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Division 4 - MISCELLANEOUS REGULATIONS

Chapter 2.190 POLITICAL CAMPAIGNS FOR COUNTY OFFICES

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2.190.010 Findings.

- A. The people of the County of Los Angeles find that as the cost of campaigning for County office increases, there is the need to raise larger and larger amounts of money, much of which may come from interest groups with a stake in matters pending before County officers. While citizens of the County should be allowed to make financial contributions to political campaigns for County offices as a legitimate form of participation in the political process, there is a need to reduce the opportunity for persons or organizations to use their financial strength to attempt to exercise control over candidates and the electoral process.
- B. 1. The Board of Supervisors finds that events that came to light beginning in 2011, and more recently in 2012, in the County of Los Angeles have generated questions regarding the integrity of the Assessor's office. Felony indictments by the District Attorney of the County's elected Assessor, Assessor employees, one tax agent, and an ongoing criminal investigation of the Assessor's office and additional staff, have eroded the public's confidence in the elected Assessor. In addition, numerous investigative media reports have alleged significant "pay to play" activities within the Assessor's office.

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2. The Assessor manages the County's property tax assessment roll, representing a value of approximately \$14 billion per year. The Assessor, whose fundamental duty it is to fairly determine the value of property so that fair and accurate tax bills may be issued and collected, has a clear fiduciary obligation to the taxpayers of the County. It is crucial that there be public confidence in the elected Assessor and his or her staff, and that property taxes in the County are assessed legally, properly, without special-interest influence, and in a manner that is equitable to all property owners and the citizens of the County.
3. The District Attorney's investigation has resulted in the filing of two criminal complaints alleging that political contributions to the County's Assessor from at least one tax agent were made to ensure that properties represented by the tax agent were assigned values far below their fair market value, resulting in unwarranted property tax refunds paid by the County to property owners. The tax agent, in turn, received a percentage of the tax refunds as a fee for services. The criminal complaints demonstrate that the County's elected Assessor and at least two Assessor employees allegedly personally interceded on cases involving the tax agent in order to enroll the values requested by him. The investigation paints a disturbing picture of "pay to play" activities, which would result in lost revenue to the County, its taxing agencies, and every taxpayer in the County. Such allegations of unethical conduct undermine the credibility of the Assessor's office, compromise its ability to carry out its lawful functions, erode the public trust in the tax assessment process, and present an appearance of corruption.
4. According to the first indictment and arrest warrant filed on May 16, 2012, by the District Attorney, one Assessor office employee was charged with 60 felony counts, including keeping false records or making false entry or erasure of accounts of public moneys by reducing property values in exchange for contributions and/or favors to the County's Assessor. The indictment alleges that various reductions in property values were made without supervisor approval or documentation or evidence in support of the change, on properties represented by known campaign donors to the County's Assessor, and include conduct such as: (a) reducing a newly appraised property value of \$4 million to \$2.8 million while that parcel was scheduled for assessment appeal hearing; (b) changing the base value of a parcel with a new purchase price of \$2.15 million to \$1.5 million; (c) reducing the value of a parcel from \$3.11 million to \$2.1 million after denying a decline in value request submitted one year after a parcel was purchased and without the applicant submitting comparables or evidence; (d) attempting to reduce the value of a parcel from \$15.8 million to \$10 million, without any pending application submitted to the Assessor's office for review; (e) reducing a parcel value from \$9.1 million to \$6 million after another appraiser had denied reduction because market value was in excess of the assessment; (f) reducing a parcel value from \$3.4 million to \$2.3 million, and another from \$1.76 million to \$950,000, without any pending applications submitted to the Assessor's office for review; and (g) reducing a value found by the Assessment Appeals Board of \$2.7 million to \$1.7 million although having no authority to override a Board found value.
5. On October 16, 2012, the District Attorney filed a second indictment containing 31 felony counts against the County's elected Assessor, one Assessor employee, and one tax agent, charging them each with multiple counts including bribery, misappropriation of funds, perjury, embezzlement and conspiracy.
6. While the Board recognizes that the Assessor's office has many honest and hardworking employees, the criminal complaint alleges a pattern and practice of corruption or the appearance of corruption within the office, assigning requested value changes for political supporters or on property represented by political supporters.
7. The criminal complaint alleges that the County's Assessor accepted at least four payments totaling \$185,000 from a tax agent with appeals pending before the Assessment Appeals Board and failed to report the payments on his Statement of Economic Interest. The criminal complaint further alleges that the same tax agent made payments of approximately \$100,000 to another

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Assessor employee. Additionally, multiple witnesses interviewed by the District Attorney's office stated that tax agents who contributed to the County Assessor's campaign had extraordinary access to him, as well as priority with regard to matters relating to properties they represented.

8. For example, four parcels of property which comprised the site of a landmark Hollywood eatery were purchased for \$14 million. Following payments to the County's Assessor from a tax agent who represented the owners of the parcels, the values of the four parcels were reduced to \$7.6 million, \$6.3 million and \$4.8 million for tax years 2008, 2009 and 2010 respectively. One month after receiving tax refunds, the parcels sold for \$21 million.
9. The Board of Supervisors has a substantial interest in maintaining the integrity of the tax rolls and ensuring that revenues due to the public are properly and legally assessed and collected without undue influence. Such interest includes protecting the rights of taxpayers, holding tax agents to the highest ethical standards, and reducing the opportunity to influence the County's Assessor and his or her employees through contributions in order to receive tax reductions or special treatment.
10. The Board of Supervisors therefore finds that an amendment to this chapter is necessary and proper to prevent actual corruption or the appearance of corruption and to further its purposes by strengthening the laws governing contributions to the County's Assessor or candidates for Assessor by limiting the ability for the Assessor to use his or her official position to influence decisions on assessment matters where tax agents have contributed to Assessor campaigns, officeholder accounts, or attorney's fees funds.

