

ORDINANCE NO. 2005-071

Adopted by the Sacramento City Council

September 13, 2005

AN ORDINANCE AMENDING VARIOUS SECTIONS OF CHAPTERS 2.14 OF THE SACRAMENTO CITY CODE RELATING TO CAMPAIGN SPENDING LIMITS AND PUBLIC CAMPAIGN FINANCING

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO

SECTION 1. Section 2.14.050 of the Sacramento City Code is amended to read as follows:

2.14.050 Spending limitations.

A. No candidate for the office of city council member who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100(A), and whose statement is not rescinded pursuant to Section 2.14.100(C), shall make campaign expenditures in an election for the office of city council member in excess of the following amounts:

1. Seventy-seven thousand dollars (\$77,000.00) in a primary election period; and
2. Seventy-seven thousand dollars (\$77,000.00) in a general or special election period.

B. No candidate for the office of mayor who files a statement of acceptance of financing from the Campaign Reform Fund pursuant to Section 2.14.100 and whose statement is not rescinded pursuant to Section 2.14.100, shall make campaign expenditures in excess of the following amounts:

1. Five hundred and fourteen thousand dollars (\$514,000.00) in a primary election period; and
2. Five hundred and fourteen thousand dollars (\$514,000.00) in a general or special election period.

C. Although only candidates for city office who have filed a statement of acceptance of financing are subject to the expenditure limitations set forth in subsections (A) and (B) above, it is the intent of this section that such expenditure limitations apply to all candidates for the following purposes:

1. For purposes of determining when otherwise applicable expenditure limitations no longer apply to candidates who have filed a statement of acceptance; and

2. For purposes of determining when a candidate must provide the notification required by Section 2.14.100.

SECTION 2. Section 2.14.060 of the Sacramento City Code is amended to read as follows:

2.14.060 Expenditure ceilings lifted.

A. Subject to the city clerk's providing notice pursuant to subsection B., below, the voluntary expenditure ceiling shall be lifted as to any candidate running for a city elective office upon the occurrence of one of the following:

1. If another candidate for the same office declines to accept the voluntary expenditure ceilings and receives contributions, has cash on hand, or makes qualified campaign expenditures in excess of seventy-five percent (75%) of the recommended expenditure ceiling for that office; or

2. If an independent expenditure committee or committees in the aggregate spend more than fifty percent (50%) of the applicable recommended expenditure ceiling for that same office in support of or in opposition to any other candidate for that office.

B. Upon a determination that one or more of the events specified in subsection A, above, has occurred, the city clerk shall notify candidates of the occurrence of such event(s) and shall indicate those candidates for city elective office who are entitled to exceed the expenditure limits established by this chapter. The city clerk shall base his or her determination upon the information disclosed in the notification provided by a candidate under section 2.14.070 and/or upon the information disclosed on any city supplemental statement or form filed under this chapter or chapter 2.13 or any campaign statement filed under the Political Reform Act or the Regulations by candidates for city elective office or by committees making independent expenditures. No candidate who accepted the voluntary expenditure limits may exceed the expenditure limits except upon notice by the city clerk pursuant to this section.

C. Any candidate running for a city elective office for which the voluntary expenditure ceiling has been lifted who originally accepted the voluntary expenditure ceilings, who did not rescinded his or her statement of acceptance under section 2.14.100 C., and who qualified for matching funds as set forth in sections 2.14.100, 2.14.130 and 2.14.140, shall be permitted to continue receiving matching funds.

SECTION 3. Section 2.14.090 of the Sacramento City Code is amended to read as follows:

2.14.090 Contingency fee arrangements.

For purposes of the spending limits specified in this Article III, the amount of the maximum possible fee in a contingency fee arrangement that is entered into between a candidate and individual(s) retained to provide goods or services during the course of a campaign and that bases the contingency fee on the outcome of the election, shall be considered an expenditure.

SECTION 4. Section 2.14.110 of the Sacramento City Code is amended to read as follows:

2.14.110 City supplemental pre-election statement.

A. All candidates for city elective office shall file with the city clerk on the eighty-third (83rd) day prior to the election a city supplemental pre-election statement. The city supplemental pre-election statement required by this section shall include all information current up through five (5) days before the date of filing and shall report information "per election to date." Each candidate shall file at the same time a copy of the statement on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning.

