



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

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**Date:** October 15, 2018  
**To:** Members of the Ethics Commission  
**From:** Pat Ford, Senior Policy Analyst  
**Re:** **Agenda Item 7 – Quarterly Policy Prioritization Plan**

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**Summary:** This memo provides information regarding the Policy Prioritization Plan for the Ethics Commission.

**Action Requested:** That the Commission adopt a new quarterly Policy Prioritization Plan that maintains the top two priorities identified in the June PPP. A proposed updated PPP is attached here as Attachment 1.

Section I provides background about the Policy Prioritization Plan as a tool for structuring the Commission's policy work. Section II provides analysis and recommendations to the Commission to assist in setting a Policy Prioritization Plan for the next quarter.

### I. Background

The Commission's Policy Division has worked to strengthen the Commission's evaluation and development of policies and regulations and to deepen policy engagement with interested persons, elected officials, other City departments, the regulated community, and the public. As part of that increased focus on policy, the Commission has directed the Policy Division to embark on numerous policy reviews and programmatic projects.

In order to ensure the ongoing policy work of the Commission is closely aligned with the current policy priorities of the Commission as a whole, the Commission adopted a quarterly Policy Prioritization Plan (PPP) at its June 2018 meeting. The PPP is a format for identifying and prioritizing the policy projects that the Commission wishes to actively pursue during a given quarter. It provides a list of all policy projects that the Commission or commissioners have identified as potential priorities and provides a brief description of each potential project and a general evaluation of that project's levels of urgency and impact.

Policy used the June PPP to guide the division's activities from July through October. Information about the current status of those policy projects is provided in the Policy Report Memorandum set forth as Agenda Item 6.

Policy is delivering this PPP memorandum to assist the Commission in assessing its current policy priorities and establishing an updated quarterly PPP for the next three months.

### III. Policy Prioritization Plan – Quarterly Reassessment

Based on the current fifty-percent staffing level in the Policy Division, Staff recommends that the Commission identify two policy projects that the Division should focus on during the remainder of 2018. It is likely that the vacant Policy Analyst position will be filled sometime during the next three months, with the new staff member starting work sometime in early 2019. This means that Policy will continue to have a sole Staff member during the remainder of 2018. Identifying two policy projects for Staff to pursue will allow Staff to devote the resources needed to make measurable progress on the projects. Although it is possible to take on more projects, this would reduce the level of progress that can be made on each, given Policy's concurrent roles in the provision of legal advice to Staff, legislative affairs, and media relations.

Given the current status of the policy projects selected in the June PPP, as discussed in greater depth in the Policy Report set forth as Agenda Item 6, it is Staff's recommendation that the Commission maintain its top two policy priorities from the June PPP. This would mean continuing the review of the City's public financing program as the Commission's first policy priority and continuing to pursue a set of amendments to the Campaign Finance Reform Ordinance (CFRO) regulations as the Commission's second policy priority. Staff have made significant progress on both projects, but further time and input from the Commission is needed in order to bring these projects to completion.

#### Review of Public Financing Program

As discussed in Agenda Item 4, Staff have reviewed the City's public financing program and recommended a set of reforms to immediately improve the program's efficacy, clarity, and workability. If the Commission maintains this project as its top policy priority, Staff will take the direction offered by the Commission on Agenda Item 4 and prepare a set of draft regulations and/or ordinance sections for consideration at a future Commission meeting. Staff will perform further program research and analysis and conduct outreach as needed.

#### CFRO Regulations

Policy has aggregated a list of CFRO regulations that should be updated in order to conform with changes in the law or to provide clarification about new code sections, including those created by the Anti-Corruption and Accountability Ordinance (ACAO). If the Commission maintains this project as a policy priority, Staff will prepare a set of draft regulations for consideration at a future Commission meeting, performing further research, analysis, and outreach as needed.

Staff invites any questions that Commissioners may have about the PPP or Staff's recommendation.

