

**CITY OF ALBANY  
CITY COUNCIL AGENDA  
STAFF REPORT**

Agenda Date: 8/4/08

Reviewed by: BP

**SUBJECT:** Consideration of modifications to or repeal of Albany Campaign Finance Reform Act, and of creation of Campaign Finance Reform Task Force

**REPORT BY:** Judy Lieberman, Assistant City Administrator

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**STAFF RECOMMENDATION**

- 1) Approve 2<sup>nd</sup> reading of Ordinance #08-08, Repealing the Albany Campaign Finance Reform Act.

**MAYOR RECOMMENDATION**

- 1) Introduce Ordinance #08-09, which would retain the existing Albany Campaign Finance Reform Act, with the following changes:
  - a. Adopt the Social & Economic Justice Commission's (SEJC) recommendation to remove the contribution limits from organizations and general purpose committees.
  - b. Increase the two tiered contribution limits from \$100 to \$250 and from \$200 to \$500, the latter being the limit for candidates agreeing to the expenditure ceiling.
  - c. Remove citizen enforcement provisions in Sections 7-10.1 and 7-10.2.
  - d. Establish a task force to review and if advisable develop a set of campaign finance regulations.

Ordinance #08-09 also contains the provisions from Ordinance #08-06 that increase the voluntary contribution expenditure ceiling from \$.50 per voter to \$.70 per voter, and that increase the voluntary ceiling on contributions from outside Albany from 10% to 25% of campaign funds.

The City Attorney's recommendations for repeal of the ordinance and if not repealed, retaining the citizen enforcement provisions, are contained in the attached report dated July 29, 2008.

**BACKGROUND**

On July 7, 2008, City Council reviewed the set of recommendations provided by the Social and Economic Justice Commission regarding the Albany Campaign Finance Reform Act. Due to various concerns raised about outstanding issues that were not dealt with in the proposed Ordinance #08-06, this Ordinance was not adopted. Council directed staff to return at the next meeting with an ordinance to repeal the Act in its entirety. The staff

report and ordinance are included as Attachment #1 to this report.

On July 21, Council passed Ordinance #08-08, repealing the Albany Campaign Finance Reform Act. Ordinance #08-08 is now returning to Council for a second reading. The staff report and ordinance are included as Attachments to this report

**DISCUSSION**

After first reading of Ordinance #08-08, re-consideration was given to the total repeal of the ordinance. A third ordinance has been drafted, Ordinance #08-09, based on the recommendations provided in writing by Council Member Wile at the July 7, 2008 meeting, and that also reflect the recommendations of the Mayor. Staff also included two provisions from Ordinance #08-06 increasing the voluntary limits on contributions per registered voter and from outside Albany that had been recommended by the SEJC.

ORDINANCE	CONTENTS	COMMENTS
#08-06	<u>SEJC Recommendations:</u> 1. Removes restrictions on contributions from organizations and gen'l purpose committees 2. Increases per voter amount from \$.50 to \$.70/registered voter; or approximately 7100 + inflation (estimated at \$8000) 3. Increases geographical limit from 10% to 25% 4. Maintains voluntary contribution limit and incentive system	SEJC also recommended a Task Force to look at other issues, including public campaign finance and enforcement.  SEJC recommended that changes go into effect in 2010.
#08-08	<u>Repeals Act in its entirety</u>	State Law goes into effect; enforcement by FPPC.
#08-09	<u>Modifications:</u> 1. Removes restrictions on contributions from organizations and gen'l purpose committees 2. Sets per voter amount at \$.70/registered voter. 3. Sets geographical limit at 25%. 4. Increases the contribution limits from \$100 to \$250 for regular contributions and from \$250 to \$500 for those accepting voluntary expenditure limit 5. Removes private enforcement language, making City Attorney responsible for enforcement.	Mayor also recommends a Task Force be appointed after current election.  City Attorney strongly advises against removing private enforcement language.

With respect to the task force, the Mayor recommends that it consist of an appointee from each Councilmember and that the attorney that advised the SEJC, Robert Stern, be

available to provide advice to the task force. The questions for the Task Force to consider are:

- Is public financing with a matching campaign contribution system appropriate for Albany?
- How can campaign finance disclosure be enhanced to better inform the public?
- How can campaign contribution limits on candidates be balanced against the unlimited ability of third parties (developers, large corporations and Political Actions Committees) making unrestricted "independent expenditures" to influence Albany City Council elections?
- How can Albany pursue campaign contribution and expenditure limitations given evolving judicial precedents regarding applying to freedom of speech?
- What are the implementation concerns of City Staff and how does Albany's small size impact our ability to effectively administer campaign finance limitations?

#### **FINANCIAL IMPACT**

None.

#### **Attachments:**

1. City Attorney report, July 29, 2008
2. Ordinance #08-06 and 7/7/08 staff report (SEJC recommendations)
3. Ordinance #08-08 and 7/21/08 staff report (Repeal)
4. Ordinance #08-09 (prepared for 8/4/08)
5. Albany Campaign Finance Reform Act of 1996 prior to amendment or repeal