B. This section shall apply only to persons who qualify as a "committee" under section 82013 of the Political Reform Act.

SECTION 5. Paragraph E. is added to section 2.14.130 of the Sacramento City Code to read as follows:

E. For purposes of determining whether a candidate has raised the minimum amount specified in subsection A.2. of this section, the provisions of section 2.13.060 and 2.13.090 relating to aggregation of contributions shall apply to the determination of the source of a contribution.

SECTION 6. Section 2.14.140 of the Sacramento City Code is amended to read as follows:

2.14.140 Formula for payment of city funds.

A candidate who is eligible to receive payments from the Campaign Reform Fund shall receive payments on the basis of the following formula: For a contribution or contributions totaling two hundred fifty dollars (\$250.00) or less from a single source that is received within that period of time beginning on the 1st of January preceding the date of the primary election and running through to the end of that primary election period, or that period of time beginning on the first day of the general election period and running through to the end of that general election period, or that period of time

beginning eighty-eight (88) days prior to the date of a special election and running through to the end of that special election period, a matching ratio of one dollar (\$1.00) from the Campaign Reform Fund for each dollar received up to a maximum city match of (1) thirty thousand eight hundred dollars (\$30,800.00) per election period per candidate for the office of city council member, and (2) one hundred and two thousand eight hundred dollars (\$102,800.00) per election period per candidate for the office of mayor. It is the intent of this section to provide a city match of two hundred fifty dollars (\$250.00) even though the total contribution or contributions from a single source exceeds two hundred fifty dollars (\$250.00). It is the further intent of this section that matching funds shall not be paid during the primary election period for contributions made earlier than the 1st of January preceding the date of the primary election; that matching funds shall not be paid during the general election period for contributions made prior to the first day of the general election period; and that matching funds shall not be paid during a special election period for contributions made earlier than eighty-eight (88) days prior to the date of the special election.

SECTION 7. Subsection (A) of Section 2.14.150 of the Sacramento City Code is amended as follows:

A. In order for contributions of less than one hundred dollars (\$100.00) but more than fifty dollars (\$50.00) to be eligible for a match from the Campaign Reform Fund, a candidate must provide the following information on the Public Financing Matching Funds Request filed in support of the request to match such contribution: the names and addresses of the donor and intermediary, the amount contributed, and the date of each such contribution. This reporting requirement shall also apply to any contribution of fifty dollars (\$50.00) or less for which matching funds are requested where the cumulative contributions from the donor or intermediary total more than fifty dollars (\$50.00) in any election period.

SECTION 8. Section 2.14.165 of the Sacramento City Code is amended to read as follows:

2.14.165 Limits on contributions of personal funds by a candidate.

Notwithstanding any other provisions of this code to the contrary, including but not limited to the provisions of Chapter 2.13, if a candidate has filed a statement of acceptance pursuant to Section 2.14.100, the cumulative total of contributions made by that candidate, the candidate's spouse and the candidate's dependent children to the candidate's campaign account shall not exceed thirty thousand dollars (\$30,000.00) for a candidate for the office of mayor in a single election period, for a single election, or seven thousand five hundred dollars (\$7,500.00) for a candidate for the office of city council member in a single election period, for a single election.

SECTION 9. Section 2.14.180 of the Sacramento City Code is amended to read as follows:

2.14.180 Procedure for payment of city funds.

A. Requests for payment of public matching funds may be filed pursuant to this section and shall be paid by the director of the city's Department of Finance pursuant to this section upon a determination that the requirements of this section and this chapter have been satisfied.

B. Each request for public matching funds shall be made by filing with the city clerk the following documents:

1. A Public Financing Matching Funds Request;

2. A copy of the Public Financing Matching Funds Request on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning, and

3. Copies of each check, money order, or other written legal tender eligible to be matched by public funds.

The city clerk shall immediately transmit the Request and the accompanying documents to the director of the city's Department of Finance. The Public Financing Matching Funds Request required by this section shall be current through two calendar days before filing. Contributions made more than two calendar days prior to the preceding Public Financing Matching Funds Request filed under this section shall not be eligible for matching public funds.

