ORDINANCE NO. _____

An 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 PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Subdivision 6 of Subsection T of Section 49.7.2 of the Los Angeles Municipal Code is amended to read as follows:

6.   The contribution was received no later than three months after the date of the election, no earlier than the opening of the applicable fundraising window in Section 49.7.10, and no earlier than the date on which the candidate filed a Declaration of Intent to Solicit and Receive Contributions for that election.

Sec. 2. Section 49.7.3 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.3. CHARTER-BASED ADJUSTMENTS.

The Ethics Commission has a duty under Charter Section 702(h) to annually adjust limitations and disclosure thresholds in City law to reflect changes in the Consumer Price Index (CPI).

A.   The duty applies to the following provisions in the City's campaign finance laws:

1.   The per-person limits on campaign contributions in Charter Sections 470(c)(3) and 470(c)(4).

2.   The per-person limits on loans in Charter Section 470(c)(8).

3.   The aggregate limits on campaign contributions from non-individuals in Charter Section 470(c)(7).

4.   The per-person limit on cash contributions in Charter Section 470(d).

5.   The aggregate limit on anonymous contributions in Charter Section 470(e).

6.   The limit on expressions of congratulations or condolences by an officeholder committee in Section 49.7.19(D)(12).

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7.   The aggregate limits on contributions and transfers to and expenditures by a City Council officeholder committee in Sections 49.7.19(G)(1)–(3).

8.   The aggregate limits on contributions to and expenditures by a Citywide officeholder committee in Sections 49.7.19(H)(1)–(3).

9.   The limits on the expenditure of personal funds in a campaign in Section 49.7.23(C)(5).

10.   The limits on expenditures by a participating candidate in Section 49.7.24.

11.   The independent expenditure threshold that lifts the expenditure ceilings for a participating candidate in Section 49.7.25.

12.   The maximum matching funds available to a participating candidate in a primary election in Section 49.7.29(A).

13.   The maximum matching funds available to a participating candidate in a general election in Section 49.7.29(B).

B.   Pursuant to Charter Sections 240, 470(f) and 702(h), the following apply to CPI adjustments.

1.   The adjustments shall be automatically calculated and published by the Ethics Commission staff no later than March 1 of each year.

2.   Adjustments shall reflect the percent change in CPI for All Urban Consumers that is published by the United States Bureau of Labor Statistics for the region that includes the Los Angeles metropolitan area from December 2011 to the December immediately prior to the adjustment using the following formula: divide the CPI for the December immediately prior to the adjustment by 231.567 (the CPI for December 2011); multiply the resulting number by each value below; and round as specified in Subdivision 3.

a. $700 for the per-person limits on contributions and loans to a City Council candidate.

b. $1,300 for the per-person limits on contributions and loans to a Citywide candidate.

c.   The following aggregate limits on non-individual contributions:

i. $202,300 to a City Council candidate.

  ii. $539,400 to a City Attorney and a Controller candidate.

  iii. $1,213,800 to a Mayoral candidate.

d. $25 for the per-person limit on cash contributions.

e. $200 for the aggregate limit on anonymous contributions.

f. $140 for the limit on expressions of congratulations or condolence by an officeholder committee.

g. $93,000 for the aggregate limits on contributions and transfers to and expenditures by a City Council officeholder committee.

h. $150,000 for the aggregate limits on contributions and transfers to and expenditures by a Citywide officeholder committee.

i. The following limits on the expenditure of personal funds by a participating candidate:

  i. $31,100 for a City Council candidate.

  ii. $124,500 for a Citywide candidate.

j. The following expenditure limits for a participating candidate in a primary election:

  i. $480,000 for a City Council candidate.

  ii. $1,119,000 for a Controller candidate.

  iii. $1,259,000 for a City Attorney candidate.

  iv. $2,798,000 for a Mayoral candidate.

k. The following expenditure limits for a participating candidate in a general election:

  i. $400,000 for a City Council candidate.

  ii. $840,000 for a Controller candidate.

  iii. $979,000 for a City Attorney candidate.

  iv. $2,237,000 for a Mayoral candidate.

l.   The following independent expenditure thresholds that lift the expenditure limits for a participating candidate:

          i. $77,000 in a City Council race.

          ii. $155,000 in a Controller and a City Attorney race.

          iii. $309,000 in a Mayoral race.

m.   The following maximum matching funds for a participating candidate in a primary election:

          i. $135,000 for a City Council candidate.

          ii. $360,000 for a Controller candidate.

          iii. $405,000 for a City Attorney candidate.

          iv. $900,000 for a Mayoral candidate.

n.   The following maximum matching funds for a participating candidate in a general election:

          i. $169,000 for a City Council candidate.

          ii. $405,000 for a Controller candidate.

          iii. $472,000 for a City Attorney candidate.

          iv. $1,079,000 for a Mayoral candidate.

