



R-30

Date: July 3, 2007
To: Honorable Mayor and City Council
From: Vice Mayor Bonnie Lowenthal, Chair, Elections Oversight Committee
Subject: **ADOPTION OF RECOMMENDATIONS FROM THE CITY AUDITOR THAT CURRENT LIMITS OF \$5,000 FOR LONG BEACH OFFICEHOLDER ACCOUNTS BE INCREASED TO \$10,000 AND THAT THE LIMITS FOR THE CITYWIDE ELECTED OFFICEHOLDER ACCOUNTS BE INCREASED TO \$25,000**

The Elections Oversight Committee, at its meeting held April 10, 2007, considered communications relative to the above subject.

It is the recommendation of the Elections Oversight Committee to the City Council that the communications be received and adopted.

Respectfully submitted,

ELECTIONS OVERSIGHT COMMITTEE

Vice Mayor Bonnie Lowenthal, Chair

Prepared by:
Gloria Harper



Date: November 28, 2006
To: Members of the Election Oversight Committee
From: Larry Herrera, City Clerk *lh*

Subject: Recommendation to receive a staff report pertaining to Long Beach Municipal Code provisions related to office holder accounts and other campaign finance reporting and regulatory provisions; and to provide direction to staff relative to any potential changes or amendments that may be proposed to the City Council by the Elections Oversight Committee.

As background information on the above subject topic, please find attached the following materials:

- (1) A copy of Chapter 2.01 – The Long Beach Campaign Reform Act;
- (2) A copy of Los Angeles Municipal Code Section 49.7 – Office Holder Controlled Funds;
- (3) A copy of Los Angeles Administrative Code, Section 24.10, Officeholder Expense Fund; and
- (4) A copy of Los Angeles City Ethics Commission – Lobbying Program Information Web Page.

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Division I Title, Findings and Purpose

2.01.110 Title.

This Chapter 2.01 may be cited as the Long Beach Campaign Reform Act. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.120 Findings and declarations.

In enacting this Chapter 2.01, the following findings and declarations are adopted:

- A. Monetary contributions to political campaigns are a legitimate form of participation in the political process, but the financial strength of certain individuals or organizations should not permit the exercise of a disproportionate or controlling influence on the election of candidates.
- B. The rapidly increasing costs of political campaigns have forced many candidates to raise larger and larger amounts of money from individuals and interest groups with a specific financial stake in matters before the City Council. This has caused a public perception that votes are being improperly influenced by monetary contributions. This perception is undermining the credibility and integrity of the governmental process.
- C. Candidates are raising less money in small contributions and more money in large individual and organizational contributions. This has created the public impression that the small contributor has an insignificant role to play in political campaigns.
- D. High campaign costs are forcing officeholders to spend more time on fund-raising and less time on the public's business. The constant pressure to raise contributions is distracting officeholders from urgent governmental matters.
- E. Officeholders are responding to high campaign costs by raising large amounts of money in off-election years. This fund-raising distracts them from important public matters, encourages contributions which may have a corrupting influence and gives incumbents an overwhelming and patently unfair fund-raising advantage over potential challengers.
- F. The integrity of the governmental process, the competitiveness of campaigns and public confidence in local officials are all diminishing. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.130 Purpose.

It is the purpose of this Chapter 2.01:

- A. To insure that individuals and interest groups in Long Beach have a fair and equal opportunity to participate in Municipal elective and governmental processes.
- B. To reduce the influence of large contributors with a specific financial stake in matters before the City Council, thus countering the perception that decisions are influenced more by the size of contributions than the best interests of the people of the City.
- C. To assist serious candidates in raising enough money to communicate their views and positions adequately to the public without excessive expenditures or contributions, thereby promoting public discussion of the important issues involved in political campaigns.
- D. To limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign war chests for defensive purposes, beyond the amount necessary to communicate reasonably with voters.
- E. To provide a neutral source of campaign financing in the form of limited public matching funds.
- F. To increase the value to candidates of smaller contributions.
- G. To eliminate fund-raising except during an Election Cycle.
- H. To reduce the excessive fund-raising advantage of incumbents and thus encourage competition for elective office.
- I. To allow candidates and officeholders to spend a lesser proportion of their time on fund raising and a greater proportion of their time dealing with issues of importance to their constituents.
- J. To improve the disclosure of contribution sources in reasonable and effective ways.
- K. To help restore public trust in local governmental and electoral institutions. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

Division II Definitions

2.01.210 Definitions.

For purpose of this chapter 2.01, the following words and phrases shall have the meanings set forth as follows unless the contrary is stated or clearly appears from the content:

A. "Qualified Campaign Expenditure" means any of the following:

1. Any expenditure made by a candidate for city office, or by a committee controlled by such a candidate, for the purpose of influencing or attempting to influence the actions of the voters for or against the election of any city candidate.
2. A nonmonetary contribution provided at the request of or with the approval of the candidate, officeholder or committee controlled by the candidate or officeholder.
3. That portion of the total cost of a slate mailing or mailing of other campaign literature produced or authorized by more than one (1) candidate which is the greater of the cost actually paid or incurred by the committee or controlled committee of the candidate or the proportionate share of the total cost attributable to each such candidate. The number of candidates sharing costs and the emphasis on or space devoted to each such candidate shall be considered in determining the cost attributable to each such candidate.
4. "Qualified Campaign Expenditure" does not include any payment if it is clear from the surrounding circumstances that it was not made in any part for political purposes.

B. "Election Cycle" means that period commencing with January 1 of an odd-numbered year and ending with September 1 of the following year for primary and general elections, and that period commencing with the declaration of a vacancy in an elective office and ending ninety (90) days after the special election date for special elections.

C. "Campaign Reform Account" means the account of the general fund created by section 2.01.910.

D. "Person" means any individual, organization or political action committee whose contributions or expenditure activities are financed, maintained or controlled by any corporation, labor organization, association, political party or any other person or committee, including any parent, subsidiary, branch, division, department or local unit of the corporation, labor organization, association, political party or any other person, or by any group of such persons.

Two (2) or more entities shall be deemed one (1) person when any of the following circumstances apply:

The entities share the majority of members of their boards of directors; or

The entities share two (2) or more officers; or

The entities are owned or controlled by the same majority shareholder or shareholders; or

The entities are in a parent-subsidiary relationship.

An individual and any general partnership in which the individual is a general partner, or an individual and any corporation in which the individual owns a controlling interest, shall be deemed one person. (Ord. C-7661 § 1, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.220 Interpretation.

