

ORDINANCE NO. _____

An ordinance amending Article 9.7 of the Los Angeles Municipal Code to make various changes to the City's campaign finance laws.

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

Section 1. Section 49.7.1 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.1. RELATION TO THE CITY CHARTER.

The provisions of this Article are in addition to and supplement the regulations contained in Charter Sections 470, 471, 609(e) and 700, et seq.

Sec. 2. The introductory paragraph of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

The following terms have the meanings identified below. Other terms used in this Article have the meanings identified in the Political Reform Act.

Sec. 3. Subsection A of Section 49.7.2 of the Los Angeles Municipal Code is amended by replacing the terms "spender" and "spender's" with the terms "communicator" and "communicator's," respectively.

Sec. 4. Paragraph c of Subdivision 2 of Subsection A of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

c. The communicator made a contribution to the candidate or the candidate's City controlled committee.

Sec. 5. Subdivision 3 of Subsection A of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

3. "Communicator" means a person who makes or incurs an expenditure for a communication or causes a communication to be distributed or displayed. Reference to a communicator includes the communicator's agent. Reference to a candidate includes the candidate's agent and City controlled committees.

Sec. 6. Subsection C of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

C. "**City controlled committee**" means a committee created for City purposes and controlled by an elected City officer or a candidate for elected City office. The term includes City campaign committees, City officeholder committees, City legal defense

committees, and recall and ballot measure committees involving City issues. The term does not include a committee created for election to or the holding of a non-City office.

Sec. 7. Subsections D, E, F, G, H, I, J, K, L, M, N, O, P, Q, and R of Section 49.7.2 of the Los Angeles Municipal Code are redesignated to E, F, G, H, I, J, K, L, M, N, O, P, Q, R and S, respectively.

Sec. 8. A new Subsection D of Section 49.7.2 of the Los Angeles Municipal Code is added to read as follows:

D. **“City official”** has the same meaning as in Section 49.5.2(C).

Sec. 9. Subsection F of Section 49.7.2 of the Los Angeles Municipal Code is amended by replacing the term “web” with “Web.”

Sec. 10. Subsection G of Section 49.7.2 of the Los Angeles Municipal Code is amended by replacing the term “Office” with “office.”

Sec. 11. Subsection J of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

J. **“General election”** means a regular or special general municipal election at which an elected City office or a City measure is on the ballot.

Sec. 12. Subsection M of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

M. **“Non-participating candidate”** means a candidate for elected City office who has not agreed to participate in the public matching funds program, has subsequently declined to participate in the public matching funds program, or has been disqualified from participating in the public matching funds program.

Sec. 13. Subsection O of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

O. **“Participating candidate”** means a candidate for elected City office who has agreed to participate in the public matching funds program, has filed a statement of acceptance of matching funds, has not subsequently declined to participate in the matching funds program, and has not been disqualified from participating in the matching funds program.

Sec. 14. Subsection R of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

R. **“Primary election”** means a regular or special primary nominating election at which an elected City office or a City measure is on the ballot.

Sec. 15. Subsection S of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

S. **“Qualified contribution”** means a contribution that meets all of the following criteria:

1. The contribution is lawful under federal, state and City law.
2. The contribution was received by a participating candidate.
3. The contribution was not received from the participating candidate or the participating candidate’s immediate family.
4. The contribution was received from an individual residing within the City.
5. The contribution is monetary and is not a loan or pledge.
6. The contribution was received no later than three months after the date of the election, no earlier than the opening of the applicable fundraising window in Section 49.7.10, and no earlier than the following dates:
 - a. For primary elections, the date on which the candidate filed a Declaration of Intent to Solicit and Receive Contributions.
 - b. For general elections, the date on which the candidate was permitted to begin soliciting and accepting contributions.

Sec. 16. Paragraph c of Subdivision 2 of Subsection B of Section 49.7.3 of the Los Angeles Municipal Code is amended to read as follows:

- c. (\$700 times the number of City Council offices on a ballot) plus (\$1,300 times the number of Citywide offices on a ballot), but not less than two times the limit on contributions to City Council candidates, for a person’s aggregate limit on contributions in a single election.

Sec. 17. Subdivision 4 of Subsection B of Section 49.7.3 of the Los Angeles Municipal Code is amended to read as follows:

4. Adjustments that apply to limits and thresholds related to elections apply as of the next primary election for an elected City office for which no City fundraising window has opened. All other adjustments apply beginning July 1 of the same calendar year.

