



City of San Marcos

1 Civic Center Drive
San Marcos, CA 92069

Staff Report

File #: TMP-2316

MEETING DATE:

July 22, 2025

SUBJECT:

ORDINANCE NO. 2025-1562 - AMENDING SAN MARCOS MUNICIPAL CODE CHAPTER 2.16 (CONTROLS ON CAMPAIGN CONTRIBUTIONS) TO INCREASE CAMPAIGN CONTRIBUTION LIMITS

Recommendation

INTRODUCE (First Reading) of a proposed Ordinance amending San Marcos Municipal Code Chapter 2.16 (Controls on Campaign Contributions)

Board or Commission Action

Not Applicable

Relevant Council Strategic Theme

Good Governance

Relevant Department Goal

To ensure that the limits on the amounts of money that may be contributed to political campaigns in City elections remain current and enforceable.

Introduction

San Marcos Municipal Code (SMMC) Chapter 2.16 contains the City's campaign regulations. Section 2.16.030 sets limitations on the amounts that individuals and political party committees can contribute to a candidate's campaign. This ordinance would amend the Chapter to increase those limits.

Discussion

The Political Reform Act authorizes cities to adopt campaign contribution limitations applicable to elections for local office. (Government Code § 85702.5.) Such limitations must be aimed at eliminating the possibility of corruption or any appearance of corruption in local elections and must be weighed against a contributor's First Amendment rights. The City previously adopted such limitations as part of its campaign regulations found in SMMC Chapter 2.16. During a recent workshop, the City Council requested that staff return with recommendations to increase the current limits.

The City's current campaign contribution limits are contained in SMMC section 2.16.030. They establish a limit for individual contributors and a separate limit for political party committees. The individual contributor limit is \$250; the committee limit is set at twice the individual limit (\$500). During its goal-setting session, the City Council has inquired about these amounts, which were set in 2012. City staff is recommending that each contribution limit be doubled, as discussed below .

In 2020, the state adopted Assembly Bill 571. That Bill provided that, as of January 1, 2021, the state campaign contribution limitation would also apply to cities which had not adopted local contribution limits. The default limit for 2025-2026 is \$5,900. City staff conducted a survey of cities within San Diego County. Of the 18 cities in the County, three rely on the state limit. The remaining 15 cities have limits ranging from \$200 (Coronado and Del Mar) to \$10,000 (El Cajon), for individuals, and \$200 (Coronado) to \$29,050 (City of San Diego) for committee contributions. Reviewing the cities closest in size to San Marcos yields a range of \$250 - \$3,600 for both individuals and committee.

Another consideration in determining the most appropriate contribution limits is the Levine Act (California Government Code section 84308). That Act, which did not previously apply to local elected officials, now prohibits elected agency officials from accepting, soliciting or directing a campaign contribution of more than \$500 from a party to, or participant in, a proceeding involving a license, permit, or other entitlement while the proceeding is pending, and for 12 months following the date a final decision is rendered. It also requires city council members to recuse themselves from any proceeding if the member received a campaign contribution of more than \$500 from a party or participant as defined by that Act within the previous 12 months. The Levine Act limit was previously \$250; it was increased to \$500 as of January 1, 2025. This limit is now in excess of the City's campaign contribution limit applicable to individuals. Increasing the City's limit to an amount that does not exceed the Levine Act limit may help minimize confusion arising from different triggers for applicable voting regulations.

Based on the above, City staff recommends increasing the City's campaign contribution ordinance limits. The proposed ordinance would amend SMMC section 2.16.030(b) to increase the amount a person can contribute to a campaign from \$250 to \$500. SMMC section 2.16.030(c) will remain the same, allowing a committee to contribute twice the amount reflected in 2.16.030(b), effectively increasing the committee limit from \$500 to \$1,000. It would also increase the amounts in SMMC section 2.16.070 to the new Levine Act amounts and, as staff has been informed that some potential donors would prefer to do so through their business, revise SMMC section 2.16.030 to adopt the Political Reform Act definition of "person" without modification, which would allow contributions from business entities.