Unless a term is specifically defined in this chapter 2.01 or the contrary is stated or clearly appears from the context, the definitions set forth in California Government Code, section 82000 et seq., shall govern the interpretation of this chapter 2.01. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

Division III Contribution Limitations

2.01.310 Limitations on contributions from persons.

A. For primary and general elections, no person shall make to any candidate for office or the controlled committee of such a candidate, and no such candidate or the candidate's controlled committee shall accept from any such person, a contribution or contributions totaling more than two hundred fifty dollars (\$250.00) for the primary election and two hundred fifty dollars (\$250.00) for the runoff election if the candidate is on the runoff ballot or is a write-in candidate for the office of city council member, three hundred fifty dollars (\$350.00) for the primary election and three hundred fifty dollars (\$350.00) for the runoff election if the candidate is on the runoff ballot or is a write-in candidate for city attorney, city auditor or city prosecutor or five hundred dollars (\$500.00)

for the primary election and five hundred dollars (\$500.00) for the runoff election if the candidate is on the runoff ballot or is a write-in candidate for mayor.

B. For primary and general elections, no person shall make to any committee which supports or opposes any candidate and no such committee shall accept from each such person a contribution or contributions totaling more than two hundred fifty dollars (\$250.00) for the primary election and two hundred fifty dollars (\$250.00) for the runoff election for city council members, three hundred fifty dollars (\$350.00) for the primary election and three hundred fifty dollars (\$350.00) for the runoff election for city attorney, city auditor or city prosecutor, or five hundred dollars (\$500.00) for the primary election and five hundred dollars (\$500.00) for the runoff election for mayor.

C. For special elections, no person shall make to any candidate for office or the controlled committee of such a candidate, and no such candidate or the candidate's controlled committee shall accept from any such person, a contribution or contributions totaling more than one thousand dollars (\$1,000.00); and no political committee (as defined in California Government Code section 82013) shall make to any candidate for office or the controlled committee of such a candidate, and no such candidate or the candidate's controlled committee shall accept from any such political committee, a contribution or contributions totaling more than two thousand five hundred dollars (\$2,500.00). (Ord. C-7720 § 1, 2001; Ord. C-7661 § 2, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.320 Prohibition on nonelection cycle contributions.

No candidate or officeholder or the controlled committee of such a person shall accept any contribution except during an election cycle in which the candidate or officeholder intends to run for or be a write-in candidate for the office for which the contribution is made. (Ord. C-7283 § 2, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.330 Return of contributions.

A contribution shall not be considered to be received if it is not negotiated, deposited, or utilized and is returned to the donor within thirty days of receipt. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.340 Loans.

A. A loan shall be considered a contribution from the maker and the guarantor of the loan and shall be subject to the contribution limitations of this chapter.

B. Every loan to a candidate or the candidate's controlled committee shall be by written agreement which shall be filed with the candidate's or committee's campaign statement on which the loan is first reported.

C. The proceeds of a loan made to a candidate by a commercial lending institution in the regular course of business and on the same terms available to members of the public and which is secured or guaranteed shall not be subject to the contribution limitations of this chapter.

D. Extensions of credit, other than loans pursuant to subsection 2.01.340.C, for a period of more than thirty days are subject to the contribution limitations of this chapter.

E. Notwithstanding any other provision of this section 2.01.340: (1) a candidate for city council shall not loan or otherwise transfer to his or her campaign, funds, or other thing of value, in excess of ten thousand dollars in a primary election and ten thousand dollars in a runoff election; (2) a candidate for city attorney, city auditor or city prosecutor shall not loan or otherwise transfer to his or her campaign, funds, or other thing of value, in excess of fifteen thousand dollars in a primary election and fifteen thousand dollars in a runoff election; and, (3) a candidate for mayor shall not loan or otherwise transfer to his or her campaign, funds, or other thing of value, in excess of twenty-five thousand dollars in a primary election and twenty-five thousand dollars in a runoff election. Nothing herein shall be construed to restrict a candidate from contributing his or her own funds or assets to his or her campaign. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.350 Family contributions.

- A. Contributions by a husband and wife shall be treated as separate contributions and shall not be aggregated.
- B. Contributions by children under eighteen years of age shall be treated as contributions by their parents and attributed proportionately to each parent, one-half to each parent or the total amount to a single custodial parent. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.360 Treatment of money received as contributions, income or gifts.

Any funds received by any elected official or candidate running in the jurisdiction or any committee controlled by such an official or candidate shall be considered either a campaign contribution, income or a gift. All campaign contributions received by such persons shall be subject to the provisions of this act unless such campaign contributions are used exclusively for elections held outside the jurisdiction. All income and gifts shall be subject to the disqualification provisions of the Political Reform Act, Government Code section 87100 et seq. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.370 One campaign committee and one checking account per candidate.

Except as may be otherwise provided by state law, a candidate shall have no more than one campaign committee and one checking account out of which all expenditures shall be made. This section shall not prohibit the establishment of savings accounts, but no qualified campaign expenditures shall be made out of these accounts. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-1994).

2.01.380 Contributions for officeholder expenses.

- A. Notwithstanding any other provision of this chapter, each elected city officeholder may establish an officeholder expense fund and may solicit and accept contributions for said officeholder expense fund not to exceed a total amount of five thousand dollars per calendar year. No person shall make and no elected city officeholder or officeholder expense fund shall solicit or accept from any person, a contribution or contributions to the officeholder expense fund totalling more than five hundred dollars during any calendar year. The money in such fund shall be expended and used only for the purpose of officeholder expenses associated with holding office, in accordance with and authorized by the applicable provisions of sections 89512 through 89519 of the California Government Code, except for subsection 89513(e) and that part of subsection 89513(g) relating to loans to candidates, political parties or committees. None of such officeholder expense funds may be used or expended in connection with a future election for an elective city office or for any expenditures that would violate the provisions of Government Code section 89506 or 89512 through 89519.
- B. Each such officeholder expense fund shall be considered a subaccount of the officeholder's controlled committee. All solicitations made and contributions received for an officeholder expense fund shall be clearly designated as being made or received for such uses and purposes.
- C. In addition to the disclosure and recordkeeping requirements of the Political Reform Act of 1974, as amended, every elected city officeholder who establishes and maintains an officeholder expense fund pursuant to this section shall be required to file a supplemental report indicating all contributions to and disbursements from the officeholder expense fund with the city clerk at the same time that each campaign statement is required to be filed by the elected officer. The supplemental officeholder expense fund report shall itemize each expenditure of more than fifty dollars (\$50.00) from the officeholder expense fund by stating the date, amount and purpose of each such expenditure, and the name of each payee or other person upon whose behalf the expenditure was made. The officeholder or his or her treasurer shall retain all receipts, invoices, written agreements and other documents relating to expenditures from such officeholder expense fund. Pursuant to section 2.01.810 of this chapter the city clerk shall prescribe and furnish the necessary and appropriate forms for filing such supplemental information. (Ord. C-7314 § 1, 1995).

2.01.390 Transfer of funds.

Campaign funds and officeholder funds may not be used as a transfer, loan or contribution to any other candidate for local, state or federal elective office. (Ord. C-7661 § 8, 1999).

Division IV Expenditure Ceilings and Matching Funds**2.01.410 Expenditure ceilings.**

No candidate for office who files a statement of acceptance of expenditure ceilings nor any controlled committee of such a candidate shall make qualified campaign expenditures above the following amounts and subject to the following restrictions:

A.1. Except as otherwise provided herein, a candidate for city council may not spend more than forty thousand dollars (\$40,000.00) in the primary or more than twenty thousand dollars (\$20,000.00) in the runoff election to be eligible for matching funds.

