

# Matching Funds Ordinance

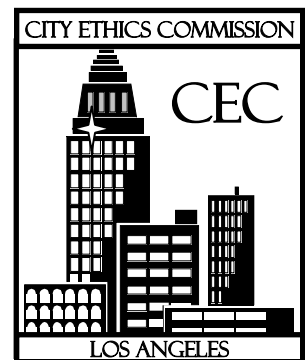
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◆◆◆ Los Angeles Municipal Code §§ 49.7.22 – 49.7.30

*Effective October 30, 2014*

Prepared by



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**Matching Funds Ordinance  
Los Angeles Municipal Code  
Chapter IV, Article 9.7  
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## Matching Funds Ordinance

*Los Angeles Municipal Code Chapter IV, Article 9.7*

Added by Ordinance No.165607, effective 4/21/90.

Amended in the entirety by Ordinance No.182264, effective 10/29/12.

### **SEC. 49.7.22. ACCEPTANCE OR REJECTION OF MATCHING FUNDS.**

- A. Each candidate for elected City office shall file with the Ethics Commission a statement of acceptance or rejection of matching funds. The statement may not be filed earlier than the date the candidate files a Declaration of Intent to Solicit and Receive Contributions under Charter Section 470(c)(1) and may not be filed later than the final date to file a Declaration of Intention to Become a Candidate under City Election Code Section 301.
- B. A candidate who agrees to accept matching funds shall comply with the requirements of the program, including, but not limited to, the expenditure ceilings.
- C. A candidate who has filed a statement of acceptance of matching funds may subsequently reject matching funds up to five business days after the final filing date for the Declaration of Intention to Become a Candidate if another candidate in the same race has rejected matching funds. A candidate who subsequently rejects matching funds is a non-participating candidate, shall return to the City any matching funds payments received for that election, and may not receive any further matching funds payments for that election.

### **SEC. 49.7.23. PARTICIPATION AND QUALIFICATION REQUIREMENTS.**

- A. Agreeing to participate in the matching funds program is binding on the candidate for both the primary election and the general election.
- B. A participating candidate who qualifies to receive matching funds in the primary election automatically qualifies to receive matching funds in the general election. A participating candidate who does not qualify to receive matching funds in the primary election, may qualify to receive matching funds through the candidate's controlled committee for the general election.
- C. Qualification means that a participating candidate has met all of the following requirements:
  - 1. The candidate and the candidate's controlled committee received qualified contributions that meet the following criteria:
    - a. The contributions meet or exceed the following aggregate amounts:
      - i. \$25,000 for City Council candidates;
      - ii. \$75,000 for City Attorney and Controller candidates;
      - iii. \$150,000 for Mayoral candidates.

*History:*

*Amended by Ordinance No.175344, effective 8/16/03.*

*Amended by Ord.182264, effective 10/29/12.*

*Renumbered by Ord.182264, effective 10/29/12 (prev. 49.7.18).*

*Amended by Ord. No. 183236, effective 10/30/14.*

The first \$500 of each contribution counts toward the threshold for Citywide candidates, and the first \$250 of each contribution counts toward the threshold for City Council candidates. Loans, pledges, and non-monetary contributions do not count toward the thresholds.

- b. The contributions are not from the candidate or the candidate's immediate family.
- 2. The candidate receives qualified contributions of at least five dollars each from 200 individuals residing within the City or, for City Council candidates, within the council district for which election is sought.
- 3. The candidate is certified to appear on the ballot for the election and is not a write-in candidate.
- 4. The candidate is opposed by a candidate running for the same office who has qualified to appear on the ballot for that election and is not a write-in candidate.
- 5. The candidate does not contribute or lend more than the following aggregate amounts in personal funds per election:
  - a. \$31,100 for City Council candidates.
  - b. \$124,500 for Citywide candidates.

These amounts are subject to adjustment under Section 49.7.3.

- 6. The candidate agrees in writing to participate in at least one debate

with opponents in the primary election and in at least two debates with the opponent in the general election.

- 7. The candidate agrees in writing not to exceed the applicable expenditure ceilings.
- 8. The candidate or the candidate's controlled committee has filed all previously due campaign statements required by the Political Reform Act, the Charter, this Code, or the Administrative Code.
- 9. The candidate and the candidate's treasurer have attended the training required under Section 49.7.12.
- 10. The candidate does not use matching funds in violation of federal, state or City law.
- 11. The candidate does not use matching funds to pay fines, penalties, or inauguration expenses.
- D. A participating candidate who does not abide by the terms of the Matching Funds Program is disqualified from receiving matching funds for the remainder of the election cycle and may be required to return all matching funds received for that election cycle.

