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CITY AND COUNTY OF SAN FRANCISCO

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JOHN ST. CROIX
EXECUTIVE DIRECTOR

Date: December 3, 2010

To: Members, Ethics Commission

From: John St. Croix, Executive Director
By: Mabel Ng, Deputy Executive Director

Re: Proposed Amendments to the Campaign Consultant Ordinance

In November 1997, the voters of San Francisco approved Proposition G, which requires campaign consultants to register annually and file quarterly activity reports with the Ethics Commission. The first activity reports were due on June 15, 1998 and covered the filing period beginning March 1 and ending May 31, 1998. Since then, the Commission has continued to administer the Campaign Consultant Ordinance ("Ordinance"), now codified as San Francisco Campaign and Governmental Conduct Code ("C&GC Code") section 1.500 et seq.

Based on its administration of the campaign consultant program, staff proposes several amendments to the Ordinance, as discussed below in this memo and summarized in the attached chart. Staff scheduled four and convened three interested persons meetings – at noon on November 29, and at 3 PM and 5 PM on December 1 at 3 PM and 5 PM – to solicit comments on the proposed changes. Invitees, who included past and present campaign consultants, candidates for City elective office in 2010 and potential candidates in 2011, treasurers, and persons on the interested persons' list, were also asked to provide written comments if they were unable to attend the meetings.

In general, staff proposes to adopt an electronic filing system for reporting by campaign consultants, much like the system that was approved for lobbyists under the Lobbyist Ordinance. Campaign consultants will be required to file online on a monthly basis, but the amount of information that they must disclose will be reduced. In addition, the proposals change the economic threshold for qualification as a campaign consultant, modify the registration fees, and eliminate the client fees. The proposed changes also streamline the Ordinance so that the information required to be disclosed actually serves a public purpose.

Because the Ordinance was approved as a voter initiative, any changes to the law must be made by the voters. For this reason, any amendments approved by the Ethics Commission must be presented to the voters for approval. Staff hopes that the amendments will appear on the ballot in November 2011, with the result that the

amendments will take effect on January 1, 2013, which will permit time for the development of an electronic filing system based on the changes.

This memorandum discusses the proposed changes and sets forth 29 decision points for the Commission's consideration.

Discussion and Decision Points

As mentioned above, there are 29 decision points. Staff notes that ten of them address major substantive changes to the Ordinance: Decision Points 2, 3a, 5a, 5b-1, 5b-2, 5d, 6, 8, 9 and 16.

In addition, there are seven decision points relating to deletions from reporting requirements that staff recommends: Decision Points 5f, 5 g, 5 h, 5 I, 5 j, 5k, and 5l. Staff believes that approval of these decision points would greatly simplify and streamline the Ordinance.

The remaining decision points are generally technical in nature.

1. Section 1.500. Findings.

Current section 1.500 contains two findings regarding the purposes of the Ordinance: candidates frequently contract for the services of professional campaign consultants to manage their campaigns, and the people of San Francisco intend to impose reasonable registration and disclosure requirements on consultants so that they could obtain information to make informed decisions and in order to protect public confidence in the electoral and governmental processes.

Staff proposes two additions to section 1.500. The first, new subsection (b), acknowledges that campaign consultants play an influential role in local elections and may use that influence to affect policy decisions of City officials. The second, new subsection (d), states that the goals of the Ordinance would be best served through an electronic online filing system that is user-friendly and that permits members of the public to view conveniently the information submitted by consultants.

Decision Point 1:

Shall the Commission approve the additional findings as set forth in section 1.500(b) and (d) on page 1 lines 16-21, and page 2 lines 3-7 of the draft amendments?

2. Section 1.505. Amendment or Repeal of Chapter.

Staff proposes that the Ordinance be amended so that, in addition to changes made by voters, the Ethics Commission and the Board of Supervisors may make changes to the Ordinance. The proposed language tracks language that appears in the Campaign Finance Reform Ordinance (CFRO), C&GC Code § 1.103, and the Government Ethics Ordinance (GEO), C&GC Code § 3.204.

Decision Point 2:

Shall the Commission approve new section 1.505, as set forth on page 2 lines 8-18 of the draft amendments?

3. Section 1.510. Definitions.

Staff proposes a number of changes to definitions in the Ordinance. Separate decision points are set forth for the more substantive changes; minor changes are combined into one decision point.

a. “Campaign Consultant”: The definition of a campaign consultant is changed from a person or entity that receives or is promised economic consideration of \$1000 or more in a calendar year to an individual or entity that receives or is promised economic consideration of \$5,000 or more in 12 months. Staff recommends changing the threshold from \$1,000 to \$5,000 because very few individuals or entities earn less than \$5,000 for providing campaign consulting services. (Commission records indicate that most campaign consultants earn at least \$10,000 in a 12-month period.) Establishing a threshold of \$5,000 in earnings would ensure that most consultants would be captured, yet at the same time would permit small or grassroots consultants to operate without having to register and disclose information.

Staff recommends changing the word “person” to “individual”: “individual” is distinct from “entity,” whereas “person” could include both an individual and an entity. In the Campaign Finance Reform Ordinance (“CFRO”), S.F. Campaign and Governmental Conduct Code section 1.100 et seq., “person” is defined as “any individual, partnership, corporation, association, firm, committee, club or other organization or group of persons, however organized.” To avoid such confusion, staff recommends replacing the word “person” with “individual” where appropriate in the Ordinance.

Staff has also added the phrase “who do not perform campaign consultant services” to make explicit that employees of a consultant who do not perform campaign consultant services are excluded from the definition of “campaign consultant.”

Decision Point 3a:

Shall the Commission approve the changes to the definition of campaign consultant in section 1.510(a), as set forth on page 2 line 21 to page 3 line 6 of the draft amendments?

b. “Candidate,” “City elective office,” and “measure”: Staff has revised the definitions of “candidate” and “measure” so that they refer to the definitions of the same terms in the CFRO. Staff has also added the term “City elective office” to replace the term “local office,” again referencing the definition in the CFRO. In the CFRO,

- “Candidate” is defined as set forth in the California Political Reform Act, California Government Code section 81000, et seq., but shall include only candidates for City elective office;
- “City elective office” means the offices of Mayor, Member of the Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender, Member of the Board of Education of the San Francisco Unified School District and Member of the Governing Board of the San Francisco Community College District. The Board of Supervisors consists of eleven separate City elective offices, the San Francisco Community College District consists of seven separate City elective offices, and the

Board of Education of the San Francisco Unified School District consists of seven separate City elective offices; and

- “Measure” means any City, San Francisco Unified School District or San Francisco Community College District referendum, recall or ballot proposition, whether or not it qualifies for the ballot.

Decision Point 3b:

Shall the Commission approve the changes to the definition of “candidate” and “measure” in sections 1.510(e) and (g), and add the term “City elective office” in section 1.510(f) as set forth on page 3 lines 20 – 24 and page 4 lines 12-13 of the draft amendments?

c. *“Economic consideration” and “vendor”*: Staff has made clarifying changes to these terms. Payment that campaign consultants receive from their clients to reimburse them for expenses incurred in providing campaign consultant services (such as parking fees, and copying and postage costs) are currently deemed economic consideration. However, money that campaign consultants pay directly to their clients’ vendors for expenses incurred by their clients, (such as funds paid to a printer by a campaign consultant that are subsequently reimbursed by the client) are not economic consideration. See Sutton Advice Letter dated November 5, 2001. The changes in the definition of “economic consideration” conform to the distinctions in the advice letter.

Staff has stricken language that excludes attorneys, accountants and treasurers from the definition of “vendor.” The exclusion of these categories of persons may serve a purpose under current law, which requires consultants to report economic consideration that vendors or sub-vendors provide or promise to them. However, as discussed below, staff proposes to eliminate this particular disclosure provision, so that the term “vendor” appears in the Ordinance only in the definitions of “economic consideration” under section 1.510(g) (discussed in previous paragraph) and “campaign management” under section 1.510(c). “Campaign management” includes selecting a vendor of goods or services for a campaign – staff does not believe that there is a distinction between selecting a printer and an attorney, and that an individual or entity that selects or recommends either may be deemed a consultant if the individual or entity otherwise meets the consultant qualifications.

Decision Point 3c:

Shall the Commission approve the changes to the definition of “economic consideration” and “vendor in sections 1.510(g) and (i), as set forth on page 4 lines 1-4 and lines 14-19 of the draft amendments?

d. *“Lobby,” “lobbyist,” and “local office”*: Staff has deleted these terms from the definitions because they are not used in the Ordinance in any substantive way. The term “lobbyist” appears in section 1.515(a)((4) and the term “lobbying” appears in section 1.565. Both appear as references to the Lobbyist Ordinance; thus, there is no need to define the terms in the Campaign Consultant Ordinance.

Decision Point 3d:

Shall the Commission approve the deletions of “lobby,” “lobbyist” and “local office” from the definitions in section 1.510, as set forth in the deleted text on page 4 lines 5-11 of the draft amendments?

4. Current section 1.510. Prohibitions.

Staff has deleted current section 1.510; however, the general content of the prohibitions appears in new section 1.525, discussed below.

5. Section 1.515. Registration Requirements, Disclosures, Fees, and Termination.

New section 1.515 makes several changes to current section 1.515. The proposed new subsections are discussed first, followed by a discussion of the proposed deleted subsections.

a. Registration Requirements: Section 1.515(a) affirmatively states that campaign consultants must register with the Ethics Commission within five business days of qualifying as a campaign consultant. This clarifies an ambiguity in existing law as to when a consultant must register. Section 1.515(a) also provides that consultants must comply with disclosure requirements imposed by the Ordinance.

In addition to general information currently required at registration, consultants must provide their e-mail address and website address, if any. Consultants must also state whether the consultant, any employee of the consultant, or any employee of the consultant’s employer is required to register as a lobbyist under the Lobbyist Ordinance.

In proposed section 1.515(a)(5), staff has added language to permit the Commission to seek any other information during the registration process that is consistent with the purposes of the Ordinance. This tracks language in current section 1.515(a)(11) that permits the Commission to request any disclosure information that is consistent with the purposes and provisions of the Ordinance.

Staff proposes to delete the requirement that consultants state whether they are required to register with the Tax Collector (current section 1.515(a)(5)) because staff believes that the information is not useful for the purposes of the Ordinance. In addition, consultants will not need to report information about their clients at registration – instead, they will provide such information in their monthly reports. This step tracks the distinction between the registration process and the reporting process in the Lobbyist Ordinance.

Decision Point 5a:

Shall the Commission approve the changes in section 1.515(a) related to the registration of campaign consultants, as discussed above and set forth on page 5 lines 3-21 of the draft amendments?

b. Campaign Consultant Disclosures: Staff proposes that campaign consultants be required to submit information about their activities on a monthly rather than a quarterly basis. Currently, consultants file reports four times a year: March 15, June 15, September 15, and December 15,

for the periods December 1 – February 28, March 1 – May 31, June 1 – August 31, and September 1 – November 30, respectively. *See* § 1.515(e). A change to monthly reporting, which is now required of lobbyists, will ensure that information is available to the public on a more timely basis. Staff proposes that the deadline for disclosures track the deadlines under the lobbyist program; that is, for each calendar month, information must be submitted to the Commission no later than the 15th day following the end of the month. *Note:* If the Commission approves the proposed changes to section 1.515(b) regarding monthly electronic filing, current section 1.540, “electronic filing of statements and reports,” will be deleted as it will no longer serve a purpose.

Decision Point 5b-1:

Shall the Commission approve the changes in section 1.515(b) so that, for each calendar month, campaign consultants are required to submit information no later than the 15th calendar day following the end of the month, as set forth on page 5 lines 22-25 of the draft amendments?

Staff proposes that in addition to the name and business address, telephone number, and email address of each client, the consultant also report the date the client retained and terminated the services of the consultant. The consultant must also check off on a list of the responsibilities to be performed for the client. In addition, the consultant must report the total economic consideration promised by or received from each client.

The consultant, as under current law, must report political contributions; however, the information required to be disclose will be more detailed to disclose the amount of the contribution, the name of the contributor, the date on which the contribution was made, the contributor's occupation, the contributor's employer, or if self-employed, the name of the contributor's business; and the committee to which the contribution was made. This information is consistent with information required in campaign finance disclosure statements under both state and local law and the Lobbyist Ordinance.

Finally, the consultant would be required to provide information about any changes to the registration information provided under section 1.515(a).

Decision Point 5b-2:

Shall the Commission approve changes to require consultants to disclose their clients’ email addresses, the date the client retained and terminated the services of the consultant, a list of their responsibilities for the client, the total economic consideration promised by or received from each client, detailed information about political contributions, and updates on registration information, as discussed above and set forth in section 1.515(b) on page 6 line 1 – page 7 line 11 of the draft amendments,?

If the Commission approves Decision Points 5b-1 and 5b-2, language in current section 1.515(e) related to quarterly reports would no longer be necessary. Thus, staff has proposed to delete text on page 8 line 18 – page 10 line 2. (Some of these provisions are discussed as part of separate decision points under “Proposed Deletions,” below.)

c. Initial Disclosure Report: Proposed section 1.515(c) provides that in the initial monthly disclosure report, the consultant must provide the information required in subsection 1.515(b)(1)-(b)(4) regarding any client from the preceding 12 months. Such information will help provide clarity as to when the person or entity qualified as a campaign consultant under the Ordinance.

Decision Point 5c:

Shall the Commission approve changes to require consultants, in their initial reports, to provide information about their clients and campaign contributions during the past 12 months, as set forth in section 1.515(c) on page 7 lines 14-16 of the draft amendments?

d. Fees: Since the Ordinance's inception, campaign consultants have paid registration fees based on their level of economic activity: those who earn less than \$5,000 per year pay \$50 registration or annual fees; those who earn between 5,000 and \$20,000 per year pay \$200 registration or annual fees; and those who earn more than \$20,000 per year pay \$400 registration or annual fees. In addition, consultants must pay a \$50 fee for each client.

Staff proposes that a flat fee be adopted so that any consultant who earns \$5,000 or more in 12 calendar months must pay a registration fee of \$500. Establishing a flat fee simplifies both administration of and compliance with the Ordinance.

Staff believes that \$500 is a fair and reasonable fee. As mentioned earlier in this memo, the Commission's records indicate that very few individuals or entities earn less than \$5,000 in a calendar year for providing campaign consultant services; most consultants earn at least \$10,000. Thus, staff does not believe that a \$500 fee would create a hardship.

The number of campaign consultants who are registered with the Commission at any given time ranges generally from 20 – 45, with more consultants registered as elections draw near. Staff has estimated that it could cost about \$33,500 per year to administer the Ordinance, which includes advice-giving, notification about upcoming deadlines, intake and receipt of filings, internal audits, production and distribution of quarterly reports, addition/termination of clients, and the issuance of press releases. The amount also includes the cost of the electronic filing system, which must be established and maintained. Based on an estimate of 45 consultants at the \$500 registration fee, the Commission will generate \$22,500, which is approximately 67 percent of the costs of administration of the program. (The costs of administration may go down as electronic filing is established.) In comparison, registration and client fees collected for the campaign consultant program brought in \$16,200 in FY 09-10 and \$6,950 thus far in the current fiscal year.

Staff also proposes to delete the \$50 registration fee for clients. The deletion is consistent with the deletion of client fees under the Lobbyist Ordinance.

