

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
SUBJECT: COUNCIL ELECTION DEBT RETIREMENT ORDINANCES
STAFF PRESENTER: SUE STONEMAN, CITY CLERK

AGENDA ACTION: ORDINANCE

ISSUE(S)

Shall the City Council adopt an ordinance enacting a six-month deadline for the retirement of outstanding campaign debt and setting forth related reporting requirements?

COUNCIL GOALS/STRATEGIES

This item relates to the following goal and strategy:

“Develop a sustainable organization that is able to maintain high morale, productivity, and effectiveness in difficult times

- Continue efforts to build a more participatory, transparent, and responsible government.”

BACKGROUND

At the September 29, 2009 Regular Council Meeting, Mayor Gorin announced the appointment of a Council subcommittee comprised of Councilmembers Sawyer, Wysocky and herself, to draft a lobbyist registration ordinance and an independent campaign disclosure ordinance for Council consideration. Since that time, the subcommittee has met with the City Attorney and the City Clerk to prepare the attached ordinance for the Council’s consideration and is also bringing forward the attached ordinance relating to retirement of campaign debt and related reporting requirements.

The proposed ordinance requires candidates to retire all campaign related debts, including loans, within six months after the date of the election. This requirement does not apply to personal loans made by a candidate to a candidate controlled committee. It also prohibits forgiveness of any loan to a candidate made by anyone other than the candidate in excess of the applicable campaign contribution limit which has been established at \$500.00 per election period for City of Santa Rosa candidates.

The ordinance requires that any contributions received to retire debt from a prior election be reported in accordance with established reporting deadlines on the FPPC's Recipient Committee Campaign Statement Form 460. The election to which the contribution is being applied must be identified in the report, and in the event contributions exceed the amount of the debts, those excess campaign funds may be used in accordance with state law.

Failure of a candidate to comply with the requirements set forth in the ordinance may result in a penalty of \$1,000 per violation.

RECOMMENDATION

Adoption of an ordinance requiring for retirement of campaign debts within six months of the date of election is a matter of Council discretion.

Author: Sue Stoneman

Attachments:

Proposed ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA ROSA ADDING AND AMENDING PROVISIONS OF THE SANTA ROSA CITY CODE RELATING TO COUNCIL ELECTION OUTSTANDING DEBT RETIREMENT AND REPORTING

THE PEOPLE OF THE CITY OF SANTA ROSA DO ENACT AS FOLLOWS:

Section 1. Section 10-34.050 of the Santa Rosa City Code is amended to read as follows:

“10-34. 50 Deadline for Retirement of Outstanding Debt and Reporting Requirements.

(A) A candidate must retire all campaign related debts, including loans, within six months after the date of the election. This requirement shall not apply to loans made by the candidate to their candidate controlled committee.

(B) A campaign related debt, including any loan, which remains unpaid more than six months after the date of the election is deemed to have been a campaign contribution which was accepted at the time the debt was incurred.

(C) It is a violation of this section to forgive all or part of a loan or debt which is owed to the person by a candidate and which exceeds the applicable campaign contribution limits. Forgiveness of a loan or debt shall not be deemed to include the failure to collect the loan or debt where there have been substantial attempts, in good faith, to collect the monies owed and such efforts have proved unsuccessful. In such a case, a candidate is not exonerated from violations of this chapter if an outstanding loan or debt exceeds the contribution limits.

(D) Any City Council member or indebted former candidate, or any controlled committee of such officer or candidate, accepting any contribution(s) for the purpose of retiring outstanding debt from a prior City election and required by state law to report such contributions on Schedule A of Fair Political Practices Commission Form 460, or any successor form thereto, shall, at the time required for the reporting of such contributions on Schedule A and in addition to any other reporting requirements under state law, clearly designate in said Schedule A which contributions were received for the purpose of retiring outstanding debt and for which prior City election such contributions were received.

(E) Any contribution accepted for the purpose of retiring outstanding debt from a prior City election shall be applied to reduce or retire such outstanding debt in the same reporting period in which such contribution was accepted. The application of any contribution to retire outstanding debt from a prior City election (i.e. repayment of outstanding loans and payment of accrued expenses) shall be itemized and identified on the appropriate schedules and on the summary page of Form 460, or any successor form thereto, provided by the Fair Political Practices Commission.

If a City Council Member or indebted former candidate, or a controlled committee of any such officer or candidate, receives contributions for the purpose of retiring outstanding debt from a prior City election and the amount of the contributions exceeds the amount of the debts, the

excess funds may be used for any other campaign or officeholder expense consistent with state law requirements and shall not be subject to the aggregation requirements set forth in Section 10-34.070 in the election cycle in which the excess funds are expended.”

Section 2. The Council finds and declares that the purposes in adopting the provisions of this ordinance are to minimize the potential influence and the appearance of influence caused by large election campaign debts or obligations to third parties and to insure that individuals and interest groups in our city will continue to have a fair and equitable opportunity to participate in the elective process.

Section 3. This ordinance is enacted to provide for the health, safety and welfare of the residents of the City of Santa Rosa by requiring that unretired debt will be subject to disclosure and contribution limits if not retired. This ordinance is adopted pursuant to the authority granted the City and its Council under the Santa Rosa City Charter and Government Code section 81013.

Section 4. The provisions of this ordinance and Chapters 10-32, 10-33, and 10-34 of the Santa Rosa City Code shall be liberally construed to accomplish their purposes.

Section 5. Severability. If any section, subsection, sentence, clause, or word of this ordinance is for any reason held invalid by the decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance and, to this extent, the provisions of this ordinance are severable.

Section 6. Environmental Determination. The adoption and implementation of the provisions of this ordinance are not subject to the provisions of the California Environmental Quality Act in that the Council finds and determines there is no possibility that the adoption and implementation of the provisions of this ordinance could have a significant effect on the environment.

Section 7. Effective Date. This ordinance shall be effective on and after the 31st day following its adoption, provided, however, that the provisions of Santa Rosa City Code sections 10-34.030, 10-34.040 and 10-34.050 as they were in effect on the day prior to the effective date of this ordinance shall remain in effect and applicable to all City Council elections and City

ballot measure elections to which they applied and which were held prior to the effective date of this ordinance.

IN COUNCIL DULY PASSED AND ADOPTED this ____ day of _____, 2010.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____
City Clerk

APPROVED: _____
Mayor

APPROVED AS TO FORM:

City Attorney