



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

---

Date: November 14, 2022

To: Members of the Ethics Commission

From: Michael Canning, Senior Policy Analyst

Re: **AGENDA ITEM 9 – Presentation and discussion on draft behested payments regulations.**

---

## Summary and Action Requested

This memo provides an update on the development of regulations regarding the City's behested payment rules and presents draft regulations for the Commission to review and discuss. The draft regulations are presented in **Attachment 1**. Additional context and background for each draft regulation appears in **Attachment 2**. No action is required at this time, as this item appears on the November 18<sup>th</sup> meeting Agenda for discussion purposes only.

## Update on the Status of Behested Payment Regulation

The Commission is required to adopt rules, regulations, and guidelines for the implementation of [Article III, Chapter 6](#) of the Campaign and Governmental Conduct Code (as specified in [Section 3.630](#)). The Code specifies that these regulations include defining and illustrating "interested party" and when a payment is made "at the behest of." Beyond fulfilling the requirements of the Code, these regulations are an opportunity for the Commission to clarify aspects of the City's behested payment rules and elaborate on how these rules work in practice.

These behested payments regulations would be the first since the City's prohibition on the solicitation of behested payments from interested parties took effect in January 2022. The regulations would remove existing outdated regulations and cover the changes to the City's behested payment rules that were approved by the Commission in August and took effect on November 6.

As presented during the Commission's October meeting, since the new behested payment rules went into effect in January, Staff have been receiving questions, offering informal advice, and meeting with various stakeholders regarding these rules. In recent months, Staff held two interested persons meetings regarding these regulations and have directly communicated with various stakeholders, including representatives of the Mayor's office and different City departments.

The draft regulations found in **Attachment 1**, seek to fulfill the Code's requirement that the Commission enact regulations clarifying the City's behested payment rules and address numerous matters that have been raised by stakeholders throughout the year. Additional context and rationale for each draft regulation appears in **Attachment 2**.

## Recommended Next Steps

Following the Commission's November 18th discussion of this item, Staff can integrate Commissioner feedback and prepare final draft regulations for action by the Commission at its next meeting on December 9<sup>th</sup>.

### **Attachments:**

**Attachment 1:** Draft Behested Payment Regulations – 11.14.22

**Attachment 2:** Summary of Draft Regulations – 11.14.22

# Attachment 1



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

## Ethics Commission Agenda Item 9, Attachment 1

### Draft Regulations to San Francisco Campaign and Governmental Conduct Code – Campaign Finance and Conflict of Interest Section 3.600 et seq

[Regulation 3.610-1. Filing of Behested Payments Reports](#)

[Regulation 3.620-1. Filing by Donors](#)

[Regulation 3.620-2. Notice by Donors to Recipients](#)

[Regulation 3.630-1. Filing by Recipients of Major Behested Payments](#)

[Regulation 3.620-1. Soliciting Behested Payments](#)

[Regulation 3.620-2. Soliciting Behested Payments – Definition of “Under the control or at the direction of”](#)

[Regulation 3.620-3. Soliciting Behested Payments – Definition of “In cooperation, consultation, coordination, or concert with”](#)

[Regulation 3.620-4. Soliciting Behested Payments – Definition of “At the request or suggestion of”](#)

[Regulation 3.620-5. Soliciting Behested Payments – Definition of “With the express, prior consent of”](#)

[Regulation 3.620-6. Soliciting Behested Payments Valued at Less Than \\$1,000](#)

[Regulation 3.620-7. Soliciting Behested Payments for Unspecified Amounts](#)

[Regulation 3.620-8. Exceptions](#)

[Regulation 3.620-9. Definition of “Interested Party”](#)

[Regulation 3.620-10. Definition of “Interested Party” – Parties Involved in Administrative Proceedings](#)

[Regulation 3.620-11. Definition of “Interested Party” – Parties Involved in Governmental Decisions](#)

[Regulation 3.620-12. Definition of “Interested Party” – Licenses, Permits, or Other Entitlements for Use Issued on a Ministerial Basis](#)

[Regulation 3.620-13. Definition of “Interested Party” – City Contractors](#)

