

CHARTER AMENDMENT AND ORDINANCE PROPOSITION R

COUNCILMEMBER TERM LIMITS OF THREE TERMS; CITY LOBBYING, CAMPAIGN FINANCE AND ETHICS LAWS

Section 1. Section 206 of the Los Angeles City Charter is amended to read:

Sec. 206. Term Limits.

No person may serve more than two terms of office as Mayor. No person may serve more than two terms of office as City Attorney. No person may serve more than two terms of office as Controller. No person may serve more than ~~two~~ three terms of office as member of the City Council. These limitations on the number of terms of office shall apply only to terms of office that began on or after July 1, 1993. These limitations on the number of terms of office shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than one-half of the full term of office.

Sec. 2. Subsection (c) of Section 470 of the Los Angeles City Charter is amended by adding a new Subdivision (11) to read:

(11) No elective City officer or candidate for elective City office, nor any of his or her City controlled committees, shall solicit or accept any contribution to the officer or candidate, or to any of his or her City controlled committees, from any lobbyist or lobbying firm registered to lobby the City office for which the candidate is seeking election, or the current City office, commission, department, bureau or agency of the candidate or officer. No person required by ordinance to be registered as a lobbyist or lobbying firm shall make any contribution to an elective City officer or candidate for elective City office, or to any of his or her City controlled committees, if the lobbyist or lobbying firm is required by ordinance to be registered to lobby the City office for which the candidate is seeking election, or the current City office, commission, department, bureau or agency of the candidate or officer.

Sec. 3. Subsection (I) of Section 470 of the Los Angeles City Charter is amended to read:

(I) Campaign Expenditures – Uncontrolled by Candidate or Committee. Persons or organizations not subject to the control

of a candidate or committee but who make independent expenditures for or against a candidate or committee shall ~~indicate clearly on any material published, displayed or broadcast that it was not authorized by a candidate or a committee controlled by a candidate~~ comply with the applicable disclaimer requirements established by ordinance.

Sec. 4. Subsection (d) of Section 501 of the Los Angeles City Charter is amended to read:

(d) Qualifications.

(1) No person shall be appointed to a Charter created commission who is not a registered voter of the City. This requirement shall also apply to standing commissions created by ordinance that are advisory to, or manage, a department or office, or perform regulatory functions. This requirement does not apply to commissioners who are elected or who serve *ex officio*.

(2) No person who is required by ordinance to be registered as a lobbyist shall be appointed to a commission whose members are required to file financial disclosure statements pursuant to the California Political Reform Act.

Sec. 5. An ordinance amending the Los Angeles Municipal Code to revise lobbyist registration thresholds, require contractors to certify compliance with the City's lobbying laws, restrict registered lobbyists from making gifts to City officials, extend post-employment lobbying restrictions for elected City officers, require ethics training for City officials and revise regulations regarding independent expenditures and campaign communication disclaimers, is adopted as follows:

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 48.02 of the Los Angeles Municipal Code is amended to revise the definition of "Lobbying firm" to read:

"Lobbying firm" means any entity, including an individual lobbyist, which receives or becomes entitled to receive ~~\$4,000~~ \$1,000 or more in monetary or in-kind compensation for engaging in lobbying activities (either personally or through its agents) during ~~a calendar quarter~~ any consecutive three-month period, for the purpose of attempting to influence municipal legislation on behalf of any

other person, provided any partner, owner, shareholder, officer or employee of the entity qualifies as a lobbyist. Compensation does not include reimbursement of or payment for reasonable travel expenses. An entity receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this article or is received for other activities as well; however, only that portion of compensation received for the lobbying activities shall count toward the qualification threshold. An entity “**becomes entitled to receive compensation**” when the entity agrees to provide services regulated by this article, or performs those services, whether or not payment is contingent on the accomplishment of the client’s purposes.

