

ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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JOHN ST. CROIX
EXECUTIVE DIRECTOR

Date: August 28, 2009
To: Members, Ethics Commission
From: John St. Croix, Executive Director
By: Mabel Ng, Deputy Executive Director
Re: Proposed amendments to Campaign Finance Reform Ordinance

At its last meeting, the Ethics Commission considered and approved several amendments to the Campaign Finance Reform Ordinance (CFRO), Article I of the San Francisco Campaign and Governmental Conduct Code (S.F. C&GCC). Those approved amendments are listed at the end of this memorandum. As noted previously, most of proposed amendments stem from staff's experiences in administering the CFRO and the City's public financing program, particularly in the 2008 election. In general, the proposed changes seek to make it easier for candidates and committees to comply with the law; they also consolidate filing requirements to make it easier for the staff and the public to monitor campaigns and compliance with the law.

Some amendments proposed by staff have not yet been approved by the Commission, however. This memorandum discusses those proposals, which concern sections 1.104 (Definitions), 1.118 (Payment of Accrued Expenses), 1.140 (Eligibility to Receive Public Financing), and 1.152 (Supplemental Reporting in Elections for Board of Supervisors and Mayor).

The Board of Supervisors may amend the CFRO if the amendment furthers the purposes of the CFRO, the Ethics Commission approves the proposed amendment in advance by at least a 4/5 vote of its members, the proposed amendment is available for public review at least 30 days before the Board or any of its committees considers it, and 2/3 of all the members of the Board approves it. S.F. C&GCC § 1.103. As noted during the last meeting, Supervisor Daly introduced the legislation on August 4, 2009; the Rules Committee may consider the legislation in late September. If the Rules Committee and the Board of Supervisors approve the proposed amendments, and the Mayor signs them into law, staff will begin work on updating the Commission's candidate manuals, disclosure forms, and training content to reflect the changes before the next cycle of public financing begins in earnest in February 2010.

Section 1.104. Definitions:

In this section, the original proposals:

- reference the Political Reform Act, California Government Code section 81000 et seq. (PRA) for definitions such as "candidate," "committee," "contribution,"

- “controlled committee,” “general purpose committee,” and “independent expenditure”;
- add new definitions such as “candidate committee” to distinguish between an individual candidate and that individual’s campaign committee; add “Code” to mean the S.F. C&GCC; “member communication,” “withdrawal” or “withdraw;”
- move certain definitions such as “itemized disclosure statement,” “mass mailing,” “unexpended public funds” from other sections of the CFRO into this definitions section;
- amend the definition of “surplus funds” to exclude its application to funds remaining in the campaign account of a committee primarily formed to support or oppose a ballot measure; and
- make other clarifying changes to definitions, including “matching contribution,” “measure” and “qualifying contribution.”

At the August 10, 2009 meeting, the Commissioners expressed concern with the proposed changes to the definitions of “person” and “surplus funds.”

Under current section 1.104(m) of the CFRO, “person means “any individual, partnership, corporation, association, firm, committee, club or other organization or group of persons, however organized.”

Under the PRA, “person” means “an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.” *See* CA Gov’t Code § 82047.

Staff’s proposed amendments define “person” as “any individual, partnership, corporation, association, firm, proprietorship, joint venture, syndicate, business trust, company, limited liability company, committee, club or other organization or group of persons acting in concert, however organized.”

At the August 10, 2009 meeting, Commissioner Harriman suggested inserting a period after “organization” and deleting the remaining clause in the proposed definition. She was concerned that the phrase “or group of persons acting in concert, however organized” might be too vague and broad and might unwittingly capture social, neighbor or familial behavior that should not be subject to regulation.

The Fair Political Practices Commission’s interpretation of the PRA’s definition of “person” provides helpful guidance. In 10 FPPC Ops. 10, 1987 FPPC Ops. Lexis 1, July 28, 1987, the FPPC wrote,

if two individuals, acting independently, each make a \$50 contribution to the same candidate, the contributions are not required to be itemized on campaign statements. In contrast, if two individuals, acting in concert, each make a \$50 contribution to the same candidate, the contributions are considered to be from “one person” (i.e., from one source) and must be itemized. Whether two or more persons are acting in concert when making political contributions depends on the particular facts of the situation. For

example, if the contributions are made by several persons but from one source of funds, the persons are considered to be acting in concert. (Citations omitted.)

Thus, when neighbors gather together and decide to make contributions to support one candidate, whether such neighbors are acting in concert will depend on the particular facts of the situation.

Staff's draft definition of "person," which includes the term "acting in concert" tracks the PRA's definition and is narrower than the current CFRO definition.

With respect to Commissioner Harriman's suggestion to delete "or group of persons however organized," staff believes that such a deletion might remove from regulation new types of entities that currently are not captured in the definition of "person." While the term "organization" may capture such entities, staff is also concerned that the CFRO's definitions conform as much as possible to the definitions in the PRA, which will make compliance easier and enforcement more consistent.

If 4/5 of the Commission does not approve the proposed amendments, the current definition would remain in place.

Decision Point 1: Shall the Commission approve the proposed amendments to the definition of "person" as set forth on page 7, lines 8-11?

With respect to the term "surplus funds," subsection (y) on page 8, line 21-page 9, line 3, at the August 10 meeting, the Commissioners supported retaining the phrase "and funds remaining in the campaign account of a committee primarily formed to support or oppose a measure at the end of the post-election reporting period following the election at which the measure appeared on the ballot." Staff withdraws its earlier recommendation to delete this phrase. Because the current definition of "surplus funds" will remain unchanged, there is no need for the Commission to take a separate vote on section 1.104(y).

The following questions relate to the approval of all the proposed changes to definitions in section 1.104.

Decision Point 2: If the answer to Decision Point 1 is yes, shall the Commission approve the proposed amendments to section 1.104 as set forth on page 4, line 4 – page 10, line 4?

Decision Point 3: If the answer to Decision Point 1 is no, shall the Commission approve the proposed amendments to section 1.104 except for "person," as set forth on page 4, line 4 – page 10, line 4?

Section 1.118. Payment of Accrued Expenses

In this section, the proposals:

- codify the March 23, 2009 Ethics Commission Pearce Advice Letter by clarifying that candidate committees, rather than individual candidates, are responsible for the payment

of accrued expenses. Individual candidates still may be liable for their controlled committees' violations of CFRO.

At the August 10, 2009 meeting, the Commissioners discussed whether to support the proposed deletion of the strike-through words "~~in full no later than 180 calendar days after receipt of a bill or invoice and in no event~~" that appear on page 18, lines 7-8. Staff had proposed these deletions because current law sets two possible deadlines for payment of accrued debts: one based on the time that a committee receives a bill or invoice from a vendor, and one based on the date when the vendor's goods were delivered or services were rendered. The latter is an absolute deadline within which a candidate committee must pay accrued expenses. However, because staff has not experienced any problems administering the current law and has not received any objections from the regulated community, and in light of the Commission's concerns, staff withdraws the recommendation.

Decision Point 4: Shall the Commission approve the proposed amendments to section 1.118(a) as set forth on page 18, lines 6-19?

Section 1.140. Eligibility to Receive Public Financing

In this section, the proposals:

- increase the amount that a publicly-financed candidate may loan or donate to his or her committee from \$5,000 to \$15,000;
- require a candidate to have paid any fines imposed for any violation of the S.F. C&GCC, which would, for example, include fines for violations of the conflict of interest or lobbyist laws;
- require a candidate to have filed any forms required by the S.F. C&GCC;
- require that the candidate has not willfully violated the S.F. C&GCC within the last five years;
- increase the individual expenditure ceiling (IEC) of a publicly financed candidate for the Board of Supervisors from \$140,000 to \$143,000 to reflect inflation; and
- increase the IEC of a publicly financed candidate for Mayor from \$1,375,000 to \$1,475,000 to reflect inflation.

Under proposed section 1.140(a)(5), to be eligible for public funds, a candidate must have no finding by a court within the prior five years that the candidate knowingly, willfully, or intentionally violated any section of the C&GCC or the campaign finance provisions of the Political Reform Act. *See* draft amendments at page 28, lines 13-18. At the August 10, 2009 meeting, some Commissioners also stated that a candidate similarly should not be eligible for public financing if the Ethics Commission has found the candidate to have committed a knowing, willful or intentional violation of the C&GCC. Staff has added language to that effect. Under the new proposal, a candidate would not be eligible for public financing if, within the previous five years, a court or the Ethics Commission after a hearing on the merits has found the candidate committed a knowing, willful or intentional violation of the C&GCC.

Decision Point 5: Shall the Commission approve section 1.140 as set forth on page 27, line 6 – page 30, line 12?

Section 1.152. Supplemental Reporting in Elections for Board of Supervisors and Mayor

The proposals clarify that third parties must file supplemental reports, along with a copy or electronic recording of any communication paid for by the third party, when their expenditures reach or exceed certain levels in elections related to the Board of Supervisors and the Mayor. Under staff’s earlier recommendation, the threshold for filing such reports would have changed from \$5,000 to \$10,000 per candidate for Mayor. However, at its August meeting, the Commission expressed support for retention of the \$5,000 threshold at least until one cycle of public financing for Mayoral candidates has occurred. The current draft reflects the \$5,000 threshold, as shown on page 44, line 2.

Decision Point 6: Shall the Commission approve section 1.152 as set forth on page 41, line 5 – page 45, line 14?

Overall Passage of Proposed Amendments

Staff recommends that after the Commission considers and votes on these proposals, it also should consider voting on the package as a whole to address the grammatical and minor technical changes not highlighted in the earlier staff memo.

Decision Point 7: Except as decided otherwise, shall the Commission approve the amendments as set forth in the draft proposals?

* * * * *

Proposed Amendments Approved by the Ethics Commission at its August 10, 2009 Meeting

Section 1.108. Candidate Committee Campaign Trust Accounts and Campaign Contingency Accounts:

In this section, the proposals:

- delete the requirement that a committee file its bank account and branch identification number with Ethics Commission, as state law already requires committees to provide this information when they are first established; and
- clarify how publicly financed candidates may use their contingency accounts.

1.112. Electronic Campaign Disclosure

- The proposals clarify that certain committees required to file disclosure reports under the *state law* must file electronically with the Ethics Commission if they meet specific thresholds (e.g., committees that meet the \$5,000 contribution or expenditure threshold). The proposals also authorize the Commission to require the electronic filings of reports required by *local law*, without any monetary threshold.

1.113. Disclosure Requirements During Signature Gathering Periods for Initiatives, Referenda and Recalls

- The proposals create a uniform schedule governing when committees raising or spending funds to support or oppose a measure during the signature-gathering period for initiative, referendum, or recall petitions must file disclosure reports with the Ethics Commission.

1.122. Solicitation or Acceptance of Campaign Contributions – Limitation

- The proposals clarify that a withdrawn, defeated or departed candidate may use campaign funds to pay outstanding campaign debts and expenses associated with terminating the committee. The proposals also authorize Commission to identify by regulation other permissible uses of such funds.

1.128. Acceptance or Rejection of Voluntary Expenditure Ceilings

In this section, these proposals:

- change the law so that candidates for the Board of Supervisors or Mayor may no longer accept a voluntary expenditure ceiling (VEC). Those candidates would instead be subject to an individual expenditure ceiling (IEC), if they accept public financing. Candidates for all other local offices still could accept a VEC. Allowing supervisorial and mayoral candidates to accept VECs and IECs often confuses candidates and prospective voters;
- allow other candidates to accept the VEC any time – instead of no earlier than June 1 of the year in which they are seeking election – up to the deadline for filing nomination papers;
- delete the requirement that the Director of Elections publish notices in the Voter Information Pamphlet indicating which candidates have accepted the VEC; and
- require the Ethics Commission to maintain on its website a list of candidates who have accepted the VEC. These last two steps provide the public with most accurate and current information regarding candidate spending limits.

1.130. Amount of Voluntary Expenditure Ceilings

The proposals adjust the voluntary expenditure ceilings as follows to reflect inflation:

- the VEC for the offices of Assessor, Public Defender, City Attorney, District Attorney, Treasurer or Sheriff would increase from \$229,000 to \$243,000; and
- the VEC for the offices of Board of Education or Community College District would increase from \$98,000 to \$104,000.

1.134. Lifting of Voluntary Expenditure Ceilings; Supplemental Reporting etc.

In this section, the proposals:

- require all candidates in races other than for the Board of Supervisors or Mayor to report, within 24 hours, when they receive contributions or make expenditures that total more than 100 percent of the applicable VEC; and
- clarify that third parties must file supplemental reports, along with a legible copy or electronic recording of the communication, when their expenditures regarding those races reach or exceed \$5,000 per candidate.

1.135. Supplemental Pre-Election Statements

In this section, the proposals:

- clarify that a committee must file pre-election statements if it makes contributions or *independent* expenditures of \$500 or more during the pre-election period; and
- clarify that in even-numbered years, committees must file supplemental pre-election statements in accordance with the schedule established by the Fair Political Practices

Commission. (The Commission approved the substance of these amendments in May 2008, but the Board of Supervisors did not take up the legislation.)

Section 1.144. Disbursement of Public Funds

In this section, the proposals:

- change the time that public funds must be disbursed to candidates by the Controller from 48 hours to two business days, except that in last 15 days (instead of 60 days) before the election, such payments must be made within one business day rather than 24 hours;
- increase the maximum amount of public funds available to publicly-financed mayoral candidates from \$850,000 to \$950,000, unless the per candidate available disbursement limit is greater than \$950,000 and the Executive Director has raised a candidate's IEC;
- increase the maximum amount of public funds available to publicly-financed supervisorial candidates from \$87,500 to \$89,000, unless the per candidate available disbursement limit is greater than \$89,000 and the Executive Director has raised a candidate's IEC; and
- provide that no candidate may submit a claim for public funds if the candidate has any claims pending with the Ethics Commission.

Section 1.148. Restrictions on Use of Public Funds; Unexpended Public Funds

- The proposals eliminate the requirement that a publicly financed candidate turn over to the City any equipment that has a fair market value greater than \$100.

Section 1.150. Audit; Repayment

- The proposals codify the Commission's practice of initiating random and targeted audits.

1.156. Report to the Mayor and Board of Supervisors

- The proposals delete the requirement that the Ethics Commission study and prepare reports on the public financing after the 2007 and 2008 elections. The Ethics Commission has completed these reports.

Section 1.161. Disclosure and Filing Requirements for Mass Mailings

Currently, parties sending mass mailings may, depending on the circumstances, file multiple reports disclosing the same information to the Ethics Commission. In this section, the proposals:

- provide that a person required to disclose expenditures for a mass mailing under section 1.134, 1.152 or 1.161.5 need not file an additional itemized disclosure under section 1.161; and
- authorize the Commission to permit the facsimile filing of itemized disclosure statements and mass mailings.

1.161.5. Disclosure and Filing for Electioneering Communications

Currently, parties sending mass mailings may, depending on the circumstances, file multiple reports disclosing the same information to the Ethics Commission. In this section, the proposals:

- provide that a person required to disclose expenditures for an electioneering communication under section 1.134, 1.152 or 1.161 need not file an additional itemized disclosure under section 1.161.5;

- delete language regarding late filing fees because section 1.170(d) separately addresses late filing fees; and
- eliminate “expenditures” as an exception to the definition of “electioneering communication.” In the November 2008 election cycle, the exclusion of “expenditures” limited the Ethics Commission’s ability to track all third-party spending, such as third-party spending relating to ballot measures when such spending included communications that identified a candidate for City elective office.

1.168. Enforcement; Advice

- The proposals shorten the statute of limitations for administrative action from five to four years after the date on which the violation occurred.

Deleted Sections

- 1.134.5 (Lifting of Individual Expenditure Ceilings) has been renumbered and replaced by new section 1.143.
- 1.158 (Implementing Regulations; Forms) has been renumbered as new section 1.175.
- 1.160 (No Limitation of Candidate Liability) has been renumbered as new subsection 1.170(g).

New section 1.109. Retention of Records

- This new section requires all candidates and committees to maintain their records for four years. It also requires committees to submit to the Ethics Commission documents upon ten days’ notice if the Commission articulates a reason for its request in writing.

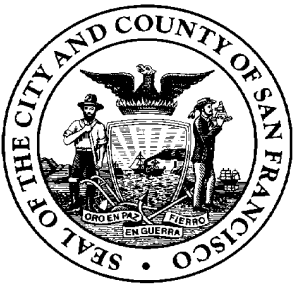
New section 1.143. Adjusting Individual Expenditure Ceilings

This new section:

- generally restates current section 1.134.5, except that it incorporates higher IECs for candidates for Mayor (\$1,475,000) and the Board of Supervisors (\$143,000); and
- shortens the time period in which the Executive Director must determine whether a communication filed under section 1.152 supports or opposes one or more candidates from four business days to two business days.

New section 1.171. Issuance of Subpoenas

- This new section provides that the Ethics Commission, including the Executive Director, may issue subpoenas in furtherance of its duties under the Charter.



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JOHN ST. CROIX
EXECUTIVE DIRECTOR

Date: September 9, 2009
To: Members, Ethics Commission
From: John St. Croix, Executive Director
By: Mabel Ng, Deputy Executive Director
Re: Additional proposed changes to CFRO legislation

In reviewing the proposed amendments to the Campaign Finance Reform Ordinance (CFRO), staff has identified two errors related to the disbursement of public funds for mayoral candidates. As you know, based on the Consumer Price Index, the legislation establishes the initial individual expenditure ceiling for candidates for Mayor at \$1,475,000, up from the current \$1,375,000. See San Francisco Campaign and Governmental Conduct Code (C&GC Code) section 1.140(c) on line 18 of page 29. The amount of private funds a candidate must raise and the amount of matching public funds available to the candidate should add up to the initial individual expenditure ceiling of \$1,475,000. However, two figures in the draft legislation are incorrect.

In section 1.144(c), which starts on page 33 of the draft legislation, the figure \$950,000 should be changed to \$900,000 wherever it appears (lines 15 and 22 on page 33, and lines 2, 4, 17, 21 and 22 page 34). In addition, the figure \$500,000 on line 14 of page 34 should be changed to \$450,000. (Pages 33-34 are attached to this memo.)

