

## ARTICLE 2. - CAMPAIGN CONTRIBUTION LIMITATIONS

## Sec. 2-8-11. - Name.

This division shall be known and may be cited as the "Laguna Niguel Campaign Contribution Limitation Ordinance."

(Ord. No. 94-71, § 1, 2-15-94)

## Sec. 2-8-12. - Purpose.

The purpose of this article is to ensure that the financial strength of individuals or organizations does not permit them to exercise a disproportionate or controlling influence on the election of members of the city council and the outcome of the vote on city ballot measures. To achieve this purpose this article is designed to reduce the influence of large contributions, by limiting the size of contributions and requiring additional disclosure of contributions, in order to ensure that individuals and interest groups continue to have a fair and equal opportunity to participate in elections for city council and on city ballot measures, and to maintain public trust in governmental institutions and the electoral process.

(Ord. No. 94-71, § 1, 2-15-94)

## Sec. 2-8-13. - Relation to the Political Reform Act of 1974.

This article is intended to supplement the Political Reform Act of 1974. Unless a term is specifically defined in this article or the contrary is stated or clearly appears from the context, words and phrases shall have the same meaning as when they are used in Title 9 of the California Government Code, in which the Political Reform Act of 1974 is codified, as the same may be, from time to time, amended.

(Ord. No. 94-71, § 1, 2-15-94)

## Sec. 2-8-14. - Definitions.

*City candidate* means any person who is a candidate for member of the city council of the city, or who is a member of the city council that is subject to a recall election.

(Ord. No. 94-71, § 1, 2-15-94; Ord. No. 99-113, § 1, 11-16-99)

## Sec. 2-8-15. - Contribution limitations.

- (a) No person or committee shall make to any city candidate or his controlled committee, and no such candidate or his controlled committee shall accept from any such person or committee, a contribution or contributions totaling more than \$1,000.00 for any city council election at which the candidate is on the ballot or a write-in candidate.
- (b) No person shall make to any city council member who is subject to a recall election or to a controlled

committee of such a council member, and no such council member or committee shall accept from any such person, a contribution or contributions totaling more than \$1,000.00 for the recall election.

- (c) The provisions of this section shall not apply to a candidate's contribution of his personal funds to his own campaign committee, but shall apply to contributions from a spouse's separate property.

(Ord. No. 94-71, § 1, 2-15-94; Ord. No. 99-113, § 1, 11-16-99; Ord. No. 2003-130, § 1, 6-3-03)

Sec. 2-8-16. - Aggregation of contributions.

- (a) All contributions made by a sponsored committee to a city candidate or to a city council member (or to a committee controlled by such a candidate or council member) shall be combined with those contributions made by the sponsor or sponsors of the committee, and the combined amount shall not exceed \$1,000.00 for any city election.
- (b) Two or more entities shall be treated as one person when any of the following circumstances apply:
- (1) The entities share the majority of members of their boards of directors.
  - (2) The entities share two or more officers.
  - (3) The entities are owned or controlled by the same majority shareholder or shareholders.
  - (4) The entities are in a parent-subsidary relationship.
- (c) An individual and any general or limited partnership in which the individual has a ten percent or more share, or an individual and any corporation in which the individual owns a controlling interest (50 percent or more), shall be treated as one person.
- (d) No committee which supports or opposes a candidate for city office shall have as a majority of its officers individuals who serve as the majority of officers on any other committee which supports or opposes the same candidate. No such committee shall act in concert with, or solicit or make contributions on behalf of, any other committee. This subdivision shall not apply to treasurers of committees if these treasurers do not participate in or control in any way a decision on whether the candidate or candidates receive contributions.
- (e) Contributions by a husband and wife shall be treated as separate contributions and shall not be aggregated.
- (f) Contributions by children under 18 years of age shall be treated as contributions by their parents and attributed proportionally to each parent (one-half to each parent or the total to a single custodial parent).

(Ord. No. 94-71, § 1, 2-15-94; Ord. No. 2003-130, § 1, 6-3-03)

Sec. 2-8-17. - Non-city elections.