2. In order to qualify for matching funds, a city council candidate: (a) must raise at least five thousand dollars (\$5,000.00) in contributions of two hundred fifty dollars (\$250.00) or less within the election cycle, of which only up to the first one hundred dollars (\$100.00) of each contribution may be counted for purposes of achieving the qualifying total of five thousand dollars (\$5,000.00), and (b) must be opposed by a candidate who has qualified for matching funds or who has raised ten thousand dollars (\$10,000.00).

3. The maximum available matching funds shall be an amount not to exceed thirty-three percent (33%) of the maximum amount permitted for expenditure in the primary and fifty percent (50%) of the maximum amount permitted for expenditure in the runoff election.

4. During each election cycle, the city clerk shall, immediately following the final day for filing nominating petitions for the office of city council member, ascertain: (a) the number of registered voters in each councilmanic district as of the final day for filing, and (b) the mean number of voters in all such districts. Thereafter, and for the ensuing election cycle, in each district where the number of registered voters exceeds the mean, the expenditure limitations of forty thousand dollars (\$40,000.00) and twenty thousand dollars (\$20,000.00) shall be increased two dollars (\$2.00) and one dollar (\$1.00), respectively, for each registered voter in excess of the mean.

B. A candidate for City Attorney, City Auditor or City Prosecutor may not spend more than one hundred thousand dollars (\$100,000.00) in the primary or more than fifty thousand dollars (\$50,000.00) in the runoff election. In order to qualify for matching funds, such a candidate:

1. Must raise at least ten thousand dollars (\$10,000.00) in contributions of three hundred fifty dollars (\$350.00) or less within the Election Cycle, of which such contributions, only up to the first one hundred fifty dollars (\$150.00) each, may be counted for purposes of achieving the qualifying total of ten thousand dollars (\$10,000.00) and

2. Must be opposed by a candidate who has qualified for matching funds or who has raised twenty thousand dollars (\$20,000.00). The maximum available matching funds shall be an amount not to exceed thirty-three percent (33%) of the maximum amount permitted for expenditure in the primary and fifty percent (50%) of the maximum amount permitted for expenditure in the runoff election.

C. A candidate for Mayor may not spend more than two hundred thousand dollars (\$200,000.00) in the primary or more than one hundred thousand dollars (\$100,000.00) in the runoff election to be eligible for matching funds. In order to qualify for matching funds, such a candidate:

1. Must raise at least twenty thousand dollars (\$20,000.00) in contributions of five hundred dollars (\$500.00) or less within the Election Cycle, of which such contributions, only up to the first two hundred dollars (\$200.00) of each may be counted for the purpose of achieving the qualifying total of twenty thousand dollars (\$20,000.00) and

2. Must be opposed by a candidate who has qualified for matching funds or who has raised forty thousand dollars (\$40,000.00). The maximum available matching funds shall be an amount not to exceed thirty-three percent (33%) of the maximum amount permitted for expenditure in the primary and fifty percent (50%) of the maximum amount permitted for expenditure in the runoff election.

D. It is the intent of Subsections 2.01.410.A, 2.01.410.B and 2.01.410.C of this Section that candidates who qualify for matching funds in primary elections shall receive one dollar (\$1.00) in matching funds for every two dollars (\$2.00) raised through contributions and that candidates who qualify for matching funds in runoff elections shall receive one dollar (\$1.00) in matching

funds for every one dollar (\$1.00) raised through contributions.

E. Any candidate who has filed a statement of acceptance of the expenditure ceilings and desires to apply for matching funds may submit such application to the City Clerk on any normal business day between January 1 of an odd-numbered year through December 31 of the following year.

F. Any candidate applying for matching funds must be current in his or her campaign statement filings with the City Clerk.

G. A candidate wishing to apply for matching funds may submit such application with the City Clerk no more frequently than every ten (10) business days.

H. The expenditure limits set forth in this Section shall not apply to candidates for office in any special election, nor shall such candidates be eligible for matching funds. (Ord. C-7661 § 3, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.420 Time periods for expenditures.

For purposes of the expenditure ceilings and contribution limitations, Qualified Campaign Expenditures and Contributions made at any time up to the date of the primary election shall be considered expenditures or contributions for that election, and Qualified Campaign Expenditures and Contributions made after the date of the primary election shall be considered expenditures or contributions for the runoff (final) election. However, in the event that payments are made but the goods or services are not used during the period purchased, the payments shall be considered Qualified Campaign Expenditures for the time period in which they are used. Payments for goods and services used in both periods shall be prorated. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division V Acceptance of Expenditure Ceilings

2.01.510 Candidate acceptance or rejection of expenditure ceilings.

A. Each candidate for office, at the time of filing his or her nomination papers, shall file a statement accepting or rejecting the expenditure ceilings in Division IV.

B. If a candidate declines to accept the expenditure ceilings in Section 2.01.410, the candidate shall be nonetheless subject to the contribution limitations in Section 2.01.310.

C. A candidate who agrees to accept the expenditure ceilings in Section 2.01.410 may not change that decision, except that if an opposing candidate files a statement of rejection, then the candidate may rescind his or her acceptance within ten (10) calendar days of the last date for filing nomination papers provided that the candidate has not accepted any contributions in amounts greater than the limitations set forth in Section 2.01.310.

D. If a primary candidate advances to the general Municipal election, such candidate shall file a statement accepting or rejecting the expenditure ceilings with the City Clerk no later than five (5) working days after the primary nominating election results are officially declared by the City Council. (Ord. C-7661 § 4, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division VI Independent Expenditures

2.01.610 Contribution limitations.

Any person who makes independent expenditures supporting or opposing a candidate shall not accept any contribution in excess of the amounts set forth in Section 2.01.310. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.620 Reproduction of materials.

Any person who reproduces, broadcasts or distributes any material which is drafted, printed, prepared or previously broadcast by a candidate or a committee controlled by such a candidate shall report such activity and its value as a non-monetary contribution to such candidate or

committee. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.630 Notice of independent expenditures.

Any person who makes independent expenditures of more than two hundred fifty dollars (\$250.00) in support of or in opposition to any candidate shall notify the City Clerk and all candidates running for the same seat by telegram, facsimile or any other electronic means approved by the City Clerk each time such an expenditure is made. (Ord. C-7661 § 5, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division VII Additional Disclosure Requirements

2.01.710 Reserved.

2.01.720 Additional pre-election campaign statement.

In addition to the campaign statement required to be filed pursuant to the Political Reform Act, commencing with Government Code Section 81000, candidates, their controlled committees and independent committees primarily formed to support or oppose candidates in Long Beach subject to this Act shall file a pre-election statement on the Friday before each election. This statement shall have a closing date of the Wednesday immediately preceding the election date. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.730 Disclosure of occupation and employer.