3.   Adjustments shall be rounded as follows:

a.   To the nearest $10 for the values in Subsections B(2)(d) and B(2)(f).

b.   To the nearest $100 for the values in Subsections B(2)(a), B(2)(b), B(2)(c) and B(2)(e).

c.   To the nearest $1,000 for the values in Subsections B(2)(g) through B(2)(n).

Sec. 3. Section 49.7.16 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

A. A contribution may not be deposited into the checking account of a City controlled committee unless the following is on file in the committee's records:

1. For an individual, the contributor's name, address, occupation, employer (or name of business if self-employed) and certification in Subsection B.

2. For a non-individual, the contributor's name, address and certification in Subsection B.

B. A contributor shall certify the following information under penalty of perjury:

1. The contribution is not being made under a false name, is not being made under another person's name, and has not been and will not be reimbursed;

2. The contribution does not cause the contributor to cumulatively or in the aggregate exceed the applicable contribution limit in Section 49.7.3(B)(2)(a), 49.7.3(B)(2)(b), 49.7.19(F) or 49.7.20(B)(3);

3. The contribution is not from a person who is prohibited from contributing, including the following:

a. A lobbyist or lobbying firm that is prohibited from contributing under Charter Section 470(c)(11); and

b. A bidder, sub-contractor, principal, or underwriting firm that is prohibited from contributing under Charter Section 470(c)(12) or 609(e).

4. Whether the contribution is being made with business funds or an individual's personal funds.

5. For an individual, whether the address provided is the contributor's residence address.

6. The information provided regarding address, occupation and employer is correct.

C. Obtaining the certification in Subsection B is evidence that the committee that received the contribution acted in good faith.

D. This section does not apply to contributions limited by Section 49.7.3(B)(2)(e).

Sec. 4. Subdivisions 1 and 2 of Subsection C of Section 49.7.23 of the Los Angeles Municipal Code are amended to read as follows:

1.   The candidate and the candidate's controlled committee received qualified contributions that meet the following criteria:

a.   The contributions meet or exceed the following aggregate amounts:

i. $25,000 for a City Council candidate.

ii. $75,000 for a City Attorney and a Controller candidate.

iii. $150,000 for a Mayoral candidate.

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 49.7.3(B)(2)(b) to the elected City office that the candidate seeks, rounded to the nearest dollar. Loans, pledges and non-monetary contributions do not count toward the thresholds.

b.   The contributions are not from the candidate or the candidate's immediate family.

2.   The candidate receives qualified contributions of at least five dollars each from 100 individuals residing within the City or, for a City Council candidate, within the council district for which election is sought.

Sec. 5. Subdivision 6 of Subsection C of Section 49.7.23 of the Los Angeles Municipal Code is amended to read as follows:

6.   The candidate has either participated in a debate with one or more opponents or conducted a town hall meeting with the public.

Sec. 6. Section 49.7.24 of the Los Angeles Municipal Code is amended to read as follows:

SEC. 49.7.24. EXPENDITURE CEILINGS.

A.   A participating candidate and the candidate's controlled committee for election to City office may not make expenditures above the following amounts in a primary election:

1. $480,000 for a City Council candidate.

2. $1,119,000 for a Controller candidate.

3. $1,259,000 for a City Attorney candidate.

4. $2,798,000 for a Mayoral candidate.

B.   A participating candidate and the candidate's controlled committee for election to City office may not make expenditures above the following amounts in a general election:

1. $400,000 for a City Council candidate.

2. $840,000 for a Controller candidate.

3. $979,000 for a City Attorney candidate.

4. $2,237,000 for a Mayoral candidate.

C.   The expenditure ceilings are subject to adjustment under Section 49.7.3.

Sec. 7. Section 49.7.27 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.27. MATCHING FUNDS FORMULA.

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 applicable under Section 49.7.3(B)(2)(a) or 49.7.3(B)(2)(b) to the elected City office that the candidate seeks, rounded to the nearest dollar.

Sec. 8. Section 49.7.29 of the Los Angeles Municipal Code is amended in its entirety to read as follows:

SEC. 49.7.29 MAXIMUM MATCHING FUNDS.

A.   The following maximum amounts may be paid to a qualified participating candidate in a primary election:

1. $135,000 for a City Council candidate.

2. $360,000 for a Controller candidate.

3. $405,000 for a City Attorney candidate.

4. $900,000 for a Mayoral candidate.

B.   The following maximum amounts may be paid to a qualified participating candidate in a general election:

        1. $169,000 for a City Council candidate.

        2. $405,000 for a Controller candidate.

        3. $472,000 for a City Attorney candidate.

        4. $1,079,000 for a Mayoral candidate.

C.   The maximum amounts are subject to adjustment under Section 49.7.3.

Sec. 9. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By _____
    RENEE STADEL
    Assistant City Attorney

Date __October 12, 2018__

File No. __12-1269-S5__

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I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK   MAYOR

_____   _____

Ordinance Passed_____   Approved _____