



DATE: March 22, 2016

CATEGORY: New Business

DEPT.: City Attorney's Office

TITLE: **Consideration of Local Campaign Disclosure and Reporting Regulations**

RECOMMENDATION

Provide direction to staff regarding potential enhancements to the disclosure and reporting requirements related to local campaigns.

BACKGROUND AND ANALYSIS

At Council's request, the City Attorney's Office prepared the attached memorandum to provide an overview of local campaign disclosure and reporting requirements. The request was generated in response to a mailer sent to Mountain View residents during the 2014 election by an independent expenditure committee endorsing candidates in the City Council election.

At the City Council meeting on February 23, 2016, the City Council requested an item be placed on the agenda to discuss the attached memorandum and whether to provide direction to staff to pursue any of the regulations or items described in the memorandum.

The Political Reform Act governs campaign finances. The City's ability to address independent expenditures is limited; it can enact an ordinance that provides for additional or different campaign finance requirements for committees active exclusively in Mountain View as long as those provisions are stricter than those in the Political Reform Act. For example, City Council could direct staff to prepare or implement any of the following to increase disclosure and/or reporting requirements:

1. Increased Disclosure Requirements:

The Council could consider whether to require both City and State committees to:

- (a) send the information it is required to report to the City to a local newspaper;
- (b) notify other candidates of independent expenditures and send a proof of service to the City Clerk; and/or
- (c) identify contributors of some amount lower than the \$50,000 threshold established by the Political Reform Act for advertisements and by communications such as campaign mailers.

2. Additional or Different Reporting Requirements: The Council could consider whether to require local candidates, committees controlled by local candidates, and committees created to support or oppose a local ballot measure to report independent expenditures made more than 90 days before the election.

3. Enact a contribution limit.

4. Require campaign mass mailings be sent to the City.

5. Implement electronic filing of campaign statements.

The first four items would require an ordinance. These measures may or may not address the concerns expressed by the Council. If Council is interested in pursuing any of these options, staff could prepare an agenda item in order for the Council to enact the regulation in time for the 2016 election cycle. Staff seeks direction from the Council whether to pursue any of the items listed above. Depending on the number of items, it is anticipated it would take between four to six weeks to return to Council and 20 to 40 hours of staff time to prepare an ordinance.

With the exception of the contribution limit, staff time to implement the potential regulations would be minimal and consist primarily of receiving and posting reports. A contribution limit would require a significant amount of the City Clerk's time during the active campaign season to review each contribution to ensure compliance with any contribution limit.

FISCAL IMPACT

To implement electronic filing of campaign statements, the City would contract with a vendor approved by the Secretary of State to provide such a service. A system costs approximately \$8,000 to \$10,000 annually and would require an appropriation.

ALTERNATIVES

1. Do not enhance the disclosure and reporting requirements related to local campaigns.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting and copy to the League of Women Voters.

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NCW/KB/3/CAM
012-03-22-16CR-E

Attachment: 1. Campaign Disclosures and Contributions Memorandum