No contribution of one hundred dollars or more shall be deposited into a campaign checking account unless the name, address, occupation and employer of the contributor is on file in the records of the recipient of the contribution. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division VIII Agency Responsibility

2.01.810 Duties of the City Clerk.

The City Clerk shall also:

A. Adjust the expenditure ceilings, contribution limitations and public financing provisions in January of even-numbered years to reflect any increase or decrease in the Consumer Price Index as provided in Section 2.01.1210. Such adjustments shall be rounded off to the nearest fifty dollars for contributions and the nearest one thousand dollars for expenditures and matching funds.

B. Prescribe all necessary forms for filing statements and information.

C. Prepare and release studies on the impact of this Act. These studies may include recommendations which further the purpose of this Chapter 2.01. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division IX Campaign Account Designation

2.01.910 Campaign Account created.

There is hereby created a Campaign Account in the General Fund of the City of Long Beach to which the City Council shall, from time to time, appropriate funds for expenditures pursuant to the purposes and provisions of this Chapter 2.01. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division X Disposal of Surplus Funds

2.01.1010 Surplus funds--Defined.

Any funds remaining to a candidate, or any controlled committee of such candidate, at the end of the Election Cycle, during which such funds have been raised, shall be defined as "Surplus Funds" and shall be disposed of only as provided in this Division X. Funds retained by a candidate and specifically earmarked for payment of campaign expenses lawfully incurred during the Election Cycle need not be included in Surplus Funds provided that, if such payment is not made on or before the December 31 next following the end of the Election Cycle (or, in the case of a special election, one hundred twenty (120) days after the date of the election), such funds so retained shall thereafter be deemed Surplus Funds. (Ord. C-7661 § 6, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.1020 Retention of five thousand dollars by office holders.

Any person holding office as a result of a successful campaign resulting in Surplus Funds may retain up to five thousand dollars of such Surplus Funds for expenditures associated with holding such office in accordance with the provisions of Sections 89512 and 89513 of the California Government Code. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.1030 Disposal of surplus funds.

Except as provided in Section 2.01.1020, Surplus Funds shall be disposed of in the following order and priority:

- A. Surplus Funds shall first be used to reimburse the Campaign Reform Account of the City of Long Beach up to the full amount of matching funds, if any, received by the candidate.
- B. Any funds remaining after such reimbursement, if any, may be expended exclusively as provided in Section 89515 of the California Government Code and must be so expended no later than the December 31 next following the end of the Election Cycle (or, in the case of a special election, one hundred twenty (120) days after the date of the election).
- C. Any funds not expended pursuant to Subsection 2.01.1030.A or 2.01.1030.B by December 31 next following the end of the Election Cycle (or, in the case of a special election, one hundred twenty (120) days after the date of the election) shall be paid immediately into the Campaign Reform Account of the City of Long Beach. (Ord. C-7661 § 7, 1999; Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

Division XI Enforcement

2.01.1110 Criminal actions.

- A. Any person violating any of the provisions or failing to comply with any of the mandatory requirements of this Act shall be guilty of a misdemeanor. Any person convicted of such a misdemeanor, unless provision is otherwise made herein, shall be punishable by a fine of not more than five hundred dollars, or by imprisonment in the City or County jail for a period not exceeding six months, or by both such fine and imprisonment.
- B. As an alternative to the penalty provided in Subsection 2.01.1110.A, violation of or failure to comply with any provision of or condition lawfully imposed under this Act may be deemed to constitute an infraction as provided in Section 17 of the California Penal Code, and penalties for such infractions shall be as set forth in Subdivision 19e of the Penal Code.
- C. Any person who causes any other person to violate any provision of this Act, or who aids and abets any other person in the violation of any provision of this Act, shall be equally subject to the provisions of this Section. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-94, eff. 6-24-94).

2.01.1120 Civil action.

A. Any person who violates any provision of this Act shall be liable in a civil action brought by the City Attorney or, in the case of a conflict of interest on the part of the City Attorney, an attorney retained by the City on the City Attorney's recommendation, or by or on behalf of a person residing within the jurisdiction, for an amount not more than three times the amount of the unlawful contribution or expenditure.

B. If two or more persons are responsible for any violation, they shall be jointly and severally liable.

C. Any person, before filing a civil action pursuant to this Section, shall first file with the City Attorney a written request for the City Attorney to commence the action. The request shall contain a statement of the grounds for believing the cause of action exists. The City Attorney shall respond within forty days after receipt of the request indicating whether he or she intends to file a civil action. (In the case of a conflict of interest on the part of the City Attorney, independent counsel shall be retained to formulate this response.) If the City Attorney or, when applicable, independent counsel indicates in the affirmative and files a suit within forty days thereafter, no other action may be brought unless the action brought by the City Attorney or independent counsel is dismissed without prejudice.

D. In determining the amount of liability, the Court may take into account the seriousness of the violation and the degree of culpability of the defendant. If a judgment is entered against the defendant or defendants in an action, the entire amount shall be paid into the campaign reform account of the general fund of the city.

E. No civil action alleging a violation of any provision of this act shall be filed more than four (4) years after the date the violation occurred. (Ord. C-7283 § 1, 1994; Prop. M, 6-7-1994, eff. 6-24-1994).

2.01.1130 Injunctive relief.

Any person residing in the jurisdiction, including the city attorney, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of this act. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

2.01.1140 Cost of litigation.

The court may award to a plaintiff, or a defendant other than an agency, who prevails in any action authorized by this act, his or her costs of litigation, including reasonable attorney fees. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

2.01.1150 Disqualification.

In addition to any other penalties prescribed by law, if an official receives a contribution violative of section 2.01.310 or 2.01.320, the official shall not be permitted to make, participate in making or in any way attempt to use his or her official position to influence any governmental decision in which the contributor has a financial interest. The provisions of Government Code section 87100 et seq., and the regulations of the fair political practices commission shall apply to interpretations of this section. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

Division XII Miscellaneous Provisions

2.01.1210 Inflation/deflation.

A. Any amount subject to a limitation or ceiling, or established pursuant to formula set forth in section 2.01.310 or subsections 2.01.410.A.1 and 2.01.410.A.4 of this act shall be automatically adjusted on January 1, 1996, and on January 1 of each even numbered year thereafter, upward or downward, equivalent to the most recent change in the annual average of the consumer price index as published by the United States department of labor for the Los Angeles-Long Beach-Anaheim metropolitan area.

B. For purposes of calculating the annual inflator/deflator factor under this section, the base year

shall be that year ending with the quarter ending June 30, 1995. Rates shall first be adjusted on January 1, 1996, and every two (2) years thereafter, based on the annually calculated change from the base year. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

2.01.1220 Applicability of other laws.

Nothing in this act shall exempt any person from applicable provisions of any other law. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

2.01.1230 Severability.

If any section, subsection, subdivision, sentence, sum, percentage, clause or phrase of this act is for any reason held to be unconstitutional, invalid or void, such decision shall not affect the validity of the remaining portions of this act. The city council hereby declares that it would have passed this act, and every section, subsection, subdivision, sentence, sum, percentage, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, sums, percentages, clauses or phrases thereof is declared unconstitutional, invalid or void. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

2.01.1240 Amendments.

A. This chapter may be amended from time to time by ordinance adopted by a two-thirds (2/3) vote of the members of the city council upon a finding by the council that such amendment is consistent with and in furtherance of the purposes of this chapter.

