

RESOLUTION

WHEREAS, the Council of the City of Los Angeles has adopted a resolution to place a Charter amendment before the qualified voters of the City of Los Angeles at the March 8, 2011 Special Election to be consolidated with the City's Primary Nominating Election to be held on the same date; and

WHEREAS, the City Election Code requires the City Attorney to prepare and present a ballot title and question consisting of an impartial statement of the measure; and

WHEREAS, the City Attorney has presented the following ballot title and question for the proposed measure:

CONTRACT BIDDER CAMPAIGN CONTRIBUTION AND FUNDRAISING RESTRICTIONS; CAMPAIGN TRUST FUND. CHARTER AMENDMENT ____.

Shall the Charter be amended to (1) restrict campaign contributions and fundraising by bidders on certain City contracts; require increased disclosure for bidders; and provide for bans on future contracts for violators; and (2) build upon the city's voter-approved campaign trust fund, which provides limited public matching funds for qualified City candidates who agree to spending limits, by lifting the maximum balance in the fund while allowing the City Council by a two-thirds vote to not make the annual appropriation and temporarily transfer funds to meet City budgetary obligations in certain emergency conditions?

NOW, THEREFORE, BE IT RESOLVED that the ballot title and question presented by the City Attorney be adopted by the City Council.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

C.F. No. 10-2500; 10-2481

RESOLUTION

Resolution providing that a ballot measure be submitted to the qualified voters of the City of Los Angeles.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF LOS ANGELES AS FOLLOWS:

Section A. The following amendments to the Charter of the City of Los Angeles are hereby proposed to be submitted to the qualified voters of the City of Los Angeles at a Special Election to be called and consolidated with the City's Primary Nominating Election held on March 8, 2011:

CHARTER AMENDMENT _____

Section 1. Subsection (a) of Section 470 is amended to read:

(a) **Purpose.** The purpose of this section is to encourage a broader participation in the political process and to avoid corruption or the appearance of corruption in city decision making, and protect the integrity of the City's procurement and contract processes by placing limits on the amount any person may contribute or otherwise cause to be available to candidates for election to the offices of Mayor, City Attorney, Controller and City Council and promote accountability to the public by requiring disclosure of campaign activities and imposing other campaign restrictions.

This section is intended to supplement the Political Reform Act of 1974.

Sec. 2. Subsection (c) of Section 470 is amended to add after the heading and before subdivision (1):

In addition to the provisions of the Charter, the City may adopt additional restrictions by ordinance.

Sec. 3. Subdivision (12) of Subsection (c) of Section 470 of the Charter of the City of Los Angeles is added to read:

(12) (A) The following persons shall not make a campaign contribution to any elected City official, candidate for elected City office, or City committee controlled by an elected City official or candidate:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the City Council;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(B) The following persons shall not make a campaign contribution to the Mayor, the City Attorney, the Controller, a City Council member, a candidate for any of those elected City offices, or a City committee controlled by a person who holds or seeks any of those elected City offices:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the elected City office that is held or sought by the person to whom the contribution would be given;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(C) The following persons shall not engage in prohibited fundraising for any elected City official, candidate for elected City office, or City committee controlled by an elected City official or candidate as further provided by ordinance:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least \$100,000 and requires approval by the City Council;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(D) The following persons shall not engage in prohibited fundraising for an elected City official, candidate for the elected City office, or City committee controlled by a person who holds or seeks the elected City office as further provided by ordinance:

(i) A person who bids on or submits a proposal or other response to a contract solicitation that has an anticipated value of at least

\$100,000 and requires approval by the elected City office that is held or sought by the person for whom the fundraising would be conducted;

(ii) Subcontractors that are expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of a person defined in subparagraph (i); and

(iii) Principals of persons defined in subparagraphs (i) and (ii).

(E) The prohibitions in paragraphs (A) and (B) shall apply from the time the bid or proposal is submitted until the contract is signed, the bid or proposal is withdrawn by the bidder or proposer, or the City rejects all proposals for the contract, whichever is earlier. The prohibitions shall continue for 12 months after the contract is signed for the successful bidder or proposer, its principals, its subcontractors of at least \$100,000, and the principals of those subcontractors.