Sec. 18. Subdivision 5 of Subsection B of Section 49.7.3 of the Los Angeles Municipal Code is amended to read as follows:

5. Adjustments may not exceed an applicable limit or threshold in state law.

Sec. 19. The introductory paragraph of Section 49.7.4 of the Los Angeles Municipal Code is amended to read as follows:

For purposes of the limitations, prohibitions, and requirements contained in Charter Section 470 and this Article, contributions and expenditures from the following sets of persons will be aggregated and considered to be made by a single person. An aggregated contribution may not exceed the lowest contribution allowed for either person:

Sec. 20. Subsection A of Section 49.7.4 of the Los Angeles Municipal Code is amended to read as follows:

A. Two persons when one controls the other's contribution activity.

Sec. 21. Subsections B, C, D, E, F, G, H and I of Section 49.7.4 of the Los Angeles Municipal Code are redesignated as Subsections C, E, F, G, H, I, J and K, respectively.

Sec. 22. A new Subsection B of Section 49.7.4 of the Los Angeles Municipal Code is added to read as follows:

B. A business entity and another person when the person participates in the business entity's decision to make a contribution, is personally prohibited from making the contribution, and holds an ownership interest of at least 20 percent in the business entity.

Sec. 23. A new Subsection D of Section 49.7.4 of the Los Angeles Municipal Code is added to read as follows:

D. A committee and another person when the person participates in the committee's decision to make a contribution, is personally prohibited from making the contribution, and provides (alone or in conjunction with other similarly prohibited persons) 20 percent or more of the committee's funding.

Sec. 24. Section 49.7.10 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 49.7.10. FUNDRAISING WINDOWS.

A. In regular City elections, the following fundraising windows apply:

1. Candidates for City Council and their controlled committees for election to City office may not solicit or receive a contribution from another person

or cause a contribution from another person to be solicited or received more than 18 months before the date of the election at which they seek office.

2. Citywide candidates and their controlled committees for election to City office may not solicit or receive a contribution from another person or cause a contribution from another person to be solicited or received more than 24 months before the date of the primary election at which they seek office.

B. In special City elections, candidates for elected City office and their controlled committees for election to City office may not solicit or receive a contribution from another person or cause a contribution from another person to be solicited or received before the election has been ordered under Charter Section 409(b).

C. Candidates for elected City office and their controlled committees for election to City office may not solicit or receive a contribution from another person or cause a contribution from another person to be solicited or received more than 12 months after the date the election at which they seek City office occurs or is scheduled to occur.

Contributions solicited or received or caused to be solicited or received following an election shall be used only to retire the candidate's or committee's campaign debt for that election, except to the extent prohibited by Section 49.7.9, or to pay the candidate's or committee's compliance, fundraising, or inauguration expenses for that election.

Sec. 25. Subsection B of Section 49.7.11 of the Los Angeles Municipal Code is amended to read as follows:

B. A person shall not do either of the following:

1. Solicit contributions from a City official or employee to support or oppose the candidacy of a person for elected City office, support or oppose the recall of an elected City officer, or to contribute to an officeholder committee or legal defense committee. This prohibition does not apply when a person makes a solicitation to multiple persons if the person unknowingly includes City officials or employees and City officials or employees do not make up more than five percent of the total number of persons included in that solicitation.

2. Solicit, receive, personally deliver, or attempt to personally deliver a contribution in a room or building that is owned by the City or paid for or used by the City and occupied by a City official or agency employee in the discharge of City duties. This prohibition does not apply to the following:

a. A City room or building that is available to the public for organized campaign activities, as long as its use does not violate Section 49.5.5.

b. A contribution that is received by mail, if it is forwarded to the candidate, the candidate's campaign treasurer, or the candidate's controlled committee within seven working days of its receipt.

C. A member of a City board or commission who is required to file a statement of economic interests or a general manager or chief administrative officer of a City department shall not do either of the following:

1. Solicit, direct, or receive a contribution from a person who has or, in the preceding 12 months had, a matter involving City action pending before the board or commission member or general manager, or chief administrative officer.

2. Engage in prohibited fundraising on behalf of an elected City officer, a candidate for elected City office, or a City controlled committee. This prohibition does not apply to members of City boards or commissions or general managers, or chief administrative officers who are engaging in fundraising on behalf of their own candidacies for elected office.

Sec. 26. The introductory paragraph and Subsection A of Section 49.7.14 of the Los Angeles Municipal Code is amended to read as follows:

Every candidate for elected City office, every candidate's City controlled committee, and every City recall committee, City ballot measure committee, City general purpose committee, committee primarily formed to support or oppose City candidates or City ballot measures, and every person who makes independent expenditure communications in City elections and qualifies as a committee under the Political Reform Act shall file the campaign statements required by the Political Reform Act and shall also file campaign statements by the following dates prior to an election in which the candidate or measure appears on the ballot:

A. The Friday before an election, covering activity through the Wednesday before the election, if the candidate or committee is required by the Political Reform Act to file a pre-election campaign statement.