B. This chapter may be amended or repealed at any time by an ordinance approved by the electors of the city of Long Beach. (Ord. C-7283 § 1, 1994; Prop. M, 6 7 1994, eff. 6 24 1994).

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8/16/03)

SEC. 49.7.12. Officeholder Controlled Funds. (Amended by Ord. No. 175344; Eff. Declaration of Purpose:

To effectively serve and fulfill their responsibilities to residents of the City, elected City officers communicate with constituents, undertake efforts to assure efficient City services, and engage in professional development activities. To accomplish these duties and responsibilities, the Mayor, City Attorney, Controller and each Member of the City Council may establish and maintain one officeholder expense fund to pay for expenses enumerated in this section that relate to carrying out the duties associated with holding elected City office. Any expenditures made by a committee for the purposes of assisting, serving, or communicating with constituents must be made from the officeholder account.

A. Officeholder Expense Fund

1. Each elected City officer shall be permitted to establish and maintain one officeholder expense fund, subject to the provisions of this section.

2. An expenditure from the officeholder expense fund must be related to assisting, or serving, or communicating with constituents, or otherwise made in connection with the official duties of the elected City officer, provided, however that no expenditure may be made from an officeholder expense fund regulated by this section unless the expenditure falls into one or more of the following categories:

(a) Expenditures for fundraising (including solicitations by mail) for the officeholder expense fund.

(b) Expenditures for office equipment, office furnishings and office supplies.

(c) Expenditures for office rent.

(d) Expenditures for salaries of part-time or full-time staff employed by the officeholder expense fund committee.

(e) Expenditures for consulting, research, polling, photograph, videotaping and similar services.

(f) Expenditures for conferences, meetings, receptions, and events attended in the performance of governmental duties by (1) the officeholder, or (2) a member of the officeholder's staff. These expenditures may include fees for materials, registration or admission.

(g) Expenditures for travel, including lodging, meals, and other related disbursements, incurred in the performance of governmental duties by the officeholder, a member of the officeholder's staff, or a member of such person's household accompanying the person on such travel.

(h) Expenditures for meals during which the attendees conduct official City business.

(i) Expenditures for donations to tax-exempt educational institutions or tax exempt charitable, civic or service organizations.

(1) For purposes of this paragraph, a **"donation"** is a payment of which a majority of the expenditure could be deducted as a charitable deduction for federal income tax purposes. A donation may be the purchase of tickets to a charitable event, provided that the majority of the ticket price would be a tax deductible, and that no substantial part of the proceeds from the event will personally benefit the elected officer, any member of his or her immediate family, or his or her officeholder expense committee, or the committee's treasurer.

(2) An organization shall be considered tax exempt within the meaning of this paragraph only if it has received a federal tax exemption under Internal Revenue Code Section 501(c)(3).

(j) Expenditures for memberships to civic or professional organizations, if such membership serves a governmental or legislative purpose.

(k) Expenditures for an educational course or educational seminar if the course or seminar maintains or improves skills which are employed by the officeholder or a member of the officeholder's staff in the performance of his or her governmental responsibilities.

(l) Expenditures for advertisements in program books, testimonials, souvenir books, or other publications if the advertisement does not support or oppose the nomination or election of a candidate for City office.

(m) Expenditures for mailings to persons within the City which provide information related to city-sponsored events, government services, the requirements of the law or an official's position on a particular matter on which the Council, Mayor or a City agency is acting or has recently acted.

(n) Contributions or expenditures to support or oppose candidates seeking election to an office other than an elective City office.

(o) Contributions or expenditures to support or oppose ballot measures.

(p) Contributions to a political party or committee, including the purchase of tickets to political events, where no substantial part of the proceeds will personally benefit the elected officer, any member of his or her immediate family or his or her committee treasurer.

(q) Expenditures for expressions of congratulations, appreciation or condolences sent to constituents, employees, governmental officials, or other individuals with whom the officeholder communicates in his or her official capacity. No more than \$100 per fiscal year may be expended per

individual recipient acknowledged pursuant to this paragraph.

(r) Expenditures for conferences, meetings, receptions and events concerning City business or issues which are officially sponsored and hosted by the elected officer and his or her office. These expenditures may include site fees, advertising brochures, invitations, materials distributed to attendees, refreshments, equipment and services, and other incidental expenses.

(s) Expenditures for events such as meetings, luncheons and retreats attended primarily by the elected officer's staff in the conduct of official City business.

(t) Expenditures for social events held by the elected official to honor or thank members of his or her staff, or in connection with a holiday celebration, attended primarily by the elected officer's staff.

(u) Expenditures for payment of tax liabilities incurred as a result of authorized officeholder expense fund transactions.

(v) Expenditures for accounting, professional, and administrative services provided to the officeholder expense fund.

(w) An expenditure similar to an expenditure detailed in Paragraphs (a) through (v), inclusive, if, prior to making the expenditure, the officeholder or the officeholder expense fund has received written advice from the City Ethics Commission that the expenditure is permissible pursuant to this paragraph. The City Ethics Commission shall respond to requests for such approval no more than five working days from the date a request for formal advice has been received.

3. Officeholder expense funds shall not be used for the following:

(a) Expenditures in connection with a future election for elective City office.

(b) Membership in any athletic, social, fraternal, veteran or religious organization.

(c) Supplemental compensation for employees for performance of an act which would be required or expected of the person in the regular course or hours of his or her duties as a City official or employee.

(d) Any expenditures that would violate the provisions of Government Code Section 89506 or 89512 through 89519.

4. No person shall make, and no elective City officer or officeholder fund shall solicit or accept or cause to be solicited or accepted from any person any contribution or contributions or any payment or payments for legislative or

governmental purposes within the meaning of Government Code Section 82015(b)(2)(iii), all of which cumulatively exceeds the following during any fiscal year:

(a) \$1,000 to the officeholder expense fund of the Mayor, City Attorney or Controller; or

(b) \$500 to the officeholder expense fund of a Member of the City Council.

For purposes of this Code, a payment made for legislative or governmental purposes does not include any payments by Internal Revenue Code Section 501(c)(3) non-profit organizations and bona fide educational institutions for a salary or other remuneration to a student or other worker who serves as an intern in the office of an elective City officer.

5.

(a) No elective City officer or his or her officeholder expense fund shall solicit or accept or cause to be solicited or accepted any contribution that would cause the total of either the amount of contributions from all persons to an officeholder expense fund or the total outstanding balance of the fund during any fiscal year to exceed \$75,000.