If adopted, the proposed ordinance would be placed on second reading for the next regular City Council meeting and would be effective thirty days after second reading. Campaign contributions will be permitted up to the new amount as of that effective date. Thus, if a \$250 contribution has already been made to a candidate, the contribution source would be able to contribute additional money to the same candidate, up to the new applicable limit, for current election contests. It should be noted that because the provisions of Chapter 2.16 apply to each election as a separate contest, the current limits would continue to apply to earlier election contests. To attempt to apply the new limits to prior election contests would likely invite challenges to the ordinance. Additionally, this update would not operate to cure voting violations as to contributed amounts that may have existed prior to the effective date of the new ordinance.

Fiscal Impact

No direct costs are associated with the ordinance.

Environmental Impact

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The proposed ordinance does not have the potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and therefore does not constitute a “project” as defined by Public Resources Section 21065, and is exempt from CEQA or other environmental review pursuant to CEQA Guidelines section 15060(c)(3).

Attachment

1. ORDINANCE OF THE CITY OF SAN MARCOS, CALIFORNIA, AMENDING SAN MARCOS MUNICIPAL CODE CHAPTER 2.16, “CONTROLS ON CAMPAIGN CONTRIBUTIONS,” TO INCREASE THE CONTRIBUTION LIMITS
2. San Diego Cities Campaign Finance Limits Information

Prepared by: Jill D.S. Maland, Assistant City Attorney

Reviewed by: Michelle Bender, City Manager

ORDINANCE NO 2024- XXXX

AN ORDINANCE OF THE CITY OF SAN MARCOS, CALIFORNIA,
AMENDING SAN MARCOS MUNICIPAL CODE CHAPTER 2.16
(CONTROLS ON CAMPAIGN CONTRIBUTIONS) TO INCREASE
CAMPAIGN CONTRIBUTION LIMITS

WHEREAS, the Political Reform Act authorizes cities to adopt campaign contribution limitations applicable to elections for local office (Government Code § 85702.5) and such limitations must be aimed at eliminating the possibility of corruption or any appearance of corruption in local elections and must be weighed against a contributor's First Amendment rights; and

WHEREAS, SMMC Section 2.16.030 sets limitations on the amounts that individuals and political party committees can contribute to a candidate's campaign, which are set at \$250 for individual contributors, and \$500 for political party committee contributors; and

WHEREAS, during its goal-setting session, the City Council inquired about the current amounts, which were set in 2012, prompting City staff to review the City's current limits, applicable state law, and limits set by other cities in the County; and

WHEREAS, the state has established a default campaign contribution limit (currently \$5,900) for cities which had not adopted local contribution limits and local cities closest in size to San Marcos have generally imposed limits in the range of \$250 - \$3,600 for both individuals and committees, or default to the state limits; and

WHEREAS, effective in January 2025, the state amended the Levine Act (California Government Code section 84308 to prohibit elected agency officials from accepting, soliciting or directing a campaign contribution of more than \$500 from a party to, or participant in, a proceeding involving a license, permit, or other entitlement while the proceeding is pending, and for 12 months following the date a final decision is rendered, and requires city council members to recuse themselves from any proceeding if the member received a campaign contribution of more than \$500 from a party or participant as defined by that Act within the previous 12 months; and

WHEREAS, the City desires to amend its SMMC Chapter 2.16 to: (i) increase the amount a person can contribute to a campaign from \$250 to \$500; (ii) increase the amount a committee can contribute to \$1,000; (iii) increase the amounts in SMMC section 2.16.070 to the new Levine Act amounts; and (iv) revise SMMC section 2.16.030 to adopt the Political Reform Act definition of "person," without modification, to allow contributions from business entities; and

WHEREAS, in adopting this Ordinance, the City Council intends that the new campaign contribution limitations become effective as of the date this ordinance becomes effective, for current and future election cycles.

Section 1. Chapter 2.16 of the San Marcos Municipal Code is hereby amended as reflected on Exhibit 1 to this Ordinance.

