

1 [Campaign and Governmental Conduct Code - Behested Payments Exceptions]

2

3 **Ordinance amending the Campaign and Governmental Conduct Code to modify the**  
 4 **rules concerning behested payment solicitations, by 1) excepting solicitations made**  
 5 **under certain types of City programs to solicit, request, and contractually obligate**  
 6 **charitable donations through competitively procured contracts; 2) narrowing the**  
 7 **prohibition against soliciting from persons involved in administrative enforcement,**  
 8 **providing that the receipt of a non-discretionary licenses, permits, or other**  
 9 **entitlements for use does not make a person an interested party; 3) providing that**  
 10 **attempting to influence an legislative or administrative action does not make a person**  
 11 **an interested party; 4) excepting solicitations made in connection with the City's**  
 12 **acquisition of real property; 5) shortening the time periods for the prohibition as to**  
 13 **solicitations from City contractors; 6) excepting payments less than \$1,000; 7)**  
 14 **authorizing the Board of Supervisors to grant waivers by resolution; and 8) making**  
 15 **other clarifying changes.**

16

17 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
 18 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
 19 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
 20 **Board amendment additions** are in double-underlined Arial font.  
 21 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
 22 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
 23 subsections or parts of tables.

21

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

23

24 Section 1. Article III, Chapter 6 of the Campaign and Governmental Conduct Code is  
 25 hereby amended by revising Sections 3.610, ~~and 3.620~~, 3.630, and 3.640, to read as follows.

1           **SEC. 3.610. DEFINITIONS.**

2           Whenever in this Chapter 6 the following words or phrases are used, they shall have  
3 the following meanings:

4           “Affiliate” shall be defined as set forth in Section 1.126 of this Code.

5           “Agent” shall mean any person who represents a party in connection with a  
6 proceeding involving a license, permit, or other entitlement for use as set forth in Title 2,  
7 Section 18438.3 of the California Code of Regulations, as amended from time to time.

8           “At the behest of” shall mean under the control or at the direction of, in cooperation,  
9 consultation, coordination, or concert with, at the request or suggestion of, or with the  
10 express, prior consent of.

11           “Behested payment” shall mean a payment that is made at the behest of an officer, or  
12 an agent thereof, and that is made principally for a legislative, governmental, or charitable  
13 purpose.

14           “City Contractor” shall be defined as set forth in Section 1.126 of this Code, except  
15 only with respect to contracts with any department of the City and County of San Francisco.

16           “Commissioner” shall mean any member of a City board or commission, excluding  
17 the Board of Supervisors, who is required to file a Statement of Economic Interests as set  
18 forth in Section 3.1-103(a)(1) of this Code.

19           “Contact” shall be defined as set forth in Section 2.106 of this Code.

20           “Department head” shall mean any department head who is required to file a  
21 Statement of Economic Interests as set forth in Section 3.1-103(b)(1) of this Code.

22           “Designated employee” shall mean any employee of the City and County of San  
23 Francisco required to file a Statement of Economic Interests under Article III, Chapter 1 of this  
24 Code.

1 "Elected official" shall mean Assessor-Recorder, City Attorney, District Attorney,  
2 Mayor, Public Defender, Sheriff, Treasurer, or member of the Board of Supervisors.

3 "Financial interest" shall be defined as set forth in the California Political Reform Act  
4 (California Government Code Section 87100 et seq.), any subsequent amendments to these  
5 Sections, and its implementing regulations.

6 "Grant" shall mean an agreement with a government agency, non-profit organization  
7 or private entity to fund *or provide goods or services to assist with* City projects or programs,  
8 under which the grantor imposes restrictions on the City's spending of the grant *funds*.

9 "Interested party" shall mean:

10 (a) any party, participant, or agent of a party or participant involved in (1) a  
11 proceeding regarding either administrative enforcement, or a license, a permit, or other  
12 entitlement for use, before any officers within the department of the officer or designated  
13 employee; and (2) any other governmental decision regarding either administrative  
14 enforcement, or a license, permit, or other entitlement for use, in which the officer or  
15 designated employee was personally and substantially involved. This subsection shall not  
16 apply (1) an officer, (2) any board or commission (including the Board of Supervisors) on  
17 which the officer sits, (3) the department of the officer, or (4) the department of the designated  
18 employee; except for to any license, permit, or other entitlement for use that is issued on a  
19 ministerial basis;

20 (b) (1) any City Contractor contracting with or seeking to contract with the designated  
21 employee's or officer's department, or any affiliate of such a City Contractor, except for the  
22 purposes of any person providing a grant to the City or a City department; ~~and~~ (2) as pertains  
23 to members of the Board of Supervisors, any City Contractor, or any affiliate of such a City  
24 Contractor, if the Board of Supervisors approves the City Contractor's agreement with the  
25 City, except for the purposes of any person providing a grant to the City or a City department;