Policy Prioritization Plan (PPP)

**Ongoing Policy Projects**

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
1	<p><b>Public Financing Program Review:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>- Reduce barriers to participation and ensure a unique and diverse base of support.</li> <li>- Improve transparency and knowledge-sharing to heighten understanding of the laws</li> <li>- Clarify applicable processes, and timeframes where appropriate, to encourage participation</li> <li>- Ensure standardized approaches to support consistency</li> </ul> <p>Approaches</p> <ul style="list-style-type: none"> <li>- Understand what candidates find most challenging</li> <li>- Evaluate elements of successful programs in other jurisdictions</li> <li>- Review and strengthen effectiveness of processes and timeframes</li> <li>- Develop improved tools and resources to support candidate awareness</li> </ul>	9	8	6+ Months: Deliver update at 3 months; Second update at 6 months; any proposed legislative or regulatory action following second update.
2	<p><b>CFRO Regulations Review:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>- Changes to Code require review and possible updating, definitions, interpretations, and guidance in regulations</li> <li>- Regulations should reflect changes in relevant case law and state laws</li> </ul> <p>Approaches</p> <ul style="list-style-type: none"> <li>- Review regs to ensure compatibility with current laws</li> <li>- Identify regs impacted by recent legislation</li> </ul>	8	8	3-6 Months: Update at 3 months; proposed Commission action at 6 months. 11/18 or 12/18.

Policy Prioritization Plan (PPP)

**Potential Policy Projects**

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Online Political Communications/Social Media:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>- The increased use of online platforms (particularly social media) for political advertising represents a unique and emerging problem for tracking and auditing political activity.</li> </ul> <p>Approaches</p> <ul style="list-style-type: none"> <li>- review current impact of online political activity in the City</li> <li>- potential policy hearing to learn from experts in the field</li> <li>- potential legislation to address any identified loopholes in City law</li> </ul>	7	7	6+ Months.
	<p><b>Create Limit on Contributions to IE Committees:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>- A proposal to limit contributions to committees that make independent expenditures to \$5,000, unless the contribution comes from a limited contributor committee</li> </ul> <p>Approach</p> <ul style="list-style-type: none"> <li>- A copy of draft ordinance language provided by stakeholders is provided as Attachment 2</li> <li>- Assess legal and logistical dimensions of creating this rule</li> </ul>	7	7	2-3 months
	<p><b>Governmental Ethics - Conflict of Interest Code Review:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>-The Commission has not embarked on a comprehensive review of conflict of interest program. Staff and stakeholders have identified areas that warrant clarification and review.</li> </ul>	6	5	6+ Months

Policy Prioritization Plan (PPP)

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Lobbying Code Review:</b></p> <p>Issue - The Commission has not embarked on a comprehensive review of the lobbying program. Staff and stakeholders have identified areas that warrant clarification and review.</p>	8	5	6+ Months
	<p><b>Expenditure Lobbying Program Review:</b></p> <p>Issue - The expenditure lobbyist program was enacted by Proposition C (2016). The Commission should review the initial data compiled since the program's inception.</p>	6	5	2-3 Months
	<p><b>Commission Independent Counsel Project:</b></p> <p>Issue - The Commission has identified concerns with having the City Attorney's office represent and consult the Commission, given the Commission's unique duty to review the activities of public officials and employees and the City Attorney's dual roles of advising both the Commission and regulated public officials.</p> <p>Approach - The Commission has expressed interest in having its own Commission counsel.</p>	9	6	2-3 Months

Policy Prioritization Plan (PPP)

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Permit Consultant Program Review:</b></p> <p>Issue                      - The Permit Consultant program was added by Ordinance 98-14. No significant review of the program has been initiated since its inception.</p>	6	5	2-3 Months
	<p><b>E-filing Financial Disclosure Project:</b></p> <p>Issue                      - The Commission has expressed its continuing support for disclosure forms submitted in an electronic format to increase accountability and transparency and ease filer compliance. This project would allow for financial disclosure statements for all designated filers in the City to be filed electronically using the Commission’s online filing process.</p>	7	4	6+ Months

Policy Prioritization Plan (PPP)

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Campaign Consultant Program Review:</b></p> <p>Issue - The Campaign Consultant program was instituted by Ordinance No. 71-00. The program hasn't been significantly reviewed since 2014, with amendments being proposed, but not adopted, in 2010 and 2011.</p>	6	5	2-3 Months
	<p><b>Major Developer Disclosure Program Review:</b></p> <p>Issue - The Developer Disclosure program was added by Ordinance 98-14. No significant review of the program has been initiated since its inception.</p>	6	5	2-3 Months
	<p><b>Behested Payment Disclosure Program Review:</b></p> <p>Issue - The Behest Payment Disclosure Program was added by Ordinance 1 17. The Commission has expressed an interest in the continuing evaluation of behested payments for potential future legislative action.</p>	6	1	2-3 Months
	<p><b>Sunshine Ordinance Task Force Removal Legislation Project:</b></p> <p>Issue - The Sunshine Ordinance was added by Ordinance 265-93 and significantly amended by Proposition G (1999). The Commission has expressed an interest in repealing the provisions of the Sunshine Ordinance that establish the Sunshine Ordinance Task Force in favor of the Ethics Commission or other City body administering the Ordinance.</p>	8	1	6+ Months

