

# California Common Cause Report: *No Limits: Campaign Contributions in Local Elections*



## Report Highlights:

In 1996, nearly two-thirds of Californians voted to establish state and local campaign contribution limits. However, lawsuits delayed the law's implementation and, with the appeal still pending, the legislature replaced the limits with another law establishing state contribution limits only. To this day California imposes no limits on the size of local campaign contributions. Common Cause's research finds:

- ***While some local governments have contribution limits, most do not:*** 109 cities (23 percent of all cities) and 15 counties (28 percent of all counties) have adopted local campaign contribution limits.
- ***Extremely large contributions have been given in some jurisdictions without limits:*** In cities, counties, and special districts with no limits, Common Cause found donations exceeding \$90,000 from a single donor.
- ***California is an outlier:*** California is one of only four states to have adopted state contribution limits but *no* local contribution limits.

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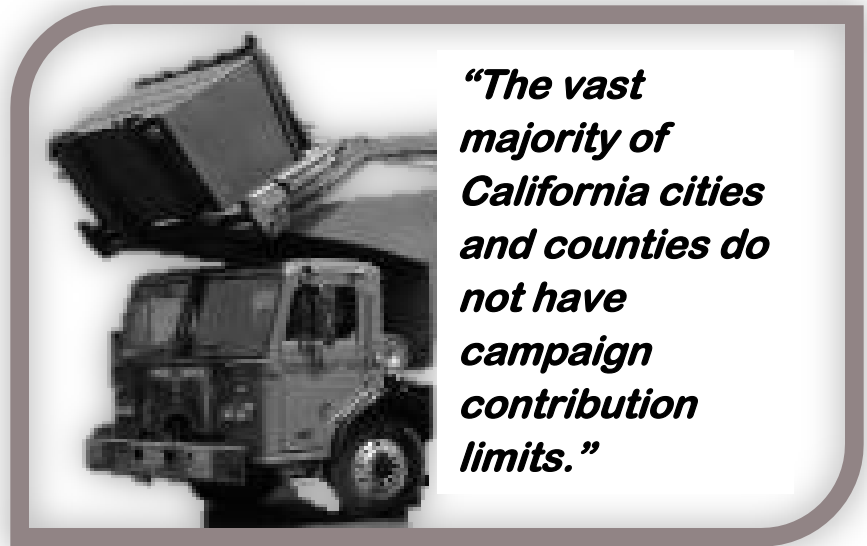
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## 1. Introduction: How does special interest money trash our democracy?

In 2012, the City of Montebello filed a civil lawsuit against former city councilwoman Rosemarie Vasquez for alleged corruption.<sup>1</sup> According to the city's complaint, in 2008, while still on the city council, Councilmember Vasquez promised to support the award of a 15-year, \$150 million waste hauling contract to Athens Services in exchange for Athens' financial support of her 2009 re-election campaign. The following year Athens Services contributed \$45,000 to Councilmember Vasquez's campaign.<sup>2</sup> The case is currently on appeal before the California Supreme Court.



Montebello, like the vast majority of California cities and counties, does not have campaign contribution limits. In these jurisdictions, contributors can give any amount to a candidate – even contributions that exceed the average Californian's annual salary. Whenever a candidate's electoral success depends on the donations of just a handful of wealthy donors there is a risk that they will value their contributors' interests over those of the people they serve. Extremely large contributions can also create the appearance that candidates are bought by special interests, which undermines public trust in democracy and elections.

The Supreme Court has consistently held that campaign contribution limits are a legitimate means of “deal[ing] with the reality or appearance of corruption inherent in a system permitting unlimited financial contributions.”<sup>3</sup> Campaign contribution limits help to ensure that candidates are not overly reliant on a few wealthy donors to finance their campaigns. With a cap on individual contributions, candidates must also build a broader base of smaller and generally more diverse contributors to be viable.