[Regulation 3.620-14. Definition of “Interested Party” – City Contractors – Contract Term](#)

[Regulation 3.620-15. Definition of “Interested Party” – City Contractors – Grant Exception](#)

[Regulation 3.620-16. Definition of “Interested Party” – City Contractors – Those Attempting to Influence City Contracts](#)

[Regulation 3.620-17. Definition of “Interested Party” – City Contractors – Valuing Leases](#)

[Regulation 3.620-18. Definition of “Interested Party” – Lobbyists](#)

[Regulation 3.620-19. Definition of “Interested Party” – Lobbyist Clients and Affiliates of Lobbyist Clients](#)

[Regulation 3.620-20. Definition of “Interested Party” – Permit Consultants](#)

[Regulation 3.620-21. Indirect Solicitations](#)

[Regulation 3.620-22. Indirect Solicitations – Soliciting Fiscally Sponsored Entities](#)

[Regulation 3.620-23. Public Appeals](#)

#### **Regulation 3.610-1: Filing of Behested Payment Reports**

Any officer who is required to file a behested payment report pursuant to section 3.610 shall do so by filing Form SFEC-3.610b with the Ethics Commission. The Commission may require that this form be filed in electronic format.

#### **Regulation 3.620-1: Filing by Donors**

(a) Any interested party who is required to file a report pursuant to section 3.620 must do so by filing Form SFEC-3.620a with the Ethics Commission. The Commission may require that this form be filed in electronic format.

(b) If an interested party has previously filed a Form SFEC-3.620a and, during the same calendar year, subsequently makes an additional behested payment at the behest of the same officer, the interested



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

party must file an additional Form SFEC 3.620a only if the interested party has become involved in additional proceedings or made additional contacts that were not disclosed pursuant to section 3.620(a)(1)-(3) on the initial Form SFEC 3.620a.

(c) Only behested payments subject to disclosure under section 3.610 may trigger the potential reporting required under section 3.620.

(d) An interested party shall file the disclosure required under section 3.620 only if the interested party has made behested payments totaling \$10,000 in a calendar year at the behest of a single officer or agents of that officer.

## **Regulation 3.620-2: Notice by Donors to Recipients**

When a person making a behested payment notifies the recipient of the payment that the payment is a behested payment, as required by section 3.620(b), the person must notify the recipient of the name and title of the official at whose behest the payment is made.

## **Regulation 3.630-1: Filing by Recipients of Major Behested Payments**

(a) Any person who is required under section 3.630(a)(1) or 3.630(a)(2) to disclose information about behested payments received shall do so by filing Form SFEC 3.630 with the Ethics Commission. The Commission may require that this form be filed in electronic format.

(b) When disclosing on the Form SFEC 3.630 how the funds received through behested payments were spent, a filer must retain records or documentation sufficient to substantiate such disclosure. If funds received through the behested payment(s) were not earmarked or otherwise used for a specific purpose, a filer may report such spending using last-in-first-out accounting from the time that the recipient received the behested payment(s).

## **Regulation 3.620-1: Soliciting Behested Payments**

A behested payment is solicited by an officer or designated employee if the payment is, or would be, made at the behest of that officer or designated employee. Solicitation of a behested payment occurs regardless of whether a payment is actually made. A payment is made "at the behest of" an officer or designated employee if the payment is, or would be, made "under the control or at the direction of, in cooperation, consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior consent of" the officer or designated employee.

## **Regulation 3.620-2: Soliciting Behested Payments – Definition of "Under the control or at the direction of"**



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

Payments made under the control or at the direction of a City officer or designated employee, include, but are not limited to, payments where the officer or designated employee has the authority to authorize, command, order, require, guide, or administer the payment.

## **Regulation 3.620-3: Soliciting Behested Payments – Definition of “In cooperation, consultation, coordination, or concert with”**

Payments made in cooperation, consultation, coordination, or concert with a City officer or designated employee, include, but are not limited to, payments where the officer or designated employee is communicating about the value, amount, timing, uses, benefits, impacts, limitations, recipients, purposes, or logistics of the payment.

