

RESOLUTION

Resolution providing the ballot measure text and the ballot title and question for a Charter amendment to be submitted to the qualified voters of the City of Los Angeles regarding the following subject: Ethics Commission authority and operational independence.

WHEREAS, the City Council wishes to submit the Charter amendment referenced above to the qualified voters of the City of Los Angeles at a Special Election to be consolidated with the City's General Municipal Election and the State General Election held on November 5, 2024; and

WHEREAS, the City Attorney has prepared and presented an impartial ballot title and question for the Charter amendment as required under the City Election Code.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. The Charter amendment attached to this Resolution shall be submitted to the qualified voters of the City of Los Angeles at a Special Election consolidated with the City's General Municipal Election and the State General Election held on November 5, 2024.

Sec. 2. The vote requirement for the Charter amendment to pass is a majority of the votes cast.

Sec. 3. The impartial ballot title and question for the Charter amendment shall be as follows and shall include a letter designation as determined by the City Council in accordance with applicable City and State law:

CITY ETHICS COMMISSION AUTHORITY AND OPERATIONAL INDEPENDENCE. CHARTER AMENDMENT ____.

Shall the City Charter be amended to establish a minimum annual budget for the City Ethics Commission; increase the Commission's authority over spending decisions and hiring matters; allow the Commission to obtain outside counsel in limited circumstances; impose additional qualification requirements on Commission members; require the City Council to hold a public hearing on Commission proposals; and increase penalties for violations of City laws?

Sec. 4. The City Clerk is hereby authorized to make technical and formatting adjustments to the attached Charter amendment as needed to facilitate presentation in ballot materials.

Sec. 5. The City Clerk is hereby authorized and directed to publish a notice containing the proposed Charter amendment and specifying the date of the election for the Charter amendment. The notice shall be published once in a newspaper of general

circulation in the City of Los Angeles, and in each edition thereof during that day of publication.

Sec. 6. The City Clerk is hereby authorized and directed to publish once in a newspaper of general circulation that copies of voter information pamphlets containing the proposed Charter amendment may be obtained upon request in the City Clerk's office. The City Clerk is authorized and directed to prepare and keep in the City Clerk's office a sufficient supply of copies of the voter information pamphlets and to distribute them to persons requesting a copy. Further, the City Clerk is authorized and directed to mail copies of the voter information pamphlets to the qualified voters of the City of Los Angeles.

Sec. 7. The City Clerk shall file a duly certified copy of this Resolution forthwith with the Board of Supervisors and with the Registrar-Recorder of the County of Los Angeles.

I hereby certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting held on _____.

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy

TEXT OF THE PROPOSED BALLOT MEASURE

CHARTER AMENDMENT ____

Section 1. Subsection (b) of Section 700 of the Charter of the City of Los Angeles is amended to read as follows:

(b) **Appointment.** The Mayor, the City Attorney, the Controller, the President of the Council and the President Pro Tempore of the Council shall each appoint one member to the commission. All appointments shall be subject to confirmation by a majority vote of the Council. An appointing authority shall not appoint their relative, a campaign consultant, or a major donor. For purposes of this provision: a relative includes a spouse, domestic partner, child, sibling, or in-law; a campaign consultant includes an individual who has provided compensated advice or services to a political campaign or to a committee controlled by a City officeholder in the prior 12 months; and a major donor includes an individual who has qualified as a major donor under the Political Reform Act in the prior 12 months. A President and Vice President of the commission shall be selected by the commission and shall serve in those capacities as set forth in Section 503.

Sec. 2. Subsection (d) of Section 700 the Charter of the City of Los Angeles is amended to read as follows:

(d) **Qualifications.** Each member of the commission shall be a registered voter of the City. Neither a member of the Commission nor its Executive Director shall seek election to any City office or Los Angeles Unified School District Board of Education office concerning which the commission has made a decision during the term of the commissioner or Executive Director unless the election for that office is to be held at least two years following the expiration of the term of office of the commissioner or Executive Director. ~~During his or her~~ their tenure, neither a member of the commission nor its Executive Director shall:

- (1) hold any other public office;
- (2) participate in or contribute to a City election campaign;
- (3) participate in or contribute to an election campaign for a member of the Los Angeles Unified School District Board of Education;
- (4) participate in or contribute to a City official or member of the Los Angeles Unified School District Board of Education running for any elective office; ~~or~~
- (5) employ or be employed as a person required to register as a lobbyist with the City of Los Angeles;

(6) have an ownership interest in a business (other than stock in a publicly traded company) that contracts with or seeks discretionary approvals from the City; personally provide compensated services to the City under a contract, or seek discretionary approval from the City other than an approval related to their primary residence;

(7) provide compensated advice or services to a political campaign or to a committee controlled by a City officeholder; or

(8) contribute to committees such that the individual qualifies as a major donor as provided under the Political Reform Act.