Once the changes are made, the disbursement amounts would be as shown on the chart on the next page. The figures for the Board of Supervisors public financing program are correct.

Decision Point 8: Shall the Commission approve the changes to section 1.144(c) as discussed in this memo and set forth on amended pages 33-34 of the draft legislation?

Mayoral Program	Current Amounts		Disbursement Formula	Proposed Amounts	
	Private Contributions	Public Grants		Private Contributions	Pubic Grants
	\$25,000	\$50,000	Initial	\$25,000	\$50,000
	\$100,000	\$400,000	4 to 1 match	\$100,000	\$400,000
	\$400,000	\$400,000	1 to 1 match	\$450,000	\$450,000
Totals	\$525,000	\$850,000		\$575,000	\$900,000
Grand Totals	\$1,375,000			\$1,475,000	

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1 [Campaign Finance Reform Ordinance amendments.]

2

3 **Ordinance amending Article I, Chapter I of the Campaign & Governmental Conduct**
 4 **Code by amending sections 1.100, 1.104, 1.107, 1.108, 1.112, 1.113, 1.114, 1.118, 1.122,**
 5 **1.128, 1.130, 1.134, 1.135, 1.136, 1.140, 1.142, 1.144, 1.146, 1.148, 1.150, 1.152, 1.156,**
 6 **1.161, 1.161.5, 1.168, 1.170, deleting sections 1.134.5, 1.158, and 1.160, and adding**
 7 **sections 1.109, 1.143, 1.171, and 1.175 to refine and conform definitions; to eliminate**
 8 **and streamline reporting requirements; to authorize greater electronic filing; to adjust**
 9 **expenditure ceilings for inflation; to clarify the permissible uses of campaign funds; to**
 10 **provide that certain candidates are eligible to accept Voluntary Expenditure Ceilings; to**
 11 **set forth the instances in which the Ethics Commission will lift Voluntary Expenditure**
 12 **Ceilings; to modify how public funds are disbursed to eligible candidates; to clarify the**
 13 **requirements for third-party reporting; to amend the statute of limitations for**
 14 **administrative actions; and to impose record retention requirements on local**
 15 **committees.**

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

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

20 Section 1. The San Francisco Campaign & Governmental Conduct Code is hereby
 21 amended by amending Sections 1.100, 1.104, 1.107, 1.108, 1.112, 1.113, 1.114, 1.118,
 22 1.122, 1.128, 1.130, 1.134, 1.135, 1.136, 1.140, 1.142, 1.144, 1.146, 1.148, 1.150, 1.152,
 23 1.156, 1.161, 1.161.5, 1.168, 1.170, to read as follows:

24 SEC. 1.100. PURPOSE AND INTENT.

25

1 (a) Huge sums of money~~s~~ often are necessary to finance American election campaigns.
2 Inherent to the high cost of election campaigning is the problem of improper influence, real or
3 potential, exercised by campaign contributors over elected officials. In addition, this
4 fundraising distracts public officials seeking reelection from focusing upon important public
5 matters, encourages contributions which may have a corrupting influence, ~~and~~ gives
6 incumbents an unfair fundraising advantage over potential challengers, and provides
7 contributors with greater access to public officials than other members of the public. These
8 developments undermine the integrity of the governmental process, and the competitiveness
9 of campaigns. The amount of money raised by many candidates and committees supporting or
10 opposing candidates also erodes ~~and~~ public confidence in local officials by creating the appearance
11 that elected officials may be unduly influenced by contributors who support their campaigns or oppose
12 their opponents' campaigns.

13 (b) It is the purpose and intent of the People of the City and County of San Francisco in
14 enacting this Chapter to:

15 (1) Place realistic and enforceable limits on the amount individuals may contribute to
16 political campaigns in municipal elections and to provide full and fair enforcement of all the
17 provisions in this Chapter;

18 (2) Ensure that all individuals and interest groups in our city have a fair opportunity to
19 participate in elective and governmental processes;

20 (3) Create an incentive to limit overall expenditures in campaigns, thereby reducing the
21 pressure on candidates to raise large campaign war chests for defensive purposes beyond
22 the amount necessary to communicate reasonably with voters;

23 (4) Reduce the advantage of incumbents and thus encourage competition for elective
24 office;

25

1 (5) Allow candidates and officeholders to spend a smaller proportion of their time on
2 fundraising and a greater proportion of their time dealing with issues of importance to their
3 constituents' community;

4 (6) Ensure that serious candidates are able to raise enough money to communicate
5 their views and positions adequately to the public, thereby promoting public discussion of the
6 important issues involved in political campaigns;

7 (7) Limit contributions to candidates and committees, including committees that make
8 independent expenditures, to eliminate or reduce the appearance or reality that large
9 contributors may exert undue influence over elected officials;

10 (8) Assist voters in making informed electoral decisions and ensure compliance with
11 campaign contribution limits through the required filing of campaign statements detailing the
12 sources of campaign contributions and how those contributions have been expended;

13 (9) Make it easier for the public, the media and election officials to efficiently review and
14 compare campaign statements by requiring committees that meet certain financial thresholds
15 to file copies of their campaign statements on ~~computer diskettes or other~~ designated electronic
16 media;

17 (10) Help restore public trust in governmental and electoral institutions; and

18 (11) Help ensure the integrity of the election process by prohibiting campaign
19 advertisements that contain ~~knowing~~ false endorsements of current and former public officials,
20 candidates, political clubs, and organizations. Such false endorsements undermine the
21 integrity of the electoral process by misleading and confusing voters about the actual support
22 for or opposition to candidates or ballot measures and it is too burdensome for individual
23 voters, inundated with campaign messages, to verify the accuracy of such claims and for
24 persons whose positions are misrepresented to correct the misrepresentations close in time to
25 the election.

1 (c) This Chapter is enacted in accordance with the terms of Sections 5 and 7 of Article
2 XI of the Constitution of the State of California and Section 1.101 of the Charter of the City
3 and County of San Francisco.

4 SEC. 1.104. DEFINITIONS.

5 Whenever in this Chapter the following words or phrases are used, they shall mean:

6 (a) "Candidate" shall ~~mean any individual listed on the ballot for election to any City elective~~
7 ~~office or who otherwise has taken affirmative action to seek nomination or election to such office. The~~
8 ~~term "candidate" shall also mean the candidate's campaign committee~~ be defined as set forth in the
9 California Political Reform Act, California Government Code section 81000, et seq., but shall include
10 only candidates for City elective office.

11 (b) "Candidate committee" shall mean a committee controlled by a candidate, and primarily
12 formed to support that candidate's election for City elective office.

13 (bc) "Charitable organization" shall mean an entity exempt from taxation pursuant to
14 Title 26, Section 501 of the United State Code.

15 (ed) "City elective office" shall mean the offices of Mayor, Member of the Board of
16 Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender,
17 Member of the Board of Education of the San Francisco Unified School District and Member
18 of the Governing Board of the San Francisco Community College District. The Board of
19 Supervisors ~~shall be deemed to consist~~_s of eleven separate City elective offices, the San
20 Francisco Community College District ~~shall be deemed to consist~~_s of seven separate City
21 elective offices, and the Board of Education of the San Francisco Unified School District ~~shall~~
22 ~~be deemed to consist~~_s of seven separate City elective offices.

23 (e) "Code" shall mean the San Francisco Campaign and Governmental Conduct Code.

1 (d) "Committee" shall be defined as set forth in the California Political Reform Act,
2 California Government Code section 81000, et seq. of the State of California (commencing at Section
3 81000).

4 (e) "Contribution" shall be defined as set forth in the California Political Reform Act,
5 California Government Code section 81000, et seq. of the State of California (commencing at Section
6 81000); provided, however, that "contribution" shall include loans of any kind or nature.

7 (f) "Controlled committee" shall be defined as set forth in the California Political Reform Act,
8 California Government Code section 81000, et seq.

9 (g) "Election" shall mean any ~~primary,~~ general, or special municipal election held in the
10 City and County of San Francisco for City elective office or for a local measure, regardless of
11 whether the election is conducted by district or Citywide.

12 (h) "Enforcement authority" shall mean the District Attorney ~~of the City and County of San~~
13 ~~Francisco~~ for criminal enforcement, the City Attorney for civil enforcement, and the Ethics
14 Commission for administrative enforcement. Nothing in this Chapter shall be construed as
15 limiting the authority of any law enforcement agency or prosecuting attorney to enforce the
16 provisions of this Chapter under any circumstances where such law enforcement agency or
17 prosecuting attorney otherwise has lawful authority to do so.

18 (i) "Ethics Commission" shall mean the San Francisco Ethics Commission.

19 (j) "Executive Director" shall mean the Executive Director of the Ethics Commission, or
20 the Executive Director's designee.

21 (k) "General purpose committee" shall be defined as set forth in the California Political
22 Reform Act, California Government Code section 81000 et seq.

23 (l) "Independent expenditure" shall be defined as set forth in the California Political Reform
24 Act, California Government Code section 81000 et seq. An expenditure is not considered independent
25 and shall be treated as a contribution from the person making the expenditure to the candidate on

1 whose behalf or for whose benefit the expenditure is made, if the expenditure is made at the request,
2 suggestion, or direction of, or in cooperation, consultation, concert or coordination with, the candidate
3 on whose behalf, or for whose benefit, the expenditure is made.

4 (j~~o~~) "Individual Expenditure Ceiling" shall mean the expenditure ceiling established for
5 each individual candidate for Mayor or the Board of Supervisors who~~m has been certified~~ by the
6 Ethics Commission has certified as eligible to receive public funds under this Chapter.

7 (p) "Itemized disclosure statement" shall mean a form promulgated by the Ethics Commission
8 that provides a detailed description of the separate costs associated with a communication, including
9 but not limited to photography, design, production, printing, distribution, and postage.

10 (q) "Mass mailing" shall be defined as set forth in the California Political Reform Act,
11 California Government Code section 81000 et seq., provided that the mass mailing advocates for or
12 against one or more candidates for City elective office.

13 (k~~r~~) "Matching contribution" shall mean a contribution up to \$500.~~00~~, ~~that is~~ made by an
14 individual, other than the candidate, who is a resident of San Francisco. Matching
15 contributions shall not include loans, contributions ~~that are~~ received more than 18 months
16 before the date of the election, qualifying contributions or contributions made by the candidate's
17 spouse, registered domestic partner or dependent child. ~~immediate family or qualifying contributions,~~
18 ~~and~~ Matching contributions must also comply with all requirements of this Chapter. Matching
19 contributions under \$100.~~00~~ that are not made by written instrument must be accompanied by
20 written documentation ~~of sufficient to establish~~ the contributor's name and address. The Ethics
21 Commission shall set forth, by regulation, the types of documents sufficient to establish a contributor's
22 name and address for the purpose of this subsection.

23 (t~~s~~) "Measure" shall mean any City, San Francisco Unified School District or San
24 Francisco Community College District referendum, initiative or recall ~~or ballot proposition,~~
25 ~~whether or not it qualifies for the ballot~~ that either has been placed on the ballot under the procedures

1 set forth in the Municipal Elections Code or the Charter or has been circulated for signatures in the
2 City and County.

3 (t) "Member communication" shall mean a communication made by an organization or its
4 committee for the publication, dissemination or communication to the organization's members,
5 employees or shareholders, or to the families of the organization's members, employees or
6 shareholders by newsletter, letter, flyer, e-mail or similar written or spoken material, that supports or
7 opposes a candidate or measure.

8 (~~u~~) "Person" shall mean any individual, partnership, corporation, association, firm,
9 proprietorship, joint venture, syndicate, business trust, company, limited liability company,
10 committee, club or other organization or group of persons acting in concert, however
11 organized.

12 (~~v~~) "Qualified campaign expenditure" for candidates ~~includes~~ shall mean all of the
13 following:

14 (1) Any expenditure made by a candidate, or by a committee controlled by the
15 candidate, for the purpose of influencing or attempting to influence the actions of the voters for
16 the election of the candidate to City elective office.

17 (2) A nonmonetary contribution provided to the candidate, officeholder or committee
18 controlled by the candidate.

19 (3) The total cost actually paid or incurred by the candidate or controlled committee of
20 the candidate for a slate mailing or other campaign literature produced or authorized by more
21 than one candidate.

22 (4) Expenses incurred, but for which payment has not yet been made.

23 (5) Expenses associated with complying with applicable laws, including but not limited
24 to the California Political Reform Act, California Government Code Section 81000, et seq., and
25 the provisions of this Chapter.

1 (6) "Qualified campaign expenditure" shall not include filing fees, expenses incurred in
2 connection with an administrative or judicial proceeding, payments for administrative, civil or
3 criminal fines, including late filing ~~fees~~ *fin*es, costs incurred after the election that do not directly
4 affect the outcome of the election, including but not limited to utility bills, expenses associated
5 with an audit, and expenses related to preparing post-election campaign finance disclosure
6 reports as required by the California Political Reform Act, California Government Code
7 Section 81000, et seq., and the provisions of this Chapter, or for inaugural activities or
8 officeholder expenses.

9 (~~ew~~) "Qualifying contribution" shall mean a contribution of not less than \$10.00 and not
10 more than \$100.00 that is made by an individual who is a resident of San Francisco and that
11 complies with all requirements of this Chapter. Qualifying contributions shall not include loans,
12 contributions ~~that are~~ received more than 18 months before the date of the election or
13 contributions made by the candidate or the candidate's ~~immediate family~~ *spouse, registered*
14 *domestic partner or dependent child*. Qualifying contributions under \$100.00 that are not made by
15 written instrument must be accompanied by written documentation ~~of~~ *sufficient to establish* the
16 contributor's name and address. *The Ethics Commission shall set forth, by regulation, the types of*
17 *documents sufficient to establish a contributor's name and address for the purpose of this subsection.*

18 (~~px~~) "Recorded telephone message" shall mean a recorded audio message that
19 expressly supports or opposes a candidate for City elective office that is distributed by
20 telephone.

21 (~~qy~~) "Surplus funds" shall mean funds remaining in a candidate's campaign account at
22 the time the candidate leaves City elective office, or at the end of the post-election reporting
23 period following the defeat of the candidate for City elective office, whichever occurs last, ~~and~~
24 ~~funds remaining in the campaign account of a committee primarily formed to support or oppose a~~
25 ~~measure at the end of the post-election reporting period following the election at which the measure~~

1 appeared on the ballot, and funds remaining in the campaign account of a committee primarily
2 formed to support or oppose a measure at the end of the post-election reporting period
3 following the election at which the measure appeared on the ballot.

4 (~~z~~) "Total Opposition Spending" shall mean the sum of any expenditures made or
5 expenses incurred by any person or persons for the purpose of making independent
6 expenditures, electioneering communications or member communications in opposition to a
7 specific candidate for Mayor or the Board of Supervisors.

8 (~~aa~~) "Total Supportive Funds" shall mean the sum of all contributions received by a
9 candidate committee supporting a candidate for Mayor or the Board of Supervisors, other than
10 any funds in the candidate's Campaign Contingency Account exceeding the candidate
11 committee's Trust Account Limit, plus the expenditures made or expenses incurred by any
12 person or persons for the purpose of making independent expenditures, electioneering
13 communications or member communications in support of that same candidate.

14 (~~bb~~) "Trust Account Limit," shall mean the amount of funds in the Campaign
15 Contribution Trust Account of a candidate committee supporting a candidate for Mayor or the
16 Board of Supervisors who ~~m~~ has been certified by the Ethics Commission has certified as eligible
17 to receive public funds under this Chapter such that the expenditure of this amount would
18 cause the candidate to reach, but not exceed, the candidate's Individual Expenditure Ceiling.
19 The Trust Account Limit shall be reduced as the candidate spends money and shall be
20 increased when his or her Individual Expenditure Ceiling increases.

21 (~~cc~~) "Unexpended public funds" shall mean all funds remaining in the candidate committee's
22 account on the 30th day after the candidate controlling the committee is either elected or not elected to
23 office, regardless of the source of the funds, but shall not exceed the amount of public funds provided to
24 the candidate. Funds raised after this date are not unexpended funds.

25 (~~dd~~) "Voter" shall mean~~s~~ an individual registered to vote in San Francisco.

1 ~~(ee)~~ "Withdrawal" or "withdraw" shall mean, prior to an election, ending one's candidacy or
2 failing to qualify for an office for which a candidate has solicited or accepted contributions.

3 ~~(ff)~~ "Written instrument" shall means a check, credit card receipt, or record of electronic
4 transfer of funds.

5 SEC. 1.107. TRAINING FOR CANDIDATES AND TREASURERS.

6 (a) Training Requirements.

7 (1) Candidates. Every candidate for City elective office and ~~their~~his or her treasurers
8 shall attend a training program conducted or sponsored by the Ethics Commission within one
9 year prior to ~~each~~any election at which the candidate's name will appear on the ballot.

10 (2) Treasurers. Every committee treasurer shall attend the next training program
11 conducted or sponsored by the Ethics Commission after the date the committee files either its
12 original statement of organization or an amendment to a statement of organization
13 designating a new treasurer.

14 (b) Exception. An individual who serves as the treasurer for more than one committee
15 is not required to attend a training required by Subsection (a) if that individual has attended
16 such a training within the previous 12 months.

17 (c) Definition. For the purposes of this section, "committee" shall mean any committee
18 that: (1) qualifies as committee pursuant to subdivision (a) of Section 82013 of the California
19 Government Code ~~as incorporated into this Chapter by Section 1.104~~; and (2) is required to file its
20 semi-annual campaign statements with the Ethics Commission.

21 SEC. 1.108. CANDIDATE COMMITTEE CAMPAIGN CONTRIBUTION TRUST
22 ACCOUNTS AND CAMPAIGN CONTINGENCY ACCOUNTS.

23 (a) CANDIDATE COMMITTEE CAMPAIGN CONTRIBUTION TRUST ACCOUNTS.

24 (1) Establishment of Account. Each treasurer for a candidate committee shall establish a
25 Campaign Contribution Trust Account for the candidate committee at an office of a bank

1 located in the City and County of San Francisco, ~~the account number and branch identification of~~
2 ~~which shall be filed with the Ethics Commission within ten days of the establishment of the account.~~ All
3 ~~of the~~ expenditures by the candidate committee for the City elective office sought shall be made
4 from that account.