C. A candidate or candidate's controlled committee certified as eligible to receive public matching funds may submit a Public Financing Matching Funds Request each time a threshold of ten thousand dollars (\$10,000.00) or more in matchable private contributions is reached for mayoral candidates, and seven thousand five hundred dollars (\$7,500.00) or more in matchable private contributions is reached for candidates for city council member.

D. In addition to requests for payment allowed by subsection C., above, a candidate or candidate's controlled committee may submit a Public Financing Matching Funds Request for one thousand dollars (\$1,000.00) or more during the ten (10) calendar days preceding the election.

E. In addition to requests for payment allowed by subsections C. and D., above, after the date of an election, each candidate may submit one final request for payment from the Campaign Reform Fund. Such request shall be submitted within two (2) days after the last day of the election period. Requests for payment received by the city clerk after this date shall not be eligible for payment from the Campaign Reform Fund.

F. The director of the city's Department of Finance shall have ten (10) working days to approve or reject a request for payment of matching funds and disburse the public funds to the candidate or candidate's controlled committee. If the director of the city's Department of Finance is required to make a payment to a candidate on a day

on which city offices are closed, payment shall be made on the next day that city offices are open.

SECTION 10. Subsection (B) of section 2.14.190 of the Sacramento City Code is amended to read as follows:

B. Candidates who are eligible to receive funds from the Campaign Reform Fund, and whose campaign statement filed under the Political Reform Act or the Regulations or city supplemental statement or form discloses on its face that such candidate has exceeded the expenditure limitations set forth in Section 2.14.050, shall not be eligible for any further funds from the Campaign Reform Fund unless such expenditure took place after otherwise applicable expenditure limitations were waived for the candidate pursuant to Section 2.14.060.

SECTION 11. Section 2.14.260 of the Sacramento City Code is amended to read as follows:

2.14.260 City supplemental statements and forms.

All city supplemental statements and forms required to be filed with the city clerk pursuant to this chapter and chapter 2.13 shall be on a form prescribed by the city clerk and shall be signed under penalty of perjury.

SECTION 12. Section 2.14.270 of the Sacramento City Code is amended to read as follows:

2.14.270 City supplemental post-election statement.

A. Within five (5) days after the last day of an election period for city elective office, each candidate shall file with the city clerk a city supplemental post-election statement. The city supplemental post-election statement required by this section shall include all information current up through the last day of the election period and shall report information "per election to date." Each candidate shall file at the same time a copy of the statement on a computer diskette or other electronic media in a format prescribed by the city clerk, provided that the clerk has prescribed the format at least sixty (60) days before the statement is due. If no format has been prescribed in a timely manner, the candidate shall file the statement in a format suitable for electronic scanning.

B. This section shall apply only to persons who qualify as a "committee" under section 82013 of the Political Reform Act.

SECTION 13. Section 2.14.280 of the Sacramento City Code is amended to read as follows:

2.14.280 Duties of treasurers and candidates.

A. All city supplemental statements and forms filed under this chapter shall be signed under penalty of perjury and certified by both the candidate and the campaign treasurer. The certification shall state that the candidate and the campaign treasurer have used all reasonable diligence in preparing the city supplemental statements and forms, and that to the best of their knowledge it is true and complete.

B. A campaign treasurer to comply with his or her duties with respect to the preparation of city supplemental statements and forms shall:

1. Establish a system of record keeping sufficient to ensure that receipts and expenditures are recorded promptly and accurately;

2. Either maintain the records personally or monitor such record keeping by others;

3. Take steps to ensure that all requirements of this chapter concerning the receipt and expenditure of funds and the reporting of such funds are complied with;

4. Either prepare city supplemental statements and forms personally or review with care the city supplemental statements and forms and underlying records prepared by others;

5. Correct any inaccuracies or omissions in city supplemental statements and forms of which the treasurer knows, and cause to be checked and, if necessary, corrected, any information in city supplemental statements and forms which a person of reasonable prudence would question based on all the surrounding circumstances of which the treasurer is aware or should be aware by reason of his or her duties under this chapter.

