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Date: August 4, 2025

To: Members of the Ethics Commission

From: Michael Canning, Policy & Legislative Affairs Manager

Re: AGENDA ITEM 07 – Discussion of Legislation Related to Ethics Commission

Streamlining Project

Summary and Action Requested

This memo provides a review of the Staff recommendations regarding the streamlining of various programs and policies administered by the Ethics Commission and presents draft legislation that would enact those recommendations. This item is informational and requires no action by the Commission. Staff requests that the Commission review and offer feedback on the draft legislation presented in **Attachment 2** and **Attachment 3** to inform finalized legislation for the Commission to vote on during the Commission's next meeting.

Background

In June, Staff presented the Commission with a series of recommendations stemming from the Commission's ongoing *Streamlining Project*. This project evaluated various programs and policies administered by the Commission to determine if they are effective, efficient, add value to the City, and furthering the Commission's mission of promoting the highest standards of integrity in government. This project generated recommendations that would scale back certain programs and policies, streamline and simplify various processes, and make important updates to the City's rules.

These recommendations were presented as two items during the Commission's June meeting. The <u>first item</u> covered findings and recommendations regarding campaign consultants, supplemental recusal notifications, major developers, and trustee candidate reporting requirements. The <u>second item</u> covered proposed changes regarding expenditure ceilings and the candidate campaign contribution limit. All of these recommendations, with the exception of those involving the trustee candidate

¹ June 13, 2025 Meeting <u>Agenda Item 7</u> – Presentation, Discussion, and Possible Action on Ethics Commission Streamlining Project Regarding Major Developers, Campaign Consultants, Recusal Notifications, and Trustee Candidate Reporting Requirements.

² June 13, 2025 Meeting <u>Agenda Item 8</u> – Presentation and Discussion on Streamlining of Expenditure Ceilings & Reporting Requirements for the Public Financing Program and Other Changes to Campaign Finance Rules.

reporting requirements, will require approval by supermajorities of both the Board of Supervisors and the Ethics Commission.

Since the June meeting, Staff have been engaging with members of the Board of Supervisors on these recommendations and working the City Attorney's Office to develop these recommendations as draft legislation. Staff have met with representatives from a majority of supervisor offices regarding these streamlining reforms. Based on these meetings, Staff anticipates there being a sufficient level of support for these reforms within the Board, should they be approved by the Ethics Commission.

Recommendations & Draft Legislation

The streamlining legislation before the Commission is comprised of two pieces of legislation, which will be summarized at a high level below. An overview of this legislation is presented in **Attachment 1**, which contains two tables covering each of the sections of the Campaign & Governmental Conduct Code (C&GCC) that would be amended and for what purposes. The tables in **Attachment 1** are intended to make it easier to review the draft ordinances contained in the following two attachments.

The first ordinance would make changes to the City's rules regarding campaign consultants, recusal notifications, and major developers. A draft of this ordinance is provided as **Attachment 2**. This proposed legislation would enact the following recommendations:

- Discontinue the registration and reporting requirements for campaign consultants and instead
 require consultants to supply their clients with the information necessary to report the
 consultant's activities through the campaign committee's other existing campaign finance
 disclosures.
- 2. Remove the City's requirement to file supplemental recusal notifications with the Ethics Commission but retain the existing recusal procedures that occur during the meeting in which the recusal is made.
- **3. Discontinue the disclosure requirements for major developers** and instead, if a developer is paying a nonprofit for lobbyist services, require the developer to provide the lobbyist with the information they need to register and report as a lobbyist under the City's existing rules.

Each of these programs and policies is unique to San Francisco and not done in comparable jurisdictions. They were enacted in hopes of addressing perceived policy issues at the time, but after years in operation, each of these programs has failed to provide substantial benefit to the City. The recommendations described above would streamline these programs and policies which are currently overly complicated, burdensome, and adding limited value the City. By adjusting the scope and structure of these programs and policies, City resources can be better focused on the core functions of the Commission.

The second ordinance would streamline aspects of the City's Public Financing Program, specifically regarding expenditure ceilings and their associated reporting requirements, and adjust the City's campaign contribution limit. It is important to note these recommendations would not change the eligibility requirements for the Public Financing Program or change the amount of public financing a candidate could receive under the program. A draft of this ordinance is provided as **Attachment 3**. This proposed legislation would enact the following recommendations:

- 1. Streamline how expenditure ceilings apply to candidates by having ceilings apply consistently to all participating candidates in a race and establishing a process for then removing the ceiling in a race based on spending by third parties and non-participating candidates. This would replace the current process of applying unique ceilings to individual candidates, which are then adjusted indefinitely throughout the election.
- 2. Increase the City's campaign contribution limit from \$500 to \$1,000 to adjust for inflation since the previous limit was set in 2000 and establish a clear mechanism for future updates to the limit. Note that the initial recommendation in June was to increase this amount to \$900 but based on updated inflation adjustments and feedback from the Board of Supervisors, Staff have revised this recommendation to \$1,000.

Streamlining how expenditure ceilings function will simplify a process that is currently unnecessarily complicated and time-consuming for both campaign officials and Ethics Commission auditors. The reformed process will be more predictable and straightforward, thus allowing campaigns to potentially redirect some of their resources from administrative functions to additional voter engagement. Similarly, having a less complicated and administratively burdensome process will allow Ethics Commission auditors to focus more of their energy on performing audits, which is their primary responsibility.

Adjusting the campaign contribution limit for the first time in 25 years to account for inflation will help candidates run viable campaigns from their controlled committees in the face of increasing third-party spending.

Update on Legislation Regarding Trustee Elections

In June, Staff presented findings and a recommendation that the campaign reporting requirements currently imposed on candidates for the Health Service Board, Retirement Board, and Retiree Health Care Trust Fund Board be discontinued. These elections are not open to the public and only \$78.60 in campaign spending has been reported under this program since 2018. Strict reporting requirements for candidates in these seats imposes an administrative burden on both the candidates and City staff, without providing any meaningful benefit to the City.

During the June meeting, the Commission voted to authorize the Chair and the Executive Director to send a letter to the Board of Supervisors requesting the Board introduce and enact legislation that

would discontinue the reporting requirements for these candidates. The letter was sent on July 14 and is provided as **Attachment 4**. Staff anticipate legislation being introduced by the Board of Supervisors on this topic in September.

As this recommendation only involves changes to the City's Administrative Code, no additional action is needed by the Commission. However, Commission staff will remain available to assist the Board of Supervisors on this legislation should the Board desire.

Next Steps

Staff requests the Commission review and offer feedback on the ordinance regarding campaign consultants, recusal notifications, and major developers, and the ordinance on expenditure ceilings and the campaign contribution limit. These two ordinances are presented in **Attachment 2** and **Attachment 3** and summarized in **Attachment 1**.

Both ordinances would require supermajority approval from both the Ethics Commission and the Board of Supervisors to be enacted. Following the August Commission meeting, Staff will continue to work with the Board of Supervisors and the City Attorney's Office to prepare finalized versions of this legislation for the Commission to consider and potentially act on during its September meeting. If approved by the Commission in September, the legislation would then be referred to the Board of Supervisors for consideration and action and hopefully be enacted by the end of the year.

Attachments:

Attachment 1: Overview of Streamlining Legislation

Attachment 2: Draft Legislation to Streamline Various Ethics Related Programs and Policies

Attachment 3: Draft Legislation to Streamline the Public Financing Program &

Update Campaign Contribution Limits

Attachment 4: Ethics Commission Letter Regarding Trustee Elections – 7.14.25

ATTACHMENT 1



Attachment 1: Overview of Streamlining Legislation

This document contains two tables, which summarize the two pieces of streamlining legislation currently before the Ethics Commission that would amend the Campaign & Governmental Conduct Code (C&GCC). The tables are organized by the code section.