Sec. 3. Subsections (e) and (f) of Section 700 of the Charter of the City of Los Angeles are amended to read as follows:

(e) **Removal.** A Member of the commission may be removed by the member's appointing authority the Mayor, with the concurrence of the Council by majority vote, or by a two-thirds vote of the Council for substantial neglect of duty, gross misconduct in office, inability to discharge the powers and duties of office, or violation of this Article, after written notice of the grounds on which removal is sought and an opportunity for a reply.

(f) **Vacancies.** Appointments to fill a vacancies on the commission shall be made within 9030 days by the same appointing authority who appointed the prior holder of the position. An appointments to fill a vacancies shall be for the unexpired term of the member whom the appointee succeeds. A vacancy or vacancies shall not impair the right of the remaining members to exercise the powers of the Commission.

Sec. 4. Subsections (a) and (b) of Section 701 of the Charter of the City of Los Angeles are amended to read as follows:

Sec. 701. Executive Director, Commission Staff and Delegation of Authority.

(a) The Commission shall appoint and has the authority to discharge an Executive Director, who shall act in accordance with commission policies and regulations and with applicable law. The Executive Director shall serve at the will of the commission, shall not be subject to civil service provisions, and shall have no property interest in the Executive Director's his or her employment. The commission shall establish a salary range for the Executive Director consistent with other City general managers, considering similar duties and responsibilities, and shall annually set or adjust the salary for the Executive Director from within that range. The salary of the Executive Director shall be set by the Council, subject to approval of the Mayor and shall be based on a recommendation submitted by the Director of the Office of Administrative and Research Services after a review and analysis of the

~~responsibilities and authority vested in the position.~~ The Executive Director shall not serve in that capacity for more than ten years.

(b) The Executive Director shall appoint and has the authority to discharge commission staff members and prescribe their duties. ~~Non-clerical~~ Personnel of the commission shall serve at the will of the Executive Director, shall not be subject to civil service provisions, and shall have no property interest in their employment.

Sec. 5. The heading for Section 703 shall be amended to read as follows:

Rules, Regulations and Proposals

Sec. 6. Subsection (c) of Section 703 of the Charter of the City of Los Angeles is added to read as follows:

(c) Within 180 days after the commission transmits a policy proposal within its jurisdiction to the Council, the Council shall hold a public hearing on the proposal. If the Council does not hold a hearing within the 180-day period, the City Clerk shall schedule the proposal at the next regular meeting of the City Council.

Sec. 7. Subsection (b) of Section 706 of the Charter of the City of Los Angeles is amended to read as follows:

(b) **Findings of Probable Cause; Administrative Enforcement.** If the Executive Director of the commission ~~or the Executive Director's designee~~ determines that there is probable cause to believe that a provision of the Charter or City ordinances relating to campaign financing, lobbying, conflicts of interest or governmental ethics has been violated, the Executive Director ~~or the Executive Director's designee~~ shall cause an administrative enforcement accusation to be issued and served. No finding of probable cause shall be made by the ~~commission~~ unless, at least 21 days prior to the ~~Executive Director or the Executive Director's designee's~~ consideration of the alleged violation, the person alleged to have committed the violation is notified of the alleged violation by service of process or registered mail with return receipt requested, is provided with a summary of the evidence, and is informed of ~~their~~~~his~~ or ~~her~~ right to be present in person and represented by counsel at any proceeding held for the purpose of considering whether probable cause exists for believing the person committed the violation. Notice to the alleged violator shall be deemed made on the date of service, the date the registered mail receipt is signed, or, if the registered mail receipt

Sec. 8. Subsections (c) and (d) of Section 706 of the Charter of the City of Los Angeles are amended to read as follows:

(c) **Administrative Hearings, Orders and Penalties.** After an accusation is issued and served, the commission shall cause a public evidentiary hearing to be held to determine if a violation has occurred. When the commission determines on

the basis of substantial evidence presented at the hearing that a violation has occurred, it shall issue an order which may require the violator to:

- (1) cease and desist the violation;
- (2) file any reports, statements or other documents or information required by law; and/or
- (3) pay a monetary penalty to the General Fund of the City of up to five fifteen thousand dollars (\$15,000 5,000) for each violation, adjusted annually to reflect changes to the Consumer Price Index, or three times the amount which the person failed to report properly or unlawfully contributed, expended, gave or received, whichever is greater. When the commission determines that no violation has occurred, it shall publish a declaration so stating.

(d) **Referrals Between Agencies.** Regardless of whether the Executive Director or designee makes a formal determination concerning probable cause, the matter may be referred to another appropriate agency for purposes of enforcement.