Section 2. Severability. If any section, sentence, clause, or phrase of this Ordinance is determined to be invalid, illegal, or unconstitutional by a decision or order of any court or agency of competent jurisdiction, then such decision or order will not affect the validity and enforceability of the remaining portions of this Ordinance. The City Council declares that it would have passed and adopted the Ordinance, and each section, sentence, clause, or phrase thereof, regardless of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid or unconstitutional.

Section 3. Effective Date. This Ordinance shall take effect and be in force thirty (30) days after its passage.

Section 4. Publication. Within fifteen (15) days following its adoption, the City Clerk shall certify to the passage of this Ordinance and cause the same to be published, or the title thereof as a summary, in accordance with the provisions of State law in a newspaper of general circulation designated for legal notices publication in the City of San Marcos.

INTRODUCED at a regular meeting of the City Council of the City of San Marcos, California, held on the 22nd day of July, 2025, by the following roll call vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED:

Rebecca D. Jones, Mayor

ATTEST:

Phillip Scollick, City Clerk
City of San Marcos

APPROVED AS TO FORM:

Helen Holmes Peak, City Attorney
City of San Marcos

CHAPTER 2.16 CONTROLS ON CAMPAIGN CONTRIBUTIONS

2.16.010 Purpose and Intent.

It is the intent of the City Council of the City of San Marcos in enacting this article to place realistic and enforceable limits on the amount which may be contributed to political campaigns in municipal elections, for the purpose of preventing potential improper or undue influence over elected officials by campaign contributions, and to insure against election victories based primarily on the amount expended on campaigns.

This article is intended to supplement the Political Reform Act of 1974, and in the event of a conflict between that Act and this article, that Act shall prevail. This article is enacted pursuant to Article XI, Section 7 of the Constitution of the State of California, and Section 22808 of the California Elections Code.

This article shall not apply to contributions or other amounts given to a committee which is organized solely for the purpose of supporting or opposing the qualifications for the ballot or the adoption of one or more City measures.

2.16.020 Definitions.

The definitions of the words and phrases defined in the Political Reform Act of 1974 (commencing with Government Code Section 81000) or in the regulations adopted by the Fair Political Practices Commission (commencing with 2 California Code of Regulations Sections 18202) shall apply to this chapter.

2.16.030 Campaign Contributions—Limitations.

- (a) It is unlawful for a candidate, controlled committee, or any agent~~other person~~ acting on behalf of a candidate or controlled committee, to accept a contribution from any person or~~other than an individual, except that a political party committee, except as provided in subsections 2.16.030(b) and (c), below.~~~~shall not be prohibited from making contributions to a candidate or controlled committee in a municipal candidate election, but shall be subject to the contribution limits set forth in Section 2.16.030(c), below.~~
- (b) No person (as that term is defined in Government Code section 82047), other than a candidate shall make, and no candidate, campaign treasurer or controlled committee shall solicit or accept, any contribution which will cause the total amount contributed by such person with respect to a single election in support of such candidate, including contributions to all controlled committees, to exceed \$25500.00.
- (c) No political party committee shall make, and no candidate, campaign treasurer or controlled committee shall solicit or accept, a contribution which will cause the total amount contributed by such political party committee with respect to a single election in support of such candidate, including contributions to all controlled committees, to exceed an amount that is two times the amount set forth in Section 2.16.030(b), above.
- (d) Except as provided in subdivision (e) below, an extension of credit which consists of a receipt of goods or services pursuant to an agreement between the provider of the goods or services and a candidate or controlled committee, and where payment is not made until a later date, is a contribution subject to this Section 2.16.030.
- (e) For purposes of this Section 2.16.030, an extension of credit is not a contribution made by the provider of the goods or services or a contribution accepted by the candidate or controlled committee if either subsections (e)(1) or (e)(2) of this section is met:

