



# CITY COUNCIL AGENDA REPORT



**DEPARTMENT:** City Attorney's Office

**MEETING DATE:** April 15, 2025

**STAFF REFERENCE:** Craig A. Steele, City Attorney

**AGENDA LOCATION:** AR-4

**GOVERNMENT CODE 84308 APPLIES:** No

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**TITLE:** Possible Adoption of Local Campaign Finance Limits Within the Existing State Law Regulatory Structure, Ordinance No. 2025-04

**OBJECTIVE:** To review a proposed ordinance imposing local campaign contribution limits and, if appropriate, choose between a limit of \$500 or \$1,000

**BACKGROUND:** The City Council has discussed the subject of local campaign contribution limits at two previous meetings, and directed our office provide a draft ordinance. As directed, the proposed ordinance has an option to impose a limit at \$500 or \$1,000 per contribution for candidates to all City elective offices.

As a reminder, courts have held that campaign finance regulations for candidate campaigns are the regulation of political speech, either the contributors' or the candidates' speech, and are thus subject to analysis under the First Amendment. Campaign contributions can be limited, but only by regulations that are narrowly tailored to achieve a significant governmental interest. The only significant governmental interest the U.S. Supreme Court has identified that justifies government limits on campaign contributions is the elimination of corruption or the appearance of corruption in political campaigns<sup>1</sup>. This has been further refined to mean that contribution limits must be aimed at eliminating a *quid pro quo*, or its appearance, between contributor and recipient<sup>2</sup>. Expenditure limits are likely unconstitutional.

The current "default" contribution limit that applies to statewide to local elections in cities that have not adopted a lower limit is \$5,900 per contributor as of January 1, 2025. State law allows cities to impose a lower, but constitutional, limit or to opt out of the \$5,900 limit. This proposed ordinance would replace the \$5,900 limit.

**ANALYSIS:** Government Code Section 83013 permits local agencies to adopt additional campaign finance restrictions as long as the additional restrictions do not prevent compliance with the California Political Reform Act. At the City Council's direction, we have prepared the attached ordinance for the City Council to consider and, if warranted, choose between a limit of \$500 or \$1,000 per contributor.

For reference, between 2020 and 2024, 94% of campaign contributions were in the amount of \$1,000 or less. 86% were \$500 or less and 67% were \$250 or less. In other words, only 6% of the number of contributions made were in excess of \$1,000. Regardless of the limit the City Council chooses, the Levine Act disclosure and recusal requirements would still apply to contributions over \$500.

The proposed ordinance includes other basic provisions that will help to ensure that no candidate or contributor evades the contribution limits. These would prohibit cash or anonymous contributions or contributions made in the name of another, make clear that the ordinance applies to officeholders who

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

<sup>2</sup> *See, McCutcheon v. FEC*, (2014) 572 U.S. 185, 192.

are not candidates, along with other measures to promote enforcement. The limits would not apply to a candidate's use of personal funds to their own campaigns, but would limit contributions from their spouse.

**ENVIRONMENTAL IMPACT:** There is no environmental impact associated with this action.

**FISCAL IMPACT:** The financial impacts of proposed local campaign finance regulations cannot be predicted at this time, but there could be additional costs for enforcement and education, at a minimum.

**OPTIONS:** The following options are presented for consideration:

1. Choose a limit amount and introduce the ordinance.
2. Request additional information or provide additional input.
3. Take no action.

**RECOMMENDATION:** Pleasure of the City Council.

**COUNCIL ACTION REQUIRED:** If the Council chooses option 1, the appropriate action would be a motion to introduce, waiver further reading of, and read by title only Ordinance No. 2025-04.