(b) Campaign funds remaining in the campaign checking account of a candidate elective [sic, elected] to City office shall be transferred into his or her officeholder account within six months of election to office. The amount of funds transferred from an officeholder's campaign committee and from any other officeholder expense fund account controlled by the same elective City officer shall reduce by an equal amount the contributions that may be solicited or accepted for the officeholder account during that fiscal year. A maximum of \$75,000 shall be transferred into the account. If the transfer equals \$75,000, no contributions may be solicited or accepted for the officeholder account for the fiscal year during which the transfer is made.

6. Except for expenditures made for purposes pursuant to paragraphs (i), (n), (o), (p), (q), and (u) of subdivision 2 of this subsection, no expenditure from the officeholder expense fund of an elected City officer shall be made which would cause cumulative expenditures of the fund during a fiscal year to exceed \$75,000.

7. After the elected City officer has filed a "**Declaration of Intent to Solicit and Receive Contributions**" in connection with any future election for elective City office, or during the twelve months prior to the date of the election on which the elected City officer's name will appear on the ballot at a primary nominating or general municipal election, whichever comes first, officeholder expense funds shall be expended only for:

(a) those purposes set forth in paragraphs (a), (b), (c), (d), (f)(2), (g) (when in conjunction with Internal Revenue Code 501(c)(3) tax exempt organizations), (h), (i), (j), (k), (n), (o), (p), (q), (r), (s), (t), (u), (v) of subdivision 2 for this subsection;

(b) any mailing of 200 or fewer substantially similar pieces to persons within the official's district which provides information related to City business; or

(c) any mailing of more than 200 substantially similar pieces which provides information about City business, if the piece:

(1) does not contain an elected official's photograph, and;

(2) does not contain an elected official's name, other than:

- (i) as part of an official's electronic mail or internet address,
- (ii) once on a letterhead, logotype or form, and
- (iii) once on the envelope.

8. Notwithstanding Subdivision 7 above, no mailing may be produced or sent at officeholder expense between the time the elected City officer has filed a "Declaration of Intent to Become a Candidate" for any elective City office and the date of the election at which the person appears on the ballot.

9. No expense for personal services shall be incurred by an officeholder expense fund committee unless the committee first enters into a written contract for such services. Such contract must set forth the services to be performed and the amount that will be paid for such services (or a basis for calculating such amount).

B. Legal Defense Fund

1. Every elected City officer or candidate for elective City office shall be permitted to establish and maintain one Legal Defense Fund.

2. In addition to contributions received in connection with an election to an elective City office or to defray officeholder expenses, an elected City officer or candidate for elective City office who receives contributions for a legal defense fund, may use those funds solely to defray attorney's fees and other legal costs incurred in the officer's or candidate's legal defense to one or more civil or criminal court cases, or administrative proceedings, arising directly out of the conduct of an election campaign, the electoral process or the performance of the officer's governmental activities and duties.

3. The officeholder or candidate shall file with the City Ethics Commission a "**Statement of Purpose**" identifying the specific civil or criminal court case, or administrative proceedings, for which the Legal Defense Fund is established. The "**Statement of Purpose**" shall be filed before any contributions are solicited and/or accepted.

4. The Legal Defense Fund shall be named: **"The (name of candidate or officeholder) Legal Defense Fund"**.

5. No person shall make, or no elected City officer or candidate shall solicit or accept from any person, contributions totaling more than \$1,000 during a fiscal year to a Legal Defense Fund in connection with any single court case or administrative proceeding as identified in the **"Statement of Purpose"**. (Amended by Ord. No. 172,481, Eff. 4/10/99, Oper. 7/1/99.)

6. No legal defense funds remaining after any court case or proceeding in connection with which the funds were raised may be transferred to any other fund or committee. Within six months after final conclusion of the lawsuit or proceeding and the payment of all debts incurred in connection with that lawsuit or proceeding, any surplus legal defense funds may be used in connection with any other lawsuit or administrative proceeding brought against the elected City officer or candidate for the purpose stated in Subdivision 2, or may be returned to donors on a pro rata basis or given to the City's General Fund.

7. This section shall constitute the sole authority for soliciting or accepting donations for legal costs for the defense of an action relating to an election campaign, electoral process or an officer's conduct in office.

C. Single Controlled Committee and Bank Account

1. Each elected City officer or candidate who wishes to make expenditures for the purposes set forth above for either the officeholder expense fund or the legal defense fund shall establish a single controlled committee from which all such expenditures shall be disbursed. Each of the funds shall be considered a subaccount of the controlled committee. If a contribution is designated by the contributor as a contribution to the legal defense fund, then the contribution shall be credited to that fund. If a contribution is designated by the contributor as a contribution to the officeholder expense fund, or if the contribution is not designated as a contribution to either fund, then the contribution shall be credited to the officeholder expense fund.

2. The committee shall establish one checking account at an office of a financial institution located in the City of Los Angeles for the officeholder expense fund and legal defense fund. The account shall serve as the depository account for all contributions received in connection with the officeholder expense fund and the legal defense fund, and all such contributions shall be deposited into such account.

D. Contribution Limits

A contribution to the officeholder expense fund or the legal defense fund shall not be subject to any other contribution limitations contained in the City Charter or a City ordinance, except as provided in this section.

E. Disclosure

1. Elected City officers, candidates and committee treasurers shall be required to maintain such detailed accounts, records, bills and receipts that are necessary to prepare campaign statements and to comply with the Political Reform Act of 1974, as amended, the regulations of the Fair Political Practices Commission, this section, and any regulations of the City Ethics Commission.

2. Campaign disclosure statements shall be filed for the committee. Those statements shall contain separate summary pages and disclosure schedules for the officeholder expense fund and legal defense fund.

3. In addition to the campaign statements required by the Political Reform Act of 1974, as amended, and Los Angeles Municipal Code Section 49.7.11, the elective City officer or candidate shall file campaign statements for his or her officeholder expense fund and legal defense fund as follows:

(a) During a year when the elective City officer's name does not appear on a ballot for elective City office, the elective officer and the controlled committee for the officeholder expense fund and legal defense fund shall file quarterly campaign statements no later than April 30 for the period ending March 31, no later than July 31 for the period ending June 30, no later than October 31 for the period ending September 30, and no later than January 31 for the period ending December 31.

(b) During a year when the elective City officer's name appears on a ballot for elective City office, the elective City officer and the controlled committee for the officeholder expense fund and legal defense fund shall file all campaign statements in accordance with the schedule prescribed by the Political Reform Act of 1974, as amended, and Section 49.7.11. Upon assuming City office, the elected City officer shall immediately begin filing quarterly statements as required by subdivision 1 of this subsection.

4. Persons required to file disclosure statements for officeholder expense fund committees shall comply with the requirements of Section 49.7.11 D of this Code, except that there shall be no threshold dollar amount as a prerequisite to the filing obligation. In addition to any late filing penalties that may be imposed for a late filing of a paper copy pursuant to the California Political Reform Act or this Article, any person who fails to comply with the online filing requirement of this section will, in addition, be subject to an additional late filing penalty of \$25 per day after the deadline for the late filing of the online report.

F. Miscellaneous

Except as expressly provided, nothing in this section shall be deemed to exempt any person or committee from complying with applicable provisions of any other laws.