Sec. 9. Section 708 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 708. Legal Services.

The City Attorney shall provide legal services to the commission, except that, notwithstanding Section 275, the commission may retain its own legal counsel to provide advice to the commission and to take such action as the commission may direct when necessary under the two circumstances described in this Section. ~~Notwithstanding Section 275, First, independent of the City Attorney, the commission may employ or contract for staff counsel to give advice to the commission and to take such action as the commission may direct on matters that which directly involve the conduct of the City Attorney, the City Attorney's his or her office, or the City Attorney's his or her election campaign. Second, the commission may retain its own legal counsel for legal services relating to carrying out the commission staff's responsibilities and duties under Section 706 on a specific investigative or enforcement matter of another elected officer, their office, or their election campaign. In this second circumstance, the commission and the City Attorney shall approve a panel of law firms or attorneys from which the commission may select legal counsel for these services.~~

Sec. 10. Subsections (a), (b) and (c) of Section 710 of the Charter of the City of Los Angeles are amended to read as follows:

(a) Notwithstanding Section 275, when the City Attorney determines that the City Attorney's his or her office has a possible conflict of interest and that the office should not investigate or prosecute an alleged violations of the Charter, City

ordinances or regulations, or statutes relating to campaign financing, lobbying, conflicts of interest or governmental ethics, the City Attorney shall notify the City Ethics Commission, which by a four-fifths vote of all of its members may determine to request the appointment of a special prosecutor to conduct the investigation. A special prosecutor shall not be appointed when it appears from a preliminary investigation that an alleged violation will warrant only an action for civil damages or administrative penalties.

(b) ~~The commission's request for the appointment of a special prosecutor shall be made from a list of special prosecutors to a standing committee composed of three retired judges selected approved~~ by the commission at the beginning of each odd-numbered year. ~~The three judge panel shall name the special prosecutor, who upon appointment,~~ shall have the authority to file and prosecute criminal and civil actions in the name of the People.

(c) ~~Each fiscal year there shall be included in the budget of the City Ethics Commission shall include the sum of five hundred two hundred fifty thousand dollars (\$500,000 250,000) for expenditure to support any special prosecutor appointed pursuant to this section. In the event that all of these funds have been or are likely to be expended before the end of any fiscal year, the commission may request an additional appropriation from~~ the Council ~~for an additional appropriation.~~ Under no circumstance shall the amount appropriated or provided under contract for a special prosecutor exceed ~~five hundred two hundred fifty thousand dollars (\$500,000 250,000) in any fiscal year without Council approval. The Council shall have 30 days (excluding weekends and holidays) following its receipt to accept, reject, or modify a request for additional funds from the commission. If Council does not act within that time period, the request is deemed approved. The Mayor shall act on the Council's action or inaction if the request is deemed approved within five days (excluding weekends and holidays). If the Mayor vetoes the Council's action, the Council shall have five days (excluding weekends and holidays) to override that veto by a two-thirds vote.~~

Sec. 11. Section 711 of the Charter of the City of Los Angeles is amended to read as follows:

Sec. 711. Appropriation and Expenditures.

(a) Starting with the 2025-2026 fiscal year budget, the Council shall appropriate a minimum of six and one-half million (\$6,500,000) dollars for each fiscal year for the commission's annual operating budget. The appropriation amount shall be adjusted each fiscal year based on the change to City's revenues in the prior year. However, adjustment to the commission's annual budget based on the change to City's revenues in the prior year is not required if the Council finds that exigent circumstances exist such that an adjustment should not be made for that fiscal year. The Council shall appropriate funds for the Commission at least one year in advance of each subsequent fiscal year.

(b) The expenditures of the commission shall not require prior approval of City offices or personnel where the expenditures are within the Commission's budget, unless Council makes a finding of exigent circumstances. The commission shall comply with applicable City requirements, procedures, and laws relating to the expenditures.

(c) The commission is not subject to hiring freezes when it operates within its budget, unless the Council makes a finding of exigent circumstances.

Sec. 12. Subsection (a)(13) of Section 1001 of the Charter of the City of Los Angeles is amended to provide that all positions of the Ethics Commission are exempt from civil service and shall read as follows:

(13) The Executive Director and all ~~non-clerical~~ personnel of the City Ethics Commission.

Sec. 13. If any section, clause, sentence, phrase, or portion of this Charter amendment is held unconstitutional or invalid by any court or tribunal of competent jurisdiction, the remaining sections, clauses, sentences, phrases, or portions of this article shall remain in full force and effect, and to this end the provisions of this article are severable. In addition, the voters declare that they would have passed all sections, clauses, sentences, phrases, or portions of this Charter amendment without the section, clause, sentence, phrase or portion held unconstitutional or invalid.