Sec. 2. Section 48.02 of the Los Angeles Municipal Code is amended to revise the definition of “Lobbyist” to read:

“**Lobbyist**” means any individual who ~~receives or becomes entitled to receive at least \$4,000 in monetary or in-kind compensation for engaging~~ is compensated to spend 30 or more hours in any consecutive three-month period engaged in lobbying activities which include at least one direct communication with a City official or employee, conducted either personally or through agents, for the purpose of attempting to influence municipal legislation on behalf of any person, ~~during any calendar quarter.~~

Compensation does not include reimbursement of or payment for reasonable travel expenses. A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this article or is received for both lobbying activities and other activities as well. However, only the compensation for the lobbying activities shall be calculated to determine whether an individual qualifies as a lobbyist. An individual “**becomes entitled to receive compensation**” when the individual or the entity in which the individual is an employee, partner, owner, shareholder or officer, agrees to provide services regulated by this article, or performs those services, regardless of whether payment is contingent on the accomplishment of the client’s purposes.

A lobbyist includes a person who owns an investment in a business entity if that person attempts to influence municipal legislation on behalf of the business entity and if

the person acquires the investment as compensation for his or her lobbying services or in contemplation of performing those services.

Sec. 3. A new Subsection H is added to Section 48.09 of the Los Angeles Municipal Code to read:

H. Contract Bidder Certification of Compliance With Lobbying Laws.

Any bidder for a contract, as those terms are defined under the Contractor Responsibility Program provided for in Los Angeles Administrative Code Section 10.40.1, shall submit with its bid a certification, on a form proscribed by the City Ethics Commission, that the bidder acknowledges and agrees to comply with the disclosure requirements and prohibitions established in the Los Angeles Municipal Lobbying Ordinance if the bidder qualifies as a lobbying entity under the Ordinance. The exemptions contained in Los Angeles Administrative Code Section 10.40.4 shall not apply to this subsection. Each City department shall include a copy of the Municipal Lobbying Ordinance in each invitation for bids, request for proposals, request for qualifications or other solicitation related to entering into a contract with the City.

Sec. 4. Subdivision 4 of Subsection A of Section 49.5.10 of the Los Angeles Municipal Code is amended to read:

4. No lobbyist or lobbying firm shall make, and no City official shall accept, any gift from a lobbyist or lobbying firm which is a restricted source as to that official. ~~The prohibition of this subdivision shall not apply to gifts of office or other hospitality, or other gifts of nominal value, so long as the cumulative value of such gifts from a single source does not exceed \$25 during any calendar year.~~

Sec. 5. Subsection D of Section 49.5.11 of the Los Angeles Municipal Code is amended to read:

D. For two years after leaving City service, no former elected City officer who left City service on or after January 1, 2007 shall, for compensation, engage in direct communication with any agency for the purpose of attempting to influence any action or decision on any matter pending before an agency on behalf of any person other

than an agency. For one year after leaving City service, no other former elected City officer, member of the City Ethics Commission or other former high level official shall, for compensation, engage in direct communication with any agency for the purpose of attempting to influence any action or decision on any matter pending before an agency on behalf of any person other than an agency.

Sec. 6. A new Section 49.5.18 is added to Article 9.5 of the Los Angeles Municipal Code to read:

Sec. 49.5.18. Ethics Training.

All City officials are required to participate in an ethics training no less than once every two years conducted by the City Ethics Commission, in partnership with the Office of the City Attorney. These training sessions shall be structured to assure that each participant has the knowledge to comply fully with all of the relevant ethics laws governing their service to the City of Los Angeles.

Sec. 7. Section 49.7.26 of Article 9.7 of the Los Angeles Municipal Code is amended to read:

Sec. 49.7.26. Notice of Payments for Independent Expenditures and Non-Behested Member Communications.

A. Disclosure of Payments. Any person, including any committee, that makes or incurs independent expenditures of \$1,000 or more in support of or in opposition to any City measure or candidate for elective City office, or one or more payments for member communications, as defined by this article, totaling \$1,000 or more in support of or in opposition to a candidate for elective City office or City measure, shall notify the City Ethics Commission within 24 hours by certified mail or fax or e-mail each time one or more payments, which meet this threshold, are made.

B. Contents of Notice. The notification shall consist of a declaration specifying each candidate or measure ~~who was~~ supported or opposed by the expenditure, the amount spent to support or oppose each candidate or measure, whether the candidate or measure was supported or opposed, and that the expenditure was not behested by the candidate or candidates who benefited from the expenditure.

