



COUNTY OF LOS ANGELES  
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ANDREA SHERIDAN ORDIN  
County Counsel

July 26, 2011

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

10 July 26, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**AMEND COUNTY'S CAMPAIGN FINANCE ORDINANCE  
(ALL DISTRICTS)(4 VOTES)**

**SUBJECT**

Our office recommends that your Board amend Chapter 2.190 of the Los Angeles County Code, the County's Campaign Finance Laws ("Prop B"). These recommended amendments reflect changes in case law interpreting similar campaign finance regulations and cost of living adjustments to the ordinance's contribution limits.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve for introduction, waive reading, and place on a future agenda for adoption the accompanying ordinance amending Chapter 2.190, as follows:
  - Increase existing individual contribution limits to \$300 for candidates who do not accept limits on campaign expenditures and to \$1,500 for candidates who do accept such limits, and increase limits on contributions to officeholder and attorney fee accounts to \$1,500;
  - Apply contribution limits to campaign contributions from political action committees (PACs) and place an aggregate \$150,000 cap per election cycle on those contributions;
  - Subject campaign contributions from political parties to a \$6,500 contribution limit per candidate per election cycle;
  - Apply contribution limits to inter-candidate transfers; and

- Require intra-candidate transfers to be attributed to individual contributors on a last-in, first-out accounting basis.
2. Authorize the Director of Registrar-Recorder/County Clerk or his designee, in conjunction with County Counsel, to create guidelines for implementation of any administrative processes required to carry out the intent of the attached amendment.

### **PURPOSE/JUSTIFICATION FOR RECOMMENDED ACTION**

Prop B, the Los Angeles County Campaign Finance Ordinance, was approved by the voters in 1996 to regulate campaign contributions to candidates for elective County offices. The Board declared that the intent of Prop B was to reduce the opportunity for corruption of the political process by establishing rules of conduct. The ordinance has not been amended since adoption in 1996, although section 2.190.150 allows the Board to amend in specific circumstances. Approval of the recommended action will bring the County's campaign finance ordinance in conformity with recent case law by increasing individual contribution limits, setting contribution limits for PACs and political parties, and placing appropriate regulatory measures on inter- and intra-candidate transfers.

### **FISCAL IMPACT/FINANCING**

There is a potential impact to the Registrar-Recorder/County Clerk's budget for additional administrative processes that take place during the election cycle, including attribution for potential intra-candidate transfers and for a periodic review of contribution limits. This impact cannot currently be estimated as it is unclear the number of transfers, and corresponding additional administrative work, which might occur.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Prop B allows for amendment of the ordinance by four-fifths vote of your Board within certain parameters, including where the amendment is necessary to make the ordinance consistent with state law or judicial action interpreting a similar law or to increase the various contribution limits to reflect increases in the cost of living.

The recommended increase in the various contribution limits was calculated by applying the formula the Fair Political Practices Commission ("FPPC") uses for state elections. That process calls for adjusting the existing limits by multiplying them by the annual California Consumer Price Index ("CPI"), then dividing that figure by the base CPI from 1996 to present, rounding to the nearest one hundred dollars. The Registrar-Recorder/County Clerk, in conjunction with County Counsel, will work to develop

internal policies for periodic reviews of these limits to assist the Board in considering appropriate changes in the future.

The ordinance currently precludes PACs and political parties from making contributions to County candidates. The recommended amendments replace this preclusion and establish reasonable contribution limits on both PACs and political parties, creating a proper balance between First Amendment associational rights and the County's interest in addressing corruption or the perception thereof.

Similarly, the ordinance currently prohibits inter- and intra-candidate transfers. The recommended amendments would now treat inter-candidate transfers the same as individual contributions, thereby placing a reasonable limit on contributions from candidates in different offices. Intra-candidate transfers, the transfer of funds from a candidate's prior campaign account, would be subject to appropriate regulatory measures such as attributing those funds on a last-in, first-out basis. These amendments again, are focused on balancing the First Amendment rights afforded political speech while continuing to promote the ordinance's purpose.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There is no impact on current services anticipated at the present time.

**CONCLUSION**

Upon approval by your Board, please instruct the Executive Officer, Clerk of the Board to forward one adopted copy of this letter and one adopted copy of the ordinance to the Registrar-Recorder's office.

Respectfully submitted,



ANDREA SHERIDAN ORDIN  
County Counsel

ASO:BMM:DL:htb

Enclosure

c: Chief Executive Officer  
Executive Officer, Board of Supervisors  
Registrar-Recorder/County Clerk