Decision Point 5d:

Shall the Commission approve changes to the registration fee and deletion of the client fee, as set forth in section 1.515(d) on page 7 line 17 – page 8 line 9 of the draft amendments?

e. Termination of Registration: New section 1.515(e) provides that the failure of any campaign consultant to pay the annual registration fee by February 1 will constitute a termination of the consultant's registration with the Ethics Commission. It also provides that the Commission is authorized to establish additional processes for the termination of a consultant's registration. These changes track language regarding the termination of registration in the Lobbyist Ordinance.

Decision Point 5e:

Shall the Commission approve changes related to termination of registration, as set forth in section 1.515(e) on page 10 lines 18-22 of the draft amendments?

Proposed deletions:

f. Gifts.

Under current law, consultants must report any gifts that they promised or provided to a local officeholder that totals \$50 or more. See § 1.515(a)(10) and § 1.515(e)(5). However, under the City's conflict of interest laws, officeholders are already barred from receiving any gifts from restricted sources (any person doing business or seeking to do business with the department of the officer, or any person who during the prior 12 months knowingly attempted to influence the officer in any legislative or administrative action). If the consultant is not a restricted source, any gift that totals \$50 must be reported by the officeholder, albeit not until the annual Form 700 is due. Nonetheless, since implementation of the Ordinance, there have only been two reported gifts, one in 1999 for a \$19 box of candy, and one in 2000 for a \$45 luncheon. Hence, staff does not believe that gifting by campaign consultants to officeholders is an issue that warrants continued reporting by consultants.

Decision Point 5f:

Shall the Commission delete the requirement that consultants report any gifts they make to a local officeholder that total \$50 or more, as set forth in the deleted text that appears on page 7 lines 6-7 of the draft amendments?

g. Re-registration: Current section 1.515(b) provides, "Each campaign consultant shall reregister annually no later than January 1st." Under staff's proposed electronic filing program, campaign consultants need to register only once; they remain registered in the filing system until either they fail to pay their annual registration fee or terminate under another approved method. In their monthly reports, they must provide updates of their registration information. Thus, re-registration is no longer necessary.

Decision Point 5g:

Shall the Commission delete the requirement that campaign consultants annually re-register, as set forth in the deleted text that appears on page 7 lines 12-13 of the draft amendments?

h. Client Authorization Statements, Client Termination Statements, and Campaign Consultant Termination Statements: Current section 1.515(d) requires a campaign consultant to submit a written authorization from each client that contracts with the consultant. Current

section 1.515(f) requires a campaign consultant to submit a termination statement within 30 days of when a client terminates the services of the consultant. Current section 1.515(g) requires a consultant to file a statement of termination when the consultant ceases all activity as a consultant. Staff recommends dispensing with all three of these requirements, which are not necessary if an electronic filing system is adopted. Deleting these requirements will also streamline the Ordinance's filing requirements.

Decision Point 5h:

Shall the Commission delete the client authorization, client termination and campaign consultant termination statements, as discussed above and as set forth in the deleted text on page 8 lines 10-17, and page 10 lines 3-17 of the draft amendments?

i. Economic Consideration from Vendors: Under current law, consultants must disclose on a quarterly basis "economic consideration promised to or received by the campaign consultant during the reporting period from vendors and sub-vendors who provided campaign-related goods or services to a current client of the campaign consultant." See § 1.515(e)(6). The Commission has never clarified whether this requirement means that consultants must report reimbursements, commissions, kickbacks or something else. In any event, since its implementation, only six consultants have ever reported anything under this section, none since the fourth quarter of 2003. Because it is not clear what information is required under this provision, staff recommends its deletion.

Decision Point 5i:

Shall the Commission delete the requirement that campaign consultants disclose economic consideration promised to or received from vendors who provided campaign-related goods and services to a client of the consultant, as set forth in the deleted text on page 9 lines 9-11 of the draft amendments?

j. Employment of City Officers and Employees: Under current law, consultants must report "the name of each local officeholder and City employee who is employed by the campaign consultant, or by a client of the campaign consultant at the behest of the campaign consultant, during the reporting period." See § 1.515(e)(7). Staff recommends deletion of this reporting requirement. Except for officers and employees of the Ethics Commission, City officers and employees are not prohibited from serving as campaign consultants, and identifying those that do serves no useful public purpose. Accordingly, staff recommends the deletion of this requirement.

Decision Point 5j:

Shall the Commission delete the requirement that consultants report the names of City officers and employees who are employed by the consultant, as discussed above and set forth in the deleted text on page 9 lines 12-14 of the draft amendments?

k. City Contracts: Current law requires campaign consultants to disclose in their quarterly reports "Each City contract obtained by the campaign consultant during the reporting period, provided that the contract is approved by a local office-holder who is a client of the campaign

consultant.” *See* § 1.515(e)(8). Contracts in the City are generally awarded on the basis of bids; thus, bidders must meet certain qualifications in order to be considered for contracts. Sole-source contracts generally must undergo scrutiny by various City departments. Hence, it is unlikely that contracts in the City are awarded on the basis that a bidder is a campaign consultant. Indeed, since implementation of the Ordinance, no consultant has reported any City contracts approved by a local office-holder who is a client of the consultant. Staff therefore recommends deletion of this provision.

Decision Point 5k:

Shall the Commission delete the requirement that campaign consultants disclose City contracts, as discussed above and set forth in the deleted text on page 9 lines 15-17 of the draft amendments?

l. Public Office Appointments: Current law requires campaign consultants to disclose “each appointment to public office received by the campaign consultant during the reporting period, provided that the appointment is made by a local office-holder who is a client of the campaign consultant.” *See* § 1.515(3)(9). Since implementation of the Ordinance, only one consultant who has ever reported a public office appointment by an office holder who is a client. Staff therefore recommends deletion of this provision.

Decision Point 5l:

Shall the Commission delete the requirement that a campaign consultant disclose public office appointments that the consultant receives from an office-holder who is a client, as set forth in the deleted text on page 9 lines 18-20 of the draft amendments?

6. Section 1.520. Filing Under Penalty of Perjury; Retention of Documents; Audits.

New section 1.520 generally retains the filing under of penalty and retention of documents provisions under current law. *See* section 1.515(h) and (i). The proposal clarifies that the records that consultants must keep for five years include invoices and written contracts that they have with their clients. Staff also proposes to add a new paragraph that permits the Commission to perform random audits of consultant reports, and that expressly gives the Commission subpoena authority in furtherance of its audit duties. (Section 1.540 provides the Commission’s subpoena authority in investigations.)

Decision Point 6:

Shall the Commission approve changes related to filing under penalty of perjury, retention of documents, and audits, as set forth in new section 1.520 on page 10 line 23 – page 11 line 11 of the draft amendments?

7. Section 1.525. Prohibitions.

New section 1.525 restates the general rule under current section 1.510 that it is unlawful for any campaign consultant to provide campaign consultant services, or to accept any economic consideration for the provision of campaign consultant services, without first registering with the Ethics Commission and complying with the reporting requirements.

Staff has also added an “evasion of obligations” subsection to state that no campaign consultant may evade the obligations imposed by the Ordinance through the use of agents, associates or employees. Such language also appears in the Lobbyist Ordinance.

Decision Point 7:

Shall the Commission approve changes related to prohibitions and evasion of obligations, as set forth in new section 1.525 on page 11 lines 12-18 of the draft amendments?

8. Section 1.530. Training.

Campaign consultants are not required under current law to undergo training regarding the Ordinance. Staff believes that training will help consultants understand the registration and disclosure requirements of the law. The training session could be a one-on-one meeting with staff, a live training of several consultants, or a viewing of training materials on the Commission’s website.

Decision Point 8:

Shall the Commission require campaign consultants to undergo a training regarding the Campaign Consultant Ordinance within 60 days of registration and, thereafter, as deemed necessary by the Executive Director, as set forth in new section 1.530 on page 11 lines 19-23 of the draft amendments?

9. Section 1.535. Powers and Duties of the Ethics Commission.

New section 1.535 replaces current section 1.520 and makes the following few changes:

- The Commission will prescribe the format for electronic filing rather than provide forms for the reporting of information required under the Ordinance;
- The Commission will not issue a registration number to each registered campaign consultant because they are not necessary;
- The Commission will not provide each consultant a copy of the Campaign Consultant or Lobbyist Ordinances, or the Code of Conduct, as all these documents are available on the Commission’s website.
- The Commission will compile information submitted by consultants and make it available on the Commission’s website; and
- The Commission will provide an annual workshop or training session on laws related to campaign consultants – this may be satisfied by the posting of training materials on the Commission’s website.

Decision Point 9:

Shall the Commission approve changes regarding the powers and duties of the Ethics Commission, as set forth in new section 1.535 on page 11 line 24 – page 12 line 25 of the draft amendments?

10. Section 1.540. Administrative and Civil Enforcement, and Penalties.

New section 1.540 replaces current section 1.525. Staff has included a title for each subsection. In general, the subsections track existing law, except for minor clarifications or linguistic changes, plus the following more substantive changes:

- In subsection 1.540(a), staff recommends deletion of the \$100 per day late fine for reports that are submitted late when the filing deadline is fewer than 30 days before or after an election;
- In subsection 1.540(c), staff has replaced “substantial evidence” with “a preponderance of the evidence,” as the latter accurately reflects the standard of proof used by the Commission in its regulations governing investigations and enforcement proceedings;
- In subsection 1.540(c), staff has added the words “intentionally or negligently,” to make clear that a violation may be intentional or negligent;
- In subsection 1.540(c), staff has deleted language that allows the Commission to cancel for up to one year the registration of any campaign consultant who has violated the registration or reporting requirements of the Ordinance;
- In subsection 1.540(c), staff has added the issuance of warning letters as a remedy for the violation or potential violation of the Ordinance;
- In subsection 1.540(e), staff has added language providing for joint and several liability;
- Staff has stricken existing section 1.525(e) (“Any person or entity which intentionally or negligently violations Section 1.510 is guilty of a misdemeanor.”);
- In subsection 1.540(f), staff has added language to clarify that an administrative action is commenced on the date that the Commission serves a probable cause report on a respondent – this is consistent with language in the Lobbyist Ordinance § 2.150(b).
- Staff has added new subsection 1.540(g), which sets out a limitations period for the collection of fines and penalties – this language tracks language that appears in the CFRO section 1.168(c)(4) and the Lobbyist Ordinance section 2.150(c).

Decision Point 10:

Shall the Commission approve the language regarding administrative and civil enforcement, and penalties, as discussed above and set forth in new section 1.540 on page 13 line 1 – page 15 line 18 of the draft amendments?

11. Section 1.545. Provision of False or Misleading Information to the Ethics

Commission; Withholding of Information.

Staff has added this new section to provide that a person who knowingly or willfully furnishes false or fraudulent information to the commission, or conceals evidence, or fails to furnish evidence, is subject to the penalties set forth in section 1.540. This language tracks language in the CFRO section 1.170(f).

Decision Point 11:

Shall the Commission approve new section 1.545, as set forth on page 16 lines 14-20 of the draft amendments?

12. 1.550. Deposit of Funds.

New section 1.550 consolidates language in current sections 1.515(b) and 1.525(b) that require the Ethics Commission to deposit registration fees, late fees and fines and penalties into the General Fund of the City. This consolidation streamlines the Ordinance.

Decision Point 12:

Shall the Commission approve section 1.550, as set forth on page 16 lines 21-24 of the draft amendments?

13. Code of Conduct.

Staff has made a minor change to section 1.530, which will become section 1.555, changing “reregistration” to “annually thereafter no later than February 1.”

14. Section 1.560. Severability.

Staff has revised this section so that the new language tracks the severability language in the CFRO section 1.178.

Decision Point 14:

Shall the Commission approve changes to the “severability” provision of the Ordinance, as set forth on page 18 lines 4-15 of the draft amendments?

15. Section 1.565. Construction with Other Laws.

Current section 1.545 is revised to state that Campaign and Governmental Conduct Code section 2.117 regulates lobbying by campaign consultants. This language helps to streamline the Ordinance

Decision Point 15:

Shall the Commission approve the language of section new 1.545, which is set forth on page 18 lines 16-22 of the draft amendments?

16. Section 2. Operative Date.

A new section 2 is added regarding the operative date of the amendments. Staff believes that the date of January 1, 2013 will give Netfile, which will create the online filing system, sufficient time to create and test it before launch, provided that the voters approve the amendments in the November 2011 election. The proposed changes also allow the Commission to establish by resolution a later operative date for the Ordinance, if necessary, provided that such date is not less than 60 days from the date of the resolution’s adoption.

Decision Point 16:

Shall the Commission approve January 1, 2013 as the operative date of the amendments, as set forth in section 1.570 on page 18 line 23 – page 19 line 2 of the draft amendments?

[Campaign consultant ordinance amendments]

Ordinance amending Article I, Chapter 5 of the Campaign and Governmental Conduct Code to modify registration and disclosure requirements for campaign consultants.

NOTE: Additions are *single-underline italics Times New Roman*;
deletions are ~~*strike-through italics Times New Roman*~~.
Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Campaign and Governmental Conduct Code is hereby amended to read as follows:

Sec. 1.500. – Findings.

(a) The City and County of San Francisco has a paramount interest in protecting the integrity and credibility of its electoral and government institutions. Election campaigns are highly competitive in San Francisco, and candidates frequently contract for the services of professional campaign consultants who specialize in guiding and managing campaigns.

(b) Decisions by elected officials in the City and County of San Francisco should be based on the best interests of the people and should be free from the influence of electoral politics. Campaign consultants play an influential role in local elections, and may use that influence to affect policy decisions of City officials. The regulation of campaign consultants protects the integrity of the City's decision making processes by informing the public about who is managing campaigns and what role those individuals have in decisions made by local elected officials.

(~~b~~c) It is the purpose and intent of the people of the City and County of San Francisco in enacting this Chapter to impose reasonable registration and disclosure requirements on campaign consultants. Required registration and disclosure of information by campaign

1 consultants will assist the public in making informed decisions, and protect public confidence
2 in the electoral and governmental processes.

3 (d) The important goals advanced by this Chapter will be best served if campaign consultants
4 are encouraged to comply with registration and disclosure requirements through a user-friendly filing
5 system, and interested members of the public can conveniently review those filings. The Ethics
6 Commission should have the discretion to implement an electronic filing system for registered
7 campaign consultants to achieve these ends.

8 Sec. 1.505. – Amendment or Repeal of Chapter.

9 The voters may amend or repeal this Chapter. The Board of Supervisors may amend this
10 Chapter if all of the following conditions are met:

11 (a) The amendment furthers the purposes of this Chapter;

12 (b) The Ethics Commission approves the proposed amendment in advance by at least a four-
13 fifths vote of all its members;

14 (c) The proposed amendment is available for public review at least 30 days before the
15 amendment is considered by the Board of Supervisors or any committee of the Board of Supervisors;

16 and

17 (d) The Board of Supervisors approves the proposed amendment by at least a two-thirds vote of
18 all its members.

19 Sec. ~~1.505~~1.510. – Definitions.

20 Whenever used in this Chapter, the following definitions shall apply:

21 (a) "Campaign consultant" means any ~~person~~individual or entity that receives or is
22 promised economic consideration equaling \$~~15~~5,000 or more ~~in a calendar year~~within the past
23 twelve months for campaign consulting services. The term "campaign consultant" includes any
24 ~~person~~individual or entity that subcontracts with a campaign consultant to provide campaign
25 consulting services, and that receives or is promised economic consideration equaling

1 \$15,000 or more in a calendar year for providing campaign consulting services. The term
2 "campaign consultant" does not include ~~persons who are~~ employees of a campaign consultant
3 who do not perform campaign consulting services, attorneys who provide only legal services,
4 accountants who provide only accounting services, pollsters who provide only polling
5 services, and treasurers who provide only those services which are required of treasurers by
6 the Political Reform Act, California Government Code Section 81000, et seq.

