

MOTION

Since the 2010 Supreme Court ruling in *Citizens United v. Federal Election Commission*, the amount of money being spent to influence political campaigns has sharply increased. Absent a new court ruling, or a constitutional amendment, the City has limited authority to regulate outside spending from moneyed special interests. One of the most effective counterbalances to this unregulated and unaccountable spending, would be to increase the influence of small dollar donations by increasing the rate at which the city provides public matching funds.

The Los Angeles City Ethics Commission previously submitted a slate of campaign finance reform recommendations in 2014, and, in a more detailed 2015 report, recommended increased matching funds rates for City elections, due to the surplus in the Matching Funds Trust Fund.

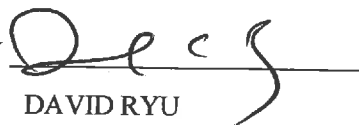
The Matching Funds Trust Fund, as envisioned in the City Charter, is intended to reduce the power of moneyed special interests in elections by ensuring qualified candidates will receive enough funding, through public financing, to allow their voices to be heard. At our current rates of match, public funding is not bolstering small dollar donors at the level necessary to ensure qualified candidates can get their message to voters, and the Matching Funds Trust Fund is being replenished at a rate significantly faster than it is being used.

WE THEREFORE MOVE that the Ethics Commission be requested to prepare and present an ordinance and report on the implications of increasing the matching fund rates from the current 2:1 match in primary elections and 4:1 match in general elections to 6:1 in both primary elections and general elections for all candidates who qualify for matching funds.

WE FURTHER MOVE that the Ethics Commission be requested to report on whether the maximum per-contribution matches in Sec. 49.7.27 of the Campaign Finance Ordinance should be revised to cap matches at lower levels, such as \$100.

WE FURTHER MOVE that the City Administrative Officer be directed to report back on any impacts these changes may have on the City's general fund.

CO-PRESENTED BY



DAVID RYU
Councilmember, 4th District

CO-PRESENTED BY



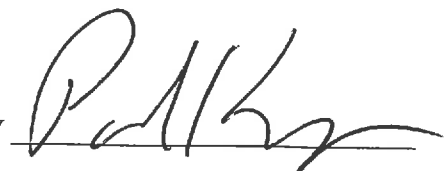
PAUL KREKORIAN
Councilmember, 2nd District

CO-PRESENTED BY



JOE BUSCAINO
Councilmember, 15th District

SECONDED BY



JAN 10 2017

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During Los Angeles' March 2015 election, only one in ten eligible voters chose to submit ballots. This low voter turnout is likely due, in part, to voters' belief that they can do little to influence local elections and policies.

This belief is reinforced when developers, and others who have business before the City of Los Angeles contribute widely to political campaigns, and in some cases, flout campaign finance rules entirely. Unlike the City's ban on campaign contributions from companies seeking City contracts, no such ban currently exists for developers seeking City approvals on their potentially-lucrative projects.

Previously, legal uncertainty prevented such a ban; however, in 2004 the City of San Diego implemented a ban on donations from special interests, and this ban was upheld by the U.S. Court of Appeals for the Ninth Circuit in 2011, citing the importance of the "anticorruption and anticircumvention interests" of the restrictions. This recent court decision forges the legal path for Los Angeles to move forward.

Limiting contributions from certain non-individuals can also improve election turnout. When New York City restricted contributions from some non-individual entities, its share of campaign contributions to candidates by individuals rose from 61% in 1997 to 92% in 2013, pointing toward the effectiveness of these measures in their mission to create more local elections driven by individual voters, donors, and stakeholders.

WE THEREFORE MOVE that the Los Angeles City Ethics Commission be requested to prepare an ordinance similar to the 2011 Measure H restrictions approved by the voters, to prohibit contributions to City elected officials and candidates for City office from developers and their principals with development projects currently or recently being considered for discretionary approval by the City.

WE FURTHER MOVE that the Ethics Commission, in coordination with the City Attorney and the Planning Department, be requested to report on possible options for the definition of a "developer" to ensure as wide a net as possible is cast, in addition to exploring whether contractors and subcontractors on development projects requiring discretionary council approval should be included in this ban.

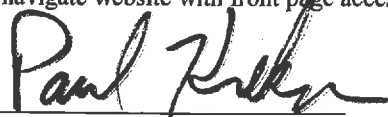
WE FURTHER MOVE that the Ethics Commission be requested to report on best practices, in line with the spirit and intent of this motion, from other jurisdictions who have implemented such bans. In particular, the Metro model based on recusal from voting on contracts where the Board member has accepted monetary contributions should be examined as a possible alternative to a full ban if it proves to be a more constitutionally permissible model.

WE FURTHER MOVE that the Ethics Commission be requested to prepare an ordinance to require campaign committees to provide additional information on non-individual entity contributors, including a category that denotes contributions derived from developers and their principals.

WE FURTHER MOVE that the Ethics Commission be requested to prepare an ordinance to require a signed affidavit that requires the contributor to positively affirm, under penalty of perjury, that the contribution is being made by the contributor, that the contributor is not being reimbursed, and that the contributor does not have any open applications for discretionary approval of development projects before the city, in addition to any other city ethics laws that should be included in the affidavit.

WE FURTHER MOVE that the City Administrative Officer be instructed and the Ethics Commission be requested to report on the costs and benefits of increasing the size of enforcement staff at the Ethics Commission to increase the number of inspections and audits that can be carried out to reduce the incidences of campaign finance fraud and improve transparency, and, to report on the costs of creating an accessible and easy-to-navigate website with front page access to the whistleblower hotline.

CO-PRESENTED BY



PAUL KREKORIAN
Councilmember, 2nd District

CO-PRESENTED BY



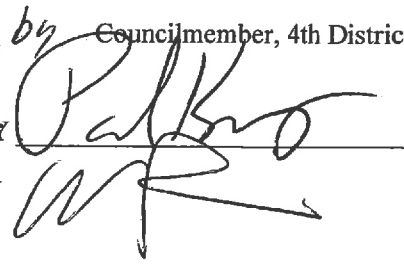
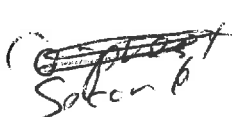
DAVID RYU
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