C. A candidate to comply with his or her duties with respect to the preparation of city supplemental statements and forms shall:

1. Ascertain whether the treasurer is exercising all reasonable diligence in the performance of his or her duties, including those duties specified under subsection (B);

2. Take whatever steps are necessary to replace the treasurer, or raise the treasurer's performance to required standards, if the candidate knows or has reason to know that the treasurer is not exercising all reasonable diligence in the performance of his or her duties;

3. Review with care the city supplemental statements and forms prepared for filing by the treasurer;

4. Correct any inaccuracies and omissions in city supplemental statements and forms of which the candidate knows, and cause to be checked and, if necessary,

corrected, any information in city supplemental statements and forms which a person of reasonable prudence would question based on all the surrounding circumstances of which the candidate is aware or should be aware by reason of his or her duties under this chapter; and

5. Perform with due care any other tasks assumed in connection with the raising, spending or recording of campaign funds insofar as such tasks relate to the accuracy of information entered on city supplemental statements and forms.

SECTION 14. Section 2.14.290 of the Sacramento City Code is amended to read as follows:

2.14.290 Duties of the city clerk with respect to city supplemental statements and forms.

A. It shall be the duty of the city clerk to determine whether required city supplemental statements and forms have been filed. In order to fulfill this duty, if the city clerk is aware that a candidate has an obligation to file a city supplemental statement or forms and has failed to do so, the city clerk shall notify the candidate of the obligation to file a city supplemental statement or form. In determining whether required documents have been filed, the city clerk shall not be required to conduct any investigation to determine whether or not a candidate has an obligation to file a city supplemental statement or form.

B. It shall be the duty of the city clerk to determine whether city supplemental statements and forms filed conform on their face with the requirements of this chapter. The city clerk, in determining whether city supplemental statements and forms conform on their face with the requirements of this chapter, shall not be required to seek or obtain information to verify entries on a city supplemental statement or form.

1. The city clerk, in determining whether city supplemental statements and forms conform on their face with the requirements of this chapter, shall review:

a. All statements and forms to determine whether they contain the full name, residential and business addresses and phone number of the candidate and the campaign treasurer;

b. All statements and forms to determine whether they have been signed, dated and verified by the candidate and the campaign treasurer;

c. All statements and forms to determine whether they are legible and printed in ink or typewritten so that reasonable reproductions can be made;

d. All statements and forms to determine whether beginning and closing dates for the statement or form which are prescribed by law are accurate;

e. All statements and forms to determine whether the following information is contained in the statement or form:

(1) The total amount of contributions received during the period and the cumulative total amount of contributions;

(2) The total amount of campaign expenditures made during the period and the cumulative total amount of campaign expenditures;

(3) The total amount of contributions received from persons who have given one hundred dollars (\$100.00) or more;

(4) The total amount of contributions received from persons who have given less than one hundred dollars (\$100.00);

(5) The total amount of campaign expenditures of one hundred dollars (\$100.00) or more;

(6) The total amount of campaign expenditures under one hundred dollars (\$100.00);

(7) The total amount of accrued expenses of one hundred dollars (\$100.00) or more;

(8) The total amount of accrued expenses of less than one hundred dollars (\$100.00);

(9) The balance of cash and cash equivalents on hand at the beginning and end of the period;

(10) For each person listed as contributor or lender of a cumulative amount of one hundred dollars (\$100.00) or more, the complete name, address, occupation and employer, if any (or name of business, if described as self-employed), cumulative amount contributed, date and amount of contribution or loan;

(11) For each recipient committee listed as a contributor or lender of a cumulative amount of one hundred dollars (\$100.00) or more, in addition to the information specified in subsection (10) above, the identification number assigned to the committee by the secretary of state or the full name and address of the treasurer of the committee;

(12) The following information must be provided for campaign expenditures of one hundred dollars (\$100.00) or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement or form indicates a person other than the payee provided the consideration, the

complete name and address of the person providing the consideration;