Overview of Legislation Amending the City's Rules Regarding Campaign Consultants, Supplemental Recusal Notifications, & Major Developers

Type of Change & Code Section	Description of Change
Remove: Article I, Chapter 5 – Section 1.500	Deletes this entire section on findings as this is no longer necessary.
Amend: Article I, Chapter 5 – Section 1.510	Amends this section so that it no longer requires campaign consultants to register and file reports with the Ethics Commission. Instead, the section requires campaign consultants to provide their clients with the information the client needs to fully disclosure their campaign spending associated with the consultant. This information includes:
	 The name, business address, and business phone number of the campaign consultant;
	 If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer; and
	 Any economic consideration promised to or received by the campaign consultant from vendors and subvendors who provided campaign-related goods or services to the client's campaign, provided that the total is \$500 or more.
Remove: Article I, Chapter 5 – Section 1.515	Deletes this entire section related to registration, reporting, and fees from campaign consultants.
Remove: Article I, Chapter 5 – Section 1.520	Deletes this entire section related to duties of the Ethics Commission regarding registration and reporting by campaign consultants.
	The Ethics Commission will continue to provide advice to campaign consultants and maintain regulations related to campaign consultants as necessary, however these duties do not need to be articulated in this section, as they are part of the Commission's charter mandated duties.

Amend: Article I, Chapter	Removes subsection (a) dealing with penalties for failing to
5 – Section 1.525	register and report, as this subsection will no longer be needed.
	Amends subsection (b) (formerly subsubsection (c)) to remove references to the registration and reporting requirements but retains the one-year ban on engaging in campaign consultant services, if the Commission finds the campaign consultant has violated the rules in Chapter 5.
	Adds new subsection (g) to require campaign consultants to retain the records necessary to substantiate the information they will be required to provide to their clients under Chapter 5.
Remove: Article I, Chapter 5 – Section 1.530	Deletes this entire section related to a campaign consultant code of conduct. If there is a need for a voluntary code of conduct for campaign consultants, such a document can be developed by the Commission through regulation and does not need to be stated in the C&GCC.
Amend: Article I, Chapter 5 – Section 1.540	Amends this section on electronic filing requirements so that references to the current registration and reporting requirements are removed. The section retains a general requirement that specifies required documents may be required electronically by the Commission, as is standard throughout other C&GCC chapters.
Amend: Article II, Chapter 1 – Section 2.117	Amends this section to retain the prohibition on lobbying by campaign consultants.
	Removes the references to the registration and reporting requirements in the definition or "current client."
	Removes the definition of "former client" and combines it with the definition of "current client" to instead jointly define "current or former client."
Amend: Article III, Chapter 2 – Section 3.209	Deletes the current subsections (b) and (c) to remove the supplemental recusal notification requirement, while retaining the recusal procedures currently in subsection (a).
	Updates subsection (a) to use gender neutral language.
Amend: Article III, Chapter 2 – Section 3.216	Amends this subsection (d) on gifts of travel to reflect that campaign consultants will no longer be required to register with the Ethics Commission and adds references to the appropriate code sections.
Remove: Article III, Chapter 5 – Section 3.500	Deletes this entire section on findings as this is no longer necessary.

Amend: Article III, Chapter	Amends this section so that it removes the current disclosure
5 – Section 3.520	requirement for major developers and replaces it with a requirement on the major developer to provide anyone performing lobbyist services for the developer with the information such persons would need to register and report as a lobbyist.
Amend: Article III, Chapter 5 – Section 3.530	Removes subsection (a) dealing with penalties for failing to disclose, as this subsection will no longer be needed.

Overview of Legislation on Expenditure Ceilings & Contribution Limits

Type of Change & Code Section	Description of Change
Amend: Article I, Chapter 1 – Section 1.104	Removes the following definitions as they will no longer be relevant:
	 "Individual Expenditure Ceiling" "Total Opposition Spending" "Total Supportive Spending"
	These terms are used in the current individual expenditure ceiling adjustment process but will not be used in the amended process.
Amend: Article I, Chapter 1 – Section 1.114	Updates the contribution limit to \$1,000 to reflect changes in the California Consumer Price Index (CA CPI) since 2000.
	Adds language specifying the Ethics Commission may adjust the contribution limit going forward to reflect changes in CA CPI.
	Updates subsection (d) to use gender neutral language.
Amend: Article I, Chapter	Updates the limits on loan amounts for changes in CA CPI.
1 – Section 1.116	Removes references specific to voluntary expenditure ceilings and updates a reference from Section 1.130 to Section 1.131.
	Clarifies that future adjustments to the limits on loan amounts shall be rounded to the nearest \$1,000.
Remove: Article I, Chapter 1 – Section 1.128	Deletes this entire section on the acceptance or rejection of voluntary expenditure ceilings. Similar information regarding voluntary expenditure ceilings will be covered in the new Section 1.129.
Add: Article I, Chapter 1 – Section 1.129 (New)	Creates a new section that covers how and when expenditure ceilings are required under the Public Financing Program and how non-mayoral and non-supervisorial candidates may accept or reject the voluntary expenditure ceiling in their race.

Remove: Article I, Chapter 1 – Section 1.130	Deletes this entire section on the amount of voluntary expenditure ceilings. Similar information regarding voluntary expenditure ceilings will be covered in the new Section 1.131.
Add: Article I, Chapter 1 – Section 1.131 <i>(New)</i>	Creates a new section that specifies the amounts of the expenditure ceilings for each of the following races:
	Board of Supervisors
	Mayor
	Other Citywide Offices
	Education Related Boards
	This section also includes language clarifying that the Commission is authorized to adjust these amounts going forward to reflect changes in the CA CPI to the nearest \$1,000.
Add: Article I, Chapter 1 – Section 1.133 (New)	Creates a new section that covers when expenditure ceilings will be lifted for a race, what additional reporting is required, the process for lifting the expenditure ceiling for a race, and the process for candidate objections to the lifting of an expenditure ceiling.
	This new process will remove the expenditure ceiling in a race as soon as either:
	 A non-participating candidate, not subject to the expenditure ceiling, makes expenditures or receives contributions in excess of 75% percent of the ceiling in their race, or Independent expenditures made in the race exceed 75%
	of the current expenditure ceiling in the race.
Remove: Article I, Chapter 1 – Section 1.134	Deletes this entire section on the lifting of the voluntary expenditure ceilings and supplemental reporting requirements. Similar information will be covered in the new Section 1.133.
Amend: Article I, Chapter 1 – Section 1.140	Amends subsection (b)(4) to remove a reference to individual expenditure ceilings and updates references to other sections.
	Amends subsection (c)(4) to remove reference to individual expenditure ceilings and updates references to other sections.
	Removes subsection (d)(1) as information on future ceiling adjustments is now covered in the new Section 1.131.
	Updates section to use gender neutral language throughout.
Amend: Article I, Chapter 1 – Section 1.142	Removes a reference in subsection (d) to Section 1.152 as it is being removed and replaces it with a reference to the new Section 1.333.

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	Updates section to use gender neutral language throughout.
Remove: Article I, Chapter 1 – Section 1.143	Deletes this entire section on adjusting individual expenditure ceilings. Similar information regarding expenditure ceilings will be covered in the new Section 1.133.
Remove: Article I, Chapter 1 – Section 1.152	Deletes this entire section on supplemental reporting in elections for Board of Supervisors and Mayor. Similar information regarding reporting requirements will be covered in the new Section 1.133.
Amend: Article I, Chapter 1 – Section 1.161	Changes the text in subsections (a)(2) and (a)(4) to replace "sfethics.org" with "[website address designated by the Ethics Commission]." This language needs to be updated before the Ethics Commission is soon required to change its website domain per State law.
Amend: Article I, Chapter 1 – Section 1.162	Changes text of subsection (a)(1) to replace "sfethics.org" with "[website address designated by the Ethics Commission]." This language needs to be updated before the Ethics Commission is soon required to change its website domain per State law.
Amend: Article I, Chapter 1 – Section 1.170	Changes this section to update references to other sections and makes non-substantive formatting amendments.

