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LEEANN PELHAM
EXECUTIVE DIRECTOR

Date: December 17, 2018
To: Members of the Ethics Commission
From: Pat Ford, Senior Policy Analyst
Re: **AGENDA ITEM 7 – Policy Report**

Summary: This memorandum provides updates on ongoing policy projects, pending local legislation, and other operational projects involving the Policy Division to assist the Commission, the public, and Staff in engaging with the Commission’s policy work. This memo includes the California Legislation Tracker as Attachment 1, updated for the month of December.

Action Requested: No action required—informational purposes only.

This memo provides an operational update on the Commission’s policy projects. Section I provides status reports about ongoing policy projects that the Commission identified as policy priorities as part of its quarterly Policy Prioritization Plan. Section II provides information about ongoing operations and projects that, while not a part of the Commission’s Policy Prioritization Plan, regularly require the attention of the Policy Division.

I. Policy Prioritization Plan – Status of Ongoing Initiatives

A. Review of the City’s Public Financing System

At the November 2018 meeting, Policy presented a presented draft regulations and a draft ordinance to implement Staff’s recommendations as to how to the City’s public campaign financing program could be made more accessible, workable, and transparent. The Commission approved the regulations and continued discussion of two ordinances. Policy performed research and analysis regarding the draft ordinances at the Commission’s request, which is presented along with the draft ordinances under Agenda Item 5.

B. Review of Campaign Finance Reform Ordinance Regulations

This project seeks to update and improve existing regulations and develop regulations to clarify new provisions of the Code created by the Anti-Corruption and Accountability Ordinance. Policy has developed a list of recommendations as to how the regulations could be improved. That list is set forth as Agenda Item 6 for discussion by the Commission.

C. Online Paid Political Communications

The Commission identified research and a possible legislative proposal regarding paid online political communications as its third policy priority. As reported at the Commission's last meeting, Staff have been tracking the development of this nationwide issue over several months, engaging with subject matter experts and reviewing the developing field of literature on this topic.

II. Miscellaneous Policy Administrative Projects

A. Local Regulation of County Central Committee (CCC) Candidate Committees

In response to a research request from the Commission, Policy undertook to provide the Commission with legal analysis regarding whether the Commission was precluded by California law from regulating the conduct of candidate committees controlled by candidates for local County Central Committee (CCC) seats. On September 5th, Staff requested a formal opinion from the FPPC. On November 26th, Staff met with the general counsel of the FPPC and the staff attorney assigned to this opinion request to learn more about any factors or issues that might be involved in that agency's consideration of the request. Following the meeting, Staff concluded that additional policy work to develop potential local regulations would be beneficial before bringing a formal opinion request before the FPPC.

B. Pending San Francisco Legislation

1. File No. 180317 (Reforms to Whistleblower Protection Ordinance – Cohen)

File No. 180317 would amend the Code to provide additional retaliation protections for whistleblowers, establish retaliation protections for City contractors, increase the remedies available for whistleblowers who have suffered retaliation, and establish greater confidentiality protections for whistleblowers' identities. The Rules forwarded the file to the full Board with a positive recommendation on November 28th. The Board of Supervisors unanimously passed the ordinance on the first reading on December 4th and finally passed the ordinance on December 11th. The ordinance is now awaiting approval by the mayor.

2. File No. 180934 (Biennial Update to Lists of Form 700 Filers)

State law requires that local jurisdictions update, at least every two years, the list of officials and employees who must file the Statement of Economic Interests or Form 700. The City Attorney's office received changes to SEI filing designations from departments and prepared an ordinance to carry out the changes. Policy participated in the statutorily required meet-and-confer process with employee bargaining units and the Department of Human Resources regarding this ordinance. The ordinance was passed on the first reading by the Board on October 30th and finally passed on November 13th. The mayor approved the ordinance on November 20th. The ordinance will become effective on December 20th, and Policy will assist Engagement and Compliance in ensuring that these changes are incorporated into the filing advice and assistance that Commission Staff provide to Form 700 filers.

C. ACAO Implementation

Policy is collaborating with all other divisions to implement the provisions of the Anti-Corruption and Accountability Ordinance (ACAO) that will become operative on January 1, 2019. This process will

include new disclosure forms, updates to the Commission's website and candidate guides, and development of regulations to provide more clarity about the new law.

D. Universal Electronic Filing of the Statement of Economic Interests (Form 700)

Policy is collaborating with other divisions to plan for the implementation of universal electronic filing by all individuals who are required to file the Form 700, Statement of Economic Interests. At this stage, Policy is helping to identify project requirements and establish timelines. Policy anticipates that an amendment to existing regulations will be required in order to institute universal electronic filing of the Form 700 and will likely present such regulations to the Commission in the near future.

Summary of Bills Watched

Created by the California Fair Political Practice Commission

Available at <http://www.fppc.ca.gov/transparency/Legislation.html>

[AB 664](#) (Steinorth R) Political Reform Act of 1974: campaign fund expenditures.

Current Text: Vetoed: 8/27/2018 [html](#) [pdf](#)

Last Amended: 6/12/2018

Location: 8/27/2018-A. VETOED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would prohibit a parent, grandparent, sibling, child, or grandchild of an elected officer or a candidate for elective office from receiving, in exchange for furnished or promised goods, services, facilities, or anything of value, compensation from campaign funds held by a controlled committee of that officer or candidate which exceeds the fair market value of that item. The bill would also prohibit the payment of financial or material compensation beyond fair market value from campaign funds held by a controlled committee of an elected officer or candidate for elective office, in exchange for services rendered, to a vendor if a parent, grandparent, sibling, child, or grandchild of that officer or candidate has an interest in, or is employed by, the vendor.