Sec. 27. Section 49.7.15 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.15. COMMITTEE INFORMATION.

A. In addition to the information required by state law, every person identified in Subsection C shall file with the Ethics Commission every non-government email address, Web site and social media account the person maintains to communicate regarding City elections.

B. If any of the information in Subsection A changes, the person shall file amended information within ten calendar days after the change occurs.

C. This section applies to every candidate for elected City office, every candidate's City controlled committees, and every City recall committee, City ballot measure committee, City general purpose committee, committee primarily formed to support or oppose City candidates or City ballot measures, and every person who makes independent expenditure communications in City elections and qualifies as a committee under the Political Reform Act.

Sec. 28. Subsection B of Section 49.7.16 of the Los Angeles Municipal Code is amended to read as follows:

B. All fundraising and contribution forms and the electronic equivalent shall allow contributors the option to certify the following information:

1. The contribution is not being made under a false name, is not being made under another person's name, and has not been and will not be reimbursed;
2. The contribution does not exceed the contributor's aggregate contribution limit in Charter Section 470(c)(6);
3. The contribution is not from a person who is prohibited from contributing, including the following:
 - a. A lobbyist or lobbying firm who is prohibited from contributing under Charter Section 470(c)(11); and
 - b. A bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Charter Section 470(c)(12) or Charter Section 609(e).

Sec. 29. A new Subsection C is added to Section 49.7.16 of the Los Angeles Municipal Code to read as follows:

C. Obtaining the certification in Subsection B is evidence that the committee that received the contribution acted in good faith.

Sec. 30. The phrase "and published" is deleted from Subsection A of Section 49.7.17 of the Los Angeles Municipal Code.

Sec. 31. Section 49.7.18 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.18. REPRODUCTION OF MATERIALS.

A person who reproduces, broadcasts, or distributes in whole or substantial part any material that is drafted, printed, prepared, or previously broadcast or distributed by a candidate or a committee has made a non-monetary contribution to the candidate or committee. If the material that is reproduced is that of a candidate or a City controlled

committee, the person who reproduced the material shall notify the candidate or City controlled committee of the reproduction. A candidate or committee whose material was reproduced is not liable for any violations resulting from the reproduction if it provides sufficient evidence to show that it had no prior knowledge of the reproduction.

Sec. 32. Section 49.7.22 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.22. ACCEPTANCE OR REJECTION OF MATCHING FUNDS.

A. Each candidate for elected City office shall file with the Ethics Commission a statement of acceptance or rejection of matching funds. The statement may not be filed earlier than the date the candidate files a Declaration of Intent to Solicit and Receive Contributions under Charter Section 470(c)(1) and may not be filed later than the final date to file a Declaration of Intention to Become a Candidate under City Election Code Section 301.

B. A candidate who agrees to accept matching funds shall comply with the requirements of the program, including, but not limited to, the expenditure ceilings.

C. A candidate who has filed a statement of acceptance of matching funds may subsequently reject matching funds up to five business days after the final filing date for the Declaration of Intention to Become a Candidate if another candidate in the same race has rejected matching funds. A candidate who subsequently rejects matching funds is a non-participating candidate, shall return to the City any matching funds payments received for that election, and may not receive any further matching funds payments for that election.

Sec. 33. Paragraphs c and d of Subdivision 1 of Subsection C of Section 49.7.23 of the Los Angeles Municipal Code are deleted.

Sec. 34. Subdivisions 2, 3, 4, 5, 6 and 7 of Section 49.7.23 of the Los Angeles Municipal Code are redesignated as Subdivisions 3, 4, 5, 6, 7 and 8, respectively.

Sec. 35. Paragraph e of Subdivision 1 of Subsection C of Section 49.7.23 of the Los Angeles Municipal Code is redesignated as Subdivision 2 of Subsection C and is amended to read as follows:

2. The candidate receives qualified contributions of at least five dollars each from 200 individuals residing within the City or, for City Council candidates, within the council district for which election is sought.

Sec. 36. Subdivision 5 of Subsection C of Section 49.7.23 of the Los Angeles Municipal Code is amended read as follows:

5. The candidate does not contribute or lend more than the following aggregate amounts in personal funds per election:

- a. \$31,100 for City Council candidates.
- b. \$124,500 for Citywide candidates.

These amounts are subject to adjustment under Section 49.7.3.

Sec. 37. New Subdivisions 9, 10 and 11 are added to Subsection C of Section 49.7.23 of the Los Angeles Municipal Code to read as follows:

9. The candidate and the candidate's treasurer have attended the training required under Section 49.7.12.

10. The candidate does not use matching funds in violation of federal, state, or City law.

11. The candidate does not use matching funds to pay fines, penalties, or inauguration expenses.

Sec. 38. Subsection D of Section 49.7.23 of the Los Angeles Municipal Code is amended to read as follows:

D. A participating candidate who does not abide by the terms of the Matching Funds Program is disqualified from receiving matching funds for the remainder of the election cycle and may be required to return all matching funds received for that election cycle.