- (1) Payment is made on or before the later of the following dates:
 - (a) 60 days after the date of the invoice; or
 - (b) 60 days from the date the goods or services are delivered; or
 - (c) For services that are ongoing in nature, 60 days after the date of the invoice, where services are billed no less frequently than on a three-month billing cycle.
- (2) All of the requirements of subsections (e)(2)(a)–(e) of this section are met:
 - (a) The credit arrangement is set forth in a written instrument which is contemporaneous with the initiation of the credit arrangement, and which instrument shall be made available upon request of Elections Counsel appointed pursuant to Section 2.16.080 below;
 - (b) It is part of the regular business of the provider of goods or services to provide similar goods or services;
 - (c) The provider provides the goods and services in the ordinary course of business and on the same terms and conditions offered to customers generally;
 - (d) The provider of goods or services enters into the agreement with the intent that the candidate or controlled committee be required to pay in accordance with the terms of the agreement and does not have actual knowledge that the candidate or controlled committee may not be able to pay in accordance with such terms;
 - (e) The provider of goods or services makes reasonable efforts to collect the full amount of the balance owed within 60 days of the date that the payment for the goods or services becomes due under the terms of the agreement;
 - (f) Nothing in this section is intended to limit the amount of his or her own money or property that a candidate may contribute, loan to or expend on behalf of the candidate's own campaign;
 - (g) No candidate or controlled committee shall accept anonymous contributions in an amount exceeding \$99.00;
 - (h) If any person is found to have violated the terms of subsections (a) or (b) of this Section 2.16.030, whether by civil or criminal enforcement action, the amount of funds received constituting such violation shall be paid by the candidate or committee that received such funds to the City Manager for deposit into the City's general fund. If any person is found to have violated the terms of any other subsections of this Section 2.16.030, the fine imposed in connection with such violation shall be in the amount of \$250.00 for the first 30 days after said violation, \$500.00 for the next 60 days after said violation and \$1,000.00 for any period in excess of 90 days following said violation, and shall be paid to the City Manager for deposit into the City's general fund; and
 - (i) The provisions of the Political Reform Act of 1974, as may be amended from time to time, and the regulations of the Fair Political Practices Commission implementing the Political Reform Act with respect to: (i) the receipt and/or acceptance of contributions and the requirement to report the same; (ii) allowing the return of contributions that exceed limits; and (iii) the ability of candidates and committees to file amended campaign statements, are applicable to the local requirements set forth in this Chapter 2.16.

2.16.040 Campaign Statements.

Each candidate and each committee shall be required to file those campaign statements mandated by the Political Reform Act of 1974, as amended (Government Code Sections 84100 through 84305), in the times and in the

manner required by the Act. This article imposes an additional local filing requirement on candidates and committees, as follows:

Pre-election campaign statements shall be filed by each candidate and committee, including independent committees, covering the period from the last reporting date through midnight of the second Sunday prior to the election, which statements shall be filed with the City Clerk by 5:30 p.m. on the last City business day of the week immediately preceding the election date. The required statements may be completed on campaign statement forms, required to be filed by state law, so long as such forms are completed in sufficient detail to comply with the requirements of this chapter.

2.16.045 Public Record.

Campaign statements filed with the City Clerk shall be a matter of public record. The City Clerk shall, within three City business days of the date of filing, post copies of campaign statements online at the City's website.

2.16.050 Violations and Penalties—Criminal and Civil Enforcement.

- (a) Any person who knowingly or willfully violates any provision of this chapter is guilty of a misdemeanor and shall be punishable in accordance with Section 1.12.020. The maximum fine that may be imposed for each misdemeanor conviction shall be \$10,000.00 or three times the amount illegally reported, contributed, expended or given, whichever is greater.
- (b) In addition to the criminal penalty set forth above, or any other penalty provided by law, any violation of this chapter may be enforced by civil action brought by the City. As part of any civil action filed to enforce provisions of this chapter, a court may assess a maximum civil penalty of \$10,000.00 or three times the amount illegally reported, contributed, expended or given, whichever is greater, per violation of this chapter, for each day which any person commits, continues, allows or maintains a violation of any provision of this chapter.
- (c) In addition to any other penalty provided by law, any willful or knowing failure to report contributions, done with the intent to mislead or deceive, shall be punishable by a fine of not less than \$5,000.00.
- (d) For purposes of this chapter, civil or criminal enforcement actions may be brought on behalf of the City by the Office of the District Attorney pursuant to the delegation provided by California Government Code Section 91001, or by special counsel retained by the City for such purpose. Whether or not a violation is inadvertent, negligent or deliberate, and the presence or absence of good faith shall be considered in applying the remedies and sanctions of this chapter.

