CHARLES PARKIN City Attorney

MICHAEL J. MAIS Assistant City Attorney

MONTE H. MACHIT Assistant City Attorney PRINCIPAL DEPUTIES

Christina L. Checel Dominic Holzhaus Anne C. Lattime

DEPUTIES

C. Geoffrey Allred
Gary J. Anderson
Richard F. Anthony
Kendra L. Carney
LaTasha N. Corry
Charles M. Gale
Haleh R. Jenkins
Michele L. Levinson
Barbara J. McTigue
Howard D. Russell
Tiffani L. Shin
Linda T. Vu
Amy R. Webber
Theodore B. Zinger

November 11, 2014

HONORABLE MAYOR AND CITY COUNCIL City of Long Beach California

RECOMMENDATION:

Declare ordinance amending the Long Beach Municipal Code relating to the Long Beach Campaign Reform Act and Campaign Disclosure Statements read the first time and laid over to the next regular meeting of the City Council for final reading. (Citywide)

DISCUSSION:

Pursuant to your request on September 16, 2014, this ordinance has been prepared and is submitted for your consideration.

SUGGESTED ACTION:

Approve recommendation.

Very truly yours,

CHARLES PARKIN, City Attorney

By

Assistant City Attorney

MJM:kjm Attach.

A14-01622

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL CODE BY AMENDING SECTIONS 2.01.210.B, 2.01.340.B, 2.01.370, 2.01.390, 2.01.420, 2.01.810, 2.01.1010, 2.01.1030, 2.01.1210, AND 2.02.010; BY ADDING SECTION 2.01.395; AND BY REPEALING SECTIONS 2.01.330, 2.01.350, 2.01.610, 2.01.620, AND 2.01.730, ALL RELATING TO THE LONG BEACH CAMPAIGN REFORM ACT AND CAMPAIGN DISCLOSURE STATEMENTS

The City Council of the City of Long Beach ordains as follows:

Section 1. Section 2.01.210.B of the Long Beach Municipal Code is amended to read as follows:

B. "Election cycle" means that period commencing with January 1 of an odd-numbered year and ending twelve (12) months after the regular general election. If there is no general election in that election year, then the Election Cycle shall end twelve (12) months after the primary election. For a special election, the "Election Cycle" commences with the declaration of a vacancy in an elective office and ends twelve (12) months after the special election date.

- Section 2. Section 2.01.340.B of the Long Beach Municipal Code is amended to read as follows:
 - B. Every loan to a candidate's controlled committee shall be by written agreement.

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Section 3. Section 2.01.370 of the Long Beach Municipal Code is amended to read as follows:

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 (1) campaign committee and one (1) checking account per election 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 savings accounts. This Section shall not prohibit the transfer of funds or "carry over" in excess of net debt from the primary election for use in the general election for the same candidate.

Section 4. Section 2.01.390 of the Long Beach Municipal Code is amended to read as follows:

2.01.390 Transfer of funds.

Officeholder funds may not be used as a transfer, loan or contribution to any other candidate for local, State or federal elective office.

Section 5. Section 2.01.420 of the Long Beach Municipal Code is amended to read as follows:

2.01.420 Time periods for expenditures.

For purposes of the expenditure ceilings, qualified campaign expenditures made at any time up to the date of the primary election shall be considered an expenditure for that election, and qualified campaign expenditures made after the date of the primary election shall be considered expenditures for the runoff (general) 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.

Section 6. Section 2.01.810 of the Long Beach Municipal Code is amended to read as follows:

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 odd 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 one hundred dollars (\$100.00) for contributions and the nearest one thousand dollars (\$1,000.00) 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.

Section 7. Section 2.01.1010 of the Long Beach Municipal Code is amended to read as follows:

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, such expense payment is made no later than sixty (60) days after the end of the Election Cycle.

Section 8. Section 2.01.1030 of the Long Beach Municipal Code is amended to read as follows:

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 expended no later than sixty (60) days after the end of the Election Cycle.
- C. Any funds not expended pursuant to Subsections 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 end of the Election Cycle) shall be paid immediately into the campaign reform account of the City of Long Beach.