## **Regulation 3.620-4: Soliciting Behested Payments – Definition of “At the request or suggestion of”**

Payments made at the request or suggestion of a City officer or designated employee, include, but are not limited to, payments where the officer or designated employee asks for the payment directly or suggests that the payment being made would please the officer or designated employee or be beneficial for any party.

## **Regulation 3.620-5: Soliciting Behested Payments – Definition of “With the express, prior consent of”**

Payments made with the express, prior consent of a City officer or designated employee, include, but are not limited to, payments where the officer or designated employee is notified by the payor of their intention to make the payment and the officer or designated employee takes steps to encourage the prospect of the payment.

## **Regulation 3.620-6: Soliciting Behested Payments Valued at Less Than \$1,000**

A City officer or designated employee may solicit a behested payment from an interested party, if the value of the payment is less than \$1,000, or less than \$1,000 in aggregate if spread over a series of solicitations within a twelve-month period. In order for the solicitation not to violate section 3.620, the officer or designated employee must explicitly solicit less than \$1,000, and the amount of any actual payment must also be less than \$1,000. When it is not clear from the context and facts of the solicitation, the City officer or designated employee claiming to have solicited a payment valued at less than \$1,000 bears the burden of proving that the amount solicited was less than \$1,000. If an amount is solicited, but no actual payment is made, the value of the solicitation counts towards reaching the \$1,000 solicitation limit for that twelve-month period.



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

Illustration: In January, a City officer approaches an interested party and asks the interested party to donate \$750 dollars to a local charity the officer supports. The interested party does not respond to the officer and does not donate any money to the local charity. In July, that same City officer asks that same interested party to donate \$750 to a local charity (either the same charity or a different charity). Since the officer had already asked this interested party for \$750 earlier in the same twelve-month period, they would be prohibited from asking for another \$750 now, as this would make the aggregate total \$1,500, which is not less than \$1,000.

## **Regulation 3.620-7: Soliciting Behested Payments for Unspecified Amounts**

If a City officer or designated employee solicits a behested payment from an interested party and the value of the payment solicited is not explicitly less than \$1,000, the value may be assumed to be \$1,000 or more, when it is not clear from the context and facts of the solicitation.

## **Regulation 3.620-8: Exceptions**

The following actions are not solicitations of behested payments for the purposes of Section 3.620:

- (a) Applying for a competitively awarded grant with or directly from an interested party, if the City officer or designated employee is applying on behalf of their department. Negotiating the terms of, entering into, performing pursuant to, amending, and expanding such a grant agreement between the source of the grant, the interested party, and the City is also not soliciting a behested payment.
- (b) Negotiating the terms of, entering into, performing pursuant to, amending, or expanding a grant agreement between an interested party and the City, on behalf of the officer or designated employee's department, that was initiated by an interested party. Any City officer or designated employee using this exception bears the burden of proving that they did not initiate the grant offer or negotiations.
- (c) Coordinating the acceptance of gifts or other payments to the City that have been initiated by an interested party. Any City officer or designated employee using this exception bears the burden of proving that they did not initiate the payment from the interested party . Any gift or payment accepted using this exception cannot confer a personal benefit on any City officials. Gifts or payments that confer a personal benefit include, but are not limited to food, drinks, holiday parties, and items intended for employee appreciation or recognition.
- (d) Soliciting payments from a nonprofit organization that is an interested party on behalf of the officer or designated employee's department, pursuant to the terms of a memorandum of understanding or similar agreement that has been approved by Office of the City Attorney and the Controller. The primary purpose of the nonprofit organization must be to support the City department that would be receiving the payment. Any payment accepted using this exception cannot confer a personal benefit on any City officials. A payment that confers a personal benefit



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

includes, but is not limited to food, drinks, holiday parties, and items intended for employee appreciation or recognition. This exception does not apply if the nonprofit organization is an interested party because it is the client of a lobbyist who, on behalf of the nonprofit organization, has contacted the officer or designated employee's department within the last twelve months.