(Ord. 2012-0046 § 1, 2012: Ord. 96-0041 § 1 (part), 1996.)

2.190.020 Purpose and declaration of intent.

The purpose of the ordinance codified in this chapter is to reduce the opportunity for corruption of the political process by establishing rules for the conduct of political campaigns for county offices. In recognition that the courts have limited the ability of the government to place mandatory ceilings on either overall campaign expenditures or the expenditure by a candidate of his or her personal funds, it is the intent of the ordinance codified in this chapter to establish voluntary limits on such expenditures. This chapter also establishes mandatory limits on the amount any one person can contribute to a campaign, the level of which varies based upon the extent to which the candidates for a particular office have agreed to be bound by the voluntary expenditure limits. It is not the intent of the ordinance codified in this chapter that it have any impact, or place any limits, on recall election campaigns.

(Ord. 96-0041 § 1 (part), 1996.)

2.190.030 Definitions.

The following phrases, whenever used in this chapter, shall be construed as defined in this section:

- A. "Bundling of contributions" means the making of contributions to a candidate through another person or entity who acts as an intermediary or conduit.
- B. "Campaign expenditure" means any "expenditure" as that term is defined in Government Code Section 82025 which is made by a candidate or his or her controlled committee in furtherance of that candidate's effort to be elected to a County office. Campaign expenditures occurring at any time up to and including the date of the primary election, even if prior to the filing for office, shall be considered campaign expenditures related to the primary election. If the candidate is a candidate in the general election, campaign expenditures occurring after the date of the primary election shall be

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considered campaign expenditures related to the general election, except to the extent any expenditure is to repay a debt incurred for the primary election prior to the primary election, in which case the expenditure will be a campaign expenditure related to the primary election.

- C. "Candidate" means an individual, with regard to any primary or general election for either a Countywide office or supervisor, who is listed on the ballot or who has qualified to have write-in votes on his or her behalf counted by election officials or who receives a contribution or makes any expenditure with a view to bringing about his or her nomination or election.
- D. "Committee" shall have the meaning set forth in Government Code Section 82013.
- E. "Contribution" shall have the meaning set forth in Government Code Section 82015, except that as used in this chapter, "contribution" shall also include a loan or an extension of credit for a period of more than 30 days, other than loans or extensions of credit from financial institutions which are given in the regular course of business upon terms and conditions generally available to other customers of that financial institution.
- F. "Controlled committee" shall have the meaning set forth in Government Code Section 82016.
- G. "Countywide office" means the sheriff, the District Attorney and the Assessor of the County of Los Angeles.
- H. "Registrar-Recorder" means the Registrar-Recorder/County Clerk for the County of Los Angeles.
- I. "Personal funds of the candidate" means both the community and separate property of the candidate. "Personal funds of the spouse of the candidate" means only the separate property of the spouse.
- J. "Political action committee" means any "general purpose committee" or "County general purpose committee" as those terms are defined by Government Code Section 82027.5.
- K. "Political party" means any "qualified party" as described in Elections Code Section 5100.
- L. "Inter-Candidate Transfer" means the transfer of campaign funds from a candidate as defined by Government Code Section 82007 or Section 2.190.030 C to any other candidate.
- M. "Intra-Candidate Transfer" means the transfer of campaign funds between controlled committees of a single candidate as defined by Government Code Section 82007 or Section 2.190.030 C.
- N. "Primary election" shall also include a special election, and "general election" shall also include the runoff for a special election.
- O. "Person" shall have the meaning set forth in Government Code Section 82047.
- P. "Supervisor" means a member of the Board of Supervisors of the County of Los Angeles.
- Q. "Tax agent" means any individual who is employed, is under contract, or otherwise receives compensation to communicate directly, or through agents, employees or subcontractors, with the Assessor, an Assessment Appeals Board member, an Assessment Hearing Officer, or any other County employee within the Office of the Assessor whose duties are not primarily clerical or manual, for the purpose of influencing by any means, including promoting, supporting, influencing, seeking modification of, opposing or seeking delay of any official action which shall include locating all taxable property in the County, identifying ownership, establishing a taxable value for all property subject to property taxation, including the initial value, declines in value, corrections to values and any other changes in the taxable value set, completing an assessment roll showing the assessed values of all property, applying all legal exemptions to assessments, and deciding all property assessment disputes between taxpayers and the Assessor, if a substantial or regular portion of the activities for which he or she receives such compensation is for the purpose of influencing official action. A tax agent shall not include:

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1. An elected or appointed public official or public employee when acting in his or her official capacity;
2. An enrolled agent pursuant to Part 10 of Title 31 of the Code of Federal Regulations; or
3. A person representing any of the following:
 - a. Himself or herself;
 - b. An immediate family member; or
 - c. An entity of which the person is a partner, officer, or owner of ten percent or more of the value of the entity.

