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Date: December 12, 2019

To: Candidates for City Elective Office, Political Committees, Treasurers and Other Compliance Professionals

From: Rachel Gage, Principal Program Manager, Engagement & Compliance Division

Re: Notice of Operative Date for Voter-Approved Legislation - Proposition F

On November 5, 2019, San Francisco citizens voted to enact [Proposition F](#) – a measure that amends existing campaign advertisement disclaimers, adds disclosure requirements for committees making independent expenditures, and establishes additional restrictions on campaign contributions for certain elected officers and candidates for City elective office. The election results were certified by the Department of Elections on November 29, 2019 and adopted by the Board of Supervisors at its December 10, 2019 meeting. The legislation becomes operative on December 20, 2019. Below is an overview of the enacted law.

CAMPAIGN FINANCE RESTRICTIONS

➤ **San Francisco Campaign and Governmental Conduct Code, Section 1.114. Contributions – Limits and Prohibitions**

Adds limited liability companies (LLC) and limited liability partnerships (LLP) to the list of corporations prohibited from donating directly to candidate committees. These corporations and limited liability companies may establish a separate fund for political purposes that complies with federal and state law.

➤ **San Francisco Campaign and Governmental Conduct Code, Section 1.127. Contributions by Persons with Pending Land Use Matters**

Prohibits any person or affiliated entity with a *financial interest* in a property or project (excluding a person's primary residence) subject to a *land use matter* pending before the Board of Appeals, Board of Supervisors, Building Inspection Commission, Commission on Community Investment and Infrastructure, Historic Preservation Commission, Planning Commission, Port Commission, or Treasure Island Development Authority Board of Directors, from contributing any amount to a member of the Board of Supervisors, the Mayor, and the City Attorney, as well as, candidates for such offices, and committees controlled by such officers. Conversely, specified City elected officers and candidate committees may not accept or solicit contributions from individuals or affiliated entities with pending land use matters in accordance with section 1.127(b).

Pursuant to section 1.127(b), a person or affiliated entity has a *financial interest* if they meet one of the following criteria:

- has an ownership interest of \$5 million or more in a property or project;
- holds the position of director or principal officer, or is a member of the Board of Directors for an entity that has an ownership interest of \$5 million or more in a property or project; or
- is a developer with an estimated construction costs of at least \$5 million in a property or project that is subject to a Land Use Matter.

A candidate will meet the due diligence requirements of section 1.127(c) if the contributor certifies in writing to the candidate that the contributor does not have a financial interest in a land use matter that is currently pending before the Board of Appeals, Board of Supervisors, Building Inspection Commission, Commission on Community Investment and Infrastructure, Historic Preservation Commission, Planning Commission, Port Commission, or Treasure Island Development Authority Board of Directors, nor has had a financial interest in any such land use matter for which any of these boards or commissions have rendered a final decision or ruling within the last twelve months.

CAMPAIGN ADVERTISEMENTS

➤ **San Francisco Campaign and Governmental Conduct Code, Section 1.161. Campaign Advertisements**

- Amends disclaimer requirements pertinent to primarily formed independent expenditure and ballot measure committees with respect to a committee's "top three contributors" (*currently \$10,000 or more*) to \$5,000 or more. Additionally, if any of the top three contributors is a committee, the disclaimer must also disclose the name of and dollar amount contributed by the committee's top two major contributors of \$5000 or more.
- Amends disclaimer font size for "mass mailings and smaller written advertisements" (*currently 12 point*) to 14 point, bold.
- Requires disclaimers for "audio and video advertisements" (*currently spoken at the end*) to be spoken at the beginning of the advertisement. (Note: The dollar amounts of top contributors are not required to be disclosed for audio or video advertisements).
- Adds an itemized disclosure statement requirement to committees required to file late independent expenditure reports with the Ethics Commission for advertisements that support or oppose a candidate for City elective office. To comply with this requirement, committees must use the Form 496 to disclose the itemized costs associated with the advertisement, including but not limited to photography, design, production, printing, distribution, and postage. A copy of the advertisement must be submitted electronically with the corresponding filing.
- Adds an itemized disclosure statement requirement to any committee that pays for a mass mailing that supports or opposes a candidate for City elective office. To comply with this requirement, committees must use Form SFEC-161 to disclose the itemized cost associated with

the mass mailing, including but not limited to photography, design, production, printing, distribution, and postage. A copy of the mailing piece must be submitted electronically with the statement. (Note: Committees making independent expenditures to support or oppose a candidate for City elective office are not subject to this filing requirement during the time period that they are required to file late independent expenditure reports provided that the report includes the itemized disclosure statement requirement).

➤ **San Francisco Campaign and Governmental Conduct Code, Section 1.162. Electioneering Communications**

- Requires disclaimers for “audio and video advertisements” (*currently spoken at the end*) to be spoken at the beginning of the advertisement.

FOR MORE INFORMATION

The Ethics Commission is working to update [guides, resources](#) and [regulations](#) to reflect the provisions that will become operative by these voter-approved changes. In the meantime, if you have any questions or need assistance, please contact us at ethics.commission@sfgov.org or (415) 252-3100.