Section 9. Section 2.01.1210 of the Long Beach Municipal Code is amended to read as follows:

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 Chapter shall be automatically adjusted on January 1, 2015, and on January 1 of each odd 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 be adjusted on January 1, 2015, and every two (2) years thereafter, based on the annually calculated change from the base year. The adjustment shall be rounded to the nearest one hundred dollars (\$100.00).
- C. The adjusted amount as determined by this Section on January 1, of each odd numbered year shall remain the same amount for the entire Election Cycle as defined in Section 2.01.210 beginning January 1 of the same odd numbered year.

Section 10. Section 2.02.010 of the Long Beach Municipal Code is amended to read as follows:

2.02.010 Electronic filing of Campaign Disclosure Statements.

As soon as feasible, the City of Long Beach shall establish electronic filing of campaign disclosure statements pursuant to California Government Code Section 84615 for candidate controlled committees established for Mayor, City Attorney, City Prosecutor, City Auditor, and City Council, and for primarily formed City of Long Beach

committees.

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Section 11. The Long Beach Municipal Code is amended by adding Section 2.01.395 to read as follows:

2.01.395 IntraCandidate transfers

A candidate for local elective office in Long Beach shall not transfer campaign funds from a controlled non-City campaign account into a local Long Beach campaign account except as specified below:

Contributions transferred shall be attributed to specific contributors using a "last in, first out" or "first in, last out" accounting method, and their attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 2.01.310.

Section 12. Sections 2.01.330, 2.01.350, 2.01.610, 2.01.620, and 2.01,730 of the Long Beach Municipal Code are hereby repealed.

Section 13. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664

| 1 | I hereby certify that the foregoing ordinance was adopted by the City | | | |
|----|---|-----------------------------|------------------|--|
| 2 | Council of the City | of Long Beach at its meetin | g of, 20, by the | |
| 3 | following vote: | | | |
| 4 | | | | |
| 5 | Ayes: | Councilmembers: | | |
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| 8 | | | | |
| 9 | Noes: | Councilmembers: | | |
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| 11 | Absent: | Councilmembers: | | |
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| 15 | | | City Clerk | |
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| 17 | Approved: | (D. 1.) | | |
| 18 | | (Date) | Mayor | |

| OFFICE OF THE CITY ATTORNEY | CHARLES PARKIN, City Attorney | 33 West Ocean Boulevard, 11th Floor | Long Beach. CA 90802-4664 | |
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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF LONG BEACH AMENDING THE LONG BEACH MUNICIPAL
CODE BY AMENDING SECTIONS 2.01.210.B, 2.01.340.B,
2.01.370, 2.01.390, 2.01.420, 2.01.810, 2.01.1010, 2.01.1030,
2.01.1210, AND 2.02.010; BY ADDING SECTION 2.01.395; AND
BY REPEALING SECTIONS 2.01.330, 2.01.350, 2.01.610,
2.01.620, AND 2.01.730, ALL RELATING TO THE LONG BEACH
CAMPAIGN REFORM ACT AND CAMPAIGN DISCLOSURE
STATEMENTS

The City Council of the City of Long Beach ordains as follows:

Section 1. Section 2.01.210.B of the Long Beach Municipal Code is amended to read as follows

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 twelve (12) months after the regular general election.

If there is no general election in that election year, then the Election

Cycle shall end twelve (12) months after the primary election. primary

and general elections. For a special election, the "Election Cycle"

commences and that period commencing with the declaration of a

vacancy in an elective office and ends endingtwelve (12) months ninety

(90) days after the special election date. for special elections

Section 2. Section 2.01.340.B of the Long Beach Municipal Code is amended to read as follows:

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OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor

| B. Every loan to a candidate or the candidate or the candidate's |
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| 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. |

Section 3. Section 2.01.370 of the Long Beach Municipal Code is amended to read as follows:

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 (1) campaign committee and one (1) checking account per election 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 savings accounts. This Section shall not prohibit the transfer of funds or "carry over" in excess of net debt from the primary election for use in the general election for the same candidate.

Section 4. Section 2.01.390 of the Long Beach Municipal Code is amended to read as follows:

2.01.390 Transfer of funds.

Campaign funds and oOfficeholder funds may not be used as a transfer, loan or contribution to any other candidate for local, State or federal elective office.

Section 5. Section 2.01.420 of the Long Beach Municipal Code is amended to read as follows:

2.01.420 Time periods for expenditures.

| OFFICE OF THE CITY ATTORNEY | CHARLES PARKIN, City Attorney | 333 West Ocean Boulevard, 11th Floor | Long Beach. CA 90802-4664 |
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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 an
expenditure or contributions for that election, and qualified campaign
expenditures made after the date of the primary election shall be
considered expenditures or contributions for the runoff (finalgeneral)
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.