(Ord. 2012-0046 § 2, 2012: Ord. 2011-0040 § 1, 2011: Ord. 96-0041 § 1 (part), 1996.)

2.190.035 Maintenance of accounts and records.

It shall be the duty of each candidate to maintain such detailed accounts, records, bills and receipts as are necessary to prepare campaign statements and to comply with the provisions of this chapter. The detailed accounts, records, bills and receipts that are maintained shall be retained by the filer for a period of four (4) years. Each candidate shall provide the detailed accounts, records, bills and receipts upon request by the registrar-recorder.

(Ord. 2006-0001 § 4, 2006.)

2.190.040 Contribution limits.

- A. Except as otherwise provided in subsection B of this section or Section 2.190.070, other than a political party, no person or committee, including political action committees and controlled committees, shall make to any candidate or any candidate's controlled committee, and no candidate or his or her controlled committee shall solicit or accept, any contribution from any person or committee, including political action committees and controlled committees, which exceeds \$300.00 for each primary election campaign and \$ 300.00 for each general election campaign.
- B. Except as otherwise provided in Section 2.190.070, if either in a primary election campaign or in a general election campaign, a candidate commits to and does not exceed the voluntary expenditure limit set forth in Section 2.190.050, the contribution limits set forth in subsection A of this section shall be increased to \$ 1,500.00 for that primary or that general election campaign.
- C. No candidate or his or her controlled committee shall solicit or accept a total amount exceeding \$150,000.00 for each primary election campaign and \$150,000.00 for each general election campaign, from all political action committees, other than controlled committees or a political party, combined.
- D. No political party shall make to any candidate or any candidate's controlled committee, and no candidate or his or her controlled committee shall solicit or accept, any contribution from any political party which exceeds \$6,500.00 for each primary election campaign and \$6,500.00 for each general election campaign.

(Ord. 2011-0040 § 2, 2011: Ord. 96-0041 § 1 (part), 1996.)

2.190.050 Voluntary expenditure limit.

- A. For each primary and for each general election for each county office, there shall be a voluntary expenditure limit on total campaign expenditures by each candidate. At least 60 days prior to the close of candidate filing for each primary election, the registrar-recorder shall calculate and make available to all interested persons the amount of the voluntary expenditure limit for each county office

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which will be on the primary election ballot. The amount so calculated shall be the amount of the voluntary expenditure limit for each candidate in the primary election. If there is a need for a general election, there shall be a separate voluntary expenditure limit for that election, but the dollar amount of the voluntary expenditure limit for the general election shall be the same as that applicable to the primary election. The amount of the voluntary expenditure limit which shall be applicable separately to each primary and each general election shall be calculated as follows:

1. For each county-wide office the voluntary expenditure limit shall be \$.25 per resident of the county as shown in the most recent federal decennial census.
 2. For supervisor the voluntary expenditure limit shall be \$.75 per resident of the applicable supervisorial district as shown in the most recent federal decennial census.
- B. No later than the close of filing for a primary election, and no later than thirty days after the primary election for a general election, each candidate shall file with the registrar-recorder a declaration signed under penalty of perjury stating whether the candidate agrees to be bound by the voluntary expenditure limit for the applicable primary or general election campaign of that candidate.
- C. If a candidate agrees to be bound by the voluntary expenditure limit for a primary or for a general election campaign, the total expenditures by that candidate and his or her controlled committee for the applicable primary or general election campaign shall not exceed the voluntary expenditure limit.

(Ord. 2001-0094 § 2, 2001: Ord. 96-0041 § 1 (part), 1996.)

2.190.060 Contribution of candidate's personal funds.

- A. The contribution limits set forth in Section 2.190.040 shall not apply to the personal funds of the candidate, but shall apply to the personal funds of the spouse of the candidate. Any contribution made to a candidate or to his or her controlled committee from the community property of the candidate and his or her spouse shall be considered a contribution from the personal funds of the candidate.
- B. No candidate shall personally make loans to his or her campaign for county office or to his or her controlled committee which have a total outstanding balance at any one point in time of more than \$20,000.00.
- C. While there is no mandatory limit under this chapter on the contribution of the personal funds of the candidate to his or her campaign for county office other than the loan limitation set forth in subsection B of this section, a candidate may voluntarily agree to limit his or her contribution of personal funds, as set forth in subsection D of this section.
- D. No later than the close of filing for a primary election, and no later than thirty days after the primary election for a general election, each candidate shall file with the registrar-recorder a declaration signed under penalty of perjury committing to one of the following options relating to the contribution of the personal funds of the candidate to his or her campaign for county office:
1. That during the primary or the general election, whichever is applicable, the candidate will not make a total contribution of the personal funds of the candidate to his or her campaign for county office exceeding \$50,000.00. This option shall be known as the "\$50,000.00 personal funds limit option;"
 2. That during the primary or the general election, whichever is applicable, the candidate will not make a total contribution of the personal funds of the candidate to his or her campaign for county office exceeding \$100,000.00. This option shall be known as the "\$100,000.00 personal funds limit option;"