5 (2) Prohibition on Multiple Officeholder Accounts. All funds, services or in-kind
6 contributions received by a candidate committee ~~City elective officer, or by any person or committee~~
7 ~~on behalf of a City elective officer,~~ for expenses incurred directly in connection with carrying out
8 the candidate's usual and necessary duties of holding office shall be deposited, credited or
9 otherwise reported to the ~~officer-candidate committee's~~ eCampaign eContribution ~~Trust~~
10 ~~Account, and Such contributions~~ shall be subject to the contribution limits in Section 1.114 of
11 this Chapter. An elected officeholder may not establish or control any other committees or accounts
12 for the purpose of making officeholder expenses. Nothing in this Section shall prohibit an officer
13 from spending personal funds on official ~~or related business~~ activities.

14 (3) Account Limits. A candidate committee controlled by a candidate for Mayor or the
15 Board of Supervisors whom ~~has been certified by~~ the Ethics Commission has certified as eligible
16 to receive public funds under this Chapter shall not, at any time before the date of the election for
17 which the candidate has been certified, have an amount of funds greater than the candidate
18 committee's Trust Account Limit in its ~~his or her~~ Campaign Contribution Trust Account, unless
19 those contributions are immediately transferred into the candidate committee's Campaign Contingency
20 Account.

21 (b) CAMPAIGN CONTINGENCY ACCOUNTS FOR CANDIDATE COMMITTEES FOR
22 MAYOR AND THE BOARD OF SUPERVISORS.

23 (1) Notwithstanding any other section of this Code, including Subsection (a)(2), a
24 candidate committee controlled by a candidate for Mayor or the Board of Supervisors whom ~~has~~
25 ~~been certified by~~ the Ethics Commission has certified as eligible to receive public funds under

1 this Chapter may maintain a Campaign Contingency Account separate from ~~his or her~~ its
2 Campaign Contribution Trust Account into which ~~he or she~~ it may deposit money contributions
3 in anticipation that the Ethics Commission will raise of the candidate's Individual Expenditure
4 Ceiling ~~being raised~~. All money contributions deposited into this account shall be reported as if
5 it were deposited into the candidate's committee's Campaign Contribution Trust Account.

6 (2) No candidate committee may deposit any funds into its Campaign Contingency Account if
7 the amount of funds in the candidate committee's Campaign Contribution Trust Account is less than the
8 candidate committee's Trust Account Limit.

9 (23) No expenditures shall be made from a Campaign Contingency Account
10 established pursuant to this section. Funds may be transferred ~~between a~~ from the candidate
11 committee's Campaign Contingency Account ~~and to~~ the candidate committee's Campaign
12 Contribution Trust Account, provided that the amount of funds in the ~~candidate's~~ Campaign
13 Contribution Trust Account does not exceed the candidate committee's Trust Account Limit. All
14 funds that qualify as matching contributions and are transferred from the Campaign
15 Contingency Account to the Campaign Contribution Trust Account shall be eligible to be
16 matched with public funds in accordance with the procedures set forth in this Chapter. Within
17 ten days after the date of the election, the candidate committee shall turn over all funds in the
18 Campaign Contingency Account to the Election Campaign Fund.

19 SEC. 1.112. ELECTRONIC CAMPAIGN DISCLOSURE.

20 (a) FILING ELECTRONIC CAMPAIGN STATEMENTS.

21 (1) Filing Electronic Copies of Campaign Statements Required by State Law. Whenever
22 any committee that meets the requirements of Subsection (b) of this Section is required by ~~this~~
23 ~~Chapter or~~ the California Political Reform Act, ~~(California~~ California Government Code Section 81000 et
24 seq.) to file a campaign disclosure statement or report with the Ethics Commission, the
25 committee shall file at the same time a copy of the statement or report in an electronic format

1 with the Ethics Commission, provided the Ethics Commission has prescribed the format at
2 least 60 days before the statement or report is due to be filed.

3 (2) Filing Electronic Copies of Campaign Statements Required by Local Law. Whenever any
4 committee is required to file a campaign disclosure statement or report with the Ethics Commission
5 under this Chapter, the committee shall file the statement or report in an electronic format, provided
6 the Ethics Commission has prescribed the format at least 60 days before the statement or report is due
7 to be filed.

8 (23) Continuous Filing of Electronic Statements. Once a ~~€~~committee is subject to the
9 electronic filing requirements imposed by this Section, the ~~€~~committee shall remain subject to
10 the electronic filing requirements, regardless of the amount of contributions received or
11 expenditures made during each reporting period, until the ~~€~~committee ~~files a termination~~
12 ~~statement terminates~~ pursuant to this Chapter and the California Political Reform Act, ~~(California~~
13 ~~Government Code Section 81000 et seq.)~~.

14 (34) Disclosure of Expenditure Dates. All electronic statements filed under this Section
15 shall include the date any expenditure required to be reported on the statement was incurred,
16 provided that the Ethics Commission's forms accommodate the reporting of such dates.

17 (b) COMMITTEES SUBJECT TO ELECTRONIC FILING REQUIREMENTS.

18 ~~(1) A €committee is subject to this Section if the Committee must file electronic copies of~~
19 ~~statements and reports if it receives contributions or makes expenditures that total \$5,000 or more in a~~
20 ~~calendar year and is: (1) required to file a statement of organization under this Chapter and the~~
21 ~~California Political Reform Act (Government Code Sections 81000 et seq.); and (2) is controlled by a~~
22 ~~candidate, or is formed or exists primarily to support or oppose a candidate, or is formed or exists~~
23 ~~primarily to support or oppose a ballot measure which is being voted on only in the City and County,~~
24 ~~or is a general purpose Committee active only in the City and County; and (3) receives contributions,~~
25 ~~or makes independent expenditures, totaling \$5,000.00 or more in a calendar year.~~

1 (A) a committee controlled by a candidate for City elective office;

2 (B) a committee primarily formed to support or oppose a local measure or a candidate for City
3 elective office; or

4 (C) a general purpose recipient, independent expenditure or major donor committee that
5 qualifies, under state law, as a city or county general purpose committee in the City and County of San
6 Francisco.

7 (2) The Ethics Commission may require additional committees not listed in this Section to file
8 electronically through regulations adopted at least 60 days before the statement or report is due to be
9 filed.

10 SEC. 1.113. DISCLOSURE REQUIREMENTS DURING SIGNATURE GATHERING
11 PERIODS FOR INITIATIVES, REFERENDA AND RECALLS.

12 ~~(a) In order to ensure that any person interested in the finances of~~In addition to the
13 requirements of this Chapter and state law, any committee that is raising or spending funds to
14 support or oppose a measure during the circulation of the measure shall file supplemental
15 campaign statements with the Ethics Commission under this Section. Such committees shall file ~~their~~
16 ~~financial disclosure documents on dates that are within the time period in which signatures are~~
17 ~~gathered~~ supplemental campaign statements on the 5th and 20th day of every month in which a
18 measure is circulating in the City and County for signatures, and on the 5th day of the month following
19 the end of the circulation period if necessary to disclose contributions received or expenditures made
20 during the signature-gathering period. Each such statement shall disclose contributions received and
21 expenditures made between the end of the reporting period for the last campaign statement filed by the
22 committee and the period ending five calendar days prior to the date of filing.

23 ~~(b) For initiatives and recalls, campaign disclosure statements shall be filed on the 15th day of~~
24 ~~the signature gathering period covering days 1–10, on the 30th day covering days 11–25, and every~~
25

1 ~~30 days thereafter for the 30-day period ending five days earlier through the end of the signature-~~
2 ~~gathering period.~~

3 ~~(c) For referenda, which have a 30-day signature gathering period, campaign disclosure~~
4 ~~statements shall be filed on the 10th day of the period covering days 1–5, on the 25th day of the period~~
5 ~~covering days 6–20, and by the 60th day after the end of the period covering days 21–30.~~

6 ~~(d) Otherwise, campaign statements shall be completed and filed as specified in this Chapter~~
7 ~~and state law.~~

8 SEC. 1.114. CONTRIBUTION LIMITS.

9 (a) LIMITS ON CONTRIBUTIONS TO CANDIDATES.

10 (1) Per Candidate Limit. No person other than a candidate shall make, and no ~~candidate~~
11 ~~committee~~-campaign treasurer for a candidate committee shall solicit or accept, any contribution
12 which will cause the total amount contributed by such person to such candidate committee in
13 an election to exceed \$500.00.

14 (2) Overall Limit. No person shall make any contribution which will cause the total
15 amount contributed by such person to all candidate committees in an election to exceed
16 \$500.00 multiplied by the number of City elective offices to be voted on at that election.

17 (b) LIMITS ON CONTRIBUTIONS FROM CORPORATIONS. No corporation organized
18 pursuant to the laws of the State of California, the United States, or any other state, territory,
19 or foreign country, whether for profit or not, shall make a contribution to a candidate
20 committee for City elective office, provided that nothing in this subsection shall prohibit such a
21 corporation from establishing, administering, and soliciting contributions to a separate
22 segregated fund to be utilized for political purposes by the corporation, provided that the
23 separate segregated fund complies with the requirements of ~~F~~federal ~~L~~law including sections
24 432(e) and 441b of Title 2 of the United States Code, ~~including~~ and any subsequent
25 amendments to those sections.

1 (c) LIMITS ON CONTRIBUTIONS TO COMMITTEES.

2 (1) Per Committee Limit. No person shall make, and no committee treasurer shall
3 solicit or accept, any contribution which will cause the total amount contributed by such
4 person to the committee to exceed \$500.00 per calendar year.

5 (2) Overall Limit. No person shall make, and no committee treasurer shall solicit or
6 accept, any contribution which will cause the total amount contributed by such person to all
7 committees to exceed \$3,000.00 per calendar year.

8 (3) Definitions. For purposes of this Subsection, "committee" shall mean any committee
9 making expenditures to support or oppose a candidate, but shall not include candidates'
10 ~~campaign~~ committees.

11 (d) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

12 (1) General Rule. For purposes of the contribution limits imposed by this Section and
13 Section 1.120 the contributions of an entity whose contributions are directed and controlled by
14 any individual shall be aggregated with contributions made by that individual and any other
15 entity whose contributions are directed and controlled by the same individual.

16 (2) Multiple Entity Contributions Controlled by the Same Persons. If two or more
17 entities make contributions that are directed and controlled by a majority of the same persons,
18 the contributions of those entities shall be aggregated.

19 (3) Majority-Owned Entities. Contributions made by entities that are majority-owned by
20 any person shall be aggregated with the contributions of the majority owner and all other
21 entities majority-owned by that person, unless those entities act independently in their
22 decisions to make contributions.

23 (4) Definition. For purposes of this Section, the term "entity" means any person other
24 than an individual and "majority-owned" means a direct or indirect ownership of more than 50
25 percent.

1 ~~(5) Effective Date. This Subsection shall take effect January 1, 2004.~~

2 (e) CONTRIBUTOR INFORMATION REQUIRED. If the cumulative amount of
3 contributions received from a contributor is \$100-~~00~~ or more, the committee shall not deposit
4 any contribution that causes the total amount contributed by a person to equal or exceed
5 \$100-~~00~~ unless the committee has the following information: the contributor's full name; the
6 contributor's street address; the contributor's occupation; and the name of the contributor's
7 employer or, if the contributor is self-employed, the name of the contributor's business. A
8 committee will be deemed not to have had the required contributor information at the time the
9 contribution was deposited if the required contributor information is not reported on the first
10 campaign statement on which the contribution is required to be reported.

11 (f) FORFEITURE OF UNLAWFUL CONTRIBUTIONS. In addition to any other penalty,
12 each committee that receives a contribution which exceeds the limits imposed by this Section
13 or which does not comply with the requirements of this Section shall pay promptly the amount
14 received or deposited in excess of the amount permitted by this Section to the City and
15 County of San Francisco and deliver the payment to the Ethics Commission for deposit in the
16 General Fund of the City and County; provided that the Ethics Commission may provide for
17 the waiver or reduction of the forfeiture.

18 (g) ~~RETURN RECEIPT~~ OF CONTRIBUTIONS. A contribution to a candidate committee or
19 committee making expenditures to support or oppose a candidate shall not be considered ~~to~~
20 ~~be~~-received if it is not cashed, negotiated, or deposited and in addition it is returned to the
21 donor before the closing date of the campaign statement on which the contribution would
22 otherwise be reported, except that a contribution to a candidate committee or committee
23 making expenditures to support or oppose a candidate made before an election at which the
24 candidate is to be voted on but after the closing date of the last campaign statement required
25 to be filed before the election shall not be considered to be deemed received if it is not

1 cashed, negotiated or deposited and is returned to the contributor within 48 hours of receipt.
2 For all committees not addressed by this section, the determination of when contributions are
3 considered to be received shall be made in accordance with the California Political Reform Act,
4 California Government Code Section 81000, et seq.

5 SEC. 1.118. PAYMENT OF ACCRUED EXPENSES.

6 (a) A candidate committee ~~whohat~~ accepts goods or services on credit shall pay for
7 such accrued expenses ~~in full no later than 180 calendar days after receipt of a bill or invoice and~~
8 ~~in~~ in full no later than 180 calendar days after receipt of a bill or invoice and in no event event
9 later than 180 calendar days after the last calendar day of the month in which the goods were
10 delivered or the services were rendered, unless it is clear from the circumstances that the
11 failure to pay is reasonably based on a good faith dispute. For purposes of this Subsection, a
12 good faith dispute shall be rebuttably presumed if the candidate committee produces the
13 following:

14 (1) Evidence that the candidate committee protested the payment of a bill no later than
15 30 calendar days after the last calendar day of the month in which the goods were delivered
16 or the services were rendered; and

17 (2) Evidence that the protest was based on the time of delivery, quality or quantity of
18 goods delivered or services rendered or the price of the goods delivered or the services
19 provided.

20 (b) The provisions of Subsection (a) do not apply to debt owed to a financial institution
21 for an outstanding credit card balance.

22 (c) Each and every calendar day any accrued expense remains partially or wholly
23 unpaid after the time periods set forth in Subsection (a) constitutes a separate violation.

24 SEC. 1.122. SOLICITATION OR ACCEPTANCE OF CAMPAIGN CONTRIBUTIONS–
25 LIMITATIONS.

1 (a) DECLARATION OF INTENT REQUIRED. No ~~intended candidate for any City elective~~
2 ~~office, and no committee acting on behalf of a candidate~~ or candidate committee, shall solicit or
3 accept, or cause to be solicited or accepted, any contribution unless and until ~~said the~~
4 candidate ~~shall have~~ filed a declaration of intention to become a candidate for a specific City
5 elective office with the Department of Elections on a form ~~to be~~ prescribed by the Director of
6 Elections.

7 No person shall file a declaration of intention to become a candidate for more than one
8 City elective office. ~~For the purposes of this Section a committee acting on behalf of a candidate need~~
9 ~~not be controlled by or acting under the authorization of the candidate.~~

10 (b) USE OF CAMPAIGN FUNDS.

11 (i1) ~~General~~ GENERAL. Except as otherwise provided in this Chapter, funds in a
12 candidate committee's campaign account may be used only on behalf of the candidacy for the
13 office specified in the candidate's declaration of intention filed under Subsection (a) or for
14 expenses associated with holding that office, provided that such expenditures are reasonably
15 related to a legislative, governmental, or political purpose. Contributions solicited or accepted
16 under this Section for one ~~individual~~ candidate shall not be expended for the candidacy of any
17 other ~~individual~~ candidate for local, state or federal office, ~~or~~ in support of or opposition to any
18 measure or in support of or opposition to any state ballot proposition, ~~or be donated~~ for donations
19 to a charitable organization. Nothing in this section shall prohibit a candidate committee for a
20 candidate in a ranked choice election from expending funds to support the ranking of another
21 candidate if the primary purpose of the expenditure is to further the candidate's own
22 campaign.

23 (ii2) ~~Withdrawal from candidacy~~ WITHDRAWAL FROM CANDIDACY. If a candidate has
24 withdrawn his or her candidacy, ~~€~~ campaign funds held by that candidate's committee's Campaign

1 Contribution Trust Account ~~an individual who ceases to be a candidate or fails to qualify for an office~~
2 ~~for which contributions have been solicited or accepted~~ shall be:

3 (A) returned on a "last in, first out" basis to those persons who have made said
4 contributions;

5 (B) donated to the City and County of San Francisco; ~~or~~

6 (C) donated to a charitable organization;:-

7 (D) used to pay outstanding campaign debts or accrued expenses;

8 (E) used to pay expenses associated with terminating the committee, such as bookkeeping, legal
9 fees, preparation of campaign statements, and audits; or

10 (F) used for other permissible purposes established by the Ethics Commission by regulation.

11 ~~(e3) SURPLUS FUNDS~~ CANDIDATES DEFEATED OR DEPARTED FROM ELECTED
12 OFFICE. Surplus funds held by a candidate or committee shall be ~~If a candidate has been defeated in~~
13 an election or has departed from City elective office, campaign funds held by that candidate's
14 committee's Campaign Contribution Trust Account shall be:

15 ~~(iA) R~~ returned on a "last in, first out" basis to those persons who have made said
16 contributions;

17 ~~(iiB) D~~ donated to a charitable organization; ~~or~~

18 ~~(iiiC) D~~ donated to the City and County of San Francisco;:-

19 (D) used to pay outstanding campaign debts or accrued expenses;

20 (E) used to pay expenses associated with terminating the committee, such as bookkeeping, legal
21 fees, preparation of campaign statements, and audits; or

22 (F) used for other permissible purposes established by the Ethics Commission by regulation.

23 ~~(4c) TRANSFER OF FUNDS. Subject to the restrictions set forth in Subsection (b), A~~ at any
24 time, funds held in a candidate committee's ~~e~~ Campaign Contribution Trust ~~a~~ Account may be
25 transferred to any legally constituted committee established by ~~or on behalf of~~ the candidate

1 under the *Government Code of the State of California (commencing at Section 81000) California*
2 *Political Reform Act, California Government Code section 81000 et seq.* Contributions transferred
3 under this subsection shall be attributed to specific contributors using a "first in, first out" or
4 "last in, first out" accounting method.