7 (b) "Campaign consulting services" means participating in campaign management or
8 developing or participating in the development of campaign strategy.

9 (c) "Campaign management" means conducting, coordinating or supervising a
10 campaign to elect, defeat, retain or recall a candidate, or adopt or defeat a measure, including
11 but not limited to hiring or authorizing the hiring of campaign staff and consultants, spending
12 or authorizing the expenditure of campaign funds, directing, supervising or conducting the
13 solicitation of contributions to the campaign, and selecting or recommending vendors or
14 subvendors of goods or services for the campaign.

15 (d) "Campaign strategy" means plans for the election, defeat, retention or recall of a
16 candidate, or for the adoption or defeat of a measure, including but not limited to producing or
17 authorizing the production of campaign literature and print and broadcast advertising, seeking
18 endorsements of organizations or individuals, seeking ~~financing~~ campaign contributions, or
19 advising on public policy positions.

20 (e) "Candidate" ~~means a person who has taken affirmative action to seek nomination or~~
21 ~~election to local office, a local officeholder who has taken affirmative action to seek nomination or~~
22 ~~election to any elective office, or a local officeholder who is the subject of a recall election~~ shall be
23 defined as set forth in section 1.104 of this Code.

24 (f) "City elective office" shall be defined as set forth in section 1.104 of this Code.

1 (fg) "Economic consideration" means any payments, fees, commissions,
2 reimbursements for expenses, gifts, or anything else of value provided in exchange for campaign
3 consulting services. "Economic consideration" does not include payments made to consultants to
4 reimburse vendors.

5 ~~(g) "Lobby" means communicate with a local officeholder for the purpose of influencing local~~
6 ~~legislative or administrative action in exchange for economic consideration.~~

7 ~~(h) "Lobbyist" is defined in Article II of this Code.*~~

8 ~~(i) "Local office" means the following elective offices in the City and County of San Francisco:~~
9 ~~Mayor, Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public~~
10 ~~Defender, Board of Education of the San Francisco Unified School District, and Governing Board of~~
11 ~~the San Francisco Community College District.~~

12 ~~(jh) "Measure" means a local referendum or local ballot measure, whether or not it qualifies~~
13 ~~for the ballot shall be defined as set forth in section 1.104 of this Code.~~

14 ~~(ki) "Vendor" means an personindividual or entity ~~who~~that sells goods or services, other~~
15 ~~than campaign consulting services, including but not limited to printing, catering, and~~
16 ~~transportation services. The term "vendor" does not include attorneys who provide only legal~~
17 ~~services, accountants who provide only accounting services, pollsters who provide only polling~~
18 ~~services, and treasurers who provide only those services which are required of treasurers by the~~
19 ~~Political Reform Act, California Government Code Section 81000 et seq.~~

20 ~~Sec. 1.510. — Prohibitions.~~

21 ~~It shall be unlawful for any campaign consultant to provide campaign consulting services, or~~
22 ~~accept any economic consideration for the provision of campaign consulting services, without first~~
23 ~~registering with the Ethics Commission and complying with the reporting requirements specified in~~
24 ~~Section 1.515.~~

1 Sec. 1.515. – Registration Requirements, ~~Reregistration~~Disclosures, Reporting, ~~and~~ Fees,
2 and Termination.

3 (a) REGISTRATION ~~REPORTS~~REQUIREMENTS. Campaign consultants shall register with
4 the Ethics Commission and comply with the other requirements imposed by this Chapter. Such
5 registration shall occur no later than five business days of qualifying as a campaign consultant.

6 At the time of initial registration, each campaign consultant shall ~~report~~provide the
7 following information to the Ethics Commission ~~the following information~~:

8 (1) The name, business address, e-mail address, ~~and~~ business telephone number, and
9 website address, if any, of the campaign consultant;

10 (2) If the campaign consultant is an individual, the name of the campaign consultant's
11 employer and a description of the business activity engaged in by the employer;

12 (3) The names of any individuals employed by the campaign consultant to assist in
13 ~~providing~~the provision of campaign consulting services;

14 (4) A statement of whether the campaign consultant, any employee of the campaign
15 consultant, or any other employee of the campaign consultant's employer is required to register with
16 the Ethics Commission as a lobbyist pursuant to the Regulation of Lobbyists Ordinance, San
17 Francisco Campaign and Governmental Conduct Code, Article II;^{*} and

18 (5) ~~A statement of whether the campaign consultant is required to register with the Tax~~
19 ~~Collector pursuant to the Business Tax Ordinance, San Francisco Municipal Code, Part III, Section~~
20 ~~1001, et. seq.~~Any other information required by the Ethics Commission consistent with the purposes
21 and provisions of this Chapter.

22 (b) CAMPAIGN CONSULTANT DISCLOSURES.

23 Campaign consultants shall submit disclosures regarding their activities on a monthly basis.
24 No later than the fifteenth calendar day of each month, each campaign consultant shall submit the
25 following information for the previous month.

1 (61) The name, and business address, e-mail address and telephone number of each
2 client to whom the campaign consultant provided campaign consulting services during the
3 ~~preceding three months~~reporting period, and the date on which the client retained the campaign
4 consultant;

5 (72) For each client, the total economic consideration promised by or received from the
6 client in exchange for ~~the provision of~~ campaign consulting services during the ~~preceding three~~
7 ~~months, provided that the total is \$500 or more~~reporting period;

8 (3) For each client, a list of the responsibilities that the campaign consultant will perform for
9 the client;

10 (4) The name of each client who terminated the services of the campaign consultant during the
11 reporting period and the date on which the client terminated the consultant's services;

12 (85) Each ~~political~~campaign contribution of \$100 or more made or delivered by the
13 campaign consultant, or made by a client at the behest of the campaign consultant, ~~or for~~
14 ~~which the campaign consultant acted as an agent or intermediary, during the preceding three months~~
15 ~~in support of or in opposition to a candidate or measure~~ during the reporting period to a person
16 holding City elective office, a candidate for such office, a committee controlled by such officer or
17 candidate, or a committee primarily formed to support or oppose a local ballot measure;

18 The following information regarding each campaign contribution shall be submitted to the
19 Ethics Commission:

20 (A) The amount of the contribution;

21 (B) The name of the contributor;

22 (C) The date on which the contribution was made;

23 (D) The contributor's occupation;

24 (E) The contributor's employer, or if self-employed, the name of the contributor's business; and

25 (F) The committee to which the contribution was made.

1 ~~(9) The cumulative total of all political contributions made or delivered by the campaign~~
2 ~~consultant, or which is made by a client at the behest of the campaign consultant, or for which the~~
3 ~~campaign consultant acted as an agent or intermediary, during the preceding three months in support~~
4 ~~of or in opposition to each individual candidate or measure, provided that the cumulative total is \$500~~
5 ~~or more;~~

6 ~~(10) Any gifts promised or made by the campaign consultant to a local officeholder during the~~
7 ~~preceding three months which in the aggregate total \$50 or more; and~~

8 (6) Any amendments to the campaign consultant's registration information as required by
9 Subsection (a); and

10 ~~(H7)~~ Any other information required by the Ethics Commission consistent with the
11 purposes and provisions of this Chapter.

12 ~~(b) REREGISTRATION REPORTS. Each campaign consultant shall reregister annually no~~
13 ~~later January 1st.~~

14 (c) INITIAL DISCLOSURE REPORT. At the time of the first disclosure report submitted
15 following the campaign consultant's registration, the reporting period for Subsections (b)(1)-(b)(4)
16 shall be the preceding twelve months.

17 ~~(ed)~~ FEES. At the time of initial registration and ~~reregistration~~ each subsequent calendar
18 year on or before February 1, each campaign consultant shall pay to the Ethics Commission a
19 registration fee ~~and an additional fee for each client of the campaign consultant~~. The amount of the
20 fee shall be: \$500. Registration shall not be complete until the Ethics Commission has received full
21 payment of the fee.

22 ~~(i) Campaign consultants earning at least \$1,000 but not more than \$5,000 per calendar year~~
23 ~~shall pay a registration fee of \$50 and shall pay a client fee of \$50 per client;~~

24 ~~(ii) Campaign consultants earning more than \$5,000 but not more than \$20,000 per calendar~~
25 ~~year shall pay a registration fee of \$200 and a client fee of \$50 per client;~~

1 ~~(iii) Campaign consultants earning more than \$20,000 per calendar year shall pay a~~
2 ~~registration fee of \$400 and a client fee of \$50 per client.~~

3 ~~When a client is acquired subsequent to initial registration or reregistration, the per client fee~~
4 ~~shall be paid at the time of filing the information required by Subsection (d). The Ethics Commission~~
5 ~~shall deposit fees collected pursuant to this Section in the General Fund of the City and County of San~~
6 ~~Francisco. On or after July 1, 1999, the Ethics Commission shall evaluate the fees set by this Section~~
7 ~~and propose any amendments for approval by the Board of Supervisors no later than December 1,~~
8 ~~1999. If the Ethics Commission or the Board of Supervisors takes no action, the fees set by this Section~~
9 ~~shall remain in effect.~~

10 ~~(d) CLIENT AUTHORIZATION STATEMENTS. At the time of initial registration, the~~
11 ~~campaign consultant shall submit to the Ethics Commission a written authorization from each client~~
12 ~~that contracts with the campaign consultant for campaign consulting services.~~

13 ~~If the campaign consultant is retained by a client after the date of initial registration, the~~
14 ~~campaign consultant must file a Client Authorization Statement before providing any campaign~~
15 ~~consulting services to the client and before receiving any economic consideration from the client in~~
16 ~~exchange for campaign consulting services, and in any event no later than 15 days after being retained~~
17 ~~to provide campaign consulting services to the client.~~

18 ~~(e) QUARTERLY REPORTS. Each campaign consultant shall file with the Ethics Commission~~
19 ~~quarterly reports containing the following information:~~

20 ~~(1) For each client, the total economic consideration promised by or received from the client~~
21 ~~during the reporting period for campaign consulting services, provided that the total is \$500 or more;~~

22 ~~(2) The total economic consideration promised by or received from all clients during the~~
23 ~~reporting period for campaign consulting services;~~

24 ~~(3) Political contributions of \$100 or more made or delivered by the campaign consultant, or~~
25 ~~made by a client at the behest of the campaign consultant, or for which the campaign consultant acted~~

1 ~~as an agent or intermediary, during the reporting period in support of or in opposition to a candidate~~
2 ~~or measure;~~

3 ~~(4) The cumulative total of all political contributions made or delivered by the campaign~~
4 ~~consultant, or made by a client at the behest of the campaign consultant, or for which the campaign~~
5 ~~consultant acted as an agent or intermediary, during the reporting period in support of or in opposition~~
6 ~~to each individual candidate or measure, provided that the cumulative total is \$500 or more;~~

7 ~~(5) Any gifts promised or made by the campaign consultant to a local officeholder during the~~
8 ~~reporting period which in the aggregate total \$50 or more;~~

9 ~~(6) Economic consideration promised to or received by the campaign consultant during the~~
10 ~~reporting period from vendors and subvendors who provided campaign-related goods or services to a~~
11 ~~current client of the campaign consultant;~~

12 ~~(7) The name of each local officeholder and City employee who is employed by the campaign~~
13 ~~consultant, or by a client of the campaign consultant at the behest of the campaign consultant, during~~
14 ~~the reporting period;~~

15 ~~(8) Each City contract obtained by the campaign consultant during the reporting period,~~
16 ~~provided that the contract is approved by a local officeholder who is a client of the campaign~~
17 ~~consultant;~~

18 ~~(9) Each appointment to public office received by the campaign consultant during the reporting~~
19 ~~period, provided that the appointment is made by a local office-holder who is a client of the campaign~~
20 ~~consultant;~~

21 ~~(10) Any other information required by the Ethics Commission consistent with the purposes~~
22 ~~and provisions of this Chapter.~~

23 ~~Quarterly reports are due as follows: The report for the period starting December 1st and~~
24 ~~ending February 28th is due March 15th; the report for the period starting March 1st and ending May~~
25 ~~31st is due June 15th; the report for the period starting June 1st and ending August 31st is due~~

1 ~~September 15th; and the report for the period starting September 1st and ending November 30th is due~~
2 ~~December 15th.~~

3 ~~(f) CLIENT TERMINATION STATEMENTS. Within 30 days after a client terminates the~~
4 ~~services of a campaign consultant, the campaign consultant shall submit to the Ethics Commission a~~
5 ~~statement that the client has terminated the services of the campaign consultant. A campaign~~
6 ~~consultant may not provide campaign consulting services to a client or accept economic consideration~~
7 ~~for the provision of campaign consulting services after a client termination statement is filed, until a~~
8 ~~new client authorization statement has been filed pursuant to Section 1.515(d).~~

9 ~~(g) CAMPAIGN CONSULTANT TERMINATION STATEMENTS. A campaign consultant shall~~
10 ~~comply with all requirements of this Chapter until the campaign consultant ceases all activity as a~~
11 ~~campaign consultant and files a statement of termination with the Ethics Commission. A statement of~~
12 ~~termination must include all information required by Subsection (e) for the period since the campaign~~
13 ~~consultant's last quarterly report.~~

14 ~~(h) Each campaign consultant shall verify, under penalty of perjury, the accuracy and~~
15 ~~completeness of the information provided under Sections 1.515 and 1.520(e).~~

16 ~~(i) Each campaign consultant shall retain for a period of five years all books, papers and~~
17 ~~documents necessary to substantiate the reports and statements required under this Chapter.~~

18 (e) TERMINATION OF REGISTRATION.

19 (1) Failure to pay the annual registration fee by February 1 shall constitute termination of the
20 campaign consultant's registration with the Ethics Commission.

21 (2) The Ethics Commission may establish additional processes for the termination of a
22 campaign consultant's registration consistent with the purposes and provisions of this Chapter.

23 Sec. 1.520. – FILING UNDER PENALTY OF PERJURY; DOCUMENT RETENTION; AUDITS.

1 (a) All information required by this Chapter shall be submitted in a format designated by the
2 Ethics Commission. The campaign consultant shall verify, under penalty of perjury, the accuracy and
3 completeness of the information provided under this Chapter.

4 (b) Each campaign consultant shall retain for a period of five years all books, papers and
5 documents necessary to substantiate the information included in the registration and disclosure reports
6 required by this Chapter. This includes, but is not limited to, invoices and written contracts between
7 the campaign consultant and all clients.

8 (c) At the Executive Director's discretion, the Ethics Commission may perform audits of
9 registration and disclosure reports filed by campaign consultants under this Chapter. The Ethics
10 Commission, including its Executive Director, may issue subpoenas in furtherance of its duties under
11 this section.

12 Sec. 1.525. – PROHIBITIONS.

13 (a) GENERAL RULE. It shall be unlawful for any campaign consultant to provide campaign
14 consulting services, or to accept any economic consideration for the provision of campaign consulting
15 services, without first registering with the Ethics Commission, paying the annual fee, and complying
16 with the reporting requirements specified in section 1.510.

17 (b) EVASION OF OBLIGATIONS. No campaign consultant shall attempt to evade the
18 obligations imposed by this Chapter through the use of agents, associates or employees.

19 Sec. 1.530. – TRAINING.

20 Each campaign consultant must complete a campaign consultant training session offered by the
21 Ethics Commission within 60 days of the campaign consultant's initial registration. Thereafter,
22 campaign consultants shall complete additional training sessions as required by the Executive
23 Director, at his or her discretion.

