provided in this Chapter 2.10, election campaigns shall
comply with applicable state and federal laws governing elections.

§ 2.10.010 Maximum Contribution Limit for City Candidate Elections

A. Purpose.

1. To eliminate the possibility of corruption or the appearance
of corruption in local elections, arising as a result of disproportionately large
political contributions, whether cash or in-kind, by adopting limits on the amount
of money any person may contribute or otherwise cause to be available to
candidates for the city council and those who support or oppose such
candidates;

2.. Pursuant to California Government Code Section 81013 and
Elections Code Section 10202, to impose contribution limits and other regulations
in addition to those imposed by state law, but that do not prevent any person
from complying with state law.

B. Definitions.

The following terms used in this section shall have the meanings set forth
below. Except as otherwise provided here, the terms and provisions of this
section shall have the meanings and shall be interpreted in accordance with the
applicable definitions and provisions of the Political Reform Act of 1974, as
amended (Government Code Section 81000, *et seq.*) and the regulations of the
California Fair Political Practices Commission, as amended.

1. "Candidate": any person who is a candidate for member of
the Seal Beach City Council, or any elective City officer whether or not such
officer is a candidate for reelection.

2. "Committee": any person or combination of persons who
directly or indirectly does any of the following in connection with supporting or
opposing a candidate or candidates for the City Council, or supporting, opposing
or attempting to qualify the recall of a member of the City Council:

(a) Receives contributions totaling \$500.00 or more in a
calendar year.

(b) Makes independent expenditures totaling \$1000.00 or
more in a calendar year.

(c) Makes contributions totaling \$1,000.00 or more in a calendar year.

A person or combination of persons that becomes a committee shall file statements of organization with the City Clerk within 48 hours of qualifying as a committee in the City and shall retain the status as a committee until such time as that status is terminated pursuant to Government Code Section 84214 or a successor statute.

3. "Contribution":

(a) A payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent that full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. An expenditure made at the behest of a candidate, committee or elected officer is a contribution to the candidate, committee or elected officer unless full and adequate consideration is received for making the expenditure. The term "contribution" includes (i) the purchase of tickets for events such as dinners, luncheons, rallies and similar fund-raising events; (ii) the granting of discounts or rebates not extended to the public generally or the granting of discounts or rebates by television and radio stations and newspapers not extended on an equal basis to all candidates for the same office; (iii) the payment of compensation by any person for the personal services or expenses of any other person if such services are rendered or expenses incurred on behalf of a candidate or committee without payment of full and adequate consideration; (iv) any transfer of anything of value received by a committee from another committee, unless full and adequate consideration is received; (v) a loan and any extension of credit in excess of thirty (30) days, except as provided below, which shall be considered a contribution from the maker of the loan, and shall be by written agreement, a copy of which agreement shall be filed with the candidate's or committee's campaign statement on which the loan is first reported.

(b) The term "contribution" does not include: (i) amounts received pursuant to an enforceable promise to the extent such amounts have been previously reported as a contribution. However, the fact that such amounts have been received shall be indicated in the appropriate campaign statement; (ii) a payment made by an occupant of a home or office for costs related to any meeting or fund-raising event held in the occupant's home or office if the costs for the meeting or fund-raising event are five hundred dollars (\$500.00) or less; (iii) volunteer personal services or payments made by any individual for his or her own travel expenses if such payments are made voluntarily without any understanding or agreement that they shall be, directly or indirectly, repaid to him or her; (iv) the proceeds of a loan made to a candidate by a commercial lending institution in the regular course of business on the same terms available to members of the public and which is secured or guaranteed, or a loan made under circumstances making it clear that the loan is not for political purposes; (v) an independent expenditure.

(c) A contribution shall not be considered to be received if it is not negotiated, deposited, or utilized, and in addition it is returned to the donor within fourteen (14) days of receipt.

4. "Controlled committee": a committee that is controlled directly or indirectly by a candidate or city measure proponent or that acts jointly with a candidate, controlled committee, or city measure proponent in connection with the making of expenditures. A candidate or city measure proponent controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee.

5. "Election": any general election, special election or recall election.

6. "Elective City Officer": any person who is a member of the City Council of the City of Seal Beach or any other elective City office; whether that person was appointed or elected to office.

7. "Person": an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, committee, company, corporation, limited liability corporation, association, and any other organization or group of persons acting in concert.

C. Contribution Limitations.

1. No person or committee shall make to any candidate, including the controlled committee of such candidate, a contribution in excess of five hundred dollars (\$500.00) either cash or in-kind, for any single election at which the candidate is attempting to be, or is, on the ballot. Such limit shall apply to contributions from the candidate's spouse. Additionally, no candidate or candidate's controlled committee shall solicit or accept any contribution that will cause the amount contributed by the contributor to the candidate or the candidate's controlled committee to exceed five hundred dollars (\$500.00) for any single election at which the candidate is attempting to be, or is, on the ballot.

2. The limitations of this section shall not apply to contributions of a candidate's personal funds to his or her controlled campaign committee on behalf of his or her own candidacy.

3. No person shall make a contribution in the name of another.

4. No person shall reimburse, pay in advance, or otherwise compensate another person for a contribution made.

5. No person shall knowingly solicit or accept a contribution in violation of this Section.

6. No person shall knowingly take any action with the intent of evading the contribution limits imposed by this section or concealing violations of this section.

7. Candidates with existing campaign accounts from a prior election for any office, whether local, state or federal, shall open a new account for the next City election in which they are or will be a candidate. No person, committee or candidate shall contribute more than five hundred dollars (\$500.00) from the prior campaign account into the new campaign account.

8. Any committee that makes contributions to support or oppose a candidate for City elective office or to support, oppose or qualify the recall of any member of the City Council shall do so only from a segregated committee account established for that specific purpose and from funds that are raised in compliance with the limits set forth in this section.

9. A candidate for city office or elective city officer shall have no more than one controlled campaign committee for election to city office. Such a committee shall have only one bank account out of which all qualified campaign expenses shall be made. This section does not prevent a candidate or elective city officer from establishing another committee solely for the purpose of running for a state, federal, county, special district or other office, or solely formed to support or oppose a ballot measure.

D. Violations - Penalty. Any person who violates this section shall be guilty of a misdemeanor, punishable as provided in Chapter 1.15 of this Code. In the event of a violation of Sections 2.10.010 C-1, C-3, C-4, C-5, C-7, C-8 or C-9 by a candidate or a candidate's controlled committee, the candidate shall be held

personally responsible for the violation. In the event of a violation by any non-candidate controlled committee, the committee treasurer shall be held responsible for the violation."

SECTION 2. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published in the manner prescribed by law.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Seal Beach at a regular meeting held on the 22nd day of March, 2010.

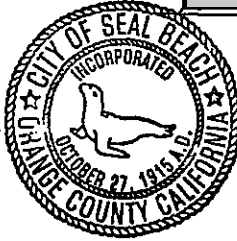
(c)(1)

Mayor

ATTEST:

(c)(1)

City Clerk



STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS
CITY OF SEAL BEACH }

I, Linda Devine, City Clerk of the City of Seal Beach, do hereby certify that the foregoing Ordinance was introduced for first reading at a regular meeting held on the 8th day of March, 2010 and was passed, approved and adopted by the City Council at a regular meeting held on the 22nd day of March, 2010 by the following vote:

(c)(1)

AYES: Council Members: _____
NOES: Council Members: None
ABSENT: Council Members: None
ABSTAIN: Council Members: None

And do hereby further certify that Ordinance Number 1592 has been published pursuant to the Seal Beach City Charter and Resolution Number 2836.

(c)(1)

City Clerk