Section 6. Section 2.01.810 of the Long Beach Municipal Code is amended to read as follows:

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-odd 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 one hundred dollars (\$50.00)(\$100.00) for contributions and the nearest one thousand dollars (\$1,000.00) 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.

Section 7. Section 2.01.1010 of the Long Beach Municipal Code is amended to read as follows:

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 ecycle, 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 ecycle need not be included in surplus funds provided that, if such expense payment is not made on or before the December 31 next following no later than sixty (60) days after the end of the election ecycle. (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.

Section 8. Section 2.01.1030 of the Long Beach Municipal Code is amended to read as follows:

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 sixty (60)

<u>days after the December 31 next following</u> the end of the <u>e</u>Election <u>e</u>Cycle. (or, in the case of a special election, one hundred twenty (120) <u>days after the date of the election</u>).

C. Any funds not expended pursuant to Subsections 2.01.1030.A or 2.01.1030.B by December 31 next following the end of the eElection eCycle (or, in the case of a special election, one hundred twenty (120) days after the date of the election end of the eElection eCycle) shall be paid immediately into the campaign reform account of the City of Long Beach.

Section 9. Section 2.01.1210 of the Long Beach Municipal Code is amended to read as follows:

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 Chapter shall be automatically adjusted on January 1, 1996-2015, and on January 1 of each even-odd 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, 19962015, and every two (2) years thereafter, based on the annually calculated change from the base year. The adjustment shall be rounded to the nearest one hundred dollars (\$100.00).

C. The adjusted amount as determined by this Section on

| | CHARLES PARKIN, City Attorney | 333 West Ocean Boulevard, 11th Floor | Lona Beach. CA 90802-4664 | |
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| OFFICE OF THE CITY ALLORNEY | CHARLES PARKIN, City Attorney | 333 West Ocean Boulevard, 11th Floor | Long Beach. CA 90802-4664 | |

January 1, of each odd numbered year shall remain the same amount for the entire Election Cycle as defined in Section 2.01.210 beginning January 1 of the same odd numbered year.

Section 10. Section 2.02.010 of the Long Beach Municipal Code is amended to read as follows:

2.02.010 Electronic filing of Campaign Disclosure Statements.

As soon as feasible, the City of Long Beach shall establish electronic filing of campaign disclosure statements pursuant to California Government Code Section 84615 for candidate controlled committees established for Mayor, City Attorney, City Prosecutor, City Auditor, and City Council, and for primarily formed City of Long Beach committees. Whenever a committee or person is required by the California Political Reform Act (Government Code Section 81000 et seq.) to file a semi-annual, pre-election, supplemental pre-election or amendment(s) to a campaign statement with the City Clerk, the committee or person shall file at the same time a copy of the statement in electronic format as prescribed by the City Clerk, provided that the Clerk has prescribed the format at least sixty (60) days before the statement or report is due.

Section 11. The Long Beach Municipal Code is amended by adding Section 2.01.395 to read as follows:

2.01.395 IntraCandidate transfers

A candidate for local elective office in Long Beach shall not transfer campaign funds from a controlled non-City campaign account into a local Long Beach campaign account except as specified below:

Contributions transferred shall be attributed to specific

OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664 contributors using a "last in, first out" or "first in, last out" accounting method, and their attributed contributions when aggregated with all other contributions from the same contributor may not exceed the limits set forth in Section 2.01.310.

Section 12. Sections 2.01.330, 2.01.350, 2.01.610, 2.01.620, and 2.01.730 of the Long Beach Municipal Code are hereby repealed.

Section 13. The City Clerk shall certify to the passage of this ordinance by the City Council and cause it to be posted in three (3) conspicuous places in the City of Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the Mayor.

Section 14. I hereby certify that the foregoing ordinance was adopted by

the City Council of the City of Long Beach at its meeting of ________, 20______, by the following vote:

Ayes: Councilmembers:

Noes: Councilmembers:

Absent: Councilmembers:

City Clerk

Approved: Mayor (Date) OFFICE OF THE CITY ATTORNEY CHARLES PARKIN, City Attorney 333 West Ocean Boulevard, 11th Floor Long Beach. CA 90802-4664 **REDLINED VERSION**

JCP:kjm 10/31/14 A14-01622;