ATTACHMENT 2

1 2	[Campaign and Governmental Conduct Code - Campaign Consultants, Recusal Notifications, Major Developer Disclosures]
3	Ordinance amending the Campaign and Governmental Conduct Code to require
4	campaign consultants to provide information necessary for their clients to fully
5	disclose campaign spending, and repeal the requirement that such consultants register
6	with the Ethics Commission; repeal the requirement that members of City boards and
7	commissions file a notice with the Ethics Commission after recusing from participation
8	in a matter based on a financial conflict of interest; and make other conforming
9	changes; and require developers of certain large projects to provide information on
10	nonprofit donations for lobbyist activities so that recipients can accurately register and
11	report such activities, and repeal the requirement that developers register with the
12	Ethics Commission.
13	NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font.
14	Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> . Board amendment additions are in <u>double-underlined Arial font</u> .
15	Board amendment additions are in <u>additioned Analytone</u> . Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code
16	subsections or parts of tables.
17	
18	Be it ordained by the People of the City and County of San Francisco:
19	
20	Section 1. Article I, Chapter 5 of the Campaign and Governmental Conduct Code is
21	hereby amended by revising Sections 1.510, 1.525, and 1.540, and deleting sections 1.500,
22	1.515, 1.520, and 1.530, to read as follows:
23	
24	SEC. 1.500. FINDINGS.
25	(a) The City and County of San Francisco has a paramount interest in protecting the integrity

1	and credibility of its electoral and government institutions. Election campaigns are highly competitive
2	in San Francisco, and candidates frequently contract for the services of professional campaign
3	consultants who specialize in guiding and managing campaigns.
4	(b) It is the purpose and intent of the people of the City and County of San Francisco in
5	enacting this Chapter to impose reasonable registration and disclosure requirements on campaign
6	consultants. Required registration and disclosure of information by campaign consultants will assist
7	the public in making informed decisions, and protect public confidence in the electoral and
8	governmental processes.
9	
10	SEC. 1.510. PROHIBITIONS. <u>INFORMATION TO BE PROVIDED TO CLIENTS.</u>
11	It shall be unlawful for any campaign consultant to provide campaign consulting services, or
12	accept any economic consideration for the provision of campaign consulting services, without first
13	registering with the Ethics Commission and complying with the reporting requirements specified in
14	Section 1.515. Each campaign consultant must provide to their client(s) the following information, so
15	that the client(s) may fully disclose their campaign spending associated with the consultant:
16	(a) The name, business address and business phone number of the campaign consultant;
17	(b) If the campaign consultant is an individual, the name of the campaign consultant's
18	employer and a description of the business activity engaged in by the employer; and
19	(c) Any economic consideration promised to or received by the campaign consultant from
20	vendors and subvendors who provided campaign-related goods or services to the client's campaign,
21	provided that the total is \$500 or more.
22	
23	SEC. 1.515. REGISTRATION, REREGISTRATION, REPORTING, AND FEES.
24	(a) REGISTRATION REPORTS. At the time of initial registration, each campaign consultant
25	shall report to the Ethics Commission the following information:

1	(1) The name, business address and business phone number of the campaign
2	consultant;
3	(2) If the campaign consultant is an individual, the name of the campaign consultant's
4	employer and a description of the business activity engaged in by the employer;
5	(3) The names of any individuals employed by the campaign consultant to assist in
6	providing campaign consulting services;
7	(4) A statement of whether the campaign consultant is required to register with the
8	Ethics Commission pursuant to the Regulation of Lobbyists Ordinance, San Francisco Campaign and
9	Governmental Conduct Code, Article II;*
10	(5) A statement of whether the campaign consultant is required to register with the Tax
11	Collector pursuant to the Business Tax Ordinance, San Francisco Municipal Code, Part III, Section
12	1001, et. seq.;
13	(6) The name, address, and telephone number of each client to whom the campaign
14	consultant provided campaign consulting services during the preceding three months;
15	(7) For each client, the total economic consideration promised by or received from the
16	client in exchange for the provision of campaign consulting services during the preceding three months
17	provided that the total is \$500 or more;
18	(8) Each political contribution of \$100 or more made or delivered by the campaign
19	consultant, or made by a client at the behest of the campaign consultant, or for which the campaign
20	consultant acted as an agent or intermediary, during the preceding three months in support of or in
21	opposition to a candidate or measure;
22	(9) The cumulative total of all political contributions made or delivered by the
23	campaign consultant, or which is made by a client at the behest of the campaign consultant, or for
24	which the campaign consultant acted as an agent or intermediary, during the preceding three months
25	in support of or in opposition to each individual candidate or measure, provided that the cumulative

1	total is \$500 or more;
2	(10) Any gifts promised or made by the campaign consultant to a local officeholder
3	during the preceding three months which in the aggregate total \$50 or more; and
4	(11) Any other information required by the Ethics Commission consistent with the
5	purposes and provisions of this Chapter.
6	(b) REREGISTRATION REPORTS. Each campaign consultant shall reregister annually no
7	later January 1st.
8	(c) FEES. At the time of initial registration and reregistration, each campaign consultant shal
9	pay to the Ethics Commission a registration fee and an additional fee for each client of the campaign
10	consultant. The amount of the fee shall be:
11	(i) Campaign consultants earning at least \$1,000 but not more than \$5,000 per
12	calendar year shall pay a registration fee of \$50 and shall pay a client fee of \$50 per client;
13	(ii) Campaign consultants earning more than \$5,000 but not more than \$20,000 per
14	calendar year shall pay a registration fee of \$200 and a client fee of \$50 per client;
15	(iii) Campaign consultants earning more than \$20,000 per calendar year shall pay a
16	registration fee of \$400 and a client fee of \$50 per client.
17	When a client is acquired subsequent to initial registration or reregistration, the per client fee
18	shall be paid at the time of filing the information required by Subsection (d). The Ethics Commission
19	shall deposit fees collected pursuant to this Section in the General Fund of the City and County of San
20	Francisco. On or after July 1, 1999, the Ethics Commission shall evaluate the fees set by this Section
21	and propose any amendments for approval by the Board of Supervisors no later than December 1,
22	1999. If the Ethics Commission or the Board of Supervisors takes no action, the fees set by this Section
23	shall remain in effect.
24	(d) CLIENT AUTHORIZATION STATEMENTS. At the time of initial registration, the
25	campaign consultant shall submit to the Ethics Commission a written authorization from each client

2	If the campaign consultant is retained by a client after the date of initial registration, the
3	campaign consultant must file a Client Authorization Statement before providing any campaign
4	consulting services to the client and before receiving any economic consideration from the client in
5	exchange for campaign consulting services, and in any event no later than 15 days after being retained
6	to provide campaign consulting services to the client.
7	(e) QUARTERLY REPORTS. Each campaign consultant shall file with the Ethics Commission
8	quarterly reports containing the following information:
9	(1) For each client, the total economic consideration promised by or received from the
10	client during the reporting period for campaign consulting services, provided that the total is \$500 or
11	more;
12	(2) The total economic consideration promised by or received from all clients during
13	the reporting period for campaign consulting services;
14	(3) Political contributions of \$100 or more made or delivered by the campaign
15	consultant, or made by a client at the behest of the campaign consultant, or for which the campaign
16	consultant acted as an agent or intermediary, during the reporting period in support of or in opposition
17	to a candidate or measure;
18	(4) The cumulative total of all political contributions made or delivered by the
19	campaign consultant, or made by a client at the behest of the campaign consultant, or for which the
20	campaign consultant acted as an agent or intermediary, during the reporting period in support of or in
21	opposition to each individual candidate or measure, provided that the cumulative total is \$500 or
22	more;
23	(5) Any gifts promised or made by the campaign consultant to a local officeholder
24	during the reporting period which in the aggregate total \$50 or more;
25	(6) Economic consideration promised to or received by the campaign consultant during

that contracts with the campaign consultant for campaign consulting services.