Sec. 39. Section 49.7.24 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.24. EXPENDITURE CEILINGS.

A. Participating candidates and their controlled committees for election to City office may not make or incur expenditures above the following amounts:

1. City Council candidates: \$480,000 per primary election and \$400,000 per general election.
2. Controller candidates: \$1,119,000 per primary election and \$840,000 per general election.
3. City Attorney candidates: \$1,259,000 per primary election and \$979,000 per general election.
4. Mayoral candidates: \$2,798,000 per primary election and \$2,237,000 per general election.

B. The expenditure ceilings are subject to adjustment under Section 49.7.3.

C. The following payments do not count toward the expenditure ceilings when made by the participating candidate in connection with candidacy for the office specified in the participating candidate's Declaration of Intent to Solicit and Receive Contributions:

1. Fees paid under Election Code Section 310(c) or California Government Code Section 84101.5.

2. Refunded campaign contributions.

3. Returned matching funds.

Sec. 40. Section 49.7.25 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.25. EXPENDITURE CEILINGS LIFTED.

The applicable expenditure ceiling is no longer binding on a participating candidate in either of the following scenarios:

A. A non-participating candidate in the same race makes or incurs campaign expenditures in excess of the expenditure ceiling; or

B. Independent expenditure communications under Section 49.7.31(A)(1) in support of or opposition to any candidate in the same race exceed, in the aggregate, the following amounts:

1. \$77,000 in a City Council election;

2. \$155,000 in a City Attorney or Controller election;

3. \$309,000 in a Mayoral election.

These amounts are subject to adjustment under Section 49.7.3.

Sec. 41. Section 49.7.26 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.26. NOTICE REGARDING EXPENDITURE CEILINGS.

A candidate shall notify the Ethics Commission in writing within one calendar day of the date the candidate has received more than 100 percent of the applicable expenditure ceiling and again on the day the candidate makes or incurs expenditures totaling more than 100 percent of the applicable expenditure ceiling. The Ethics Commission shall notify all other candidates for the same office within one business day of receiving the candidate's notice.

Sec. 42. The introductory paragraph of Subsection B of Section 49.7.27 of the Los Angeles Municipal Code is amended to read as follows:

B. A qualified contribution will be matched with public funds at the following rates:

Sec. 43. The introductory paragraph of Subsection C of Section 49.7.27 of the Los Angeles Municipal Code is amended to read as follows:

C. Participating candidates who have qualified to receive matching funds are eligible for the rate of match in Subsection B(2) if they submit to the City Clerk either of the following by the last date to submit nominating petitions for the primary election:

Sec. 44. Subsection D of Section 49.7.27 of the Los Angeles Municipal Code is deleted.

Sec. 45. Subsections B and C of Section 49.7.28 of the Los Angeles Municipal Code are redesignated as Subsections C and D, respectively.

Sec. 46. Subsection A of Section 49.7.28 of the Los Angeles Municipal Code is amended to read as follows:

A. A participating candidate may not request a single matching funds payment that represents less than \$10,000 in matchable portions of qualified contributions, as determined by the formula in Section 49.7.27(A), except in the following circumstances:

1. Beginning 14 days before an election and ending on the last day to submit requests for payment, as identified in Administrative Code Section 24.34(c)(3), a participating candidate may request a single matching funds payment that represents \$1,000 or more in matchable portions of qualified contributions.

2. A participating candidate may request a matching funds payment that represents any amount in matchable portions of qualified contributions if the payment requested would result in the participating candidate receiving the maximum matching funds for that election.

Sec. 47. A new Subsection B of Section 49.7.28 of the Los Angeles Municipal Code is added to read as follows:

B. If a contribution that forms the basis of a request for a matching funds payment cannot be negotiated or is returned or refunded, the candidate must either return all matching funds received as a result of that contribution or submit an alternate qualified contribution.

Sec. 48. Subsection A of Section 49.7.30 of the Los Angeles Municipal Code is amended to read as follows:

A. The Ethics Commission shall process each request for matching funds payment within four business days after the later of receiving all information necessary to process the request or determining that the participating candidate has met all qualification requirements.

Sec. 49. Subsection A of Section 49.7.31 of the Los Angeles Municipal Code is amended to read as follows:

A. A person shall notify the Ethics Commission of an independent expenditure communication when either of the following occurs:

1. The person makes or incurs expenditures with an actual or fair market value of \$1,000 or more for one or more communications; or

2. The person makes or incurs expenditures with an actual or fair market value of \$100 or more for one or more communications and distributes the communications to the following number of persons:

a. 200 or more persons, if the distributor is a person who qualifies as a committee under the Political Reform Act.

b. 1,000 or more persons, if the distributor is not a person who qualifies as a committee under the Political Reform Act.

