Analysis of County Ordinance on Campaign Contribution Limits (DRAFT)

Recommended Action: LWVSC urges the Sacramento County Board of Supervisors to reject the proposed ordinance amending various sections within Chapter 2.115 related to election campaign contribution limits and deleting Articles 5 And 6 related to public finance of elections.

Background: On November 17, the Sacramento County Board of Supervisors will vote on a proposed ordinance to (1) limit campaign contributions for countywide elections and (2) delete language in the existing ordinance pertaining to public funding of county campaigns. The proposed contribution limits would apply only to the District Attorney, Sheriff, and Assessor. At present there are no contribution limits applicable to candidates for these offices; limits exist only for county supervisor elections.

The District Attorney, Sheriff, and Assessor proposed this ordinance in response to Assembly Bill 571, becoming effective on January 1, 2021. The bill establishes a default campaign contribution limit for candidates in local elections, unless a city, county, or district establishes a limit better suited to its particular needs. The purpose of AB 571 is to end large contributions that create the risk and perception that elected officials will be beholden to their most generous donors at the expense of the people. The League of Women Voters of California urged Governor Newsom to approve this bill.

AB 571 sets the default contribution to candidates for elective county and city offices to the equivalent limitation for a state elective campaign (Senate or Assembly). That amount, when initially set in 2000 by Proposition 34, was $3,000. Since then, the amount has been adjusted by the Fair Political Practices Commission every odd-numbered year based on the Consumer Price Index. For 2019 and 2020, the limitation was $4,700 per person per election.[1] That amount, which will again be adjusted in 2021, will be the default limit for candidates to countywide election unless the Board of Supervisors passes an ordinance setting a different limit. The ordinance would also delete all existing language pertaining to public campaign financing, as the county has not ever used such a program.

The limits specified in the proposed county ordinance are $25,000 per person or organization[2] for each election (primary and general), plus $12,500 per person or organization for each of three election off-years. These amounts will also be adjusted every odd-numbered year based on the Consumer Price Index.

Arguments for the ordinance: Proponents state that the proposed limits enable candidates to run an effective campaign in a high-population county with a high-cost media market. They claim the limits are comparable to those of other counties with similar or greater populations; are low enough to avoid the appearance of undue influence but high enough to discourage out-of-area spending and high independent expenditures; and would be more transparent. In addition, County Counsel holds that the legality of public campaign financing is uncertain at this time and because the county has never provided for public campaign financing, Articles 5 and 6 that pertain to campaign financing could be deleted.

Arguments against the ordinance: The League of Women Voters believes that the methods of financing political campaigns should enhance political equality for all citizens, ensure transparency and

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[1]By FPPC's definition, "person" means an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.

[2] Sacramento County defines "person" as an individual or any proprietorship, labor union, firm, partnership, joint venture, syndicate, business trust, company, corporation, association or committee which does not constitute an organization. "Organization" is defined as a proprietorship, labor union, firm, partnership, joint venture, syndicate, business trust, company, corporation, association or committee which has 25 or more employees, shareholders, contributors or members.

the public's right to know who is using money to influence elections, combat corruption and undue influence, enable candidates to compete more equitably for public office, and allow maximum citizen participation in the political process. We support realistic limits on contributions by individuals and groups to candidates.

However, the limitations in the proposed ordinance are not only disproportionately high compared to many other jurisdictions with similar or greater populations (see table, page 3), but they do little to discourage the perception that deep-pocketed donors are likely to have greater access to elected officials than would small donors.[3] Research shows that lower limits encourage more candidates to run for office and lead to more competitive races.[4] Rather than enable candidates to compete more equitably, these high contribution limits would likely discourage less-known and first-time candidates from running for office, thereby decreasing election competition and diversity in the candidate pool.

Furthermore, the off-year contribution allowances could give incumbents an unfair advantage, as challengers are less likely to engage in off-year fundraising. No other jurisdiction allows for off-year individual contributions to candidates for elective office. Including these off-year amounts allows a single individual or organization to contribute a total of $87,500 over a four-year election cycle, compared with a total of $80,000 for Alameda County.

Finally, we oppose the deletion of language pertaining to public campaign financing. Although the County has not provided for this option in the past, the League supports measures that broaden the base of campaign financing, including public funding measures that include realistic limits on contributions and expenditures. Such public financing options could become available in the future, and the ordinance could be amended accordingly.