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3. That during the primary or the general election, whichever is applicable, the candidate will not make a total contribution of the personal funds of the candidate to his or her campaign for county office exceeding \$300,000.00. This option shall be known as the "\$300,000.00 personal funds limit option;"
4. That during the primary or the general election, whichever is applicable, the candidate will not agree to any limitation on the total contribution of the personal funds of the candidate to his or her campaign for county office. This option shall be known as the "unlimited personal funds option."
- E. In each primary election and in each general election, each candidate for county office who has chosen the \$100,000.00 personal funds limit option, within 10 days after filing his or her declaration with the registrar-recorder as set forth in subsection D of this section, shall contribute an amount which is in excess of \$50,000.00 of the personal funds of that candidate to his or her campaign for county office by depositing such an amount in his or her campaign account. Within 24 hours after making such a deposit of the personal funds of the candidate in his or her campaign account, the candidate shall file with the registrar-recorder, under penalty of perjury, a declaration stating that he or she has made such a deposit of his or her personal funds.
- F. In each primary election and in each general election, each candidate for county office who has chosen the \$300,000.00 personal funds limit option, within 10 days after filing his or her declaration with the registrar-recorder as set forth in subsection D of this section, shall contribute an amount which is in excess of \$100,000.00 of the personal funds of that candidate to his or her campaign for county office by depositing such an amount in his or her campaign account. Within 24 hours after making such a deposit of the personal funds of the candidate in his or her campaign account, the candidate shall file with the registrar-recorder, under penalty of perjury, a declaration stating that he or she has made such a deposit of his or her personal funds.
- G. In each primary election and in each general election, each candidate for county office who has chosen the unlimited personal funds option, within 10 days after filing his or her declaration with the registrar-recorder as set forth in subsection D of this section, shall contribute an amount which is in excess of \$300,000.00 of the personal funds of that candidate to his or her campaign for county office by depositing such an amount in his or her campaign account. Within 24 hours after making such a deposit of the personal funds of the candidate in his or her campaign account, the candidate shall file with the registrar-recorder, under penalty of perjury, a declaration stating that he or she has made such a deposit of his or her personal funds.
- H. If a candidate agrees to a personal funds limit pursuant to subsection D.1., D.2., or D.3. of this section for a primary or for a general election campaign, the total of personal funds contributed by the candidate to his campaign for the applicable primary or general election campaign, including the outstanding balance of unpaid loans, shall not exceed that personal funds limit.
- I. Any candidate who, prior to the effective date of the amendment to this section enacting the \$50,000.00 personal funds limit option set forth in subsection D.1., had filed the declaration required by subsection D, shall have the opportunity to submit a revised declaration committing to one of the options set forth in subsection D. Upon the effective date of that amendment, the registrar-recorder shall provide written notification by certified mail to each such candidate of the opportunity to file a revised declaration. Such revised declaration shall be signed under the penalty of perjury and shall be filed no later than the close of filing for the primary election in 2002.

(Ord. 2001-0094 § 3, 2001: Ord. 96-0041 § 1 (part), 1996.)

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2.190.070 Interrelationship of contribution and expenditure limits.

- A. If either in a primary or in a general election any candidate for a particular county office commits to the \$100,000.00 personal funds limit option pursuant to Section 2.190.060 D.2. for that primary or that general election, for each other candidate for that office who has committed to the voluntary expenditure limit set forth in Section 2.190.050 and who has chosen the \$50,000.00 personal funds limit option pursuant to Section 2.190.060 D.1., the contribution limit shall be increased to five times the amount in Section 2.190.040 B.
- B. If either in a primary or in a general election any candidate for a particular county office commits to the \$300,000.00 personal funds limit option pursuant to Section 2.190.060 D.3. for that primary or that general election, for each other candidate for that office who has committed to the voluntary expenditure limit set forth in Section 2.190.050 and who has chosen the \$50,000.00 personal funds limit option pursuant to Section 2.190.060 D.1., the contribution limit shall be increased to ten times the amount in Section 2.190.040 B.
- C. If either in a primary or in a general election any candidate for a particular county office commits to the \$300,000.00 personal funds limit option pursuant to Section 2.190.060 D.3., for that primary or that general election, for each other candidate for that office who has committed to the voluntary expenditure limit set forth in Section 2.190.050 and who has chosen the \$100,000.00 personal funds limit option pursuant to Section 2.190.060 D.2., the contribution limit shall be increased to five times the amount in Section 2.190.040 B.
- D. Notwithstanding subsections A or B of this section, if either in a primary or in a general election any candidate for a particular county office commits to the unlimited personal funds option pursuant to Section 2.190.060 D.4. for that primary or that general election, for each other candidate for that office who has both committed to the voluntary expenditure limit set forth in Section 2.190.050 and chosen the \$50,000.00 personal funds limit option pursuant to Section 2.190.060 D.1., the otherwise applicable contribution limit as set forth in Section 2.190.040 B shall be removed.
- E. Notwithstanding subsections A or C of this section, if either in a primary or in a general election any candidate for a particular county office commits to the unlimited personal funds option pursuant to Section 2.190.060 D.4. for that primary or that general election, for each other candidate for that office who has both committed to the voluntary expenditure limit set forth in Section 2.190.050 and chosen the \$100,000.00 personal funds limit option pursuant to Section 2.190.060 D.2., the contribution limit shall be increased to ten times the amount in Section 2.190.040 B.
- F. If either in a primary or in a general election any candidate for a particular county office has chosen either the \$50,000.00 personal funds limit option pursuant to Section 2.190.060 D.1. or the \$100,000.00 personal funds limit option pursuant to Section 2.190.060 D.2. but has declined to be bound by the voluntary expenditure limit set forth in Section 2.190.050, at such point in time when the total expenditures of that candidate and his or her controlled committee exceed an amount equal to 75 percent of the voluntary expenditure limit set forth in Section 2.190.050 applicable to that office for that election, the voluntary expenditure limit for each other candidate running for that same office in that same election who has agreed to be bound by the voluntary expenditure limit shall be double the amount set forth in Section 2.190.050
- G. If either in a primary or in a general election any candidate for a particular county office has chosen either the \$300,000.00 personal funds limit option pursuant to Section 2.190.060 D.3. or the unlimited personal funds option pursuant to Section 2.190.060 D.4., and that candidate has also declined to commit to the voluntary expenditure limit set forth in Section 2.190.050, no other candidate for that office in that same primary or general election shall be bound by any voluntary expenditure limit to which he or she has otherwise committed. When voluntary expenditure limits are removed under this subsection, any candidate who had agreed to a voluntary expenditure limit under Section 2.190.050 shall continue to be bound by the contribution limit set forth in Section 2.190.040 B, unless that limit is removed by some other provision of this chapter.

