

ORDINANCE NO. 629

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF CUDAHY ADDING CHAPTER 2.54 OF TITLE 2 OF
THE CUDAHY MUNICIPAL CODE ESTABLISHING CITY
CAMPAIGN ETHICS REGULATIONS**

WHEREAS, the City Council seeks to restore public trust in local government and the electoral process by preventing corruption or the appearance of corruption; and

WHEREAS, the City Council specifically desires to implement regulatory safeguards upon the giving and soliciting of campaign contributions for persons seeking to become elected officials of the City of Cudahy ("City") and those who are incumbent elected officials of the City; and

WHEREAS, the proposed regulations sought by the Council are intended to establish practices consistent with the City Council's commitment to conduct the public's business in accordance with high ethical standards and in a manner consistent with open government practices; and

WHEREAS, it is also recognized that the First Amendment affords broad protections for political expression, which includes the right to contribute to election campaigns; and

WHEREAS, it is also recognized that public policy strongly encourages the giving and receiving of campaign contributions, which must be balanced with regulating the conduct of public officials in order to circumvent scheming and impropriety; and

WHEREAS, in *Buckley v. Valeo*, the United States Supreme Court, nevertheless, held that cities may constitutionally impose limits on campaign contributions to local candidates and their controlled committees; and

WHEREAS, Elections Code section 10202 allows cities to enact municipal campaign contribution limits by resolution or ordinance; and

WHEREAS, Government Code section 81013 of the Political Reform Act (the "Act"), allows cities to impose additional requirements beyond the Act that do not prevent compliance with the Act; and

WHEREAS, Government Code section 85703(a) of the Act, authorizes cities to impose campaign contribution limits.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Title 2 (Administration and Personnel) of the Cudahy Municipal Code is hereby amended by the addition of the following Chapter 2.54 which shall read as follows:

CHAPTER 2.54 – CAMPAIGN ETHICS REGULATIONS

- Sec. 2.54.010 Definitions.
- Sec. 2.54.020 Campaign Contributions – Limitations
- Sec. 2.54.030 Prohibition Against Solicitation Contributions, Gifts, or Loans.
- Sec. 2.54.040 Prohibition Against Soliciting or Accepting Campaign Contributions for Three (3) Months After Approving a Permit or Decision.
- Sec. 2.54.050 Prohibition Against Solicitation of Contributions and Gifts.
- Sec. 2.54.060 Disclosure on the Record of Contributions.
- Sec. 2.54.070 Referral and Enforcement.
- Sec. 2.54.080 Statute of Limitations.

Sec. 2.54.010 Definitions.

For the purpose of this chapter, certain words and phrases are defined, and the definitions set forth as follows shall apply to the provisions of this chapter unless it is apparent from the context that a different meaning is necessarily intended.

"City Candidate" means any person who is a candidate for member of an elected City office or who is a member of a City office and who is the subject of a recall election.

"City Official" includes: (i) any elected or appointed City officeholder, including any City officeholder elected but not yet sworn in; (ii) City employees who are required to file a statement of economic interest pursuant to the California Political Reform Act, as amended; and (iii) any "public official" of the City as the term "public official" is defined under Government Code section 82048.

"Campaign Committee" means any "committee" within the meaning of Government Code section 82013, any "controlled committee" within the

meaning of Government Code section 82016, any "general purpose committee" within the meaning of Government Code section 82027.5, any "primarily formed committee" within the meaning of Government Code section 82047.5, any "sponsored committee" within the meaning of Government Code section 82048.7, political action committee, association of citizens, or any other organization or association formed for the purpose of promoting or opposing the election or reelection of a person to City elected office.

"Contribution" shall have the same meaning as set forth under Government Code section 82015.

"Gift" shall have the same meaning as set forth under Government Code section 82028.

"Loan" means the temporary transfer of money or goods for the personal use of an individual with the expectation that the money or goods will be returned.

"Person" means any natural person; any corporation of any variety; any limited liability company; any partnership of any variety; any sole proprietorship; any joint venture or like commercial venture or partnership; any trust; any independent contractor; or any organization or association of persons of any variety and formed for any purpose, including, but not limited to, any collective bargaining group or labor association.

Sec. 2.54.020 Campaign Contributions – Limitations

- A. No Person shall make to any City Candidate, or his or her Campaign Committee, and no such City Candidate or his or her Campaign Committee shall accept from any such Person, a contribution or contributions totaling more than One Thousand Dollars (\$1,000) for any City election.
- B. The provisions of this section shall not apply to a City Candidate's contribution of his or her personal funds to his or her own campaign,

Sec. 2.54.030 Prohibition Against Solicitation Contributions, Gifts, or Loans.