24 Sec. ~~1.520~~1.535. – POWERS AND DUTIES OF THE ETHICS COMMISSION.

25

1 (a) The Ethics Commission shall ~~provide forms for the reporting of~~prescribe the format for
2 the submission of all information required by this Chapter.

3 ~~(b) The Ethics Commission shall issue a registration number to each registered campaign~~
4 ~~consultant.~~

5 ~~(c) At the time of initial registration and reregistration, the Ethics Commission shall provide~~
6 ~~the campaign consultant with a copy of the City's campaign and lobbyist laws, the Code of Conduct~~
7 ~~specified in Section 1.530, and any related material which the Commission determines will serve the~~
8 ~~purposes of this Chapter. Each campaign consultant must sign a statement acknowledging receipt of~~
9 ~~these materials.~~

10 (~~d~~b) The Ethics Commission shall compile the information provided in registration and
11 ~~quarterly~~ reports filed pursuant to this Chapter as soon as practicable ~~after the close of each~~
12 ~~quarter and shall forward a report of the compiled information to the Board of Supervisors and the~~
13 ~~Mayor and make such information available on its website.~~

14 (~~e~~c) The Ethics Commission shall preserve all original reports, statements, and other
15 records required to be kept or filed under this Chapter for a period of five years. Such reports,
16 statements, and records shall constitute a part of the public records of the Ethics Commission
17 and shall be open to public inspection.

18 (~~f~~d) The Ethics Commission shall provide formal and informal advice regarding the
19 duties under this Chapter of ~~an~~ person~~individual~~ or entity pursuant to the procedures specified
20 in San Francisco, Charter Section C3.699-12.

21 (~~g~~e) The Ethics Commission shall have the power to adopt all reasonable and
22 necessary rules and regulations for the implementation of this Chapter pursuant to the
23 procedure specified in Charter Section 15.102.*

24 (~~f~~) At least once a year, the Ethics Commission shall provide a workshop or training session
25 concerning this Chapter.

1 Sec. ~~1.525~~1.540. - ADMINISTRATIVE AND CIVIL ENFORCEMENT, AND PENALTIES.

2 (a) LATE FINES. If any campaign consultant ~~files an original statement or report after any~~
3 ~~deadline imposed~~fails to submit any information required by this Chapter, the Ethics Commission
4 shall, in addition to any other penalties or remedies established in this Chapter, ~~fine the~~
5 ~~campaign consultant~~impose a late filing fee of \$50 per day after the deadline until the ~~statement or~~
6 ~~report~~information is received by the Ethics Commission. ~~If any campaign consultant files an~~
7 ~~original statement or report after any deadline imposed by this Chapter, when the deadline is fewer~~
8 ~~than 30 days before or after an election, the Ethics Commission shall, in addition to any other penalties~~
9 ~~or remedies established in this Chapter, fine the campaign consultant \$100 per day after the deadline~~
10 ~~until the statement or report is received by the Ethics Commission.~~—The Ethics Commission may
11 reduce or waive a fine if the Ethics Commission determines that the late filing was not willful
12 and that enforcement will not further the purposes of this Chapter. ~~The Ethics Commission shall~~
13 ~~deposit funds collected under this Section in the General Fund of the City and County of San~~
14 ~~Francisco.~~

15 (b) ENFORCEMENT PROCEEDINGS. Any person who believes that ~~Section 1.510~~this
16 Chapter has been violated may file a complaint with the Ethics Commission. Upon receipt of a
17 complaint, or upon its own initiative, the Ethics Commission may investigate allegations of a
18 violation of ~~Section 1.510~~this Chapter and enforce the provisions of ~~Section 1.510~~this Chapter
19 pursuant to the procedures established in San Francisco Charter Section C3.699-13, and the
20 Ethics Commission's ~~rules and r~~Regulations for Investigations and Enforcement Proceedings
21 adopted pursuant to Charter Section 15.102.*

22 (c) ADMINISTRATIVE PENALTIES. When the Ethics Commission, pursuant to the
23 procedures specified in Charter Section C3.699-13 and the Ethics Commission's Regulations for
24 Investigations and Enforcement Proceedings, determines ~~on the basis of substantial evidence~~ that an
25 ~~person~~individual or entity has intentionally or negligently violated ~~Section 1.510~~this Chapter, the

1 Commission may require the ~~person~~individual or entity to: (1) cease and desist the violation;
2 (~~2) file any reports or statements or pay any fees~~submit any information required by this Chapter,
3 and/or (3) pay a monetary penalty of up to \$5,000 for each violation, or three times the
4 amount not properly reported, whichever is greater. ~~The Commission may cancel for up to one~~
5 ~~year the registration of any campaign consultant who has violated Section 1.510. A campaign~~
6 ~~consultant whose registration has been canceled pursuant to this Section may not provide campaign~~
7 ~~consulting services in exchange for economic consideration for the period that the registration is~~
8 ~~canceled. When the period of cancellation ends, the campaign consultant may reregister pursuant to~~
9 ~~Section 1.515(a) and (c).~~In addition to the administrative penalties set forth in this Section, the Ethics
10 Commission may issue warning letters regarding violations and potential violations of this Chapter.

11 (d) CIVIL PENALTIES. Any ~~person~~individual or entity ~~which knowingly that intentionally~~ or
12 negligently violates ~~or who causes any other person to violate Section 1.510~~this Chapter may be
13 liable in a civil action brought by the City Attorney for an amount up to \$5,000 per violation, or
14 three times the amount not properly reported, whichever is greater.

15 (~~e) Any person or entity which intentionally or negligently violates Section 1.510 is guilty of a~~
16 ~~misdemeanor.~~

17 (e) JOINT AND SEVERAL LIABILITY. Should two or more individuals or entities be
18 responsible for any violation under this Chapter, they shall be jointly and severally liable.

19 (f) LIMITATIONS PERIOD FOR CIVIL AND ADMINISTRATIVE ENFORCEMENT. No
20 administrative, ~~or civil, or criminal~~ action shall be maintained to enforce ~~Section 1.510~~this
21 Chapter unless ~~brought~~commenced within four years after the date the cause of action accrued
22 or the date that the facts constituting the cause of action were discovered by the Ethics
23 Commission, ~~or City Attorney, or District Attorney,~~ whichever is later. For the purposes of this
24 section, an administrative action is commenced on the date on which the Ethics Commission serves a
25

1 probable cause report on the respondent pursuant to the Ethics Commission's Regulations for
2 Investigations and Enforcement Proceedings.

3 (g) LIMITATIONS PERIOD FOR COLLECTION OF FINES AND PENALTIES. A civil action
4 brought to collect fines or penalties imposed under this Chapter shall be commenced within four years
5 after the date on which the monetary penalty or fine was imposed. For purposes of this Section, a fine
6 or penalty is imposed when a court or administrative agency has issued a final decision in an
7 enforcement action imposing a fine or penalty for a violation of this Chapter or the Executive Director
8 has made a final decision regarding the amount of a late fine or penalty imposed under this Chapter.
9 The Executive Director does not make a final decision regarding the amount of a late fine imposed
10 under this Chapter until the Executive Director has made a determination to accept or not accept any
11 request to waive a late fine where such waiver is expressly authorized by this Chapter or a regulation
12 adopted thereunder.

13 (gh) In investigating any alleged violation of ~~Section 1.510~~this Chapter, the Ethics
14 Commission, including its Executive Director, and City Attorney shall have the power to inspect,
15 upon reasonable notice, all documents required to be maintained under ~~Section 1.515(i)~~this
16 Chapter. This power to inspect documents is in addition to other powers conferred on the
17 Ethics Commission and City Attorney by the Charter, or by ordinance, including the power of
18 subpoena.

19 ~~SEC. 1.540. ELECTRONIC FILING OF STATEMENTS AND REPORTS.~~

20 ~~(a) ELECTRONIC FILING REQUIRED. Whenever campaign consultants are required by~~
21 ~~this Chapter to file an original statement or report, the Ethics Commission may require the consultants~~
22 ~~to file an electronic copy of the statement or report. The electronic copy shall be due no later than the~~
23 ~~deadline imposed by this Chapter for filing the original statement or report.~~

24 ~~(b) POWERS AND DUTIES OF THE ETHICS COMMISSION.~~

1 ~~(i) Pursuant to San Francisco Charter Section 15.102, the Ethics Commission shall adopt~~
2 ~~regulations specifying the electronic filing requirements applicable to campaign consultants. The~~
3 ~~Ethics Commission shall adopt these regulations no fewer than 120 days before the electronic filing~~
4 ~~requirements are effective.~~

5 ~~(ii) The Ethics Commission shall prescribe the format for electronic copies of statements and~~
6 ~~reports no fewer than 90 days before the statements and reports are due to be filed.~~

7 ~~(c) PENALTIES. If any campaign consultant files an electronic copy of a statement or report~~
8 ~~after the deadline imposed by this Section, the Ethics Commission shall, in addition to any other~~
9 ~~penalties or remedies established in this Chapter, fine the campaign consultant \$10 per day after the~~
10 ~~deadline until the electronic copy is received by the Ethics Commission. The Ethics Commission may~~
11 ~~reduce or waive a fine if the Commission determines that the late filing was not willful and that~~
12 ~~enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds~~
13 ~~collected under this Section in the General Fund of the City and County of San Francisco.~~

14 SEC. 1.545. - PROVISION OF FALSE OR MISLEADING INFORMATION TO THE ETHICS
15 COMMISSION; WITHHOLDING OF INFORMATION.

16 Any individual or entity that knowingly or willfully furnishes false or fraudulent evidence,
17 documents, or information to the Ethics Commission under this Chapter, or misrepresents any material
18 fact, or conceals any evidence, documents, or information, or fails to furnish to the Ethics Commission
19 any records, documents, or other information required to be provided under this Chapter shall be
20 subject to the penalties provided in Section 1.540.

21 SEC. 1.550. - DEPOSIT OF FUNDS.

22 The Ethics Commission shall deposit all funds collected under this Chapter, including payments
23 for registration fees, late fines, and administrative penalties, in the General Fund of the City and
24 County of San Francisco.

25 SEC. 1.5301.555. - CODE OF CONDUCT.

1 At the time of initial registration and ~~reregistration~~annually thereafter no later than February
2 1, each campaign consultant must elect whether to voluntarily comply with the following Code
3 of Conduct:

4 "I am familiar with all the laws, rules and regulations applicable to local campaigns;

5 "I will not knowingly make false statements about the qualifications or positions of any
6 candidate, or about the scope and effect of any measure;

7 "I will not knowingly make false statements that any real or fictitious person supports or
8 opposes a candidate or measure;

9 "In the event that I make inadvertent false statements about the qualifications or
10 positions of any candidate or about the scope and effect of any measure, I will endeavor to
11 provide corrected information in written form to the Ethics Commission within five days;

12 "I will refrain from appealing to prejudice in the conduct of a campaign, and from
13 conducting, managing or advising a campaign, which appeals to prejudice based on race,
14 gender, ethnic background, religious affiliation or nonaffiliation, sexual orientation, age,
15 disability, or economic status;

16 "I will refrain from seeking to obtain the support of or opposition to any candidate or
17 measure by the use of financial inducements or by the use of threats or coercion;

18 "I will refrain from influencing the submission of a measure to the San Francisco voters
19 for the sole purpose of obtaining economic consideration for campaign consulting services;

20 "I will disclose through a filing at the San Francisco Ethics Commission any
21 agreements that would result in a campaign consulting contract resulting from my efforts to
22 influence the submission of a measure to the San Francisco voters at the time that I seek
23 submission of any such measure;

24 "I will refrain from seeking to evade, or participating in efforts of others to evade, the
25 legal requirements in laws pertaining to political campaigns;

1 "I will not knowingly participate in the preparation, dissemination, or broadcast of paid
2 political advertising or campaign materials that contain false information; and

3 "I will refrain from accepting clients whose interests are adverse to each other."

4 SEC. ~~1.535~~1.560. - SEVERABILITY.

5 ~~If any Section, subsection, subdivision, sentence, clause, phrase or portion of this Chapter, or~~
6 ~~the application thereof to any person or entity is for any reason held to be invalid or unconstitutional~~
7 ~~by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the~~
8 ~~remaining portions of this Chapter or its application to other persons, business entities, or~~
9 ~~organizations. The Board of Supervisors hereby declares that it would have adopted this Chapter, and~~
10 ~~each Section, subsection, subdivision, sentence, clause, phrase or portion thereof, irrespective of the~~
11 ~~fact that any one or more Sections, subsections, subdivisions, sentences, clauses, phrases, or portions,~~
12 ~~or the application thereof to any person or entity, to be declared invalid or unconstitutional.~~

13 If any provision of this Chapter, or the application thereof to any person or circumstance, is
14 held invalid, the validity of the remainder of the Chapter and the applicability of such provisions to
15 other persons and circumstances shall not be affected thereby.

16 SEC. ~~1.545~~1.565. - CONSTRUCTION WITH OTHER LAWS.

17 Lobbying by campaign consultants and employees of campaign consultants is
18 governed by the applicable provisions of Article II, Chapter 1 of this Code, including Section
19 2.117, which ~~prohibits campaign consultants and employees of campaign consultants from~~
20 ~~communicating with current and former clients on behalf of another person or entity for the purpose of~~
21 ~~influencing local legislative or administrative action in exchange for economic~~
22 ~~consideration~~specifically regulates lobbying by campaign consultants.

23 Section 2. The operative date of this ordinance shall be January 1, 2013, unless the
24 Ethics Commission approves a resolution establishing a later operative date for the ordinance.