5 SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE
6 CEILINGS.

7 *(a) Candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff,*
8 *Treasurer, the Board of Education of the San Francisco Unified School District or the Governing*
9 *Board of the San Francisco Community College District may accept the applicable voluntary*
10 *expenditure ceiling. Candidates for the Board of Supervisors or Mayor may not accept a voluntary*
11 *expenditure ceiling.*

12 *(ab) All candidates for City elective office*To accept the applicable voluntary expenditure
13 ceiling, a candidate must file a statement with the Ethics Commission *indicating whether they*
14 *accepting or do not accept* the applicable voluntary expenditure ceiling. *Theis candidate statement,*
15 *which is a public document,* shall *be filed* this statement no later than the deadline for filing
16 nomination papers with the Department of Elections, *and may not be withdrawn after such*
17 *deadline. A candidate may not withdraw the statement accepting the voluntary expenditure ceiling after*
18 *filing the statement. The form may not be filed prior to June 1 of an election occurring in November or*
19 *120 days before an election held at any other time, and once filed may not be withdrawn. A candidate*
20 *may not accept or reject the applicable expenditure ceiling under this Section if the applicable*
21 *expenditure ceiling has already been lifted*A candidate may not file the statement accepting the
22 applicable voluntary expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure
23 ceiling under Section 1.134 of this Chapter.

24 *The Director of Elections shall cause to be published in the Voter Information Pamphlet, on the*
25 *same page as appears the candidate's statement of qualifications, a notice informing voters whether the*

1 ~~candidate has accepted the voluntary expenditure ceiling. For candidates who have accepted the~~
2 ~~voluntary expenditure ceiling, the notice shall state: "The above candidate has accepted the City's~~
3 ~~voluntary spending limit." For candidates who have not accepted the voluntary expenditure ceiling, the~~
4 ~~notice shall state: "The above candidate has NOT accepted the City's voluntary spending limit." If a~~
5 ~~candidate was precluded from accepting or rejecting the limits because the expenditure ceiling for a~~
6 ~~particular race was lifted under Section 1.134 of this Chapter before the candidate filed the statement~~
7 ~~required by this Section, the notice for that candidate shall state "The voluntary spending limit was~~
8 ~~lifted before this candidate decided whether to accept or not accept the limit." The notice shall be~~
9 ~~printed in the same font size and type as the candidate's statement of qualifications. Nothing in this~~
10 ~~subsection shall prevent a candidate from participating in a public financing program authorized by~~
11 ~~this Chapter.~~

12 (c) The Ethics Commission shall maintain, on its website, a list of the candidates who have
13 accepted the voluntary expenditure ceiling. If the Ethics Commission has lifted a voluntary expenditure
14 ceiling for a particular race under Section 1.134 of this Chapter, the Ethics Commission shall instead
15 maintain a list of the candidates who have accepted, but are no longer subject to the voluntary
16 expenditure ceiling in that race.

17 (bd) Any candidate who files a statement pursuant to this Section accepting has accepted the
18 applicable voluntary expenditure ceiling and makes qualified campaign expenditures in excess
19 of the voluntary expenditure ceiling, at a time when the Ethics Commission has not lifted the
20 applicable voluntary expenditure ceiling ~~has not been lifted~~, is subject to the penalties in Section
21 1.170 for violation of this Chapter.

22 SEC. 1.130. AMOUNT OF VOLUNTARY EXPENDITURE CEILINGS.

23 (a) Any candidate for Assessor, Public Defender, City Attorney, District Attorney,
24 Treasurer, or Sheriff who agrees to accept voluntary expenditure ceilings shall not make total
25

1 qualified campaign expenditures exceeding ~~\$229,000.00~~243,000, unless the Ethics Commission
2 has lifted the voluntary expenditure ceiling pursuant to Section 1.134 of this Chapter.

3 ~~(b) Any candidate for Mayor who agrees to expenditure ceilings shall not make total qualified~~
4 ~~campaign expenditures exceeding \$724,000.00.~~

5 ~~(c) Any candidate for the Board of Supervisors who agrees to expenditure ceilings shall not~~
6 ~~make total qualified campaign expenditures exceeding \$140,000.00.~~

7 ~~(d)~~ Any candidate for the Board of Education of the San Francisco Unified School
8 District or the Governing Board of the San Francisco Community College District who agrees
9 to accept voluntary expenditure ceilings shall not make total qualified campaign expenditures
10 exceeding ~~\$98,000.00~~104,000, unless the Ethics Commission has lifted the voluntary expenditure
11 ceiling pursuant to Section 1.134 of this Chapter.

12 ~~(e)~~ The Ethics Commission is authorized to adjust annually by regulation the voluntary
13 expenditure ceilings imposed by this Section to reflect the change in the California Consumer
14 Price Index for that year, provided that such adjustments shall be rounded off to the nearest \$1,000.

15 SEC. 1.134. LIFTING OF VOLUNTARY EXPENDITURE CEILINGS~~LIFTED~~;
16 SUPPLEMENTAL REPORTING IN ELECTIONS FOR ASSESSOR, PUBLIC DEFENDER, CITY
17 ATTORNEY, DISTRICT ATTORNEY, TREASURER, SHERIFF, THE BOARD OF EDUCATION OF
18 THE SAN FRANCISCO UNIFIED SCHOOL DISTRICT, OR THE GOVERNING BOARD OF THE SAN
19 FRANCISCO COMMUNITY COLLEGE DISTRICT.

20 This Section shall apply only if at least one candidate for the City elective office has
21 ~~filed a statement with the Ethics Commission pursuant to Section 1.128 indicating acceptance of~~
22 accepted the applicable voluntary expenditure ~~limits~~ceiling, and the Ethics Commission has not
23 ~~lifted applicable that voluntary~~ expenditure ~~limit~~ceiling has not already been lifted. This Section
24 applies only to candidates for Assessor, Public Defender, City Attorney, District Attorney, Treasurer,
25

1 Sheriff, the Board of Education of the San Francisco Unified School District, or the Governing Board
2 of the San Francisco Community College District.

3 (a) The voluntary expenditure ceiling shall no longer be binding on a candidate:

4 (1) ~~If~~ a candidate seeking election to the same City elective office, who has ~~filed a statement~~
5 ~~under Section 1.128 declining~~declined to accept the voluntary expenditure ceiling~~s,~~ receives
6 contributions or makes qualified campaign expenditures in excess of 100 percent of the
7 applicable voluntary expenditure ceiling, ~~or~~

8 (2) if a person or persons make expenditures or payments, or incur expenses for the
9 purpose of making independent expenditures, electioneering communications or member
10 communications ~~in support of or in opposition to a candidate~~ that total more than 100 percent of
11 the applicable voluntary expenditure ceiling, and those expenditures or communications clearly
12 identify a candidate seeking election to the same City elective office, or

13 (3) if a candidate seeking election to the same City elective office, who has accepted the
14 voluntary expenditure ceiling, makes qualified campaign expenditures in excess of 100 percent of the
15 voluntary expenditure ceiling.~~the applicable expenditure limit voluntary expenditure ceiling shall no~~
16 ~~longer be binding on any candidate seeking election to the same City elective office. This subsection~~
17 ~~shall not apply to a candidate for Mayor or the Board of Supervisors who has been certified by the~~
18 ~~Ethics Commission as eligible to receive public funds under this Chapter and is therefore subject to an~~
19 ~~Individual Expenditure Ceiling.~~

20 (b) Any candidate committee that ~~who has not accepted the voluntary expenditure ceiling and~~
21 ~~who~~ receives contributions, makes qualified campaign expenditures, incurs expenses or has
22 funds in ~~his~~ its ~~e~~Campaign Contribution ~~Trust~~ ~~a~~Account that ~~exceed~~ total more than 100 percent
23 of the applicable voluntary expenditure ceiling shall, within 24 hours of exceeding 100 percent
24 of the applicable voluntary expenditure ceiling, file a statement with the Ethics Commission, on
25 forms to be provided by the Ethics Commission, stating that fact and any additional

1 information required by the Ethics Commission. ~~Within 24 hours after receiving such notice, the~~
2 ~~Ethics Commission shall inform every other candidate for that office that the expenditure ceiling has~~
3 ~~been lifted.~~

4 (c) Any person other than a candidate committee who ~~that~~ makes expenditures or
5 payments, or incurs expenses for the purpose of ~~making~~ distributing independent expenditures,
6 electioneering communications or member communications ~~in support of or in opposition to that~~
7 clearly identify any candidate in an amount ~~of that in the aggregate equals or exceeds \$5,000.00 or~~
8 ~~more per candidate~~ shall, within 24 hours of reaching or exceeding this threshold, file a statement
9 with the Ethics Commission, ~~on forms to be provided by the Ethics Commission.~~ The statement
10 shall include a legible copy of the communication if it is conveyed in writing or an electronic recording
11 if it is conveyed via audio or video, disclose the cost of each communication, and provide any
12 additional information stating that fact and any additional information required by the Ethics
13 Commission.

14 Thereafter, until ~~such time as the~~ Ethics Commission lifts the applicable voluntary
15 expenditure ceiling ~~is lifted~~, any such person shall file a supplemental statement with the
16 Ethics Commission each time the ~~committeeperson~~ makes expenditures ~~or payments or incurs~~
17 ~~expenses~~ for the purpose of ~~making~~ distributing independent expenditures, electioneering
18 communications or member communications ~~or incurs expenses in support of or in opposition that~~
19 clearly identify ~~to~~ any candidate in an amount that in the aggregate equals or exceeds of an
20 additional \$5,000.00 per candidate. The supplemental statements shall be filed within 24 hours
21 of reaching or exceeding ~~these spending~~ this thresholds, and shall include a legible copy of the
22 communication if it is conveyed in writing or an electronic recording if it is conveyed via audio or
23 video, disclose the cost of each communication, and provide any additional information required by the
24 Ethics Commission. This subsection shall not apply to any expenditures, payments, or expenses
25 incurred for the purpose of making independent expenditures, electioneering communications or

1 ~~member communications in support of or in opposition to any candidate for Mayor or the Board of~~
2 ~~Supervisors if the Ethics Commission has certified that at least one candidate for Mayor or the Board~~
3 ~~of Supervisors is eligible to receive public funds under this Chapter.~~

4 (d) Within one business day after receiving a notice indicating that the thresholds in subsection
5 (a) have been met, the Ethics Commission shall inform every candidate in the same race that the
6 expenditure ceiling has been lifted.

7 SEC. 1.135. SUPPLEMENTAL ~~REPORTING~~PRE-ELECTION STATEMENTS.

8 (a) Supplemental Preelection Statements. In addition to the campaign disclosure
9 requirements imposed by the California Political Reform Act and other provisions of this
10 Chapter, all San Francisco general purpose committees shall file preelection statements
11 before any election held in the City and County of San Francisco at which a candidate for City
12 elective office or City measure is on the ballot, if the committee makes contributions or
13 independent expenditures totaling ~~five hundred dollars (\$500.00)~~ or more during the period
14 covered by the preelection statement.

15 (b) Time for Filing Supplemental Preelection Statements. In even-numbered years,
16 Ppreelection statements required by this Section shall be filed pursuant to the preelection
17 statement filing schedule established by the Fair Political Practices Commission for county general
18 purpose recipient committees. In odd-numbered years, the filing schedule is as follows:

19 (1) For the period ending 45 days before the election, the statement shall be filed no
20 later than 40 days before the election;

21 (2) For the period ending 17 days before the election, the statement shall be filed no
22 later than 12 days before the election.

23 (c) The Ethics Commission may require that these statements be filed electronically.

24 SEC. 1.136. PUBLIC FINANCING OF CANDIDATES FOR THE BOARD OF
25 SUPERVISORS OR MAYOR.

1 Candidates for the Board of Supervisors or Mayor who ~~are certified by~~ the Ethics
2 Commission certifies as eligible to receive public financing of their election campaigns, and
3 who comply with the applicable conditions and restrictions specified in Section 1.140 of this
4 Chapter, may receive public funds as provided in this Chapter to defray the costs of their
5 election campaigns.

6 SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.

7 (a) REQUIREMENTS FOR ALL CANDIDATES. To be eligible to receive public
8 financing of campaign expenses under this Chapter, ~~all a~~ candidates must:

9 (1) Have filed a statement indicating that he or she intends to participate in the public
10 financing program under Section 1.142 of this Chapter.

11 (2) Agree to the following conditions:

12 (A) The candidate bears the burden of providing that each contribution the candidate
13 relies upon to establish eligibility is a qualifying contribution;

14 (B) The candidate bears the burden of proving that expenditures made with public
15 funds provided under this Chapter comply with Section 1.148 of this Chapter;

16 (C) The candidate will not make any payments to a contractor or vendor in return for
17 the contractor or vendor making a campaign contribution to the candidate or make more than
18 a total of 50 payments, other than the return of a contribution, to contractors or vendor that
19 have made contributions to the candidate;

20 (D) Notwithstanding Sections 1.114 and 1.116, the candidate shall not loan or donate,
21 in total, more than \$~~15,000.00~~ of his or her own money to the campaign;

22 (E) The candidate shall not accept any loans to his or her campaign with the exception
23 of a candidate's loan to his or her own campaign as permitted by this Section; and

24 (F) The candidate shall agree to participate in at least three ~~(3)~~ debates with the
25 candidate's opponents.

1 (3) Have paid any outstanding late fines or penalties, owed to the City by the candidate
2 or any of the candidate's previous campaign committees, which were imposed for violations of
3 ~~Chapters 1 through 5 of this Article, Code or~~ the campaign finance provisions of the California
4 Political Reform Act (Government Code Sections 84100– 85704), ~~Chapter 1 of Article II of this~~
5 ~~Code or Chapters 1 or 2 of Article III of this Code~~, provided that the Ethics Commission had
6 notified the candidate of such fines or penalties by the time of certification.

7 (4) Have filed any outstanding forms, owed to the City by the candidate or any of the
8 candidate's previous campaign committees, which were required to be filed pursuant to
9 ~~Chapters 1 through 5 of this Article, Code or~~ the campaign finance provisions of the Political
10 Reform Act (Government Code Sections 84100– 85704), ~~or Chapter 1, Article III of this Code~~,
11 provided that the Ethics Commission had notified the candidate of such outstanding forms by
12 the time of certification.

13 (5) Have no finding by a court or by the Ethics Commission after a hearing on the
14 merits, within the prior five years, that the candidate knowingly, willfully, or intentionally
15 violated ~~Chapters 1 through 4 any Section of this Article Code~~ or the campaign finance provisions
16 of this California Political Reform Act (Government Code Sections 84100– 85704). For
17 purposes of this Section, a plea of nolo contendere ~~shall be treated the same as~~ constitutes a
18 finding by a court of a willful violation.

19 (b) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR THE BOARD OF
20 SUPERVISORS. To be eligible to receive public financing of campaign expenses under this
21 Chapter, a candidate for the Board of Supervisors must:

22 (1) Be seeking election to the Board of Supervisors and be eligible to hold the office
23 sought;

24 (2) Have a candidate committee that has received at least \$5,000-~~00~~ in qualifying
25 contributions from at least 75 contributors before the 70th day before the election;

1 (3) Be opposed by another candidate who has either established eligibility to receive
2 public financing, or whose candidate committee has received contributions or made expenditures
3 which in the aggregate equal or exceed \$5,000.00; and

4 (4) Agree that ~~the~~ his or her candidate committee will not ~~spend on the candidate's campaign~~
5 make qualified campaign expenditures that total more than the candidate's Individual Expenditure
6 Ceiling of ~~\$143,000~~ \$140,000.00, or as adjusted under Section ~~1.134.51.143~~ of this Chapter.

7 (c) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR MAYOR. To be eligible
8 to receive public financing of campaign expenses under this Chapter, a candidate for Mayor
9 must:

10 (1) Be seeking election to the office of Mayor and be eligible to hold the office sought;

11 (2) Have a candidate committee that has received at least \$25,000.00 in qualifying
12 contributions from at least 250 contributors by the 70th day before the election.

13 (3) Be opposed by another candidate who has either established eligibility to receive
14 public financing, or whose candidate committee has received contributions or made expenditures
15 that in the aggregate equal or exceed \$50,000.00; and

16 (4) Agree that ~~the~~ his or her candidate committee will not ~~spend on the candidate's campaign~~
17 make qualified campaign expenditures that total more than the candidate's Individual Expenditure
18 Ceiling of ~~\$1,475,000~~ \$1,375,000.00, or as adjusted under Section ~~1.134.51.143~~ of this Chapter.

19 (d) ADJUSTMENT OF EXPENDITURE LIMITS AND THRESHOLDS. ~~Whenever the~~
20 ~~Ethics Commission pursuant to Section 1.130 adjusts the voluntary expenditure ceilings to reflect~~
21 ~~changes in the California Consumer Price Index, the~~ Ethics Commission is authorized to adjust:

22 (1) The figures in Subsections (b)(4) and (c)(4) to ~~match the adjusted voluntary expenditure~~
23 ~~ceilings in Section 1.130~~ reflect changes in the California Consumer Price Index, provided that such
24 adjustments shall be rounded off to the nearest \$1,000 for candidates for the Board of Supervisors and
25 the nearest \$5,000 for candidates for Mayor;

1 (2) The figure in Subsection (a)(2)(D) of this Section to reflect changes in the California
2 Consumer Price Index, provided that such adjustments shall be rounded off to the nearest
3 \$1,000.00;

4 (3) The figures in Subsections (b)(2) and (b)(3) of this Section to reflect changes in the
5 California Consumer Price Index, provided that such adjustments shall be rounded off to the
6 nearest \$500.00;

7 (4) The figures in Subsections (c)(2) and (c)(3) of this Section to reflect changes in the
8 California Consumer Price Index, provided that such adjustments shall be rounded off to the
9 nearest \$5,000.00; and

10 (5) The maximum amount of a contribution that constitutes a qualifying contribution
11 pursuant to Section 1.104 to reflect changes in the California Consumer Price Index, provided
12 that such adjustments shall be rounded off to the nearest \$10.00.