(F) For purposes of this subdivision, a principal of a person who is a bidder, proposer, or subcontractor means the person's board chair, president, chief executive officer, chief operating officer, or the functional equivalent of those positions; any individual who holds an ownership interest in the person of 20 percent or more; and any individual authorized by the bid or proposal to represent the person before the City.

(G) This subdivision shall not apply to:

(i) Contributions to or fundraising on behalf of elected officials or candidates for elected City office where that official's approval is required only by section 262, 271(d), or 370 of the Charter other than contracts required to be approved by the City Council that have an anticipated value of at least \$100,000 and proprietary department contracts that have an anticipated value of at least \$100,000;

(ii) Contributions to or fundraising on behalf of members of the City Council where the City Council's approval authority is only through Charter section 245 except as further restricted by ordinance;

(iii) Any contract governed by Charter section 609(e);

(iv) A governmental entity; and

(v) A candidate for elected City office who is a bidder, proposer, subcontractor or subcontractor's principals with regard to using personal funds or engaging in fundraising on the candidate's own behalf for the candidate's election for City office.

(H) Every contract solicitation regarding a contract subject to this provision shall include notice of the prohibitions of this subdivision. At the time of submitting a bid or proposal for a contract subject to this section, the bidder or proposer must complete a form identifying the names of its principals, subcontractors of at least \$100,000, the principals of those subcontractors, and certify that the bidder or proposer will comply with and notify its principals and subcontractors of the prohibitions in this subdivision; and provide any other information determined necessary.

(I) In addition to any other penalties that may apply, any person found to have violated this section is subject to contract debarment as further provided by ordinance. If the determination is made to impose debarment, the minimum terms of debarment shall be one year for the first violation, two years for the second violation, three years for the third violation, and four years for the fourth violation.

(J) The City Council may adopt ordinances as necessary to carry out the purposes of this provision. Nothing contained in this subdivision (c)(12) shall be construed or applied to limit the authority of the City Council by ordinance to adopt additional regulations, including sanctions, for the conduct or activities that is the subject matter addressed herein.

Sec. 4. Subsection (e) of Charter Section 609 shall be amended to read:

(e) Prohibition of Underwriters Gifts and Political Contributions.

(1) No underwriting firm which, within the prior 12 months, made one or more gifts totaling fifty dollars (\$50) or more, or one or more political contributions totaling one hundred dollars (\$100) or more, to any City elected official, any member of the board of the department whose bonds are the subject of the sale, or any other City official having the authority to make or participate in making decisions concerning the sale, shall be selected by the Council or by a department as the underwriter for a sale of Revenue Bonds where the selection of the underwriting firm is made on a basis other than by competitive bidding (referred to hereafter as "noncompetitive sale"). In addition, no underwriting firm, its principals, subcontractors and subcontractor's principals shall make any contribution to or engage in prohibited fundraising on behalf of elected City officials or candidates for City office as further provided by ordinance. An underwriting firm seeking selection shall cause one of its officers to certify under oath that no such gifts or contributions were made and will comply with and notify its principals and subcontractors of the prohibitions in this subsection and disclose the name of its principals, subcontractors of at

least \$100,000 and those subcontractor's principals and any other information determined necessary by ordinance. That certification shall be filed prior to the date on which a selection is made. If the selected underwriting firm made any of the gifts, fundraising or contributions specified above, but the certification was nevertheless made, the underwriting firm and any other person responsible for the error in the certification shall be subject to the penalties provided for violation of Section 470.

(2) No underwriting firm selected as the underwriter for a noncompetitive sale of Revenue Bonds including its principals and subcontractors and subcontractor's principals shall make one or more gifts totaling fifty dollars (\$50) or more or lower amount set by ordinance, or any political contributions to any official referenced in subsection (e)(1) or candidate for such office during the 12 months after the contract is signed. In addition, no selected underwriting firm, its principals, subcontractors and subcontractor's principals shall engage in prohibited fundraising on behalf of those officials or candidates as further provided by ordinance. Any person violating the provisions of this subsection shall be subject to the penalties provided for violations of Section 470 and 470(c)(12).

