



# Memorandum

*Chuck Reed*

**TO:** Mayor and Council

**FROM:** Chuck Reed

**SUBJECT:** Urgency Ordinance: Independent  
Expenditure Committees

**DATE:** September 29, 2006

**APPROVED:**

**DATE:**

*9/29/06*

## BACKGROUND

The U.S. District Court has thrown out provisions of San Jose's election ordinance that limited contributions to political campaigns, and overturned a ruling by the City Elections Commission against COMPAC, the political action committee of the San Jose Silicon Valley Chamber of Commerce.

The court declared that the San Jose's Election Code violates the First and Fourteenth Amendments to the United States Constitution. We should amend our election ordinance to be consistent with this ruling.

There are also some changes that can and should be made in time for this election so that the public can follow the activity of independent expenditure committees during the election process. It is important that we have full disclosure and that we make it easier for the public to follow the money that gets spent by Independent Expenditure Committees.

## RECOMMENDATION:

1. Direct the staff to prepare an amendment to the Municipal Code on an urgency basis to:
  - a. Require independent expenditure committees with activity in San Jose who file with the State to also file with the City at the same time they file with the State.
  - b. Require all independent expenditure committees with activity in San Jose to also file a copy of literature or electronic media they spent money on along with their reports.

2. Direct the clerk to post copies of all independent expenditure committee filings on the City web site within 24 hours of filing.
3. Direct the City Attorney to send a letter to all independent expenditure committees to give them notice that they must comply with City ordinances that remain in effect.
4. Direct the staff to bring back recommendations for limits on contributions to independent expenditure committees that will meet constitutional standards.
5. Refer to the Elections Commission a request to review the City ordinance to determine any changes that need to be made, or any other steps that can be taken, such as education or auditing, to address the following problems which appeared in campaign reports filed in the last election:
  - a. Accepting campaign contributions prior to the campaign contribution start date. (12.06.290; 12.06.330)
  - b. Failing to disclose names of contributors. (Government Code 85700, Municipal code 12.06.910)
  - c. Failing to disclose expenditures made by subvendors (Government Code 84303; FPPC Reg. 18431)
  - d. Failing to disclose late expenditures in a timely manner. (Government Code 84204)
  - e. Reporting contributions in excess of the \$500 per person limit (12.06.540)
6. Refer to the Elections Commission a request to review the ordinance to determine if changes should be made to regulate political party expenditures to ensure full disclosure along the lines of the rules promulgated in San Diego.

cc: Lee Price, City Clerk

Chuck Reed  
Councilmember