13 SEC. 1.142. PROCESS FOR ESTABLISHING ELIGIBILITY; CERTIFICATION BY THE
14 ETHICS COMMISSION.

15 (a) STATEMENT OF PARTICIPATION OR NON-PARTICIPATION. Each candidate for
16 the Board of Supervisors or Mayor must sign and ~~verify under penalty of perjury~~ file a Statement
17 of Participation or Non-Participation in the public financing program. The statement must be
18 filed by the candidate with the Ethics Commission no later than the deadline for filing
19 nomination papers. On the statement, each candidate shall indicate whether he or she intends
20 to participate in the public financing program. A statement of participation or non-participation
21 may not be amended after the deadline for filing nomination papers, ~~provided that, prior to~~
22 ~~December 31, 2007, any candidate for the Board of Supervisors who has filed a Statement of Non-~~
23 ~~Participation may retract that Statement and file a Statement of Participation in the public financing~~
24 ~~program.~~

1 (b) DECLARATION BY CANDIDATE. To become eligible to receive public financing of
2 campaign expenses under this Chapter, a candidate shall declare, under penalty of perjury,
3 that the candidate satisfies the requirements specified in Section 1.140. Candidates shall be
4 permitted to submit the declaration and any supporting material required by the Ethics
5 Commission to the Ethics Commission ~~starting~~no earlier than nine ~~(9)~~ months before the date
6 of the election, but no later than the 70th day before the election. Once the declaration and
7 supporting material are submitted, they may not be amended. The declaration and supporting
8 material may be withdrawn and refiled, provided that the refiled is made no later than the 70th
9 day before the election.

10 If any deadline imposed by this Subsection falls on a Saturday, Sunday, or legal
11 holiday, the deadline shall be the next business day.

12 (c) DETERMINATION OF ELIGIBILITY. The Executive Director of the Ethics
13 Commission shall review the candidate's declaration and supporting material to determine
14 whether the candidate is eligible to receive public funds under this Chapter. The Executive
15 Director may audit the candidate's records, interview contributors and take whatever steps the
16 Executive Director deems necessary to determine eligibility. At the request of the Executive
17 Director, the Controller shall assist in this review process.

18 (d) DETERMINATION OF OPPOSITION. To determine whether a candidate for the
19 Board of Supervisors is opposed as required under Section 1.140(b)(3) of this Chapter or a
20 candidate for Mayor is opposed as required under Section 1.140(c)(3) of this Chapter, the
21 Executive Director shall review the material filed pursuant to Section 1.152 of this Chapter,
22 and may review any other material.

23 (e) CERTIFICATION. If the Executive Director determines that a candidate for Mayor or
24 the Board of Supervisors has satisfied the requirements of Section 1.140, the Executive
25 Director shall notify the candidate and certify to the Controller that the candidate is eligible to

1 receive public financing under this Chapter. The Executive Director shall not certify that a
2 candidate is eligible to receive public financing if the candidate's declaration or supporting
3 material is incomplete or otherwise inadequate to establish eligibility. The Executive Director
4 shall determine whether to certify a candidate no later than 30 days after the date the
5 candidate submits his or her declaration and supporting material, provided that the Executive
6 Director shall make all determinations regarding whether to certify a candidate no later than
7 the 55th day before the election.

8 (f) RESUBMISSION. If the Executive Director declines to certify that a candidate is
9 eligible to receive public financing under this Chapter, the Executive Director shall notify the
10 candidate. Notwithstanding Section 1.142(b) of this Chapter, the candidate may, within five
11 business days of the date of notification, resubmit the declaration and supporting material. If
12 the candidate does not timely resubmit, the Executive Director's determination is final.

13 If, after viewing resubmitted material, the Executive Director declines to certify that a
14 candidate is eligible to receive public financing under this Chapter, the Executive Director
15 shall notify the candidate of this fact. Additional resubmissions may be permitted in the
16 Executive Director's discretion. If the candidate fails to resubmit in the time specified by the
17 Executive Director, or if no further resubmissions are permitted, the Executive Director's
18 determination is final.

19 (g) APPEAL TO THE ETHICS COMMISSION. If, the Executive Director declines to
20 certify that a candidate is eligible to receive public financing under this Chapter, the candidate
21 may appeal the Executive Director's final determination to the Ethics Commission. The
22 candidate must deliver the written appeal to the Ethics Commission within five days of the
23 date of notification of the Executive Director's determination.

24 SEC. 1.144. DISBURSEMENT OF PUBLIC FUNDS—~~CANDIDATES FOR THE BOARD~~
25 ~~OF SUPERVISORS.~~

1 (a) PAYMENT BY CONTROLLER. Upon certifying that a candidate is eligible to
2 receive public financing under this Chapter, the Executive Director shall forward the
3 certification to the Controller, and the Controller shall disburse payments to the candidate from
4 the Election Campaign Fund in accordance with the certification and this Section.

5 (b) TIME OF PAYMENTS. The Controller shall not make any payments under this
6 Chapter to any candidate more than nine ~~(9)~~ months before the date of the election. Payments
7 from the Controller shall be disbursed to eligible candidates within ~~48 hours~~ two business days of
8 the Controller receiving notification from the Ethics Commission regarding the amount of the
9 disbursement, except that within ~~60~~ fifteen calendar days before the election, such payments
10 shall be made within ~~24 hours~~ one business day.

11 (c) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR MAYOR.

12 (1) Until the Per Candidate Available Disbursement Limit has been determined,
13 candidates for Mayor who ~~m have been certified by~~ the Ethics Commission has certified as eligible
14 to receive public financing for their election campaigns will have access to up to
15 ~~\$850,000.00~~ \$950,000 ~~\$900,000~~ in funds from the Election Campaign Fund on a first come, first
16 served basis according to the formula set forth in Subsection (c)(3) of this Section.

17 (2) Once the Per Candidate Available Disbursement Limit has been determined,
18 candidates for Mayor who ~~m have been certified by~~ the Ethics Commission has certified as eligible
19 to receive public financing for their election campaigns shall have access to funds from the
20 Election Campaign Fund as follows:

21 (A) If the Executive Director determines that the Per Candidate Available Disbursement
22 Limit is greater than ~~\$850,000.00~~ \$950,000 ~~\$900,000~~, each participating candidate shall have
23 access to the amount of the Per Candidate Disbursement, subject to the limitations set forth
24 under Subsection (c)(3)(D) and (c)(3)(E) of this Section.

1 (B) If the Executive Director determines the Per Candidate Available Disbursement
2 Limit is less than or equal to ~~\$850,000.00~~950,000900,000, participating candidates shall have
3 access to funds from the Election Campaign Fund on a first come, first served basis up to a
4 maximum per candidate of ~~\$850,000.00~~950,000900,000.

5 (3) A candidate for Mayor who is certified as eligible to receive public financing under
6 this Chapter shall receive payments for eligible matching contributions according to the
7 following formula:

8 (A) Upon qualification the candidate shall receive a one-time payment of \$50,000.~~00~~
9 from the Election Campaign Fund.

10 (B) After the initial payment under Subsection (c)(3)(A), for the first \$100,000.~~00~~ in
11 matching contributions raised by the candidate, the candidate shall receive four dollars from
12 the Election Campaign Fund for each dollar raised.

13 (C) After the payments under Subsection (c)(3)(B), for the next
14 ~~\$400,000.00~~500,000450,000 in matching contributions raised by the candidate, the candidate
15 shall receive one dollar~~s~~ from the Election Campaign Fund for each dollar raised.

16 (D) The maximum amount of public funds a mayoral candidate may receive is
17 ~~\$850,000.00~~950,000900,000, unless the candidate's Individual Expenditure Ceiling is *lifted*
18 *adjusted* according to the rules set forth under Section ~~1.134.51.143~~. *The amount of public funds*
19 *paid under this Section shall not be affected by the lifting of expenditure limits under Section 1.134.*

20 (E) If the Per Candidate Available Disbursement Limit has been determined to be an
21 amount greater than ~~\$850,000.00~~950,000900,000, a candidate who has already received at
22 least ~~\$850,000.00~~950,000900,000 in disbursements from the City shall continue to be eligible
23 to receive public funds from the City at the rate of one dollar for each dollar of a matching
24 contribution raised up to the Per Candidate Disbursement Limit, provided that no funds shall
25

1 be disbursed if disbursement of the funds would result in the candidate exceeding his or her
2 Trust Account Limit.

3 (d) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR THE BOARD
4 OF SUPERVISORS.

5 (1) Until the Per Candidate Available Disbursement Limit has been determined,
6 candidates for the Board of Supervisors who ~~m have been certified by~~ the Ethics Commission *has*
7 *certified* as eligible to receive public financing for their election campaigns will have access to
8 up to ~~\$87,500.00~~89,000 in funds from the ~~Mayoral~~ Election Campaign Fund on a first come, first
9 served basis according to the formula set forth in Subsection (d)(3) of this Section.

10 (2) Once the Per Candidate Available Disbursement Limit has been determined,
11 candidates for the Board of Supervisors who ~~m have been certified by~~ the Ethics Commission *has*
12 *certified* as eligible to receive public financing for their election campaigns shall have access to
13 funds from the Election Campaign Fund as follows:

14 (A) If the Executive Director determines that the Per Candidate Available Disbursement
15 Limit is greater than ~~\$87,500.00~~89,000, each participating candidate shall have access to the
16 amount of the Per Candidate Disbursement, subject to the limitations set forth under
17 Subsection (d)(3)(D) and (d)(3)(E) of this Section.

18 (B) If the Executive Director determines the Per Candidate Available Disbursement
19 Limit is less than or equal to ~~\$87,500.00~~89,000, participating candidates shall have access to
20 funds from the Election Campaign Fund on a first come, first served basis up to a maximum
21 per candidate of ~~\$87,500.00~~89,000.

22 (3) A candidate for the Board of Supervisors who is certified as eligible to receive public
23 financing under this Chapter shall receive payments for eligible matching contributions
24 according to the following formula:
25

1 (A) Upon qualification the candidate shall receive a one-time payment of \$10,000-~~00~~
2 from the Election Campaign Fund.

3 (B) After the initial payment under Subsection (d)(3)(A), for the first \$10,000-~~00~~ in
4 matching contributions raised by the candidate, the candidate shall receive four dollars from
5 the Election Campaign Fund for each dollar raised.

6 (C) After the payments under Subsection (d)(3)(B), for the next ~~\$37,500-00~~39,000 in
7 matching contributions raised by the candidate, the candidate shall receive one dollar from the
8 Election Campaign Fund for each dollar raised.

9 (D) The maximum amount of public funds a candidate for the Board of Supervisors
10 may receive is ~~\$87,500-00~~89,000, unless the candidate's Individual Expenditure Ceiling is
11 *adjusted lifted* according to the rules set forth under Section ~~1.134.51.143~~. *The amount of public*
12 *funds paid under this Section shall not be affected by the lifting of expenditure limits under Section*
13 ~~1.134~~.

14 (E) If the Per Candidate Available Disbursement Limit has been determined to be an
15 amount greater than ~~\$87,500-00~~89,000, a candidate who has already received at least
16 ~~\$87,500-00~~89,000 in disbursements from the City shall continue to be eligible to receive public
17 funds from the City at the rate of one dollar for each dollar of a matching contribution raised
18 up to the Per Candidate Disbursement Limit, provided that no funds shall be disbursed if
19 disbursement of the funds would result in the candidate exceeding his or her Trust Account
20 Limit.

21 (e) PER CANDIDATE AVAILABLE DISBURSEMENT LIMIT. On the 59th day before
22 the election, the Executive Director shall divide the total amount of non-administrative funds in
23 the Election Campaign Fund by the number of qualified candidates. This number shall be
24 deemed the Per Candidate Available Disbursement Limit. For the purposes of this section, the
25 total amount of non-administrative funds in the Election Campaign Fund shall be the total

1 amount of funds that existed in the Fund nine months before the date of election plus any
2 funds deposited into the Fund between that date and the 59th day before the election minus
3 any funds necessary to cover the administrative costs associated with implementing the public
4 financing program for the next election.

5 If there are candidates who have submitted a Declaration of Qualification but whose
6 eligibility has not been determined as of the 59th day before the election, the Executive
7 Director shall assume that they are qualified for the purposes of determining the Per
8 Candidate Available Disbursement Limit. The Per Candidate Available Disbursement Limit
9 shall be revised upward according to the formula above if and when it is determined that the
10 candidate or candidates in question did not qualify to receive public financing.

11 Immediately upon calculating the Per Candidate Available Disbursement Limit, the
12 Executive Director shall inform the Controller of the initial determination of the Per Candidate
13 Available Disbursement Limit. Thereafter, the Executive Director shall immediately inform the
14 Controller of any subsequent changes in the Per Candidate Available Disbursement Limit due
15 to a determination that a candidate has not qualified to receive public financing.

16 (f) SUBMISSION OF CLAIMS FOR PUBLIC FUNDS. The Ethics Commission shall
17 determine the information needed to submit a claim for payment of public funds. The
18 Executive Director shall certify each request for payment of public funds within four business
19 days of the request, except that within 14 calendar days before the election, when the
20 certification of a request for public funds shall be made within two business days of the
21 request. No candidate may submit a claim for public funds if the candidate has any such claims
22 pending with the Ethics Commission. For candidates for Mayor, any submission of a claim for
23 public funds must include a minimum of \$5,000-~~00~~ of matching contributions; provided that in
24 the 14 calendar days preceding an election, a claim must include a minimum of \$1,000-~~00~~ of
25 matching contributions. For candidates for the Board of Supervisors, any submission of a

1 claim for public funds must include a minimum of ~~\$500.00~~1,000 of matching contributions;
2 provided that in the 14 calendar days preceding an election, a claim must include a minimum
3 of ~~\$100.00~~200 of matching contributions. All claims for public funds must be submitted no later
4 than 5:00 p.m. on the 30th day following the date of the election.

5 (g) DEPOSIT IN CAMPAIGN CONTRIBUTION TRUST ACCOUNT. ~~A candidate~~
6 must deposit all payments received from the Election Campaign Fund in ~~the~~ his or her
7 candidate committee's Campaign Contribution Trust Account.

8 SEC. 1.146. TERMINATION OF PAYMENTS.

9 The Controller shall terminate all payments to a candidate who is otherwise eligible to
10 receive public financing if the candidate or the candidate's committee:

11 (a) Withdraws or fails to qualify to have his or her name printed on the ballot for the
12 election for which the candidate applied for public financing;

13 (b) Fails to comply with the conditions specified in Section 1.140 of this Chapter; or

14 (c) Knowingly or willfully fails to comply with any of the reporting requirements imposed
15 by this Chapter or the Political Reform Act, California Government Code Section 81000, et
16 seq.

17 SEC. 1.148. RESTRICTIONS ON USE OF PUBLIC FUNDS; UNEXPENDED PUBLIC
18 FUNDS.

19 (a) USE FOR QUALIFIED CAMPAIGN EXPENDITURES ONLY. Candidates who
20 receive public financing may use the public funds solely to pay for qualified campaign
21 expenditures, ~~as defined by Section 1.104 of this Chapter,~~ and to repay loans used to pay for
22 qualified campaign expenditures except that public funds may be used to pay filing fees and
23 costs incurred after the election that do not directly affect the outcome of the election,
24 including but not limited to utility bills, expenses associated with an audit, and expenses
25 related to preparing post-election campaign finance disclosure reports as required by the

1 California Political Reform Act, Government Code Section 81000, et seq., and the provisions
2 of this Chapter. Candidates may not use public funds to pay for expenses incurred in
3 connection with an administrative or judicial proceeding. Candidates may not use public funds
4 to pay administrative, civil or criminal fines, including late filing fines, or to pay for inaugural
5 activities or officeholder expenses. Candidates may not use public funds to pay post-election
6 bonuses to campaign employees or for election victory celebrations or similar post-election
7 campaign events.

8 ~~(b) PURCHASE OF EQUIPMENT. Any equipment purchased by a candidate with public funds
9 provided under this Chapter that has a useful life beyond the election campaign for which the funds
10 were provided, and a fair market value exceeding \$100.00, becomes City and County property on the
11 day following the date the candidate is elected or not elected to office.~~

12 ~~(eb) WITHDRAWAL OR FAILURE TO QUALIFY. Any candidate who receives public
13 financing but who withdraws or fails to qualify to have his or her name printed on the ballot in
14 the election for which the public funds were provided shall repay the Election Campaign Fund
15 the full sum received from the Fund.~~

16 ~~(dc) UNEXPENDED PUBLIC FUNDS.~~

17 ~~(i) General. Any candidate who receives public financing and whose committee has
18 unexpended public funds shall pay to the City and County of San Francisco and deliver to the
19 Ethics Commission those funds for deposit in the Election Campaign Fund no later than 30
20 days after the Ethics Commission completes its audit of the candidate's committee.~~

21 Unexpended funds may be used to pay for expenses associated with an audit such as bank
22 fees, treasurer fees and storage fees until the Ethics Commission completes its audit of the
23 candidate's committee.

24 ~~(ii) Definition. For purposes of this Section, unexpended public funds shall mean all funds
25 remaining in the candidate's account on the 30th day after the candidate is elected or not elected to~~

1 ~~office, regardless of the source of the funds, but shall not exceed the amount of public funds provided to~~
2 ~~the candidate. Funds raised after this date do not constitute unexpended funds and may be used for any~~
3 ~~lawful purpose.~~

4 SEC. 1.150. AUDIT; REPAYMENT.

5 (a) AUDIT. The Ethics Commission shall audit all candidate committees whose candidates
6 have received public financing under this Chapter. Audits of candidate committees conducted
7 under this Subsection shall begin within 60 days after the date the candidate committees' first
8 post-election campaign disclosure report is required to be filed pursuant to Section 1.106 of
9 this Chapter. In his or her discretion, the Executive Director may initiate additional targeted or
10 randomly selected audits of any committee, irrespective of whether the committee received any public
11 funds. At the request of the Executive Director, the Controller shall assist in conducting these
12 audits.

13 (b) REPAYMENT.

14 (1) If the Ethics Commission determines that any portion of the payments made to a
15 candidate from the Election Campaign Fund exceeded the aggregate amount of payments to
16 which the candidate was entitled under this Chapter, the Commission shall notify the
17 Controller and the candidate. In addition to any other penalties, the candidate shall pay to the
18 City and County of San Francisco, and deliver to the Ethics Commission an amount equal to
19 the amount of the excess payments, and if the Commission determines that any amount of
20 any payment made to a candidate from the Election Campaign Fund was used for something
21 other than qualified campaign expenditures, the candidate shall pay to the Ethics Commission
22 an amount equal to the improper expenditure.

