

Chapter 1.25

MUNICIPAL ELECTION CAMPAIGN CONTRIBUTION AND EXPENDITURE CONTROL*

Sections:

- 1.25.010 Purpose and Findings.
- 1.25.015 Intent.
- 1.25.020 Definitions.
- 1.25.030 Campaign Contributions—Limitations.
- 1.25.040 Enforcement and Penalties.

* Prior ordinance history: Ords. 1515, 1541, 1580, 1636, 1790, 1835, 82-6, 84-11 and 87-48.

1.25.010 Purpose and Findings.

The City Council of the City of Newport Beach finds and declares as follows:

- A. The primary purpose of the ordinances codified in this chapter is to prevent corruption, or the appearance of corruption, which results from the real or imagined influence of large contributions on the conduct or actions of candidates elected to office.
- B. The limits on contributions to candidates and candidates' controlled committees imposed by this chapter will encourage candidates and their supporters to raise funds from a greater number of persons than would otherwise involve themselves in the political process.
- C. Contribution limits encourage persons to expend funds that would otherwise be contributed to candidates on direct political expression which will broaden the discussion and debate on issues of importance to the electorate.
- D. These contribution limits will not reduce the total amount of money potentially available, or used, to promote expression in the context of a political campaign, but will increase the amount of independent expenditures and encourage the dissemination of political expression through a wider variety of media sources.
- E. Local campaign contribution limits are municipal affairs and this chapter is authorized pursuant to the laws and Constitution of the State of California, as well as the Charter of the City of Newport Beach.
- F. The contribution limitations imposed by this chapter are consistent with the spirit, intent and letter of the Political Reform Act of 1974 (California Government Code Section 81000 et seq.). (Ord. 2023-22 § 38, 2023; Ord. 2019-19 § 1 (part), 2019; Ord. 2009-14 § 1 (part), 2009; Ord. 95-66 § 1 (part), 1995)

1.25.015 Intent.

The intent of this chapter is to impose limits on the amount of money that may be contributed to a candidate or candidate's controlled committee to achieve the purposes specified in Section 1.25.010. This chapter is not intended, and shall not be construed, to establish any reporting, filing, or procedural requirement in addition to, or different from, the Political Reform Act or the regulations adopted by the FPPC (2 CCR Section 18104 et seq.). (Ord. 2023-22 § 39, 2023; Ord. 2019-19 § 1 (part), 2019; Ord. 2009-14 § 1 (part), 2009; Ord. 95-66 § 1 (part), 1995)

1.25.020 Definitions.

The terms used in this chapter shall have the same definitions as specified in the Political Reform Act and FPPC regulations. In those cases where definitions in the Political Reform Act or FPPC regulations contain a specific reference to any State election, candidate, or electoral criteria, the definition shall be modified to reflect the municipal equivalent, or, in the absence of a municipal equivalent, to delete the specific reference. (Ord. 2019-19 § 1 (part), 2019; Ord. 2009-14 § 1 (part), 2009; Ord. 95-66 § 1 (part), 1995)

1.25.030 Campaign Contributions—Limitations.

- A. Contributions by Persons to Candidate or Candidate's Controlled Committee. No person shall knowingly and willfully contribute to a candidate and/or the candidate's controlled committee, with respect to any single election,

an amount that would cause the total contributed by such person to the candidate and the candidate's controlled committee, when combined, to exceed one thousand four hundred dollars (\$1,400.00).

B. Acceptance or Solicitation by Candidate or Candidate's Controlled Committee. No candidate or candidate's controlled committee shall knowingly and willfully solicit or accept any contribution from any person, which would cause the total amount contributed by such person, with respect to any single election, to the candidate and the candidate's controlled committee, when combined, to exceed the sum of one thousand four hundred dollars (\$1,400.00).

C. Adjustment for Cost-of-Living Changes. The campaign contribution limits, and contribution acceptance and solicitation limits, set forth in subsections (A) and (B) of this section shall be automatically adjusted in two-year intervals, beginning July 1, 2025. The time period for calculating the increase to the contribution limit shall be from March two years prior to an adjustment to March of the year of adjustment in accordance with Section 1.08.105. Adjustments made pursuant to this subsection shall be rounded to the nearest one hundred dollars (\$100.00), shall be announced by the City Clerk in June of the year an adjustment is to be made, and shall be effective July 1st.

D. Demand for Return of Excess Contributions. It shall not be a violation of subsection (A) of this section if the person: (1) first became aware the person violated the limitations set forth in subsection (A) of this section when the person received a return of the excess contribution(s) from the candidate or candidate's controlled committee; or (2) if the person demands, in writing, a return of the portion of any contribution(s) donated in excess of the limitations imposed by subsection (A) of this section within fourteen (14) days from the date the City provides written notice to the person of the alleged violation of subsection (A) of this section or the date the person discovers that the person's contribution(s) exceed the contribution limit set forth in subsection (A) of this section, whichever is sooner. A copy of the written notification by the person demanding the return of the portion of any contribution(s) donated in excess of the limitations imposed by subsection (A) of this section shall be provided via certified mail or courier delivery to the last known address of the candidate or the candidate's controlled committee. If the excess contributions were not returned by the candidate or candidate's controlled committee prior to sending the written demand, the person shall provide the City Clerk with a copy of the written demand, and proof of delivery thereof, within fourteen (14) days of the date the demand is made.