LA's officeholder costs
Admin Code

OFFICEHOLDER CONTROLLED FUNDS

Los Angeles Administrative Code

Sec. 24.10. Officeholder Expense Fund

a. In addition to the applicable disclosure and recordkeeping requirements of the Political Reform Act of 1974, as amended, every elected City officer shall be required to file officeholder expense fund disclosure reports detailing the information required by this section.

b. Such reports shall be filed at the same time as each campaign statement which is required to be filed by the elected officer.

c. Such reports shall contain the following information:

- (1) For each travel expense of \$100 or more:
 - (i) an identification of the meeting, conference or event, if any, attended;
 - (ii) the legislative or governmental purpose of the travel;
 - (iii) the number of days the meeting, conference or event necessitating the travel lasted;
 - (iv) the dates of departure and return;
 - (v) the destination;
 - (vi) the name of each person whose travel or other related expenses were reimbursed by the officeholder fund;
 - (vii) the name and address of the payee of each expense; and
 - (viii) the date and amount of each expenditure.
- (2) For any entertainment expense of \$50 or more:
 - (i) the legislative or governmental purpose of the activity to which the entertainment is related;
 - (ii) the date of the governmental or legislative activity;
 - (iii) the name of each person participating in the governmental or legislative activity whose entertainment expense was reimbursed;
 - (iv) the name and address of the payee; and
 - (v) the date and amount of each expenditure.
- (3) For any food and/or beverage expense (meal expenses) of \$50 or more:
 - (i) the name of each person whose meal expenses were reimbursed;
 - (ii) the date and location of the meal;
 - (iii) the name and address of the payee; and
 - (iv) the amount of the expenditure.

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(4) For any expense made for expressions of congratulations, appreciation or condolences of \$100 or more:

- (i) the name of each recipient;
- (ii) the date, purpose and amount of the expenditure; and
- (ii) the name and address of the payee.

d. The committee treasurer shall retain the following with respect to personal service expenses:

- (i) a copy of the written contract between the parties subject to the agreement detailing the services to be performed, amount to be paid for the services and any other relevant provisions; and
- (ii) records detailing the actual number of hours worked and services performed.

e. If any newsletter or mass mailing is sent at the expense of the officeholder expense fund committee, a sample of the mailing shall be filed with the City Ethics Commission at the time of the mass mailing. The officeholder expense fund committee shall also maintain a copy of the mailing list used for the newsletter or mass mailing.

f. For purposes of Los Angeles Municipal Code Section 49.7.12, "fiscal year" shall mean a twelve month period beginning July 1 of each year and ending June 30 of the following year.

g. The failure of any elected City officer, controlled committee of an elected City officer, or committee treasurer to comply with the provisions of this section, and the failure of such person to provide full and accurate information required by this section, is unlawful, constitutes a violation of this section and is subject to the penalties and remedies set forth in Los Angeles City Charter Section 600(O) and Los Angeles Municipal Code Section 49.7.28.

SECTION HISTORY

Chapter and Section Added by Ord. No. 170,153, Eff. 1-12-95.

LOBBYING > Lobbying Program

The City's Municipal Lobbying Ordinance (Los Angeles Municipal Code Section 48.01 et seq., as amended) requires certain individuals and entities to register with the City Ethics Commission and requires public disclosure of certain lobbying activities, including money received and spent.

Registrations

Any *individual* who directly communicates with a City official for the purpose of influencing "municipal legislation" (as defined in the ordinance) and who receives \$4,000 in compensation in a calendar quarter for their municipal lobbying activities must register with the City Ethics Commission.

A *lobbying firm* must register once any owner, partner, shareholder, officer, or employee qualifies as a lobbyist and the firm earns \$4,000 during a calendar quarter from its clients for municipal lobbying.

An "*in-house*" lobbyist - - an employee compensated to lobby only on behalf of his or her employer - - is required to register. An in-house lobbyist's employer (*lobbyist employer*), however, is not required to register.



- [View 2006 Lobbying Registrations - Sorted By Lobbying Firms](#)
- [View 2006 Lobbying Registrations - Sorted By Lobbyists](#)
- [View 2006 Lobbying Registrations - Sorted By Clients](#)
- [View 2006 Lobbyist Contact Information](#)
- [View 2006 Lobbying Firm/Employer Contact Information](#)
- [Search Registered Lobbyists \(including Previous Years\)](#)
- [Search Registered Clients \(including Previous Years\)](#)

Quarterly Reporting

Lobbyists, lobbying firms, and lobbyist employers must disclose lobbying activity for each calendar quarter during which a qualified lobbyist is registered. These reports include information about matters a lobbyist attempted to influence, compensation received by a lobbying firm for its municipal lobbying activity, and expenditures made in connection with a lobbying firm's or employer's attempts to influence City decisions.

Other disclosures include campaign contributions and payments a lobbyist or lobbying firm receives for other services provided to the City or to a City candidate or officeholder.

- [View Lobbying Quarterly Reports](#)
- [Search Payments Received from Clients](#)
- [Search Lobbyist-Related Fundraising Activity and Solicitations](#) NEW
- [Search Lobbyist-Related Political Contributions](#)
- [Search Activity Expenses](#)
- [Search Other Expenditures](#)
- [Search Payments Received from City Agencies](#)
- [Search Payments Received from City Candidate and Ballot Measure Committees](#)

Electronic Filing

Effective January 1, 2006, the law requires all lobbyists, lobbying firms and lobbyist employers to file registrations and quarterly disclosure reports online via the Lobbyist Electronic Filing System.

- [Login to Lobbying Electronic Filing System](#)
(If you would like to request a login, please e-mail our administrator at ethics.cefs@lacity.org.)

Related Laws



General:

- [Municipal Code §§ 48.01 et seq.](#)

Lobbying Neighborhood Councils:

- [Municipal Code § 48.08.8](#)

Lobbying Information

-  [Lobbying Fundraising and Disclosure FAQ](#)
-  [Lobbying Brochure](#) (Summary of the Los Angeles Municipal Lobbying Ordinance)
- [Quarterly Calendar & Fee Schedule](#)

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Date: April 10, 2007
To: Elections Oversight Committee
From: Laura L. Doud, City Auditor *ld*
Subject: **Officeholder Expenses in Various California Cities**

1. **Summary of Findings:**

Our office was asked to survey comparable California cities that utilize officeholder accounts for elected officials and determine, based on that survey, whether the limit currently placed on Long Beach officeholder accounts are similar. Further, we were asked to make any recommendations based on this review. We have now surveyed the use of officeholder accounts in 11 other cities and based in part upon that survey, we believe the current limits of \$5,000 for Long Beach officeholders should be increased to \$10,000, and that the limits for the citywide elected officeholder accounts should be increased to \$25,000 accordingly. Given appropriate FPPC oversight, we believe these amounts are consistent with comparable jurisdictions and will provide an incentive for officeholders to utilize these accounts for expenditures that would otherwise be sought from general fund monies.