23 (2) Any candidate who receives public funds under this Chapter and exceeds his or her
24 Individual Expenditure Ceiling by ten percent or more shall, in addition to any other penalties,
25

1 pay to the Ethics Commission an amount equal to the amount of public funds the candidate
2 received under this Chapter.

3 (3) All payments delivered to the Ethics Commission under this Section shall be
4 deposited in the Election Campaign Fund.

5 SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF
6 SUPERVISORS AND MAYOR.

7 (a) ELECTIONS FOR THE BOARD OF SUPERVISORS.

8 (1) In addition to the campaign disclosure requirements imposed by the California
9 Political Reform Act and other provisions of this Chapter, each candidate committee supporting
10 a candidate for the Board of Supervisors shall file a statement with the Ethics Commission
11 indicating when the ~~candidate~~ committee has received contributions to be deposited into its
12 Campaign Contribution Trust Account; or made expenditures ~~or has funds in his or her Campaign~~
13 ~~Contribution Trust Account~~ that ~~in the aggregate~~ equal or exceed \$5,000.00 within 24 hours of
14 reaching or exceeding that amount.

15 (2) In addition to the supplemental report in Subsection (a)(1) of this Section, each
16 candidate committee supporting a candidate for the Board of Supervisors shall file a statement
17 with the Ethics Commission disclosing when the ~~candidate~~ committee has received
18 contributions to be deposited into its Campaign Contribution Trust Account; or made expenditures
19 ~~or has funds in his or her Campaign Contribution Trust Account~~ that in the aggregate equal or
20 exceed \$100,000.00. The candidate committee shall file this report within 24 hours of reaching
21 or exceeding the threshold. Thereafter, the candidate committee shall file an additional
22 supplemental report within 24 hours of every time the candidate committee receives additional
23 contributions to be deposited into its Campaign Contribution Trust Account; or makes additional
24 expenditures ~~or has additional funds in his or her campaign trust account~~ that in the aggregate
25 equal or exceed \$10,000.00.

1 (3) Any person other than a candidate committee who ~~that~~ makes expenditures for the
2 purpose of distributing independent expenditures, electioneering communications, or member
3 communications that clearly identify any candidate for the Board of Supervisors, and the
4 amount of those expenditures ~~in an amount that~~ in the aggregate equals or exceeds \$5,000.00 per
5 candidate, shall, within 24 hours of reaching or exceeding the spending this threshold, file a
6 statement with the Ethics Commission. ~~provide an original~~ Such statement shall include a legible
7 copy of the communication if it is conveyed in writing or an electronic recording if it is conveyed via
8 audio or video, to the Ethics Commission and file a statement with the Ethics Commission disclosing
9 the cost of each communication, and provide any additional information required by the Ethics
10 Commission. Every person who is required to file a statement with the Ethics Commission
11 pursuant to this Subsection shall indicate on the statement which candidate or candidates for
12 the Board of Supervisors the independent expenditures, electioneering communications, or
13 member communications disclosed on the statement ~~are intended to~~ support or oppose, or
14 whether they are ~~intended to be~~ neutral, ~~provided that an independent expenditure may not be~~
15 ~~neutral~~. For the purposes of this Subsection, the costs of a communication that supports or
16 opposes more than one candidate or ballot measure shall be apportioned among each
17 candidate and measure in the communication.

18 Thereafter, any such person shall file a supplemental statement with the Ethics
19 Commission each time the person makes expenditures for the purpose of distributing
20 independent expenditures, electioneering communications or member communications ~~in~~
21 ~~support of or in opposition to~~ that clearly identify any candidate for the Board of Supervisors in an
22 amount that in the aggregate equals or exceeds an additional \$5,000.00 per candidate. The
23 supplemental statements shall be filed within 24 hours of reaching or exceeding the spending
24 this threshold, and shall include a legible copy of the communication if it is conveyed in writing or an
25

1 electronic recording if it is conveyed via audio or video, disclose the cost of each communication, and
2 provide any additional information required by the Ethics Commission.

3 The Executive Director shall post the information disclosed on statements required by
4 this subsection on the website page of the Ethics Commission within two business days of the
5 statement's filing being filed.

6 (b) ELECTIONS FOR MAYOR.

7 (1) In addition to the campaign disclosure requirements imposed by the California
8 Political Reform Act and other provisions of this Chapter, each candidate committee supporting
9 a candidate for Mayor shall file a statement with the Ethics Commission indicating when the
10 candidate committee has received contributions to be deposited into its Campaign Contribution
11 Trust Account; or made expenditures or has funds in his or her Campaign Contribution Trust
12 Account that ~~in the aggregate~~ equal or exceed \$50,000.00 within 24 hours of reaching or
13 exceeding that amount.

14 (2) In addition to the supplemental report in Subsection (b)(1) of this Section, each
15 candidate committee supporting a candidate for Mayor shall file a statement with the Ethics
16 Commission disclosing when the candidate committee has received contributions to be
17 deposited into its Campaign Contribution Trust Account; or made expenditures or has funds in his or
18 her Campaign Contribution Trust Account that in the aggregate equal or exceed \$1,000,000.00.
19 The candidate committee shall file this report within 24 hours of reaching or exceeding the
20 threshold. Thereafter, the candidate committee shall file an additional supplemental report
21 within 24 hours of every time the candidate committee receives additional contributions; or
22 makes additional expenditures or has additional funds in his or her campaign trust account that in
23 the aggregate equal or exceed \$50,000.00.

24 (3) Any person other than a candidate committee who ~~that~~ makes expenditures for the
25 purpose of distributing independent expenditures, electioneering communications, or member

1 communications that clearly identify any candidate for Mayor, ~~in an~~ and the amount of those
2 expenditures that in the aggregate equals or exceeds ~~\$5,000.00~~ 10,000 5,000 per candidate, shall,
3 within 24 hours of reaching or exceeding ~~the spending~~ this threshold, file a statement with the
4 Ethics Commission. ~~provide~~ Such statement shall include ~~an original~~ legible copy of the
5 communication if it is conveyed in writing or an electronic recording if it is conveyed via audio or
6 video, to the Ethics Commission and file a statement with the Ethics Commission ~~disclose~~ ing the cost
7 of each communication, and provide any additional information required by the Ethics Commission.
8 Every person who is required to file a statement with the Ethics Commission pursuant to this
9 Subsection shall indicate on the statement which candidate or candidates for Mayor the
10 independent expenditures, electioneering communications, or member communications
11 disclosed on the statement ~~are intended to~~ support or oppose, or whether they are ~~intended to~~
12 ~~be neutral,~~ provided that an independent expenditure may not be neutral. For the purposes of this
13 Subsection, the costs of a communication that supports or opposes more than one candidate
14 or ballot measure shall be apportioned among each candidate and measure in the
15 communication.

16 Thereafter, any such person shall file a supplemental statement with the Ethics
17 Commission each time the person makes expenditures for the purpose of distributing
18 independent expenditures, electioneering communications or member communications ~~in~~
19 ~~support of or in opposition to~~ that clearly identify any candidate for Mayor in an amount that in the
20 aggregate equals or exceeds an additional ~~\$5,000.00~~ 10,000 5,000 per candidate. The
21 supplemental statements shall be filed within 24 hours of reaching or exceeding ~~the spending~~
22 this threshold, and shall include a legible copy of the communication if it is conveyed in writing or an
23 electronic recording if it is conveyed via audio or video, disclose the cost of each communication, and
24 provide any additional information required by the Ethics Commission.

1 The Executive Director shall post the information disclosed on statements required by
2 this subsection on the website page of the Ethics Commission within two business days of the
3 statement's filing-being filed.

4 (c) The supplemental statements required by Subsections (a)(2), (a)(3), (b)(2) and
5 (b)(3) are not required until the Ethics Commission has certified that at least one candidate ~~for~~
6 is eligible to receive public funds under this Chapter, provided that within two business days of
7 the date that the Ethics Commission provides notice under this subsection that it has certified
8 that a candidate is eligible to receive public funds under this Chapter, any report that
9 previously would have been required under (a)(2), (a)(3), (b)(2) or (b)(3) must be filed. Within
10 two business days of certifying that at least one candidate is eligible to receive public
11 financing under this Chapter, the Ethics Commission shall post a notice on its website page,
12 send out a press release and send written notice by regular or electronic mail to all other
13 candidates running for the same City elective office and to any other person who has requested
14 such notice.

15 SEC. 1.156. REPORT TO THE MAYOR AND BOARD OF SUPERVISORS.

16 ~~(a)~~ Following each election at which the Mayor or members of the Board of Supervisors
17 are elected, the Ethics Commission shall submit a report to the Mayor and Board of
18 Supervisors. The report shall state the amount of public funds used to pay for election
19 campaigns in that election and such other information as the Ethics Commission deems
20 useful, including the number of candidates who received public funds; the number of
21 nonparticipating candidates; the amount of qualified campaign expenditures made by all
22 candidates in that election; and the amount of independent expenditures made in connection
23 with the election.

24 ~~(b) Following the November 2007 municipal election, the Ethics Commission shall conduct a~~
25 ~~study and submit a report to the Mayor and Board of Supervisors regarding the feasibility and costs of~~

1 ~~converting the partial public financing program for Mayoral candidates into a full public financing~~
2 ~~program. Following the November 2008 Municipal Election, the Ethics Commission shall conduct a~~
3 ~~study and submit a report to the Mayor and Board of Supervisors regarding the feasibility and costs of~~
4 ~~converting the partial public financing program for candidates for the Board of Supervisors into a full~~
5 ~~public financing program.~~

6 SEC. 1.161. DISCLOSURE AND FILING REQUIREMENTS FOR MASS MAILINGS.

7 (a) MASS MAILINGS BY CANDIDATES.

8 (1) Disclosure. In addition to the requirements set forth in California Government Code
9 Section 84305, each mass mailing paid for by a candidate ~~committee for City elective office with~~
10 ~~funds raised for the candidate's campaign~~ shall include on the outside of each piece of mail in the
11 mass mailing the following statement in not less than 14 point type and in a color or print
12 which contrasts with the background so as to be easily legible: "paid for by _____ (insert
13 candidate's committee's name and street address)." A post office box may be stated in lieu of a
14 street address if the candidate committee's address is a matter of public record with the ~~San~~
15 ~~Francisco~~ Ethics Commission.

16 (2) Filing.

17 (i) Each candidate ~~committee that for City elective office who~~ pays for a mass mailing
18 shall, within five working days after the date of the mailing, file two ~~of the original~~ pieces of the
19 mailing with the ~~San Francisco~~ Ethics Commission.

20 (ii) Each candidate ~~committee that for City elective office who~~ pays for a mass mailing
21 shall, within five ~~working~~ business days after the date of the mailing, file an itemized disclosure
22 statement with the ~~San Francisco~~ Ethics Commission for that mailing.

23 (iii) Each candidate ~~committee that for City elective office who~~ pays for a mass mailing
24 shall file ~~the original~~ two pieces of mail and the itemized disclosure statement required by
25

1 Subsections (a)(2)(i) and (a)(2)(ii) within 48 hours of the date of the mailing if the date of the
2 mailing occurs within the final 16 days before the election.

3 (iv) Every ~~original~~ mass mailing filed pursuant to this subsection shall be clearly legible.

4 (b) MASS MAILINGS BY PERSONS OTHER THAN CANDIDATES.

5 (1) Disclosure. Any person who makes independent expenditures for a mass mailing
6 which supports or opposes any candidate for City elective office shall place the following
7 statement on the mailing in typeface no smaller than 14 points:

8 Notice to Voters (Required by City and County of San Francisco) This mailing is not
9 authorized or approved by any candidate for City and County office or by any election official.
10 It is paid for by [name and committee identification number]. [address, city, state]. Total Cost
11 of this mailing is [amount].

12 (2) Filing.

13 (i) Each person who makes independent expenditures of \$1,000-~~00~~ or more for a mass
14 mailing which supports or opposes any candidate for City elective office shall, ~~within five~~
15 ~~working days after the date of the mailing,~~ file two ~~of the original~~ pieces of the mailing and an
16 itemized disclosure statement for the mailing with the ~~San Francisco~~ Ethics Commission, unless that
17 person is otherwise required to file disclosures regarding the communication under Section 1.134,
18 1.152, or 1.161.5 of this Code.

19 (ii) Any filing required by this Section shall be submitted within five business days after the
20 date of the mailing if the date of the mailing is more than 16 days before the election, and within 48
21 hours after the mailing if the date of the mailing occurs within the final 16 days before the election.

22 ~~(ii) Each person described in Subsection (b)(2)(i) shall, within five working days after the date~~
23 ~~of the mailing, file an itemized disclosure statement with the San Francisco Ethics Commission for that~~
24 ~~mailing.~~

1 ~~(iii) Each person described in Subsection (b)(2)(i) shall file the original pieces of mail and the~~
2 ~~itemized disclosure statement required by Subsections (b)(2)(i) and (b)(2)(ii) within 48 hours of the~~
3 ~~date of the mailing if the date of the mailing occurs within the final 16 days before the election.~~

4 ~~(iviii) Every original piece of mail~~ filed pursuant to this ~~sub~~Section shall be clearly
5 legible.

6 ~~(iv) The Ethics Commission may permit any required statement or mailing to be filed by~~
7 ~~facsimile.~~

8 ~~(e) DEFINITIONS:~~

9 ~~(1) For the purposes of this Section, "Itemized disclosure statement" shall mean a detailed~~
10 ~~description of the separate costs associated with a mass mailing, including but not limited to~~
11 ~~photography, design, production, printing, distribution and postage. Each cost shall be disclosed on a~~
12 ~~form promulgated by the San Francisco Ethics Commission in a manner that demonstrates each~~
13 ~~separate charge or payment for each mass mailing.~~

14 ~~(2) For the purposes of this Section, "Mass mailing" shall be defined as set forth in the~~
15 ~~California Political Reform Act (Government Code Section 81000 et seq.), provided that the mass~~
16 ~~mailing advocates for or against one or more candidates for City elective office.~~

17 SEC. 1.161.5. DISCLOSURE AND FILING FOR ELECTIONEERING
18 COMMUNICATIONS.

19 (a) DISCLOSURE STATEMENTS.

20 (1) Every electioneering communication shall include a disclosure statement identifying
21 the person who paid for the communication. Such disclosure statement shall, at a minimum,
22 contain the following words, "paid for by _____ (insert the name of the person who paid
23 for the communication)."

24 (2) Any disclosure statement required by this section to be in printed form shall be
25 printed in a type and color so as to be easily legible to the intended public. Such disclosure

1 statement shall be printed in at least 14 point type and in a color or print that contrasts with
2 the background so as to be easily legible to the intended public.

3 (3) Any disclosure statement required by this Section to be in spoken form shall be
4 spoken at the same volume and speed as the rest of the communication so as to be clearly
5 audible and understood by the intended public and otherwise appropriately conveyed for the
6 hearing impaired.

7 (b) REPORTING OBLIGATIONS.

8 (1) Every person who makes payments for electioneering communications in an
9 aggregate amount of \$1,000.~~00~~ during any calendar year shall, within 48 hours of each
10 disclosure date, file an itemized disclosure statement with the ~~San Francisco~~ Ethics
11 Commission, unless that person is otherwise required to file disclosures regarding the communication
12 under Section 1.134, 1.152, or 1.161 of this Code.

13 (2) Each itemized disclosure statement required to be filed under this Section ~~shall be~~
14 ~~filed on a form promulgated by the San Francisco Ethics Commission and~~ shall contain the following
15 information:

16 (A) the full name, street address, city, state and zip code of the person making
17 payments for electioneering communications;

18 (B) the name of any individual sharing or exercising direction and control over the
19 person making payments for electioneering communications;

20 (C) the total amount of payments made by the person for electioneering
21 communications during the calendar year;

22 (D) a detailed description of each payment made by the person for electioneering
23 communications during the calendar year, provided that the person has not already reported
24 such payments on an itemized disclosure statement filed under this Section; such detailed
25 description shall include the date the payment was made, the full name and address of the

1 person to whom the payment was made; the amount of the payment, and a brief description
2 of the consideration for which each payment was made;

3 (E) a detailed accounting of any payments of \$100-~~00~~ or more that the person has
4 received from another person, which were used for making electioneering communications,
5 provided that the person has not already reported such payments received on an itemized
6 disclosure statement filed under this Section; such detailed accounting shall include the dollar
7 amount or value of each payment, the date of the payment's receipt, the name, street
8 address, city, state, and zip code of the person who made such payment, the occupation and
9 employer of the person who made such payment, if any, or, if the person is self-employed, the
10 name of the person's business, and the cumulative amount of payments received for the
11 purpose of making electioneering communications from that person during the calendar year;

12 (F) the total amount of all payments reported under Subsection (E) during the calendar
13 year;

14 (G) a legible copy of the electioneering communication if in printed form, or a transcript
15 of the electioneering communication if in spoken form; and

16 (H) any other information required by the Ethics Commission consistent with the
17 purposes of this Section.

18 (3) The filer shall verify, under penalty of perjury, the accuracy and completeness of the
19 information provided in the itemized disclosure statement, and shall retain for a period of five
20 years all books, papers and documents necessary to substantiate the itemized statements
21 required by this Section.

22 (4) The Ethics Commission may ~~require any itemized statement to be filed electronically and~~
23 ~~may~~ permit any required statement or mailing to be filed by facsimile. ~~The Ethics Commission~~
24 ~~shall promulgate regulations to implement this subsection before any person shall be required to file an~~
25 ~~itemized statement electronically or permitted to file a statement by facsimile.~~

1 ~~(5) If any person files an itemized statement after any deadline imposed by this Section, the~~
2 ~~Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter,~~
3 ~~fine the person \$10.00 per day after the deadline until the statement is received by the Ethics~~
4 ~~Commission. The Ethics Commission may reduce or waive a fine if the Commission determines that the~~
5 ~~late filing was not willful and that enforcement will not further the purposes of this Chapter. The Ethics~~
6 ~~Commission shall deposit funds collected under this Section in the General Fund of the City and~~
7 ~~County of San Francisco.~~

8 (c) DEFINITIONS. Whenever in this Section the following words or phrases are used,
9 they shall mean:

10 (1) "Disclosure Date" shall mean:

11 (A) the first date during any calendar year when an electioneering communication is
12 distributed after a person has made payments aggregating \$1,000.00 for electioneering
13 communications; and

14 (B) after a person has met the threshold under Subsection (A), any date during that
15 same calendar year when an electioneering communication is distributed, if that same person
16 made any payments for such electioneering communication.