1 and (3) any person who attempted to influence the designated employee or officer regarding  
2 the approval, denial, extension, or amendment of a City contract, provided that “attempt to  
3 influence” shall be defined as set forth in Section 3.216(b)(1) of this Code and Ethics  
4 Commission’s regulations, and shall not include (A) oral or written public comment that  
5 becomes part of the record of a public hearing, (B) speaking at a public forum or rally, or (C)  
6 communications made via email, petition, or social media;

7 ~~(c) any person who attempted to influence the employee or officer in any legislative~~  
8 ~~or administrative action, provided that “attempt to influence” shall be defined as set forth in~~  
9 ~~Section 3.216(b)(1) of this Code and the Ethics Commission’s regulations implementing~~  
10 ~~Section 3.216(b)(1) with respect to legislative actions, and shall not include (1) oral or written~~  
11 ~~public comment that becomes part of the record of a public hearing; (2) speaking at a public~~  
12 ~~forum or rally, or (3) communications made via email, petition or social media; or (4)~~  
13 ~~communications with a City employee or officer regarding a grant from that person to the City,~~  
14 ~~including any communications with respect to the City’s use of the grant for a particular~~  
15 ~~purpose;~~

16 ~~(d)(e)~~ (d) any contact or expenditure lobbyist, as defined under Article II, Chapter 1 of  
17 this Code, who has registered as a contact or expenditure lobbyist with the Ethics  
18 Commission, if the contact lobbyist or expenditure lobbyist is registered to lobby the  
19 designated employee’s or officer’s department; and any person on whose behalf a contact or  
20 expenditure lobbyist has made a contact with the employee’s or officer’s department in the  
21 last 12 months; or clients, or affiliates of clients, for whom they have contacted the department  
22 for in the last 12 months; or

23 ~~(d)(e)~~ (e) any permit consultant, as defined under Article III, Chapter 4 of this Code,  
24 who has registered as a permit consultant with the Ethics Commission, if the permit consultant

1 has reported any contacts with the designated employee's or officer's department to carry out  
2 permit consulting services during the prior 12 months.

3 "Interested party" shall not include: (a) any nonprofit organization that Article V of the  
4 Charter has authorized to support an arts and culture department; (b) any federal or State  
5 government agency; (c) an individual, solely because the individual is an uncompensated  
6 board member of a nonprofit organization that is an interested party; or (d) as pertains to  
7 members of the Board of Supervisors, a City Contractor, or affiliate of a City Contractor, if the  
8 Board of Supervisors did not approve the City Contractor's agreement with the City.

9 "License, permit, or other entitlement for use" shall mean professional, trade, or land  
10 use licenses, permits, or other entitlements to use property or engage in business, *issued in the*  
11 *discretion of the administering agency*, including professional license revocations, conditional use  
12 permits, rezoning of property parcels, zoning variances, tentative subdivision and parcel  
13 maps, cable television franchises, building and development permits, private development  
14 plans, and contracts (other than labor or personal employment contracts and competitively bid  
15 contracts where the City is required to select the highest or lowest qualified bidder), as set  
16 forth in California Government Code Section 84308, as amended from time to time. *For*  
17 *purposes of Section 3.620, "license, permit, or other entitlement for use" shall not include licenses,*  
18 *permits, or other entitlements for use that involve little or no discretion, merely apply a checklist or*  
19 *objective criteria to the facts as presented, and/or are issued over-the-counter or "as-of-right."*

20 "Officer" shall mean any commissioner, department head, or elected official.

21 "Participant" shall mean any person who is not a party but who actively supports or  
22 opposes (by lobbying in person, testifying in person, or otherwise acting to influence) a  
23 particular decision in a proceeding involving a license, permit, or other entitlement for use and  
24 who has a financial interest in the decision, as set forth in California Government Code  
25

1 Section 84308 and Title 2, Section 18438.4 of the California Code of Regulations, as  
2 amended from time to time.

3 “Party” shall mean any person who files an application for, or is the subject of, a  
4 proceeding involving a license, permit, or other entitlement for use, as set forth in California  
5 Government Code Section 84308, as amended from time to time.

6 “Payment” shall mean a monetary payment, or the delivery of goods or services, with  
7 a value of \$1,000 or more, or a series of payments within a 12-month period that in the  
8 aggregate total \$1,000 or more.

9 “Permit consulting services” shall be defined as set forth in Article III, Chapter 4 of  
10 this Code.