2.16.060 Effect of Violation on Election.

- (a) The election to office of any candidate who is convicted of a violation of any provision of this article shall be void, and such office shall become vacant immediately if the candidate is the incumbent, or upon the date the candidate would otherwise have taken office. The vacancy shall be filled in the same manner as other vacancies in the City offices are filled. If a candidate is convicted of a violation of this article prior to the time when the election is to take place, his or her candidacy shall be terminated immediately and he or she shall be ineligible for that election. Any person convicted of a violation of this article shall be ineligible to hold any City office, whether elective or appointive for a period of five years for each such conviction from and after the date of conviction.
- (b) The City Clerk shall not issue any Certificate of Election to any candidate until the campaign statements required by Section 2.16.040, or, if no campaign statement is required, the written declaration permitted by Section 84212 of the California Government Code, have been filed in the form and at the place required by the Political Reform Act of 1974 as amended. The City Council shall not adopt a resolution declaring any candidate

to be nominated or elected until such statements or declaration have been filed in accordance with the provisions of this article.

2.16.070 Voting and Receipt of Funds.

- (a) Within 12 months after receiving a campaign contribution or other income ~~in excess of totaling \$1500.00 or more~~ from any source (other than extensions of credit received for the purchase of goods and services when such extensions are made by regular suppliers of such goods and services or by a financial institution regulated under the laws of the United States or the State of California in the normal course of business under terms and conditions available to the general public, and/or money or property that a candidate may contribute, loan to, or expend on behalf of his or her own campaign), no City Councilmember shall make, participate in making or attempt to influence any government decision or action that will have a reasonably foreseeable material financial effect on the campaign contributor or other source of income that is distinguishable from its impact on the public generally or a significant segment of the public, as defined by the Political Reform Act of 1974.
- (b) Other than money or property that a candidate may contribute, loan to, or expend on behalf of his or her own campaign, no City Councilmember shall accept any campaign contribution or other income from any source ~~in excess of totaling \$1500.00 or more~~ within 12 months after he or she has made, participated in making, attempted to influence or influenced any government decision or action that had a material financial effect on the campaign contributor or other source of income that is distinguishable from its impact on the public generally or a significant segment of the public, as defined by the Political Reform Act of 1974.

2.16.080 Review of Complaints, Appointment of Elections Counsel, Enforcement Actions.

The City shall review and investigate written complaints of alleged violations of this chapter. In the event such complaints are received, the City Attorney shall appoint a qualified and independent special counsel ("Elections Counsel") in consultation with the City Manager and on such terms and conditions as are generally available in the San Diego County legal community for such work, which Elections Counsel will commence and carry out such review and investigation. If the Elections Counsel determines that there is a reason to believe that a violation of this chapter has occurred, Elections Counsel shall conduct an investigation as it deems necessary for the enforcement of this chapter.

