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EXECUTIVE DIRECTOR

Date: July 12, 2019
To: All Candidates for City Elective Office
Political Committees, Treasurers and Other Compliance Professionals
From: Rachel Gage, Principal Program Manager for Engagement & Compliance
Re: New Notice and Filing Requirements and Compliance Tools

This memorandum is being provided to you by the Ethics Commission Engagement & Compliance staff to help familiarize you with several new disclosure requirements that took effect on January 1 of this calendar year to assist you in complying with requirements that may apply to you. The sections below provide a short synopsis of each of the new provisions and basic instructions on how to comply with any filing requirement contained in the provision.

Please note that this memorandum is intended to serve as a general notice regarding these provisions and not a substitute for other compliance materials or advice that may be provided by Ethics Commission staff. For further information related to the provisions discussed herein as well as other filing requirements that may apply to you, please consult the [Compliance](#) section of the Commission's website or contact our office with questions related to these provisions or their application.

New Notice and Filing Requirements Operative on January 1, 2019:

- [C&GC Code Sec. 1.114.5](#). **Disclosure Requirements for Certain Political Committees Receiving Behested Payments of \$5,000 or More ~ New**

Synopsis: Under Sec. 114.5(b), any person making contributions that total \$5,000 or more in a single calendar year, at the behest of a City elective officer, to a ballot measure committee or committee making independent expenditures, must disclose to the committee receiving the contribution(s) the name and the office of the City elective officer who requested the contribution(s). Committees *receiving* such contributions are required to report information about the contributions to the Ethics Commission.

- **Filing Requirement:** [Form SFEC-114.5 – Behested Contributions Received by Certain Committees](#)

Any ballot measure committee or committee making independent expenditures that receives contributions totaling \$5,000 or more in a single calendar year at the behest of a City elective officer must e-file Form SFEC-114.5 no later than the deadline to file the semi-annual or pre-election campaign statement that must report the contribution that makes the cumulative total \$5,000 or more.

- [C&GC Sec. 1.124](#). **Disclosure Requirements for Committees Receiving Contributions of \$10,000 or More from a Business Entity** ~ **New**
Synopsis: In addition to the campaign disclosure requirements imposed by the California Political Reform Act and other local provisions, certain committees must disclose additional information about contributions that, in the aggregate, total \$10,000 or more from a single business entity in a single election cycle. Additionally, committees must disclose whether within the 24 months prior to the date the entity’s contributions to the committee totaled \$10,000 or more, the business entity received funds through a contract or grant from any City agency for a project within the jurisdiction of the City and County of San Francisco. If such contract or grant exists, the committee must disclose the name of the agency who provided the funding, and the value of the contract or grant.
 - **Filing Requirement:** [Form SFEC-124 – Contributions Made by Business Entities](#)
 Committees are required to e-file Form SFEC-124 no later than the deadline to file the semi-annual or pre-election campaign statement that must report the contribution that makes the cumulative total of contributions from the business entity \$10,000 or more.

- [C&GC Sec. 1.125](#). **Disclosure Requirements for Candidate Controlled Committees Receiving Bundled Contributions** ~ **New**
Synopsis: Committees controlled by a City elective officer or candidate for City elective office that receive contributions totaling \$5,000 or more that have been bundled by a single individual are required to disclose information about the bundler and the contributions bundled by that person. If the individual who bundled the contributions is a member of a City board or commission, the name of the board or commission on which that person serves and the names of any City officers who appointed or nominated that person to the board or commission must also be disclosed. For the purpose of this filing, “bundling” means delivering or transmitting contributions, other than one’s own or one’s spouse’s, except for campaign administrative activities performed by paid or volunteer staff.
 - **Filing Requirement:** [Form SFEC-125 – Bundled Contributions Disclosure Report](#)
 Committees are required to e-file Form SFEC-125 with the Ethics Commission no later than the deadline to file the semi-annual or pre-election campaign statement that must report the contribution that makes the cumulative total of bundled contributions \$5,000 or more.

In addition to the above provisions, two other provisions of the law that are relevant to the campaign fundraising activities of candidates’ campaign committees were also amended.

- [C&GC Code Sec. 1.126](#). **Prohibition on Contributions from Contractors Doing Business with the City**
Synopsis: The City’s contractor contribution rule prohibits a person who seeks a City contract worth \$100,000 or more in a fiscal year from making political contributions to an individual holding a City elective office if the contract must be approved by such individual, the board on which that individual serves, or the state agency on whose board an appointee of that individual serves. This law also applies to a candidate for the

office held by such individual and any committee controlled by such individual or candidate. The rule applies from the submission of a proposal for a contract until twelve months from the date the contract was approved, or the termination of negotiations for such contract.

Each City department that receives a bid/proposal for a contract that has a value of \$100,000 or more in a fiscal year must e-file Form SFEC-126f2 with the Ethics Commission within 30 business days of receiving the bid/proposal.

Dataset: <https://sfethics.org/disclosures/campaign-finance-disclosure/contracts-campaign-finance-disclosure/notification-of-submission-of-proposal>

A City elective officer who approves a contract valued at \$100,000 or more in a fiscal year must e-file Form SFEC-126f4 with the Ethics Commission within 5 business days of approval.

Dataset: <https://sfethics.org/disclosures/campaign-finance-disclosure/contracts-campaign-finance-disclosure>

Summary of Forms:

Number	Description	Applies to	Due
SFEC-114.5	Behested Contributions Received by Certain Committees	<ul style="list-style-type: none"> • Ballot measure committees • Committees making independent expenditures 	No later than the deadline to file the semi-annual or pre-election statement that must report the contribution that makes the cumulative total \$5,000 or more.
SFEC-124	Contributions Made by Business Entities	<ul style="list-style-type: none"> • Any committee required to file campaign statements 	No later than the deadline to file the semi-annual or pre-election statement that must report the contribution that makes the cumulative total \$10,000 or more.
SFEC-125	Bundled Contributions Disclosure Report	<ul style="list-style-type: none"> • Committees controlled by a City elective officer • Candidates for City elective office 	No later than the deadline to file the semi-annual or pre-election statement that must report the contribution that makes the cumulative total \$5,000 or more.
SFEC-126f2	Notification of Submission of Proposal – City Departments	<ul style="list-style-type: none"> • City departments 	Within 30 business days of receiving a bid/proposal valued at \$100,000 or more in a fiscal year.
SFEC-126f4	Notification of Contract Approval – City Elective Officers	<ul style="list-style-type: none"> • City elective officers 	Within 5 business days of approval of a contract valued at \$100,000 or more in a fiscal year.