**ORDINANCE NO. 2025-04**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONROVIA, CALIFORNIA, AMENDING CHAPTER 2.20 OF TITLE 2 OF THE MONROVIA MUNICIPAL CODE, RELATING TO LIMITS ON CONTRIBUTIONS TO CANDIDATES FOR CITY ELECTIVE OFFICE**

**WHEREAS**, Government Code Section 85301(d) establishes a default state campaign contribution limit per election to city candidates; and

**WHEREAS**, Government Code Section 85702.5(a) permits local agencies to adopt additional campaign contribution restrictions that are different from the limit set forth in section 85301(d); and

**WHEREAS**, Government Code Section 85702.5(b) permits a local agency to adopt enforcement standards for a violation of a limit established by 85702.5(a), which may include administrative, civil, or criminal penalties; and

**WHEREAS**, pursuant to California Government Code Section 81013 and Elections Code Section 10202, a local agency may impose contribution limits and other regulations in addition to those imposed by state law, provided that they do not prevent any person from complying with state law; and

**WHEREAS**, the City of Monrovia does not have a local campaign contribution ordinance and local candidates currently are subject to the state campaign contribution limit; and

**WHEREAS**, the City of Monrovia wishes to eliminate the possibility of corruption or the appearance of corruption in local elections, arising as a result of disproportionately large political contributions, whether cash or in-kind; and finds that the limits imposed herein are the least restrictive necessary to accomplish this goal; and

**WHEREAS**, the City of Monrovia intends to eliminate corrupting political contributions in City election campaigns.

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

**Section 1.** Section 2.20.060 of Chapter 2.20 of Title 2 is hereby added to the Monrovia Municipal Code, to read as follows:

**“§ 2.20.060 LIMITATIONS ON CAMPAIGN CONTRIBUTIONS IN CITY ELECTIONS**

(a) In place of the limit set forth in Government Code Section 85301(d), no person or committee shall make to any candidate, including the controlled committee of such candidate, a contribution in excess of five hundred dollars (\$500.00)/one thousand dollars (\$1,000) either cash or in-kind, for any single election at which the candidate is attempting

to be, or is, on the ballot. No candidate or any committee controlled by the candidate shall solicit or accept any contribution that will cause the amount contributed by the contributor to the candidate or the controlled committee to exceed five hundred dollars (\$500.00)/ one thousand dollars (\$1,000) for any single election at which the candidate is attempting to be, or is, on the ballot.

(b) The limitations of this Section shall not apply to contributions of a candidate's personal funds to his or her controlled campaign committee on behalf of his or her own candidacy, but shall apply to contributions from the candidate's spouse, or from the candidate to another candidate for City elective office.

(c) No person shall make a contribution in the name of another.

(d) No person shall reimburse, pay in advance, or otherwise compensate another person for a contribution made.

(e) No person shall knowingly take any action with the intent of evading the contribution limits imposed by this Section or concealing violations of this Section.

(f) Candidates with existing campaign accounts from a prior election for any office, whether local, state or federal, shall open a new account for the next City election in which they are or will be a candidate. The candidate shall not contribute more than five hundred dollars (\$500.00)/ one thousand dollars (\$1,000) from the prior campaign account into the new campaign account.

(g) Except as otherwise provided here, the terms and provisions of this Section shall have the meanings and shall be interpreted in accordance with the applicable definitions and provisions of the Political Reform Act of 1974, as amended (Government Code Section 81000, et seq.) and the regulations of the California Fair Political Practices Commission, as amended.

(1) *Candidate* means any person who is a candidate for any elective office of the City of Monrovia, or the holder of any elective City office whether or not such officer is a candidate for re-election.”

**Section 2.** Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person, 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 remainder of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each and every 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 thereof be declared invalid or unconstitutional.

**Section 3.** As an ordinance relating to an election, this ordinance shall take effect immediately upon its adoption. The City Clerk shall certify to the adoption of this ordinance and cause it to be published according to applicable law.

**INTRODUCED** this 15th day of April, 2025.

**PASSED, APPROVED, AND ADOPTED** this 6th day of May, 2025.

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Becky Shevlin, Mayor  
City of Monrovia

ATTEST:

APPROVED AS TO FORM:

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Alice D. Atkins, MMC, City Clerk  
City of Monrovia

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Craig Steele, City Attorney  
City of Monrovia