It shall be unlawful for any City Official to use his or her office or position, or exercise the power or authority of his or her office or position, in any manner intended by the City Official to induce or coerce any of the following entities to make a Contribution, Gift or Loan to the City Official or to any Campaign Committee controlled by the City Official: (a) any Person currently under contract with the City to provide any service, goods, or

equipment to the City in exchange for compensation paid by the City; (b) any Person who has a proposal or bid pending before the City for the award of a contract to provide the City with any service, goods, or equipment in exchange for compensation paid by the City; (c) any Person who has just been awarded a contract to provide the City with any service, goods, or equipment but has yet to execute a contract for the same; (d) any Person who is a party to any municipal franchise agreement with the City (e.g., to provide solid waste handling services, transportation services, and the like); (e) any Person who has a proposal or bid pending before the City for the award of any municipal franchise or any Person who has been awarded a municipal franchise but has yet to execute a franchise agreement with the City; (f) any employee of the City or any person employed by a public agency under contract with the City to provide a municipal service within the City; (g) any Person directly responsible for representing any represented or unrepresented employee or group of employees of the City in negotiations with the City regarding hourly wages, salaries, benefits (including pension benefits, retirement benefits, medical benefits, and other benefits or perks provided by the City in lieu of wages or salaries), and other workplace conditions; or (h) any Person directly responsible for representing any represented or unrepresented employee or group of employees employed by a public agency under contract with the City to provide a municipal service within the City.

Sec. 2.54.040. Prohibition Against Soliciting or Accepting Campaign Contributions for Three (3) Months After Approving a Permit or Decision.

- A. No City Official or Campaign Committee controlled by the City Official shall solicit or accept any Contribution, Gift, or Loan in excess of Two Hundred Fifty Dollars (\$250) or any aggregation of multiple Contributions, Gifts, or Loans that exceeds Two Hundred Fifty (\$250) from any single Person for a period of three months (3) months following the date final action is taken in any of the following varieties of matters in which the City Official participated in the deliberation and/or vote of the City Council or during the time such matters are pending: (i) any proceeding to approve or deny a license, permit, or land use entitlement in which the contributor, gift giver, or lender was the applicant or a natural person with an ownership interest in the applicant or is the owner of the real property parcel for which the license, permit, or land use entitlement corresponds; (ii) any proceeding to award a contract to provide services, goods, or equipment to the City in exchange for compensation paid by the City wherein the contributor, gift giver, or lender was the Person awarded the contract or has an ownership interest in the Person awarded the contract or wherein the entity

awarded the contract is a subsidiary entity owned or otherwise controlled by the contributor, gift giver, or lender; (iii) any proceeding to award a municipal franchise agreement wherein the contributor, gift giver or lender was the Person awarded the franchise or has an ownership interest in the franchisee or wherein the entity awarded the franchise is a subsidiary entity owned or otherwise controlled by the contributor, gift giver, or lender; (iv) any proceeding to approve a collective bargaining agreement or employment agreement in which the Person making the contribution or loan represents the represented or unrepresented employee(s) covered under the collective bargaining agreement or employment agreement; and (v) any proceeding to take action on the approval, renewal, or termination of an agreement in which another public agency will provide a municipal service to the City wherein the Person making the contribution, gift, or loan is the collective bargaining representative of the employees who will perform the municipal service on behalf of the public agency.

- B. For purposes of this section, a City Official participates in a proceeding if he or she is counted as part of the quorum when a matter is deliberated and/or acted upon. Persons who abstain on a matter but remain on the dais shall still be considered part of the quorum. Only recusal and departure from the City Council chambers while the matter is being decided upon shall constitute non-participation. Absence from a meeting in which the subject matter was decided and deliberated upon shall also qualify as non-participation.
- C. For purposes of this section, members of the public, other than the applicant, the contractor, or direct recipient of an approval, who express an opinion to the City Council through direct public comment, through testimony at a public hearing, or in writing shall not be affected by this section.
- D. A City Official who accepts a Contribution, Gift, or Loan in violation of this section shall have thirty (30) calendar days from the date he or she is provided with written notice of the violation by the City Manager to return the Contribution, Gift, or Loan in full, and, if such Contribution, Gift, or Loan is returned within such 30-day period, no violation shall be deemed to have occurred.

Sec. 2.54.050 Prohibition Against Solicitation of Contributions and Gifts.

- A. It is unlawful for any City Official or any Campaign Committee controlled by the City Official to demand or otherwise solicit a Contribution or Gift from a City employee with knowledge that the

person from whom the Contribution or Gift is solicited is a City employee.

