

**CITY OF SAN MATEO  
ORDINANCE NO. 2021-23**

**Amending Chapter 2.80 "Contributions and Loans to City Candidate Campaigns" of Title 2 of the San Mateo Municipal Code to Include In-Kind Donations as Contributions and to Provide for the Aggregation of Contributions**

WHEREAS, on October 4, 2021, the City Council directed the City Attorney to draft amendments to Municipal Code Chapter 2.80 (Contributions and Loans to City Candidate Campaigns) to address in-kind donations that are currently not subject to existing contribution limits, and to require the aggregation of contributions; and

WHEREAS, the proposed amendments set forth below would further the purpose of Chapter 2.80, by helping to preserve integrity and openness in the political process, promote public confidence in government, and reduce the influence of special interests and wealthy individuals on the electoral process.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SAN MATEO ORDAINS AS FOLLOWS:

**Section 1.** Section 2.80.020 of the San Mateo Municipal Code is amended as follows:

**2.80.020 Definitions.**

As used in this chapter, the words and phrases shall be defined in the same manner as they are defined in the Political Reform Act of 1974 (including any amendments thereto) as found in California Government Code Section 81000 et seq., unless defined otherwise in this section. For the purposes of this chapter, the terms below are defined as follows:

(a) "Candidate" means any individual listed on the ballot for election to any City office, or who otherwise has taken affirmative action to seek election to City office, or who receives a contribution or makes an expenditure, or who gives his or her consent for any other person to receive a contribution or make an expenditure with the purpose of bringing about his or her election to any City office. "Candidate" also means an officeholder in connection with a recall election relating to such officeholder.

(b) "Candidate committee" means a committee that is controlled directly or indirectly by a candidate or that acts jointly with a candidate in connection with the making of expenditures.

(c) "Contribution" means a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment except to the extent full and adequate consideration is received unless it is clear from the surrounding circumstances that it is not made for political purposes. Except as provided herein, "contribution" includes (1) an expenditure made at the behest of a candidate or candidate committee unless full and adequate consideration is received for making the expenditure, and (2) any goods or services received by or behested by a candidate or candidate committee at no charge or at a discount from the fair market value, unless the discount is given in the regular course of business to members of the public.

The term "contribution" does not include a payment made by the occupant of a home or business for costs related to any meeting or fund raising event held in the occupant's home or business; or volunteer

personal or professional services if the services are donated without any understanding or agreement that they shall be directly or indirectly repaid to him or her.

(d) "Individual" means a natural person and shall not include a partnership, corporation, association, firm, business entity, committee, club, or other organization.

(e) "Organization" means a partnership, corporation, association, firm, business entity, committee, club, union, or company.

**Section 2.** Section 2.80.045 of the San Mateo Municipal Code is added to read as follows:

**2.80.045 Aggregation of Contributions.**

(a) To determine when contributions are aggregated under this chapter, "majority owned" means ownership of more than 50 percent.

(b) If an individual directs or controls an organization's contributions, the organization's contributions shall be aggregated with contributions made by both of the following:

(1) That individual.

(2) Any other organization whose contributions that individual directs or controls.

(c) If two or more organizations make contributions that are directed or controlled by a majority of the same persons, the contributions of those entities shall be aggregated.

(d) Contributions made by organizations that are majority owned by a person shall be aggregated with the contributions of the majority owner and all other organizations majority owned by that person, unless those organizations act independently in their contribution-making decisions.

**Section 3.** Section 2.80.050 of the San Mateo Municipal Code is amended as follows:

**2.80.050 Candidate Campaigns Only.**

The provisions of this chapter apply to election campaigns for candidates only. The provisions of this chapter do not apply to any ballot measure, referendum or initiative election.

**Section 4.** Section 2.80.080 of the San Mateo Municipal Code is amended non-substantively to letter each existing paragraph as follows:

**2.80.080 Post Election Review.**

(a) No later than three (3) months after the certification of the results of a City election at which a City Council member is elected, the City Clerk shall calendar for City Council consideration a review of the provisions

of this chapter. The purpose of such review is to allow the City Council to consider the ongoing appropriateness of the provisions of this chapter, including, but not limited to, the amount of the contribution and loan limits established in Sections 2.80.030 and 2.80.040.

(b) Notwithstanding any other provision of this code, the City Clerk's failure to calendar this review within the time period specified shall not subject the City Clerk to any criminal or civil penalty.

**Section 5. Environmental Determination.** This ordinance is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5).).

**Section 6. Severability.** In the event any section, clause or provision of this ordinance shall be determined invalid or unconstitutional, such section, clause or provision shall be deemed severable and all other sections or portions hereof shall remain in full force and effect.

**Section 7. Publication.** This Ordinance shall be published in summary in a newspaper of general circulation, posted in the City Clerk's Office, and posted on the City's website, all in accord with Section 2.15 of the City Charter.

**Section 8. Legislative History and Effective Date.** This ordinance was introduced on November 1, 2021, and adopted on November 15, 2021, and shall be effective on January 1, 2022.

The foregoing ordinance was adopted by the City Council of the City of San Mateo, State of California by the following vote:

AYES: Council Members Rodriguez, Bonilla, Goethals, Lee and Papan

NOES: None

ABSENT: None

ATTEST:



Patrice M. Olds, City Clerk



Eric Rodriguez, Mayor