Policy Prioritization Plan (PPP)

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Governmental Ethics - Conflict of Interest Regulation Review:</b></p> <p>Issue - Staff could not identify when the last review of the conflict of interest regulations had occurred. Recent law changes at the state and local levels may require changes to current regulations.</p>	7	3	3-6 Months
	<p><b>Whistleblower Program to Ethics Commission Jurisdiction Project:</b></p> <p>Issue - Commissioner Kopp expressed an interest in repealing the provisions of the Whistleblower Ordinance that gives the Controller's Office the power to review certain whistleblower actions in favor of the Ethics Commission or other City body administering the Ordinance.</p>	8	1	6+ Months
	<p><b>Lobbying Regulations Review:</b></p> <p>Issue - Staff could not identify when the last review of the Lobbying regulations had occurred. Recent law changes at the state and local levels may require changes to current regulations.</p>	5	2	3-6 Months



Policy Prioritization Plan (PPP)

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Slate-Mailer Project:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>- Disclosures of slate-mailers, defined and regulated under state law, are currently filed with the Elections Department. Because slate-mailers are largely campaign-related, they may be more appropriately handled by the Ethics Commission.</li> </ul>	5	3	6+ Months
<b>Projects As Needed Based on Commission Consensus</b>				
	<p><b>Ongoing Legislative Reviews:</b></p> <p>Issue</p> <ul style="list-style-type: none"> <li>- Ensuring responsiveness to legislative action on subject matters within the Commission’s jurisdiction</li> <li>- Support development of strong, workable, and enforceable laws by engaging effectively in legislative development and action</li> </ul> <p>Pending Reviews</p> <ul style="list-style-type: none"> <li>- Supervisor Kim (File No. 170868)</li> <li>- Supervisor Cohen (File No. 170738)</li> <li>- Supervisor Cohen (File No. 180317)</li> </ul>	N/A	N/A	N/A: Legislative reviews are highly dependent on the individual legislation requiring review.

Policy Prioritization Plan (PPP)

Priority	Project	Impact	Urgency/ Timeliness	Staff Commitment & Project Timeframe
	<p><b>Commission Research Requests:</b></p> <p>Issues</p> <ul style="list-style-type: none"> <li>- Ensuring responsiveness to Commissioners’ policy interests while also ensuring policy resources remain aligned with expectations the Commission as a body has expressed collectively as its policy priorities</li> </ul> <p>Approaches</p> <ul style="list-style-type: none"> <li>- Use Commission’s regular agenda item for identifying items for future Commission meetings to identify individual Commissioner requests and place those items on the next meeting agenda for the Commission to prioritize as a body.</li> </ul>	N/A	N/A	N/A: Commission requests are highly dependent on the individual action requiring review.

1 **[Campaign and Governmental Conduct Code – Limiting Contributions to**  
2 **Independent Expenditure Committees]**

3  
4 **Ordinance amending the Campaign and Governmental Conduct Code to**  
5 **impose limits on contributions to independent expenditure committees.**

6  
7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
8 Additions to Codes are in single-underline italics Times New  
9 Roman font. **Deletions to Codes** are in ~~italics Times~~  
10 ~~New Roman font~~. **Asterisks (\* \* \* \*)** indicate the omission of  
11 unchanged Code subsections or parts of tables.

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

13 Section 1. The Board of Supervisors of the City and County of San  
14 Francisco hereby finds and determines that:

15 (a) The San Francisco Campaign Finance Reform Ordinance (“CFRO”)  
16 was enacted in order to enhance the integrity of the election process and the  
17 competitiveness of campaigns in the City and County of San Francisco (the  
18 “City”). CFRO’s specific purposes include placing realistic and enforceable limits  
19 on the amount individuals may contribute to political campaigns in municipal  
20 elections and limiting contributions to candidates and committees, including  
21 committees that make independent expenditures, to eliminate or reduce the  
22 appearance or reality that large contributors may exert undue influence over  
23 elected officials.

