Information for Contributors

To encourage a broader participation in the political process and prevent undue influence of large donors, citizens of the City of Los Angeles voted in 1985 to place limits on the amount any person may contribute to a City of Los Angeles candidate or elected official.

This brochure explains the laws related to making a contribution to a candidate running for Mayor, City Attorney, City Controller or City Council in the City of Los Angeles.

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City Ethics Commission

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Contact the Commission with questions about the City’s campaign finance laws.
HOW MUCH MAY I CONTRIBUTE?

The "Per Person" Limit.

A "person" is any individual, proprietorship, firm, partnership, company, corporation, LLC, joint venture, syndicate, business trust, association, committee, and any other organization or group of persons acting in concert. (Govt. Code § 82047). A person may legally contribute to City of Los Angeles candidates up to the following amounts:

**City-wide office candidate** (Mayor, City Attorney or Controller): $1,000 per election. (Charter § 470(c)(4)).

**City Council candidate**: $500 per election. (Charter § 470(c)(3)).

The primary and general elections are considered separate elections. (Govt. Code § 82022).

**Example:**
Say you give City Council candidate Figueroa a maximum contribution of $500 for the primary election. You may also legally contribute up to $500 to candidate Figueroa in connection with the *general* election, if Figueroa receives enough votes to participate in a runoff.

"In-kind" contributions and loans to a candidate are subject to the contribution limits. An in-kind (or "non-monetary") contribution occurs when a contributor pays for a campaign expenditure directly (e.g., you pay the florist for table arrangements for a candidate’s fundraising event) or provides free or discounted goods or services (Govt. Code § 82015). In-kind contributions are valued at their fair market value. Please note that providing *volunteer personal services* is not considered a campaign contribution.

**Important:** To ensure that you do not exceed the contribution limit, see page 3 for circumstances in which multiple contributions you and/or your business(es) make are aggregated.

"How Much May I Contribute?"
The "Cumulative" Limit.

Contributions you make to all candidates in an election are limited by law.

The City Charter places a limit on the amount of combined contributions a person may make to all candidates running for all offices in each election. For the 2005 primary election, the total amount you may contribute to all candidates combined in that election is $7,000.* The cumulative limit in the general election will depend on the number of seats on the ballot for that election.

While in some races during an election the “per person” contribution limits described above may be raised under certain circumstances, this cumulative limit is not raised. (Charter § 470(c)(6)).

*This amount is determined by a formula using the number of offices on the ballot and therefore, changes for every election. The formula is: ($500 x the number of Council seats) plus ($1,000 x the number of City-wide office seats). In the 2005 primary, there are eight Council seats and three City-wide office seats on the ballot.

Important: To ensure that you do not exceed the contribution limit, see page 3 for circumstances in which multiple contributions you and/or your business(es) make are aggregated.

Example:
In connection with the 2005 primary election, Jane Contributor gives $500 each to five candidates running for Council seats X, Y and Z for a total of $2,500. Additionally, she chooses to give $900 to five different candidates running for Mayor, which total $4,500. Jane’s total combined contributions of $7,000 to all candidates in the election does not exceed the cumulative limit. However, since she has reached this limit, she may not make any additional contributions to candidates during this primary election.

“How Much May I Contribute?”
Important: Contributions are Aggregated.*

So that contribution limits are not circumvented, two or more contributions are considered to originate from a single source under certain circumstances.

Contributions from an **individual and his or her business** are considered from one source if the individual's business is a sole proprietorship or a corporation, LLC, partnership or other venture in which he or she owns at least 50% or has the majority of voting rights.

Contributions from **two entities** are considered from one source if one entity controls the other's contribution or expenditure activity or if the entities:

- share a majority of members of the board of directors, OR the same majority shareholder and/or member that holds the majority of voting rights, OR a majority of the same officers;
- are a sponsored committee and its sponsoring organization;
- have any parent or subsidiary relationship, provided that at least one of the corporations is not publicly traded. (L.A.M.C. § 49.7.2).

Separate contributions by a **husband and wife** are not aggregated (if using one check, both signatures must appear on the joint account check or a signed statement indicating that the contribution is from both spouses must be included). Contributions from **children under 18** are treated as contributions attributed equally to each parent or guardian. (L.A.M.C. § 49.7.3)

**Example:**

As the sole proprietor of a restaurant you give a $300 contribution to City Council candidate Alameda. You may not make additional contributions to Alameda that total more than $200 from your personal or your restaurant's bank accounts combined because these contributions are aggregated for purposes of the $500 contribution limit.

* Please see L A Municipal Code § 49.7.2 for complete information on aggregation of contributions. (Available under “Laws” at http://ethics.lacity.org.)
HOW TO MAKE A CONTRIBUTION

If you choose to be politically active by making campaign contributions to City of Los Angeles candidates, you may do so legally by following these provisions of state and City laws:

• **Contribute within the legal limits** (see “How Much May I Contribute” on pages 1, 2 and 3).

