

Campaign Finance Ordinance

Matching Funds Provisions

◆◆◆ Los Angeles Municipal Code §§ 49.7.1–49.7.23

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Los Angeles Municipal Code
Public Matching Funds

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Los Angeles Municipal Code Chapter IV, Article 9.7
Added by Ordinance No. 165607, effective 4/21/90.

SEC. 49.7.13 Expenditure Ceilings

Amended by Ordinance No. 171498, effective 3/8/97.

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

- A. No candidate for City Council who files a statement of acceptance of matching funds, nor any controlled committee of such candidate, shall make qualified campaign expenditures above the following amounts: \$330,000 per primary election and \$275,000 per general election.
- B. No candidate for Controller who files a statement of acceptance of matching funds, nor any controlled committee of the candidate, shall make qualified campaign expenditures above the following amounts: \$900,000 for the primary election and \$676,000 for the general election.
- C. No candidate for City Attorney who files a statement of acceptance of matching funds, nor any controlled committee of the candidate, shall make qualified campaign expenditures above the following amounts: \$1,013,000 for the primary election and \$788,000 for the general election.
- D. No candidate for Mayor who files a statement of acceptance of matching funds, nor any controlled committee of the candidate, shall make qualified campaign expenditures above the following amounts: \$2,251,000 for the primary election and \$1,800,000 for the general election.
- E. For purposes of this section, primary election includes a special primary election and general election includes a special runoff election.
- F. **"Qualified campaign expenditure"** means:
 - (1) Any expenditure made by a candidate for elective 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 non-monetary contribution provided at the request of or with the approval of the candidate, officeholder or committee controlled by the candidate or officeholder.
 - (3) **"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.

SEC. 49.7.14 Expenditure Ceilings Lifted
Amended by Ordinance No. 168540, effective 3/5/93.

If a candidate who declines to accept matching funds makes qualified campaign expenditures in excess of the expenditure ceiling, or if an independent expenditure committee or committees in the aggregate spend more than \$50,000 in the case of a City Council race, \$100,000 in the case of an election for City Attorney or Controller, or \$200,000 in the case of an election for Mayor, in support of or in opposition to any such candidate, the applicable expenditure ceiling shall no longer be binding on any candidate running for the same office.

SEC. 49.7.15 Notification by Non-Participating Candidate Regarding Expenditure Ceiling Amounts.
Amended by Ordinance No. 175344, effective 8/16/03.

A candidate who declines to receive matching funds shall notify the Ethics Commission by telephone and by confirming telegram, fax or e-mail on the day the candidate raises more than 100% of the applicable expenditure ceiling and again on the day the candidate spends more than 100% of the applicable expenditure limit; the Commission shall notify all other candidates for the same office by telephone, fax or e-mail within one business day.

SEC. 49.7.16 Time Periods for Expenditures

For purposes of the expenditure ceilings, qualified campaign expenditures made at any time up to the date of a primary election shall be considered expenditures for that election, and qualified campaign expenditures made after the date of the primary election shall be considered expenditures for the general or runoff 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 the goods or services are used. Payments for goods and services used during both periods shall be prorated.

SEC. 49.7.17 Compliance Costs
Repealed by Ordinance No. 171498, effective 3/8/97.

SEC. 49.7.18 Candidate Acceptance or Rejection of Matching Funds
Amended by Ordinance No. 175344, effective 8/16/03.

- A. At the time of filing his or her declaration of intention pursuant to City Election Code Section 321, each candidate shall file a statement of acceptance or rejection of matching funds. Within seven (7) days after the final filing date for such declarations, a candidate who had previously filed a statement of acceptance of

matching funds may reject matching funds if another candidate for the same office has rejected matching funds, provided that the candidate returns to the City any matching funds payments received for that election. If a candidate agrees to accept matching funds, the candidate shall comply with the provisions of Section 49.7.13.

- B. Each candidate shall notify the City Ethics Commission by personal delivery, telegram, fax or email on the day the candidate raises, spends or has cash on hand of more than \$50,000 in the case of a candidate for City Council, \$100,000 in the case of a candidate for City Attorney or Controller and \$200,000 in the case of a candidate for Mayor. The notification shall identify whether that amount was raised, spent or is cash on hand. The Commission shall then so notify all other candidates for the same office.
- C. Each matching funds participating candidate shall notify the City Ethics Commission by personal delivery, telegram, fax or e-mail on the day that the amount of the expenditure ceiling established for participating candidates in Section 49.7.13 has been raised, spent by the candidate or once the candidate has cash on hand in that amount. The notification shall be made within 24 hours of the date the amount has been reached.