In 1996, nearly two-thirds of Californians voted to establish state and local campaign contribution limits.<sup>4</sup> However, a lawsuit prevented their implementation and, with the appeal still pending, the legislature replaced the limits in 2000 with another law establishing state contribution limits only.<sup>5</sup> Absent state regulation of local contributions, this report surveys which jurisdictions have themselves adopted local limits and provides a sample of large contributions that have been received in jurisdictions with no limits.

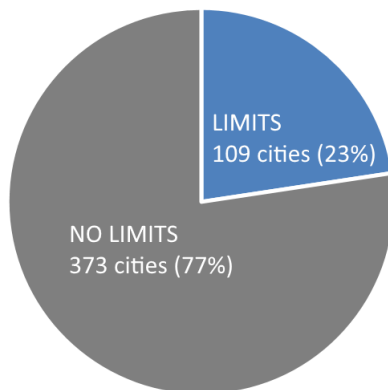
## 2. What does current U.S. & California law require?

Campaign contribution limits are very common in the United States. The federal government has enacted contribution limits to candidates for congress and the presidency and 38 states had enacted campaign contribution limits covering campaigns for state office.<sup>6</sup> Thirty-four states have also enacted local campaign contribution limits, but not California.<sup>7</sup>

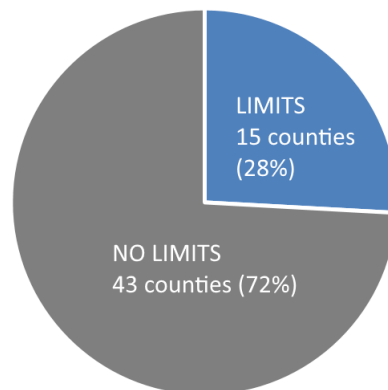
In California, the state Political Reform Act (PRA) governs the reporting of campaign contributions and expenditures at the state and local level.<sup>8</sup> The PRA also sets contribution limits to candidate campaigns for state office only, which the state Fair Political Practices Commission (FPPC) adjusts every two years for inflation.<sup>9</sup> Presently, individuals can donate a maximum of \$4,200 to candidates for the State Assembly or State Senate in the primary and general elections.<sup>10</sup>

There is no state limit on campaign contributions to candidates for local office in California; however, the state Elections Code permits cities,<sup>11</sup> counties,<sup>12</sup> and districts<sup>13</sup> to adopt their own contribution limits for local office by resolution or ordinance. Many jurisdictions, but far from a majority, have done so.

### Cities with Contribution Limits



### Counties with Contribution Limits



### 3. What is the local response to money in politics?

There are 109 cities (23 percent of all cities) and 15 counties (28 percent of all counties) in California that have adopted local campaign contribution limits.<sup>14</sup> A small minority of districts have also adopted limits. For cities, the smallest individual contribution limit to a city council candidate is \$100 (Davis, Del Mar, Galt, Poway, Scotts Valley), whereas the largest limit is \$4,200 (Fresno). The average (median) city council individual contribution limit is \$500. For counties, the smallest individual contribution limit to a board of supervisors candidate is \$400 (Santa Cruz), whereas the largest limit is \$20,000 (Alameda). The average county board of supervisors contribution limit is \$1,000. *A listing of all cities and counties with individual contribution limits can be found in Appendices A and B.*

#### Cities with Contribution Limits

	Number	Population
<i>Cities with Limits</i>	109 (23%)	16.5 mil (52%)
<i>Cities without Limits</i>	373 (78%)	15.7 mil (48%)

#### Average City Council Individual Contribution Limit

	Mean	Median
<i>All Cities</i>	\$617	\$500
<i>Cities Under 100k</i>	\$438	\$400
<i>Cities Over 100k</i>	\$996	\$600

Additionally, a minority of jurisdictions have different contribution limits for individuals and non-natural persons, for example complete bans on corporate contributions (City of San Diego) or higher limits for organizations (City of San Mateo).

For consistent comparison, the data in this report reflects only the higher contribution limits on individuals who give to candidates who accept voluntary expenditure limits, where applicable.