24 (b) Independent expenditure committees are increasingly being used to  
25 circumvent local contribution limits. Large contributions to independent  
26 expenditure committees pose the risk of quid pro quo corruption or the  
27 appearance of quid pro quo corruption and erode public trust in the election  
28 process.

1 (c) The proposed revisions to the Campaign Finance Code will help to  
2 prevent the use of independent expenditure committees to circumvent local  
3 contribution limits and will help to prevent the risk of quid pro quo corruption or  
4 the appearance of quid pro quo corruption presented by unlimited contributions  
5 to independent expenditure committees.

6 Section 2. The Campaign and Governmental Conduct Code is hereby  
7 amended by revising Sections 1.104 and 1.114 to read as follows:

8 **SEC. 1.104. DEFINITIONS.**

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

11 "Advertisement" shall be defined as set forth in the California Political  
12 Reform Act, California Government Code section 81000 *et seq.* and its enabling  
13 regulations, provided that the advertisement supports or opposes one or more  
14 City measures or candidates for City elective office.

15 "Candidate" shall be defined as set forth in the California Political Reform  
16 Act, California Government Code section 81000, *et seq.*, but shall include only  
17 candidates for City elective office.

18 "Candidate committee" shall mean a candidate-controlled committee that  
19 is primarily formed to support that candidate's election for City elective office.

20 "Candidate-controlled committee" shall mean a controlled committee that  
21 is controlled by a candidate.

22 "Charitable organization" shall mean an entity exempt from taxation  
23 pursuant to Title 26, Section 501 of the United States Code.

24 "City elective office" shall mean the offices of Mayor, Member of the  
25 Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff,  
26 Assessor, Public Defender, Member of the Board of Education of the San  
27 Francisco Unified School District and Member of the Governing Board of the San  
28 Francisco Community College District. The Board of Supervisors consists of

1 eleven separate City elective offices, the San Francisco Community College  
2 District consists of seven separate City elective offices, and the Board of  
3 Education of the San Francisco Unified School District consists of seven  
4 separate City elective offices.

5 "Code" shall mean the San Francisco Campaign and Governmental  
6 Conduct Code.

7 "Committee" shall be defined as set forth in the California Political  
8 Reform Act, California Government Code section 81000, *et seq.*

9 "Contribution" shall be defined as set forth in the California Political  
10 Reform Act, California Government Code section 81000, *et seq.*; provided,  
11 however, that "contribution" shall include loans of any kind or nature.

12 "Controlled committee" shall be defined as set forth in the California  
13 Political Reform Act, California Government Code section 81000, *et seq.*

14 "Distributed" and "distribution" shall mean any act that permits a  
15 communication to be viewed, read or heard.

16 "Election" shall mean any general, or special municipal election held in  
17 the City and County of San Francisco for City elective office or for a local  
18 measure, regardless of whether the election is conducted by district or Citywide.

19 "Electioneering communication" shall mean any communication,  
20 including but not limited to any broadcast, cable, satellite, radio, electronic, or  
21 telephone communication, and any mailing, flyer, door hanger, pamphlet,  
22 brochure, card, sign, billboard, facsimile, or printed advertisement, that:

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

25 (b) is distributed within 90 days prior to an election for the City elective  
26 office sought by the candidate or a recall election regarding the City elective  
27 officer to 500 or more individuals who are registered to vote or eligible to register  
28 to vote in the election or recall election. There shall be a rebuttable presumption

1 that any broadcast, cable, satellite, or radio communication and any sign,  
2 billboard or printed advertisement is distributed to 500 or more individuals who  
3 are eligible to vote for or against the candidate clearly identified in the  
4 communication.

