

**TO THE COUNCIL OF THE  
CITY OF LOS ANGELES**

Your **RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS** Committee

**reports as follows:**

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT relative to recommendations for improving the City's campaign finance laws including proposed amendments to the Campaign Finance Ordinance and the provisions of the Los Angeles Administrative Code (LAAC) regarding the matching funds program.

Recommendations for Council action:

1. APPROVE recommendations of the City Ethics Commission (CEC) to update the Campaign Finance Ordinance and the LAAC as proposed in Attachments B and C of the CEC report dated August 13, 2012, attached to the Council file, with the following amendments:
  - a. Fundraising Windows, Pre-Election - Maintain current fundraising windows of 24 months for Citywide candidates and 18 months for Council candidates – Los Angeles Municipal Code (LAMC) 49.7.10(A).
  - b. Fundraising Window, Post-Election - Increase fundraising window post-election from 9 months to 12 months - LAMC 49.7.10(B).
  - c. Fundraising, Prohibited - Mass solicitations may not be made where City employees are knowingly solicited or comprise more than 5% of the people solicited - LAMC 49.7.11(B)(1).
  - d. Rate of Match - Two public dollars for every qualified dollar contributed in Primary; Four public dollars for every qualified dollar contributed in General-LAMC 49.7.27(B).
  - e. Disclosure of Independent Expenditure, Candidate, and Office Holder Communications – 24 hour reporting requirement to apply to period between opening of candidate filing until the election; 5 day reporting requirement to apply to all other time periods – LAMC 49.7.31(A), LAMC 49.7.31(B), LAMC 49.7.32(A).
  - f. Charter-Based Adjustments - LAMC 49.7.3(B)(1) - Adjustments shall be made by publication of the Ethics Commission staff no later than March 1 of each year and be deemed in effect for the next upcoming fundraising window(s) (i.e. March 1, 2013 effective opening of 2015 Council candidate fundraising window, March 1, 2015 effective opening of 2017 citywide and Council candidate fundraising windows), but not effective for any current or ongoing fundraising window (i.e. March 1, 2013 adjustment would not affect regular Primary and General 2013 elections).

- g. Contributor Information - LAMC 49.7.16(C) - Delete certification language and include language that campaign committees would have this information on all fundraising/contribution forms with signature line, whether hard copy or electronic.
  - h. Independent Expenditures, Disclosure Threshold - Amend language to require a minimum monetary threshold of \$100 dollars - LAMC 49.7.31(A)(2), LAMC 49.7.31(B).
2. REQUEST the CEC to report back to the Rules, Elections and Intergovernmental Relations Committee with an implementation and verification plan for Qualification, contributions - LAMC 49.7.23(C)(1)(d), LAMC 49.7.28(C)(1)(e), LAAC 24.31(b)(13)(D) and LAAC 24.32(b)(2)(C).
  3. REQUEST the CEC to report back to the City Council with any necessary changes to the LAAC to implement the above amendments by September 6, 2012.
  4. REQUEST the City Attorney's Office to draft the appropriate ordinance(s) and AUTHORIZE the City Attorney to make any necessary technical or legal changes to these amendments and throughout the municipal code for purposes of consistency in preparation of the draft ordinance.
  5. REQUEST the CEC to report to Council on August 22, 2012, relative to a broadened discussion on the possibility of permitting contributions from County of Los Angeles residents, in addition to City of Los Angeles residents, to be matched in respect to the matching funds program.

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

Community Impact Statement: None submitted.

**TIME LIMIT FILE – OCTOBER 8, 2012**

**(LAST DAY FOR COUNCIL ACTION – OCTOBER 9, 2012)**

Summary:

At its regular meeting of August 17, 2012, the Rules, Elections and Intergovernmental Relations Committee considered a CEC report relative to recommendations for improving the City's campaign finance laws including proposed amendments to the Campaign Finance Ordinance (CFO) and the provisions of the LAAC regarding the matching funds program. During Committee consideration, CEC and City Attorney representatives provided an overview of the report and responded to related questions from Committee members.

The CEC reports that on August 9, 2012, after seven months of detailed review and discussion, the CEC unanimously approved a comprehensive set of recommendations for improving the City's campaign finance laws. The CEC report, attached to the Council file, includes 54 specific recommendations in five categories: fundraising and contributions; the matching funds program; disclosure and disclaimers; officeholder and legal defense funds; and enforcement. The substantive recommendations in each category are described in the report.

Additionally, the CEC reports that there is some urgency to the provisions regarding the matching funds program. The City Attorney's office has advised that the triggers and related provisions should be removed from City law prior to November 5, 2012, which is the start of Candidate Filing Week for the 2013 regular City elections. To compensate for that loss, the CEC recommends that all of the matching funds recommendations be acted on in time to become effective by November 5.

The CEC further reports that the Los Angeles City Charter requires prompt action on the LAAC recommendations. A public hearing must be held and action to approve or disapprove must be taken within 60 days of the date the CEC approved the recommendations, pursuant to Charter Section 703(b). The CEC approved the LAAC recommendations on August 9, 2012 and 60 days after that date is October 8, 2012.

After further consideration and having provided an opportunity for public comment, the Committee recommended that Council adopt the recommendations of the CEC as amended and reflected in the above Committee recommendations. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
WESSON:	YES
LABONGE:	YES
HUIZAR:	YES

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**- Not Official Until Council Acts -**