- (e) Responding to a request for information from an interested party regarding charitable or philanthropic giving with factual information. If a party asks a City officer or designated employee for whom they are an interested party for information related to charitable or philanthropic giving, the officer or designated employee can only respond with factual information, such as the contact information for an organization the City has worked with or information about the work done with that organization, but is not permitted to coordinate, facilitate, or otherwise encourage a payment. For example, if an interested party asked for a list of organizations that a City department has worked with regarding a specific policy issue, the officer or designated employee could provide that list of organizations but would be prohibited from encouraging or recommending payments be made. Any City officer or designated employee using this exception bears the burden of proving that the request for information was initiated by the interested party and that any response was limited to factual information.
- (f) The solicitation of campaign contributions.

## **Regulation 3.620-9: Definition of "Interested Party"**

There are multiple situations that make a party an interested party for a City officer or designated employee. See San Francisco Ethics Commission Regulations 3.620-10 through 3.620-20 for more information about the different prongs of what makes someone an interested party.

## **Regulation 3.620-10: Definition of "Interested Party" – Parties Involved in Administrative Proceedings**

Any party, participant, or agent of a party or participant involved in a proceeding regarding either administrative enforcement, or a license, permit, or other entitlement for use, before any officer within a department, will be an interested party for all officers and designated employees of that department during the pendency of the proceeding and for twelve months following the date on which a final decision is rendered regarding the proceeding. A proceeding regarding either administrative enforcement, or a license, permit or other entitlement for use is not "before" an officer merely because a determination in the proceeding is appealable to the officer, unless an appeal has actually been filed or otherwise initiated.

**Illustration:** An entity applies for a permit from a City a department, and the department head must review and approve or deny the permit. Since the permit is before the department head, who is a City officer, the entity seeking the permit is now an interested party for all of the officers and designated employees of that department.





# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

---

## **Regulation 3.620-11: Definition of “Interested Party” – Parties Involved in Governmental Decisions**

Any party, participant, or agent of a party or participant involved in any governmental decision regarding either administrative enforcement, or a license, permit, or other entitlement for use, in which the officer or designated employee was personally and substantially involved is an interested party for that officer or designated employee.

**Illustration:** An entity applies for a permit from a City department, and the permit does not need to go before a City officer, but a designated employee must review, analyze, or approve the permit. Since this designated employee was personally and substantially involved in the governmental decision regarding the permit, the entity seeking the permit is now an interested party for that designated employee. Since the permit was not before an officer of the department, the party would not become an interested party for all of the officers and other designated employees of that department based on this permit application.

## **Regulation 3.620-12: Definition of “Interested Party” – Licenses, Permits, or Other Entitlements for Use Issued on a Ministerial Basis**

Licenses, permits, and other entitlements for use are issued on a ministerial basis if they are issued on a first come, first served basis, involve little or no discretion, merely apply a checklist or objective criteria to the facts presented, or are issued as-of-right with little or no review, analysis, or discretion.

**Illustration:** A person applies for a permit to reserve space in a City park for a birthday party, and the application is processed by a City employee without substantial review or the use of discretion by the employee that issues the permit. Since this permit was issued on a ministerial basis, it would not cause the person reserving the space to become an interested party for the employee.

## **Regulation 3.620-13: Definition of “Interested Party” – City Contractors**

Any City Contractor contracting with or seeking to contact with a City department is an interested party for the City officers and designated employees of that department, as are the affiliates of the contractor, until the termination of negotiations for the contract or twelve months following the end of the contract’s term, unless five years have elapsed since the execution of the contract without any amendment, extension, or renewal.

**Illustration:** A company bids on a contract with a City department in January and is informed in March that they were not awarded the contract and negotiations had been concluded for the contract. In May, a City officer of that department solicits a behested payment from the chief executive officer of this company. If the company and its chief executive officer are not otherwise interested parties for the City officer, this solicitation would not be prohibited, since



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

the negotiations for the contract the company was seeking had terminated prior to the solicitation.

## **Regulation 3.620-14: Definition of “Interested Party” – City Contractors – Contract Term**

If the term of a City contract extends beyond five years and if five years have elapsed since the contract was executed, amended, extended, or renewed, the contractor is no longer an interested party for the officers and designated employees of the contracting department based on this contract. If at some point the contract is amended, extended, or renewed, the contract would again make the contractor an interested party for the officers and designated employees of contracting department.