Not all jurisdictions adopt uniform contribution limits. A handful of cities and counties have a higher individual contribution limit for candidates who agree to a “voluntary expenditure limit,” which is a cap on total campaign spending. For example, in Oakland the \$100 individual contribution limit is increased to \$700 if a candidate agrees to the voluntary expenditure limit.

#### Counties with Contribution Limits

	Number	Population
<i>Counties with Limits</i>	15 (28%)	28.9 mil (75%)
<i>Counties without Limits</i>	43 (72%)	9.8 mil (25%)

#### Average County Supervisor Individual Contribution Limit

	Mean	Median
<i>All Counties</i>	\$2,645	\$1,000
<i>Counties Under 1 mil</i>	\$1,149	\$1,000
<i>Counties Over 1 mil</i>	\$3,941	\$1,588

## 4. What happens when there are no limits?

Very large donations can create an actual or perceived risk that a candidate will feel indebted to the donor and not exercise impartial judgment on matters affecting that donor. It is not uncommon, in local jurisdictions that have not adopted contribution limits, to see donations that exceed the limits for the State Assembly or State Senate – even though the local elective office being sought generally represents far fewer residents.

For example, in Sunnyvale one candidate received a \$38,000 donation, accounting for 64 percent of all the contributions he raised. In Bakersfield a candidate received \$25,000, \$18,500, and \$10,000 from three contributors, collectively accounting for 55 percent of his campaign receipts. And in Vallejo one candidate receive a \$98,500 contribution (\$12,500 cash \$86,000 in-kind) from a single contributor. In contrast, two \$4,200 donations (the state maximum per primary or general election) to a candidate for State Senate would comprise less than one percent of the total funds that the average winning Senator raised in 2014.

Below is a brief sample of contributions to local candidates that exceeded the state limit.

### Examples of Contributions to Local Candidates Exceeding State Limits

Jurisdiction	Year	Office Sought	Avg. Residents Represented	Large Contribution	% of Total Contributions
<b>California</b> (comparison)	<b>2014</b>	<b>State Senate</b>	<b>970,000</b>	<b>Max: \$4,200</b>	<b>0.4%</b> (2014 avg.) <sup>15</sup>
Bakersfield	2014	Council Ward	53,000	(1) \$25,000 (2) \$18,500 (3) \$10,000	55%
Marin County	2014	Supervisor District	52,000	(1) \$19,000 (2) \$5,700 (in-kind) (3) \$5,000 (4) \$5,000 (in-kind)	28%
Menifee	2015	Council District	21,000	\$10,000 & \$1,500 (in-kind)	53%
Oceanside	2014	Council At-Large	172,000	\$40,000	35%
Palm Springs	2015	Mayor	47,000	(1) \$91,400 (2) \$25,000 (3) \$10,000 (4) \$10,000	55%
Riverside County	2014	Supervisor District	460,000	(1) \$60,000 (2) \$55,000 (3) \$21,200 & \$7,500 (in-kind)	52%
Salinas Valley Hospital Dist.	2014	Director Zone	46,000	\$50,000	82%
Santa Barbara (City)	2015	Council District	15,000	(1) \$10,000 (2) \$5,750 (in-kind)	46%
Sunnyvale	2013	Council Seat	148,000	\$38,000	64%
Vallejo	2013	Council At-Large	120,000	\$12,500 & \$86,000 (in-kind)	97%