5 (c) The term "electioneering communication" shall not include:

6 (1) communications that constitute independent expenditures  
7 under this Chapter or expenditures by a candidate committee for the candidate's  
8 election;

9 (2) communications made by a slate mailer organization if such  
10 communications are required to be disclosed under the California Political  
11 Reform Act, California Government Code Section 81000, *et seq.*;

12 (3) communications paid for by the City or any other local, State or  
13 Federal government agency;

14 (4) non-recorded communications between two or more individuals  
15 in direct conversation unless such communications are made by telephone and  
16 at least one of the individuals is compensated for the purposes of making the  
17 telephone communication;

18 (5) communications that appear on bumper stickers, pins, stickers,  
19 hat bands, badges, ribbons and other similar memorabilia;

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

24 (7) member communications;

25 (8) communications that occur during a candidate debate or forum;

26 (9) communications made solely to promote a candidate debate or  
27 forum made by or on behalf of the person sponsoring the debate or forum,  
28 provided that such communications do not otherwise discuss the positions or

1 experience of a candidate for City elective office or a City elective officer who is  
2 the subject of a recall election; and

3 (10) invitations sent by an entity exempt from taxation pursuant to  
4 Title 26, Section 501(c)(3) of the United States Code for its own fundraising  
5 event.

6 "Enforcement authority" shall mean the District Attorney for criminal  
7 enforcement, the City Attorney for civil enforcement, and the Ethics Commission  
8 for administrative enforcement. Nothing in this Chapter shall be construed as  
9 limiting the authority of any law enforcement agency or prosecuting attorney to  
10 enforce the provisions of this Chapter under any circumstances where such law  
11 enforcement agency or prosecuting attorney otherwise has lawful authority to do  
12 so.

13 "Ethics Commission" shall mean the San Francisco Ethics Commission.

14 "Executive Director" shall mean the Executive Director of the Ethics  
15 Commission, or the Executive Director's designee.

16 "General purpose committee" shall be defined as set forth in the  
17 California Political Reform Act, California Government Code section 81000 *et*  
18 *seq.*

19 "Independent expenditure" shall be defined as set forth in the California  
20 Political Reform Act, California Government Code section 81000 *et seq.* An  
21 expenditure is not considered independent and shall be treated as a contribution  
22 from the person making the expenditure to the candidate on whose behalf or for  
23 whose benefit the expenditure is made, if the expenditure is made at the request,  
24 suggestion, or direction of, or in cooperation, consultation, concert or  
25 coordination with, the candidate on whose behalf, or for whose benefit, the  
26 expenditure is made.

27 "Individual Expenditure Ceiling" shall mean the expenditure ceiling  
28 established for each individual candidate for Mayor or the Board of Supervisors

1 whom the Ethics Commission has certified as eligible to receive public funds  
2 under this Chapter.

3 “Independent expenditure committee” shall be defined as any committee,  
4 including but not limited to, a general purpose committee as defined by the California  
5 Political Reform Act, California Government Code § 82027.5 or a primarily formed  
6 committee as defined by the California Political Reform Act, California Government  
7 Code § 82047.5, that makes an independent expenditure or makes contributions to other  
8 independent expenditure committees totaling one thousand dollars (\$1,000) or more in a  
9 calendar year.

10 "Itemized disclosure statement" shall mean a form promulgated by the  
11 Ethics Commission that provides a detailed description of the separate costs  
12 associated with a communication, including but not limited to photography,  
13 design, production, printing, distribution, and postage.

14 “Limited contributor committee” shall be defined as any committee, including but  
15 not limited to a general purpose committee as defined by the California Political Reform  
16 Act, California Government Code § 82027.5 or a primarily formed committee as defined  
17 by the California Political Reform Act, California Government code § 82047.5, that  
18 meets all the following criteria: (a) has been in existence for at least six months; (b)  
19 receives contributions from 25 or more persons; and (c) no more than 0.5% of the total  
20 amount of contributions that the committee has received in the preceding two years  
21 derive from contributions exceeding five thousand dollars (\$5,000) per person per  
22 calendar year.

23 "Mass mailing" shall be defined as set forth in the California Political  
24 Reform Act, California Government Code section 81000 et seq., provided that  
25 the mass mailing advocates for or against one or more candidates for City  
26 elective office.

27 "Matching contribution" shall mean a contribution up to \$500, made by an  
28 individual, other than the candidate, who is a resident of San Francisco. Matching



1 contributions shall not include loans, contributions received more than 18 months  
2 before the date of the election, qualifying contributions or contributions made by  
3 the candidate's spouse, registered domestic partner or dependent child.

4 Matching contributions must also comply with all requirements of this Chapter.  
5 Matching contributions under \$100 that are not made by written instrument must  
6 be accompanied by written documentation sufficient to establish the contributor's  
7 name and address. The Ethics Commission shall set forth, by regulation, the  
8 types of documents sufficient to establish a contributor's name and address for  
9 the purpose of this subsection.