11 “Person” shall be defined as set forth in Section 1.104 of this Code.

12 “Personally and substantially involved” shall be defined as set forth in the Ethics  
13 Commission’s regulations Section 3.234-5.

14 “Proceeding” shall be defined as set forth in 2 California Code of Regulations Section  
15 18438.2, as amended from time to time, and shall not include a ministerial action such as the issuance  
16 of a first-in-time/first-in-right license, permit, or other entitlement for use, as may be the case when a  
17 member of the public seeks permission from a City department to use public space.

18 “Public appeal” shall mean a request for a payment when such request is made by  
19 means of television, radio, billboard, a public message on an online platform, the distribution  
20 of 200 or more identical pieces of printed material, the distribution of a single email to 200 or  
21 more recipients, or a speech to a group of 20 or more individuals.

22 “Relative” shall mean a spouse, domestic partner, parent, grandparent, child, sibling,  
23 parent-in-law, aunt, uncle, niece, nephew, and first cousin, and includes any similar step  
24 relationship or relationship created by adoption.

1           **SEC. 3.620. PROHIBITING ELECTED OFFICIALS, DEPARTMENT HEADS,**  
2 **COMMISSIONERS, AND DESIGNATED EMPLOYEES FROM SOLICITING BEHESTED**  
3 **PAYMENTS FROM INTERESTED PARTIES.**

4           (a) **PROHIBITION.** ~~Officers Elected officials, department heads, commissioners,~~ and  
5 designated employees shall not directly or indirectly solicit any behested payment from an  
6 interested party in the following circumstances:

7           (1) **Administrative proceedings.** If the interested party is a party, participant, or  
8 agent of a party or participant involved in (i) a proceeding before the any officer within the  
9 department of the officer~~elected official's, department head's, commissioner's,~~ or designated  
10 employee's department regarding either regarding administrative enforcement, or regarding a  
11 license, a permit, or other entitlement for use, or (ii) any other governmental decision  
12 regarding either administrative enforcement, or regarding a license, permit, or other  
13 entitlement for use, in which the officer or designated employee was personally and  
14 substantially involved, the prohibition set forth in this subsection (a) shall apply:

15                   (A) during the pendency of the proceeding or governmental decision; and

16                   (B) for 12~~twelve~~ months following the date on which a final decision is rendered  
17 ~~in the proceeding.~~

18           (2) **Contracts.** If the interested party is a City Contractor, or an affiliate of a City  
19 Contractor, who is a party to or is seeking a contract with the officer's~~elected official's,~~  
20 ~~department head's, commissioner's,~~ or designated employee's department or is a person who  
21 attempted to influence the officer or designated employee regarding a City contract, the  
22 prohibition set forth in this subsection (a) shall apply from the submission of a proposal until  
23 the later of:

24                   (A) the termination of negotiations for the contract; or

1 (B) ~~12~~<sup>twelve</sup> months following the end of the contract's term; if the interested  
2 party is a City Contractor, unless five years have elapsed since the execution of the contract  
3 without any amendment, extension, or renewal; or

4 (C) 12 months following the attempt to influence if the person is an interested  
5 party due to an attempt to influence regarding the City contract.

6 —(3) ~~Persons seeking to influence.~~ If the interested party is a person who  
7 attempted to influence the officer ~~elected official, department head, commissioner, or~~  
8 designated employee in any legislative ~~or administrative~~ action, the prohibition set forth in this  
9 subsection (a) shall apply for 12 months following the date of each attempt to influence.

10 (3)(4) **Lobbyists.** ~~Officers Elected officials, department heads, commissioners,~~ and  
11 designated employees may not solicit any behested payment from a contact lobbyist or  
12 expenditure lobbyist who has registered as a lobbyist with the Ethics Commission, if the  
13 contact lobbyist or expenditure lobbyist is registered to lobby the designated employee's or  
14 officer's department; or from a person on whose behalf a contact or expenditure lobbyist has  
15 made a contact with the employee's or officer's department in the last 12 months.

16 (4)(5) **Permit consultants.** ~~Officers Elected officials, department heads,~~  
17 ~~commissioners,~~ and designated employees may not solicit any behested payment from a permit  
18 consultant who has registered with the Ethics Commission, if the permit consultant has  
19 reported any contacts with the designated employee's or officer's department to carry out  
20 permit consulting services during the prior 12 months.

21 (b) **INDIRECT SOLICITATION.** For the purposes of this Section 3.620, a City officer  
22 or employee is indirectly soliciting a behested payment when the City officer or employee  
23 directs or otherwise urges another person to solicit a behested payment from an identifiable  
24 interested party or parties.



