

Division I. Title, Findings and Purpose**TOP ^****2.01.110 Title.**

This Chapter 2.01 may be cited as the Long Beach Campaign Reform Act. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

TOP ^**2.01.120 Findings and declarations.**

In enacting this Chapter 2.01, the following findings and declarations are adopted:

A. Monetary contributions to political campaigns are a legitimate form of participation in the political process, but the financial strength of certain individuals or organizations should not permit the exercise of a disproportionate or controlling influence on the election of candidates.

B. The rapidly increasing costs of political campaigns have forced many candidates to raise larger and larger amounts of money from individuals and interest groups with a specific financial stake in matters before the City Council. This has caused a public perception that votes are being improperly influenced by monetary contributions. This perception is undermining the credibility and integrity of the governmental process.

C. Candidates are raising less money in small contributions and more money in large individual and organizational contributions. This has created the public impression that the small contributor has an insignificant role to play in political campaigns.

D. High campaign costs are forcing officeholders to spend more time on fund-raising and less time on the public's business. The constant pressure to raise contributions is distracting officeholders from urgent governmental matters.

E. Officeholders are responding to high campaign costs by raising large amounts of money in off-election years. This fund-raising distracts them from important public matters, encourages contributions which may have a corrupting influence and gives incumbents an overwhelming and patently unfair fund-raising advantage over potential challengers.

F. The integrity of the governmental process, the competitiveness of campaigns and public confidence in local officials are all diminishing. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.130 Purpose.

It is the purpose of this Chapter 2.01:

A. To insure that individuals and interest groups in Long Beach have a fair and equal opportunity to participate in Municipal elective and governmental processes.

B. To reduce the influence of large contributors with a specific financial stake in matters before the City Council, thus countering the perception that decisions are influenced more by the size of contributions than the best interests of the people of the City.

C. To assist serious candidates in raising enough money to communicate their views and positions adequately to the public without excessive expenditures or contributions, thereby promoting public discussion of the important issues involved in political campaigns.

D. To limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign war chests for defensive purposes, beyond the amount necessary to communicate reasonably with voters.

E. To provide a neutral source of campaign financing in the form of limited public matching funds.

F. To increase the value to candidates of smaller contributions.

G. To eliminate fund-raising except during an Election Cycle.

H. To reduce the excessive fund-raising advantage of incumbents and thus encourage competition for elective office.

I. To allow candidates and officeholders to spend a lesser proportion of their time on fund raising and a greater proportion of their time dealing with issues of importance to their constituents.

J. To improve the disclosure of contribution sources in reasonable and effective ways.

K. To help restore public trust in local governmental and electoral institutions. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).



Breaking

LB Area Chamber of Commerce Sues City of LB In Fed'l Court, Wants LB Campaign Reform Act (1994 Voter-Approved Prop M) Limiting Contributions Declared Unconstitutional/Unenforceable Applied To Chamber & Other Non-Candidate Controlled Groups

(March 13, 2006) -- The LB Area Chamber of Commerce has filed suit against the City of Long Beach in federal court, calling LB's 1994 voter-enacted Campaign Reform Act (Prop M) an unconstitutional infringement on the Chamber's "core First Amendment right to participate in the electoral process through the making of independent expenditures in the upcoming April 11, 2006 Long Beach Municipal election, and in future municipal elections."

The suit effectively seeks to erase LB's campaign contribution limits on Chamber political activities, and the activities of any other interest group, seeking to fund an independent [non-candidate controlled] campaign to help elect or defeat candidates for LB elective office.

The Chamber's lawsuit seeks an order declaring LB's Campaign Reform Act unconstitutional and unenforceable to the extent it restricts contributions to the Chamber and other groups not affiliated with any candidate.

The Chamber's suit cites a 2002 decision by the 9th circuit federal Court of Appeals that held the City of Irvine's campaign contribution ordinance unconstitutional, subjecting it to "strict scrutiny" because it had the 1st amendment effect of barring a private association from making independent campaign expenditures. That was followed by similar findings by an OC federal district court to the effect that nearly identical ordinances in Anaheim, Huntington Beach, Orange and the County of Orange were unconstitutional. The Chamber's suit alleges that LB's 1994 voter-enacted ordinance (Prop M) is "substantially similar, in all relevant respects" to the OC ordinances invalidated since 2002.

The Chamber's lawsuit indicates that at the direction of the Chamber's Executive Committee, Randy Gordon (Chamber President/CEO) and Dave Neary (former

Chamber chair and current chair of its local political action committees) and two lawyers met with LB City Attorney Bob Shannon to ascertain if the City of LB would voluntarily stop enforcing and revoke its ordinance in view of the Court of Appeal ruling. City Attorney Shannon refused. The lawsuit says Mr. Shannon "confirmed [the City] would continue to enforce [the applicable portion of LB's Ordinance] short of a court order to the contrary."

The Chamber filed suit late last week.

City Attorney Shannon indicated to *LBReport.com* that he does not share the Chamber's legal conclusions regarding LB's ordinance...but regards the potential consequences of the Chamber's lawsuit as very serious. "If the Chamber's position were accepted by a federal district court and its decision were sustained on appeal, I believe it would have the practical effect of emasculating LB's Campaign Reform Act."