1 The Ethics Commission shall not establish an operative date for the ordinance less than 60
2 days from the date of the resolution's adoption.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 JONATHAN GIVNER
8 Deputy City Attorney
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Campaign Consultant Ordinance: Changes Between Existing and Proposed Law

Item	Current law	Proposed amendment
Findings: § 1.500	Has two findings: candidates frequently hire professional campaign consultants to guide and manage campaigns; and registration and disclosure by campaign consultants will assist the public in making informed decisions and protect public confidence.	Adds two findings: decisions by elected City officers should be based on the best interests of the people and, to the extent possible, should be free from the influence of electoral politics; and the goals of the law would be advanced by the implementation of an electronic filing system by the Ethics Commission.
Amendment or Repeal of Chapter: new § 1.505	None	Section 1.1505 provides that, in addition to any changes made by the voters, the Board of Supervisors may amend the law if the amendment furthers the purposes of the law, the Ethics Commission approves the proposed amendment by at least a 4/5 vote of its members, and the Board approves the proposed amendment by at least a 2/3 vote of its members. (This language tracks language in the CFRO and GEO, which will enable the Board to make changes without having to go to the ballot.)
Definitions: current §1.505; new §1.510	(a) “Campaign consultant” is any person or entity that receives or is promised \$1,000 in a calendar year for campaign consulting services; includes any subcontractor that provides campaign consulting services.	(a) generally retains the definition except the threshold of economic consideration is changed from \$1,000 to \$5,000 in 12 months.
	(a) “Campaign consultant” does not include persons who are employees of a campaign consultant...”	In subsection (a), the words “who do not perform campaign consulting” are added after “campaign consultant” – this change expressly excludes from the law employees of a consultant who do not perform campaign consulting
	(e) “Candidate” is a person who has taken affirmative action to seek nomination or election to local office, a local officeholder who seeks election to any office, or a local officeholder subject to a	New language references the definition of “candidate” as it appears in the definition section of the Campaign Finance Reform Ordinance (CFRO).

	recall election.	
	(i) “Local office” is defined.	“City elective office” replaces the term “local office” in new subsection (f); the definition references the definition of “City elective office” in the CFRO.
	(g) “Lobby” is defined.	This definition is deleted, as the term “Lobby” is not used in the Ordinance. The word “lobbying” appears in section 1.560, but only to inform that lobbying by campaign consultants is governed by Article II, Chapter I of the Campaign and Governmental Conduct Code (Lobbyist Ordinance).
	(h) “Lobbyist” is defined.	This definition is deleted, as the term “lobbyist” is not used substantively in the Ordinance but as a reference to the Lobbyist Ordinance.
	(j) “Measure” is defined.	New language in renumbered subsection (h) references the definition of “measure” as it appears in the CFRO
	(k) “Vendor” is defined as a person or entity who sells goods or services, other than campaign consulting services, including but not limited to printing, catering, and transportation services....”	Renumbered subsection (i) changes the word “person” to “individual.” Staff has also deleted the last sentence that excludes attorneys, accountants, pollsters and treasurers from the term “vendor” – based on staff’s recommendations, the term “vendors” appears only in the definitions of “campaign management” and “economic consideration.”
Prohibitions: current § 1.510; new § 1.525	Section 1.510 states that it is unlawful for any campaign consultant to provide campaign consultant services or accept economic consideration for providing such services unless the consultant first registers with the Ethics Commission and complies with reporting requirements.	Section 1.525 is the proposed “Prohibitions” section. Subsection (a) states the general rule, and subsection (b) adds new language regarding the evasion of obligations. Subsection (a) generally tracks existing law; subsection (b) tracks similar language that appears in the Lobbyist Ordinance that staff believes is relevant to the regulation of campaign consultants.
Registration; Disclosures; Fees; Termination: § 1.515	Section 1.515 has several subsections: (a) Registration Reports; (b) Reregistration Reports;	Staff proposes the following new or renumbered subsections in section 1.515, as set forth below: (a) Registration Requirements;

	(c) Fees; (d) Client Authorization Statements; (e) Quarterly Reports; (f) Client Termination Statements; and (g) Campaign Consultant Termination Statements.	(b) Campaign Consultant Disclosures; (c) Initial Disclosure Reports; (d) Fees; and (e) Termination.
	(a) When registering, a campaign consultant must disclose name, address, phone, employer information, employee information, and whether the consultant must register as a lobbyist and/or with the Tax Collector. In addition, the consultant must disclose information about client(s), economic consideration, political contributions of \$100 or more, gifts, and other information required by Ethics.	Proposed subsection (a) states that campaign consultants must register within 5 business days of qualifying. It also requires campaign consultants to provide only basic and general information about the campaign consultant upon registration. Staff has deleted the requirement that the consultant state whether it is required to register with the Tax Collector. Information about clients and economic consideration will be required in the monthly reports under proposed subsection 1.515(b).
	Current section 1.515(a) requires much of this information.	Proposed subsection (b) requires each campaign consultant to disclose information no later than the 15 th day of each month, which is the same deadline imposed on lobbyists for monthly reporting. Consultants must disclose information about their clients, economic consideration, their responsibilities related to their clients, the name of any client who terminated the consultant's services, and any amendment to information that was provided under new subsection (a). They must also disclose detailed information regarding political contributions of \$100 or more. Consultants will no longer be required to disclose: <ul style="list-style-type: none"> • economic consideration received from vendors or subvendors (this has rarely, if ever, occurred);

		<ul style="list-style-type: none"> the name of any City officer or employee employed by the consultant or a client (staff believes this information is not relevant); information regarding any contract obtained by the consultant that was approved by a client who is a City elective officer; and any appointment to public office made by a client City elective officer.
	(b) Campaign consultants must annually re-register by January 1.	Staff has eliminated express provisions regarding re-registration – instead, proposed subsection 1.515(d)(1) provides that a consultant who fails to pay the annual registration fees by February 1 is deemed to have terminated his or her registration.
	(c) Fees: current law requires a consultant to pay annual registration fees and a \$50 fee for each client. Registration fees depend upon the level of the consultant's income. Consultants earning \$1,000-\$5,000 per year pay a fee of \$50; those earning \$5,000 - \$20,000 pay \$200; those earning more than \$20,000 pay \$400.	<p>Renumbered subsection 1.515(c) sets a flat \$500 annual fee for all campaign consultants.</p> <p>There will no longer be a client fee.</p> <p>No campaign consultant is considered registered until the Ethics Commission has received full payment of the fee.</p>
	(c) Fees: provides that fees collected by the Commission shall be deposited into the General Fund.	New section 1.550 consolidates this section with current section 1.525(b).
	(d) Client Authorization Statements: this section requires consultants to submit written authorizations from their clients.	Staff does not believe that client authorization forms are necessary. It is a rare occurrence, if at all, that a consultant will claim a client who isn't one. Consultants, who will report on their activities on a monthly basis, will continue to submit information subject to a <u>penalty of perjury</u> .
	(e) Quarterly Reports. Current law requires consultants to file paper	New subsection (b), discussed above, requires monthly reporting of

	reports on a quarterly basis.	consultant activities.
	(f) Client Termination Statements. Current law requires a consultant to file a client termination form within 30 days after a client terminates the services of a consultant.	Staff does not believe that client termination forms are necessary. Consultants will report their activities on a monthly basis and will be required to disclose, under subsection (b) the names of clients who have terminated their services and the date of such termination.
		Under new subsection 1.515(c), for the first disclosure report, consultants must disclose information set forth in 1.515(b) for the reporting period of the preceding 12 months.
	(g) Campaign Consultant Termination Statement. Current law requires each consultant who terminates activities as a consultant to file a report.	Proposed subsection (d)(1), mentioned above, provides that any consultant who fails to pay fees by February 1 will be deemed to have terminated his or her registration as a consultant. Subsection (d)(2) also permits the Commission to establish other processes for a consultant to terminate registration.
Penalty of Perjury: current § 1.515(h); new § 1.520(a)	(h) Penalty of Perjury. Under current law, each consultant verifies under penalty of perjury the accuracy and completeness of information that he or she provides.	New section 1.520(a) requires consultants to submit information under penalty of perjury.
Retention of Records: current § 1.515(i); new § 1.520(b)	(i) Retention of Records. Current law requires consultants to maintain records for five years.	New section 1.520(b) requires consultants to retain records for five years, and specifies that the records include invoices and written contracts between the consultant and client(s).
Audits: new § 1.520(c)	None	New section 1.520(c) authorizes the Commission, at the Executive Director's discretion, to perform random audits of consultant documents, and provides that the Commission, including the Director, may issue subpoenas related to audits.
Prohibitions: current § 1.510; new § 1.525		See discussion above regarding new section 1.525 regarding "Prohibitions."
Training:	None	New section 1.530 requires

new § 1.530		consultants to complete training within 60 days of initial registration and again as deemed necessary by the Executive Director.
Powers and Duties of Ethics Commission: current § 1.520; new § 1.535	Section 1.520 currently states that the Commission (a) shall provide forms for the reporting of all information required; (b) issue a registration number to each consultant; (c) provide a copy of CFRO and Lobbyist Ordinance to each consultant; (d) compile info provided in registration and quarterly reports; (e) keep records for five years; (f) provide advice; and (g) adopt necessary rules.	<ul style="list-style-type: none"> • New section 1.535 (a) provides that the Commission shall prescribe the format for the submission of information required. • Current sections 1.520 (b) and (c) are deleted as registration numbers are not needed and copies of CFRO and the Lobbyist Ordinance are available on the Commission's website. • New section 1.535 (b) requires the Commission to compile consultant information and post it on the website. • New sections 1.535 (c), (d) and (e) generally track existing law regarding recordkeeping, advice-giving, and the adoption of necessary rules. • New section 1.535 (f) requires the Commission to provide an annual workshop or training session concerning laws related to campaign consulting.
Administrative and Civil Enforcement, and Penalties: current § 1.525; new § 1.540	<p>Current section 1.525 provides:</p> <p>(a) a late filing fee of \$50 per day or \$100 per day if the deadline is fewer than 30 days before an election.</p> <p>(b) Anyone may file a complaint with the Commission.</p> <p>(c) The Commission may require consultant to cease and desist, file any reports, or pay up to \$5,000 per violation or three times amount not reported. The Commission may cancel the registration of a consultant for one year.</p> <p>(d) The City Attorney may seek</p>	<p>Section 1.540 contains similar provisions, except:</p> <ul style="list-style-type: none"> • Late fines remain at \$50 per day rather than increase to \$100 per day when the deadline for filing is fewer than 30 days before or after an election; • New subsection (e) provides for several and joint liability; • Current subsection 1.525 (e) is deleted; • Subsection 1.525(f) clarifies that an administrative action is commenced when the Ethics

	<p>\$5,000 per violation penalties.</p> <p>(e) Anyone who violates section 1.510 is guilty of misdemeanor.</p> <p>(f) Statute of limitations of 4 years</p> <p>(g) Commission has subpoena power in investigations.</p>	<p>Commission serves a probable cause report on a respondent;</p> <ul style="list-style-type: none"> • New subsection 1.540 (g) sets for a limitations period for the collection of fines and penalties, tracking similar language in the CFRO and Lobbyist Ordinance.
Provision of False or Misleading Information: new § 1.545	None	New section 1.545 provides that anyone who provides false information or fails to provide information to the Commission is subject to penalties. This tracks language in the CFRO.
Deposit of Funds: current 1.515(b) and 1.525(b); new § 1.550	Funds collected from registration fees, late fines and penalties must be deposited into the City's General Fund	Same requirement is consolidated into one section.
Code of Conduct: current § 1.530; new § 1.555	Section 1.530 sets forth a voluntary code of conduct	Section 1.555 contains a minor language change, replacing "reregistration" with "annually thereafter."
Severability: current § 1.535; new § 1.560		Section 1.560 contains changes that track the severability language in the CFRO.
Electronic Filing: current § 1.540; new § 1.535	Section 1.540 provides that the Commission may require electronic filing of reports.	New § 1.535 provides that the Commission shall prescribe the format for the submission of all information required from consultants. Thus, current section 1.540 is no longer necessary. Staff anticipates that the Commission, as it did with implementation of the Lobbyist Ordinance, will adopt regulations identifying the format for electronic submissions of information.
Construction with Other Laws: current § 1.545; new § 1.565	Section 1.545 references lobbying by campaign consultants, which is regulated under the Lobbyist Ordinance, SF C&GC Code § 2.117.	Staff has modified the language in new § 1.560 so that it states directly that lobbying by campaign consultants is governed by the Lobbyist Ordinance.
Effective Date: new § 1.565		Staff proposes that the effective date of the amendments be January 1, 2013. The Commission may change this date by resolution.

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Campaign Consultant Ordinance

SAN FRANCISCO CAMPAIGN AND GOVERNMENTAL CONDUCT CODE CHAPTER 5 - REGULATION OF CAMPAIGN CONSULTANTS

- Sec. 1.500. Findings.
- Sec. 1.510. Prohibitions.
- Sec. 1.505. Definitions.
- Sec. 1.515. Registration, Reregistration, Reporting, and Fees.
- Sec. 1.520. Powers and Duties of the Ethics Commission.
- Sec. 1.525. Administrative and Civil Enforcement, and Penalties.
- Sec. 1.530. Code of Conduct.
- Sec. 1.535. Severability.
- Sec. 1.540. Electronic Filing of Statements and Reports.
- Sec. 1.545. Construction with Other Laws.

SEC. 1.500. FINDINGS.

(a) The City and County of San Francisco has a paramount interest in protecting the integrity and credibility of its electoral and government institutions. Election campaigns are highly competitive in San Francisco, and candidates frequently contract for the services of professional campaign consultants who specialize in guiding and managing campaigns.

(b) It is the purpose and intent of the people of the City and County of San Francisco in enacting this Chapter to impose reasonable registration and disclosure requirements on campaign consultants. Required registration and disclosure of information by campaign consultants will assist the public in making informed decisions, and protect public confidence in the electoral and governmental processes. (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.540; added by Proposition G, 11/4/97)

SEC. 1.505. DEFINITIONS.

Whenever used in this Chapter, the following definitions shall apply:

(a) "Campaign consultant" means any person or entity that receives or is promised economic consideration equaling \$1,000 or more in a calendar year for campaign consulting services. The term "campaign consultant" includes any person or entity that subcontracts with a campaign consultant to provide campaign consulting services, and that receives or is promised economic consideration equaling \$1,000 or more in a calendar year for providing campaign consulting services. The term "campaign consultant" does not include persons who are employees of a campaign consultant, attorneys who provide only legal services, accountants who provide only accounting services, pollsters who provide only polling services, and treasurers who provide only those services which are required of treasurers by the Political Reform Act, California Government Code Section 81000, *et seq.*

(b) "Campaign consulting services" means participating in campaign management or developing or participating in the development of campaign strategy.

(c) "Campaign management" means conducting, coordinating or supervising a campaign to elect, defeat, retain or recall a candidate, or adopt or defeat a measure, including but not limited to hiring or authorizing the hiring of campaign staff and consultants, spending or authorizing the expenditure of campaign funds, directing, supervising or conducting the solicitation of contributions to the campaign, and selecting or recommending vendors or subvendors of goods or services for the campaign.

(d) "Campaign strategy" means plans for the election, defeat, retention or recall of a candidate, or for the adoption or defeat of a measure, including but not limited to producing or authorizing the production of campaign literature and print and broadcast advertising, seeking endorsements of organizations or individuals, seeking financing, or advising on public policy positions.

(e) "Candidate" means a person who has taken affirmative action to seek nomination or election to local office, a local officeholder who has taken affirmative action to seek nomination or election to any elective office, or a local officeholder who is the subject of a recall election.

(f) "Economic consideration" means any payments, fees, commissions, reimbursements for expenses, gifts, or anything else of value.

(g) "Lobby" means communicate with a local officeholder for the purpose of influencing local legislative or administrative action in exchange for economic consideration.

(h) "Lobbyist" is defined in Article II of this Code.*

(i) "Local office" means the following elective offices in the City and County of San Francisco: Mayor, Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender, Board of Education of the San Francisco Unified School District, and Governing Board of the San Francisco Community College District.

(j) "Measure" means a local referendum or local ballot measure, whether or not it qualifies for the ballot.

(k) "Vendor" means a person or entity who sells goods or services, other than campaign consulting services, including but not limited to printing, catering, and transportation services. The term "vendor" does not include attorneys who provide only legal services, accountants who provide only accounting services, pollsters who provide only polling services, and treasurers who provide only those services which are required of treasurers by the Political Reform Act, California Government Code Section 81000 *et seq.* (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.541; added by Proposition G, 11/4/97)

SEC. 1.510. PROHIBITIONS.

It shall be unlawful for any campaign consultant to provide campaign consulting services, or accept any economic consideration for the provision of campaign consulting services, without first registering with the Ethics Commission and complying with the reporting requirements specified in Section 1.515. (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.542; added by Proposition G, 11/4/97)

SEC. 1.515. REGISTRATION, REREGISTRATION, REPORTING, AND FEES.