10 "Measure" shall mean any City, San Francisco Unified School District or  
11 San Francisco Community College District referendum, recall or ballot  
12 proposition, whether or not it qualifies for the ballot.

13 "Member communication" shall be defined as set forth in the California  
14 Political Reform Act, California Government Code section 81000 *et seq.* and its  
15 enabling regulations, provided that the communication advocates for or against  
16 one or more City measures or candidates for City elective office.

17 "Person" shall mean any individual, partnership, corporation, association,  
18 firm, committee, club or other organization or group of persons, however  
19 organized.

20 "Qualified campaign expenditure" for candidates shall mean all of the  
21 following:

22 (a) Any expenditure made by a candidate, or by a committee controlled  
23 by the candidate, for the purpose of influencing or attempting to influence the  
24 actions of the voters for the election of the candidate to City elective office.

25 (b) A nonmonetary contribution provided to the candidate, officeholder  
26 or committee controlled by the candidate.

27  
28

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

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

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

8 (f) "Qualified campaign expenditure" shall not include filing fees,  
9 expenses incurred in connection with an administrative or judicial proceeding,  
10 payments for administrative, civil or criminal fines, including late filing fees, costs  
11 incurred after the election that do not directly affect the outcome of the election,  
12 including but not limited to utility bills, expenses associated with an audit, and  
13 expenses related to preparing post-election campaign finance disclosure reports  
14 as required by the California Political Reform Act, California Government Code  
15 Section 81000, et seq., and the provisions of this Chapter, or for inaugural  
16 activities or officeholder expenses.

17 "Qualifying contribution" shall mean a contribution of not less than \$10  
18 and not more than \$100 that is made by an individual who is a resident of San  
19 Francisco and that complies with all requirements of this Chapter. Qualifying  
20 contributions shall not include loans, contributions received more than 18 months  
21 before the date of the election or contributions made by the candidate or the  
22 candidate's spouse, registered domestic partner or dependent child. Qualifying  
23 contributions under \$100 that are not made by written instrument must be  
24 accompanied by written documentation sufficient to establish the contributor's  
25 name and address. The Ethics Commission shall set forth, by regulation, the  
26 types of documents sufficient to establish a contributor's name and address for  
27 the purpose of this subsection.

28

1 "Recorded telephone message" shall mean a recorded audio message  
2 that expressly supports or opposes a candidate for City elective office that is  
3 distributed by telephone.

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

9 "Surplus funds" shall mean funds remaining in a candidate's campaign  
10 account at the time the candidate leaves City elective office, or at the end of the  
11 post-election reporting period following the defeat of the candidate for City  
12 elective office, whichever occurs last, and funds remaining in the campaign  
13 account of a committee primarily formed to support or oppose a measure at the  
14 end of the post-election reporting period following the election at which the  
15 measure appeared on the ballot.

16 "Total Opposition Spending" shall mean the sum of any expenditures  
17 made or expenses incurred by any person or persons for the purpose of making  
18 independent expenditures, electioneering communications or member  
19 communications in opposition to a specific candidate for Mayor or the Board of  
20 Supervisors.

21 "Total Supportive Funds" shall mean the sum of all contributions received  
22 by a candidate committee supporting a candidate for Mayor or the Board of  
23 Supervisors, other than any funds in the candidate's Campaign Contingency  
24 Account exceeding the candidate committee's Trust Account Limit, plus the  
25 expenditures made or expenses incurred by any person or persons for the  
26 purpose of making independent expenditures, electioneering communications or  
27 member communications in support of that same candidate.

28

1 "Trust Account Limit" shall mean the amount of funds in the Campaign  
2 Contribution Trust Account of a candidate committee supporting a candidate for  
3 Mayor or the Board of Supervisors whom the Ethics Commission has certified as  
4 eligible to receive public funds under this Chapter such that the expenditure of  
5 this amount would cause the candidate to reach, but not exceed, the candidate's  
6 Individual Expenditure Ceiling. The Trust Account Limit shall be reduced as the  
7 candidate spends money and shall be increased when his or her Individual  
8 Expenditure Ceiling increases.

9 "Unexpended public funds" shall mean all funds remaining in the  
10 candidate committee's account on the 30th day after the candidate controlling the  
11 committee is either elected or not elected to office, regardless of the source of  
12 the funds, but shall not exceed the amount of public funds provided to the  
13 candidate. Funds raised after this date are not unexpended funds.

