

CORRECTED COMMITTEE REPORT

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to revisions to the Regulations of the City Ethics Commission (CEC) concerning matching funds.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. INSTRUCT the City Clerk to combine Council file Nos. 12-1269-S1 and 15-1088-S1 in the LA City Clerk Connect - Council File Management System.
2. APPROVE the CEC report dated August 30, 2018 as amended to incorporate the suggestions of Councilmembers Ryu and Buscaino (pursuant to their joint communication dated September 20, 2018, attached to Council file Nos. 12-1269-S5 and 15-1088-S1), as clarified by the CEC and City Attorney, to amend Los Angeles Municipal Code (LAMC) Section 49.7.23 regarding Participation and Qualification Requirements, and Section 49.7.27 regarding Matching Funds Formula.
3. REQUEST the City Attorney to prepare and present a draft Ordinance to the City Council by October 12, 2018 with the following changes to the LAMC, pursuant to Recommendation No. 2 above, as follows:
 - a. Relative to LAMC Section 49.7.23 (C)(1)(a) regarding Participation and Qualification requirements, and qualified contributions received by the candidate that meet or exceed the following aggregate amounts: (I) \$25,000 for City Council candidates, (ii) \$75,000 for City Attorney and Controller candidates, and (iii) \$150,000 for mayoral candidates:
 - i. Strike the language stating that the first \$500 of each contribution counts toward the threshold for Citywide candidates, and the first \$250, of each contribution counts toward the threshold for City Council candidates.
 - ii. Add language stating: *For each contributor, the maximum that may be counted toward these thresholds is one-seventh of the per-person City campaign contribution limit that applies under Section 49.7.3(B)(2)(a) or Section 49.7.3(B)(2)(b) to the elected City office that the candidate seeks, rounded to the nearest dollar.*
 - b. Relative to LAMC Section 49.7.27(A) and (B) regarding Matching Funds Formula:
 - i. Strike Subsection (A)(1) and (2) stating the amounts for which a qualified contribution will be matched with public funds.
 - ii. Strike the language in Subsection B(1)(2) and (3) stating the criteria for which a qualified contribution will be matched with public funds, and replace with the following language: *Six dollars in matching funds will be paid for each dollar of a qualified contribution, up to the following maximum per contributor: one-*

seventh of the per-person City campaign contribution limit that applies under Section 49.7.3(B)(2)(a) or Section 49.7.3(B)(2)(b) to the elected City office that the candidate seeks, rounded to the nearest dollar.

4. PRESENT and ADOPT the accompanying ORDINANCE, dated September 13, 2018, amending Chapter 3 of Division 24 of the Los Angeles Administrative Code (LAAC) to amend regulations of the City Ethics Commission concerning public matching funds.
5. DIRECT the City Administrative Officer (CAO) to report on any impacts these changes may have on the City's general fund.

Fiscal Impact Statement: None submitted by the CEC nor the City Attorney. Neither the CAO nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: Yes.

Council file No. 15-1088-S1:

For: Glassell Park Neighborhood Council
Downtown Los Angeles Neighborhood Council
Historic Highland Park Neighborhood Council

Council file No. 12-1269-S1:

Against Unless Amended: Studio City Neighborhood Council

TIME LIMIT FILE - OCTOBER 20, 2018

(LAST DAY FOR COUNCIL ACTION - OCTOBER 19, 2018)

SUMMARY

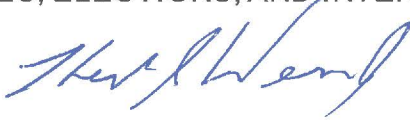
At a special meeting held on September 21, 2018, the Rules, Elections, and Intergovernmental Relations Committee considered Motion (Ryu - Krekorian - Buscaino - Koretz) directing the CEC to report on increasing matching fund rates in primary and general elections for candidates who qualify for matching funds and whether the maximum per-contribution matches in the Campaign Finance Ordinance should be revised to cap matches at lower levels; and CEC report August 30, 2018 and City Attorney report and Ordinance dated September 14, 2018 relative to amending the Los Angeles Municipal Code to revise Matching Fund Regulations; and consideration of CEC proposed amendments to the Campaign Finance Ordinance regarding the Matching Funds Program. Additionally, a joint communication from Councilmembers David Ryu and Joe Buscaino dated September 20, 2018 was submitted into the record and also considered.

Councilmember Ryu, mover of the subject Motion, addressed the Committee and provided a brief overview of the Motion, as well as proposed changes to the matching funds rate as detailed in the joint Communication. Additionally, the Executive Director and Executive Deputy Director of the CEC and staff, as well as the Supervising Attorney of the City Attorney's Ethics, Elections, and Governance section, also addressed the Committee to provide briefings on the proposed changes to the Campaign Finance laws as detailed in their respective reports, the Ordinance, and the joint Communication from Councilmembers Buscaino and Ryu.

After hearing extensive public comment on the matter, and after further consideration, the Committee recommended that the Council: approve the consolidation of Council file Nos. 15-1088-S1 and 12-1269-S1, approve the CEC report as amended to incorporate suggestions from Councilmembers Buscaino and Ryu as clarified by the CEC and the City Attorney, request to the City Attorney to prepare and present a draft Ordinance with changes to the LAMC on the matter, and adopt the Ordinance amending the LAAC. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, AND INTERGOVERNMENTAL RELATIONS COMMITTEE



MEMBER VOTE

WESSON: YES

HUIZAR: ABSENT

*PRICE: YES

*Pursuant to Council Rule 60, on September 20, 2018, Council President appointed Councilmember Curren Price to the Committee, in place of Committee member Councilmember Marqueece Harris-Dawson, until the adjournment of the Committee's Special meeting on September 21, 2018.

REW 9/26/18 FILE NO. 18-0447

-NOT OFFICIAL UNTIL COUNCIL ACTS-