Once a notification threshold is met, every subsequent \$100 in expenditures made or incurred regarding that measure or candidate shall also be disclosed as required by Subsections B and C.

Sec. 50. Subsection C of Section 49.7.31 of the Los Angeles Municipal Code is amended to read as follows:

C. The notification shall include the following:

1. A declaration under penalty of perjury signed by the person and, if applicable, the committee treasurer, specifying the following:

a. Each candidate or measure supported or opposed by the communication;

b. The dates and amounts of the expenditure and the amount spent to support or oppose each candidate or measure;

c. For disclosure under Subsection A(2), the number of distributions;

- d. Whether each candidate or measure was supported or opposed;
 - e. That the communication was not behested by any of the candidates who benefited from it;
 - f. The dates the communication was distributed or displayed, if applicable;
 - g. A description of the type of communication;
 - h. The name and address of the person making or incurring the expenditures or causing the communication to be distributed or displayed;
 - i. The name and address of the payee, if applicable, and any vendor or subvendor that provided service for the communication;
 - j. For committees, contributions of \$100 or more received by the committee since the later of the day after the close of the filing period for the last campaign or independent expenditure statement filed by the committee or the first day of the current calendar year. This disclosure requirement does not apply to contributions that are earmarked for a non-City candidate or ballot measure; and
 - k. Contributions of \$100 or more that the person made in the current calendar year to City candidates, City controlled committees, City ballot measure committees, City recall committees, committees primarily formed to support or oppose City candidates or measures, and City general purpose recipient committees.
2. A copy of the communication.
- a. If the communication is a telephone call or similar communication, a copy of the script and, if the communication is recorded, the recording shall be provided.
 - b. If the communication is audio or video, a copy of the script and an audio or video file shall be provided.

Sec. 51. Subsection D of Section 49.7.31 of the Los Angeles Municipal Code is amended to read as follows:

D. If an independent expenditure communication supports or opposes a City candidate, the Ethics Commission staff will notify all candidates in the affected race within one business day after receiving the required notice. The notification will indicate the candidates supported or opposed by the independent expenditure communication, as

indicated on the signed declaration, and will include a copy of the independent expenditure communication that has been filed with the Ethics Commission.

Sec. 52. Subsection F of Section 49.7.31 of the Los Angeles Municipal Code is amended to read as follows:

F. This section shall not apply to a news story, commentary, or editorial by a newspaper, radio station, television station, or other recognized news medium, unless the disclaimer is required for a payment or promise of a payment under Section 49.7.34.

Sec. 53. Subsection A of Section 49.7.32 of the Los Angeles Municipal Code is amended to read as follows:

A. A person who makes or distributes a campaign, officeholder, or legal defense communication to 200 or more person shall file a copy of the communication with the Ethics Commission.

Sec. 54. Subsections B, C, D and E of Section 49.7.32 of the Los Angeles Municipal Code are redesignated as Subsections C, D, E and F, respectively.

Sec. 55. A new Subsection B of Section 49.7.32 of the Los Angeles Municipal Code is amended to read as follows:

B. The copy shall be filed within the following time frames:

1. From the first date the candidate files a Declaration of Intention to Become a Candidate with the City Clerk through the date of the associated general election, or during the 90 days prior to an election if no City candidate will be on the ballot, within 24 hours after making or incurring the expenditures.

2. At all other times, within five business days after first distributing the communication.

Sec. 56. Subsection F of Section 49.7.32 of the Los Angeles Municipal Code is amended to read as follows:

F. This section shall not apply to the following:

1. A news story, commentary, or editorial by a newspaper, radio station, television station, or other recognized news medium, unless the disclaimer is required for a payment or promise of a payment under Section 49.7.34; or

2. Officeholder communications paid for by and distributed by a person other than a City agency or official to advertise a City sponsored community or similar event.

Sec. 57. Subsections B and C of Section 49.7.33 of the Los Angeles Municipal Code are amended to read as follows:

B. A committee making an independent expenditure communication under Section 49.7.31(A)(1) or 49.7.31(A)(2) shall incorporate the following statements:

1. "Paid for by" immediately followed by the committee's name, address, and city. If an acronym is used to specify a committee name, the full name of the sponsoring committee shall also be included. The address and city are not required in an audio communication.

2. "Not authorized by or coordinated with a City candidate or a committee controlled by a candidate." This statement is not required if the independent expenditure communication supports or opposes only a City ballot measure.

