



**MICHAEL N. FEUER**  
CITY ATTORNEY

REPORT NO. R 15 - 0 0 0 6  
JAN 1 3 2015

**REPORT RE:**

**DRAFT ORDINANCE AMENDING ARTICLE 9.7 OF THE LOS ANGELES MUNICIPAL  
CODE REGARDING OFFICEHOLDER AND LEGAL DEFENSE COMMITTEES**

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 your December 9, 2014 meeting, this Office has prepared and now transmits for your consideration, approved as to form and legality, a draft ordinance amending the Los Angeles Municipal Code provisions relating to the City's Campaign Finance Ordinance.

Summary of Ordinance

The draft ordinance makes various changes to officeholder and legal defense committee rules. The draft ordinance permits a candidate who has been elected to City office, but whose term has not yet begun, to open an officeholder committee as soon as the individual's election is certified by the City Clerk. The draft ordinance also revises the per person contribution limits for both officeholder and legal defense committees to the same level as the campaign contribution limits applicable to the office held by the elected City officer. Fundraising and expenditure limits are also revised to \$93,000 for City Councilmembers and \$150,000 for Citywide Officers, which will be adjusted automatically based on the consumer price index (CPI).

The draft ordinance makes certain changes to permissible officeholder committee expenditures. Use of officeholder funds to pay for memberships to civic and professional organizations for both the officeholder and officeholder's staff will be permitted. Further, use of officeholder funds on expenditures for any advertisement and testimonial will be permitted, provided the advertisement does not support or oppose a ballot measure or candidate or recall for any elective office. The draft ordinance also expands the permissible expenditure for any communication that provides information about a City event, government service, legal requirement, or the officeholder's position on any City matter. The draft ordinance will allow these communications to persons outside the City to be made using officeholder funds. The expenditure for expression of congratulation, appreciation, or condolences limit is revised to \$140 per recipient per event and will be subject to annual CPI adjustments. Also, the draft ordinance includes the Ethics Commission's proposed revision to the permissible expenditures during the period when an officeholder is seeking election, but does not include Commission's proposal to bar fundraising for an officeholder committee during the election cycle, as requested by Council. The draft ordinance maintains existing prohibitions on expenditures by officeholder committees.

The draft ordinance includes additional changes including requiring funds raised after the officeholder leaves City office to be used only to retire debt. Committees must be closed within 180 days of leaving office or a legal matter is concluded. The draft ordinance removes a provision making behested payments subject to the officeholder provisions. However, the state reporting requirement by City elected officers to the Ethics Commission for a behested payment continues to apply. Reports are required when a behested payment aggregating \$5,000 from the same source in a calendar year is made for a governmental, legislative, or charitable purpose. Once the initial threshold is met, all additional behested payments from that source must reported to the Ethics Commission. The draft ordinance incorporates disclosure requirements substantially similar to those currently in the Administrative Code. The Ethics Commission is expected to propose a repeal of the redundant Administrative Code provisions after the adoption of this draft ordinance. Finally, the draft ordinance makes several technical changes to the Campaign Finance Ordinance provisions revised in September 2014.

#### Council Rule 38 Referral

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

If you have any questions regarding this matter, please contact Deputy 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 any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By



DAVID MICHAELSON  
Chief Assistant City Attorney

DM:RS:as  
Transmittal

cc: City of Los Angeles Ethics Commission  
Chief Legislative Analyst, City of Los Angeles