## 5. Do other states limit contributions in local elections?

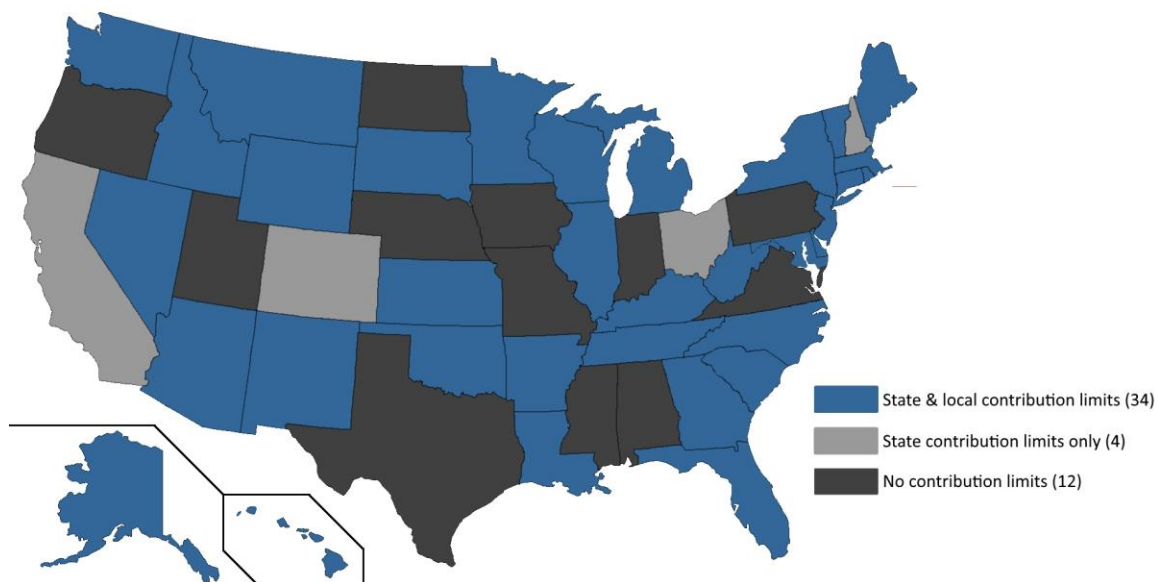
In order to limit the influence of large donors on local elections, most states have capped campaign contributions to local office; in many cases, these limits are a ceiling, permitting local governments to adopt even stricter limits. California is one of only four states to have adopted state contribution limits but *no* local contribution limits.<sup>16</sup>

In all, 34 states have adopted contribution limits that apply to campaigns for some or all local offices. Montana has the lowest limit (\$130), whereas Michigan has the highest limit (\$6,800 for large jurisdictions). The average (median) local limit is \$1,000.

Most states adopt a uniform cap on campaign contributions that applies to all local campaigns. However, some states have adopted different contribution limit tiers depending on a local jurisdiction's population size (Louisiana, Michigan, Minnesota) or the type of local office (Connecticut, Hawaii). Still other states establish the local contribution limit by formula based on the number of residents or registered voters in the jurisdiction (New York, Wisconsin). *A list of state individual contribution limits for local elections can be found in Appendix C.*

**“California is one of only four states to have adopted state contribution limits but *no* local contribution limits.”**

### States with Campaign Contribution Limits



## 6. Endnotes

<sup>1</sup> Juliette Funes, *Montebello files suit against Salazar, Urteaga and Vasquez over Athens trash contract*, San Gabriel Valley Tribune (Jul. 24, 2012).

<sup>2</sup> *City of Montebello v. Vasquez*, 226 Cal. App. 4th 1084 (2014).

<sup>3</sup> *Buckley v. Valeo*, 424 U.S. 1, 28 (1976).

<sup>4</sup> Secretary of State, *Statement of the Vote* (Nov. 5, 1996) (Proposition 208).

<sup>5</sup> Proposition 34 (Nov. 7, 2000). See also Steven Levin and Tracy Westen, *In the Dead of Night: How Midnight Legislation Weakened California's Campaign Finance Laws, and How to Strengthen Them*, Center for Governmental Studies (Apr. 2007).

<sup>6</sup> National Conference of State Legislatures, *Contribution Limits Overview*, available at: <http://www.ncsl.org/research/elections-and-campaigns/campaign-contribution-limits-overview.aspx> (accessed Dec. 2015).

<sup>7</sup> See Appendix C.