*History:*

*Added by Ord. 171498, effective 3/8/97.*

*Amended by Ord. 175344, effective 8/16/03.*

*Amended by Ord. 182264, effective 10/29/12.*

*Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.19).*

*Amended by Ord. No. 183236, effective 10/30/14.*

**SEC. 49.7.24. EXPENDITURE CEILINGS.**

- A. Participating candidates and their controlled committees for election to

City office may not make or incur campaign expenditures above the following amounts:

1. City Council candidates: \$480,000 per primary election and \$400,000 per general election.
2. Controller candidates: \$1,119,000 per primary election and \$840,000 per general election.
3. City Attorney candidates: \$1,259,000 per primary election and \$979,000 per general election.
4. Mayoral candidates: \$2,798,000 per primary election and \$2,237,000 per general election.

B. The expenditure ceilings are subject to adjustment under Section 49.7.3.

C. The following payments do not count toward the expenditure ceilings when made by the participating candidate in connection with candidacy for the office specified in the participating candidate's Declaration of Intent to Solicit and Receive Contributions:

1. Fees paid under Election Code Section 310(c) or California Government Code Section 84101.5.
2. Refunded campaign contributions.
3. Returned matching funds.

*History:*

*Amended by Ord. 171498, effective 3/8/97.  
Amended by Ord. 175344, effective 8/16/03.  
Amended by Ord. 182264, effective 10/29/12.  
Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.13).  
Amended by Ord. 182362, effective 1/30/13.  
Amended by Ord. No. 183236, effective 10/30/14.*

## **SEC. 49.7.25. EXPENDITURE CEILINGS LIFTED.**

The applicable expenditure ceiling is no longer binding on a participating candidate in either of the following scenarios:

- A. A non-participating candidate in the same race makes or incurs campaign expenditures in excess of the expenditure ceiling; or
- B. Independent expenditure communications under Section 49.7.31(A)(1) in support of or opposition to any candidate in the same race exceed, in the aggregate, the following amounts:
  1. \$77,000 in a City Council election;
  2. \$155,000 in a City Attorney or Controller election;
  3. \$309,000 in a Mayoral election.

These amounts are subject to adjustment under Section 49.7.3.

*History:*

*Amended by Ord. 168540, effective 3/5/93.  
Amended by Ord. 182264, effective 10/29/12.  
Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.14).  
Amended by Ord. 182362, effective 1/30/13.  
Amended by Ord. No. 183236, effective 10/30/14.*

## **SEC. 49.7.26. NOTICE REGARDING EXPENDITURE CEILINGS.**

A candidate shall notify the Ethics Commission in writing within one calendar day of the date the candidate has received more than 100 percent of the applicable expenditure ceiling and again on the day the candidate makes or incurs expenditures totaling more than 100 percent of the applicable expenditure ceiling. The Ethics

Commission shall notify all other candidates for the same office within one business day of receiving the candidate's notice.

*History:*

*Amended by Ord. 175344, effective 8/16/03.*

*Amended by Ord. 182264, effective 10/29/12.*

*Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.15).*

*Amended by Ord. 182362, effective 1/30/13.*

*Amended by Ord. No. 183236, effective 10/30/14.*

**SEC. 49.7.27. MATCHING FUNDS FORMULA.**

A. A qualified contribution will be matched with public funds up to the following amounts:

1. \$250 per qualified contribution for City Council candidates;
2. \$500 per qualified contribution for Citywide candidates.

B. A qualified contribution will be matched with public funds at the following rates:

1. For participating candidates who have qualified to receive matching funds but have not met the criteria in Subsection C, one dollar in matching funds will be paid for each dollar in qualified contributions in both the primary election and the general election.
2. For participating candidates who have qualified to receive matching funds and have met the criteria in Subsection C, two dollars in matching funds will be paid for each dollar in qualified contributions for the primary election and four dollars in matching funds will be paid for each dollar in qualified contributions for the general election.

3. In a general election, each participating candidate will receive a grant of one-fifth of the amount specified in Section 49.7.29(B) upon the later of being certified to appear on the general election ballot or qualifying to receive matching funds. The remaining four-fifths will be paid at the rate that applies under either paragraph 1 or paragraph 2.

C. Participating candidates who have qualified to receive matching funds are eligible for the rate of match in Subsection B(2) if they submit to the City Clerk either of the following by the last date to submit nominating petitions for the primary election:

1. For candidates choosing not to pay a filing fee pursuant to Section 310 of the City Elections Code, a nominating petition that includes the signatures of at least 1,000 qualified registered voters; or
2. For candidates choosing to pay a filing fee pursuant to Section 310 of the City Elections Code, a nominating petition that includes the signatures of at least 500 qualified registered voters and a Matching Funds Additional Signatures Form, prescribed by the Ethics Commission, that includes the signatures of at least 500 and no more than 1,000 additional qualified registered voters of the City for Citywide candidates, or of the district for Council candidates.
  - a. The City Clerk shall review and verify the signatures on the Matching Funds Additional Signatures Form using the same process that is used for reviewing

and verifying the signatures on nominating petitions, and the City Clerk's process for nominating petitions shall not be altered by this requirement. The City Clerk shall only review the signatures on a candidate's Matching Funds Additional Signatures Form after the City Clerk has determined that the candidate has qualified for the ballot.

