



San Francisco Ethics Commission

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Date: August 5, 2024

To: Members of the Ethics Commission

From: Michael Canning, Policy and Legislative Affairs Manager

Re: **AGENDA ITEM 06 – Discussion and possible action regarding proposed amendments to Ethics Commission campaign consultant regulations.**

Summary and Action Requested

This memo provides an overview of proposed amendments to the Ethics Commission’s regulations regarding the City’s campaign consultant rules.

Staff recommends the Commission review, discuss, and approve the proposed regulation amendments as drafted.

Proposed Amendments to Campaign Consultant Regulations

San Francisco Campaign and Governmental Conduct Code (C&GCC) Section 1.500 et seq. requires a person or entity that receives or is promised \$1,000 or more in a calendar year for providing either campaign management services or campaign strategy services to register, pay fees, and file reports with the Commission. The reports, including registration reports, quarterly disclosure reports, and client authorization and termination statements, are required to be filed in hard copy and remain the last fully paper-based disclosure program operated by the Commission. Section 1.540 permits the Ethics Commission to require campaign consultants to file an electronic copy of a statement or report if the Commission adopts regulations specifying the electronic filing requirements 120 days before the electronic filing requirements are effective.

During the Commission’s office closures due to the COVID-19 pandemic, the Commission instituted temporary processes for accepting campaign consultant disclosure statements electronically, which did not require consultants to file paper copies at the Commission’s office. Campaign consultants could scan or photograph the paper reports or statements and upload the documents via the Commission’s website. Since the Commission’s physical office reopened last year, the Commission has continued to use these temporary processes, instead of returning to the pre-pandemic processes that required filing on paper. For the current calendar year, there are 47 campaign consultants registered with the Ethics Commission and only six have chosen not to use the electronic submission process. The pre-pandemic processes are outdated and unnecessary given the availability of secure methods for electronic filing that the Commission has successfully employed in all other program areas.

Over the past few months, Commission staff have developed a new, more streamlined electronic filing process for campaign consultants that consolidates many of the existing paper forms and simplifies the reporting process. This new electronic process will streamline the filing process for campaign consultants and Ethics Commission staff. Instead of consultants needing to potentially file six different

forms, the new process will only involve two electronic forms that capture the same required information. The new electronic forms are undergoing testing and will be ready for consultants to use when registering in January for the 2025 calendar year. Were the Commission to require electronic filing, paper copies of statements would no longer be required.

The proposed regulations would make two changes to the regulations regarding campaign consultants:

1. Campaign consultants would be required to file statements and reports electronically in a format prescribed by the Ethics Commission; and
2. Existing regulations permitting consultants to file Client Authorization Statements via facsimile would be removed, as the ability to fax in documents will no longer be necessary with electronic filing in place.

These draft amendments are presented in **Attachment 1**. These recommended amendments were developed by the Policy Division based on feedback from, and in collaboration with, the Commission's Engagement & Compliance and Electronic Disclosure and Data Analysis (EDDA) divisions.

The draft regulations from **Attachment 1** have been noticed to the public more than 10 days prior to the Commission's August meeting, as required by [Charter Section 4.104](#). Thus, the Commission may vote to adopt the proposed regulations during its August meeting if desired.

Recommended Next Steps

Staff recommends the Commission vote to approve the proposed regulations as drafted.

Attachments:

Attachment 1: [Ethics Commission Regulation Amendments – Noticed Publicly on 7/29/24](#)

ATTACHMENT 1



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ETHICS COMMISSION REGULATIONS CONCERNING CAMPAIGN CONSULTANTS

7/29/24

Draft Regulation Amendments to San Francisco Campaign and Governmental Conduct Code Section 1.500 et seq

~~Ethics Commission Regulation 1.515(d)-1~~

~~Filing of Facsimile Client Authorization Statements~~

~~Approved by the Ethics Commission on 8/9/99~~

- ~~a. At the time of initial registration, the campaign consultant shall submit to the Ethics Commission a written authorization from each client that contracts with the campaign consultant for campaign consulting services.~~
- ~~b. If the campaign consultant is retained by a client after the date of initial registration, the campaign consultant must file a Client Authorization Statement before providing any campaign consulting services to the client and before receiving any economic consideration from the client in exchange for campaign consulting services, and in any event no later than 15 days after being retained to provide campaign consulting services to the client.~~
- ~~c. If the campaign consultant is retained by a client after the date of initial registration, the campaign consultant may submit a copy of the Client Authorization Statement by facsimile machine. The Client Authorization Statement shall be deemed to be timely filed only if the facsimile copy is received no later than the filing deadline, and within 15 days of the filing deadline the original document is received by the Ethics Commission, and the original document is identical in all respects to the facsimile copy.~~

...

Regulation 1.540(a)-1: Electronic Filing of Statements and Reports.

Whenever campaign consultants are required by Article I, Chapter 5 of the San Francisco Campaign and Governmental Conduct Code to file an original statement or report, the consultant must file the statement or report electronically, in a format prescribed by the Ethics Commission.