**Illustration 1:** A department executes a contract in March of 2024 with a 20-year term and that contract is not amended, extended, or renewed after it is executed. In March of 2029, this contract would no longer make the contractor an interested party for the officers and designated employees of the contracting department.

**Illustration 2:** The contract from Illustration 1 is amended in June of 2032. The amendment would again make the contractor an interested party for the officers and designated employees of the contracting department until June of 2037.

## **Regulation 3.620-15: Definition of “Interested Party” – City Contractors – Grant Exception**

City contracts that exist solely for the purpose of providing a grant to the City or a City department do not make the contractor an interested party, this includes memoranda of understanding and similar agreements entered into for the purpose of providing grants to the City or a City department.

## **Regulation 3.620-16: Definition of “Interested Party” – City Contractors – Those Attempting to Influence City Contracts**

If a person other than the contractor has attempted to influence an officer or designated employee regarding the approval, denial, extension, or amendment of a City contract, that person is an interested party for that officer or designated employee for twelve months following the attempt to influence. However, an entity that is providing, or negotiating to provide, a grant to the City or a City department, may suggest contractors to work on their particular grant without becoming an interested party.

Except as provided below, “attempted to influence” as used in section 3.620(a)(2), means the person has contacted or appeared before the City officer or designated employee with an intent to influence a decision of the employee or officer, or the person otherwise has attempted to influence the officer or employee. The phrase “intent to influence” means any communication made for the purpose of supporting, promoting, influencing, modifying, opposing, delaying, or advancing the approval, denial,



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

extension, or amendment of a City contract. Notwithstanding the foregoing, the following shall not be deemed to be an intent to for the purposes of section 3.620(a)(2): communications that (a) involve only routine requests for information such as a request for publicly available documents; (b) are made as a panelist or speaker at a conference or similar public event for educational purposes or to disseminate research and the subject matter does not pertain to a specific action or proceeding; (c) are made while attending a general informational meeting, seminar, or similar event; (d) are made to the press; (e) involve an action that is solely ministerial, secretarial, manual or clerical; (f) constitute oral or written public comment that becomes part of the record of a public hearing; (g) are made while speaking at a public forum or rally; or (h) are communicated via petition or social media.

**Illustration:** Prior to a Commission’s vote awarding a City contract, a person not associated with a party to the contract solicitation process privately urges one of the Commissioners to not award the contract to a certain company that is being considered. This person would be an interested party for that Commissioner for the next twelve months.

## **Regulation 3.620-17: Definition of “Interested Party” – City Contractors – Valuing Leases**

For the purposes of determining if a party is a City Contractor and thus an interested party, the value of the contract within a fiscal year is relevant. If the City or a City department is the lessor of real property, the value of the lease shall be based on the market rent value of the property. “Market Rent” shall mean the most probable rent that a real property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement.

## **Regulation 3.620-18: Definition of “Interested Party” – Lobbyists**

If a lobbyist is registered to lobby “All Departments” or has failed to disclose which departments the lobbyist expects to attempt to influence, as required by Section 2.110(b), the lobbyist will be considered an interested party for all City officers and designated employees for purposes of the behested payments provisions.

## **Regulation 3.620-19: Definition of “Interested Party” – Lobbyist Clients and Affiliates of Lobbyist Clients**

Any person, and any affiliate of such person, for whom a lobbyist has contacted a City officer or employee in the last twelve months is an interested party for all City officers and designated employees within the department of the officer or employee who was contacted.

**Illustration:** A lobbyist contacts an officer of a City department in March on behalf of ABC Inc. In July, a designated employee of that department wants to solicit a behested payment from someone who owns 25% of ABC Inc. Because the person being solicited is an affiliate of the company for whom the lobbyist contacted the department and twelve months have not elapsed



# San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

since the contact, the person would be an interested party for the designated employee, who would be prohibited from soliciting the payment.

## **Regulation 3.620-20: Definition of “Interested Party” – Permit Consultants**

Permit consultants who are registered with the Ethics Commission and have reported contacts to carry out permit consulting services during the last twelve months with a City department, are interested parties for the City officers and designated employees of that department.