If the Chamber prevails in its suit, interest groups not controlled by a candidate could collect virtually unlimited contributions for use independent of [not controlled by] a candidate to elect or defeat an interest group's favored or despised LB candidate(s).

The lawsuit includes a declaration by Chamber PAC chair Neary stating in part:

"Due to restrictions of the Long Beach Campaign Reform Act, the Chamber has been prohibited from participating directly in City of Long Beach campaigns because its dues structure includes donations which exceed the limitations of the Act. Thus, even if it desired to use its dues funds for political purposes in the City of Long Beach, it is now, and has been since 1994, prohibited from doing so."

It's unclear how dues-paying Chamber members would respond if their dues were spent in this way...but currently they aren't. Mr. Neary's declaration continues:

Every month, the Chamber sends a solicitation to its members for contributions to the Chamber PACs [political action committees]. Any amount contributed to the Chamber PACs by a [Chamber] member is in addition to the full membership dues of the member.

The Chamber PAC has only received approximately \$600.00 per month from members by way of these solicitations.

Many members of the Chamber, on their own volition have offered to make larger contributions to Chamber PACs for making independent expenditures in regards to city elections in the past and for the April 11, 2006 elections. However, due to [Municipal Code] Section 2.01.610 [the LB Campaign Reform Act], the Chamber

PACs combined, can only receive a maximum of \$1,000 per contributor per election (\$350 for the Chamber City Council PAC + \$650 for the Chamber Mayoral PAC).

While nominally a private non-government entity (a non-profit CA mutual benefit corporation), the LB Area Chamber of Commerce effectively benefits from relationships with a number of LB taxpayer-funded public entities...and some LB area media outlets.

The Chamber's website (www.lbchamber.com) lists a "Chairman's Circle," which it calls "a special group of members that have committed to support the LBACC through sponsorships at various financial levels and at special events." Among those listed in the highest category ("Diamond") are the Port of Long Beach and the Long Beach *Press-Telegram*. "Platinum" includes LB City College. "Silver" includes Long Beach Airport, California State University Long Beach, and the *Long Beach Business Journal*. "Bronze" includes the Water Replenishment District of Southern California, the Queen Mary and the Long Beach Convention and Entertainment Center. [For the Chamber's full "Chairman's Circle" listing, visit <http://www.lbchamber.com/chamber/chairman.asp>]

Incumbent LB Mayor Beverly O'Neill (whose reelection the Chamber endorsed) has allowed the Chamber to use her annual "State of the City" message (a City Charter duty) as an exclusively pay-to-attend Chamber fundraiser (no longer delivering it in the public Council chamber where it might face Council or public response). The event is then videotaped and replayed on City Hall's taxpayer funded cable TV channel, intercut with scenes of cheering supporters without rebuttal, balance or dissenting views.

In October 2005, the Chamber endorsed a number of candidates in the 2006 election cycle including Mayoral candidate Bob Foster and Council candidates Gary DeLong, Vice Mayor Jackie Kell, Alex Cherin and Councilman Val Lerch. In an editorial applauding the Chamber's early endorsements, the *Press-Telegram* told its readers:

Long Beach's Chamber of Commerce leaders have done it again. Instead of politely staying out of the political fray, they have jumped into the middle of it, not even waiting until all the candidates have filed their papers.

That's our kind of chamber...

On these editorial pages we don't always see eye to eye with the chamber's political endorsements, but that's beside the point. There ought to be more strong voices in town like the chamber's: articulating and agitating for the qualities that make a community vital and strong: safe streets, inviting neighborhoods, energetic commerce and good schools.

The LB Chamber has been on collision course with City Hall on several key issues. As previously reported by *LBReport.com*, a Chamber rep recently travelled to Sacramento and testified in favor of a "Memorandum of Understanding" between CA's Air Resources Board and CA's two major railroads that the LB City Council voted unanimously to oppose.

The LB Chamber also continues to oppose legislation by state Senator Alan Lowenthal (D., LB-SP-PV) to set baselines and cap Port-related airborne toxics ("no net increase"), a measure unanimously supported by the Council but opposed by the Port of LB in 2004 with the Port publicly neutral now.

Juggling the Port hot potato, Chamber-endorsed Mayoral candidate Foster hasn't publicly supported Sen. Lowenthal's "no net increase" bill and doesn't mention the issue when discussing Port pollution in his TV spots and in Mayoral fora. Mayoral candidates Colonna and Drummond have endorsed "no net increase" and pledged to go beyond it in seeking real reductions in toxic emissions.

In 2002, a Chamber-backed candidate in the 7th Council district was defeated by Tonia Reyes Uranga...and in 2004, Chamber-backed candidates lost (when backed by Mayor O'Neill) in the 4th and 8th Council districts.

The Chamber has since found itself on a collision course with Councilwoman Reyes Uranga on several issues...and has endorsed maritime attorney Alex Cherin to try and oust her in the April 06 election. For her part, Councilwoman Reyes Uranga has moved to turn the Chamber's endorsement of Cherin, citing the Chamber's stance on Port pollution issues as a reason not to vote for Cherin.

The Chamber's website also posts a link to the "Long Beach Alliance," a group whose exact leadership isn't disclosed on the Alliance website but through local supporters has criticized what it calls a slow pace and less than optimal sizing for expansion of LB Airport's permanent terminal area facilities.

<http://www.lbreport.com/news/mar06/chamsue1.htm>