(13) The following information must be provided for accrued expenses of one hundred dollars (\$100.00) or more during the period: the complete name of the payee, the address, the amount of each expenditure, a brief description of the consideration for which the campaign expenditure was made and, if the statement or form indicates a person other than the payee provided the consideration, the complete name and address of the person providing the consideration;

(14) For each committee listed as a recipient of a campaign expenditure of one hundred dollars (\$100.00) or more, in addition to the information specified in subsection (10) above, the identification number assigned to the committee by the secretary of state or the full name and address of the treasurer of the committee; and

(15) The information required by subsection (A) of Section 2.13.140.

f. All statements and forms to determine whether there are no gross or readily apparent errors in arithmetic calculations.

C. It shall be the duty of the city clerk to accept for filing any city supplemental statement or form which this chapter requires to be filed. In those cases where the city clerk discovers in his or her review of city supplemental statements and forms that a candidate has filed an incorrect, incomplete or illegible statement or form, or a statement or form which cannot be reproduced, he or she shall make reasonable efforts to notify the candidate of the error or omission. No notification is required in those cases in which the errors or omissions are minor ones which do not recur throughout the statement. An error or omission is minor if it does not result in omission of the amount of an individual contribution or expenditure. An error or omission in connection with the identification of a donor or intermediary is minor if such persons is identified by name and either street address, occupation, employer or principal place of business. An error or omission in connection with the identification of the recipient of an expenditure or person providing consideration for an expenditure is minor if such person is identified by name.

D. Notwithstanding the provisions relating to minor errors or omissions set forth in subsection (C), a contribution of one hundred dollars (\$100.00) or more shall not qualify for purposes of receiving funds from the Campaign Reform Fund pursuant to Sections 2.14.130 and 2.14.140 unless the candidate's city supplemental statements and forms include the following information with respect to each such contribution: the complete name, address, occupation, and employer, if any (or name of business, if self-employed), of the donor or intermediary.

SECTION 15. Section 2.14.300 of the Sacramento City Code is amended to read as follows:

2.14.300 Audits.

A. The director of the Department of Finance or his or her authorized representative may make, or have made, investigations or audits with respect to any city supplemental statements and forms required by this chapter, or any campaign accounts for either city or non-city elective office maintained by any candidate, at any time between the last day for filing a nomination papers for a city office and one year following the date of the election in which a candidate is elected to that city office.

B. Each candidate who receives money from the Campaign Reform Fund shall be subject to audit.

C. Any candidate whose city supplemental statements and forms are subject to an investigation or audit by the director of the Department of Finance or authorized representative shall provide the director of the Department of Finance or authorized representative with all financial records, documents and any other information or material requested by the director of the Department of Finance or authorized representative

SECTION 16. Section 2.14.320 of the Sacramento City Code is amended to read as follows:

2.14.320 Periodic review.

A. The expenditure limitations set forth in section 2.14.050 of Article III of this chapter shall be adjusted in the first quarter of every odd-numbered year to reflect any increase or decrease in the cost of living over the previous two-year period, as shown by the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U). Such adjustments shall be rounded off to the nearest thousand dollars.

B. The matching public fund amounts set forth in section 2.14.140 of Article IV of this chapter shall be adjusted in the first quarter of every odd-numbered year so that the maximum funds made available in a council race is equal to forty percent (40%) of the expenditure limitations, as adjusted under subsection (A), above, and the maximum funds made available in a mayoral race is equal to twenty percent (20%) of the expenditure limitations, as adjusted under subsection (A), above.

C. No later than March 1 of each odd-numbered year, the city clerk shall bring forth to the city council an ordinance amending the expenditure limitation amounts set forth in section 2.14.050 of Article III of this chapter and the matching public fund amounts set forth in section 2.14.140 of Article IV of this chapter to reflect the increase or decrease in the CPI-U pursuant to this section.

Adopted by the City of Sacramento City Council on September 13, 2005 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters and Mayor Fargo.

Noes: None

Abstain: None

Absent: None



Mayor Heather Fargo

Attest:



Shirley Concolino, City Clerk

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Effective October 13, 2005