(a) **REGISTRATION REPORTS.** At the time of initial registration, each campaign consultant shall report to the Ethics Commission the following information:

- (1) The name, business address and business phone number of the campaign consultant;
- (2) If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer;
- (3) The names of any individuals employed by the campaign consultant to assist in providing campaign consulting services;
- (4) A statement of whether the campaign consultant is required to register with the Ethics Commission pursuant to the Regulation of Lobbyists Ordinance, San Francisco Campaign and Governmental Conduct Code, Article II;*
- (5) A statement of whether the campaign consultant is required to register with the Tax Collector pursuant to the Business Tax Ordinance, San Francisco Municipal Code, Part III, Section 1001, *et. seq.*;
- (6) The name, address, and telephone number of each client to whom the campaign consultant provided campaign consulting services during the preceding three months;
- (7) For each client, the total economic consideration promised by or received from the client in exchange for the provision of campaign consulting services during the preceding three months, provided that the total is \$500 or more;
- (8) Each political contribution of \$100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to a candidate or measure;
- (9) The cumulative total of all political contributions made or delivered by the campaign consultant, or which is made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to each individual candidate or measure, provided that the cumulative total is \$500 or more;
- (10) Any gifts promised or made by the campaign consultant to a local officeholder during the preceding three months which in the aggregate total \$50 or more; and
- (11) Any other information required by the Ethics Commission consistent with the purposes and provisions of this Chapter.

(b) **REREGISTRATION REPORTS.** Each campaign consultant shall reregister annually no later January 1st.

(c) **FEES.** At the time of initial registration and reregistration, each campaign consultant shall pay to the Ethics Commission a registration fee and an additional fee for each client of the campaign consultant. The amount of the fee shall be:

- (i) Campaign consultants earning at least \$1,000 but not more than \$5,000 per calendar year shall pay a registration fee of \$50 and shall pay a client fee of \$50 per client;
- (ii) Campaign consultants earning more than \$5,000 but not more than \$20,000 per calendar year

shall pay a registration fee of \$200 and a client fee of \$50 per client;

(iii) Campaign consultants earning more than \$20,000 per calendar year shall pay a registration fee of \$400 and a client fee of \$50 per client.

When a client is acquired subsequent to initial registration or reregistration, the per client fee shall be paid at the time of filing the information required by Subsection (d). The Ethics Commission shall deposit fees collected pursuant to this Section in the General Fund of the City and County of San Francisco. On or after July 1, 1999, the Ethics Commission shall evaluate the fees set by this Section and propose any amendments for approval by the Board of Supervisors no later than December 1, 1999. If the Ethics Commission or the Board of Supervisors takes no action, the fees set by this Section shall remain in effect.

(d) **CLIENT AUTHORIZATION STATEMENTS.** At the time of initial registration, the campaign consultant shall submit to the Ethics Commission a written authorization from each client that contracts with the campaign consultant for campaign consulting services.

If the campaign consultant is retained by a client after the date of initial registration, the campaign consultant must file a Client Authorization Statement before providing any campaign consulting services to the client and before receiving any economic consideration from the client in exchange for campaign consulting services, and in any event no later than 15 days after being retained to provide campaign consulting services to the client.

(e) **QUARTERLY REPORTS.** Each campaign consultant shall file with the Ethics Commission quarterly reports containing the following information:

(1) For each client, the total economic consideration promised by or received from the client during the reporting period for campaign consulting services, provided that the total is \$500 or more;

(2) The total economic consideration promised by or received from all clients during the reporting period for campaign consulting services;

(3) Political contributions of \$100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the reporting period in support of or in opposition to a candidate or measure;

(4) The cumulative total of all political contributions made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the reporting period in support of or in opposition to each individual candidate or measure, provided that the cumulative total is \$500 or more;

(5) Any gifts promised or made by the campaign consultant to a local officeholder during the reporting period which in the aggregate total \$50 or more;

(6) Economic consideration promised to or received by the campaign consultant during the reporting period from vendors and subvendors who provided campaign-related goods or services to a current client of the campaign consultant;

(7) The name of each local officeholder and City employee who is employed by the campaign consultant, or by a client of the campaign consultant at the behest of the campaign consultant, during the reporting period;

(8) Each City contract obtained by the campaign consultant during the reporting period, provided that the contract is approved by a local officeholder who is a client of the campaign consultant;

(9) Each appointment to public office received by the campaign consultant during the reporting period, provided that the appointment is made by a local office-holder who is a client of the campaign consultant;

(10) Any other information required by the Ethics Commission consistent with the purposes and provisions of this Chapter.

Quarterly reports are due as follows: The report for the period starting December 1st and ending February 28th is due March 15th; the report for the period starting March 1st and ending May 31st is due June 15th; the report for the period starting June 1st and ending August 31st is due September 15th; and the report for the period starting September 1st and ending November 30th is due December 15th.

(f) **CLIENT TERMINATION STATEMENTS.** Within 30 days after a client terminates the services of a campaign consultant, the campaign consultant shall submit to the Ethics Commission a statement that the client has terminated the services of the campaign consultant. A campaign consultant may not provide campaign consulting services to a client or accept economic consideration for the provision of campaign consulting services after a client termination statement is filed, until a new client authorization statement has been filed pursuant to Section 1.515(d).

(g) **CAMPAIGN CONSULTANT TERMINATION STATEMENTS.** A campaign consultant shall comply with all requirements of this Chapter until the campaign consultant ceases all activity as a campaign consultant and files a statement of termination with the Ethics Commission. A statement of termination must include all information required by Subsection (e) for the period since the campaign consultant's last

quarterly report.

(h) Each campaign consultant shall verify, under penalty of perjury, the accuracy and completeness of the information provided under Sections 1.515 and 1.520(c).

(i) Each campaign consultant shall retain for a period of five years all books, papers and documents necessary to substantiate the reports and statements required under this Chapter. (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.543; added by Proposition G, 11/4/97)

SEC. 1.520. POWERS AND DUTIES OF THE ETHICS COMMISSION.

(a) The Ethics Commission shall provide forms for the reporting of all information required by this Chapter.

(b) The Ethics Commission shall issue a registration number to each registered campaign consultant.

(c) At the time of initial registration and reregistration, the Ethics Commission shall provide the campaign consultant with a copy of the City's campaign and lobbyist laws, the Code of Conduct specified in Section 1.530, and any related material which the Commission determines will serve the purposes of this Chapter. Each campaign consultant must sign a statement acknowledging receipt of these materials.

(d) The Ethics Commission shall compile the information provided in registration and quarterly reports filed pursuant to this Chapter as soon as practicable after the close of each quarter and shall forward a report of the compiled information to the Board of Supervisors and the Mayor.

(e) The Ethics Commission shall preserve all original reports, statements, and other records required to be kept or filed under this Chapter for a period of five years. Such reports, statements, and records shall constitute a part of the public records of the Ethics Commission and shall be open to public inspection.

(f) The Commission shall provide formal and informal advice regarding the duties under this Chapter of a person or entity pursuant to the procedures specified in San Francisco Charter Section C3.699-12.

(g) The Ethics Commission shall have the power to adopt all reasonable and necessary rules and regulations for the implementation of this Chapter pursuant to the procedure specified in Charter Section 15.102.* (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.544; added by Proposition G, 11/4/97)

SEC. 1.525. ADMINISTRATIVE AND CIVIL ENFORCEMENT, AND PENALTIES.

(a) If any campaign consultant files an original statement or report after any deadline imposed by this Chapter, the Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter, fine the campaign consultant \$50 per day after the deadline until the statement or report is received by the Ethics Commission. If any campaign consultant files an original statement or report after any deadline imposed by this Chapter, when the deadline is fewer than 30 days before or after an election, the Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter, fine the campaign consultant \$100 per day after the deadline until the statement or report is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if the Commission determines that the late filing was not willful and that enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds collected under this Section in the General Fund of the City and County of San Francisco.

(b) Any person who believes that Section 1.510 has been violated may file a complaint with the Ethics Commission. Upon receipt of a complaint, or upon its own initiative, the Commission may investigate allegations of a violation of Section 1.510 and enforce the provisions of Section 1.510 pursuant to the procedures established in San Francisco Charter Section C3.699-13, and the Commission's rules and regulations adopted pursuant to Charter Section 15.102.*

(c) When the Commission, pursuant to the procedures specified in Charter Section C3.699-13, determines on the basis of substantial evidence that a person or entity has violated Section 1.510, the Commission may require the person or entity to: (1) cease and desist the violation; (2) file any reports or statements or pay any fees required by this Chapter, and/or (3) pay a monetary penalty of up to \$5,000 for each violation, or three times the amount not properly reported, whichever is greater. The Commission may cancel for up to one year the registration of any campaign consultant who has violated Section 1.510. A campaign consultant whose registration has been canceled pursuant to this Section may not provide campaign consulting services in exchange for economic consideration for the period that the registration is canceled. When the period of cancellation ends, the campaign consultant may reregister pursuant to Section 1.515(a) and (c).

(d) Any person or entity which knowingly or negligently violates or who causes any other person to

violate Section 1.510 may be liable in a civil action brought by the City Attorney for an amount up to \$5,000 per violation, or three times the amount not properly reported, whichever is greater.

(e) Any person or entity which intentionally or negligently violates Section 1.510 is guilty of a misdemeanor.

(f) No administrative, civil, or criminal action shall be maintained to enforce Section 1.510 unless brought within four years after the date the cause of action accrued or the date that the facts constituting the cause of action were discovered by the Ethics Commission, City Attorney, or District Attorney, whichever is later.

(g) In investigating any alleged violation of Section 1.510, the Ethics Commission and City Attorney shall have the power to inspect, upon reasonable notice, all documents required to be maintained under Section 1.515(i). This power to inspect documents is in addition to other powers conferred on the Ethics Commission and City Attorney by the Charter, or by ordinance, including the power of subpoena. (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.545; added by Proposition G, 11/4/97)

SEC. 1.530. CODE OF CONDUCT.

At the time of initial registration and reregistration, each campaign consultant must elect whether to voluntarily comply with the following Code of Conduct:

"I am familiar with all the laws, rules and regulations applicable to local campaigns;

"I will not knowingly make false statements about the qualifications or positions of any candidate, or about the scope and effect of any measure;

"I will not knowingly make false statements that any real or fictitious person supports or opposes a candidate or measure;

"In the event that I make inadvertent false statements about the qualifications or positions of any candidate or about the scope and effect of any measure, I will endeavor to provide corrected information in written form to the Ethics Commission within five days;

"I will refrain from appealing to prejudice in the conduct of a campaign, and from conducting, managing or advising a campaign, which appeals to prejudice based on race, gender, ethnic background, religious affiliation or nonaffiliation, sexual orientation, age, disability, or economic status;

"I will refrain from seeking to obtain the support of or opposition to any candidate or measure by the use of financial inducements or by the use of threats or coercion;

"I will refrain from influencing the submission of a measure to the San Francisco voters for the sole purpose of obtaining economic consideration for campaign consulting services;

"I will disclose through a filing at the San Francisco Ethics Commission any agreements that would result in a campaign consulting contract resulting from my efforts to influence the submission of a measure to the San Francisco voters at the time that I seek submission of any such measure;

"I will refrain from seeking to evade, or participating in efforts of others to evade, the legal requirements in laws pertaining to political campaigns;

"I will not knowingly participate in the preparation, dissemination, or broadcast of paid political advertising or campaign materials that contain false information; and

"I will refrain from accepting clients whose interests are adverse to each other." (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.546; added by Proposition G, 11/4/97)

SEC. 1.535. SEVERABILITY.

If any section, subsection, subdivision, sentence, clause, phrase or portion of this Chapter, or the application thereof to any person or entity is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter or its application to other persons, business entities, or organizations. The Board of Supervisors hereby declares that it would have adopted this Chapter, and each section, subsection, subdivision, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions, or the application thereof to any person or entity, to be declared invalid or unconstitutional. (Added by Ord. 71-00, File No. 000358, App. 4/28/2000) (Derivation: Former Administrative Code Section 16.547; added by Proposition G, 11/4/97)

SEC. 1.540. ELECTRONIC FILING OF STATEMENTS AND REPORTS.

(a) ELECTRONIC FILLING REQUIRED. Whenever campaign consultants are required by this

Chapter to file an original statement or report, the Ethics Commission may require the consultants to file an electronic copy of the statement or report. The electronic copy shall be due no later than the deadline imposed by this Chapter for filing the original statement or report.

(b) **POWERS AND DUTIES OF THE ETHICS COMMISSION.**

(i) Pursuant to San Francisco Charter Section 15.102, the Ethics Commission shall adopt regulations specifying the electronic filing requirements applicable to campaign consultants. The Ethics Commission shall adopt these regulations no fewer than 120 days before the electronic filing requirements are effective.

(ii) The Ethics Commission shall prescribe the format for electronic copies of statements and reports no fewer than 90 days before the statements and reports are due to be filed.

(c) **PENALTIES.** If any campaign consultant files an electronic copy of a statement or report after the deadline imposed by this Section, the Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter, fine the campaign consultant \$10 per day after the deadline until the electronic copy is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if the Commission determines that the late filing was not willful and that enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds collected under this Section in the General Fund of the City and County of San Francisco. (Added by Ord. 223-00, File No. 000742, App. 9/29/2000)

SEC. 1.545. CONSTRUCTION WITH OTHER LAWS.

Lobbying by campaign consultants and employees of campaign consultants is governed by the applicable provisions of Article II, Chapter 1 of this Code, including section 2.117, which prohibits campaign consultants and employees of campaign consultants from communicating with current and former clients on behalf of another person or entity for the purpose of influencing local legislative or administrative action in exchange for economic consideration. (Added by Ord. 28-04, File No. 031656, App. 2/20/2004)

Campaign Consultants

G

PROPOSITION G

Shall the City require campaign consultants to register with the City's Ethics Commission and file quarterly activity reports?

YES
NO



Digest

by the Ballot Simplification Committee

THE WAY IT IS NOW: Campaign consultants are not required to register with the City or disclose information about services provided to the consultants' clients.

THE PROPOSAL: Proposition G would require "campaign consultants" to register annually and file quarterly activity reports with the City's Ethics Commission. It would define "campaign consultants" as persons who receive \$1,000 or more per year for conducting or supervising an election campaign.

Proposition G would require campaign consultants to report information including: names of clients; services provided to and payments received from clients; and contributions and gifts made to local officials. These reports would be made under penalty of perjury and would be available for public review. Consultants would be required to pay registration fees to be proposed by the Ethics

Commission and set by the Board of Supervisors. In addition, consultants would be required to declare whether they will comply with a voluntary code of conduct.

Proposition G would provide for penalties of \$5,000 or more per violation, and intentional or negligent violations would be misdemeanors. The Ethics Commission also could charge campaign consultants \$50 to \$100 per day for reports filed late.

A "YES" VOTE MEANS: You want to require campaign consultants to register and file quarterly activity reports with the City's Ethics Commission.

A "NO" VOTE MEANS: You do not want to require campaign consultants to register or file quarterly activity reports with the City's Ethics Commission.

Controller's Statement on "G"

City Controller Edward Harrington has issued the following statement on the fiscal impact of Proposition G:

Should the proposed ordinance be approved by the voters, in my opinion, it should not significantly affect the cost of government if the fees authorized to be charged cover all or most of the cost of administration by the Ethics Commission.

How "G" Got on the Ballot

On August 6, 1997 the Department of Elections received a proposed ordinance signed by Supervisors Ammiano, Bierman, Newsom, and Yee. The City Charter allows four or more Supervisors to place an ordinance on the ballot in this manner.

G

Campaign Consultants

PROPONENT'S ARGUMENT IN FAVOR OF PROPOSITION G

San Franciscans have a paramount interest in protecting the integrity of our electoral and government institutions. Public opinion surveys have revealed that many San Franciscans believe that political consultants have more say in creating public policy than elected officials. Proposition G provides for the first time for public oversight of political consultant's activities. It also asks consultants if they will agree to voluntarily comply with a model Code of Conduct not to engage in unethical conduct.