<sup>8</sup> Cal. Gov. Code Sec. 81000 *et seq.*

<sup>9</sup> Cal. Gov Code Sec. 85301(a) (set original individual campaign contribution limit for state legislature at \$3,000); 85316(b)(4) (requires FPPC to adjust contribution limits by the consumer price index)

<sup>10</sup> See FPPC, *State Contribution Limits and Voluntary Expenditure Ceilings*, available at: <http://www.fppc.ca.gov/learn/campaign-rules/state-contribution-limits.html> (last visited Dec. 2015).

<sup>11</sup> Cal. Elections Code Sec. 10202: "A city may, by ordinance or resolution, limit campaign contributions in municipal elections."

<sup>12</sup> Cal. Elections Code Sec. 10003: "A county may, by ordinance or resolution, limit campaign contributions in municipal elections."

<sup>13</sup> Cal. Elections Code Sec. 10544: "A governing body of a district may, by resolution, limit campaign contributions in elections to district offices."

<sup>14</sup> Nicolas Heidorn, *Local Democracy Index*, California Common Cause (*forthcoming* 2016).

<sup>15</sup> The average State Senator raised \$1.1 million in 2014. See Sarang Shah, *What's the Cost of a Seat in the California State Legislature?* Maplight (May 5, 2015), available at: <http://maplight.org/content/whats-the-cost-of-a-seat-in-the-california-state-legislature>.

<sup>16</sup> The other three states are Colorado, New Hampshire, and Ohio.



## Appendix A. Cities with City Council Individual Contribution Limits

City	Population	Contribution Limit
Agoura Hills	20,767	\$250
Anaheim	351,433	\$1,900
Arcata	17,898	\$190
Bell Gardens	42,875	\$250
Belmont	26,748	\$500
Berkeley	118,780	\$250
Beverly Hills	34,833	\$450
Burbank	106,084	\$400
Burlingame	29,890	\$500
Capitola	10,052	\$200
Chico	89,634	\$500
Chula Vista	257,989	\$320
Claremont	36,282	\$250
Commerce	13,060	\$1,000
Concord	126,069	\$1,000
Coronado	23,497	\$200
Cotati	7,346	\$350
Cudahy	24,270	\$1,000
Culver City	39,773	\$500
Dana Point	34,208	\$670
Davis	66,757	\$100
Del Mar	4,238	\$100
Downey	113,900	\$1,500
Dublin	55,844	\$500
El Segundo	17,000	\$750
Encinitas	61,518	\$250
Escondido	147,294	\$4,100
Eureka	26,946	\$500
Fillmore	15,441	\$250
Folsom	74,909	\$150
Fountain Valley	57,021	\$500
Fremont	226,551	\$600
Fresno	520,159	\$4,200
Galt	24,607	\$100
Gardena	60,414	\$500
Gilroy	53,000	\$250
Glendale	199,182	\$1,000
Grand Terrace	12,352	\$250
Half Moon Bay	12,051	\$1,000
Hayward	152,889	\$1,295
Healdsburg	11,687	\$500

City	Population	Contribution Limit
Hermosa Beach	19,772	\$250
Huntington Beach	198,389	\$540
Irvine	250,384	\$470
Laguna Beach	23,355	\$360
Laguna Niguel	64,836	\$1,000
Laguna Woods	16,652	\$250
Lemon Grove	26,199	\$1,050
Livermore	85,990	\$250
Long Beach	472,779	\$400
Los Angeles City	3,957,022	\$700
Malibu	12,935	\$250
Manhattan Beach	35,763	\$250
Merced	81,722	\$598
Milpitas	72,606	\$250
Murrieta	107,279	\$1,090
Newark	44,204	\$500
Newport Beach	87,249	\$1,100
Novato	53,575	\$400
Oakland	410,603	\$700
Orange	140,094	\$1,000
Pacific Grove	15,388	\$600
Petaluma	59,540	\$200
Pinole	18,946	\$500
Pleasant Hill	34,162	\$500
Pomona	152,419	\$500
Poway	49,041	\$100
Richmond	107,346	\$2,500
Rohnert Park	41,077	\$500
Rolling Hills Estates	8,223	\$250
Roseville	128,382	\$500
Sacramento	480,105	\$1,650
San Buenaventura	109,338	\$300
San Diego	1,368,061	\$550
San Fernando	24,558	\$500
San Francisco	845,602	\$500
San Jose	1,016,479	\$600
San Juan Capistrano	36,223	\$500
San Luis Obispo	45,802	\$300
San Marcos	90,827	\$250
San Mateo	101,429	\$250
Santa Ana	335,264	\$1,000