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- H. Within 5 business days of receiving the declarations required by Sections 2.190.050 B and 2.190.060 D for all candidates, the registrar-recorder shall provide written notification by certified mail to each candidate of the contribution limit applicable to that candidate as determined pursuant to this section.
- I. If the registrar-recorder determines that there exists sufficient evidence that a candidate who filed a declaration pursuant to Section 2.190.050 B agreeing to be bound by the voluntary expenditure limit has made expenditures which exceed that limit, for each other candidate for that office, the voluntary expenditure limit shall be adjusted in accordance with subsections D or E of this section, whichever is applicable. Within 2 business days of making this determination, the registrar-recorder shall provide written notification by certified mail to each such affected candidate of the adjusted expenditure limit.
- J. If the registrar-recorder determines that there exists sufficient evidence that a candidate who filed a declaration pursuant to Sections 2.190.060 D.1., D.2., or D.3., agreeing to be bound by a personal funds limit has contributed personal funds exceeding that limit, for each other candidate for that office, the contribution limit shall be adjusted in accordance with subsections A, B, or C of this section, whichever is applicable. Within 2 business days of making this determination, the registrar-recorder shall provide written notification by certified mail to each such affected candidate of the adjusted contribution limit.

(Ord. 2001-0094 § 4, 2001: Ord. 96-0041 § 1 (part), 1996.)

2.190.080 Bundling of contributions and contributions from committees.

- A. The bundling of contributions to a candidate or to his or her controlled committee is prohibited.
- B. Notwithstanding subdivision A of this section, a candidate as defined by Section 2.190.030 C or Government Code Section 82007, may make, and a candidate or his or her controlled committee may solicit or accept, inter-candidate transfers subject to the limits established by Section 2.190.040 A and B.
- C. Notwithstanding subdivision A of this section, or the limits established by Section 2.190.040 A and B, a candidate as defined by Section 2.190.030 C or Government Code section 82007, may make, and a candidate or his or her controlled committee may accept, intra-candidate transfers. Contributions transferred shall be attributed to specific contributors using a "last in, first out" accounting method, and these attributed contributions when aggregated with all other contributions from the same contributor shall not exceed the limits set forth in Section 2.190.040 A and B.
- D. Notwithstanding subdivision A of this section, a political action committee may contribute to any candidate or a candidate's controlled committee, and a candidate or his or her controlled committee may solicit or accept any contribution from any political action committee, subject to the limits set forth in Section 2.190.040 A, B and C.
- E. Notwithstanding subdivision A of this section, a political party may contribute to any candidate or a candidate's controlled committee, and a candidate or his or her controlled committee may solicit or accept any contribution from any political party, subject to the limits set forth in Section 2.190.040 D.

(Ord. 2011-0040 § 3, 2011: Ord. 96-0041 § 1 (part), 1996.)

2.190.090 Fundraising time limits.

- A. Neither a candidate for a county-wide office nor his or her controlled committee may accept contributions for either his or her primary election campaign or his or her general election campaign

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earlier than 18 months prior to the applicable primary or general election or later than six months after that primary or general election.

- B. Neither a candidate for supervisor nor his or her controlled committee may accept contributions for either his or her primary election campaign or his or her general election campaign earlier than 15 months prior to the applicable primary or general election or later than six months after that primary or general election.

(Ord. 96-0041 § 1 (part), 1996.)