SEC. 49.7.19 Qualification Requirements

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

Added by Ordinance No. 171498, effective 3/8/97.

- A. In order to qualify to receive matching funds in a primary nominating or special primary election, a candidate shall meet all of the following requirements:
 - 1. The candidate and his or her controlled committee must receive contributions (other than contributions from the candidate or his or her immediate family) of at least \$25,000 in the case of a candidate for City Council, \$75,000 in the case of a candidate for City Attorney or Controller, and \$150,000 in the case of candidate for Mayor. For purposes of this section, a candidate may receive a contribution up to the allowable contribution limits, but only the first \$500 in the case of a candidate for City Attorney, Controller, or Mayor, and the first \$250 in the case of a candidate for City Council, shall count toward the qualification threshold. Only contributions received within the time period before the election as specified in Section 49.7.7, or, if a special election, after the declaration of intention to solicit and raise funds is filed, may be counted for the above thresholds.
 - 2. The candidate is opposed by a candidate running for the same office who has qualified for matching funds or who has raised, spent or has cash on hand of at least \$50,000 in the case of a candidate for City Council, \$100,000 in the case of a candidate for City Attorney or Controller and \$200,000 in the case of a candidate for Mayor.

3. The candidate contributes no more than \$25,000 for the election in the case of a candidate for City Council and no more than \$100,000 for the election in the case of any other candidate from his or her personal funds to the campaign.
 4. Campaign contributions received after an election shall be eligible for matching funds if the contributions were received during the three month period after the election for the purposes of retiring debt incurred during the election campaign. The balance of any outstanding personal loan that is a contribution under Section 49.7.6 are not “debt” for the purposes of this section.
- B. If the City Council has caused certificates of nomination to be issued by the City Clerk to the two candidates receiving the highest number of votes for any given office at the primary nominating election, the candidates shall be eligible in a general election to (1) receive matching funds in the amount of one-fifth of the amount of funds specified in Section 49.7.22 B, not subject to the requirements of Section 49.7.20 (matching funds formula), and (2) receive total matching funds up to the amount specified in Section 49.7.22, subject to the requirements of Section 49.7.20.
- C. In order to qualify for matching funds, a candidate in a primary election must agree in writing to participate in at least one debate with his or her opponents, and a candidate in a general election must agree in writing to participate in at least two debates with his or her opponents.
- D. For the purposes of Subsections A and B, a loan, pledge or a non-monetary contribution shall not be considered a contribution.
- E. A participant may not receive a matching funds payment unless the participant, or his or her controlled committee, has filed all previously due campaign statements required by the Political Reform Act of 1974, as amended, and Section 49.5.15 of this Code, until all such statements are filed.

SEC. 49.7.20 Matching Funds Formula

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

- A. A candidate who is eligible to receive matching funds shall receive payments for contributions received from an individual (other than a contribution from the candidate or his or her family) on the basis of the following formula:

1. For the primary election: One dollar in matching funds for each dollar in contributions while a candidate is attempting to reach the threshold of Section 49.7.19 within twelve months before the date of the election, or if a special election, twelve months before the date of the election or after the candidate filed a declaration of intention to solicit and raise funds, whichever is later. Contributions which qualify for matching funds include: (i) for candidates for Mayor, City Attorney or Controller, only the first \$500 from an individual; (ii) for candidates for City Council, only the first \$250 from an individual.
 2. Upon certification for the general election, each participating candidate shall receive a 1/5th grant of the amount of funds specified in Section 49.7.22 of this Code, not subject to the matching funds requirement detailed in Section 49.7.20 of this Code. The remaining 4/5ths of matching funds available to a candidate shall be provided to the candidate on the basis of the following formula: (i) for candidates for Mayor, City Attorney or Controller, one dollar in matching funds for each dollar in contributions received from an individual, up to the first \$500; or (ii) for candidates for City Council, one dollar in matching funds for each dollar in contributions received from an individual, up to the first \$250, during the periods in which the candidate was allowed to solicit and accept contributions.
- B. For purposes of this section, a loan, pledge, or non-monetary contribution shall not be considered a contribution.
- C. For purposes of this section, a candidate may receive contributions up to the applicable contribution limit, but only the first \$500 of each contribution in the case of a candidate for Mayor, City Attorney or Controller, and the first \$250 in the case of a candidate for City Council, shall be matched.

