



STAFF REPORT
3/10/2021

TO: Honorable Mayor and City Council Members

FROM: William B. Pattison, Jr., City Manager
Best Best & Krieger LLP, City Attorney

SUBJECT: Ordinance No. 1177 Establishing Campaign Contribution Limit for Local Candidates (AB 571)

RECOMMENDATION:

Pursuant to the request of Council Member Beaman Jacinto and Council Member Delgado: Introduce and waive first reading of Ordinance No. 1177, an Ordinance of the City Council of the City of Coachella, California, Adding Section 2.08.080 Establishing Campaign Contribution Limit for Elected Officials.

BACKGROUND:

Prior to 2021, Coachella did not have an established local campaign contribution limit. In other words, a person or entity could contribute any amount to a person running for local office in Coachella. However, with the adoption of Assembly Bill 571 ("AB 571"), the City's campaign contribution limit is now set, by default, at \$4,900, which represents the limit imposed on state assembly and senate candidates.

DISCUSSION/ANALYSIS:

As of January 1, 2021, AB 571 provides that candidates for City office are subject to the limit on contributions set for State offices, which is \$4,900 per individual per year. However, the bill further authorizes a city to impose a limitation that is different from the State limitation imposed by the bill.

Since the City did not adopt its own limit before January 1st, the \$4,900 limit applies to the City by default. That amount is adjusted by the Fair Political Practices Commission ("FPPC") in January of every odd-numbered year.

Prior to AB 571, cities already had the ability to adopt campaign contribution limits. The City of Coachella did not have any such regulations in place. Should the City enact contribution limits different from the State, the City holds the responsibility to enforce those limits. As stated above, should the City Council take no action, then the campaign contribution limit for local candidates will continue to be the State limit of \$4,900 per individual per year.

AB 571 does not place restrictions on small contributor committees or political party committees. The bill does extend contribution restrictions for elective local office regarding personal loans and for committees created to oppose recall measures. The bill allows a candidate for local office to carry over campaign expenditures in connection with a subsequent election for that same office, except in instances where a city and county has barred that practice in light of its own local contribution restrictions. The bill does not impact how much a local candidate may lend to their own campaign from their personal funds.

As noted above, the City may:

1. **Do Nothing.** Under this scenario, the \$4,900 statewide campaign contribution from one individual per calendar year would be imposed on those running for elective City office. The FPPC would take responsibility for enforcing the restriction. The City can later decide to enact its own limit.

2. **Set Its Own Limit – Whether Higher or Lower.** The City can adopt a limit that is different from the State limit, whether it be higher or lower. If the City adopts a limit, it would need to consider the cost of enforcement and how to pay such an expenditure within the budget. AB 571 does not permit the FPPC jurisdiction to enforce locally established campaign contribution limitations.

So far, Cathedral City and Palm Desert are the only Coachella Valley cities to adopt an ordinance in response to AB 571. Cathedral City set a contribution limit of up to \$2,500 from an individual person per election. This new limit applies to any person, company, corporation, or other entity making a contribution to a political candidate running for either City Council or city treasurer. Violations are punishable by a \$500 fine. The limit does not apply to a candidate spending his or her own personal funds towards a political campaign. Palm Desert and the City of Riverside have adopted ordinances allowing unlimited contributions. The County of Riverside has adopted a \$20,000 cap on individual contributions per year.

The aforementioned limits, and others, are summarized in the following chart:

City	Population	Contribution Limit
Bell Gardens	42,875	\$250
Cathedral City	55,826	\$2,500
Davis	66,757	\$100
Dublin	55,844	\$500
Encinitas	61,518	\$250
Fountain Valley	57,021	\$500
Gardena	60,414	\$500
Gilroy	53,000	\$750
Laguna Beach	22,749	\$440
Laguna Niguel	64,836	\$1,000
Newark	44,204	\$500
Newport Beach	85,326	\$1,200

Palm Desert	52,575	No limit
Petaluma	59,540	\$200
Poway	49,041	\$100
Riverside	336,285	No limit
San Luis Obispo	45,802	\$300
Santa Cruz	63,789	\$350
Watsonville	52,087	\$400
West Sacramento	51,272	\$250

FISCAL IMPACT:

If the City does not act, the \$4,900 limit will be enforced by the FPPC. If the City adopts its own limit, the cost of enforcing the limits would depend on the rigorousness of the enforcement program.

ATTACHMENTS:

- 1) Ordinance No. 1177
- 2) Text of AB 571