

CITY OF
HAYWARD
HEART OF THE BAY

Discussion:

Work Session on Campaign Disclosure Practices for City Elective Offices and Ballot Measures

Presented By:

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The Current Regulation

- **Article 13**
- **Regulation of expenditures for Mayor and City Council**
- **\$250 Cap for those who decline voluntary expenditure limits (now \$315)**
- **Voluntary Limits= \$50K Expenditure Cap (now \$66,009) and \$1,000 (now \$1,295) Contribution Cap**
- **No Required Disclosures**





Measures Unregulated





Campaign Disclosures on Campaign Materials

- Top 4 Contributors Disclosed
(must be more than \$500)
- Contributor's City of Domicile
- Total Sum of Contributions





Example of Compliant Disclosure



ELECT **BARACK OBAMA** AS HAYWARD COMPTROLLER

Paid for by Obama for Hayward

*Major Funding Provided by: Dwayne Johnson, Los Angeles, CA, \$1000; Gene Dodaro, Washington, DC, \$1000;
Kristi Yamaguchi, Berkeley, CA \$600; Michelle Obama, Washington, DC, \$501.*





What Requires the Disclosures?

- 500 or more pieces of campaign literature (e.g. flyers, mailers, pamphlets, door hangers, etc.)
- Newspaper Ads
- Web Ads
- TV Ads
- Radio Ads
- Robocalls
- Mass emails
- Note- Still bound by FPPC requirement to make disclosures on campaign literature sent to over 200 recipients.



Required Updates to Contributor Lists

- Updates to campaign communications if a candidate or committee's top contributors change.
- Disclosure of most recent top contributors get priority.
- No Anonymous Donations.





Committees

- Person or persons who spend \$250 or more to influence election.
- Statement of Organization.
- Disclosure of top donors in campaign communications.



Personal Loans to fund Campaigns



CA Fair Political Practices Commission (FPPC)

- How do the FPPC regulations interact with the proposed regulations?
- FPPC regulates State and local elections for offices and ballot measures.
- FPPC expenditure limits are only for statewide campaigns. Cities decide own expenditure limits.
- Top 10 contributors to committee must be disclosed to FPPC (for both campaigns and ballot measures). This list is posted on the FPPC website. Candidate controlled committees must be reported to FPPC. Committees must report contributions of \$5,000 or more to other committees. (CA Code of Regulations section 18422.5).
- FPPC requires a 'Statement of Organization' for committees. (18410).
- FPPC does not allow anonymous donations of \$100 or more. (18401).
- FPPC has \$100,000 personal loan maximum for candidates. (18530.8).
- FPPC requires campaign disclosures for any communication that has 200+ recipients. (18435).
- FPPC requires disclosure of major donors (donors of \$50,000 or more). If a committee is candidate controlled, then must disclose candidate's name. (18450.3 & 18450.4).
- FPPC requires disclosure of paid spokespersons (paid \$5,000 or more). (18450.11).



FPPC Compliant Disclosure





Questions to Consider

- Do the proposed campaign and contribution disclosures add effectively to transparency and provide meaningful information to voters?





Questions to Consider

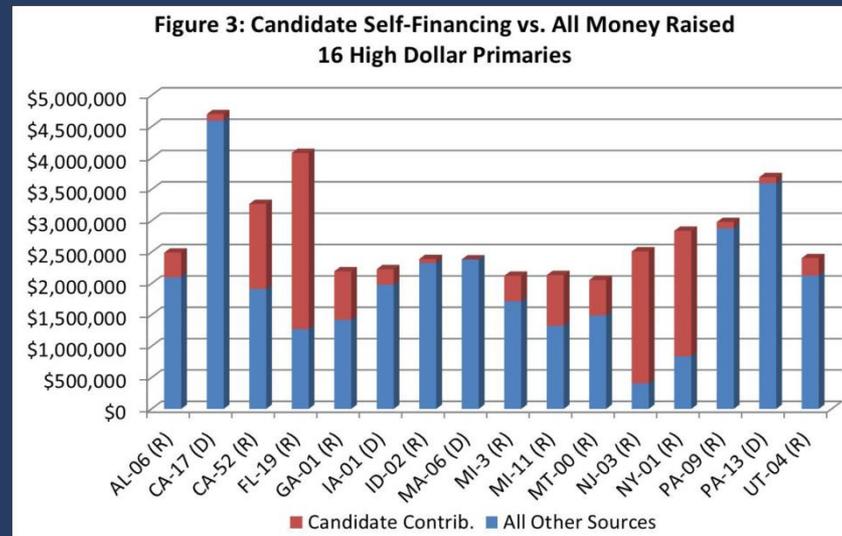
- How much money should the threshold be for what constitutes a top donor ? (currently proposed at more than \$500)





Questions to Consider

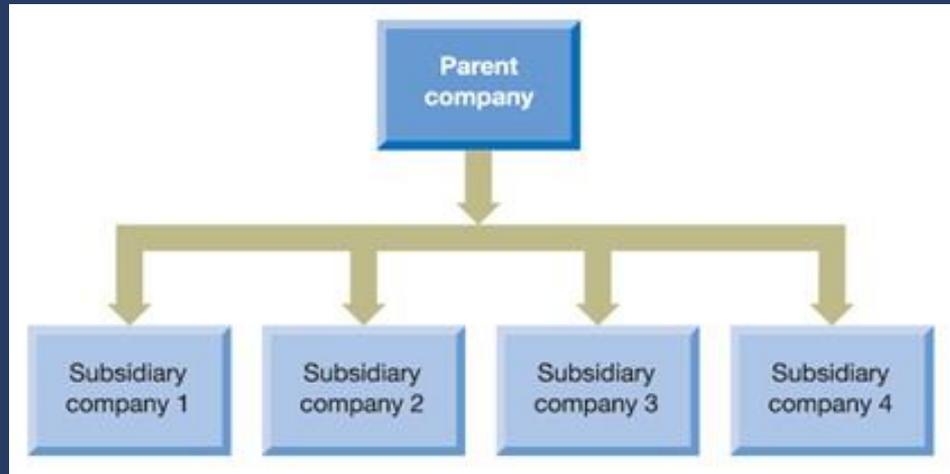
- Should candidates be able to take out loans to finance their campaigns over the \$1,295 limit? Should there be different personal loan maximums for candidates who accept the voluntary expenditure limits versus candidates who do not accept the expenditure limits? What should the maximum loan amount be?





Questions to Consider

- Should entities created specifically for the purpose of a City campaign be required to disclose the parent entity (e.g. “Cats for All” is an entity created and funded by President Barack Obama or The Rock brothers)?



Conclusion

- Freedom of expression vs. Unchecked flow of \$ to campaigns
- No silver bullet: regulations could conceivably be evaded
- This is an important issue- we are deciding what the future of our democratic system will look like.