1	the reporting period from vendors and subvendors who provided campaign-related goods or services to
2	a current client of the campaign consultant;
3	(7) The name of each local officeholder and City employee who is employed by the
4	campaign consultant, or by a client of the campaign consultant at the behest of the campaign
5	consultant, during the reporting period;
6	(8) Each City contract obtained by the campaign consultant during the reporting
7	period, provided that the contract is approved by a local officeholder who is a client of the campaign
8	consultant;
9	(9) Each appointment to public office received by the campaign consultant during the
10	reporting period, provided that the appointment is made by a local office-holder who is a client of the
11	campaign consultant;
12	(10) Any other information required by the Ethics Commission consistent with the
13	purposes and provisions of this Chapter.
14	Quarterly reports are due as follows: The report for the period starting December 1st and
15	ending February 28th is due March 15th; the report for the period starting March 1st and ending May
16	31st is due June 15th; the report for the period starting June 1st and ending August 31st is due
17	September 15th; and the report for the period starting September 1st and ending November 30th is due
18	December 15th.
19	(f) CLIENT TERMINATION STATEMENTS. Within 30 days after a client terminates the
20	services of a campaign consultant, the campaign consultant shall submit to the Ethics Commission a
21	statement that the client has terminated the services of the campaign consultant. A campaign
22	consultant may not provide campaign consulting services to a client or accept economic consideration
23	for the provision of campaign consulting services after a client termination statement is filed, until a
24	new client authorization statement has been filed pursuant to Section 1.515(d).

25

(g) CAMPAIGN CONSULTANT TERMINATION STATEMENTS. A campaign consultant shall

1	comply with all requirements of this Chapter until the campaign consultant ceases all activity as a
2	campaign consultant and files a statement of termination with the Ethics Commission. A statement of
3	termination must include all information required by Subsection (e) for the period since the campaign
4	consultant's last quarterly report.
5	(h) Each campaign consultant shall verify, under penalty of perjury, the accuracy and
6	completeness of the information provided under Sections 1.515 and 1.520(c).
7	(i) Each campaign consultant shall retain for a period of five years all books, papers and
8	documents necessary to substantiate the reports and statements required under this Chapter.
9	
10	SEC. 1.520. POWERS AND DUTIES OF THE ETHICS COMMISSION.
11	(a) The Ethics Commission shall provide forms for the reporting of all information required by
12	this Chapter.
13	(b) The Ethics Commission shall issue a registration number to each registered campaign
14	consultant.
15	(c) At the time of initial registration and reregistration, the Ethics Commission shall provide
16	the campaign consultant with a copy of the City's campaign and lobbyist laws, the Code of Conduct
17	specified in Section 1.530, and any related material which the Commission determines will serve the
18	purposes of this Chapter. Each campaign consultant must sign a statement acknowledging receipt of
19	these materials.
20	(d) The Ethics Commission shall compile the information provided in registration and
21	quarterly reports filed pursuant to this Chapter as soon as practicable after the close of each quarter
22	and shall forward a report of the compiled information to the Board of Supervisors and the Mayor.
23	(e) The Ethics Commission shall preserve all original reports, statements, and other records
24	required to be kept or filed under this Chapter for a period of five years. Such reports, statements, and

records shall constitute a part of the public records of the Ethics Commission and shall be open to

public inspection.

(f) The Commission shall provide formal and informal advice regarding the duties under this Chapter of a person or entity pursuant to the procedures specified in San Francisco; Charter Section C3.699-12.

(g) The Ethics Commission shall have the power to adopt all reasonable and necessary rules and regulations for the implementation of this Chapter pursuant to the procedure specified in Charter Section 15.102.

SEC. 1.525. ADMINISTRATIVE AND CIVIL ENFORCEMENT, *AND* PENALTIES, *AND RECORD RETENTION*.

(a) If any campaign consultant files an original statement or report after any deadline imposed by this Chapter, the Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter, fine the campaign consultant \$50 per day after the deadline until the statement or report is received by the Ethics Commission. If any campaign consultant files an original statement or report after any deadline imposed by this Chapter, when the deadline is fewer than 30 days before or after an election, the Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter, fine the campaign consultant \$100 per day after the deadline until the statement or report is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if the Commission determines that the late filing was not willful and that enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds collected under this Section in the General Fund of the City and County of San Francisco.

 $(b\underline{a})$ Any person who believes that Section 1.510 has been violated may file a complaint with the Ethics Commission. Upon receipt of a complaint, or upon its own initiative, the Commission may investigate allegations of a violation of Section 1.510 and enforce the provisions of Section 1.510 pursuant to the procedures established in San Francisco Charter

- Section C3.699-13, and the Commission's rules and regulations adopted pursuant to Charter Section 15.102.*
 - (eb) When the Commission, pursuant to the procedures specified in Charter Section C3.699-13, determines on the basis of substantial evidence that a person or entity has violated Section 1.510, the Commission may require the person or entity to: (1) cease and desist the violation; (2) file any reports or statements or pay any fees required by this Chapter, and/or (32) pay a monetary penalty of up to \$5,000 for each violation, or three times the amount not properly reported, whichever is greater. The Commission may cancel for up to one year the registration of any campaign consultant who has violated Section 1.510. A campaign consultant whose registration has been canceled pursuant to this found by the Commission to have violated Section 1.510 may not provide campaign consulting services in exchange for economic consideration for one year from the date of that finding the period that the registration is canceled. When the period of cancellation ends, the campaign consultant may reregister pursuant to Section 1.515(a) and (c).
 - (\underline{ac}) Any person or entity which knowingly or negligently violates or who causes any other person to violate Section 1.510 may be liable in a civil action brought by the City Attorney for an amount up to \$5,000 per violation, or three times the amount not properly reported, whichever is greater.
 - (ed) Any person or entity which intentionally or negligently violates Section 1.510 is guilty of a misdemeanor.
 - (\underline{fe}) No administrative, civil, or criminal action shall be maintained to enforce Section 1.510 unless brought within four years after the date the cause of action accrued or the date that the facts constituting the cause of action were discovered by the Ethics Commission, City Attorney, or District Attorney, whichever is later.
 - (gf) In investigating any alleged violation of Section 1.510, the Ethics Commission and

1	City Attorney shall have the power to inspect, upon reasonable notice, all documents required
2	to be maintained under Section 1.515(i) this Chapter. This power to inspect documents is in
3	addition to other powers conferred on the Ethics Commission and City Attorney by the
4	Charter, or by ordinance, including the power of subpoena.
5	(g) Each campaign consultant shall retain for a period of five years all books, papers and
6	documents necessary to substantiate the information required to be provided to clients under this
7	<u>Chapter.</u>
8	
9	SEC. 1.530. CODE OF CONDUCT.
10	At the time of initial registration and reregistration, each campaign consultant must elect
11	whether to voluntarily comply with the following Code of Conduct:
12	"I am familiar with all the laws, rules and regulations applicable to local campaigns;
13	"I will not knowingly make false statements about the qualifications or positions of any
14	candidate, or about the scope and effect of any measure;
15	"I will not knowingly make false statements that any real or fictitious person supports or
16	opposes a candidate or measure;
17	"In the event that I make inadvertent false statements about the qualifications or positions of
18	any candidate or about the scope and effect of any measure, I will endeavor to provide corrected
19	information in written form to the Ethics Commission within five days;
20	"I will refrain from appealing to prejudice in the conduct of a campaign, and from conducting,
21	managing or advising a campaign, which appeals to prejudice based on race, gender, ethnic
22	background, religious affiliation or nonaffiliation, sexual orientation, age, disability, or economic
23	status;
24	"I will refrain from seeking to obtain the support of or opposition to any candidate or measure
25	by the use of financial inducements or by the use of threats or coercion;