(3) A gift or contribution shall be considered as having been made by an underwriting firm if that gift or contribution was made by the firm itself; by any other business entity related to the firm as a parent, subsidiary or other related business entity; by any political action committee controlled or primarily financed by the firm or by a business entity related to the firm as a parent, subsidiary or other related business entity; by the president, chairperson of the board, chief executive officer, or chief operating officer of the firm; by any vice president, assistant vice president or managing director employed in the public finance unit of the firm; by any other individual who communicates with one or more City officers or employees for the purpose of influencing the City's selection of an underwriter for a particular bond issue; or by any person owning a 20% or greater investment in the firm. These persons are also the underwriter's principals. A subcontractor that is expected to receive at least \$100,000 as a result of performing a portion of the contract obligations of the underwriter and its principals shall be subject to the limitation described above. A subcontractor's principals shall include the firm or individual itself; the subcontractor's board chair, president, chief executive officer, chief operating officer, or the functional equivalent of those positions; any individual who holds an ownership interest in the subcontractor of 20 percent or more; and any individual who communicates with one or more City officers or employees for the purpose

of influencing the City's selection of an underwriter for a particular bond issue.

(4) A contribution and prohibited fundraising shall be considered as having been made to or on behalf of any of the officials referenced in subsection (e)(1) if it is made to the official or to any City controlled committee of the officer or candidate for that office.

(5) Any term used herein which is defined in the California Political Reform Act of 1974, as amended, or in the regulations of the California Fair Political Practices Commission, as amended, shall have the meaning set forth in those provisions unless otherwise provided by ordinance.

(6) No provision of subsection (e) shall require any person to do or refrain from doing any act which would violate federal law.

Sec. 5. Sections 3 and 4 above shall apply only to contract solicitations released 30 days after the effective date of this provision.

Sec. 6. Subdivision (2) of Subsection (a) of Section 471 of the Charter of the City of Los Angeles is amended to read:

(2) Therefore, this section is enacted to accomplish the following purposes:

(A) 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.

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

(C) To provide a source of campaign financing in the form of limited public matching funds.

(D) To substantially restrict fund-raising in non-election years.

(E) To increase the value to candidates of smaller contributions.

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

(G) To help restore public trust in governmental and electoral institutions.

(H) To avoid corruption or the appearance of corruption by providing an alternate source of funding for campaigns and reducing real or perceived ties between elected officials and special interests.

Sec. 7. Subsection (c) of Section 471 of the Charter of the City of Los Angeles is amended to read:

(c) Appropriation of Funds.

(1) The City Council shall appropriate two million dollars (\$2,000,000) per fiscal year for public matching funds. The Council shall appropriate such funds for each following fiscal year. The amount of such appropriation shall be adjusted for cost of living changes based on the percentage increase or decrease in the Consumer Price Index (for all items other than housing) for the Los Angeles-Riverside-Orange County metropolitan statistical area using 1991 as the base year. The City Council, by a two-thirds vote, may reduce or eliminate the annual appropriation made during a fiscal year provided that: (a) the City Council has declared a fiscal emergency by resolution that is in effect for that fiscal year; (b) the trust fund balance is no less than eight million dollars (\$8,000,000) in 1991 dollars adjusted to the Consumer Price Index at the time of the appropriation; and (c) the City Council has considered the City Ethics Commission's analysis regarding projected costs and estimated public funding needs for the next four years.

(2) All such funds shall be appropriated into a trust fund established by the Council by ordinance with interest accruing to the fund. In addition to the authority provided by Charter section 340, the City Council, by a two-thirds vote, may temporarily transfer funds from the trust fund to meet obligations of the City in any fiscal year, provided that: (a) the City Council has declared a fiscal emergency by resolution that is in effect for that fiscal year; (b) the City Council has considered the City Ethics Commission's analysis regarding projected costs and estimated public funding needs for the next four years; and (c) the funds transferred are limited to funds above a trust fund balance of eight million dollars (\$8,000,000) in 1991 dollars adjusted to the Consumer Price Index. Any transferred funds shall be reimbursed to the trust fund by either (a) the date the City Ethics Commission determines the funds are needed for their intended purposes, or (b) before the end of the next fiscal year, whichever is earlier.

(3) If there are insufficient funds to provide the maximum matching funds available to a candidate in any election, as specified by ordinance, the limitations on total contributions from persons other than individuals imposed by Section 470 shall not apply to any of the candidates for the same office.

(4) The funds used to make payments for matching funds shall come exclusively from City sources of revenues.

Sec. 8. Should any portion of this measure be held invalid or unconstitutional by the decision of any court, such decision shall not affect the remaining portions of the measure or provision.