• **Give no more than $25 in cash**. Any contribution greater than $25 must be made by written instrument (e.g., check, money order) or credit card. (Charter § 470 (d)).

• **Make contributions of $100 or more on imprinted checks or by credit card**. State law requires a monetary contribution of $100 or more to be made by an imprinted check that: a) contains your name (or the name of the intermediary); b) contains the name of the payee; and c) is drawn from your (or the intermediary’s) account. Contributions of $100 or more made by cashier’s or travelers check are unlawful. (Govt. Code § 84300 (c)). You may, however, make contributions up to the legal limit using your credit card.

• **Provide your name, address (including zip code), occupation, and the name of your employer, or your business name if self-employed to the candidate committee**. If you work as a homemaker or are retired, you should so indicate.

• **Make the contribution in your own name**. It is illegal to make a contribution using someone else’s name or by reimbursing others for their contributions. If asked to use another’s name or you are offered reimbursement for your contribution, please call the City Ethics Commission.

“How To Make a Contribution”
Using an Intermediary to Make a Contribution.

An "intermediary" is a person who receives money from a third party and who then writes the check to make a contribution to a candidate at the request and on behalf of that third party. If you use an intermediary to make a contribution, you must ensure that your name, address, occupation and employer information, as well as the same information for the intermediary, are provided with the contribution to the candidate’s committee. Failure to disclose the true source of a contribution is referred to as "political money laundering," and strict penalties apply.

Do I Have Reporting Requirements?

Campaign contributors generally do not have reporting requirements other than providing the candidate’s committee with their name, address, occupation and employer information. State law, however, requires "Major Donors," those who contribute $10,000 or more to all candidates or political committees within California during a calendar year, to file disclosure statements with either the state, county, or City depending on whether state, county, or City candidates receive the contributions. (Govt. Code § 82013 (c)).

Contributions to “Officeholder Accounts”

An elected Los Angeles City officeholder may establish a committee to raise and spend limited amounts for conducting specified government duties. A person may not contribute more than $500 per fiscal year (July 1 - June 30) to any single Councilmember’s officeholder committee. The limit on a contribution to the officeholder committee of the Mayor, City Attorney or City Controller is $1,000 per fiscal year. These contributions do not count toward the cumulative limit discussed above for campaign committees. (L.A.M.C. § 49.7.12)
**PROHIBITED CONTRIBUTIONS**

- **No Contributions in Exchange for Action:** It is illegal to ask for a political contribution in exchange for an official action. For example, if you are applying for a permit or a license, and someone tells you that you must make a contribution to receive favorable treatment or you are asked to pay in cash, DO NOT PAY. You should not be pressured into making any political contribution. If you are pressured or threatened, contact the City Ethics Commission.

- **No Contributions by Foreign Nationals:** Federal law prohibits foreign nationals from contributing to political campaigns. A "foreign national" includes any person who is not a citizen of the United States or does not have legal permanent residency status, and any corporation or organization that has a foreign country as its principal place of business. (2 U.S.C. § 441 e). However, any immigrant may legally contribute if he or she has been issued a "green card" indicating lawful permanent resident status.

- **No Contributions in City Buildings:** Contributions may not be received or delivered in City Hall, any other City owned building, or any building in which the City pays the majority of the rent. (L.A.M.C. § 49.7.8 C)

- **No Soliciting Contributions from City employees:** No one may knowingly solicit contributions from City of Los Angeles officers and employees. (Govt. Code § 3205; L.A.M.C. § 49.7.8 A)

- **No Contributions Made Using Another Person’s Name or by Reimbursing Others for Contributions They Have Made.** (Charter § 470(k))
What if I have Questions about Making Contributions to City of Los Angeles Candidates?

City Ethics Commission staff members are happy to answer your questions. Please call (213) 978-1960 Monday through Friday, 8:00 a.m. to 5:00 p.m. or email us at cec@ethics.lacity.org.

Common Questions:

Question: How can my wife and I make a contribution using our joint checking account? Since both names are imprinted on the check, doesn’t that mean that the contribution is from us both?

The contribution is presumed to be from the person who actually signs the check. If only one signature line exists, both spouses may sign and attach a note indicating that the contribution is from both husband and wife. The contribution amount will be attributed equally unless otherwise stated in the note.

Question: When providing contributor information with my contribution, may I use a post office box as my address?

State law requires a street address. You may use your business address; however, don’t forget to include the zip code as required. Committees may not deposit contributions without the required contributor information. Further, for candidates participating in the City’s Matching Funds Program, contributions will not be “matched” unless full contributor information is on file.

Not Sure a Contribution is Legal?

If you are not sure whether a contribution is legal or are feeling pressured to make a contribution, please call the Commission during business hours at (213) 978-1960. If you would like to file a complaint, you may also use the 24-hour toll free hotline at (800) 824-4825 to leave a message. All complaints are confidential.