2.190.100 Officeholder accounts.

Each person holding a county office is allowed one segregated officeholder account which shall be subject to the following restrictions:

- A. No county officeholder shall accept contributions to his or her officeholder account which total more than \$75,000.00 in any calendar year, after deducting therefrom the amount of any expenditures made from this account in connection with the receipt of such contributions.
- B. No county officeholder shall make expenditures from his or her officeholder account which total more than \$75,000.00 in any calendar year. This \$75,000.00 limit shall not include any expenditures made from this account in connection with the receipt of contributions to this account.
- C. No county officeholder who is a candidate for county office in a primary election shall make any expenditures whatsoever from his or her officeholder account during the period beginning six months prior to that primary election and ending on the day after that primary election if the officeholder is not a candidate in the general election, or ending on the day after the general election if the officeholder is a candidate in the general election.
- D. No person shall contribute to the officeholder account of any county officer in excess of \$1,500.00 in any calendar year. Said amount shall be in addition to any applicable limits on campaign contributions set forth in this chapter.
- E. Unspent campaign funds related to an election to county office which were accumulated prior to November 5, 1996, may be transferred by the candidate to his or her officeholder account. After November 5, 1996, a maximum of \$10,000.00 of unspent campaign funds from each primary and each general election campaign may be transferred by the candidate to his or her officeholder account. Unspent campaign funds transferred to an officeholder account as allowed by this section shall not count toward the contribution limits in this section.
- F. Officeholder account funds may be expended or disbursed for the purposes for which campaign funds may be expended or disbursed as set forth in Article 4 (beginning with Section 89510) of Chapter 9.5 of Title 9 of the Government Code, except that officeholder account funds shall only be used for expenses related to assisting, serving or communicating with constituents, or with carrying out the official duties of the elected county officer and may not be used to pay expenses related to a campaign for county office of an officeholder who is a candidate for county office.
- G. Any county officeholder who maintains an officeholder account shall report contributions to, expenditures from, and all other activities of that account in accordance with the requirements for the filing of campaign statements as set forth in Government Code Section 84200 et seq., as it is currently written or as it may be amended.

(Ord. 2011-0040 § 4, 2011: Ord. 2001-0094 § 5, 2001: Ord. 96-0041 § 1 (part), 1996.)

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Chapter 2.190 POLITICAL CAMPAIGNS FOR COUNTY OFFICES

2.190.110 Attorney's fees fund.

- A. Any person who holds county office or who is or was a candidate for county office may maintain a fund, separate from campaign funds and any officeholder account, to pay attorney's fees to defend actions related to holding county office or running for county office, or for the purpose of obtaining advice regarding the administration of this or other campaign laws. There shall be no expenditure limit on any such fund, but no person maintaining such a fund may accept as a contribution to such fund more than \$1,500.00 per calendar year from any person. Unspent campaign funds related to an election to county office which were accumulated prior to November 5, 1996, may be transferred by the candidate to his or her attorney's fees fund, and any such transfer will not count toward the contribution limits in this section.
- B. Any person who holds county office or who is or was a candidate for county office who chooses to maintain an attorney's fees fund shall report contributions to, expenditures from, and other activities of that fund in accordance with the requirements for the filing of campaign statements as set forth in Government Code Section 84200 et seq., as it is currently written or as it may be amended.

(Ord. 2011-0040 § 5, 2011: Ord. 2001-0094 § 6, 2001: Ord. 96-0041 § 1 (part), 1996.)

2.190.120 Distribution of excess funds.

Unspent and/or excess funds in the campaign account of a candidate for county office, or in an officeholder account or an attorney's fees fund allowed by this chapter, may, in addition to any other method allowed by law, be disposed of by contribution to a bona fide charitable, educational, civic, religious, or similar tax-exempt, nonprofit organization, where no substantial part of the proceeds will have a material financial effect on the candidate for county office, county officeholder, his or her campaign treasurer, any individual or individuals with authority to approve the expenditure of campaign funds, officeholder account funds or attorney's fees funds, or a member of his or her immediate family. If a candidate in a primary election becomes a candidate in the general election for that office, unspent funds from the primary campaign may be carried over for use in that candidate's general election campaign and all expenditure and contribution limits will continue to apply as if no funds were carried over.

(Ord. 2011-0040 § 6, 2011: Ord. 96-0041 § 1 (part), 1996.)

2.190.130 Lobbyist contributions.

No county official or candidate for county office shall solicit or accept any contribution to his or her campaign for county office or to his or her officeholder account or attorney's fees fund from any person or firm who is registered under Chapter 2.160 as a county lobbyist or county lobbying firm or who has been so registered at any time in the previous 12 months. No person or firm who is registered under Chapter 2.160 as a county lobbyist or county lobbying firm or who has been so registered at any time in the previous 12 months shall make any contribution to any county official or candidate for county office.

(Ord. 2006-0001 § 5, 2006: Ord. 96-0041 § 1 (part), 1996.)

2.190.135 Tax agent contributions.

No Assessor or candidate for Assessor shall solicit or accept any contribution to his or her campaign for the office of Assessor or to his or her officeholder account or attorney's fees fund from any person who is a tax agent, or otherwise performed the duties of a tax agent, at any time in the previous 12 months. No

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person who is a tax agent, or otherwise performed the duties of a tax agent at any time in the previous 12 months, shall make any contribution to the Assessor or candidate for Assessor.