**Illustration:** A registered permit consultant contacts a City department to try and get a permit issue resolved for their client in May. In December, a designated employee of this department wants to solicit a behested payment from the permit consultant. This solicitation would be prohibited because the permit consultant has registered and has contacted the designated employee’s department within the last twelve months.

## **Regulation 3.620-21: Indirect Solicitations**

Directing or otherwise urging another person to solicit a behested payment from an identifiable interested party, includes, but is not limited to directing or otherwise urging another person to solicit an interested party by name, a group of parties the City officer or designated employee knows or has reason to know contain at least one interested party, or a group of parties based on criteria that the City officer or designated employee knows or has reason to know would likely result in at least one interested party being included. However, a group containing or likely containing an interested party or parties, may be solicited, if any interested parties are excluded from the solicitation.

## **Regulation 3.620-22: Indirect Solicitations – Soliciting Fiscally Sponsored Entities**

If an entity is fiscally sponsored by an interested party, solicitations for behested payments from that entity may be prohibited based on certain factors present in the entity’s relationship to its fiscal sponsor. These factors include, but are not limited to, the level of autonomy and discretion the fiscally sponsored entity has regarding decisions to make payments. If the fiscal sponsor has little to no discretion over the entity’s payments and is required to carry out the will of the fiscally sponsored entity, soliciting the entity would not be prohibited. If the fiscal sponsor retains control over the decision to make payments, the solicitation would be considered a solicitation of the fiscal sponsor and would thus be prohibited.

## **Regulation 3.620-23: Public Appeals**

Following a public appeal, if an interested party initiates contact with a City officer or designated employee about potentially making the payment solicited through the public appeal, the level of



## San Francisco Ethics Commission

25 Van Ness Avenue, STE 220  
San Francisco, CA 94102-6053  
ethics.commission@sfgov.org  
415-252-3100 | sfethics.org

---

engagement the officer or designated employee may have before the conduct rises to the level of soliciting a behested payment partially depends on who is the recipient of the solicited payment.

If the recipient of the payment solicited through the public appeal is not the City or a City department, the officer or designated employee can only respond with factual information, such as the recipient's contact information and may not otherwise coordinate, facilitate, or take steps to encourage the payment.

If the recipient of the payment solicited through a public appeal is the City or a City department, the officer or designated employee is permitted to coordinate, facilitate, negotiate, and otherwise encourage the payment, as though it were a grant or gift offer initiated by the interested party. See San Francisco Ethics Commission Regulations 3.620-8(b) and 3.620-8(c) for more information on grant and gift offers initiated by interested parties.

# Attachment 2

## Ethics Commission Agenda Item 9, Attachment 2

### Summary of Draft Regulations on Behested Payments

11/14/22

<b>Draft Regulations</b>	<b>Description and Rationale for Regulation</b>
3.610-1, 3.620-1, 3.620-1, and 3.630-1 <b>Obsolete Regulations on Reporting Requirements</b>	These four regulations relate to the local behested payments reporting requirements that existed in the Code prior to January 2022. The Code no longer requires this reporting. These regulations are obsolete and should be removed.
3.620-1 <b>Soliciting Behested Payments</b>	This regulation clarifies a payment is solicited by a City officer or designated employee when made “at the behest of” that officer or employee. Draft Regulations 3.620-2 through 3.620-5 further define and illustrate when a payment is made “at the behest of” an officer or designated employee. This regulation also clarifies that a solicitation can occur regardless of whether a payment is actually made.
3.620-2 <b>Soliciting Behested Payments – Definition of “Under the control or at the direction of”</b>	As required by the Code, this regulation defines when a payment is made “at the behest of” a City officer or designated employee.
3.620-3 <b>Soliciting Behested Payments – Definition of “In cooperation, consultation, coordination, or concert with”</b>	As required by the Code, this regulation defines when a payment is made “at the behest of” a City officer or designated employee.
3.620-4 <b>Soliciting Behested Payments – Definition of “At the request or suggestion of”</b>	As required by the Code, this regulation defines when a payment is made “at the behest of” a City officer or designated employee.
3.620-5 <b>Soliciting Behested Payments – Definition of “With the express, prior consent of”</b>	As required by the Code, this regulation defines when a payment is made “at the behest of” a City officer or designated employee.
3.620-6 <b>Soliciting Behested Payments Valued at Less Than \$1,000</b>	The changes to the Code that went into effect in November 2022, included a change to the definition of the word ‘payment’ that exempted solicitations valued at less than \$1,000 from the prohibition in Section 3.620. This regulation clarifies and illustrates how this new \$1,000 limit functions in practice.
3.620-7 <b>Soliciting Behested Payments for Unspecified Amounts</b>	Similar to Draft Regulation 3.620-6, this regulation provides additional information on the new \$1,000 limit, specifically regarding situations where an interested party is being solicited for an unspecified amount.
3.620-8 <b>Exceptions</b>	This regulation, though its subsequent sub-sections, identifies several activities that could currently be considered to be prohibited by Section 3.620. However, as these activities pose little