Laws:

An act to amend Section 84307.5 of the Government Code, relating to the Political Reform Act of 1974.

[AB 2188](#) (Mullin D) Political Reform Act of 1974: campaign disclosures: advertisements.

Current Text: Chaptered: 9/26/2018 [html](#) [pdf](#)

Last Amended: 8/17/2018

Location: 9/26/2018-A. CHAPTERED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Political Reform Act of 1974, requires specified disclosures in advertisements regarding the source of the advertisement. The act defines "advertisement" for this purpose as a general or public communication that is authorized and paid for by a committee for the purpose of supporting or opposing a candidate or candidates for elective office or a ballot measure or ballot measures. This bill would modify the disclosures required for electronic media advertisements.

Laws:

An act to amend Sections 84504.3, 84504.4, and 84510 of, and to add Sections 84503.5 and 84504.6 to, the Government Code, relating to the Political Reform Act of 1974.

Support

AB 2155 (Mullin D) Political Reform Act of 1974: campaign disclosures.

Current Text: Chaptered: 9/26/2018 [html](#) [pdf](#)

Last Amended: 8/15/2018

Location: 9/26/2018-A. CHAPTERED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

The Political Reform Act of 1974 provides for the comprehensive regulation of campaign financing and activities. Current law under the act requires advertisements to include prescribed disclosure statements, and defines an advertisement for these purposes. Current law excludes a number of communications from the definition of advertisement, including electronic media communications for which the inclusion of specified disclosures regarding the funding of the communication is impractical or incompatible with the technology used. This bill would exclude additional types of communications from the definition of advertisement, including certain electronic media communications requested by the recipient, communications solicited by the recipient, or communications for which inclusion of disclosures would be impracticable or severely interfere with the committee's ability to convey the intended message, as determined by regulations of the Fair Political Practices Commission.

Laws:

An act to amend Sections 84501, 84502, 84504.1, 84504.2, 84504.5, and 84504.3 of, and to add Section 84501.1 to, the Government Code, relating to the Political Reform Act of 1974.

Position: Support

[AB 2689](#) (Gray D) Contribution and gift ban: Senate or Assembly confirmation.

Current Text: Vetoed: 10/1/2018 [html](#) [pdf](#)

Last Amended: 4/17/2018

Location: 9/30/2018-A. VETOED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would prohibit a person appointed by the Governor to an office subject to Senate or Assembly confirmation from making to a Senator or Assembly Member or a controlled committee of the Senator or Assembly Member a gift or contribution during the period between the appointment by the Governor and confirmation by that house. The bill would also apply this prohibition to certain candidates for the Senate or Assembly, as specified.

Laws:

An act to add Section 85705 to the Government Code, relating to the Political Reform Act of 1974.

Position: Support

[AB 2880](#) (Harper R) Political Reform Act of 1974: local enforcement.

Current Text: Chaptered: 9/15/2018 [html](#) [pdf](#)

Last Amended: 6/12/2018

Location: 9/14/2018-A. CHAPTERED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Current law authorizes the Fair Political Practices Commission, upon mutual agreement between the Commission and the Board of Supervisors of the County of San Bernardino, to have primary responsibility for the impartial, effective administration, implementation, and enforcement of a local campaign finance reform ordinance of the County of San Bernardino, as specified. Current law also authorizes the Fair Political Practices Commission to enter into such agreements with the City Council of the City of Stockton and the City Council of the City of Sacramento, respectively. This bill would repeal the provisions governing agreements with the Cities of Stockton and Sacramento and would generally authorize the governing body of a local government agency to contract with the Commission for the administration, implementation, and enforcement of a local campaign finance or government ethics law.

Laws:

An act to repeal Section 83123.7 of, and to repeal and add Section 83123.6 of, the Government Code, relating to the Political Reform Act of 1974.

Position: Support

[SB 1239](#) (Hertzberg D) Political Reform Act of 1974: campaign disclosures.

Current Text: Chaptered: 9/21/2018 [html](#) [pdf](#)

Last Amended: 8/13/2018

Location: 9/21/2018-S. CHAPTERED

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary:

Would generally recast certain provisions governing the processing of campaign reports and statements to provide for the filing, verification, delivery, amendment, retention, and inspection of those documents online or electronically, as prescribed. The bill would repeal the specified monetary thresholds, thereby making the online and electronic filing requirements applicable to all specified filers. The bill would also repeal various obsolete or extraneous provisions of the The Political Reform Act of 1974, and would make conforming and other technical, nonsubstantive changes.

Laws:

An act to amend Sections 81004, 81007, 81007.5, 81008, 81009, 81010, 82006, 84101, 84101.5, 84102, 84103, 84108, 84200.8, 84203, 84204, 84204.5, 84211, 84213, 84215, 84219, 84223, 84504.2, 84602, 84605, 84606, 84612, 84615, 85200, 86100, 86103, 86104, 86105, 86107, 86108, 86109.5, 86114, 86116, and 86118 of, and to repeal Sections 84217 and 86109 of, the Government Code, relating to the Political Reform Act of 1974.

Position: Support

Total Measures: 6

Total Tracking Forms: 6

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