SEC. 49.7.21 Candidate Request for Payment

- A. The City Ethics Commission shall determine the information needed to be submitted to qualify for payment of matching funds. The Commission shall certify each request for payment of matching funds. A candidate may not request less than \$10,000 in payments at any one time; provided, however, that in the 14 days preceding an election, a candidate may request \$1,000 or more in such payments at any one time.

- B. Any candidate who knowingly or willfully makes a request for any payment of matching funds that is false, or who misrepresents the contributions received by him or her or by his or her controlled committee, is guilty of a misdemeanor and, if such is deemed appropriate under the circumstances shall be removed from office. Any candidate who knowingly, willfully or negligently makes a request for any payment of matching funds that is false, or who knowingly, willfully or negligently misrepresents the contributions received by him or her or by his or her controlled committee, shall return all matching funds received as a result of such request.

SEC. 49.7.22 Maximum Funds Available to Candidate

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

- A. **Primary Election.** Except as provided in Subsection C, no candidate shall receive matching funds in excess of the following amounts for a primary election: \$100,000 in the case of a candidate for City Council; \$267,000 in the case of a candidate for Controller; \$300,000 in the case of a candidate for City Attorney; and \$667,000 in the case of a candidate for Mayor.
- B. **General Election.** Except as provided in Subsection D, no candidate shall receive matching funds in excess of the following amounts for a general election: \$125,000 in the case of a candidate for City Council; \$300,000 in the case of a candidate for Controller; \$350,000 in the case of a candidate for City Attorney; and \$800,000 in the case of a candidate for Mayor.
- C. **Primary Election — Accelerated Matching Funds — Personal Funds.** Any candidate who has filed a declaration pursuant to Section 48.7.18 A., and who has qualified to receive matching funds pursuant to Section 49.7.19 in the primary election, shall become eligible to receive, from that point forward, three dollars in public funds for each eligible dollar in contributions received, when any non-participating candidate in the same race contributes an amount of personal funds greater than or equal to 50 percent of the spending limit and spends in excess of the spending limit for participating candidates in that race.
- D. **General Election — Increased Matching Funds.** Any participating candidate who has qualified to receive matching funds in the primary election may qualify to receive total matching funds in the general election up to the following amounts: \$1,000,000 in the case of a candidate for Mayor; \$420,000 in the case of a candidate for City Attorney; \$360,000 in the case of a candidate for City Controller; \$150,000 in the case of a candidate for City Council when any of the following occur:
 - 1. Any non-participating candidate in the same race contributes an amount of personal funds greater than or equal to 50 percent of the spending limit and exceeds the spending limit in that race;

- 2. Non-candidate spending is made to support any other candidate in the same race in the following aggregate amounts: \$200,000 in the case of a candidate for Mayor; \$100,000 in the case of a candidate for City Attorney or Controller; \$50,000 in the case of a candidate for City Council; or
 - 3. Non-candidate spending is made in opposition to his or her election in the following aggregate amounts: \$200,000 in the case of a candidate for Mayor; \$100,000 in the case of a candidate for City Attorney or Controller; \$50,000 in the case of a candidate for City Council.
- E. When a participating candidate becomes eligible to receive additional matching funds as provided in Subsection D, that candidate may receive matching funds from that point forward at the rate of three dollars in public funds for each eligible dollar in contributions received, up to the maximum amount allowed in Subsection D. Only the part of the claim that does not exceed the maximum amount shall be paid.

SEC. 49.7.23 Payments to Candidates

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

The Controller shall make matching funds payments in the amount certified by the City Ethics Commission. Payments shall be made no later than four working days after receipt by the Commission. If the Commission determines the money available for matching fund purposes is not, or may not be, sufficient to satisfy the full entitlement of the eligible candidates, the Commission shall notify the Controller to withhold sufficient amounts, as determined by the Commission, as may be necessary to assure that each eligible candidate will receive a pro rata share of their entitlement. The amounts withheld shall be paid when the Commission determines that there is sufficient money to pay the amounts or portions of the amounts.

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