- b. Extra signatures that are submitted on a nominating petition but are not required for qualification for the ballot shall not be counted for purposes of determining a candidate's qualification for the rate of match in Subsection B(2).
- c. The signatures on the Matching Funds Additional Signatures Form that are used to qualify for the rate of match in Subsection B(2) must be distinct from the signatures on the nominating petition that are used to qualify for the ballot, so that the candidate obtains signatures from at least 1,000 qualified registered voters of the City for Citywide candidates, or of the district for Council candidates.
- d. The City Clerk's review of the Matching Funds Additional Signatures Form shall be completed by the last day of the City Clerk's review period for nominating petitions.

Within one business day after the close of the review period for nominating petitions, the City Clerk shall notify the Ethics

Commission of all candidates who have been verified as having submitted the signatures of at least 1,000 qualified registered voters.

*History:*

*Amended by Ord. 175344, effective 8/16/03.*

*Amended by Ord. 182264, effective 10/29/12.*

*Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.20).*

*Amended by Ord. 182362, effective 1/30/13.*

*Amended by Ord. No. 183236, effective 10/30/14.*

**SEC. 49.7.28. REQUESTS FOR MATCHING FUNDS PAYMENTS.**

- A. A participating candidate may not request a single matching funds payment that represents less than \$10,000 in matchable portions of qualified contributions, as determined by the formula in Section 49.7.27(A), except in the following circumstances:
  - 1. Beginning 14 days before an election and ending on the last day to submit requests for payment, as identified in Administrative Code Section 24.34(c)(3), a participating candidate may request a single matching funds payment that represents \$1,000 or more in matchable portions of qualified contributions.
  - 2. A participating candidate may request a matching funds payment that represents any amount in matchable portions of qualified contributions if the payment requested would result in the participating candidate receiving the maximum matching funds for that election.
- B. If a contribution that forms the basis of a request for a matching funds payment cannot be negotiated or is returned or

refunded, the candidate must either return all matching funds received as a result of that contribution or submit an alternate qualified contribution.

- C. Requests for matching funds payments shall contain the information required by the Ethics Commission.
- D. A candidate who makes a request for matching funds payment and knows or should know that the request is false or that a contribution that forms the basis of the request is misrepresented is guilty of a misdemeanor and shall return all matching funds received as a result of the request. If the candidate holds or is elected to office, the false request constitutes a violation of official duties and, if it is deemed appropriate by a court under Charter Section 207(c), shall be removed from office.

*History:*  
*Amended by Ord. 182264, effective 10/29/12.*  
*Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.21).*  
*Amended by Ord. No. 183236, effective 10/30/14.*

**SEC. 49.7.29. MAXIMUM MATCHING FUNDS.**

- A. The following maximum amounts may be paid to qualified participating candidates in a primary election:
  - 1. \$100,000 for City Council candidates;
  - 2. \$267,000 for Controller candidates;
  - 3. \$300,000 for City Attorney candidates; and
  - 4. \$667,000 for Mayoral candidates.

B. The following maximum amounts may be paid to qualified participating candidates in a general election:

- 1. \$125,000 for City Council candidates;
- 2. \$300,000 for Controller candidates;
- 3. \$350,000 for City Attorney candidates; and
- 4. \$800,000 for Mayoral candidates.

*History:*  
*Amended by Ord. 175344, effective 8/16/03.*  
*Amended by Ord. 182264, effective 10/29/12.*  
*Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.22).*

**SEC. 49.7.30. MATCHING FUNDS PAYMENTS TO CANDIDATES.**

- A. The Ethics Commission shall process each request for matching funds payment within four business days after the later of receiving all information necessary to process the request or determining that the participating candidate has met all qualification requirements.
- B. The Controller shall make matching funds payments in the amount certified by the Ethics Commission within two business days after receiving the certification from the Ethics Commission.
- C. Except for the general election grant, a matching funds payment may not be made before the Ethics Commission determines the sufficiency of the Public Matching Funds Trust Fund under Administrative Code Section 24.33. If the Ethics Commission determines that the balance of the Public Matching



Funds Trust Fund is not or may not be sufficient to pay the maximum matching funds to all qualified participating candidates, the Commission shall notify the Controller to withhold amounts sufficient to ensure that each qualified participating candidate will receive a pro rata share of the applicable maximum. The amounts withheld will be paid if the Ethics Commission subsequently determines that there is sufficient money to pay the maximum matching funds.

*History:*

*Amended by Ord. 175344, effective 8/16/03.*

*Amended by Ord. 182264, effective 10/29/12.*

*Renumbered by Ord. 182264, effective 10/29/12 (prev. 49.7.23).*

*Amended by Ord. No. 183236, effective 10/30/14.*