17 (2) "Distributed" shall mean any act that permits an electioneering communication to be
18 viewed, read or heard.

19 (3) "Electioneering Communication" shall mean any communication, including but not
20 limited to any broadcast, cable, satellite, radio, internet, or telephone communication, and any
21 mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard, facsimile, or printed
22 advertisement, that:

23 (A) refers to a clearly identified candidate for City elective office or a City elective officer
24 who is the subject of a recall election; and

1 (B) is distributed within 90 days prior to an election for the City elective office sought by
2 the candidate or a recall election regarding the City elective officer to 500 or more individuals
3 who are registered to vote or eligible to register to vote in the election or recall election. There
4 shall be a rebuttable presumption that any that any broadcast, cable, satellite, or radio
5 communication and any sign, billboard or printed advertisement is distributed to 500 or more
6 individuals who are eligible to vote ~~in or eligible to register to vote in an election for the City~~
7 ~~elective office sought by the candidate or a recall election regarding the City elective officer~~for or
8 against the candidate clearly identified in the communication.

9 (C) The term "Electioneering Communication" shall not include:

10 (i) communications that constitute ~~expenditures or~~ independent expenditures under this
11 Chapter;

12 (ii) communications made by a slate mailer organization if such communications are
13 required to be disclosed under the California Political Reform Act, California Government Code
14 Section 81000, et seq.;

15 (iii) communications paid for by the City or any other local, State or Federal
16 government agency;

17 (iv) ~~spoken~~non-recorded communications between two or more individuals in direct
18 conversation unless such communications are made by telephone and at least one of the
19 individuals is compensated for the purposes of making the telephone communication;

20 (v) communications that appear on bumper stickers, pins, stickers, hat bands, badges,
21 ribbons and other similar memorabilia;

22 (vi) news stories, commentaries or editorials distributed through any newspaper, radio
23 station, television station, or other recognized news medium unless such news medium is
24 owned or controlled by any political party, political committee or candidate;

1 (vii) communications to all members, employees and shareholders of an organization,
2 other than a political party, provided that such communications do not constitute general
3 public advertising such as, but not limited to, broadcasting, billboards, and newspaper
4 advertisements;

5 (viii) communications that occur during a candidate debate or forum; and

6 (ix) communications made solely to promote a candidate debate or forum made by or
7 on behalf of the person sponsoring the debate or forum, provided that such communications
8 do not otherwise discuss the positions or experience of a candidate for City elective office or a
9 City elective officer who is the subject of a recall election.

10 (4) "Internet Communication" shall include paid internet advertisements such as
11 "banner" and "pop up" advertisements, paid emails or emails sent to addresses purchased
12 from another person, and similar types of internet communications as defined by the Ethics
13 Commission by regulation, but shall not include web blogs, listserves sent to persons who
14 have contacted the sender, discussion forums, or general postings on web pages.

15 (5) "Payment" shall be defined as set forth in Government Code of the State of
16 California (commencing at Section 81000); provided, however, that "payment" shall also
17 include any enforceable promise to make a payment.

18 (6) "Refers to a clearly identified candidate for City elective office or a City elective
19 officer who is the subject of a recall election" shall mean any communication that contains the
20 candidate's or officer's name, nickname or image or makes any other unambiguous reference
21 to the candidate or officer such as "your Supervisor" or "the incumbent."

22 (D) REGULATIONS. The Ethics Commission shall issue regulations implementing this
23 Section, including regulations defining all members, employees and shareholders of an
24 organization.

25 SEC. 1.168. ENFORCEMENT; ADVICE.

1 (a) ENFORCEMENT– GENERAL PROVISIONS.

2 Any person who believes that a violation of this Chapter has occurred may file a
3 complaint with the Ethics Commission, City Attorney or District Attorney. The Ethics
4 Commission shall investigate such complaints pursuant to Charter Section C3.699-13 and its
5 implementing regulations. The City Attorney and District Attorney shall investigate, and shall
6 have such investigative powers as are necessary for the performance of their duties under
7 this Chapter.

8 (b) ENFORCEMENT– CIVIL ACTIONS.

9 The City Attorney, or any voter, may bring a civil action to enjoin violations of or compel
10 compliance with the provisions of this Chapter.

11 No voter may commence an action under this Subsection without first providing written
12 notice to the City Attorney of intent to commence an action. The notice shall include a
13 statement of the grounds for believing a cause of action exists. The voter shall deliver the
14 notice to the City Attorney at least ~~sixty~~ 60 days in advance of filing an action. No voter may
15 commence an action under this Subsection if the Ethics Commission has issued a finding of
16 probable cause that the defendant violated the provisions of this Chapter, or if the City
17 Attorney or District Attorney has commenced a civil or criminal action against the defendant,
18 or if another voter has filed a civil action against the defendant under this Subsection.

19 A Court may award reasonable attorney's fees and costs to any voter who obtains
20 injunctive relief under this Subsection. If the Court finds that an action brought by a voter
21 under this Subsection is frivolous, the Court may award the defendant reasonable attorney's
22 fees and costs.

23 (c) STATUTE OF LIMITATIONS.

24 (1) Criminal. Prosecution for violation of this Chapter must be commenced within four
25 years after the date on which the violation occurred.

1 (2) Civil. No civil action alleging a violation in connection with a campaign statement
2 required under this Chapter shall be filed more than four years after an audit could begin, or
3 more than one year after the Executive Director submits to the Commission any report of any
4 audit conducted of the alleged violator, whichever period is less. Any other civil action alleging
5 a violation of any provision of this Chapter shall be filed no more than four years after the date
6 on which the violation occurred.

7 (3) Administrative. No administrative action alleging a violation of this Chapter and
8 brought under Charter Section C3.699-13 shall be commenced more than ~~five~~four years after
9 the date on which the violation occurred. The date on which the Commission forwards a
10 complaint or information in its possession regarding an alleged violation to the District
11 Attorney and City Attorney as required by Charter Section C3.699-13 shall constitute the
12 commencement of the administrative action.

13 (4) Collection of fines and penalties. A civil action brought to collect fines or penalties
14 imposed under this Chapter shall be commenced within four years after the date on which the
15 monetary penalty or fine was imposed. For purposes of this Section, a fine or penalty is
16 imposed when a court or administrative agency has issued a final decision in an enforcement
17 action imposing a fine or penalty for a violation of this Chapter or the Executive Director has
18 made a final decision regarding the amount of a late fine or penalty imposed under this
19 Chapter. The Executive Director does not make a final decision regarding the amount of a late
20 fine or penalty imposed under this Chapter until the Executive Director has made a
21 determination to accept or not accept any request to waive a late fine or penalty where such
22 waiver is expressly authorized by statute, ordinance, or regulation.

23 (d) ADVICE. Any person may request advice from the Ethics Commission or City
24 Attorney with respect to any provision of this Chapter. The Ethics Commission shall provide
25 advice pursuant to Charter Section C3.699-12. The City Attorney shall within 14 days of the

1 receipt of said written request provide the advice in writing or advise the person who made the
2 request that no opinion will be issued. The City Attorney shall send a copy of said request to
3 the District Attorney upon its receipt. The City Attorney shall within nine days from the date of
4 the receipt of said written request send a copy of his or her proposed opinion to the District
5 Attorney. The District Attorney shall within four days inform the City Attorney whether he or
6 she agrees with said advice, or state the basis for his or her disagreement with the proposed
7 advice.

8 No person other than the City Attorney who acts in good faith on the advice of the City
9 Attorney shall be subject to criminal or civil penalties for so acting; provided that, the material
10 facts are stated in the request for advice and the acts complained of were committed in
11 reliance on the advice.

12 SEC. 1.170. PENALTIES.

13 (a) CRIMINAL. Any person who knowingly or willfully violates any provision of this
14 Chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a
15 fine of not more than \$5,000.~~00~~ for each violation or by imprisonment in the County jail for a
16 period of not more than six months or by both such fine and imprisonment; provided, however,
17 that any willful or knowing failure to report contributions or expenditures done with intent to
18 mislead or deceive or any willful or knowing violation of the provisions of Section 1.114 of this
19 Chapter shall be punishable by a fine of not less than \$5,000 for each violation or three times
20 the amount not reported or the amount received in excess of the amount allowable pursuant
21 to Section 1.114 of this Chapter, or three times the amount expended in excess of the amount
22 allowable pursuant to Section 1.130 or 1.140.5, whichever is greater.

23 (b) CIVIL. Any person who intentionally or negligently violates any of the provisions of
24 this Chapter shall be liable in a civil action brought by the civil prosecutor for an amount up to
25 \$5,000.~~00~~ for each violation or three times the amount not reported or the amount received in

1 excess of the amount allowable pursuant to Section 1.114 or three times the amount
2 expended in excess of the amount allowable pursuant to Section 1.130 or 1.140.5, whichever
3 is greater.

4 (c) ADMINISTRATIVE. Any person who intentionally or negligently violates any of the
5 provisions of this Chapter shall be liable in an administrative proceeding before the Ethics
6 Commission held pursuant to the Charter ~~for an amount up to \$5,000.00 for each violation, or~~
7 ~~three times the amount not reported or the amount received in excess of the amount allowable pursuant~~
8 ~~to Section 1.114 or three times the amount expended in excess of the amount allowable pursuant to~~
9 ~~Section 1.130 or 1.140.5, whichever is greater~~for any penalties authorized therein.

10 (d) LATE FILING FEES

11 (1) Fees for Late Paper Filings. In addition to any other penalty, any person who files a
12 paper copy of any statement or report after the deadline imposed by this Chapter shall be
13 liable in the amount of ten dollars (\$10.00) per day after the deadline until the statement is
14 filed.

15 (2) In addition to any other penalty, any person who files an electronic copy of a
16 statement or report after the deadline imposed by this Chapter shall be liable in the amount of
17 twenty-five dollars (\$25.00) per day after the deadline until the electronic copy or report is
18 filed.

19 (3) Limitation on Liability. Liability imposed by Subsection (d)(1) shall not exceed the
20 cumulative amount stated in the late statement or report, or one hundred dollars (\$100.00),
21 whichever is greater. Liability imposed by Subsection (d)(2) shall not exceed the cumulative
22 amount stated in the late statement or report, or two hundred fifty dollars (\$250.00), whichever
23 is greater.

1 (4) Reduction or Waiver. The Ethics Commission may reduce or waive a fee imposed
2 by this subsection if the Commission determines that the late filing was not willful and that
3 enforcement will not further the purposes of this Chapter.

4 (e) MISUSE OF PUBLIC FUNDS. Any person who willfully or knowingly uses public
5 funds, paid pursuant to this Chapter, for any purpose other than the purposes authorized by
6 this Chapter shall be subject to the penalties provided in this Section.

7 (f) PROVISION OF FALSE OR MISLEADING INFORMATION TO THE ETHICS
8 COMMISSION; WITHHOLDING OF INFORMATION. Any person who knowingly or willfully
9 furnishes false or fraudulent evidence, documents, or information to the Ethics Commission
10 under this Chapter, or misrepresents any material fact, or conceals any evidence, documents,
11 or information, or fails to furnish to the Ethics Commission any records, documents, or other
12 information required to be provided under this Chapter shall be subject to the penalties
13 provided in this Section.

14 (g) PERSONAL LIABILITY. Candidates and treasurers are responsible for complying
15 with this Chapter and may be held personally liable for violations by their committees. Nothing
16 in this Chapter shall operate to limit the candidate's liability for, nor the candidate's ability to pay, any
17 finances or other payments imposed pursuant to administrative or judicial proceedings.

18 (h) JOINT AND SEVERAL LIABILITY. If two or more persons are responsible for any
19 violation of this Chapter, they shall be jointly and severally liable.

20 (i) EFFECT OF VIOLATION ON OUTCOME OF ELECTION.

21 (1) If a candidate is convicted of a violation of this Chapter at any time prior to his or
22 her election, his or her candidacy shall be terminated immediately and he or she shall be no
23 longer eligible for election, unless the court at the time of sentencing specifically determines
24 that this provision shall not be applicable. No person convicted of a misdemeanor under this
25 Chapter after his or her election shall be a candidate for any other City elective office for a

1 period of five years following the date of the conviction unless the court shall at the time of
2 sentencing specifically determine that this provision shall not be applicable.

3 (2) If a candidate for Mayor or the Board of Supervisors is found by a court to have
4 exceeded the Individual Expenditure Ceiling in this Chapter by ten percent or more at any
5 time prior to his or her election, he or she is ineligible for election, unless the court specifically
6 determines that this provision shall not be applicable. If feasible, the candidate's name shall
7 be removed from the ballot. No candidate for Mayor or the Board of Supervisors who is found
8 by a court to have exceeded the Individual Expenditure Ceiling in this Chapter by ten percent
9 or more after his or her election shall be a candidate for any City elective office for a period of
10 ~~5-five~~ years following the court's determination unless the court specifically determines that
11 this provision shall not be applicable. The Ethics Commission may make a recommendation to
12 the Board of Supervisors that a candidate found by a court to have exceeded the Individual
13 Expenditure Ceiling in this Chapter by ten percent or more should be removed from office.

14 (3) A plea of nolo contendere shall be deemed a conviction for purposes of this
15 Section.

16 Section 2. The San Francisco Campaign and Governmental Conduct Code is hereby
17 amended by deleting Sections 1.134.5, 1.158, and 1.160, to read as follows:

18 ~~SEC. 1.134.5. LIFTING OF INDIVIDUAL EXPENDITURE CEILINGS.~~

19 ~~This Section shall apply only if the Ethics Commission has certified that at least one candidate~~
20 ~~for Mayor or the Board of Supervisors is eligible to receive public funds under this Chapter.~~

21 ~~(a) The Executive Director shall lift the Individual Expenditure Ceiling of a candidate for~~
22 ~~Mayor to an amount equal to the sum of the highest level of the Total Supportive Funds of any other~~
23 ~~candidate for Mayor and the Total Opposition Spending against that candidate if such amount is~~
24 ~~greater than \$1,375,000, provided that the Executive Director may lift a candidate's Individual~~
25 ~~Expenditure Ceilings only in increments of \$100,000.~~

1 ~~(b) The Executive Director shall lift the Individual Expenditure Ceiling of a candidate for the~~
2 ~~Board of Supervisors to an amount equal to the sum of the highest level of the Total Supportive Funds~~
3 ~~of any other candidate for the same office on the Board of Supervisors and the Total Opposition~~
4 ~~Spending against that candidate if such amount is greater than \$140,000, provided the Executive~~
5 ~~Director may lift a candidate's Individual Expenditure Ceiling only in increments of \$10,000.~~

6 ~~(c) On the fourth business day after a statement is filed pursuant to Section 1.152 (a)(3) and~~
7 ~~(b)(3) of this Chapter, the Executive Director shall determine whether to lift the Individual Expenditure~~
8 ~~Ceilings of each candidate for Mayor or the Board of Supervisors pursuant to Subsections (a) and (b)~~
9 ~~of this Section based on the information in the statement unless pursuant to Subsection (d) a candidate~~
10 ~~for Mayor or the Board of Supervisors requests that the Executive Director make a determination~~
11 ~~regarding which candidate or candidates the communication filed with the statement supports or~~
12 ~~opposes or whether the communication is neutral.~~

13 ~~(d) Any candidate for Mayor or the Board of Supervisors may request that the Executive~~
14 ~~Director review the original or copy of a communication filed pursuant to Section 1.152(b)(3) of this~~
15 ~~Chapter to make an independent determination regarding which candidate or candidates for Mayor or~~
16 ~~the Board of Supervisors the communication actually supports or opposes or whether the~~
17 ~~communication is neutral. Such requests must be filed with the Executive Director within three business~~
18 ~~days from the date the original or copy of the communication is filed. Factors the Executive Director~~
19 ~~shall use to determine whether the communication supports or opposes one or more candidates include~~
20 ~~the following:~~

- 21 ~~(1) The communication clearly identifies one or more candidates;~~
22 ~~(2) The timing of the communication coincides with the campaign;~~
23 ~~(3) The communication targets voters in a particular election;~~

1 ~~(4) The communication identifies one or more candidate's position on a public policy issue and~~
2 ~~urges the reader or viewer to take action, including calling the candidate to support or oppose the~~
3 ~~candidate's position;~~

4 ~~(5) The position of one or more candidates on the public policy issue has been raised as~~
5 ~~distinguishing these candidates from others in the campaign, either in the communication itself or in~~
6 ~~other public communications;~~

7 ~~(6) The communication is not part of an ongoing series of substantially similar advocacy~~
8 ~~communications by the organization on the same issue; and~~

9 ~~(7) Any other factors the Executive Director deems relevant.~~

10 ~~Within three business days of the date the request for a determination is received, the Executive~~
11 ~~Director shall make his or her initial determination.~~

12 ~~Within one business day of the date that the Executive Director makes an initial determination,~~
13 ~~any candidate for Mayor or the Board of Supervisors may submit to the Executive Director a request~~
14 ~~that the Ethics Commission review the Executive Director's initial determination.~~

15 ~~Within one business day of receiving the request, the Executive Director shall notify each~~
16 ~~Commissioner of the candidate's request.~~

17 ~~If within one business day of the Executive Director's notice, two or more members of the~~
18 ~~Commission inform the Executive Director that they would like to review the initial determination, the~~
19 ~~Executive Director shall schedule a meeting of the Commission on a date that occurs within one week~~
20 ~~of the Commissioners' requests. If three members of the Commission vote to overrule the Executive~~
21 ~~Director's initial determination, the Commission shall make a final determination based on the factors~~
22 ~~set forth above.~~

23 ~~If no candidate requests review of the Executive Director's initial determination, if a request is~~
24 ~~made and two or more members of the Commission do not request to review the initial determination,~~
25 ~~or within one week of two members of the Commission requesting to review the initial determination, at~~

1 ~~least three members of the Commission do not vote to overrule the Executive Director's initial~~
2 ~~determination, the Executive Director's determination shall become final.~~

3 ~~The Executive Director shall determine whether to lift the Individual Expenditure Ceilings of~~
4 ~~each candidate for Mayor or the Board of Supervisors pursuant to Subsections (a) and (b) of this~~
5 ~~Section within one business day of a final determination.~~

6 ~~SEC. 1.158. IMPLEMENTING REGULATIONS; FORMS.~~

7 ~~Pursuant to Charter Section 15.102, the Ethics Commission shall adopt regulations to~~
8 ~~implement this Chapter. The Ethics Commission shall also specify the form and content of all forms and~~
9 ~~statements required to be filed under this Chapter.~~

10 ~~SEC. 1.160. NO LIMITATION OF CANDIDATE LIABILITY.~~

11 ~~Nothing in this Chapter shall operate to limit the candidate's liability for, nor the candidate's~~
12 ~~ability to pay, any fines or other payments imposed pursuant to administrative or judicial proceedings.~~

13 Section 3. The San Francisco Campaign and Governmental Conduct Code is hereby
14 amended by adding Sections 1.109, 1.143, 1.171, and 1.175, to read as follows:

15 SEC. 1.109. RETENTION OF RECORDS.

16 (a) All candidates and committees that are required to file statements prescribed by this
17 Chapter shall maintain detailed accounts, records, bills, and receipts as necessary to prepare those
18 statements. Each candidate or committee shall retain for a period of four years detailed information
19 and original source documentation supporting those statements. The Ethics Commission may by
20 regulation describe the information and documentation required to be retained for each type of
21 statement.