1	"I will refrain from influencing the submission of a measure to the San Francisco voters for the
2	sole purpose of obtaining economic consideration for campaign consulting services;
3	"I will disclose through a filing at the San Francisco Ethics Commission any agreements that
4	would result in a campaign consulting contract resulting from my efforts to influence the submission of
5	a measure to the San Francisco voters at the time that I seek submission of any such measure;
6	"I will refrain from seeking to evade, or participating in efforts of others to evade, the legal
7	requirements in laws pertaining to political campaigns;
8	"I will not knowingly participate in the preparation, dissemination, or broadcast of paid
9	political advertising or campaign materials that contain false information; and
10	"I will refrain from accepting clients whose interests are adverse to each other."
11	
12	SEC. 1.540. ELECTRONIC FILING OF STATEMENTS AND REPORTS.
13	(a) ELECTRONIC FILLING REQUIRED. Whenever campaign consultants are required by
14	this Chapter to file an original statement or report, tThe Ethics Commission may require the a
15	<u>campaign</u> consultants to file an electronic copy of the <u>any</u> statement or report <u>required under this</u>
16	Chapter. The electronic copy shall be due no later than the deadline imposed by this Chapter for filing
17	the original statement or report.
18	(b) POWERS AND DUTIES OF THE ETHICS COMMISSION.
19	(i) Pursuant to San Francisco Charter Section 15.102, the Ethics Commission shall
20	adopt regulations specifying the electronic filing requirements applicable to campaign consultants.
21	The Ethics Commission shall adopt these regulations no fewer than 120 days before the electronic
22	filing requirements are effective.
23	(ii) The Ethics Commission shall prescribe the format for electronic copies of
24	statements and reports no fewer than 90 days before the statements and reports are due to be filed.
25	(c) PENALTIES. If any campaign consultant files an electronic copy of a statement or report

1	after the deadline imposed by this Section, the Ethics Commission shall, in addition to any other
2	penalties or remedies established in this Chapter, fine the campaign consultant \$10 per day after the
3	deadline until the electronic copy is received by the Ethics Commission. The Ethics Commission may
4	reduce or waive a fine if the Commission determines that the late filing was not willful and that
5	enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds
6	collected under this Section in the General Fund of the City and County of San Francisco.
7	
8	Section 2. Article II, Chapter 1 of the Campaign and Governmental Conduct Code is
9	hereby amended by revising Section 2.117 to read as follows:
10	
11	SEC. 2.117. LOBBYING BY CAMPAIGN CONSULTANTS.
12	* * * *
13	(c) DEFINITIONS. Whenever the following words or phrases are used in this Section,
14	they shall mean:
15	(1) "Campaign consultant" shall have the same meaning as in Article I, Chapter
16	5, Section 1.505 of this Code.
17	(2) "Campaign consulting services" shall have the same meaning as in Article I
18	Chapter 5, Section 1.505 of this Code.
19	(3) "Current or former client" shall mean a person for whom the campaign
20	consultant has filed a client authorization statement pursuant to Article I, Chapter 5, Section 1.515(a
21	of this Code and not filed a client termination statement pursuant to Article I, Chapter 5, Section
22	1.515(f) of this Code provided, or been compensated for, campaign consulting services during the
23	preceding 60 months. If such person is a committee as defined by Section 82013 of the
24	California Government Code, the current client shall be any individual who controls such

committee; any candidate that such committee was primarily formed to support; and any

1	proponent or opponent of a ballot measure that the committee is primarily formed to support
2	or oppose.
3	(4) "Employee" shall mean an individual employed by a campaign consultant,
4	but does not include any individual who has an ownership interest in the campaign consultant
5	that employs them.
6	(5) "Former client" shall mean a person for whom the campaign consultant has filed a
7	client termination statement pursuant to Article I, Chapter 5, Section 1.515(f) of this Code within the 60
8	months prior to communicating with the person.
9	
10	Section 3. Article III, Chapter 2 of the Campaign and Governmental Conduct Code is
11	hereby amended by revising Sections 3.209 and 3.216 to read as follows:
12	
13	SEC. 3.209. RECUSALS <u>PROCEDURES</u> .
14	(a) Recusal Procedures. Any member of a City board or commission who has a conflict
15	of interest under Sections 3.206 or 3.207, or who must recuse himself or herself themselves from
16	a proceeding under California Government Code Section 84308, shall, in the public meeting
17	of the board or commission, upon identifying a conflict of interest immediately prior to the
18	consideration of the matter, do all of the following:
19	(+a) publicly identify the circumstances that give rise to the conflict of interest in detail
20	sufficient to be understood by the public, provided that disclosure of the exact street address
21	of a residence is not required;
22	(2b) recuse $himself$ or $herself$ $themselves$ from discussing or acting on the matter; and
23	(3c) leave the room until after the discussion, vote, and any other disposition of the
24	matter is concluded, unless the matter has been placed on and remains on the consent

calendar.

1	(b) Recusal Notification. A member of a City board or commission who is required to file a
2	statement of economic interests pursuant to Article III, Chapter 1 of the Campaign and Governmental
3	Conduct Code shall file a recusal notification form each time the member recuses himself or herself, as
4	required by subsection (a).
5	(1) The member shall file the original recusal notification form, along with a copy of the
6	meeting agenda containing the item involving the conflict of interest, with the Ethics Commission
7	within 15 calendar days after the date of the meeting at which the recusal occurred.
8	(2) The member shall file the recusal notification form with the Ethics Commission even
9	if the member is not present at the meeting that would have involved the conflict of interest.
10	(3) The recusal notification form shall be filed under penalty of perjury in a method
11	prescribed by the Ethics Commission and shall include, at a minimum, the following:
12	(A) the member's name;
13	(B) the name of the member's board or commission;
14	(C) the date of the meeting at which the recusal occurred or would have
15	occurred;
16	(D) the agenda item number, a brief description of the matter, and a statement
17	of whether the matter concerns the making of a contract; and
18	(E) the financial interest causing the recusal.
19	(c) Exception. The requirements of this Section 3.209 shall not apply to the members of the
20	Board of Supervisors.
21	
22	SEC. 3.216. BRIBERY AND GIFTS.
23	* * * *
24	(d) Gifts of Travel.
25	(1) Gifts to Elected Officers. In addition to the gift limits and reporting

1	requirements imposed by the Political Reform Act and this Code, no elected officer may
2	accept a gift of transportation, lodging, or subsistence for any out-of-state trip paid for in part
3	by an individual or entity other than the City and County of San Francisco, another
4	governmental body, or a bona fide educational institution, defined in Section 203 of the
5	Revenue and Taxation Code, unless the officer has first disclosed on a form filed with the
6	Ethics Commission:
7	(A) the name of the individual or entity and the total amount that will be
8	paid by the individual or entity to fund the trip, including but not limited to the amount directly
9	related to the cost of the elected officer's transportation, lodging, and subsistence;
10	(B) the name, occupation and employer of any contributor who has
11	contributed more than \$500 to the individual or entity funding the trip and whose contributions
12	were used in whole or in part to fund the trip;
13	(C) a description of the purpose of the trip and the itinerary; and
14	(D) the name of any individual accompanying the official on the trip who
15	is:
16	(i) a City employee required to file a Statement of Economic
17	Interests,
18	(ii) a lobbyist as defined in Section 2.105 of this Code, or a campaign
19	consultant as defined in Section 2.117 of this Code registered with the Ethics Commission,
20	(iii) an employee of or individual who has any ownership interest
21	in a lobbyist or campaign consultant registered with the Ethics Commission, or
22	(iv) the individual funding the trip, or an employee or officer of the
23	entity funding the trip.
24	(2) Reimbursement of Gifts of Travel. In addition to any other reporting
25	requirements imposed by the Political Reform Act or local law, an elected officer who