E. Return of Excess Contributions. It shall not be a violation of subsection (B) of this section if the candidate or candidate's controlled committee returns the portion of any contribution(s) donated in excess of the limitations imposed by subsection (B) of this section within fourteen (14) days from the date the City provides written notice to the candidate or candidate's controlled committee of the alleged violation of subsection (B) of this section or the date the candidate or candidate's controlled committee discovers that the contribution(s) exceed the contribution limit set forth in subsection (B) of this section, whichever is sooner. If the City notified the candidate or candidate's controlled committee that the contributions exceeded the limitations imposed by subsection (B) of this section, written notification showing the donor's name, the amount returned, and the date of the return shall be provided to the City Clerk within fourteen (14) days of the date of the return.

F. Contributions by Candidates. The provisions of subsections (A) and (B) of this section shall not apply to contributions from a candidate to his or her controlled committee nor to the expenditure, by the candidate, of his or her personal funds.

G. Contributions to Committees. Contributions made to any person or a committee, and not to a candidate or candidate's controlled committee, shall not be considered as contributions to the candidate or candidate's controlled committee, notwithstanding the fact that such person or committee supports the candidate or uses the contribution with a view to bring about the nomination or election of the candidate.

H. Anonymous Contributions. No candidate or candidate's controlled committee shall knowingly and willfully accept anonymous contributions, with respect to any single election, which would cause the total amount of anonymous contributions received by the candidate and the candidate's controlled committee, when combined, to exceed one hundred dollars (\$100.00). Subject to the provisions of State law, it shall not be a violation of this subsection if the candidate or candidate's controlled committee pays to the City, for deposit into the general fund to be used to defray the costs of municipal elections, the portion of any contributions accepted in excess of the limitations imposed by this subsection within fourteen (14) days from the date the City provides written notice to the candidate or candidate's controlled committee of the alleged violation of this subsection or within fourteen (14) days

of the date the candidate or candidate's controlled committee discovers the contribution(s) exceed the contribution limit set forth in this subsection, whichever is sooner.

I. Notice From the City. For purposes of this section, written notification by the City shall be by certified mail to the person to be notified at the person's last known address. Service by certified mail shall be deemed completed at the time of deposit with the post office.

J. City Clerk. If the City Clerk has a good faith belief that a person, candidate, or candidate's controlled committee has violated this section, the City Clerk shall refer the matter to the District Attorney.

K. Recall Elections.

1. The campaign contribution limits set forth in this section shall not apply to any Councilmember or Councilmember's controlled committee established to oppose the qualification of a recall measure and, if the qualification is successful, the recall election after the Councilmember receives a notice of intent to recall pursuant to California Election Code Section 11021.

2. The campaign contribution limits set forth in this section shall apply to any candidate running to replace the Councilmember in a recall election.

3. After the failure of a recall petition or after the recall election, any remaining funds received by the Councilmember or Councilmember's controlled committee established to oppose the qualification of a recall measure and, if the qualification is successful, the recall election, shall be treated as surplus funds and shall be expended within sixty (60) days after the failure of the recall petition or after the recall election for a purpose specified in California Election Code Section 89519(b). (Ord. 2023-22 § 40, 2023; Ord. 2019-19 § 1 (part), 2019; Ord. 2009-14 § 1 (part), 2009; Ord. 95-66 § 1 (part), 1995)

1.25.040 Enforcement and Penalties.

A. Any person who violates the provisions of Section 1.25.030 is guilty of a misdemeanor.

B. In addition to any criminal penalty, if, after a candidate is elected, the candidate is convicted of a misdemeanor for violating Section 1.25.030, the election to office of such candidate shall be void and the office shall become vacant as of the date of conviction or on the date upon which the candidate would otherwise take office, whichever occurs later. In such event, the vacancy shall be filled in accordance with the provisions of Section 403 of the City Charter. If a candidate is convicted of a misdemeanor for violating Section 1.25.030 at any time prior to the election of the candidate, the candidacy shall be terminated immediately and the candidate shall no longer be eligible for election. A plea of nolo contendere shall be deemed a conviction for purposes of this subsection.

C. For purposes of this chapter, the District Attorney of the County is the civil and criminal prosecutor. If after a candidate is convicted of a misdemeanor there is a need to bring an enforcement action pursuant to subsection (B) of this section and the District Attorney of the County refuses to bring the action, the City Council shall have authority to appoint a special counsel to act as the civil prosecutor to enforce the civil penalties provided for in subsection (B) of this section. (Ord. 2019-19 § 1 (part), 2019; Ord. 2009-14 § 1 (part), 2009; Ord. 95-66 § 1 (part), 1995)