2. **Survey of Comparable Jurisdictions:**

The initial selections for this survey were based on populations similar to Long Beach. We then broadened the range to include significantly larger and smaller populations to create a much more diverse spread. Cities that are in the same geographical region as Long Beach were then added for a more local comparison. They are, from largest population to smallest: San Diego, San Jose, San Francisco, Long Beach, Fresno, Sacramento, Oakland, Santa Ana, Anaheim, Torrance, Carson and Lakewood. The majority of the information was garnered from city websites and discussions with City Clerk staff in various cities. Our findings are set forth below:

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| City | Population | %LB | Personal | %LB | Officeholder | %LB | Accept OA contr? |
|----------------------|------------|------|-------------|----------|------------------|------|------------------|
| San Diego | 1,267,000 | 267% | | | | | |
| City Council | | | \$250 | 50% | Campaign Account | | No |
| City Elected | | | \$300 | 60% | Campaign Account | | No |
| San Jose | 898,000 | 189% | | | | | |
| City Council | | | \$250 | 50% | \$10,000 | 200% | Yes |
| City Elected | | | appointed | | appointed | | |
| San Francisco | 751,000 | 158% | | | | | |
| City Council | | | \$500 | 100% | Campaign Account | | No |
| City Elected | | | \$500 | 100% | Campaign Account | | No |
| Long Beach | 475,000 | 100% | | | | | |
| City Council | | | \$500 | 100% | \$5,000 | 100% | Yes |
| City Elected | | | \$500 | 100% | \$5,000 | 100% | Yes |
| Fresno | 451,000 | 94% | | | | | |
| City Council | | | \$3,300 | 660% | Campaign Account | | Yes |
| City Elected | | | appointed | | appointed | | |
| Sacramento | 445,000 | 94% | | | | | |
| City Council | | | \$800 | 160% | Campaign Account | | Yes |
| City Elected | | | appointed | | appointed | | |
| Oakland | 399,000 | 84% | | | | | |
| City Council | | | \$100/\$600 | 20%/120% | \$25,000 | 500% | Yes |
| City Elected | | | \$100/\$600 | 20%/120% | \$25,000 | 500% | Yes |
| Santa Ana | 342,000 | 72% | | | | | |
| City Council | | | \$1,000 | 200% | Campaign Account | | Yes |
| City Elected | | | appointed | | appointed | | |
| Anaheim | 332,000 | 70% | | | | | |
| City Council | | | \$1,500 | 300% | Campaign Account | | Yes |
| City Elected | | | appointed | | appointed | | |
| Torrance | 143,000 | 30% | | | | | |
| City Council | | | \$1,000 | 200% | Campaign Account | | Yes |
| City Elected | | | \$1,000 | 200% | Campaign Account | | Yes |
| Carson | 94,000 | 19% | | | | | |
| City Council | | | Unlimited | | Campaign Account | | Yes |

| | | | | | |
|-----------------|--------------|-----|--------------|------------------|-----|
| City Elected | | | appointed | appointed | |
| Lakewood | 81,000 | 17% | Unlimited | Campaign Account | Yes |
| City Council | | | appointed | appointed | |
| City Elected | | | | | |
| Asmbly/Senator | | | \$3,000 | \$50,000 | |
| State Elected | | | \$5,000 | \$100,000 | |
| Governor | | | \$20,000 | \$200,000 | |
| Larger/Smaller | Local | | Per Election | Annually | |

The majority of cities that were examined allow their officeholders to pay for office and governmental expenses from surplus campaign contributions, either directly from their campaign account or through establishing an officeholder account from a liquidated campaign account. Cities that allow direct use of campaign accounts are differentiated by whether or not the officeholders may continue to collect contributions into the account post-election. Cities like San Diego and San Francisco do not allow additional post-election officeholder contributions.

Cities like Fresno and Anaheim allow officeholders to maintain campaign accounts post-election and continue to receive contributions as long as donors do not exceed the contribution limitations (Fresno: \$3,300; Anaheim \$1,500 per election). Generally speaking, the cities that allow the direct use of campaign accounts accept contributions on a 'per election' basis and contribution pre and post-election must not exceed the contribution limit for the election cycle. On the chart these are shown in pink. In theory, these accounts have no ceiling.

A lesser number of cities allow specific officeholder accounts. These may be filled from the same surplus campaign contributions but are added to by annual contributions from donors. In our sample, San Jose was most like Long Beach in implementation of

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officeholder accounts, that is, contributions may be made annually. Oakland is similar, having a dedicated officeholder account with an annual ceiling. It differs from San Jose and Long Beach because the contributions are made once per election cycle, rather than annually. Unlike those cities that allow direct use of campaign accounts, those cities with dedicated officeholder accounts all have ceilings: San Jose - \$10,000; Long Beach - \$5,000; Oakland - \$25,000. On the chart these are shown in blue.

The cities within a thirty mile radius of Long Beach that were examined all allow direct use of campaign accounts for officeholder expenses, including post-election contributions (as long as they do not exceed per election limitations, if any). These cities are Santa Ana, Anaheim, Torrance, Carson and Lakewood.

When comparing personal contribution amounts from city to city it is worth noting that cities allowing annual contributions like San Jose and Long Beach would quadruple their annual personal contribution amount to create an effective 'per election' contribution. For example, Long Beach allows a \$500 annual personal contribution. One would multiply \$500(per year) times a four-year term to equal the 'per election' contribution of \$2,000. The \$250 annual San Jose personal contribution converts to \$1,000 per election based on four-year terms.

In the cities where officeholder accounts are allowed, mayors and council members are the primary officers allowed the use of such accounts. Cities like San Jose, Fresno, Sacramento, and Santa Ana appoint their City Managers, City Clerks and City Attorneys; consequently, no campaign contributions are collected or maintained for these offices.

3. **FPPC Oversight:**

At this time, the FPPC does not maintain a personal contribution ceiling in local jurisdictions. In a written manual, the FPPC has recommended that officeholder expenses may be paid from campaign committee's bank accounts which have been

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established for a particular office following a successful campaign. Expenditures must be “reasonably” related to a political, legislative or governmental purpose. Expenditures which confer a substantial personal benefit must be directly related to a political, legislative or governmental purpose. Consequently, a number of cities have no specific provision for officeholder accounts or ceilings, choosing instead the guidelines of the FPPC. We defer to the City Attorney’s office for a more detailed analysis of the FPPC relationship with local campaign ordinances and officeholder accounts.

The cities within a thirty mile radius of Long Beach that were examined all allow direct use of campaign accounts for officeholder expenses, including post-election contributions (as long as they do not exceed per election limitations, if any). These cities are Santa Ana, Anaheim, Torrance, Carson and Lakewood.

4. **Conclusion:**

It seems clear that each city has the ability to craft an officeholder account and contributions policy if they see fit to go beyond the guidelines of the FPPC. Given the comparisons set forth above, and given the oversight functions of the FPPC, we recommend an increase to the limits of these officeholder accounts from \$5,000 to \$10,000 for City Councilmembers and from \$5,000 to \$25,000 for city-wide elected officials.