1. The Elections Counsel shall have such investigative powers as are necessary for the performance of duties described in this chapter and may demand and shall be furnished records of campaign contributions and expenditures of any person or committee subject to this chapter. In the event that production of such records is refused, the Elections Counsel may commence civil litigation to complete such production.
2. Persons residing in the City who believe that a violation of this chapter has occurred may file a written complaint with the City Attorney for review by the special counsel. While names of complainants shall not be subject to disclosure unless required by the Public Records Act, anonymous complaints will not be reviewed and/or investigated. If the complaint presents probable cause to believe that a violation has occurred, the special counsel will initiate an investigation of such violation.
3. Action to Enforce. If the Elections Counsel determines that there is good reason to believe that a violation of this chapter has occurred, Elections Counsel may commence such administrative, civil or criminal legal action as it deems necessary for the enforcement of this chapter.
4. Review, investigation, enforcement, litigation, and prosecution by other than the District Attorney under this chapter shall be commenced and carried out only by the appointed Elections Counsel. Activity by Elections Counsel in accordance with this chapter shall not be subject to review or control by the City Council or City Attorney. The City Attorney shall not review, investigate, prosecute or otherwise deal

with any alleged violation of this chapter, but shall defend the constitutionality and legality of this chapter in any civil proceeding in which the City or the City Council is a party.

2.16.090 Time Limitations.

Any action alleging a violation of this chapter must be commenced no later than one year from the date of the alleged violation.

City	Campaign Finance Limits-Individual Contributions	Campaign Finance Limits-Political Party Committee Contributions	Notes	Sources
Carlsbad	\$1,100-City Council Candidates	\$1,100-City Council Candidates	Adjusted bi-annually based on CPI	Carlsbad Municipal Code section 1.15.040
	\$3,600 - Clerk, Mayor, or Treasurer	\$3,600 - Clerk, Mayor, or Treasurer	City Clerk confirmed limits are same for both individuals and PACs	
Chula Vista	\$440	\$1,530	Adjusted bi-annually based on CPI	Ch. 2.52 Campaign Contributions Chula Vista Municipal Code
Coronado	\$200	\$200		Search Results Coronado Municipal Code
Del Mar	\$200	\$2,000		Del Mar Municipal Code section 2.16.040
El Cajon	\$10,000	\$10,000	Adjusted annually based on CPI	El Cajon Municipal Code section 2.18.030
			City Clerk confirmed limits are current and same for both individuals and PACs	City of El Cajon, CA LOCAL CAMPAIGN CONTRIBUTION LIMITS
Encinitas	\$250	\$250		Encinitas Municipal Code section 2.16.020
Escondido	\$5,900	\$5,900	State Limit, which adjusts bi-annually based on CPI	LF1911925.pdf
Imperial Beach	\$250	\$250		https://www.fppc.ca.gov/conten.../Documents/TAD/Campaign%20Ordinances/Cities/R_Imperial_Beach.pdf
La Mesa	\$5,900	\$5,900	State Limit, which adjusts bi-annually based on CPI	Running for Office
Lemon Grove	\$1,230	\$1,230	Adjusted bi-annually based on CPI	https://www.lemongrove.ca.gov/media/3wqpcrod/2025-4094-campaign-contribution-limit-pursuant-to-lgmc.pdf
National City	\$1,230	\$2,455	Adjusted bi-annually based on CPI	https://library.municode.com/ca/national_city/codes/code_of_ordinances?nodeId=CD_ORD_IT2AD_CH2.75ELCARE
Oceanside	\$5,900	\$5,900	State Limit, which adjusts bi-annually based on CPI	
Poway	\$250	\$250		Poway Municipal Code section 2.28.030
				Ord 834
San Diego	\$800 City Council Candidates	\$14,600 City Council Candidates		San Diego Municipal Code sections 27.2934 and 27.2935
	\$1,450 Mayor and City Attorney Candidates	\$29,050 - Mayor and City Attorney Candidates		www.sandiego.gov/sites/default/files/2025-02/notice_campaigncontributionlimits_2025_english.pdf
San Marcos	\$250	\$500		SMMC section 2.16.030
Santee	\$1,000	\$1,000	Adjusted bi-annually based on CPI	Santee Municipal Code section 2.40.060
Solana Beach	\$270	\$270	Adjusted annually based on CPI	Solana Beach Municipal Code section 2.24.040
			Aggregated total limit of \$7,740 for all non-individual contributors	Election Information Solana Beach
Vista	\$610		Information confirmed with Vista's City Clerk	Vista Municipal Code Section 2.34.060