This declaration shall be made under penalty of perjury and signed by the person or officer and the treasurer of the group making the expenditure. In addition, the date and amount of the payment, a description of the type of communication for which the payment was made or incurred, the name and address of the person making the payment, the name and address of the payee, and a copy of the mailing or advertisement, or a copy of the script or recording of the call, transmission, or advertisement, shall also be provided to the Commission. The notification also shall include disclosure of contributions of \$100 or more received by the committee since the day after the closing date of the committee's last campaign disclosure report filed with the Commission or since the first day of the current calendar year, whichever date occurs later; however, contributions that are received, but earmarked for any other candidate or ballot measure outside the City of Los Angeles need not be disclosed. The notification also shall include disclosure of contributions of \$100 or more made in the current calendar year by the person to City candidates, their controlled committees, committees primarily formed to support or oppose City measures, and City general purpose recipient committees.

C. Notification to Candidates of Expenditures.

City Ethics Commission staff will notify all candidates by phone, fax or e-mail in the affected race within one business day after receiving the notice of payments for independent expenditures and uncoordinated member communications of \$1,000 or more. The notification will indicate the candidate who was supported or opposed by the expenditure as indicated on the signed declaration and include a copy of the communication provided by the person or group making the expenditure.

~~**D. Additional Notification Required.** Any person that makes or incurs independent expenditures of more than \$10,000 in support of or opposition to a candidate for elective City office, and any person that makes or incurs one or more payments for member communications as defined by this article, totaling more than \$10,000 in support of or opposition to a candidate for elective City office shall notify the City Ethics Commission in accordance with the reporting schedule for the primary or general election for which payments are made, and no later than seven days prior to the primary or general municipal election, with a closing date of the previous Friday and covering activities and payments~~

~~through that date. For purposes of this ordinance, the notification shall contain all information required by Government Code Section 84211, and shall report all contributions received on or after the date a candidate for City office begins to fundraise, all expenditures and payments within the meaning of California Government Code Section 85312 made or incurred on or after the date a candidate for City office begins to fundraise, in support of or opposition to candidates for elective City office.~~

DE. Exemption for Regularly Published Newsletters. For purposes of the notification required in Subsection A., payments by an organization for its regularly published newsletter or periodical, if the circulation is limited to the organization's members, employees, shareholders, other affiliated individuals and those who request or purchase the publication, shall not be required to be reported.

EF. Copies of Communications – Delivery to the City Ethics Commission and Disclosure of Communications. Any committee, including but not limited to a candidate controlled committee and an independent expenditure committee, that makes or incurs payments for 1,000 or more recorded telephone calls or any other forms of electronic or facsimile transmission of substantially similar content, or that makes or incurs expenditures of \$1,000 or more for a radio or television advertisement, in support of or opposition to any candidate(s) for elective City office, shall send a copy of the script or recording used for each communication to the Ethics Commission within 24 hours of the first time the calls, transmissions, or advertisements are made or aired.

Sec. 8. Section 49.7.26.3 of Article 9.7 of the Los Angeles Municipal Code is amended to read:

Sec. 49.7.26.3. Disclosure on Voter Communications Disclaimers on Campaign Communications.

~~**A.** Any person or committee that makes an independent expenditure of \$1,000 or more for a broadcast or mass mailing advertisement that advocates the election or defeat of a candidate for City elective office or any ballot measure must disclose the name of any contributor or \$25,000 or more to the committee in the six months prior to~~

~~the date of that payment. This information shall be printed clearly and legibly in no less than 12-point type and in a contrasting color to the background on which it appears in all materials published or displayed. If the communication is broadcast or otherwise spoken, the name of any contributor of \$25,000 or more to the committee in the six months prior to the date of that payment shall be disclosed throughout the advertisement. Payments of \$25,000 or more that are earmarked for any other candidate or ballot measure outside of the City of Los Angeles need not be disclosed.~~

~~**B.** In addition to the requirements set forth in Charter Section 470(l), an advertisement, call, mailer, or other communication paid for by a non-candidate committee shall include the full name of the committee in all materials published, transmitted, displayed, or broadcast. If an acronym is used to specify any committee names, the full names of any sponsoring organization of the committee shall be printed on print advertisements, spoken in broadcast advertisements, or included in the script of a live or recorded telephone call.~~

A. Any candidate or committee that pays for a campaign communication shall print, display or incorporate the following words anywhere within the communication: "Paid for by" immediately followed by the name, address and city of that candidate or committee. If the sender of a mass mailing is a controlled committee, the name of the person controlling the committee shall also be included. If an acronym is used to specify a committee name, the full name of any sponsoring organization of the committee shall be included in the campaign communication disclaimer required by this section.