	risk of abuse, they can be exempted from the Section 3.620 prohibition.
3.620-8 (a) <b>Applying for competitively awarded grants from or with an interested party</b>	This regulation would allow City officers and designated employees to apply for competitively awarded grants with or from an interested party, so long as they are doing so on behalf of their department. Applying for competitively awarded grants can be a valuable source of funding for City departments and as they are competitively awarded, there is little risk associated with such grants coming from an interested party.
3.620-8 (b) <b>Negotiating and accepting grants offered by an interested party</b>	Similar to Draft Regulation 3.620-8 (a) above, multiple departments communicated that it is important for them to be able to negotiate and accept grants that may be offered, unsolicited, by an interested party. In order to use this exception, the offer must not be initiated by the City officer or designated employee.
3.620-8 (c) <b>Coordinating the acceptance of gifts or other payments to the City that have been initiated by an interested party</b>	There can be situations where an interested party offers a gift or payment to the City. Without this regulation, coordinating the acceptance of such a payment could violate the City’s behested payment rules. This regulation would allow City officials to coordinate the acceptance of such gifts to the City, as long as 1) they are initiated by the interested party and 2) do not provide City officials with any personal benefits (such as paying for holiday parties or other employee appreciation activities).
3.620-8 (d) <b>Soliciting payments from nonprofit organizations that are interested parties pursuant to a memorandum of understanding (MOU)</b>	Several departments have nonprofit organizations, commonly known as “Friends Of” organizations that exist primarily to fundraise and support the department. These organizations are typically not interested parties, as past advice and Draft Regulation 3.620-15 specifies that the types of MOUs these organizations typically have do not make them interested parties due to the grant exception in the Code. However, it is possible that these organizations could become an interested party for other reasons (having a permit before a City officer of the department, for example). In such a situation, being an interested party could hinder the ability of the organization and the department to perform pursuant to their MOU, which is what this regulation is seeking to avoid by exempting solicitations made to these organizations pursuant to an MOU.
3.620-8 (e) <b>Responding to request for information from an interested party regarding charitable or philanthropic giving</b>	An interested party may ask a City officer or designated employee for information regarding charitable or philanthropic giving. This regulation specifies that in such situations, the City official should limit their responses to factual information and avoid encouraging or recommending specific payments be made.
3.620-8 (f) <b>Soliciting campaign contributions</b>	Soliciting campaign contributions has never been the intent of the City’s behested payment rules. This regulation clarifies that soliciting a campaign contribution is not soliciting a behested payment.