## Appendix A. Cities with City Council Individual Contribution Limits (continued)

City	Population	Contribution Limit	City	Population	Contribution Limit
Santa Clara	120,973	\$520	Thousand Oaks	129,349	\$510
Santa Clarita	213,231	\$1,000	Torrance	148,427	\$1,000
Santa Cruz	63,789	\$350	Ukiah	16,073	\$500
Santa Monica	93,283	\$325	Union City	72,744	\$720
Santa Rosa	173,071	\$500	Upland	75,787	\$1,000
Santee	55,805	\$700	Vernon	123	\$100
Sausalito	7,300	\$250	Vista	96,413	\$440
Scotts Valley	11,928	\$100	Walnut	30,257	\$1,000
Seal Beach	24,684	\$500	Walnut Creek	66,868	\$165
Signal Hill	11,585	\$550	Watsonville	52,087	\$400
Simi Valley	126,483	\$1,000	West Covina	108,401	\$500
Solana Beach	13,104	\$160	West Hollywood	35,825	\$500
Sonoma	10,933	\$200	West Sacramento	51,272	\$250
South Gate	96,547	\$1,000			

## Appendix B. Counties with Board of Supervisors Individual Contribution Limits

County	Population	Contribution Limit
Alameda	1,594,569	\$20,000
Contra Costa	1,102,871	\$1,675
Humboldt	134,398	\$1,500
Kern	874,264	\$1,000
Los Angeles	10,136,559	\$1,500
Orange	3,147,655	\$1,900
Sacramento	1,470,912	\$500
San Bernardino	2,104,291	\$4,200
San Diego	3,227,496	\$750
San Francisco	845,602	\$500
San Mateo	753,123	\$1,000
Santa Clara	1,889,638	\$1,000
Santa Cruz	271,646	\$400
Sonoma	496,253	\$2,894
Ventura	848,073	\$750

## Appendix C. States with Local Individual Contribution Limits

State	Population	Contribution Limit	State	Population	Contribution Limit
Alaska	736,732	\$500	Minnesota	5,457,173	\$600 - \$1,000
Arizona	6,731,484	\$6,250	Montana	1,023,579	\$130
Arkansas	2,966,369	\$2,700	Nevada	2,839,099	\$5,000
Connecticut	3,596,677	\$250 - \$1,000	New Jersey	8,938,175	\$2,600
Delaware	935,614	\$600	New Mexico	2,085,572	\$2,500
Florida	19,893,297	\$1,000	New York	19,746,227	5¢/voter
Georgia	10,097,343	\$2,500	North Carolina	9,943,964	\$5,100
Hawaii	1,419,561	\$2,000 - \$4,000	Oklahoma	3,878,051	\$2,700
Idaho	1,634,464	\$1,000	Rhode Island	1,055,173	\$1,000
Illinois	12,880,580	\$5,000	South Carolina	4,832,482	\$1,000
Kansas	2,904,021	\$500	South Dakota	853,175	\$1,000
Kentucky	4,413,457	\$1,000	Tennessee	6,549,352	\$1,000
Louisiana	4,649,676	\$1,000 - \$5,000	Vermont	626,562	\$1,000
Maine	1,330,089	\$775	Washington	7,061,530	\$800
Maryland	5,976,407	\$6,000	West Virginia	1,850,326	\$1,000
Massachusetts	6,745,408	\$1,000	Wisconsin	5,757,564	\$250 - \$3,000
Michigan	9,909,877	\$1,000 - \$6,800	Wyoming	584,153	\$1,500