(Ord. 2012-0046 § 3, 2012)

2.190.140 Violations and enforcement.

- A. Any person who knowingly violates any provision of this chapter, is guilty of a misdemeanor which may be punished by imprisonment in the county jail for not exceeding six months, or by a fine not exceeding \$1,000.00, or by both.
- B. In addition to the penalty set forth in subsection A of this section, any violation of this chapter shall be subject to a civil penalty of up to three times the amount by which any applicable expenditure or contribution limit has been exceeded or \$5,000.00, whichever is greater.
- C. (1) In addition to the penalties set forth in subsections A and B of this section, any person who intentionally or negligently violates any provision of this chapter which prohibits or limits contributions shall be subject to an administrative fine, issued pursuant to chapter 1.25 of this code, of up to three times the amount by which any applicable contribution limit has been exceeded or \$5,000.00, whichever is greater. Notwithstanding the provisions of chapter 1.25 of this code, in imposing the administrative fine, the registrar-recorder shall issue a notification of violation setting forth the intent to issue a proposed administrative fine and set a hearing date. The purpose of the hearing would be to allow the candidate the opportunity to challenge the fine and also to allow the hearing officer, if so requested by the registrar-recorder, to make recommendations as to the appropriateness of the proposed fine and its amount, through a process which may include taking evidence and testimony, and calling witnesses. Should the candidate choose not to challenge the fine, the registrar-recorder may, at his discretion, determine the amount of the fine without a hearing and without a recommendation from a hearing officer. Whether or not a violation is inadvertent, negligent or deliberate, and the presence or absence of good faith shall be considered by the registrar-recorder in determining the amount of the administrative fine to be imposed.

(2) Notwithstanding the provisions of subsection C (1) above, no administrative fine shall be issued if a contribution received in violation of this chapter is returned and the candidate submits an amended campaign statement reflecting that the contribution has been returned within thirty (30) days of the date in which the candidate has actual knowledge of the contribution or the date of the filing a campaign statement required by Government Code § 84200 et seq. or by this chapter on which such contribution is reported, whichever is earlier.
- D. The registrar-recorder shall be responsible for the administration of this chapter, which shall include, but is not limited to, the receipt and review of mandatory candidate filings, investigation of any potential violations of this chapter reflected in those filings, and receipt and investigation of complaints that a person has violated any provision of this chapter. Additionally, the registrar-recorder shall be designated the enforcement officer responsible for final determination and imposition of administrative fines to be issued and for appearances before the administrative hearing officer as provided for in §§ 1.25.050 and 1.25.060 of this code, in addition to the provisions of this chapter. The registrar-recorder shall also recommend rules governing this chapter. Such rules shall be effective if approved by a majority vote of the board of supervisors.
- E. The registrar-recorder and the district attorney shall receive and investigate complaints that a person has violated a provision of this chapter. When the registrar-recorder has evidence of a violation of this chapter, he or she shall give initial notice of the violation to the district attorney. In addition, the registrar-recorder shall provide notification of the final resolution of each violation to the district attorney.

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- F. The district attorney shall be the enforcement officer responsible for prosecution of the civil penalties and criminal charges. In addition, any person residing in the county may bring a civil action to enjoin violations of this chapter or to compel compliance with any provision of this chapter by following the procedures set forth in Government Code sections 91003 et. seq., except that the civil prosecutor shall be the district attorney.
- G. Within 60 days after the enactment or any amendment of this chapter the registrar-recorder and the district attorney shall each designate persons within their respective offices who will be responsible for the enforcement and administration of the duties assigned to them under this chapter. Nothing in this chapter shall preclude the county from contracting with a state agency to administer and/or enforce any provision of this chapter, including conducting administrative hearings pursuant to Government Code section 27727.

(Ord. 2011-0040 § 7, 2011: Ord. 2006-0001 § 6, 2006: Ord. 96-0041 § 1 (part), 1996.)

2.190.150 Amendment.

This chapter may be amended only if the amendment is approved by at least a four-fifths vote of the board of supervisors and only as follows:

- A. To increase the various contribution and expenditure limits to reflect equivalent increases in the cost of living;
- B. The amendment is necessary to make this chapter consistent with state law or judicial actions interpreting this or similar laws; or
- C. If the board of supervisors finds that the amendment otherwise furthers the purposes of this chapter.

(Ord. 96-0041 § 1 (part), 1996.)

2.190.160 Severability.

- A. Notwithstanding Section 2.190.070 or any other provision of this chapter, if any provision of this chapter, or its application to any person or circumstance, is held invalid, the remainder of this chapter to the extent it can be given effect, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this chapter are severable.
- B. If the voluntary expenditure limits set forth in Section 2.190.050 are held invalid, the contribution limit set forth in subsection B of Section 2.190.040 shall apply unless the board of supervisors by at least a four-fifths vote sets the amount at a higher level.

(Ord. 96-0041 § 1 (part), 1996.)

ANALYSIS

This ordinance adds Chapter 2.195 to Title 2 - Administration of the Los Angeles County Code to require the electronic filing of campaign statements and reports when certain dollar contribution and expenditure thresholds are met by candidates for countywide office and supervisor, committees supporting or opposing those candidates, and by committees supporting or opposing County ballot measures.

This ordinance is adopted pursuant to Government Code section 84615, which authorizes local government agencies to require any person required to file statements, reports, or other documents under Chapter 4 of Title 9 of the Government Code, receiving contributions or making expenditures in excess of one thousand dollars (\$1,000) in a calendar year, to file those statements, reports, or other documents online or electronically with the Registrar-Recorder.

JOHN F. KRATTLI
County Counsel

By
LAURA T. JACOBSON
Associate County Counsel
Government Services Division

LTJ:bk

Requested: 05-12-14
Revised: 05-22-14

ORDINANCE NO. 2014-0025

An ordinance amending Title 2 - Administration of the Los Angeles County Code, to add chapter 2.195 relating to the online or electronic filing of campaign statements and reports when certain dollar thresholds are met.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 2.195 is hereby added to read as follows:

Chapter 2.195 Electronic Campaign Disclosure Filings.