3. "Major funding provided by [names of the two contributors who gave the most to the committee in the six months prior to the date of the payment for the independent expenditure communication], in the amount of [the total amount of contributions made by those contributors in the same six-month period]."

a. The amount of the contributions is not required in an audio communication.

b. If the committee had only one contributor of at least \$1,000 in the six months prior to the date of the payment for the independent expenditure communication, the statement may refer only to that contributor.

c. This statement is not required if the committee did not have any contributors of at least \$1,000 in the six months prior to the date of the payment for the independent expenditure communication.

4. "Additional information is available at ethics.lacity.org." A substantially similar statement that specifies the Web site may be used as an alternative in audio communications.

C. A person making an independent expenditure communication under Section 49.7.31(A)(3)(b) shall incorporate the following statements:

1. "Distributed by" immediately followed by the person's name, address, and city. The address and city are not required in an audio communication.

2. "Not authorized by or coordinated with a City candidate or committee controlled by a candidate." This statement is not required if the independent expenditure communication supports or opposes only a City ballot measure.

3. "Additional information is available at ethics.lacity.org." A substantially similar statement that specifies the Web site may be used as an alternative in audio communications.

Sec. 58. Subsection E of Section 49.7.33 of the Los Angeles Municipal Code is amended to read as follows:

E. Disclaimers are required for all political communications that shall be disclosed under Section 49.7.31 or 49.7.32.

1. This does not apply to slate mailers, wearing apparel, small promotional items, such as pens, pencils, mugs, and potholders, and other items on which a disclaimer cannot be reasonably displayed in an easily legible typeface.

2. When the size limitations of an electronic communication render it impractical to include the full disclaimer, the disclaimer must state, at a minimum, "Paid for by" immediately followed by the committee identification number provided by the California Fair Political Practices Commission or, if the person is not a committee, the person's name. In addition, when a user interacts with the communication, the interaction must provide the user with the full disclaimer in a format that is easily legible and identifiable, such as through a rollover or pop-up or the landing page of a linked Web site or application.

Sec. 59. Section 49.7.34 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.34. SOCIAL MEDIA ACCOUNTS.

A. If a candidate for elected City office, a City controlled committee, a City recall committee, a City ballot measure committee, a City general purpose committee, a committee primarily formed to support or oppose City candidates or ballot measures, or a person who makes independent expenditure communications in City elections and qualifies as a committee under the Political Reform Act that elects to use social media accounts to communicate regarding a City election, the candidate or committee shall include the following statement on each account's home page: "This account is being used for campaign purposes by [name of candidate or committee]."

1. The statement shall be prominent, in a typeface that is easily legible to an average reader and in a color that contrasts with the background on which it appears.

2. The statement shall be displayed from the time the candidate or committee first begins to use the account for campaign purposes until the election for which it is used is over.

B. An elected City officer may not use a social media account or Web site for campaign purposes if the account or site is paid for, sponsored by, or hosted by the City.

If an elected City officer communicates about campaign activity or City business using a social media account or Web site that is not City sponsored, the home page for the account or site shall include the following statement: "This [account or site] is not paid for, sponsored by, or hosted by the City." The statement shall be prominent, in a typeface that is easily legible to an average reader and in a color that contrasts with the background on which it appears.

Sec. 60. Subdivisions 1, 2, 3, 4 and 5 of Subsection A of Section 49.7.35 of the Los Angeles Municipal Code are amended to read as follows:

1. **"Approval by an elected City officer"** means approval of a contract or selection of a pre-qualified list of persons to contract with the City in any of the following circumstances:

- a. The elected City officer or the elected City officer's office is the awarding authority;
- b. The contract involves services provided directly to or under the supervision of the elected City officer; or
- c. The contract requires approval of the elected City officer or the elected City officer's office pursuant to City law, executive directive, or City Council action.

The term does not include approval by an elected City officer that is required pursuant to Charter Section 262, 271(d), or 370 for non-proprietary departments, provided that City Council approval is not otherwise required and the elected City offices identified in those Sections are neither the awarding authority nor supervising the services under the contract. The term does include approval by an elected City officer that is required pursuant to Charter Section 262, 271(d), or 370 for contracts with the Harbor, Water and Power, and Airport Departments.

2. **"Awarding Authority"** means the City Council, a City board, commission, authorized employee, or authorized officer, including those who have control of their own special funds but excluding the City Purchasing Agent when acting pursuant to Section 9.1 of the Los Angeles Administrative Code, who makes or enters into a contract for the provision of goods or services of any kind or nature whatsoever to, for, or on behalf of the City. References to the awarding authority shall include references to staff when working on a matter subject to this Section.

3. **"Bidder"** means a person who bids on or submits a proposal or other response to a City contract solicitation.