22 (b) Within ten business days of a request by the Ethics Commission, a committee shall provide
23 the Ethics Commission with any documents required to be retained under this Section or state law,
24 including but not limited to California Code of Regulations, Title 2, section 18401 and any subsequent
25 amendments, modifications or administrative or judicial interpretations of that regulation. When the

1 Ethics Commission requests documents under this subsection, it shall provide the committee with the
2 reasons for the request in writing.

3 SEC. 1.143. ADJUSTING INDIVIDUAL EXPENDITURE CEILINGS.

4 This Section shall apply only if the Ethics Commission has certified that at least one candidate
5 for Mayor or the Board of Supervisors is eligible to receive public funds under this Chapter.

6 (a) The Executive Director shall adjust the Individual Expenditure Ceiling of a candidate for
7 Mayor to an amount equal to the sum of the Total Opposition Spending against that candidate and the
8 highest level of the Total Supportive Funds of any other candidate for Mayor if such amount is greater
9 than \$1,475,000, provided that the Executive Director may adjust a candidate's Individual Expenditure
10 Ceilings only in increments of \$100,000.

11 (b) The Executive Director shall adjust the Individual Expenditure Ceiling of a candidate for
12 the Board of Supervisors to an amount equal to the sum of the Total Opposition Spending against that
13 candidate and the highest level of the Total Supportive Funds of any other candidate for the same office
14 on the Board of Supervisors if such amount is greater than \$143,000, provided the Executive Director
15 may adjust a candidate's Individual Expenditure Ceiling only in increments of \$10,000.

16 (c) No later than the second business day after a statement is filed pursuant to Section 1.152
17 (a)(3) or (b)(3) of this Chapter, the Executive Director shall determine whether the communication
18 supports or opposes one or more candidates.

19 Factors the Executive Director shall use to determine whether the communication supports or
20 opposes one or more candidates include the following:

21 (1) whether the communication clearly identifies one or more candidates;

22 (2) the timing of the communication;

23 (3) the voters targeted by the communication;

1 (4) whether the communication identifies any candidate's position on a public policy issue and
2 urges the reader or viewer to take action, including calling the candidate to support or oppose the
3 candidate's position;

4 (5) whether the position of one or more candidates on a public policy issue has been raised as
5 distinguishing these candidates from others in the campaign, either in the communication itself or in
6 other public communications;

7 (6) whether the communication is part of an ongoing series of substantially similar advocacy
8 communications by the organization on the same issue; and

9 (7) any other factors the Executive Director deems relevant.

10 (d) Within one business day of the date that the Executive Director makes a determination under
11 Subsection (c), either the candidate(s) identified in the communication or any candidate seeking the
12 same City elective office as the candidate identified in the communication may object to the Executive
13 Director's determination. The Executive Director shall respond to any objection within one business
14 day of receiving the objection.

15 (e) Within one business day of the Executive Director's response, either the candidate(s)
16 identified in the communication or any candidate seeking the same City elective office as the candidate
17 identified in the communication may submit to the Executive Director a request that the Ethics
18 Commission review the Executive Director's determination. Within one business day of receiving the
19 request, the Executive Director shall notify each Commissioner of the candidate's request.

20 If within one business day of the Executive Director's notice, two or more members of the
21 Commission inform the Executive Director that they would like to review the determination, the
22 Executive Director shall schedule a meeting of the Commission on a date that occurs within one week
23 of the Commissioners' requests. If three members of the Commission vote to overrule the Executive
24 Director's determination, the Commission shall make a final determination based on the factors set
25 forth above.

1 (f) If no candidate objects to the Executive Director's determination, if no candidate requests
2 review by the Commission of the Executive Director's determination, if a request is made and two or
3 more members of the Commission do not request to review the determination, or within one week of
4 two members of the Commission requesting to review the Executive Director's determination, at least
5 three members of the Commission do not vote to overrule the Executive Director's determination, the
6 Executive Director's determination shall become final.

7 The Executive Director shall determine whether to adjust the Individual Expenditure Ceilings of
8 each candidate for Mayor or the Board of Supervisors pursuant to either Subsection (a) or (b) of this
9 Section within one business day of a final determination.

10 SEC. 1.171. ISSUANCE OF SUBPOENAS.

11 The Ethics Commission, including its Executive Director, may issue subpoenas in furtherance of
12 its duties under the Charter including, but not limited to, audits of committees and enforcement of the
13 provisions of this Chapter.

14 SEC. 1.175. IMPLEMENTING REGULATIONS; FORMS.

15 Pursuant to Charter Section 15.102, the Ethics Commission shall adopt regulations to
16 implement this Chapter. The Ethics Commission shall also specify the format and content of all forms
17 and statements required to be filed under this Chapter.

18 Section 4. Operative Date.

19 The foregoing amendments to the Campaign & Governmental Conduct Code shall
20 become operative on January 1, 2010.

21
22 APPROVED AS TO FORM:
23 DENNIS J. HERRERA, City Attorney

24 By:

25 ANDREW SHEN
Deputy City Attorney

SUPERVISOR DALY
BOARD OF SUPERVISORS

LEGISLATIVE DIGEST

[Amendments to Campaign Finance Reform Ordinance.]

Ordinance amending Article I, Chapter I of the Campaign & Governmental Conduct Code by amending sections 1.100, 1.104, 1.107, 1.108, 1.112, 1.113, 1.114, 1.118, 1.122, 1.128, 1.130, 1.134, 1.135, 1.136, 1.140, 1.142, 1.144, 1.146, 1.148, 1.150, 1.152, 1.156, 1.161, 1.161.5, 1.168, 1.170, deleting sections 1.134.5, 1.158, and 1.160, and adding sections 1.109, 1.143, 1.171, and 1.175 to refine and conform definitions; to eliminate and streamline reporting requirements; to authorize greater electronic filing; to adjust expenditure ceilings for inflation; to clarify the permissible uses of campaign funds; to provide that certain candidates are eligible to accept Voluntary Expenditure Ceilings; to set forth the instances in which the Ethics Commission will lift Voluntary Expenditure Ceilings; to modify how public funds are disbursed to eligible candidates; to clarify the requirements for third-party reporting; to amend the statute of limitations for administrative actions; and to impose record retention requirements on local committees.

Existing Law

The City's Campaign Finance Reform Ordinance ("CFRO") is codified at Article I, Chapter I of the Campaign & Governmental Conduct Code.

1. **Definitions:** Section 1.104 defines many of the terms used in CFRO.
2. **Trust Accounts and Contingency Accounts:** Section 1.108 requires that all contributions received by a candidate committee be deposited in and spent from a single bank account, referred to as a Campaign Contribution Trust Account. Campaign Contribution Trust Accounts established by publicly financed candidates may only hold funds up to a pre-determined amount, the Trust Account Limit. The Ethics Commission may increase a publicly financed candidate's Trust Account Limit based on other contributions and spending in the candidate's race. A publicly financed candidate may deposit additional contributions in a separate account, called the Campaign Contingency Account, in anticipation of an increase in the Trust Account Limit.
3. **Electronic Filing:** Section 1.112 requires certain committees to file campaign finance statements electronically.
4. **Reporting During Signature Gathering:** Section 1.113 requires committees that are raising or spending funds to support or oppose a local initiative, recall or referendum petitions to disclose their activity during the signature-gathering period. Depending on the date that the signature gathering begins, each committee has its own unique filing

schedule.

5. **Use of Campaign Funds:** Section 1.122(b) restricts how a candidate committee may use campaign funds. Local candidate committees may not use their funds to support other candidates or ballot measures. Withdrawn, defeated and departed candidates may only return funds to their contributors or donate the funds to the City or to charity.
6. **Voluntary Expenditure Ceilings:** Section 1.128 provides that all candidates for City elective office may accept voluntary expenditure ceilings ("VECs"). Once accepted, the VEC restricts how much a candidate may spend in support of his or her own candidacy, subject to further adjustments by the Ethics Commission based on other contributions and spending in the race. The Voter Information Pamphlet published by the Department of Elections lists the candidates who have accepted a VEC.
7. **Amount of Voluntary Expenditure Ceilings:** Section 1.130 establishes the VECs for eligible candidates. For candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, and Treasurer, the VEC is \$229,000. For candidates for School Board and City College Board, the VEC is \$98,000.
8. **Lifting of Voluntary Expenditure Ceilings:** Section 1.134 provides that the Ethics Commission will lift a VEC if either a candidate who has refused to accept the VEC has received contributions or made expenditures in excess of the VEC or third-parties have paid for communications that support or oppose a candidate and those communications total more than the VEC.
9. **Pre-election Statements:** Section 1.135 establishes a schedule for the filing of pre-election campaign statements.
10. **Amount of Individual Expenditure Ceilings:** Section 1.140 lists the eligibility requirements for candidates seeking public financing. This section currently provides that supervisorial candidates must agree to an Individual Expenditure Ceiling ("IEC") of \$140,000, and that mayoral candidates must agree to an IEC of \$1,375,000.
11. **Disbursement of Public Financing Funds:** Section 1.144 addresses the disbursement of funds for publicly financed candidates. More than 60 days before the election, the Controller must disburse public funds to eligible candidates within 48 hours of notification by the Ethics Commission. Within 60 days of the election, the Controller must disburse funds within a shorter time-frame, 24 hours. Section 1.144 does not restrict the number of claims for public funds that a candidate may simultaneously submit.
12. **Audits:** Section 1.150(a) provides that the Ethics Commission will audit all candidate committees for publicly financed candidates.

13. **Supplemental Reporting in Publicly Financed Races:** Section 1.152 establishes supplemental reporting requirements for candidates and third parties in races with a publicly financed candidate. Competing candidates and third parties must report their activity to the Ethics Commission so that the Ethics Commission can adjust publicly financed candidates' IECs and provide publicly financed candidates with sufficient funds to remain competitive.
14. **Mass Mailings:** Section 1.161 establishes disclosure and filing requirements for mass mailings that identify candidates for City elective office.
15. **Electioneering Communications:** Section 1.161.5 establishes disclosure and filing requirements for electioneering communications, i.e., "issue ads" that identify candidates.
16. **Statute of Limitations:** Section 1.168(c)(3) establishes a statute of limitations of five years for administrative actions brought by the Ethics Commission.
17. **Maintaining Records:** Under state law, committees must maintain records for audit purposes. This ordinance does not explicitly require committees to retain particular records documenting the contents of filings required by CFRO.
18. **Subpoena authority:** Under the Charter, the Ethics Commission has the authority to subpoena witnesses and documents. CFRO does not mention the Ethics Commission's, or the Executive Director's, subpoena powers.

Amendments to Current Law

The proposed legislation would make a number of changes to CFRO, including:

1. **Definitions:** Amends section 1.104 to propose or refine the definitions of candidate, candidate committee, City elective office, controlled committee, election, general purpose committee, independent expenditure, itemized disclosure statement, mass mailing, matching contribution, measure, member communication, person, qualifying contribution, surplus funds, total supportive funds, trust account limit, unexpended public funds, and withdrawal. In general, the amendments seek to conform CFRO's definitions to the state law definitions for identical or similar terms.
2. **Trust Accounts and Contingency Accounts:** Amends section 1.108 to eliminate the requirement that the candidate committee provide the Ethics Commission with its bank account number. State law already requires candidate committees to provide that information on a statement of organization (FPPC Form 410). The amendments also clarify that elected officeholders may not open a separate bank account for the purpose of making officeholder expenses, and that a candidate committee may only deposit funds in a Campaign Contingency Account if the amount of funds in the Campaign

Contribution Trust Account has reached the Trust Account Limit.

3. **Electronic Filing:** Amends section 1.112 to differentiate between campaign finance statements required by state versus local law. Statements required by state law must be filed electronically and in paper; certain statements required by local law must only be filed electronically. The amendments also incorporate recent state law definitions of what constitutes a "local" committee. The amendments further authorize the Ethics Commission to require additional committees, beyond those currently set forth in the ordinance, to file electronically.
4. **Reporting During Signature Gathering:** Amends section 1.113 provide that each committee supporting or opposing local initiative, recall or referendum petitions must disclose its activity at uniform times each month during the signature-gathering period.
5. **Use of Campaign Funds:** Amends section 1.122(b) to clarify that local candidate committees are prohibited from making contributions to support or oppose state propositions. The amendments also provide that withdrawn, defeated, or departed candidates may use campaign funds to pay debts and other costs associated with closing a committee.
6. **Voluntary Expenditure Ceilings:** Amends section 1.128 to provide that only candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, School Board, and City College Board may accept a VEC. The Voter Information Pamphlet will no longer list candidates who have accepted a VEC; the Ethics Commission instead will maintain a website that lists those candidates. Candidates for the Board of Supervisors and Mayor may no longer accept VECs. If they participate in the public financing program, those candidates must accept IECs.
7. **Amount of Voluntary Expenditure Ceilings:** Amends section 1.130 to adjust the VECs for inflation. The VEC for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, and Treasurer will increase to \$243,000. The VEC for School Board and City College Board will increase to \$104,000.
8. **Lifting of Voluntary Expenditure Ceilings:** Amends section 1.134 to provide that if a candidate who has accepted the VEC actually spends more than the VEC – thus violating section 1.128 – the Ethics Commission will lift the VEC for competing candidates.
9. **Pre-election Statements:** Amends section 1.135 to provide that in even-numbered years, the schedule for the filing of pre-election statements shall be the same as the schedule established for such filings by the Fair Political Practices Commission. For odd-numbered years, committees shall continue to be subject to the current schedule set forth in CFRO.

10. **Amount of Individual Expenditure Ceilings:** Amends section 1.140 to adjust the IECs for inflation. The IEC for supervisorial candidates will increase to \$143,000, and the IEC for mayoral candidates will increase to \$1,475,000.
11. **Disbursement of Public Financing Funds:** Amends section 1.144 to provide that the Controller must disburse public funds within one business day only within the last fifteen days of an election, rather than the last sixty. The amendments also clarify that a candidate may not simultaneously submit multiple claims for public funds.
12. **Audits:** Amends section 1.150(a) to confirm that the Executive Director may initiate additional audits irrespective of whether the committees received public funds.
13. **Supplemental Reporting in Publicly Financed Races:** Amends section 1.152 to clarify the thresholds for third-party reporting operate on a per-candidate basis. The amendments also broaden the scope of supplemental reporting to include all communications that clearly identify a candidate, rather than relying on the third party's determination of whether the communications support or oppose a candidate.
14. **Mass Mailings:** Amends section 1.161 to provide that a committee is not subject to the mass mailing filing requirements if it is already filing disclosures regarding the same communication under another CFRO provision.
15. **Electioneering Communications:** Amends section 1.161.5 to provide that a committee is not subject to the electioneering communication filing requirements if it is already filing disclosures regarding the same communication under another CFRO provision. The amendments also eliminate an exception to the definition of "electioneering communication" to provide that committees' "expenditures" may be electioneering communications.
16. **Statute of Limitations:** Amends section 1.168(c)(3) to provide that the statute of limitations for administrative action by the Ethics Commission is four years. The amendment will conform the limitations period for CFRO violations to the limitations periods governing other ordinances within the Ethics Commission's jurisdiction.
17. **Maintaining Records:** Adds section 1.109, which provides that local committees must maintain records – for audit purposes – according to the standards set forth in state law. Section 1.109 also provides that committees must provide those records upon request by the Ethics Commission.
18. **Subpoena authority:** Adds section 1.171, which provides that the Ethics Commission – including its Executive Director – may issue subpoenas in furtherance of its duties under the Charter, including, but not limited to, audits.

FILE NO.

19. **Renumbering and Reorganizing CFRO Provisions:** Re-numbers section 1.134.5, addressing when and how the Ethics Commission adjusts IECs, as section 1.143. The new section 1.143 also incorporates inflation-adjusted IECs for mayoral and supervisorial candidates. The legislation also re-numbers section 1.158, authorizing the Ethics Commission to adopt implementing regulations, as section 1.175. The legislation also deletes section 1.160, which explicitly states that nothing in CFRO is intended to limit a candidate's fines or penalties imposed in other administrative or judicial proceedings. The amendments replicate the same language in section 1.170(g).

Background Information

The proposal amends Article 1, Section 1 of the Campaign & Governmental Conduct Code ("C&GCC"). The Campaign Finance Reform Ordinance, originally approved by the voters, expressly authorizes amendment by the Board of Supervisors only if:

- 1) the amendment furthers the purposes of the CFRO;
- 2) the amendment is submitted to the Ethics Commission and recommended by its members by a four-fifths vote;
- 3) the legislation is made available for public review for 30 days; and
- 4) the Board of Supervisors adopts the legislation by a two-thirds vote.

See C&GCC § 1.103.