- B. It is unlawful for any candidate for City elective office or any Campaign Committee controlled by the candidate or formed for the purpose of promoting or supporting the candidate's candidacy for City elected office to demand or otherwise solicit a Contribution or Gift from a City employee with knowledge that the person from whom the Contribution or Gift is solicited is a City employee.
- C. Notwithstanding subsections A and B, this section shall not prohibit a City Official or candidate for City elective office or any Campaign Committee controlled by such individuals from soliciting Contributions from City employees in instances where the City employee has voluntarily requested to be placed on a solicitation list or where the solicitation takes the form of a blanket solicitation made to the general public (e.g., the mass mailing, door-to-door distribution or electronic mail distribution of campaign materials which may include requests for contributions to City residents or to City residents with a particular party affiliation).
- D. Nothing in this section shall prohibit a City employee from making an unsolicited, voluntary Contribution to a City Official or candidate for City elective office, and nothing in this section shall prohibit a City Official or candidate for City elective office from accepting an unsolicited, voluntary Contribution from a City employee.

Sec.2.54.060 Disclosure on the Record of Contributions.

Prior to rendering any decision in a proceeding involving the award, to a Person, of a contract to provide services, goods, or equipment to the City or the award, to a Person, of a municipal franchise agreement, each City Official participating in such proceeding, who received a contribution in the amount of fifty (50) dollars or greater from such Person, shall disclose verbally on the record the amount of contributions received from such Person within the preceding twelve (12) months.

Sec.2.54.070 Referral and Enforcement.

Persons seeking to report alleged violations of this chapter shall submit their allegations in writing signed under penalty of perjury of the laws of the State of California on a form provided by the City. The writing shall specifically identify which provision(s) of this chapter have been violated and shall explain in detail the factual basis for the allegation(s). The writing shall indicate the date(s) of the alleged violations and shall also specifically identify and include any evidence in support of the allegation(s). Evidence based on the testimony of individuals shall be submitted in the form of a printed declaration signed under penalty of

perjury under the laws of the State of California on forms prepared by the City. Written allegations shall be submitted to the City Manager care of the City Clerk. The City Manager shall submit the materials to the City Prosecutor for review and evaluation within seven (7) calendar days of its receipt. The City Prosecutor shall have discretion to prosecute the matter pursuant to Chapter 1.36 (Penalty Provisions) of the Cudahy Municipal Code or may refer the matter to the District Attorney for potential prosecution as a misdemeanor pursuant to Chapter 1.36. If the allegations contend that the City Manager has violated the provisions of this chapter, the writing shall be submitted to the City Attorney who shall in turn refer the matter to the City Prosecutor in the same manner as if the matter had been submitted to the City Manager. If the District Attorney declines to prosecute the matter, the matter shall be deemed closed and no further prosecution shall be forthcoming under this chapter.

Sec. 2.54.080 Statute of Limitations.

There shall be no prosecution for any specific alleged violation of this chapter if the written form containing the allegation of the violation is submitted to the City Clerk more than sixty (60) calendar days from the date the specific violation is alleged to have occurred. The City Prosecutor or the District Attorney shall have six (6) months from the date of submission of the written allegations to the City Clerk to prosecute any alleged violations. In the event the City Prosecutor or the District Attorney shall fail to prosecute the matter within said 6-month period the matter shall be deemed closed and no further prosecution shall be forthcoming under this chapter for the violations alleged.

Section 2. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions might subsequently be declared invalid or unconstitutional.

Section 3. CEQA. The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to section 15061(b)(3) of the State CEQA Guidelines, California Code of Regulations, title 14, chapter 3, because it can be seen with certainty that there is no possibility that it will have a significant effect on the environment.

Section 4. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption. The City Clerk shall certify to the adoption of this Ordinance and shall cause this Ordinance or a summary thereof to be published in the manner required by law.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Cudahy on this 15th day of July, 2014.

Chris Garcia, Mayor

ATTEST:

APPROVED AS TO FORM:

Carrie Gallagher
Interim City Clerk

Isabel Birrueta
Assistant City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF CUDAHY) SS:

I, Carrie Gallagher, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Ordinance No. 629 was passed and adopted by the City Council of the City of Cudahy at a regular meeting held on the 15th day of July, 2014 and that said Ordinance was adopted by the following vote to-wit:

AYES: Councilmember Guerrero, Oliva, Vice Mayor Markovich

NOES: Mayor Garcia

ABSENT:

ABSTAIN: Councilmember Sanchez

Carrie Gallagher,
Interim City Clerk