1	reimburses an individual or entity for a gift of transportation, lodging or subsistence related to
2	out-of-state travel and thereby avoids having received or accepted the gift shall file a form with
3	the Ethics Commission within 30 days of such reimbursement disclosing:
4	(A) the name of the individual or entity that originally paid for the
5	transportation, lodging or subsistence;
6	(B) the amount paid by the individual or entity for the elected officer's
7	transportation, lodging or subsistence;
8	(C) the amount reimbursed by the elected officer to the individual or
9	entity and the process used to determine that amount; and
10	(D) a description of the purpose of the trip and the itinerary.
11	(3) Format. The Ethics Commission shall provide forms for the disclosure
12	required by this subsection and shall make the completed forms available on its website.
13	(4) Definition. For the purpose of this subsection, the term "elected officer"
14	means the Mayor, member of the Board of Supervisors, City Attorney, District Attorney, Public
15	Defender, Assessor, Treasurer, and Sheriff.
16	* * * *
17	
18	Section 4. Article III, Chapter 5 of the Campaign and Governmental Conduct Code is
19	hereby amended by revising Sections 3.520 and 3.530, and deleting Section 3.500, to read as
20	follows:
21	
22	SEC. 3.500. FINDINGS
23	The Board of Supervisors finds that public disclosure of the donations that developers make to
24	nonprofit organizations that may communicate with the City and County regarding major development
25	projects is essential to protect public confidence in the fairness and impartiality of City and County

1	land use decisions. The Board further finds that disclosure is essential to allow the public to fully and
2	fairly evaluate the City and County's land use decisions. It is the purpose and intent of this Chapter to
3	impose reasonable disclosure requirements on developers to provide the public with information about
4	these donations.
5	
6	SEC. 3.520. REQUIRED DISCLOSURE INFORMATION TO BE PROVIDED WHEN
7	PAYMENTS OR DONATIONS ARE MADE TO NONPROFITS IN EXCHANGE FOR LOBBYIST
8	<u>SERVICES</u> .
9	Any developer of a major project, or any of its affiliates, that has paid or donated to a nonprofit
10	organization in exchange for lobbyist services, as defined in Section 2.105 of this Code, shall provide to
11	any person who will provide the lobbyist services the information that they would need to register and
12	report such lobbyist services under Article II, Chapter 1 of this Code. The developer must provide this
13	information to such persons within 5 days of entering such an agreement.
14	(a) Any developer of a major project shall, within 30 days of the date the Planning Commission
15	(or any other local lead agency) certifies the EIR for that project or, for a major project relying on a
16	program EIR, within 30 days of the date that the Planning Department, Planning Commission, or any
17	other local lead agency adopts a final environmental determination under CEQA, report the following
18	information to the Ethics Commission:
19	(1) The name, business address, business e-mail address and business telephone
20	number of the developer, as well as those of any affiliates that made donations subject to this Chapter.
21	
22	(2) The EIR case number and a description of the major project.
23	(3) The date the Planning Commission (or other local lead agency) certified the EIR or
24	adopted the final environmental determination.
25	(1) The name hyginess address business a mail address business telephone number

(4) The name, business address, business e-mail address, business telephone number

and website of any nonprofit organization: (A) to whom the developer or any affiliate of the developer
has made cumulative donations of \$5,000 or more since the date one year before the Environmental
Evaluation Application for the major project was filed: and (B) that with regard to the developer's
major project, has had one or more contacts with an officer of the City and County or has provided
public comment at any hearing before any board or commission of the City and County. For the
purpose of this Subsection 3.520(a)(4), the term "contact" shall have the same meaning as in Section
2.106 of this Code, except that a "contact" shall also include a person providing oral or written
testimony that becomes part of the record of a public hearing; and the term "officer of the City and
County of San Francisco" shall have the same meaning as in Section 2.105 of this Code.
(5) For each nonprofit organization reported under Subsection (a)(4), the date and
amount of each donation the developer or affiliate made to the nonprofit during the reporting period.
(6) Any other information required by the Ethics Commission consistent with the
purposes and provisions of this Chapter.
purposes and provisions of this Chapter. (b) After a developer files a report required by Subsection (a), the developer shall file a total of
(b) After a developer files a report required by Subsection (a), the developer shall file a total of
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and on January 15 for the period starting October 1 and ending December 31. Each quarterly report shall
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and on January 15 for the period starting October 1 and ending December 31. Each quarterly report shall include:
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and on January 15 for the period starting October 1 and ending December 31. Each quarterly report shall include: (1) The name, business address, business e-mail address, and business telephone
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and on January 15 for the period starting October 1 and ending December 31. Each quarterly report shall include: (1) The name, business address, business e-mail address, and business telephone number of the developer and any affiliates that made donations subject to this Chapter.
(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and on January 15 for the period starting October 1 and ending December 31. Each quarterly report shall include: (1) The name, business address, business e-mail address, and business telephone number of the developer and any affiliates that made donations subject to this Chapter. (2) The EIR case number and a description of the major project.

(4) The name, business address, business e-mail address, business telephone number

1	and website of any nonprofit organization to which the developer has made cumulative donations of
2	\$5,000 or more since the date one year before the Environmental Evaluation Application was filed.
3	(5) For each nonprofit organization reported under Subsection (b)(4), the date and
4	amount of each donation the developer made to the nonprofit during the reporting period.
5	(6) Any other information required by the Ethics Commission consistent with the
6	purposes and provisions of this Chapter.
7	(e) At the time of filing the initial report required by subsection (a), the developer shall pay a
8	fee of \$500.
9	
10	SEC. 3.530. PENALTIES AND ENFORCEMENT.
11	(a) If any developer fails to submit any information required by this Chapter after any
12	applicable deadline, the Ethics Commission shall, in addition to any other penalties or remedies

(a) If any developer fails to submit any information required by this Chapter after any applicable deadline, the Ethics Commission shall, in addition to any other penalties or remedies established in this Chapter, impose a late filing fee of \$50 per day after the deadline until the information is received by the Ethics Commission. The Executive Director of the Ethics Commission may reduce or waive a late filing fee if the Executive Director determines that the late filing was not willful and that enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds collected under this Section in the General Fund of the City and County of San Francisco.

- $(b\underline{a})$ Any person who violates this Chapter, including but not limited to, by providing inaccurate or incomplete information, may be liable in an administrative proceeding before the Ethics Commission pursuant to Charter Section C3.699-13. In addition to the administrative penalties set forth in the Charter, the Ethics Commission may issue warning letters regarding potential violations of this Chapter.
- (eb) Any person or entity which knowingly or negligently violates this Chapter may be liable in a civil action brought by the City Attorney for an amount up to \$5,000 per violation, or

three times the amount not properly reported, whichever is greater.

 (\underline{ac}) In investigating any alleged violation of this Chapter the Ethics Commission and City Attorney shall have the power to inspect all documents required to be maintained under this Chapter. This power to inspect documents is in addition to other powers conferred on the Ethics Commission and City Attorney by the Charter or by ordinance, including the power of subpoena.