San Francisco's Ethics and Lobbyist Laws have long recognized that public integrity is well served when City Hall's hidden persuaders have to reveal who pays them, who meets with them, and what deals they make. Applying similar standards to the city's political consultants as we apply to lobbyists closes a major loophole in public oversight.

Last year the city's Ethics Commission unanimously passed a resolution supporting registration and reporting by political consultants. It said, "the Ethics Commission supports requiring campaign consultants to register and report information regarding

their activities, similar to requirements for lobbyists as defined in the Lobbyist Ordinance." Proposition G is carefully crafted to accomplish the Ethic Commission's recommendation.

Currently in San Francisco, information revealing insider political relationships and financial transactions is buried in hundreds of pages of documents scattered through dozens of city offices. Proposition G will bring this data and previously unavailable information together at the Ethics Commission, making access much easier for the public.

Political reform depends on the voters, it will not come from City Hall. I urge you to vote yes on Proposition G for public disclosure of political consultant activities and stronger consultant ethics.

*Tom Ammiano
Gavin Newsom
Leland Yee*

REBUTTAL TO PROPONENT'S ARGUMENT IN FAVOR OF PROPOSITION G

Proposition G unfairly singles out campaign consultants to blame for the perceived shortcomings of elected officials. But who are campaign consultants?

While the sensationalist media focus on a handful of flamboyant characters who are more colorful than their clients, nearly every campaign consultant began as a hardworking, public-spirited citizen volunteer in a candidate or issue campaign. Often at great financial sacrifice, volunteers put in long hours to promote their vision of a better future – the essence of American participatory democracy.

With ever-stricter limitations on contributions and expenditures, campaigns more than ever need the skills of experienced campaign workers who can manage scarce resources wisely and effectively. As demand has increased for these skills, experienced unpaid volunteers have become paid consultants,

competing to get involved in enough local candidate and proposition campaigns to earn a living and pay their overhead. The work is stressful, with revenues usually coming only during the three or four months preceding an election. It is *not* a path to wealth.

Proposition G allows political appointees to impose burdensome regulations, fees and harsh penalties on – and even drive out of business – private citizens with whom they disagree.

San Francisco historically has encouraged broad citizen participation and free speech. Don't let politicians with axes to grind chill private citizens' willingness to get involved. Don't let politicians with vindictive agendas compromise the integrity of our democratic process. Vote NO on G.

San Franciscans Opposed to Excessive Regulation

Campaign Consultants



OPPONENT'S ARGUMENT AGAINST PROPOSITION G

Proposition G is another example of a badly-written law that sounds good on the surface, but which doesn't accomplish what it intends. It requires an enormous, open-ended and expensive bureaucracy to administer it. It places an unfair regulatory burden on small businesspeople.

Proposition G creates a mountain of paperwork that duplicates information already required of candidates, campaign committees and elected officials. It shifts the focus of public scrutiny away from candidates and elected officials and instead turns the spotlight onto private citizens involved in the political process.

If the unspoken premise of Proposition G is that elected officials are too weak to serve the public interest over the interests of campaign consultants, we should pay closer attention to the people we elect to office. Placing heavy-handed controls on private citizens who facilitate political communication serves only to shift accountability away from candidates and elected officials.

The registration fees and excessive penalties - \$5,000 for each

reporting error plus criminal charges - are far greater than anything candidates, campaign committees and even lobbyists are subject to. Campaign consultants are singled out and held to a higher standard of compliance than anyone else involved in public affairs - higher even than the standard for elected officials.

Proposition G is nothing more than a vehicle for politicians to punish their enemies and discourage public-spirited citizens from developing professional political communication skills. As purveyors of political speech, political consultants are part of the First Amendment rights process. Proposition G interferes with that process by intimidating and making it more difficult for a class of private citizens to practice their profession.

Vote NO on Proposition G.

Campaign Workers and Volunteers Against Proposition G

Kerrie Hillman

Jim Ross

Maggie Muir

August J. P. Longo

David Looman

Jose Caedo

Andy Wong

REBUTTAL TO OPPONENT'S ARGUMENT AGAINST PROPOSITION G

Proposition G, the Honest Elections Ordinance, does not create penalties that are "far greater than anything candidates, campaign committees, and even lobbyists are subject to," or single out consultants to a "higher standard of compliance."

Proposition G uses exactly the same standards and penalties that are already in the law passed by the voters last year as Proposition 208. It seems these "campaign workers" don't know the legal requirements campaigns pay them to get right.

The fact is that Proposition G will provide the public with just the facts, not the spin. This ordinance simply allows voters to have access to information political consultants prefer to keep hidden.

Proposition G will help unveil deceptive practices such as when some consultants pay to put their candidates on so-called Republican mailers even though their candidates are Democrats and Democratic Party officials, and vice versa.

Proposition G won't end political manipulation and dishonesty, but at least the voters will know who paid for it, how much they got paid, whether city officials were put on the payrolls of consultants, and whether political consultants then received city contracts. Too much of this is done secretly now, benefiting political insiders at the expense of the public.

Join the League of Women Voters, San Francisco Tomorrow, the Democratic Women's Forum, the League of Conservation Voters, and many civic and neighborhood activists in supporting Proposition G for honest elections.

Tom Ammiano

Gavin Newsom

G

Campaign Consultants

PAID ARGUMENTS IN FAVOR OF PROPOSITION G

League of Women Voters Supports the Public's Right to Know

Proposition G would create registration and reporting for campaign consultants that is nearly identical for lobbyists. Reports would be filed with the Ethics Commission to include information such as total amount received from all clients (politicians or issue campaigns); contributions of \$100 or more made or delivered by the consultant; and any gifts made by the consultant to a local officeholder. Also, consultants could voluntarily endorse a "Code of Conduct" for running fair and honest campaigns.

This legislation would be the first of its kind in the country and would continue our city's tradition of innovation in campaign reform.

Support full disclosure in San Francisco politics. Vote Yes on G.

League of Women Voters of San Francisco

The true source of funds used for the printing fee of this argument was the League of Women Voters of San Francisco.

As activists in the lesbian, gay, bisexual, transgender community, too often we have seen campaign consultants set our agenda. But how is a consultant's agenda reached? Proposition G affords the public that insight.

The voluntary Code of Conduct is desperately needed. Consultants would promise not to make false statements or appeal to prejudice during campaigns. Our community has usually been the victim of such tactics.

For honest elections, we urge a Yes vote on Proposition G.

Gwenn Craig
Phillip Babcock
John-Michael Olexy
Myrna Diaz
John Dunbar
Denise D'Anne
Tony Travers
Criss Romero
Byron McQuarters
Dennis Seely

The true source of funds used for the printing fee of this argument was Gwenn Craig, Phillip Babcock, John-Michael Olexy, Criss Romero.

Follow the money! Money buys and sells a lot of political decisions in San Francisco. Proposition G will help San Franciscans know what special interests are buying what. Vote Yes on Proposition G.

San Francisco Tomorrow

The true source of funds used for the printing fee of this argument was San Francisco Tomorrow.

Finally, San Francisco voters have a way to make campaign consultants accountable. Proposition G's Honest Elections reform – including public disclosure of campaign-related activities and a voluntary code of conduct – is long overdue. Vote YES on G!

San Francisco Green Party County Council

The true source of funds used for the printing fee of this argument was the San Francisco Green Party.

Proposition G is a modest reform that will clarify the murky lines between lobbyists and campaign consultants. This will result in cleaner, more honest government.

Electoral Reform Coalition

The true source of funds used for the printing fee of this argument was the Electoral Reform Coalition.

Arguments printed on this page are the opinion of the authors and have not been checked for accuracy by any official agency.

Campaign Consultants



PAID ARGUMENTS AGAINST PROPOSITION G

We all want cleaner campaigns, but stomping on the First Amendment shouldn't be our first step.

Proposition G would give government bureaucrats dangerous new powers to limit your right to speak freely. With Proposition G, San Francisco would become the first city in the nation with the power to regulate, even silence, political speech.

We may not always like what these publishers of campaign materials say – but everyone who cares about open and honest elections must unite to protect our right to campaign freely, and to publish political opinion without fear of government backlash.

The politicians in San Francisco already have too much power to control and limit open debate. Don't let them get away with this brazen, and unconstitutional, power grab.

Vote NO on Proposition G.

Rev. A. Cecil Williams
Glide Memorial United Methodist Church

The true source of funds used for the printing fee of this argument was San Franciscans Against Excessive Regulation/No on Prop G.

Proposition G is an unnecessary and unwieldy measure that would create mountains of paperwork, expand the bureaucracy and duplicate information on file – while doing nothing to reform the political process.

Proposition G would shift the focus of public scrutiny away from candidates and elected officials and place it on campaign workers – even those operating at low levels in grassroots campaigns.

Proposition G could intimidate private citizens eager to participate in local political campaigns by requiring them to file complicated paperwork, pay high fees, and subject themselves to costly penalties and criminal liability.

As candidates and elected officials we've heard the public outcry for true campaign reform. Proposition G wouldn't reform anything – it would only chill citizens' enthusiasm to get involved.

Join us in voting NO on Proposition G.

Barbara Kaufman, President, Board of Supervisors
Supervisor Mabel Teng
College Board Trustee Lawrence Wong
School Board Members Carlota del Portillo, Mary Hernandez,
Juanita Owens, Jill Wynns
Jason Wong

The true source of funds used for the printing fee of this argument was No on Prop G.

Proposition G wouldn't affect just the handful of campaign consultants whose names appear in political gossip columns. Proposition G would affect concerned private citizens like us who receive minimal pay for our work in campaigns.

Even recent grassroots campaigns involve numerous people who provide "campaign consulting services." Existing law already requires every campaign to record the name and address of everyone who is paid, and the amount. That information already is on file, and it will be required of all future campaigns.

Proposition G would require that every individual whose involvement already is recorded under current law to register, pay a fee, and file voluminous forms. In addition to citizens involved in small-scale campaigns, every individual paid for providing "campaign consulting services" to huge campaigns such as the recent 49ers and Giants stadium campaigns, and campaigns for Mayor, etc., would be required to register and file frequent reports. Could this be hundreds of individuals?

Private citizens who provide such services to more than one campaign would have to register, pay a fee and file reports for each and every campaign in which they are involved. How much more paperwork would this involve, and at what enormous cost?

The political process needs REAL reform, but Proposition G doesn't provide it.

Elizabeth Ann Dunlap
Marc Gofstein
Thomas Runge
Candace Hamilton
Dennis Edelman

The true source of funds used for the printing fee of this argument was No on Prop G.

G

Campaign Consultants

PAID ARGUMENTS AGAINST PROPOSITION G

The San Francisco Chamber of Commerce opposes Proposition G. Although we do believe in the full disclosure of contributions and expenditures from all campaign organizations, we do not support the addition of regulations that duplicate information already available for public review through the Ethics Commission.

Proposition G is overly broad because the provision for canceling a campaign consultant's registration does not guarantee due process.

Proposition G is a duplication of information already being filed with the Ethics Commission under other city and state regulations.

Proposition G would give the Ethics Commission unprecedented powers that could easily be the subject of political influence and manipulation.

The Chamber urges you to **VOTE NO ON PROPOSITION G.**

G. Rhea Serpan
President & CEO
San Francisco Chamber of Commerce

The true source of funds used for the printing fee of this argument was the San Francisco Chamber of Commerce 21st Century Committee.

Prop G would not provide the public with any new information about campaigns - state and local laws already require campaigns to file frequent public documents listing fees paid to campaign workers and the services provided for those fees. Proposition G's idea of "reform" is to require that the same information be filed and processed again. It is a duplicative paperwork nightmare.

Another bad effect of the measure is its broad definition of "consultant," under which it would require campaign workers to pay a registration fee who earn as little as \$1,000 per year, performing such tasks as coordinating volunteers, scheduling rallies and stuffing envelopes. They also would have to file onerous, multiple documents with the government and face criminal penalties for simply forgetting to file or filing the wrong form.

Proposition G is aimed at the wrong people.

For these reasons I urge you to vote NO on Proposition G.

Assemblywoman Carole Migden

The true source of funds used for the printing fee of this argument was the No on Prop G campaign.

Proposition G is NOT real reform.

While the discussions of issues and the tactics used in political campaigns too often are not what they should be, Proposition G does not address the problem.

We must continue to insist that candidates and elected officials deal with the public honestly and openly. We must continue to insist on full disclosure of campaign contributions and expenditures by candidates and elected officials.

But we cannot allow ourselves to be distracted by well-intentioned but ineffective attempts at reform. We cannot allow candidates and elected officials to shirk their responsibilities and hide behind their campaign workers.

Proposition G defines "consultant" so broadly, and sets the income threshold so low, that it would affect many lower-level campaign workers receiving minimal compensation for being involved, public-spirited citizens.

Even more troubling than the filing fees and paperwork headaches is the liability for huge fines and even criminal charges. This could have a chilling effect on citizens' willingness to get involved in the democratic process.

The costs of administering and enforcing Proposition G could be enormous, especially if it involves the criminal justice system. Since the information required under Proposition G already is available elsewhere, this would be a serious waste of money and law enforcement resources.

I urge you to vote NO on Proposition G.

Arlo Smith
Former District Attorney

The true source of funds used for the printing fee of this argument was the No on Prop G campaign.

Campaign Consultants

G

PAID ARGUMENTS AGAINST PROPOSITION G

Fiscal Watchdogs Agree: Proposition G is the Wrong Priority for Taxpayer Dollars!

Proposition G will cost taxpayers untold thousands of dollars to administer a new set of regulations. What's worse? Everything required to report under Proposition G is already reported and available to the public.

This unnecessary duplication of paper work, will require adding more city workers just to oversee the mountains of paper that Proposition G will generate. Further, any complaint, filed by anyone who wishes to file for any reason, must be investigated. Just one additional complaint could cost tens of thousands of dollars in paperwork and staff time. Who will foot the bill? The taxpayers of course!

There are better things to fund with taxpayers' money, such as improving MUNI, fixing Golden Gate Park, and ensuring public safety. Don't let the politicians add unnecessary, wasteful spending and additional bureaucracy to our city government - vote NO on Proposition G.

Tom Hsieh

Former Supervisor, City and County of San Francisco
Former State Democratic Party Vice Chair

The true source of funds used for the printing fee of this argument was the No on Prop G campaign.

Neighborhood Business Leaders Oppose Prop G It's Unnecessary Regulation

Proposition G adds additional regulation and red tape for campaign workers. New regulations will require city bureaucrats to maintain tens of thousands of new filing papers and computer files.

Proposition G's filing requirements duplicate existing campaign disclosure requirements. Currently, all moneys received by campaign workers and consulting firms are filed with the Ethics Commission and are available for public review. This unnecessary, duplicate filing requirement adds new regulation and red tape, and will add to the City's existing bureaucracy.

Proposition G is just another example of City Hall trying over-regulate small business - and individuals.

Vote against additional bureaucratic red tape. Vote against Proposition G!

Kathleen Harrington, Owner, Harrington's Bar & Grill
Nathan Dwiri, President, Yellow Cab Cooperative
Darshan Singh, Director, Outer Sunset Merchants Association

The true source of funds used for the printing fee of this argument was the No on Prop G campaign.

Can political appointees do a more balanced and fair job of telling the public what they need to know about campaign management than the media? Are the employees of political candidates more responsible for political campaigns than the candidates themselves?

According to Prop. G, the answer is "yes."

We disagree. You should too.

Prop. G requires unnecessary filing, registration, authorization, reporting and termination forms - all information already available to the public and the press in public documents. It neither improves public information nor raises the level of debate.