1 (c) **EXCEPTION – PUBLIC APPEALS.** This Section 3.620 shall not apply to public  
2 appeals.

3 (d) **EXCEPTION – COMPETITIVELY SECURED PROGRAM SOLICITATIONS.** This  
4 Section 3.620 shall not apply to solicitations made under an authorized program for charitable  
5 donations of time and/or money from interested parties to nonprofit 501(c)(3) organizations or public  
6 schools. For purposes of this subsection (d), an authorized program is a process for soliciting  
7 donations through a competitively procured contract, ~~which program either (i) existed on or before~~  
8 January 23, 2022, such as the San Francisco Public Utilities Commission Social Impact  
9 Partnership program, or (ii) is authorized by the Board of Supervisors by ordinance. For a  
10 contract that includes an authorized program excepted under this subsection (d), all  
11 solicitations under such program related to the ~~including the~~ award, approval, execution,  
12 administration, modification, or enforcement of that contract by City officers or employees, ~~which~~  
13 program is authorized by the ~~are likewise excepted.~~ Any program under (i) above may  
14 proceed as it existed on or before January 23, 2022 until the earlier of (A) the Board of  
15 Supervisors adopts by an ordinance authorizing a program involving donations through a  
16 competitively procured contract, as provided by (ii) above, or (B) December 31, 2024.

17 (fe) **EXCEPTION – CONTRACTED BENEFITS CITY PROPERTY.** Nothing in this  
18 This Section 3.620 shall not apply to solicitations made in connection with the negotiation or  
19 administration of a City contract if the payment solicited directly relates to the terms of, or  
20 performance under, the contract. For the purposes of this subsection (e), City contracts  
21 include but are not limited to development agreements, agreements for the development or  
22 use of public property, agreements for the City's acquisition of real property, and contracts for  
23 the acquisition of community benefits. ~~is intended to prevent any officer or designated~~  
24 employee from discussing, negotiating, and/or securing the provision of community benefits or  
25 other consideration in connection with the City's acquisition of real property.

1           (f) EXCEPTION – WAIVER. Upon request by a City department, the Board of  
2 Supervisors may waive the requirements of this Section 3.620 by resolution. A proposed  
3 resolution that seeks a waiver shall summarize the purpose of the solicitation(s) and shall  
4 identify the type of interested parties or the specific interested parties, when the identity is  
5 known, to whom the solicitation(s) would be directed, and a statement as to why the  
6 department believes the parties are interested parties. The resolution must include a finding  
7 that the waiver would not create an appearance of impropriety and would be in the public  
8 interest. Waivers granted under this subsection (f) shall apply prospectively for six months,  
9 unless the approving resolution specifies a shorter duration, and shall have no effect as to  
10 past solicitations and may not be approved retroactively after the solicitations have occurred.  
11 Within 30 days of the enactment of such a resolution, the Clerk of the Board shall publish  
12 information regarding the resolution to a dataset of all approved waiver resolutions on  
13 DataSF.

14  
15           **SEC. 3.630. REGULATIONS.**

16           The Ethics Commission ~~may~~shall adopt rules, regulations, and guidelines for the  
17 implementation of this Chapter 6. ~~The Ethics Commission shall adopt rules, regulations or~~  
18 ~~guidelines, including with respect to~~ defining and illustrating “interested party” and when a  
19 payment is made “at the behest of” a City officer or designated employee, on or before  
20 January 1, 2023.

21  
22           **SEC. 3.640. PENALTIES.**

23           Any officer or designated employee~~party~~ who fails to comply with any provision of this  
24 Chapter 6 is subject to the administrative process and penalties set forth in Section 3.242(d)  
25 of this Code.

1 Section 2. Effective Date. This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
4 of Supervisors overrides the Mayor's veto of the ordinance.

5  
6 Section 3. Prerequisites for Enactment; Super-Majority Vote Requirement. Consistent  
7 with ~~In the event the People approve~~ Proposition E, which was approved at the June 7, 2022  
8 election, the enactment of this ordinance will be subject to the provisions of Proposition E that  
9 authorize amendments to Article III, Chapter 6 of the Campaign and Governmental Conduct  
10 Code only if they are recommended by the Ethics Commission and approved by a  
11 supermajority of at least eight votes at the Board of Supervisors.

12  
13 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
14 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
15 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
16 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
17 additions, and Board amendment deletions in accordance with the "Note" that appears under  
18 the official title of the ordinance.

19  
20 APPROVED AS TO FORM:  
21 DAVID CHIU, City Attorney

22  
23 By: /s/  
24 MANU PRADHAN  
25 Deputy City Attorney

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