Contributions made to a council member or a city candidate or a controlled committee of such persons during an election for a city council seat are not subject to the contribution limitations contained in sections 2-8-15, if those contributions are made to such a person or controlled committee in connection with the person's candidacy for

election to some office other than city council, the contributions are received and disbursed by a committee which is established solely for the purpose of supporting such candidacy, and the contributions are not used in support of the person's candidacy for election to the city council.

(Ord. No. 99-113, § 1, 11-16-99)

**Editor's note**— Ord. No. 99-113, § 1, adopted November 16, 1999, amended the Code by repealing former § 2-8-17, and adding a new § 2-8-17 to read as herein set out. Former § 2-8-17 pertained to election cycles, and derived from Ord. No. 94-71, adopted February 15, 1994.

Sec. 2-8-18. - Prohibition on Multiple Campaign Committees.

A city candidate or a city council member shall have no more than one campaign committee which shall have only one bank account out of which all qualified campaign and office holder expenses related to election to the city council shall be made. This section does not prevent a city candidate or a city councilmember from establishing another campaign committee, and bank account for that committee, solely for the purpose of running for any elective office other than city council, or for opposing his recall.

(Ord. No. 94-71, § 1, 2-15-94)

Sec. 2-8-19. - Loans to city candidates and city councilmembers and their controlled committees.

- (a) A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to the contribution limitations of this article.
- (b) Every loan to a city candidate or city council member or their controlled committees shall be by written agreement which shall be filed with the campaign statement on which the loan is first reported.
- (c) The proceeds of a loan made to a city candidate or city councilmember by a commercial lending institution in the regular course of business on the same terms available to members of the public shall not be subject to the contribution limitations of this article if the loan is made directly to the city candidate or city council member or his or her controlled committee. The guarantors of such a loan shall remain subject to the contribution limits of this article.
- (d) Extensions of credit (other than loans pursuant to section 2-8-20(c)) for a period of more than 30 days are subject to the contribution limitations of this article.
- (e) This section shall apply only to loans and extensions of credit used or intended for use for campaign purposes or which are otherwise connected with the holding of public office.

(Ord. No. 94-71, § 1, 2-15-94)

Sec. 2-8-20. - Campaign contribution disclosure.

- (a) In addition to the requirements contained in the Political Reform Act, city candidates and city councilmembers, their controlled committees, and any other committee that makes or receives contributions or makes independent expenditures in support of or in opposition to a city candidate or city measure shall comply with the following requirements.

- (1) Any contribution or contributions which are received from a person that total \$50.00 or more during the covered by a campaign statement, which is required to be filed by Chapter 4 of the Political Reform Act, : reported, at the same times, in the same manner, and on the same forms as disclosure of campaign con and expenditures is required by Chapter 4 of the Political Reform Act.
- (2) No person shall make to any city candidates or city councilmembers, or their controlled committees, or to any other committee that makes or receives contributions or makes independent expenditures in support of or in opposition to a city candidate or city measure, an anonymous contribution or contributions that total more than \$50.00 in a calendar year. Any anonymous contribution of more than \$50.00 shall not be kept by the intended recipient, but instead shall be promptly paid to the city treasurer for deposit in the city general fund.

(Ord. No. 94-71, § 1, 2-15-94)

Sec. 2-8-21. - Criminal misdemeanor actions.

Any person who willfully violates any provision of this article is guilty of a misdemeanor. Any person who willfully causes or solicits any other person to violate any provision of this article, or who aids and abets any other person in the violation of any provision of this article, shall be guilty of a misdemeanor.

(Ord. No. 94-71, § 1, 2-15-94)

Sec. 2-8-22. - Applicability of other laws.

Nothing in this article shall exempt any person from applicable provisions of any other laws of this jurisdiction or the State of California.

(Ord. No. 94-71, § 1, 2-15-94)

Sec. 2-8-23. - Interpretation of article.

This article should be liberally construed to accomplish its purposes.

(Ord. No. 94-71, § 1, 2-15-94)

Secs. 2-8-24—2-8-30. - Reserved.