

Chapter 1.30
CONTRIBUTIONS AND LOANS TO CITY CANDIDATE CAMPAIGNS

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1.30.010 Findings and purpose.

A. The city council hereby finds that preserving integrity and openness in the political process is a matter of the highest public interest; that the people of the city of Half Moon Bay can be better served through a more informed electorate; that the trust of the people is essential to representative government; and that regulation of certain campaign contributions and loans is necessary to promote public confidence in government and to protect the integrity of the electoral process.

B. The city council further finds that regulation of campaign contributions is required because the costs of running political campaigns have reached levels that lead to a public perception that special interests and wealthy individuals may have undue influence on or access to elected officials.

C. It is the policy of the city to promote and encourage broad-based citizen involvement in the financing of election campaigns.

D. The city council further finds that allowing candidates to lend unlimited amounts of their personal funds to their campaigns tends to undermine public confidence in the election process, because the public may perceive that candidates with large outstanding loans will seek contributors to repay their loan after the election, and may be predisposed to favor their post-election contributors.

E. Protecting public confidence in the political process requires adequate enforcement of the provisions of this chapter. (Ord. 2-05 §1(part), 2005).

1.30.020 Definitions.

As used in this chapter, the words and phrases shall be defined in the same manner as they are defined in the Political Reform Act of 1974 (including any amendments thereto) as found in California Government Code Sections 81000 et seq., unless defined otherwise in this section. For the purposes of this chapter, the terms below are defined as follows:

“Candidate” means any individual listed on the ballot for election to any city office, or who otherwise has taken affirmative action to seek election to city office, or who receives a contribution or makes an expenditure, or who gives his or her consent for any other person to receive a contribution or make an expenditure with the purpose of bringing about his or her election to any city office.

“Candidate” also means an officeholder in connection with a recall election relating to such officeholder.

“Candidate committee” means a committee that is controlled directly or indirectly by a candidate or that acts jointly with a candidate in connection with the making of expenditures.

“Contribution” means 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 full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. Except as provided herein, “contribution” includes an expenditure made at the behest of a candidate or candidate committee unless full and adequate consideration is received for making the expenditure. The term “contribution” does not include a payment made by the occupant of a home or business for costs related to any meeting or fund-raising event held in the occupant’s home or business; or volunteer personal or professional services or the donation of goods by any individual if the services or goods are donated without any understanding or agreement that they shall be directly or indirectly repaid to him or her.

“Individual” means a natural person and shall not include a partnership, corporation, association, firm, business entity, committee, club or other organization.

“Organization” means a partnership, corporation, association, firm, business entity, committee, including a political action committee, club, union or company. (Ord. 1-07 §1, 2007; Ord. 2-05 §1(part), 2005).

1.30.030 Limitations on contributions.

A. For any particular election, including a recall election, no individual or organization shall make, and no candidate, candidate committee treasurer or other person acting on behalf of a candidate committee shall solicit or accept from any individual or organization, any contribution which will cause the total amount contributed by such individual to exceed two hundred fifty dollars, or such

organization to exceed five hundred dollars.

1. The contributions of an organization whose contributions are directed and controlled by any individual shall be aggregated with contributions made by the individual and other organizations whose contributions are directed and controlled by the same individual.
2. If two or more organizations make contributions that are directed and controlled by a majority of the same persons, the contributions of those organizations shall be aggregated.
3. Contributions made by organizations that are majority owned by any person shall be aggregated with the contributions of all other organizations majority owned by that person, unless those organizations act independently in their decisions to make contributions. "Majority owned" means an ownership of more than fifty percent.

B. Any contribution or portion thereof that exceeds the limits in this section shall be returned to the contributor within seventy-two hours of receipt.

C. The limitations imposed by this section shall not apply to contribution of a candidate's personal funds to the candidate's own campaign, or to any loan which is personally guaranteed by the candidate or is secured by property owned by the candidate.

D. 1. The limitations imposed by this section shall not apply to contributions received for the purposes of defraying the costs of a recount, provided all of the following occur:

- a. The contributions are maintained in a separate bank account;
- b. The contributions are not used for any purpose not relating to a recount; and
- c. Once the recount is concluded, and all expenses associated with the recount have been discharged, the candidate disposes of any funds remaining by refunding recount contributors.

2. In addition to all other applicable reporting and disclosure requirements, candidates receiving funds to defray the costs of a recount shall file the following information with the city clerk no later than sixty days following conclusion of the recount:

- a. List of Contributions. The total amount of contributions to the refund account received, along with the full name of each person from whom a contribution or contributions has been received, together with the contributor's street address, occupation, and the name of the contributor's employer, if any, or the principal place of business if the contributor is self-employed, the amount of the contribution, and the date the contribution was received.
- b. Expenditures. A listing of all expenditures, including contributor refunds, made using

funds from the refund account. Each listing shall provide a brief description of the expenditure, the amount of the expenditure and the date the expenditure was made. If there are still outstanding expenses associated with the recount at the time the list of expenditures is submitted to the city clerk, the candidate shall include a brief description of each outstanding expense and the expected amount, if known, and the expected date by which the expenditure will be paid. No later than ten days following the final outstanding recount-related expenditure, the candidate shall file a final list of expenditures with the city clerk. (Ord. 2019-04 §1, 2019: Ord. 1-07 §2, 2007: Ord. 2-05 §1(part), 2005).

1.30.040 Candidate loans.

No candidate shall personally loan their campaign an amount the outstanding balance of which exceeds one thousand five hundred dollars at any given point in time. (Ord. 2019-04 §2, 2019: Ord. 2-05 §1(part), 2005).

1.30.050 Candidate campaigns only.

The provisions of this chapter apply to election campaigns for candidates only. The provisions of this chapter do not apply to any referendum or initiative election. (Ord. 2-05 §1(part), 2005).

1.30.060 Injunction, other court action.

In addition to all other remedies and penalties provided for violation of this chapter, the city attorney may bring suit in a court of competent jurisdiction to seek an injunction or other appropriate relief, to halt any violation of this chapter. Such action may include seeking a temporary restraining order or temporary injunction and other appropriate temporary relief. Nothing in this chapter shall be deemed to restrict a suit for damages on behalf of the city or on behalf of any other person or entity. The city attorney shall also bring any violations of this chapter to the attention of the district attorney and/or the Fair Political Practices Commission. (Ord. 2-05 §1(part), 2005).

1.30.070 Penalties.

A. Except as provided in subsection B of this section, the violation of any provision of this chapter shall constitute an infraction punishable by a fine not to exceed two hundred fifty dollars.

B. Any person who knowingly or wilfully violates the provisions of this chapter is guilty of a misdemeanor punishable by up to six months in jail, and/or a fine of up to the greater of ten thousand dollars or three times the amount the person unlawfully contributed or received. (Ord. 2-05 §1(part), 2005).

1.30.080 Post-election review.

No later than three months after the certification of the results of a city election at which a city council member is elected, the city clerk shall calendar for city council consideration a review of the provisions of this chapter. The purpose of such review is to allow the city council to consider the ongoing appropriateness of the provisions of this chapter, including but not limited to the amount

of the contribution and loan limits established in Sections 1.30.030 and 1.30.040 of this chapter.

Notwithstanding any other provision of this code, the city clerk's failure to calendar this review within the time period specified shall not subject the city clerk to any criminal or civil penalty. (Ord. 2-05 §1(part), 2005).

1.30.090 Severability.

Each section and provision of this chapter shall be considered severable and the invalidity of any section or provision of this chapter shall not affect the validity or enforceability of any other section or provision. (Ord. 2-05 §1(part), 2005).