



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 3/23/2021

Agenda Placement: 7J

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Jeffrey Brax - County Counsel  
County Counsel

**REPORT BY:** Meredith Trueblood, PARALEGAL - (707) 259-8152

**SUBJECT:** Second reading of Ordinance establishing local campaign expenditure limits

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### **RECOMMENDATION**

Second reading and adoption of an ordinance adding chapter 2.104 to the Napa County Ordinance Code ratifying campaign contribution limits and establishing a limit on personal loans provided by candidates to their own campaigns.

### **EXECUTIVE SUMMARY**

Effective January 1, 2021 California Government Code section 85301(d)(1) applied state campaign contribution limits to local elective offices. The current contribution limit for county and city offices is \$4,900 per contributor per election. Government Code section 85702.5 authorizes local jurisdiction to set different contribution limits. Government Code 85307(b) establishes a loan limit from a candidate to that candidate's campaign of \$100,000 unless a local jurisdiction establishes a different loan limit pursuant to Government Code 85702.5.

The attached ordinance would ratify the contribution limits imposed by state law and allow those limits to be enforced by state law and the Fair Political Practices Commission (FPPC). The ordinance would establish a local limit on a candidate's personal loans of their own funds to their own campaign of \$10,000 for supervisor candidates and \$20,000 for Countywide elective offices. The ordinance would additionally designate the County Elections Division as the enforcement agency for the loan limit and allow the division to issue administrative fines for these violations. Finally, ordinance provides a grace period for currently active campaigns, allowing them until November 30 to forgive or repay any personal loans from the candidates in excess of the limits prescribed.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?

Yes

Is it currently budgeted?	No
What is the revenue source?	County general funds would support Election Division staff in enforcing the ordinance. No additional staff would be needed for the enforcement process. Current campaign finance reporting methods would provide the data needed to enforce the ordinance.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	State law allows local entities to set campaign contribution limits to ensure fair campaigns.
Is the general fund affected?	Yes
Future fiscal impact:	Enforcement of the ordinance would continue through each election cycle.
Consequences if not approved:	Local campaigns could be influenced by the ability of the candidate to loan themselves up to \$100,000 per election as opposed to the limits imposed by the ordinance.
County Strategic Plan pillar addressed:	Effective and Open Government
Additional Information:	

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The attached ordinance would ratify state limits on local campaign contributions, as well as limit loans personally provided by candidates to their own campaigns. The key provisions of the ordinance are as follows:

- | Campaign contribution limits would be the same as imposed and adjusted by state pursuant to Government Code section 85301. These limits would be enforced by state law and FPPC regulations.
- | The outstanding loan balance from personal loans provided by the candidates to their own campaigns would be limited to \$10,000 for supervisor campaigns and \$20,000 for Countywide elective offices.
- | Following each even-number year general election, the Board may, by resolution, adjust the loan limits based on changes to the California Consumer Price Index.
- | Violations of the loan limit would be punishable by an administrative fine, issued by the Napa County Elections Division, of \$1,000 or three times the amount of the offense, whichever is greater. A Notice of Violation, containing specified information about the violation, would accompany the fine. The fine may be appealed following the same procedures for an appeal of a citation.
- | Existing campaign committees and candidate accounts would have until November 30 to repay or forgive any portion of their personal loans so that the remaining outstanding balance is within the limits above.

The ordinance does not differentiate between primary or general elections, because the loan limit applies at all times, not only during specific election seasons, and the contribution limits per election are already defined and controlled by state law. The ordinance does not include a deadline for loans to be repaid following the end of an

election, because again, the loan limit continues to apply after the election. However, such provisions can be added into the ordinance at the direction of the Board.

#### Board of Supervisors Action

The Board of Supervisors held a public hearing on March 16, 2021. After discussion, the Board unanimously passed a motion of intent to adopt the Ordinance.

Upon closing the public hearing, the Board read the title, waived reading the balance of the Ordinance, and declared its intention to adopt the Ordinance at the next regularly scheduled meeting. The Ordinance is now before the Board for formal adoption.

Attached for reference is the final version of the Ordinance.

#### Recommendation

Staff and County Counsel recommend adoption of the Ordinance.

#### **SUPPORTING DOCUMENTS**

A . Ordinance establishing local campaign expenditure limits

CEO Recommendation: Approve

Reviewed By: Helene Franchi