4. **"Contract"** means any agreement, franchise, lease, non-regulatory permit, land use license or easement, or concession, including any agreement for occasional professional or technical personal services, for the performance of any work or service or construction, the provision of any materials, goods, equipment,

or supplies, the sale or purchase of property, the making of grants, or the rendering of any service to the City, including any proprietary department, or to the public where all of the following apply:

- a. The contract is let, awarded, or entered into, with, or on behalf of the City or an awarding authority;
- b. The contract has an anticipated value of at least \$100,000, including exercising all anticipated options; and
- c. The contract requires approval by an elected City office.

The term includes any subsequent amendment that, by itself or in combination with the original contract and any other amendments, has an anticipated value of at least \$100,000 and requires approval by an elected City office. The term also includes the selection of a pre-qualified list of persons to contract with the City where the request for qualifications includes a not-to-exceed amount of at least \$100,000 and the list selection requires approval by an elected City office. The term does not include any contract with another government agency or a contract with an underwriting firm pursuant to Charter Section 609(e) for proprietary noncompetitive sales of revenue bonds.

5. **“Contract solicitation”** means a request for proposals, request for bids, request for qualifications, or any other request, whether written or verbal, for purposes of entering into a contract. The term does not include a request to enter into a contract that is based on a prior City contract that previously went through a competitive contracting process if the prior contract was subject to the restrictions and the contractor fulfilled its obligations under this Section and Charter Section 470(c)(12).

Sec. 61. Subdivision 2 of Subsection B of Section 49.7.35 of the Los Angeles Municipal Code is amended to read as follows:

2. **Contract Solicitations and Notifications.** Each awarding authority shall include in each contract solicitation the form identified in Subsection B(3) and a description of the prohibitions and requirements of Charter Section 470(c)(12).

- a. The awarding authority shall determine whether the form is complete for responsiveness purposes.
- b. The awarding authority shall submit the form to the Ethics Commission within ten business days of the bid due date. The awarding authority must also comply with the reporting requirements in Section 49.5.11(B).
- c. The awarding authority shall either notify bidders who are not awarded a contract of the date that the contract was signed or the contract

solicitation was terminated or withdrawn or notify the bidders how they may obtain or request the date that the contract was signed or the contract solicitation was terminated or withdrawn, unless that information is available on a City website.

Sec. 62. The introductory paragraph of Subdivision 3 of Subsection B of Section 49.7.35 of the Los Angeles Municipal Code is amended to read as follows:

3. **Disclosure Form.** As provided in Subsection B(2), every bidder shall file a form with the awarding authority, at the time the bid or other response is submitted, that contains the following information and is submitted under oath:

Sec. 63. Subdivisions 4, 5 and 6 of Subsection B of Section 49.7.35 of the Los Angeles Municipal Code are amended to read as follows:

4. **Requirement to Amend Form.** If the information submitted pursuant to Subsection B(3) changes after the bid is submitted, the bidder shall amend the form and submit it to the awarding authority within ten business days of the change.

a. The requirement to amend the form applies whenever the prohibitions and restrictions in Charter Section 470(c)(12) apply to the bidder, including after the contract approval for successful bidders.

b. The awarding authority shall electronically submit the form to the Ethics Commission, in a Portable Document Format (PDF) or other electronic format pre-approved by the Ethics Commission, within ten business days of receipt.

5. **Contract Amendments.** If a contract amendment requires approval by an elected City officer and, by itself or in combination with the original contract and any other amendments, makes the total anticipated value of the contract \$100,000 or more for the first time, the restrictions in Charter Section 470(c)(12) apply from the date the awarding authority first discusses the amendment and terminates 12 months after the date the amendment is approved, disapproved, or withdrawn. However, the restrictions in Charter Section 470(c)(12) do not apply to any subsequent amendments if the contract was previously subject to the restrictions and the contractor fulfilled its obligations under this Section and Charter Section 470(c)(12).

a. The awarding authority shall notify contractors of the requirements in this Section and Charter Section 470(c)(12) at the time the awarding authority first discusses the amendment with the contractor.

b. Contractors shall submit the form identified in Subsection B(3) within ten business days of the date the awarding authority first discusses the amendment with the contractor. The awarding authority shall submit the form as required by Section B(2).

c. This provision does not apply to the exercise of an option that has been previously approved in a written contract.

6. **Business Assistance Virtual Network.** In the event that the City's Business Assistance Virtual Network or similar electronic system is used by a bidder to submit the forms required by this Section to the awarding authority and the Business Assistance Virtual Network or similar electronic system sends the submitted data and the forms to the Ethics Commission, the awarding authority shall not be required to submit the forms to the Ethics Commission.