 $(e\underline{d})$ Should two or more persons be responsible for any violation under this Chapter, they may be jointly and severally liable.

Section 5. Prerequisites for Enactment; Super-Majority Vote Requirement. The enactment of Sections 1, 2, 3, and 4 of this ordinance is subject to provisions of the Campaign and Governmental Conduct Code that require the amendments to be approved by the Ethics Commission by a supermajority vote of at least four members of the Commission, and approved by a supermajority vote of at least eight members of the Board of Supervisors.

Section 6. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 7. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

1	additions, and Board amendment deletions in accordance with the "Note' that appears under
2	the official title of the ordinance.
3	
4	Section 8. Severability. If any section, subsection, sentence, clause, phrase, or word
5	of this ordinance, or any application thereof to any person or circumstance, is held to be
6	invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
7	shall not affect the validity of the remaining portions or applications of the ordinance. The
8	Board of Supervisors hereby declares that it would have passed this ordinance and each and
9	every section, subsection, sentence, clause, phrase, and word not declared invalid or
10	unconstitutional without regard to whether any other portion of this ordinance or application
11	thereof would be subsequently declared invalid or unconstitutional.
12	
13	APPROVED AS TO FORM:
14	DAVID CHIU, City Attorney
15	By:
16	KATHLEEN VERMAZEN RADEZ Deputy City Attorney
17	n:\legana\as2025\2500323\01856148.docx
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21	
22	
23	
24	
25	

ATTACHMENT 3

1	[Campaign and Governmental Conduct Code - Campaign Public Financing Expenditure Ceilings and Reporting Requirements, and Campaign Contribution Limits]
2	
3	Ordinance amending the Campaign and Governmental Conduct Code to modify the
4	public financing program for candidates for Mayor and Board of Supervisors by
5	replacing the current process of continuous adjustments of individual expenditure
6	ceilings to a "one-and-done" approach in which the ceiling is removed for all
7	candidates within the race once certain spending reaches a specified amount, and
8	adjusting reporting requirements; raise the campaign contribution limit from \$500 to
9	\$1,000 and authorize the Ethics Commission to adjust the contribution limit going
10	forward for changes in the Consumer Price Index; and allow the Ethics Commission to
11	designate the website to be used in campaign advertisement disclaimers.
12	NOTE: Unchanged Code text and uncodified text are in plain Arial font.
13	Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> .
14	Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font.
15	Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.
16	'
17	Be it ordained by the People of the City and County of San Francisco:
18	
19	Section 1. Article I, Chapter 1 of the Campaign and Governmental Conduct Code is
20	hereby amended by revising Sections 1.104, 1.114, 1.116, 1.140, 1.142, 1.161, 1.162, and
21	1.170, adding Sections 1.129, 1.131, and 1.133, deleting Sections 1.128, 1.130, 1.134, 1.143
22	and 1.152, to read as follows:
23	
24	SEC. 1.104. DEFINITIONS.
25	Whenever in this Chapter 1 the following words or phrases are used, they shall mean:

1	* * * *
2	"Individual Expenditure Ceiling" shall mean the expenditure ceiling established for each
3	individual candidate for Mayor or the Board of Supervisors whom the Ethics Commission has certified
4	as eligible to receive public funds under this Chapter.
5	* * * *
6	"Total Opposition Spending" shall mean the sum of any expenditures made or expenses
7	incurred by any person or persons for the purpose of making independent expenditures, electioneering
8	communications or member communications in opposition to a specific candidate for Mayor or the
9	Board of Supervisors.
10	"Total Supportive Funds" shall mean the sum of all contributions received by a candidate
11	committee supporting a candidate for Mayor or the Board of Supervisors, other than any funds that
12	exceed the candidate's Individual Expenditure Ceiling, plus the expenditures made or expenses
13	incurred by any person or persons for the purpose of making independent expenditures, electioneering
14	communications or member communications in support of that same candidate.
15	* * * *
16	
17	SEC. 1.114. CONTRIBUTIONS – LIMITS AND PROHIBITIONS.
18	(a) LIMITS ON CONTRIBUTIONS TO CANDIDATES. No person other than a
19	candidate shall make, and no campaign treasurer for a candidate committee shall solicit or
20	accept, any contribution which will cause the total amount contributed by such person to such
21	candidate committee in an election to exceed \$500\$1,000. The Ethics Commission is authorized
22	to adjust this figure to reflect changes in the California Consumer Price Index, provided that such
23	adjustments shall be rounded off to the nearest \$100.

* * * *

24

25

(d) PROHIBITION ON CONTRIBUTIONS FOR OFFICIAL ACTION. No candidate

1	may, directly or by means of an agent, give, offer, promise to give, withhold, or offer or
2	promise to withhold <i>his or her their</i> vote or influence, or promise to take or refrain from taking
3	official action with respect to any proposed or pending matter in consideration of, or upon
4	condition that, any other person make or refrain from making a contribution.
5	* * * *
6	SEC. 1.116. LIMITS ON LOANS TO CANDIDATES.
7	(a) A candidate's loan of personal funds to the candidate's campaign may not exceed
8	at any time more than:
9	(1) \$15,000.0027,000 for a candidate for the Board of Supervisors, Board of
10	Education of the San Francisco Unified School District or the Governing Board of the San
11	Francisco Community College District,
12	(2) \$ <i>120,000.00</i> 2 <i>13,000</i> for a candidate for Mayor, or
13	(3) \$35,000.0062,000 for a candidate for Assessor or Public Defender, City
14	Attorney, Treasurer, District Attorney or Sheriff.
15	(b) A candidate may not charge interest on any loan the candidate has made to the
16	candidate's campaign.
17	(c) In addition to any other penalty, loans made by a candidate to the candidate's
18	campaign in excess of the amounts in Subsection (a) shall be deemed a contribution to the
19	campaign and may not be repaid to the candidate.
20	(d) Whenever the Ethics Commission adjusts the <i>voluntary</i> expenditure ceilings to
21	reflect changes in the California Consumer Price Index, as authorized under Section $\frac{1.130}{1.130}$
22	$\underline{1.131}$, the Commission is authorized to adjust the loan amounts in this Section $\underline{1.116}$ to reflect
23	changes in the Consumer Price Index, provided that such adjustments shall be rounded off to the

<u>nearest \$1,000</u>.

24

1 SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE CEILINGS. 2 3 (a) Candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing 4 5 Board of the San Francisco Community College District may accept the applicable voluntary expenditure ceiling. Candidates for the Board of Supervisors or Mayor may not accept a voluntary 6 7 expenditure ceiling. 8 (b) To accept the applicable voluntary expenditure ceiling, a candidate must file a statement 9 with the Ethics Commission accepting the applicable voluntary expenditure ceiling. The candidate 10 shall file this statement no later than the deadline for filing nomination papers with the Department of Elections. A candidate may not withdraw the statement accepting the voluntary expenditure ceiling 11 12 after filing the statement. A candidate may not file the statement accepting the applicable voluntary 13 expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure ceiling under Section 1.134 of this Chapter. 14 15 (c) The Ethics Commission shall maintain, on its website, a list of the candidates who have 16 accepted the voluntary expenditure ceiling. If the Ethics Commission has lifted a voluntary expenditure ceiling for a particular race under Section 1.134 of this Chapter, the Ethics Commission shall instead 17 18 maintain a list of the candidates who have accepted, but are no longer subject to the voluntary 19 expenditure ceiling in that race. 20 (d) A candidate who has accepted the applicable voluntary expenditure ceiling and makes 21 qualified campaign expenditures in excess of the voluntary expenditure ceiling, at a time when the 22 Ethics Commission has not lifted the applicable voluntary expenditure ceiling, is subject to the 23 penalties in Section 1.170 for violation of this Chapter. 24

25

SEC. 1.129. EXPENDITURE CEILINGS.