Prop. G would empower political appointees with no public accountability to regulate and punish people who run political campaigns. This would allow elected officials to duck responsibility.

It's Big Brother government and voters should reject it.

Vote No on Prop. G to protect the integrity of our democratic process and allow the media to do its job.

Maggie McCall

Editor and Publisher, Marina Times

David Ish

Editor and Publisher, New Fillmore

Ted Fang

Publisher, San Francisco Independent

The true source of funds used for the printing fee of this argument was the No on Prop G campaign.

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TEXT OF PROPOSED ORDINANCE

PROPOSITION G

Be it ordained by the People of the City and County of San Francisco:

Section 1. Chapter 16 of the San Francisco Administrative Code is hereby amended by adding Sections 16.540-16.547, to read as follows:

ARTICLE XIIC

REGULATION OF CAMPAIGN CONSULTANTS

SEC. 16.540. FINDINGS. (a) The City and County of San Francisco has a paramount interest in protecting the integrity and credibility of its electoral and government institutions. Election campaigns are highly competitive in San Francisco, and candidates frequently contract for the services of professional campaign consultants who specialize in guiding and managing campaigns.

(b) It is the purpose and intent of the people of the City and County of San Francisco in enacting this Article to impose reasonable registration and disclosure requirements on campaign consultants. Required registration and disclosure of information by campaign consultants will assist the public in making informed decisions, and protect public confidence in the electoral and governmental processes.

SEC. 16.541. DEFINITIONS. Whenever used in this Article, the following definitions shall apply:

(a) "Campaign consultant" means any person or entity that receives or is promised economic consideration equaling \$1,000 or more in a calendar year for campaign consulting services. The term "campaign consultant" includes any person or entity that subcontracts with a campaign consultant to provide campaign consulting services, and that receive or are promised economic consideration equaling \$1,000 or more in a calendar year for providing campaign consulting services. The term "campaign consultant" does not include persons who are employees of a campaign consultant, attorneys who provide only legal services; accountants who provide only accounting services, pollsters who provide only polling services, and treasurers who provide only those services which are required of treasurers by the Political Reform Act, California Government Code § 81000, *et seq.*

(b) "Campaign consulting services" means participating in campaign management or developing or participating in the development of campaign strategy.

(c) "Campaign management" means conducting, coordinating or supervising a campaign to elect, defeat, retain or recall a candidate, or adopt or defeat a measure, including but not limited to hiring or authorizing the hiring of campaign staff and consultants, spending or authorizing the expenditure of campaign funds, directing, supervising or conducting the solicitation of contributions to the campaign, and

selecting or recommending vendors or subvendors of goods or services for the campaign.

(d) "Campaign strategy" means plans for the election, defeat, retention or recall of a candidate, or for the adoption or defeat of a measure, including but not limited to producing or authorizing the production of campaign literature and print and broadcast advertising, seeking endorsements of organizations or individuals, seeking financing, or advising on public policy positions.

(e) "Candidate" means a person who has taken affirmative action to seek nomination or election to local office, a local officeholder who has taken affirmative action to seek nomination or election to any elective office, or a local officeholder who is the subject of a recall election.

(f) "Economic consideration" means any payments, fees, commissions, reimbursements for expenses, gifts, or anything else of value.

(g) "Lobby" means communicate with a local officeholder for the purpose of influencing local legislative or administrative action in exchange for economic consideration.

(h) "Lobbyist" is defined in Administrative Code § 16.520, *et seq.*

(i) "Local office" means the following elective offices in the City and County of San Francisco: Mayor, Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender, Board of Education of the San Francisco Unified School District, and Governing Board of the San Francisco Community College District.

(j) "Measure" means a local referendum or local ballot measure, whether or not it qualifies for the ballot.

(k) "Vendor" means a person or entity who sells goods or services, other than campaign consulting services, including but not limited to printing, catering, and transportation services. The term "vendor" does not include attorneys who provide only legal services; accountants who provide only accounting services, pollsters who provide only polling services, and treasurers who provide only those services which are required of treasurers by the Political Reform Act, California Government Code § 81000 *et seq.*

SEC. 16.542. PROHIBITIONS. It shall be unlawful for any campaign consultant to provide campaign consulting services, or accept any economic consideration for the provision of campaign consulting services, without first registering with the Ethics Commission and complying with the reporting requirements specified in section 16.543.

SEC. 16.543. REGISTRATION, RE-REGISTRATION, REPORTING, AND FEES.

(a) REGISTRATION REPORTS. At the time of initial registration, each campaign con-

sultant shall report to the Ethics Commission the following information:

(1) The name, business address and business phone number of the campaign consultant;

(2) If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer;

(3) the names of any individuals employed by the campaign consultant to assist in providing campaign consulting services;

(4) a statement of whether the campaign consultant is required to register with the Ethics Commission pursuant to the Lobbyist Ordinance, San Francisco Administrative Code § 16.520, *et seq.*

(5) a statement of whether the campaign consultant is required to register with the Tax Collector pursuant to the Business Tax Ordinance, San Francisco Municipal Code, Part III, § 1001, *et seq.*

(6) the name, address, and telephone number of each client to whom the campaign consultant provided campaign consulting services during the preceding three months;

(7) for each client, the total economic consideration promised by or received from the client in exchange for the provision of campaign consulting services during the preceding three months, provided that the total is \$500 or more;

(8) each political contribution of \$100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to a candidate or measure;

(9) the cumulative total of all political contributions made or delivered by the campaign consultant, or which is made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to each individual candidate or measure, provided that the cumulative total is \$500 or more;

(10) any gifts promised or made by the campaign consultant to a local officeholder during the preceding three months which in the aggregate total \$50 or more; and

(11) any other information required by the Ethics Commission consistent with the purposes and provisions of this Article.

(b) RE-REGISTRATION REPORTS. Each campaign consultant shall re-register annually no later January 1.

(c) FEES. At the time of initial registration and re-registration, each campaign consultant shall pay to the Ethics Commission a registration fee and an additional fee for each client of

(Continued on next page)

LEGAL TEXT OF PROPOSITION G (Continued)

the campaign consultant. These fees shall be proposed by the Ethics Commission for approval by the Board of Supervisors. The fees shall be approved by the Board no later than December 1 for implementation during the following calendar year. When a client is acquired subsequent to initial registration or re-registration, the per-client fee shall be paid at the time of filing the information required by subsection (d). The Ethics Commission shall deposit fees collected pursuant to this section in the General Fund of the City and County of San Francisco.

(d) **CLIENT AUTHORIZATION STATEMENTS.** At the time of initial registration, the campaign consultant shall submit to the Ethics Commission a written authorization from each client that contracts with the campaign consultant for campaign consulting services.

If the campaign consultant is retained by a client after the date of initial registration, the campaign consultant must file a Client Authorization Statement before providing any campaign consulting services to the client and before receiving any economic consideration from the client in exchange for campaign consulting services, and in any event no later than 15 days after being retained to provide campaign consulting services to the client.

(e) **QUARTERLY REPORTS.** Each campaign consultant shall file with the Ethics Commission quarterly reports containing the following information:

(1) For each client, the total economic consideration promised by or received from the client during the reporting period for campaign consulting services, provided that the total is \$500 or more;

(2) the total economic consideration promised by or received from all clients during the reporting period for campaign consulting services;

(3) political contributions of \$100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the reporting period in support of or in opposition to a candidate or measure;

(4) the cumulative total of all political contributions made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the reporting period in support of or in opposition to each individual candidate or measure, provided that the cumulative total is \$500 or more;

(5) any gifts promised or made by the campaign consultant to a local officeholder during the reporting period which in the aggregate total \$50 or more;

(6) economic consideration promised to or received by the campaign consultant during the

reporting period from vendors and subvendors who provided campaign-related goods or services to a current client of the campaign consultant;

(7) the name of each local officeholder and City employee who is employed by the campaign consultant, or by a client of the campaign consultant at the behest of the campaign consultant, during the reporting period;

(8) each City contract obtained by the campaign consultant during the reporting period, provided that the contract is approved by a local officeholder who is a client of the campaign consultant;

(9) each appointment to public office received by the campaign consultant during the reporting period provided that the appointment is made by a local officeholder who is a client of the campaign consultant;

(10) any other information required by the Ethics Commission consistent with the purposes and provisions of this Article.

Quarterly reports are due as follows: The report for the period starting December 1 and ending February 28 is due March 15; the report for the period starting March 1 and ending May 31 is due June 15; the report for the period starting June 1 and ending August 31 is due September 15; and the report for the period starting September 1 and ending November 30 is due December 15.

(f) **CLIENT TERMINATION STATEMENTS.** Within 30 days after a client terminates the services of a campaign consultant, the campaign consultant shall submit to the Ethics Commission a statement that the client has terminated the services of the campaign consultant. A campaign consultant may not provide campaign consulting services to a client or accept economic consideration for the provision of campaign consulting services after a client termination statement is filed, until a new client authorization statement has been filed pursuant to section 16.543(d).

(g) **CAMPAIGN CONSULTANT TERMINATION STATEMENTS.** A campaign consultant shall comply with all requirements of this Article until the campaign consultant ceases all activity as a campaign consultant and files a statement of termination with the Ethics Commission. A statement of termination must include all information required by subsection (e) for the period since the campaign consultant's last quarterly report.

(h) Each campaign consultant shall verify, under penalty of perjury, the accuracy and completeness of the information provided under sections 16.543 and 16.544(e).

(i) Each campaign consultant shall retain for a period of five years all books, papers and documents necessary to substantiate the reports and statements required under this Article.

SEC. 16.544. POWERS AND DUTIES OF

THE ETHICS COMMISSION.

(a) The Ethics Commission shall provide forms for the reporting of all information required by this Article.

(b) The Ethics Commission shall issue a registration number to each registered campaign consultant.

(c) At the time of initial registration and re-registration, the Ethics Commission shall provide the campaign consultant with a copy of the City's campaign and lobbyist laws, the Code of Conduct specified in section 16.545, and any related material which the Commission determines will serve the purposes of this Article. Each campaign consultant must sign a statement acknowledging receipt of these materials.

(d) The Ethics Commission shall compile the information provided in registration and quarterly reports filed pursuant to this Article as soon as practicable after the close of each quarter and shall forward a report of the compiled information to the Board of Supervisors and the Mayor.

(e) The Ethics Commission shall preserve all original reports, statements, and other records required to be kept or filed under this Article for a period of five years. Such reports, statements, and records shall constitute a part of the public records of the Ethics Commission and shall be open to public inspection.

(f) The Commission shall provide formal and informal advice regarding the duties under this Article of a person or entity pursuant to the procedures specified in San Francisco Charter section C3.699-12.

(g) The Ethics Commission shall have the power to adopt all reasonable and necessary rules and regulations for the implementation of this Article pursuant to the procedure specified in Charter section C3.699-9.

SEC. 16.545. ADMINISTRATIVE AND CIVIL ENFORCEMENT AND PENALTIES.

(a) If any campaign consultant files an original statement or report after any deadline imposed by this Article, the Ethics Commission shall, in addition to any other penalties or remedies established in this Article, fine the campaign consultant \$50 per day after the deadline until the statement or report is received by the Ethics Commission. If any campaign consultant files an original statement or report after any deadline imposed by this Article, when the deadline is fewer than thirty days before or after an election, the Ethics Commission shall, in addition to any other penalties or remedies established in this Article, fine the campaign consultant \$100 per day after the deadline until the statement or report is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if the Commission determines that the late filing was not willful and that enforcement will not further the purposes of this Article. The Ethics Commission shall

(Continued on next page)

LEGAL TEXT OF PROPOSITION G (Continued)

deposit funds collected under this Section in the General Fund of the City and County of San Francisco.

(b) Any person who believes that section 16.542 has been violated may file a complaint with the Ethics Commission. Upon receipt of a complaint, or upon its own initiative, the Commission may investigate allegations of a violation of section 16.542 and enforce the provisions of section 16.542 pursuant to the procedures established in San Francisco Charter section C3.699-13, and the Commission's rules and regulations adopted pursuant to Charter section C3.699-9.

(c) When the Commission, pursuant to the procedures specified in Charter section C3.699-13, determines on the basis of substantial evidence that a person or entity has violated section 16.542, the Commission may require the person or entity to: (1) cease and desist the violation; (2) file any reports or statements or pay any fees required by this Article; and/or (3) pay a monetary penalty of up to \$5,000 for each violation, or three times the amount not properly reported, whichever is greater. The Commission may cancel for up to one year the registration of any campaign consultant who has violated section 16.542. A campaign consultant whose registration has been canceled pursuant to this section may not provide campaign consulting services in exchange for economic consideration for the period that the registration is canceled. When the period of cancellation ends, the campaign consultant may re-register pursuant to section 16.543(a) and (c).

(d) Any person or entity which knowingly or negligently violates or who causes any other person to violate section 16.542 may be liable in a civil action brought by the City Attorney for an amount up to \$5,000 per violation, or three times the amount not properly reported, whichever is greater.

(e) Any person or entity which intentionally or negligently violates section 16.542 is guilty of a misdemeanor.

(f) No administrative, civil, or criminal action shall be maintained to enforce section 16.542 unless brought within four years after the date the cause of action accrued or the date that the facts constituting the cause of action were discovered by the Ethics Commission, City Attorney, or District Attorney, whichever is later.

(g) In investigating any alleged violation of section 16.542, the Ethics Commission and City Attorney shall have the power to inspect, upon reasonable notice, all documents required to be maintained under section 16.543(i). This power to inspect documents is in addition to other powers conferred on the Ethics Commission and City Attorney by the Charter or by ordinance, including the power of subpoena.

SEC. 16.546. CODE OF CONDUCT.

At the time of initial registration and re-registration, each campaign consultant must elect whether to voluntarily comply with the following Code of Conduct:

"I am familiar with all the laws, rules and regulations applicable to local campaigns;

"I will not knowingly make false statements about the qualifications or positions of any candidate, or about the scope and effect of any measure;

"I will not knowingly make false statements that any real or fictitious person supports or opposes a candidate or measure;

"In the event that I make inadvertent false statements about the qualifications or positions of any candidate, or about the scope and effect of any measure, I will endeavor to provide corrected information in written form to the Ethics Commission within five days;

"I will refrain from appealing to prejudice in the conduct of a campaign, and from conducting, managing or advising a campaign, which appeals to prejudice based on race, gender, ethnic background, religious affiliation or non-affiliation, sexual orientation, age, disability, or economic status;

"I will refrain from seeking to obtain the support of or opposition to any candidate or measure by the use of financial inducements or by the use of threats or coercion;

"I will refrain from influencing the submission of a measure to the San Francisco voters for the sole purpose of obtaining economic consideration for campaign consulting services;

"I will disclose through a filing at the San Francisco Ethics commission any agreements that would result in a campaign consulting contract resulting from my efforts to influence the submission of a measure to the San Francisco voters at the time that I seek the submission of any such measure;

"I will refrain from seeking to evade, or participating in efforts of others to evade, the legal requirements in laws pertaining to political campaigns;

"I will not knowingly participate in the preparation, dissemination, or broadcast of paid political advertising or campaign materials that contain false information; and

"I will refrain from accepting clients whose interests are adverse to each other."

SEC. 16.547. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase or portion of this Article, or the application thereof to any person or entity is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Article or its application to other persons, business entities, or organizations. The Board of Supervisors hereby declares that it would have adopted this Article, and each section, subsection, subdivision, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions, or the application thereof to any person or entity, to be declared invalid or unconstitutional.