Sec. B. The City Clerk is hereby authorized and directed to publish a notice containing the proposed ballot measure, specifying the date of March 8, 2011 as the date the measure is to be voted upon by the qualified voters of the City of Los Angeles. The notice shall be published once in a newspaper of general circulation in the City of Los Angeles, and in each edition thereof during that day of publication. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the proposed ballot measure and to distribute the proposed ballot measure to any and all persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the proposed ballot measure to each of the qualified voters of the City of Los Angeles.

Sec. C. The City Clerk is hereby authorized and directed to cause a notice to be published once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed ballot measure may be obtained upon request in the City Clerk's office.

Sec. D. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.

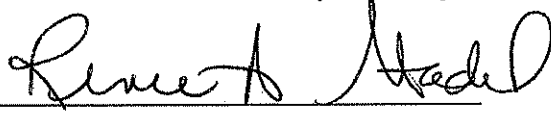
I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
Renee A. Stadel
Deputy City Attorney

Date 11/16/2010

C.F. No. 10-2481; 10-2500

ORDINANCE NO. _____

An ordinance calling a Special Election to be held on Tuesday, March 8, 2011 for the purpose of submitting to the qualified voters of the City of Los Angeles a certain Charter amendment and consolidating this Special Election with the City's Primary Nominating Election to be held on the same date.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A Special Election is hereby called to be held in the City of Los Angeles on March 8, 2011, for the purpose of submitting to the qualified voters of the City a certain Charter Amendment ordered submitted by the Council of the City of Los Angeles.

Sec. 2. The ballot title and question to be used at the Special Election for the measure to be submitted to the qualified voters of the City of Los Angeles shall be:

**CONTRACT BIDDER CAMPAIGN CONTRIBUTION AND
FUNDRAISING RESTRICTIONS; CAMPAIGN TRUST
FUND. CHARTER AMENDMENT ____.**

Shall the Charter be amended to (1) restrict campaign contributions and fundraising by bidders on certain City contracts; require increased disclosure for bidders; and provide for bans on future contracts for violators; and (2) build upon the city's voter-approved campaign trust fund, which provides limited public matching funds for qualified City candidates who agree to spending limits, by lifting the maximum balance in the fund while allowing the City Council by a two-thirds vote to not make the annual appropriation and temporarily transfer funds to meet City budgetary obligations in certain emergency conditions?

Sec. 3. The measure shall be designated on the ballot or ballot pages by a letter or number determined by the City Council in accordance with applicable City and state laws. Upon the designation by the proper officials of the letter or number to be assigned to the measure, that letter or number is hereby adopted and shall be the designation for the ballot title.

Sec. 4. To vote on the measure, the voter shall mark the ballot next to the word "Yes" or the word "No." A "Yes" vote shall be counted in favor of adoption of the measure and a "No" vote shall be counted against adoption of the measure.

Sec. 5. The Special Election hereby called shall be, and hereby is ordered to be, consolidated with the City's Primary Nominating Election to be held in the City of Los Angeles on Tuesday, March 8, 2011.

Sec. 6. The voting polls on election day shall open at 7:00 a.m., March 8, 2011, and shall remain open until 8:00 p.m. of the same day when the voting polls shall be closed, except as provided in City Election Code Section 857.

Sec. 7. The election precincts, polling places, and officers of election for the Special Election shall be the same as those provided in the City of Los Angeles for the Primary Nominating Election, and the elections shall be held in all respects as if there were only one election. Furthermore, for the precincts, polling places, and officers of election, reference is hereby made to the list that will be prepared and approved by the City Clerk and filed in the City Clerk's Office not later than February 8, 2011, and that list is incorporated into and made part of this ordinance.

Sec. 8. In all other particulars, the Special Election shall be held and conducted as provided by law for the conduct of the Primary Nominating Election in the City of Los Angeles.

Sec. 9. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, City Clerk

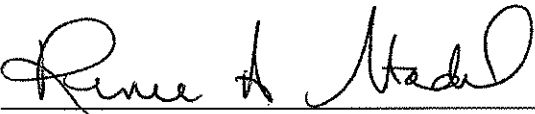
By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By 
RENEE A. STADEL
Deputy City Attorney

Date 11/16/2010

File No. 10-2500; 10-2481