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CITY ATTORNEY

REPORT NO. R 15 - 0 1 1 5
MAY 0 8 2015

REPORT RE:

**DRAFT ORDINANCES TO AMEND THE LOS ANGELES ADMINISTRATIVE CODE
TO ADD A CITY TICKET DISTRIBUTION POLICY AS AN ETHICS REGULATION
AND AMEND THE MUNICIPAL CODE GIFT PROVISION**

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

Honorable Members:

This Office has prepared and now transmits for your consideration the enclosed draft ordinances, approved as to form and legality, which codify changes to the Ethics Commission's regulations. Ordinance A adds regulations regarding a ticket distribution policy and Ordinance B amends the Gift provision in the Los Angeles Municipal Code (LAMC).

Summary of the Ordinances

Ordinance A – Ticket Policy Regulation

Ordinance A contains the Ethics Commission's proposed Ticket Distribution Policy as an Ethics Commission regulation.

State law permits agencies to adopt a policy governing distribution and disclosure of tickets and passes to entertainment and recreation events by the agency so that those tickets and passes are not gifts to individual City officials subject to gift limits and reporting. 2 Cal. Code Regs. § 18944.1. This proposed policy adopts a uniform policy for all City agencies, having each City agency act through the General

Manager or Chief Administrative Officer or designees as a Ticket Administrator for that agency.

State law requires a number of provisions be contained in the policy including public purposes to be served by distribution of the tickets, limits of transfer of tickets, and disclosure of ticket distributions on a Form 802 to the California Fair Political Practices Commission (FPPC). Additionally, this policy does not apply to situations in which an entertainment or recreation ticket is directed to a specific City official. This policy is substantially similar to many other policies adopted by other jurisdictions throughout California. Adoption of the policy will help ensure compliance and transparency with City and state gift restrictions.

The Ethics Commission regulations include all of the required state elements and also adds some unique features. The regulations prohibit solicitation of tickets and passes from restricted sources and, in addition to disclosure to the FPPC, requires disclosure to the Ethics Commission. Additionally, the regulations state that failure to abide by the regulations may subject a person to potential penalties as provided in the City Charter and Ethics ordinance.

As a Citywide Ethics restriction and policy to be codified in the Los Angeles Administrative Code (LAAC) these requirements supersede existing ticket distribution policies. As this provision provides a policy for all offices and departments, a department, even if proprietary, need not take any additional action to make use of this policy.

Ordinance B – Ethics Ordinance Revision

Ordinance B adds a subsection to the Gift provision in the LAMC stating that tickets distributed pursuant to the ticket policy adopted in Ordinance A are not gifts for purposes of City law. If the City Council disapproves Ordinance A, the City Council should also not adopt Ordinance B.

Time Limit and Authority for Council Action

Ordinance A is subject to stricter time limits than Ordinance B. For Ordinance A, as an Ethics Commission regulation, pursuant to Charter Section 703, the City Council must hold a public hearing and either approve or disapprove Ethics Commission regulations within 60 days of adoption by the City Ethics Commission. If not disapproved within that time, the Mayor has 10 days to approve or disapprove the regulations. If not disapproved by the Mayor, the regulations have the force of law. The City Ethics Commission adopted these regulations on April 21, 2015. Because the 60th day falls on a weekend, pursuant to City Charter Section 106, the deadline for the Council to act on this matter is June 22, 2015.

The City Council does not have the same authority to amend Ordinance A as with other ordinance. The City Council may only approve or disapprove, but cannot amend, the ordinance, as the ordinance is the codification of the Ethics Commission's regulations. Los Angeles City Charter Section 703.

Ordinance B is within the Council's discretion and does not have special time restrictions for consideration.

Council Rule 38 Referral

A copy of the draft ordinances were 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
City Administrative Officer, City of Los Angeles