2.195.010 Purpose.

2.195.020 Findings.

2.195.030 Definitions.

2.195.040 Application.

2.195.050 Electronic Campaign Disclosures.

2.195.060 Violations and Enforcement.

2.195.070 Severability.

2.195.010 Purpose.

The purpose of this Ordinance is to require candidates for Countywide office or supervisor, committees supporting or opposing those candidates, and committees supporting or opposing County ballot measures, to file certain campaign statements and reports electronically when certain dollar thresholds are met in order to facilitate expeditious access to these documents by the public.

2.195.020 Findings.

A. The Board of Supervisors finds that timely public access to campaign statements and reports regarding contributions and expenditures is vital to ensure the transparency and integrity of campaigns within Los Angeles County.

B. Effective January 1, 2013, Government Code section 84615 authorizes local governments to require the online or electronic filing of campaign statements and reports, or other documents required to be filed pursuant to Chapter 4 of Title 9 of the Government Code (commencing with section 84100).

C. The Board of Supervisors finds that reducing the filing of campaign statements and reports in paper format, and requiring online or electronic filing of the statements and reports required by this chapter will expedite the public's access to the information disclosed in campaign statements and reports, as well as conserve resources of County staff who must currently process the involved campaign statements and reports manually when filed in paper format.

D. The Board of Supervisors finds that the County's online or electronic filing system will operate securely and effectively for this purpose and would not unduly burden filers.

2.195.030 Definitions.

A. The words and terms contained in this Chapter shall have the same definitions as provided for such words and terms in the Political Reform Act of 1974, as amended (Government Code section 81000 et seq.), and as supplemented from time to time by the Regulations of the Fair Political Practices Commission (Title 2, Division 6 of

the California Code of Regulations), unless a word or term is specifically defined in Chapter 2.190 of this Code, in which case such definition shall apply to any candidates or committees governed by Chapter 2.190 of this Code.

B. Any reference to "reports and statements" in this Chapter shall mean California Form 460 and all corresponding schedules.

2.195.040 Application.

This Chapter applies to any candidate or committee governed by Chapter 2.190 of this Code, and to any committee supporting or opposing any County ballot measure.

2.195.050 Electronic Campaign Disclosures.

A. Each candidate or committee governed by Chapter 2.190 of this Code, and each committee supporting or opposing any County ballot measure, that receives a total of ten thousand dollars (\$10,000) or more in contributions, or makes a total of ten thousand dollars (\$10,000) or more in expenditures, within the applicable reporting period, shall electronically file campaign statements and reports with the Registrar-Recorder pursuant to the relevant deadlines and timeframes provided by the Political Reform Act of 1974, as amended (Government Code section 81000 et seq.), and as supplemented from time to time by the Regulations of the Fair Political Practices Commission (Title 2, Division 6 of the California Code of Regulations).

B. Once a candidate or committee is subject to this Chapter, electronic filing will continue to be required until the candidate or committee files a termination statement pursuant to Government Code section 84214.

C. All reports and statements filed electronically under this Chapter shall be signed under penalty of perjury and verified by the filer pursuant to Government Code section 81004, on the form provided by the Registrar-Recorder, within 5 business days of filing.

D. All electronic filings required pursuant to this Chapter shall be free of charge.

E. A candidate or committee that is not required to file statements and reports electronically, may do so voluntarily, and will not be required to also file in paper format if electronic reports are filed.

F. This Chapter shall be applicable to candidate and committee filings due on or after July 31, 2014.

2.195.060 Violations and Enforcement.

A. Violations of any provision of this Chapter shall be subject to the fines and penalties authorized under Government Code section 91013.

1. Nothing in this Chapter supersedes or otherwise modifies any deadline or duty to file statements or reports within the times prescribed by law.

2. No paper format submissions will be accepted by the Registrar-Recorder when electronic filing is required under this Chapter.

B. The Registrar-Recorder shall be responsible for administration of this Chapter, including investigating alleged violations and imposing fines and penalties, as set forth herein.

2.195.070 Severability.

If any provision of this Chapter, or its application to any person or circumstance, is held invalid, the remainder of this Chapter to the extent it can be given effect, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Chapter are severable.

[2195LJCC]

SECTION 2. This ordinance shall be published in The Daily Commerce a newspaper printed and published in the County of Los Angeles.



Chairman

ATTEST:

Sachi A. Hamai
Executive Officer -
Clerk of the Board of Supervisors
County of Los Angeles

I hereby certify that at its meeting of June 4, 2014 the foregoing ordinance was adopted by the Board of Supervisors of said County of Los Angeles by the following vote, to wit:

<u>Ayes</u>		<u>Noes</u>	
Supervisors	<u>Gloria Molina</u>	Supervisors	<u>None</u>
	<u>Mark Ridley-Thomas</u>		_____
	<u>Don Knabe</u>		_____
	<u>Michael D. Antonovich</u>		_____
	_____		_____

Effective Date: July 4, 2014

Operative Date: _____

Sachi A. Hamai
Executive Officer -
Clerk of the Board of Supervisors
County of Los Angeles

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made:

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors



By _____
Deputy

APPROVED AS TO FORM:
JOHN F. KRATTLI
County Counsel

By _____
Richard D. Weiss
Chief Deputy County Counsel