

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT
relative to proposed amendments to the Campaign Finance Ordinance to improve the laws
regarding officeholder and legal defense committees.

Recommendations for Council action:

1. ADOPT the proposed amendments to the Campaign Finance Ordinance as reflected in Attachment B of the City Ethics Commission (CEC) report dated August 26, 2014, attached to the Council file, including the following amendments:
 - a. Amend Post Service Activity - 49.7.21(D)(1) to allow officeholder committees to be closed or redesignated within 180 days after the officeholder leaves elected office.
 - b. Amend Surplus Funds - 49.7.21(D)(2) to allow legal defense committees to be closed within 180 days after the final resolution of the case or matter for which they were created and the payment of all debt.
 - c. Amend Surplus Funds – 49.7.20(C)(3) to provide that surplus funds may be returned to contributors, paid to the City’s general fund, or used for another legal defense committee as currently allowed under city law.
 - d. Amend Behested Payments – 49.7.8 to allow payments made by a person to a third party at the behest of an officeholder to be disclosed if the person’s behested payments total \$5,000 or more in a calendar year as currently allowed under city law.
 - e. Amend Fundraising and Expenditure Limits – 49.7.19(G)(1)(3) and 49.7.19(G)(2) to cap expenditures for City Council officeholder committees to \$93,000 per fiscal year and to cap expenditures for Citywide officeholder committees to \$150,000 per fiscal year.
 - f. Amend Blackout Period – 47.19(H)(2)(a) to keep current language regarding blackout period provisions.
2. ADOPT the following technical changes as proposed by the City Attorney’s office to the Campaign Finance Ordinance:
 - a. In LAMC Section 49.7.10, Subsection A, add the word "primary" after the words "date of the" and before "election."
 - b. In LAMC Section 49.7.10, Subsection B, add the word "general" after the words "date of the" and before "election" and delete the word "to" after the word "used."
 - c. In LAMC Section 49.7.32, add an "s" to person in Subsection A and in Subsection B(1) replace the phrase "a candidate files" with "an individual may."
 - d. In LAMC Section 49.7.35, Subsection B(5)(b) revise the reference from section to Subsection.

- e. In LAMC Section 49.7.36, Subsection B(1)(b) add the word "Ethics" before Commission.
- f. In LAMC 49.7.33, Subsection C, the reference to Section 49.7.31(A)(3)(b) to be replaced with Section 49.7.31(A)(2)(b).

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.

SUMMARY

At its special meeting of December 3, 2014, the Rules, Elections and Intergovernmental Relations Committee considered a City Ethics Commission report relative to proposed amendments to the Campaign Finance Ordinance to improve the laws regarding officeholder and legal defense committees. After consideration and having provided an opportunity for public comment, the Committee recommended to approve the CEC's proposal as amended in Committee and detailed in the recommendations above. This matter is now forwarded to Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE

MEMBER VOTE

WESSON: YES

HUIZAR: ABSENT

LABONGE: YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-