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REPORT NO. R 18 - 0313
OCT 12 2018

REPORT RE:

**DRAFT ORDINANCE AMENDING ARTICLE 9.7 OF CHAPTER IV OF
THE LOS ANGELES MUNICIPAL CODE TO REVISE THE CITY'S PUBLIC
MATCHING FUNDS PROGRAM FOR CITY CANDIDATES AND CONTRIBUTOR
CERTIFICATION REQUIREMENTS**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

As requested at the October 5, 2018, meeting of the City Council, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. The draft ordinance amends the public matching funds provisions of the City's Campaign Finance Ordinance (Article 9.7 of the Los Angeles Municipal Code (LAMC)).

Summary of Ordinance

This draft ordinance amends the LAMC to revise the City's Campaign Finance Ordinance by: 1) amending the requirements for candidates to qualify for participation in the matching funds program; 2) making changes to the payment of public funds to qualified candidates participating in the program; and 3) requiring contributor certifications prior to the deposit of contributions.

The draft ordinance changes three criteria for candidates to participate in the matching funds program. First, the debate requirement is strengthened by requiring candidates to either debate opponents or participate in a public town hall at which members of the public may ask questions. A candidate would not be eligible to receive any matching funds until this requirement (and all other requirements) are met. Currently, a candidate simply can agree to debate an opponent, without participating in an actual debate, and still receive matching funds. Second, a candidate would no longer be required to obtain 200 in-district contributions, but must instead obtain 100 in-district contributions. Third, the monetary amount of a qualified contribution counting toward the required fundraising threshold would be reduced to one-seventh of the applicable contribution limit. This change would require a candidate to obtain more contributions to meet the fundraising threshold, but is consistent with a corresponding change to the match rate.

The draft ordinance also changes how qualified candidates obtain matching funds. The ordinance increases the amount of matching funds available and sets a higher match rate formula of six-to-one for receiving public funds, regardless of signatures gathered. Additionally, the amount of a private contribution that is matched with public money is reduced to one-seventh of the applicable contribution limit.

Finally, the draft ordinance requires candidates to obtain contributor certifications regarding compliance with City laws and certain identifying information prior to deposit of contributions, with an exception for the limited anonymous contributions permitted by Charter Section 470(e). The draft ordinance also makes technical changes.

The City Council has already approved proposed Ethics Commission regulations to make technical changes and revise the documentation criteria for qualification and payment requirements for matching funds candidates that would be imposed by proposed changes to the Campaign Finance Ordinance.

Council Rule 38 Referral

A copy of the draft ordinance was sent, pursuant to Council Rule 38, to the City Ethics Commission, and its comments have been incorporated.

If you have any questions regarding this matter, please contact Assistant City Attorney Renee Stadel at (213) 978-7100. She or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON
Chief Assistant City Attorney

DM:RS:cl
Transmittal