Sec. 64. Subdivision 1 of Subsection C of Section 49.7.35 of the Los Angeles Municipal Code is amended to read as follows:

1. In addition to any other penalties or remedies established by this Article, a person who is found to have violated or to have aided and abetted a violation of this Section or Charter Section 470(c)(12) shall not be eligible to bid on or be considered for a contract, extension, or amendment unless the Ethics Commission, as a body, determines that mitigating circumstances exist concerning such violation. Debarment also applies to an entity that has the same or similar management, ownership, or principal employees as the debarred person and is organized after the proceeding that results in the person's debarment has been initiated.

Sec. 65. Subdivision 2 of Subsection B of Section 49.7.36 of the Los Angeles Municipal Code is amended to read as follows:

2. **Contract Solicitations and Notifications.** Each awarding authority shall include in each contract solicitation for underwriting firm services regarding a noncompetitive sale for revenue bonds, including selection of a pre-qualified list of underwriters, the form identified in Subsection B(3) and a description of the prohibitions and requirements in the City Charter Section 609(e) and this Section.

a. The awarding authority shall determine whether the form is complete for responsiveness purposes.

b. The awarding authority shall submit the form to the Ethics Commission within 10 business days of the due date of the proposals. The awarding authority must also comply with the reporting requirements in Section 49.5.11(B).

c. The awarding authority shall notify each underwriting firm that is not selected as pre-qualified underwriter or not selected as the underwriter on a particular noncompetitive sale of revenue bonds, the date the selection was made, terminated, or withdrawn, unless that information is available on a City website.

Sec. 66. The introductory paragraph of Subdivision 3 of Subsection B of Section 49.7.36 of the Los Angeles Municipal Code is be amended to read as follows:

3. **Disclosure Form.** Every underwriting firm seeking to provide services regarding noncompetitive sales of revenue bonds under Charter Section 609(e) shall file a form with the awarding authority, at the time the response is submitted, that contains the following information and is submitted under oath:

Sec. 67. Subdivision 4 of Subsection B of Section 49.7.36 of the Los Angeles Municipal Code is amended to read as follows:

4. **Requirement to Amend Form.** If the information submitted pursuant to Subsection B(3) changes after the response is submitted, the underwriting firm shall amend the form and submit it to the awarding authority within ten business days of the change.

a. The requirement to amend the form applies whenever the prohibitions and restrictions in Charter Section 609(e) apply to the underwriting firm, including after the contract approval for underwriting firms that are selected or are performing underwriting service as a member of a syndicate on the revenue bond sale.

b. The awarding authority shall electronically submit the form to the Ethics Commission, in a Portable Document Format (PDF) or other electronic format pre-approved by the Commission, within ten business days of receipt.

Sec. 68. Subdivision 5 of Subsection B of Section 49.7.36 of the Los Angeles Municipal Code is amended to read as follows:

5. **Business Assistance Virtual Network.** In the event that the City's Business Assistance Virtual Network or similar electronic system is used by a bidder to submit the forms required by this Section to the awarding authority and the Business Assistance Virtual Network or similar electronic system sends the submitted data and the forms to the Ethics Commission, the awarding authority shall not be required to submit the forms to the Ethics Commission.

Sec. 69. Section 49.7.37 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.37. RECORDKEEPING.

Persons subject to this Article shall keep records that demonstrate compliance with this Article and the related Charter and Administrative Code provisions for four years.

Sec. 70. Subdivision 1 of Subsection F of Section 49.7.38 of the Los Angeles Municipal Code is amended to read as follows:

1. In addition to a committee itself, persons who qualify under the Political Reform Act as principal officers of the committee are jointly and severally liable for violations by the committee. For City committees controlled by a candidate for elected City office, the candidate and the committee treasurer are deemed to be principal officers.

Sec. 71. Section 49.7.39 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.39. LATE FILING PENALTIES.

In addition to any other penalties, a person who files an original statement or report after a deadline imposed by this Article is liable to the Ethics Commission in the amount of \$25 per day after the deadline until the statement or report is filed, up to a maximum of \$500. Liability need not be enforced by the Ethics Commission if its Executive Officer determines that the late filing was not willful and that enforcement of the liability will not further the purposes of the Article. Liability may not be waived if a statement or report is not filed within 30 days after receiving notice from the Ethics Commission staff that the statement or report is past due.

Sec. 72. 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 _____.

HOLLY WOLCOTT, City Clerk

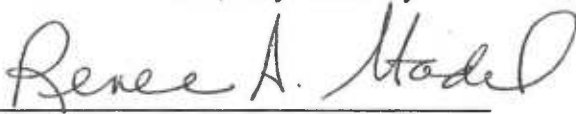
By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
RENEE A. STADEL
Deputy City Attorney

Date 9/19/2014

File No. _____