ORDINANCE NO. 171499

An ordinance redesignating and amending Section 20.49 of the Los Angeles Administrative Code, amending Section 24.5 of the Los Angeles Administrative Code and adding a new Chapter 4 to Division 24 of the Los Angeles Administrative Code in order to streamline the regulation of campaign financing.

THE PEOPLE OF THE CITY OF LOS ANGELES

DO ORDAIN AS FOLLOWS:

Section 1. Subsection (b) of Section 24.5 of the Los Angeles Administrative Code is hereby amended by repealing the definition of "Compliance Costs" contained therein.

Sec. 2. Subsection (c) of Section 24.5 of the Los Angeles Administrative Code is hereby amended to read:

(c) **Statement of Acceptance or Rejection of Matching Funds.**

(1) Regardless of whether a candidate elects to accept public matching funds, each candidate for elective City office must submit a Statement of Acceptance or Rejection of Matching Funds, as required by Los Angeles Municipal Code Section 49.7.18 at the time that candidate files his or her Declaration of Intent to Become a Candidate pursuant to City Elections Code Section 321. Each candidate must provide the following information on his or her Statement of Acceptance or Rejection of Matching Funds:

(A) the candidate's name, business address, and telephone number at which the candidate can be reached during regular business hours;
(B) the office the candidate is seeking;
(C) the election for which the statement is filed;
(D) whether or not the candidate elects to accept public matching funds.

(2) Each candidate who elects to decline matching

funds shall certify on his or her Statement of Acceptance or Rejection of Matching Funds that he or she understands that his or her rejection is effective for both the primary nominating and general municipal elections.

(3) Each candidate who elects to accept matching funds must also certify the following on his or her Statement of Acceptance or Rejection of Matching Funds:

(A) that he or she understands the requirements set forth in the City's Campaign Finance Ordinance (Los Angeles Municipal Code Section 49.7.1, et seq.) and understands that those requirements must be satisfied before the candidate may receive public funds; and

(B) that he or she agrees to participate in at least one debate sponsored or conducted by the Commission with his or her opponent(s) in the primary election and two debates sponsored or conducted by the Commission with his or her opponent in the general election, if applicable; and

(C) that the candidate has not made and agrees not to make any expenditures in excess of the expenditure limits of Los Angeles Municipal Code Section 49.7.13 unless those limits have been lifted as provided in Los Angeles Municipal Code Section 49.7.14; and

(D) that the candidate has not used and agrees not to use any personal funds for the election in excess of the applicable limits of Los Angeles Municipal Code Section 49.7.19 A 3; and

(E) that his or her acceptance of matching funds is effective for both the primary nominating and general municipal elections; and

(E) that if the candidate chooses to withdraw from participation in the matching funds program, he or she must do so within 7 days after the final filing date for filing a Declaration of Intention to Become a Candidate and only if another candidate for the same office rejects matching funds.

(4) Each Statement of Acceptance or Rejection must be signed by the candidate and verified under penalty of perjury.

(5) Any candidate who fails to file a Statement of Acceptance or Rejection of Matching Funds at the time that candidate files his or her Statement of Declaration of Intent to Become a Candidate may not participate in the Matching Funds Program.

(6) Any candidate who files a statement electing to receive public matching funds and who then elects to decline matching funds within seven days after the final filing date for filing a Declaration of Intent to Become a Candidate must provide a written notice to that effect. That notice shall be signed by the candidate and received by the Commission by 5:00 p.m. of the last day to withdraw from participation in the matching funds program.

Sec. 3. Section 24.5 of the Los Angeles Administrative Code is hereby amended by repealing Subsection (j).

Sec. 4. Section 20.49 of the Los Angeles Administrative Code is hereby redesignated as a new Chapter 4 of Division 24 of the Los Angeles Administrative Code and further amended to read:

CHAPTER 4

CAMPAIGN AUDITS AND INVESTIGATIONS

Sec. 24.6. **Audits and Investigation.**

A. The City Ethics Commission shall conduct audits and investigations of reports and statements, including supporting documents and records, filed by candidates for elective City office and by committees supporting or opposing such candidates. Audits and investigations shall be conducted with respect to:

1. Each candidate for election in a primary nominating election, a general municipal election, or a special election of the City, for whom $100,000 or more in contributions was raised or for whom $100,000 or more in expenditures was made in connection with such election, whether by the candidate, by a committee or committees controlled by the candidate or by a committee or committees

which participated in said election primarily in support of his or her candidacy;

2. Each controlled committee of any candidate investigated or audited pursuant to Subdivision 1 of this subsection; and

3. Each committee, other than a controlled committee, that supported or opposed a candidate investigated or audited pursuant to Subdivision 1 of this subsection, if it is determined that the committee expended more than $100,000 in connection with the election.

B. In addition to the candidates who are subject to mandatory audits pursuant to Subsection A, at least twenty per cent of all other candidates for elective City office shall be subject to investigation and audit by the City Ethics Commission on a random basis.

C. In addition to the audits and investigations referred to in Subsections A and B of this section, the City Ethics Commission may investigate and audit any reports or statements required by candidates and committees pursuant to the Political Reform Act of 1974 as amended (Government Code Section 81000, et seq.) or Los Angeles City Charter Section 312.

D. Investigations and audits performed pursuant to this section shall comply with requirements for audits contained in the Political Reform Act of 1974 as amended and applicable regulations.

Sec. 5. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of JAN 22 1997.

ELIAS MARTINEZ, City Clerk

By _____
Deputy

Approved JAN 31 1997

_____
Mayor

Approved as to Form and Legality

5-13-96

James K. Hahn, City Attorney

By _____
ANTHONY SAUL ALPERIN
Assistant City Attorney

File No. CF 96-0536