

ORDINANCE NO. 2020-1

AN ORDINANCE OF THE CITY OF LAGUNA HILLS,  
CALIFORNIA, ADDING CHAPTER 1-40 TO TITLE 1  
(GENERAL PROVISIONS) OF THE LAGUNA HILLS  
MUNICIPAL CODE RELATING TO CAMPAIGN  
CONTRIBUTION LIMITS FOR ELECTIVE CITY OFFICE

THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA,  
HEREBY FINDS AND DETERMINES AS FOLLOWS:

WHEREAS, effective January 1, 2021, campaign contributions made to candidates running for elective office in the City of Laguna Hills ("City") will be subject to the new statutory default campaign contribution limits imposed by Assembly Bill 571 (currently set at \$4,700 per person per election), unless the City enacts its own local campaign contribution limit; and

WHEREAS, at the May 26, 2020 City Council meeting Mayor Pro Tempore Pezold brought forward for discussion a request to establish local campaign contribution limits in the City; and

WHEREAS, following Mayor Pro Tempore Pezold's PowerPoint presentation, review of campaign contribution limit ordinances enacted by surrounding jurisdictions, and discussion and deliberation, the City Council voted 4-1 (Mayor Heft opposed) to approve Mayor Pro Tem Pezold's Recommendation No. 2 listed in the Agenda Report, directing the City Attorney to prepare a proposed campaign contribution ordinance for City Council adoption by adapting the Laguna Woods sample campaign contribution ordinance for use in Laguna Hills, subject to changing the campaign contribution limit to \$1,000, and adding in the Government Code section 82047 definition of "Person".

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAGUNA HILLS, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Chapter 1.40 (Campaign Contribution Limits) is hereby added to Title 1 (General Provisions) of the Laguna Hills Municipal Code, which shall read as follows:

## Chapter 1.40

### CAMPAIGN CONTRIBUTION LIMITS

#### Sections:

- 1-40.010 Purpose and intent.
- 1-40.020 Relation to the Political Reform Act.
- 1-40.030 Definitions.
- 1-40.040 Single-election limit.

#### **1-40.010 Purpose and intent.**

The purpose and intent of this chapter is to prevent corruption and the appearance of corruption in City Council candidates' electoral campaigns that can arise where unlimited campaign contribution amounts may be made to candidates by a single source for election to the City Council, and to ensure an environment in the City of Laguna Hills wherein all City Council candidates are placed on an equal plane relative to the amount of campaign contributions received by them from a single source, and further to ensure that the amount contributed by any person does not materially influence the outcome of any election. In furtherance of that goal, a reasonable campaign contribution limitation is hereby enacted that is similar to those enacted by other communities that are similar to Laguna Hills. In those communities, such limitations have not inhibited city council candidates' ability to conduct meaningful and effective campaigns, but they have limited the appearance and incidents of corruption that have been experienced. To achieve this purpose, this chapter imposes a maximum limitation on the amount of campaign contributions which may be received by candidates from a single source for an elective city office campaign.

#### **1-40.020 Relation to the Political Reform Act.**

This chapter is intended to be a supplement to and in no way conflict with the Political Reform Act of 1974. Unless otherwise defined in this chapter, words and phrases shall have the same meaning herein as that given to them by the Political Reform Act of 1974, as the same may be, from time to time, amended.

#### **1-40.030 Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Contribution" means any payment made for political purposes for which full and adequate consideration is not made to the donor.

1. A contribution includes:

- a. Any goods or services received by or requested by a City Council candidate or their candidate controlled committee, at no charge or at a discount from the fair market value, unless the discount is given in the regular course of business to members of the public.
  - b. Cash.
  - c. A loan or an extension of credit for more than 30 days, other than loans from financial institutions given in the normal course of business.
2. Payment made for political purposes is a payment made:
- a. For the purpose of influencing or attempting to influence the action of the voters for or against the nomination or election of a City Council candidate; or
  - b. Received by or made at the request of a City Council candidate or their candidate controlled committee.
3. Payments for communications to members, employees, shareholders, or families of members, employees, or shareholders of an organization for the purpose of supporting or opposing a candidate or a ballot measure are not contributions, provided those payments are not made for general public advertising such as broadcasting, billboards, and newspaper advertisements.

