

# LOS ANGELES CAMPAIGN FINANCE ORDINANCE

*Los Angeles City Ethics Commission*  
February 1, 2014



# THIS PRESENTATION

- About the Ethics Commission.
- Overview of City Campaign Finance Law.
- Your Questions.

# THE ETHICS COMMISSION

- Created by popular vote in 1990.
- Semi-autonomous 5 member board.
- Oversees City's lobbying, ethics, and campaign finance regulations.
- May issue advice, opinions, and enforce violations.

# HISTORY

- **1991:** Campaign Finance Ordinance adopted.
- **2012:** First comprehensive review.
- **2013:** Largest and most expensive elections in Ethics Commission history.
- **2014:** Post-election review, based on election experiences.

# POST-ELECTION REVIEW

- **Staff analysis.**
  - Underway.
  - Based on:
    - Experiences in 2013 elections.
    - Input from stakeholders and regulated communities.
    - Survey of 2013 matching funds participants
- **Staff recommendations to be presented at upcoming Ethics Commission meetings.**
  - Approved Recommendations presented to Council by May 2014.

# CHARTER-BASED PURPOSES

- Encourage broad participation in the political process.
- Avoid corruption and the appearance of corruption in City decision-making and contracting processes.
- Restore trust in governmental and electoral institutions.
- Promote public discussion on the important issues involved in political campaigns.
- Limit overall expenditures in political campaigns.

# WHO IS COVERED

## In City elections only:

- Candidates
- Committee Treasurers
- Elected officials
- Contributors
- Persons making independent expenditures
- Other political committees and principal officers

# WHAT IS COVERED

## In City elections only:

- Contributions
- Spending
- Independent expenditures
- Matching funds
- Political communications
- Public disclosure



# CONTRIBUTION LIMITS

- **To candidates:**
  - \$700/person/election to a City Council candidate.
  - \$1,300/person/election to a Citywide candidate.
- **To officeholders:**
  - \$500/person/fiscal year to City Council members.
  - \$1,000/person/fiscal year to Citywide officeholders.
- **Prohibited contributors:**
  - Lobbyists and lobbying firms.
  - Bidders, contractors, and sub-contractors on certain contracts of \$100,000 or more.

# COMMITTEES

## ■ Candidate committees:

- Fundraising limited to 18 (City Council) or 24 (Citywide) months before and 12 months after election.

## ■ Officeholder committees:

- Fundraising and spending limited to \$75,000/fiscal year.
- Only specific types of expenditures are allowed.

## ■ Legal defense fund committees:

- May be established to pay legal costs when defending certain legal proceedings.
- Contributions are limited to \$1,000/person/fiscal year.

# INDEPENDENT EXPENDITURE COMMUNICATIONS

- Disclaimer and disclosure required at certain thresholds:
  - \$1,000 made/incurred.
  - \$100 made/incurred plus 200 or 1,000 distributions.
- Disclaimer must identify spender, committee's major funders, and give the Ethics Commission's website.
- A report and a copy of the communication must be filed with the Ethics Commission.
- Applies in both candidate and ballot measure elections.

# MATCHING FUNDS 2013

- Voluntary.
- Candidates must agree to limit spending.
- Candidates must qualify to receive funds.
- Eligible contributions from individuals are matched with public dollars.
  - Up to \$250/contributor for City Council candidates.
  - Up to \$500/contributor for Citywide candidates.
- Rate of match: 2:1 with public dollars in primary and 4:1 in general, up to maximum amounts.

# MATCHING FUNDS 2015

- Qualification requires 200 contributions of at least \$5 from individuals residing in the district.
- Only contributions from individuals residing in the city are matched.
- Rates of match:
  - 1:1 if qualify for ballot with 500 signatures.
  - 2:1 in primary and 4:1 in general if:
    - Qualify for ballot with 1,000 signatures; or
    - Qualify for ballot with 500 signatures and obtain 500 additional signatures.

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*We want to hear from you!*

*Online: [ethics.lacity.org](https://ethics.lacity.org)*

*Email: [ethics.policy@lacity.org](mailto:ethics.policy@lacity.org)*

