



REGULATIONS REGARDING CONTRIBUTIONS INFLUENCING SANTA CLARA CITY ELECTIONS

1.0 Findings and Purpose

The Santa Clara City Council has determined that campaign contributions and expenditures in municipal elections should be fully and truthfully disclosed in order that the voters may be fully informed about sources of contributions in support or opposition to city candidates or local ballot measures.

Ordinance No. 1979, adopted on May 15, 2018 and effective on June 14, 2018 adds a new Article X to Chapter 2.130 (entitled "Political Finance Reform Act") of the "Code of the City of Santa Clara." This Ordinance, also known as the "Dark Money" Ordinance is intended to shine light on the origin of financial support for and against local election candidates and measures.

2.0 Definitions

- 2.1 "Contributions" for purposes of this regulation means a payment made to an organization for purposes related to support of or opposition to candidates for City office and/or local ballot measures.
- 2.2 "Election Communication" relates to a political communication that advocates the election or defeat of a City candidate or ballot measure, or that urges a certain result in a City election. Examples of communications include mailings, telephone calls, radio, social media and/or television advertisements and any other form of communication designed to influence a significant number of potential city voters during an election cycle.
- 2.3 "Multipurpose Organization" means an organization described in Sections 501 (c)(3) to 501 (c)(10), inclusive, of the Internal Revenue Code that is exempt from Taxation under Section 501(a) of the Internal Revenue Code, a federal or out-of-state political organization, a trade association, a professional association, a civic organization, a religious organization, a fraternal society, an educational institution, or any other association or group of persons acting in concert, that is in operation for the purposes other than making contributions or expenditures. (California Government Code §84222)
- 2.4 "City Contractor" for the purposes of this regulation means an entity or individual doing business with the City for the performance of work or service to the City including, but not limited to the provision of goods, equipment, materials, supplies or professional services.

2.5 “Committee” as described on the Fair Political Practices Commission (FPPC) forms include: Candidates, Office holders and their Controlled Committees; Primarily formed Ballot Measure Committees; Primarily Formed Candidate/Officeholder Committees; and General Purpose Committees.

3.0 Campaign Disclosure Requirements – Organizations

3.1 All Contributions of One Hundred Dollars (\$100) or more to any organization, including but not limited to Multipurpose Organizations, that are intended to influence the outcome of a Santa Clara election for City Offices and/or Ballot Measures, must be reported in the same manner as campaign contributions are required to be reported under §2.130.280 of the Santa Clara Political Campaign Finance Reform Act. Contributions shall include expenditures made and intended for all election related purposes including election communications.

3.2 In the event that any Multipurpose Organization contributes One Hundred Dollars (\$100) or more to an entity that qualifies as a recipient committee under the California Government Code Section 84211, the source(s) of the contributions to the Multipurpose Organization shall be subject to the mandatory disclosure requirements of Article X of the Santa Clara Political Campaign Finance Reform Act.

4.0 Campaign Disclosure Requirements – City Contractors

4.1 The campaign disclosure Ordinance is a City law that must be complied with by all contracting parties to contracts of the City, the Santa Clara Stadium Authority, the Santa Clara Housing Authority, and the Sports and Open Space Authority. Each such contracting party must disclose contributions of One Hundred Dollars (\$100) or more intended to influence the outcome of a Santa Clara election for City Offices and/or Ballot Measures. This requirement includes contributions of One Hundred Dollars (\$100) or more by the contracting party or by an intermediary of the contracting party or by contribution of earmarked funds.

5.0 Filing Requirements

5.1 Section 2.130.260 of the Santa Clara Campaign Political Reform Act requires that campaign disclosure statements shall be submitted to the City Clerk, City of Santa Clara, on the filing dates determined by the California Fair Political Practices Commission (FPPC). During an election cycle, two pre-election reports are required to be filed with the respective affected agencies. In addition to the requirements of the State’s Political Reform act, the City requires that, seven calendar days before an election, all candidates shall submit to the City a third pre-election campaign

disclosure statement that covers the last date of the second pre-election statement to the date eleven (11) days prior to the election. This requirement also pertains to organizations, contractors and committees.

- 5.2 The Santa Clara Campaign Disclosure Form shall be completed and submitted by organizations/committees and City contractors that have received contributions from donors related to support or opposition to candidates for City office and/or local ballot measures. Santa Clara Campaign Disclosure Form must be completed listing the source(s) of the contribution and filed with the Santa Clara City Clerk within the determined filing dates.
- 5.3 Any organization and/or City contractor that has an existing filing obligation to the City or other entity does not have to submit The Santa Clara Campaign Disclosure Form. In the event the organization/committee and/or City contractor has received contributions of One Hundred Dollars (\$100) or more related to support or opposition to candidates for City office and/or local ballot measures and these contributions, and the identity of the source(s) of the contributions have already been reported and submitted to the designated filing agencies, only a copy of the applicable completed forms would need to be filed with the Santa Clara City Clerk within the determined reporting deadlines.

6.0 Enforcement

These regulations will be enforced under the existing enforcement provisions of Article VI of Chapter 2.130 of the Santa Clara City Code. The enforcement provisions include prosecution as an infraction or a misdemeanor; civil action for injunctive relief or for damages by any City resident that can include recovery of treble damages; cost of litigation including attorneys' fees; disqualification of an elected official who benefitted from the contribution from voting on a matter in which the contributor has a financial interest.

In addition, violation of these regulations by any contractor doing business with the City will be considered a material breach of contract and grounds for termination of the contract.