“City Council candidate” means an individual who is listed on the ballot or who has qualified to have write-in votes on their behalf counted by election officials, for nomination for or election to the Laguna Hills City Council, or who receives a contribution or makes an expenditure or gives their consent for any other person to receive a contribution or make an expenditure with a view to bringing about their nomination or election to the Laguna Hills City Council, whether or not they have announced their candidacy or filed a declaration of candidacy at such time. The term “candidate” also includes any City Council member who is the subject of a recall election. An individual who becomes a candidate for the Laguna Hills City Council shall retain their status as a candidate until such time as that status is terminated pursuant to Government Code § 84214.

“Person” means any individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, political action committee, labor union, and any other organization or group of persons acting in concert.

**1-40.040 Single-election limit.**

No person shall make, and no City Council candidate or candidate controlled committee shall solicit or accept from any person, any contribution of more than \$1,000.00 in any single election. The provisions of this section shall not apply to a candidate's contribution of their personal funds, community property funds or domestic partnership funds to their own candidate controlled committee, but shall apply to separate property contributions from the candidate's spouse or domestic partner.

SECTION 2. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more section, subsection, subdivision, sentence, clause, phrase, or portion thereof be declared invalid or unconstitutional.

SECTION 3. The City Clerk shall certify to the adoption of this Ordinance and cause the same to be posted at the duly designated posting places within the City and published once within fifteen days after passage and adoption as may be required by law; or, in the alternative, the City Clerk may cause to be published a summary of this Ordinance and a certified copy of the text of this Ordinance shall be posted in the Office of the City Clerk five days prior to the date of adoption of this Ordinance; and, within fifteen days after adoption, the City Clerk shall cause to be published, the aforementioned summary and shall post a certified copy of this Ordinance, together with the vote for and against the same, in the Office of the City Clerk.

PASSED, APPROVED, AND ADOPTED this 14<sup>th</sup> day of July 2020.

  
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JANINE HEFT, MAYOR

ATTEST:

  
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MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF LAGUNA HILLS )

I, Melissa Au-Yeung, City Clerk of the City of Laguna Hills, California, DO HEREBY CERTIFY that the foregoing Ordinance No. 2020-1 was duly introduced and placed upon its first reading at a Regular Meeting of the City Council on the 23<sup>rd</sup> day of June 2020, and that thereafter, said Ordinance was duly adopted and passed at a Regular Meeting of the City Council held on the 14<sup>th</sup> day of July 2020, by the following vote, to wit:

AYES: Council Members Gilbert and Sedgwick, and Mayor Pro Tempore Pezold

NOES: Council Member Wheeler and Mayor Heft

ABSENT: None

ABSTAIN: None

(SEAL)

  
MELISSA AU-YEUNG, CITY CLERK

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF LAGUNA HILLS )

AFFIDAVIT OF POSTING  
AND PUBLICATION

MELISSA AU-YEUNG, being first duly sworn, deposes and says:

That she is the duly appointed and qualified City Clerk of the City of Laguna Hills;

That in compliance with State Laws of the State of California, ORDINANCE NO. 2020-1, being:

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on the 2<sup>nd</sup> day of July 2020, was published in summary in the Saddleback Valley News, and on the 23<sup>rd</sup> day of July 2020, was published in summary in the Saddleback Valley News; and was, in compliance with City Resolution No. 2004-05-25-2, by the 2<sup>nd</sup> day of July 2020, and the 23<sup>rd</sup> day of July 2020, caused to be posted in three places in the City of Laguna Hills, to wit:

Laguna Hills City Hall  
Laguna Hills Community Center  
La Paz Center

  
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MELISSA AU-YEUNG, CITY CLERK  
Laguna Hills, California