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## **Los Angeles Bans Political Contributions by Developers and Property Owners.**

A new law took effect in the city of Los Angeles on June 8 that prohibits developers, property owners, and their respective principals from making local political contributions while certain planning applications are pending with the City and for 12 months thereafter.

### **Who does the law apply to?**

Any applicant or property owner associated with a “significant planning entitlement” filing in the city of Los Angeles qualifies as a “restricted developer” and is subject to the new restriction. “Significant planning entitlement” is defined broadly, capturing many discretionary applications filed with the Los Angeles Department of City Planning, including zoning issues and general plan amendments.

### **Registration requirement**

On the same day the application for the significant planning entitlement is filed with the Department of City Planning, the applicant is required to file a Restricted Developer Registration with the LA Ethics Commission disclosing general information about the project and application, contact information for the applicant and owner, and the names and titles of their principals, including:

- The applicant’s and the property owner’s board chair, president, CEO, CFO, and COO, as well as any “functional equivalent” of these positions;
- Any person who holds an ownership interest of 20% or more in either the applicant or the property owner; and
- Any person authorized to represent the applicant or property owner before the Department of City Planning with respect to the significant planning entitlement.

An amendment must be filed within 10 business days of the occurrence of any changes to the information disclosed in the Restricted Developer Registration.

### **How will property owners and developers be affected?**

After filing the application and for 12 months after a letter of determination is issued or the decision on the application is final, the applicant, the property owner, and their respective principals are not permitted to make contributions of **any amount** to the mayor, city attorney, or any City Council member, any candidates for those positions, or any of their controlled committees.

If an application is withdrawn or terminated, the restriction applies until the day following such withdrawal or termination.

### **Penalties for noncompliance**

Anyone found in violation may not be listed on another entitlement application for 12 months and is

subject to other penalties established by the Los Angeles Municipal Code. Property owners and developers should understand the risks associated with corporate and personal political activity and implement appropriate compliance programs to manage and mitigate the risks.

*\*The author would like to thank Summer Associate Pavla Ovtchinnikova for her assistance in writing this article.*

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