Creative public financing options such as Seattle's "Democracy Voucher" program, small donor matching systems, and small donor rebates and tax credits could be viable options for campaign funding that would better meet the League's goals. Moreover, adopting Ranked Choice Voting would lower campaign costs by eliminating primary elections and allowing for an "instant runoff" in general elections. Combining campaign finance and electoral process reforms with contributions limited by the AB 571 default would more effectively broaden the base of campaign financing, enable more candidates to run for office, and encourage wider public participation in our elections.

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[3] https://www.pewresearch.org/fact-tank/2018/05/08/most-americans-want-to-limit-campaign-spending-say-big-donors-have-greater-political-influence/

[4] http://web.mit.edu/lroyden/Public/spending2.pdf

Comparison of Campaign Contribution Limits for Similar California Jurisdictions

Jurisdiction and Population (2020 Estimate)	Elective Office	Campaign Contribution Limits	Comments
Alameda County 1.7 million	Elective Countywide Offices	Person or entity limited to $40,000 per election.	Adjusted in odd-numbered years per CPI
Contra Costa County 1.2 million	All Elective County Offices	Person or political committee (other than candidate or broad-based political committee) limited to $1,675 per election; Limits are increased as independent expenditures are increased.	Increased to $5,000 for opponent of self-funded candidate spending more than $25,000
Fresno County 1 million	All Elective County Offices	Person limited to $30,000 per election.	Ordinance amended 8/18/2020
Orange County 3.2 million	All Elective County Offices	Person limited to $2,100 per election.	Adjusted in odd-numbered years
Riverside County 2.5 million		Will default to GC 85301(a).	
San Bernardino Co. 2.2 million		Will default to GC 85301(a).	
San Diego County 3.4 million	All Elective County Offices	Individual contribution limit of $850 per election. Political party contribution limit of $55,200 for Countywide Offices	Adjusted in January of odd-numbered years.
Santa Clara County 1.9 million	All Elective County Offices	Person limited to $500 per election without voluntary expenditure limits. With expenditure limits, person limited to $1,000 per election.	Expenditure limit for countywide offices is $500,000.
City of Sacramento 520,000	City Councilmembers	Person limited to $1,750 per election. Large political committee limited to $5,850 per election.	Person limited to $900 per calendar year for committee contributions; large political committees limited to $3,500 per calendar year.
	Mayor	Person limited to $3,500 per election. Large political committee limited to $11,650 per election.	
City of San Diego 1.4 million	City Council	Person limited to $600 per election; party contributions limited to $11,400 per election	Amounts adjusted on odd-numbered years according to Consumer Price Index.
	Mayor or City Attorney	Person limited to $1,150 per election; party limited to $22,750 per election	
State Senate District Average 931,349		Person limited to $4,700 per election	Adjusted in odd-numbered years
Statewide Elective Office	Lt. Governor, Secretary of State, Attorney General, etc	Person limited to $7,800 per election	Adjusted in odd-numbered years
	Governor	Person limited to $31,000 per election	Adjusted in odd-numbered years

How did Scott Jones come up with the $25,000 and $12,500 contribution limits?

He based them on the campaign contribution limits set for the Board of Supervisors in the existing ordinance. Supervisors are limited to $1,250 from a person and $2,500 from an organization for each election. They are limited to $250 from a person or organization for each of three off-election years. He used some portion or combination of those amounts and multiplied by 5 (5 districts in the county). He also added an amount for public financing. Although County Counsel asserted that public financing had never been used in Sacramento County, the proposed amounts were never questioned or revised.

Here are some calculations to compare equivalent district amounts with proposed countywide amounts:

Jones might have added the district amounts for individual and organization contributions and multiplied x 5:
($1,250 + $2,500= $3,750 x 5 = $18,750 with an amount added for public funding, rounded to $25,000 (the amount of ONLY an individual OR organization amount). So that's really adding two different district contributions and comparing it to one countywide contribution only.

Under Jones's proposal, the four-year countywide cycle allows $87,500 for an individual or organization. But for the districts, each type of contribution has to be considered separately because they are different (unlike the proposed countywide limits).

Individual: ($1,250 x 2) + ($250 x 3) = $3,250. Multiplied x 5 for the countywide equivalent = $16,250 vs $87,500 proposed

Organization: ($2,500 x 2) + $250 x 3) = $5,650. Multiplied x 5 for countywide equivalent = $28,250 vs $87,500 proposed

Maybe the fairest way to consider the numbers is apples to apples:
District individual = $1,250 x 5 = $6,250 vs $25,000 (proposed amount is 4 times the equivalent district amount)
District organization = $2,500 x 5 = $12,500 vs $25,000 (proposed amount is 2 times the equivalent district amount)
District off-year = ($250 x 5) x 5 = $!,250 vs $12,500 (proposed amount is 10 times the equivalent district amount)