B. Additional Requirements For Campaign Communications Funded By Independent Expenditures.

1. Campaign communications funded by an independent expenditure supporting or opposing City candidates shall include the phrase "Not authorized by a City candidate," and shall also include the name of any contributor of \$25,000 or more to a committee funding the independent expenditure in the six months prior to the date of that payment in the phrase "Major Funding Provided By [Name of Contributor(s)]." Payments of \$25,000 or more that

are earmarked for any other candidate or ballot measure outside of the City of Los Angeles need not be disclosed.

2. Campaign communications funded by an independent expenditure supporting or opposing City measures shall include the name of any contributor of \$25,000 or more to a committee funding the independent expenditure in the six months prior to the date of that payment in the phrase "Major Funding Provided by [Name of Contributor(s)]." Payments of \$25,000 or more that are earmarked for any other candidate or ballot measure outside of the City of Los Angeles need not be disclosed.

C. The disclosures required by this section shall be presented in a clear and conspicuous manner to give the reader, observer or listener adequate notice, as specified below:

1. For printed campaign communications that measure no more than twenty-four inches by thirty-six inches, all disclosure statements required by this section shall be printed using a typeface that is easily legible to an average reader or viewer, but is not less than 12-point type in contrasting color to the background on which it appears. For oversize printed campaign communications, all disclosure statements shall constitute at least five percent of the height of the material and printed in contrasting color.

2. For video broadcasts including television, satellite and cable campaign communications, the information shall be both written and spoken either at the beginning or at the end of the communication, except that if the disclosure statement is written for at least five seconds of a broadcast of thirty seconds or less or ten seconds of a sixty second broadcast, a spoken disclosure statement is not required. The written disclosure statement shall be of sufficient size to be readily legible to an average viewer and air for not less than four seconds.

3. For audio, telephone call or radio advertisement campaign communications, the disclosures shall be spoken in a clearly audible

manner at the same speed and volume as the rest of the telephone call or radio advertisement at the beginning or end of the communication and shall last at least three seconds. The requirement of Subsection A shall be satisfied by using the words "on behalf of" immediately followed by the name of the candidate or committee that pays for the communications.

D. For purposes of this section, "campaign communication" means any of the following items:

1. More than 200 substantially similar pieces of campaign literature distributed within a calendar month, including but not limited to mailers, flyers, facsimiles, pamphlets, door hangers, e-mails, campaign buttons 10 inches in diameter or larger, and bumper stickers 60 square inches or larger;

2. Posters, yard or street signs, billboards, supergraphic signs and similar items;

3. Television, cable, satellite and radio broadcasts;

4. Newspaper, magazine, internet website banners and similar advertisements;

5. 200 or more substantially similar live or recorded telephone calls made within a calendar month.

E. For purposes of this section, "campaign communication" does not include: small promotional items such as pens, pencils, clothing, mugs, potholders, skywriting or other items on which the statement required by this section can not be reasonably printed or displayed in an easily legible typeface; communications paid for by a newspaper, radio station, television station or other recognized news medium; and communications from an organization to its members other than a communication from a political party to its members.

F. Campaign communications must be amended when a new person qualifies as a disclosable contributor or when the committee's name changes. Broadcast

advertisement disclosures must be amended within five calendar days after a new person qualifies as a disclosable contributor or a committee's name changes. A committee shall be deemed to have complied with this section if the amended advertisement is mailed, containing a request that the advertisement immediately be replaced, to all affected broadcast stations by overnight mail no later than the fifth day. For printed campaign communications and other material, disclosure information must be amended to reflect accurate disclosure information every time an order to reproduce the communication is placed.

Sec. 6. Severability. If any provision of this measure or its application to any person, property or circumstances, is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this measure or the application of those provisions to other persons, property or circumstances, which can be implemented without the invalid provisions and to this end, the provisions of this measure are declared to be severable.