<p>3.620-9 <b>Definition of “Interested Party”</b></p>	<p>Section 3.630 requires the Ethics Commission to adopt regulations defining and illustrating “interested party.” Draft Regulations 3.620-10 through 3.620-20 define and illustrate the various ways a party can become an interested party.</p>
<p>3.620-10 <b>Definition of “Interested Party” – Parties Involved in Administrative Proceedings</b></p>	<p>This regulation clarifies how being party to a proceeding regarding administrative enforcement or a license, permit, or other entitlement for use before a City officer can make the party an interested party. This regulation also clarifies that a matter merely being appealable to an officer, does not mean the matter is currently “before” that officer.</p>
<p>3.620-11 <b>Definition of “Interested Party” – Parties Involved in Governmental Decisions</b></p>	<p>This regulation clarifies how being party to a government decision regarding either administrative enforcement, or a license, permit, or other entitlement for use makes the party an interested party for all of the City officers and designated employees who were personally and substantially involved in that decision.</p>
<p>3.620-12 <b>Definition of “Interested Party” – Licenses, Permits, or Other Entitlements for Use Issued on a Ministerial Basis</b></p>	<p>This regulation illustrates how the exception for licenses, permits, and other entitlements for use that are issued on a ministerial basis works in practice.</p>
<p>3.620-13 <b>Definition of “Interested Party” – City Contractors</b></p>	<p>This regulation illustrates how being a City contractor or seeking a City contract makes the contractor an interested party. This regulation focuses on illustrating how if the contract is not awarded to the entity seeking the contract, they are only an interested party until the termination of negotiations over the contract.</p>
<p>3.620--14 <b>Definition of “Interested Party” – City Contractors – Contract Term</b></p>	<p>This regulation focuses on illustrating how a City contractor will no longer be made an interested party by the contract, if five years have elapsed since the contract was last executed, amended, extended, or renewed.</p>
<p>3.620-15 <b>Definition of “Interested Party” – City Contractors – Grant Exception</b></p>	<p>The Code states that contracts for the purposes of providing a grant to the City or a City department do not make the contractor an interested party for the purposes of Section 3.620. This regulation specifies that this includes memoranda of understanding and similar agreements that are entered into for the purpose of providing grants to the City or a City department, like those commonly entered into between departments and their “Friends Of” organizations.</p>
<p>3.620-16 <b>Definition of “Interested Party” – City Contractors – Those Attempting to Influence City Contracts</b></p>	<p>This regulation defines “attempt to influence” for the contractor prong of what makes someone an interested party. This definition pulls from the similar definition already used for Section 3.216, with the inclusion of the other requirements included in Section 3.610. This regulation also specifies that this prong does not apply the City contractors who are seeking or awarded the contract.</p>
<p>3.620-17 <b>Definition of “Interested Party” – City Contractors – Valuing Leases</b></p>	<p>In situations where the City or a City department are the lessors of real property, the value of that property is relevant to if the lessee is an interested party (if valued at \$100,000 or more per year, they would be considered a City contractor and thus an interested</p>

	party). This regulation borrows the definition of “Market Rent” from Section 23.2 of the City’s Administrative Code to provide guidance to departments for how to determine the value of their leases for the purposes of Section 3.620.
3.620-18 <b>Definition of “Interested Party” – Lobbyists</b>	This regulation clarifies that lobbyists who register to lobby “All Departments” or who fail to disclose which departments they expect to attempt to influence when they register, will be considered interested parties for the City officers and designated employees of all City departments.
3.620-19 <b>Definition of “Interested Party” – Lobbyist Clients and Affiliates of Lobbyist Clients</b>	This regulation illustrates how lobbyist clients and their affiliates are interested parties, if a lobbyist has contacted the City officer or designated employee’s department in the last 12 months on behalf of the client.
3.620-20 <b>Definition of “Interested Party” – Permit Consultants</b>	This regulation illustrates how registered permit consultants are interested parties for the City officers and designated employees of a department, if within the last twelve months they have reported contacts with their department to carry out permit consulting services.
3.620-21 <b>Indirect Solicitations</b>	This regulation clarifies what it means to indirectly solicit a behested payment from an identifiable interested party.
3.620-22 <b>Indirect Solicitations – Soliciting Fiscally Sponsored Entities</b>	This regulation specifies the factors used to determine when soliciting a payment from an entity that is fiscally sponsored by an interested party may be prohibited by Section 3.620.
3.620-23 <b>Public Appeals</b>	This regulation clarifies the level of communication that is allowed between a City officer or designated employee and an interested party, following a public appeal. In general, if the public appeal was soliciting a payment to a non-City entity, any subsequent communications between the City official and interested party should be limited to factual information, such as the recipient’s contact information. However, if the City is the recipient of the payment, the City official may be more involved in the coordination of the payment by the interested party.