14 "Voter" shall mean an individual registered to vote in San Francisco.

15 "Withdrawal" or "withdraw" shall mean, prior to an election, ending one's  
16 candidacy or failing to qualify for an office for which a candidate has solicited or  
17 accepted contributions.

18 "Written instrument" shall mean a check, credit card receipt, or record of  
19 electronic transfer of funds.

20 **SEC. 1.114. CONTRIBUTION LIMITS.**

21 (a) LIMITS ON CONTRIBUTIONS TO CANDIDATES. No person other  
22 than a candidate shall make, and no campaign treasurer for a candidate  
23 committee shall solicit or accept, any contribution which will cause the total  
24 amount contributed by such person to such candidate committee in an election to  
25 exceed \$500.

26 (b) LIMITS ON CONTRIBUTIONS FROM CORPORATIONS. No  
27 corporation organized pursuant to the laws of the State of California, the United  
28 States, or any other state, territory, or foreign country, whether for profit or not,

1 shall make a contribution to a candidate committee, provided that nothing in this  
2 subsection shall prohibit such a corporation from establishing, administering, and  
3 soliciting contributions to a separate segregated fund to be utilized for political  
4 purposes by the corporation, provided that the separate segregated fund  
5 complies with the requirements of Federal law including Sections 432(e) and  
6 441b of Title 2 of the United States Code and any subsequent amendments to  
7 those Sections.

8 (c) LIMITS ON CONTRIBUTIONS TO INDEPENDENT EXPENDITURE

9 COMMITTEES. No person, other than a limited contributor committee as defined in  
10 Section 1.104, shall make, and no independent expenditure committee may accept, any  
11 contribution totaling more than five thousand dollars (\$5,000) per calendar year for the  
12 purpose of making independent expenditures in an election for City elective office or  
13 making contributions to an independent expenditure committee as defined in Section 1-  
14 104.

15 (d)(e) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

16 (1) General Rule. For purposes of the contribution limits imposed by  
17 this Section and Section 1.120 the contributions of an entity whose contributions  
18 are directed and controlled by any individual shall be aggregated with  
19 contributions made by that individual and any other entity whose contributions  
20 are directed and controlled by the same individual.

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

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

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

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

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

23 (g) ~~(f)~~ RECEIPT OF CONTRIBUTIONS. A contribution to a candidate  
24 committee or committee making expenditures to support or oppose a candidate  
25 shall not be considered received if it is not cashed, negotiated, or deposited and  
26 in addition it is returned to the donor before the closing date of the campaign  
27 statement on which the contribution would otherwise be reported, except that a  
28 contribution to a candidate committee or committee making expenditures to

1 support or oppose a candidate made before an election at which the candidate is  
2 to be voted on but after the closing date of the last campaign statement required  
3 to be filed before the election shall not be considered to be deemed received if it  
4 is not cashed, negotiated or deposited and is returned to the contributor within 48  
5 hours of receipt. For all committees not addressed by this Section, the  
6 determination of when contributions are considered to be received shall be made  
7 in accordance with the California Political Reform Act, California Government  
8 Code Section 81000, *et seq.*

9       Section. 3. Effective Date. This ordinance shall become effective 30 days  
10 after enactment. Enactment occurs when the Mayor signs the ordinance, the  
11 Mayor returns the ordinance unsigned or does not sign the ordinance within ten  
12 days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the  
13 ordinance.

14       Section 4. Scope of Ordinance. In enacting this ordinance, the Board of  
15 Supervisors intends to amend only those words, phrases, paragraphs,  
16 subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or  
17 any other constituent parts of the Municipal Code that are explicitly shown in this  
18 ordinance as additions and deletions in accordance with the "Note" that appears  
19 under the official title of the ordinance.

20       Section 5. Severability. If any section, subsection, sentence, clause,  
21 phrase, or word of this ordinance, or any application thereof to any person or  
22 circumstance, is held to be invalid or unconstitutional by a decision of a court of  
23 competent jurisdiction, such decision shall not affect the validity of the remaining  
24 portions or applications of the ordinance. The Board of Supervisors hereby  
25 declares that it would have passed this ordinance and each and every section,  
26 subsection, sentence, clause, phrase, and word not declared invalid or  
27 unconstitutional without regard to whether any other portion of this ordinance or  
28 application thereof would be subsequently declared invalid or unconstitutional.

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