1	(a) Required Expenditure Ceilings for Public Financing.
2	(1) To be eligible to receive public financing of campaign expenses under this Chapter,
3	candidates for the Board of Supervisors or Mayor must agree that their candidate committee will not
4	make qualified campaign expenditures that total more than the applicable expenditure ceiling specified
5	in Section 1.131, unless the expenditure ceiling has been lifted as specified in Section 1.133.
6	(2) A candidate shall indicate their tentative acceptance of the expenditure ceiling by
7	filing their statement of participation with the Ethics Commission as required by Section 1.140.
8	(3) The expenditure ceiling shall apply to a candidate if the Executive Director has
9	certified the candidate is eligible to receive public financing under Section 1.142.
10	(4) The Ethics Commission shall maintain, on its website, a list of the candidates who
11	are subject to the expenditure ceiling. If the Ethics Commission has lifted the expenditure ceiling for a
12	particular race under Section 1.133, the Ethics Commission shall instead maintain a list of the
13	candidates who have accepted public financing, but are no longer subject to the expenditure ceiling in
14	<u>that race.</u>
15	(5) A candidate who is subject to the expenditure ceiling and makes qualified campaign
16	expenditures in excess of the applicable expenditure ceiling, at a time when the Ethics Commission has
17	not lifted the expenditure ceiling, is subject to the penalties in Section 1.170 for violation of this
18	<u>Chapter.</u>
19	(b) Voluntary Expenditure Ceilings.
20	(1) Candidates for Assessor-Recorder, City Attorney, District Attorney, Public
21	Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District, or
22	the Governing Board of the San Francisco Community College District may accept the applicable
23	voluntary expenditure ceiling specified in Section 1.131, unless the expenditure ceiling has been lifted
24	as specified in Section 1.133. Candidates for the Board of Supervisors or Mayor may not accept a
25	voluntary expenditure ceiling.

1	(2) To accept the applicable voluntary expenditure ceiling, a candidate must file a
2	statement with the Ethics Commission accepting the applicable voluntary expenditure ceiling. The
3	candidate shall file this statement no later than the deadline for filing nomination papers with the
4	Department of Elections. A candidate may not withdraw the statement accepting the voluntary
5	expenditure ceiling after filing the statement. A candidate may not file the statement accepting the
6	applicable voluntary expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure
7	ceiling under Section 1.333.
8	(3) The Ethics Commission shall maintain, on its website, a list of the candidates who
9	have accepted the voluntary expenditure ceiling. If the Ethics Commission has lifted a voluntary
10	expenditure ceiling for a particular race under Section 1.133, the Ethics Commission shall instead
11	maintain a list of the candidates who have accepted, but are no longer subject to, the voluntary
12	expenditure ceiling in that race.
13	(4) A candidate who has accepted the applicable voluntary expenditure ceiling and
14	makes qualified campaign expenditures in excess of the voluntary expenditure ceiling, at a time when
15	the Ethics Commission has not lifted the applicable voluntary expenditure ceiling, is subject to the
16	penalties in Section 1.170 for violation of this Chapter.
17	
18	SEC. 1.130. AMOUNT OF VOLUNTARY EXPENDITURE CEILINGS.
19	(a) Any candidate for Assessor, Public Defender, City Attorney, District Attorney, Treasurer,
20	or Sheriff who agrees to accept voluntary expenditure ceilings shall not make total qualified campaign
21	expenditures exceeding \$243,000, unless the Ethics Commission has lifted the voluntary expenditure
22	ceiling pursuant to Section 1.134 of this Chapter.
23	(b) Any candidate for the Board of Education of the San Francisco Unified School District or
24	the Governing Board of the San Francisco Community College District who agrees to accept voluntary
25	expenditure ceilings shall not make total qualified campaign expenditures exceeding \$104,000, unless

1	the Ethics Commission has lifted the voluntary expenditure ceiling pursuant to Section 1.134 of this
2	Chapter.
3	(c) The Ethics Commission is authorized to adjust annually by regulation the voluntary
4	expenditure ceilings imposed by this Section to reflect the change in the California Consumer Price
5	Index for that year, provided that such adjustments shall be rounded off to the nearest \$1,000.
6	
7	SEC. 1.131. AMOUNT OF EXPENDITURE CEILINGS.
8	(a) Any candidate for the Board of Supervisors subject to an expenditure ceiling under Section
9	1.129(a) shall not make total qualified campaign expenditures exceeding \$412,000, unless the Ethics
10	Commission has lifted the expenditure ceiling pursuant to Section 1.133.
11	(b) Any candidate for Mayor subject to an expenditure ceiling under Section 1.129(a) shall not
12	make total qualified campaign expenditures exceeding \$2,005,000, unless the Ethics Commission has
13	lifted the expenditure ceiling pursuant to Section 1.133.
14	(c) Any candidate for Assessor-Recorder, Public Defender, City Attorney, District Attorney,
15	Treasurer, or Sheriff who agrees to accept a voluntary expenditure ceiling under Section 1.129(b) shall
16	not make total qualified campaign expenditures exceeding \$374,000, unless the Ethics Commission has
17	lifted the voluntary expenditure ceiling pursuant to Section 1.133.
18	(d) Any candidate for the Board of Education of the San Francisco Unified School District or
19	the Governing Board of the San Francisco Community College District who agrees to accept a
20	voluntary expenditure ceiling under Section 1.129(b) shall not make total qualified campaign
21	expenditures exceeding \$160,000, unless the Ethics Commission has lifted the voluntary expenditure
22	ceiling pursuant to Section 1.133.
23	(e) The Ethics Commission is authorized to adjust the expenditure ceilings imposed by this
24	Section 1.131 to reflect changes in the California Consumer Price Index, provided that such
25	adjustments shall be rounded off to the nearest \$1,000.

1	SEC. 1.133. LIFTING OF EXPENDITURE CEILINGS AND SUPPLEMENTAL
2	REPORTING REQUIREMENTS.
3	(a) Lifting of Expenditure Ceilings.
4	(1) An expenditure ceiling shall no longer be binding on a candidate:
5	(A) if a candidate seeking election to the same office who is not subject to an
6	expenditure ceiling under Section 1.129(a), or who has not accepted a voluntary expenditure ceiling
7	under Section 1.129(b), receives contributions or makes qualified campaign expenditures in excess of
8	75% of the applicable expenditure ceiling;
9	(B) if a candidate seeking election to the same office, who is subject to the
10	expenditure ceiling or makes qualified campaign expenditures in excess of 100% of the applicable
11	expenditure ceiling; or
12	(C) if a person or persons makes expenditures or payments, or incurs expenses
13	for the purpose of making independent expenditures, electioneering communications, or member
14	communications, and those expenditures, payments, and expenses clearly identify a candidate seeking
15	election to the same City elective office and total more than 75% of the applicable expenditure ceiling.
16	(b) Additional Reporting Requirements.
17	(1) In addition to the campaign disclosure requirements imposed by the California
18	Political Reform Act and other provisions of this Chapter:
19	(A) Each candidate committee supporting a candidate in a race with an active
20	expenditure ceiling that receives contributions or makes qualified campaign expenditures that total
21	more than 75% of the applicable expenditure ceiling shall, within 24 hours of exceeding 75% of the
22	applicable expenditure ceiling, file a statement with the Ethics Commission, on forms to be provided by
23	the Ethics Commission, stating that fact and any additional information required by the Ethics
24	Commission.
25	(B) Each candidate committee supporting a candidate for the Board of

1	Supervisors shall file a statement with the Ethics Commission indicating when the committee has
2	received contributions to be deposited into its Campaign Contribution Trust Account or made qualified
3	campaign expenditures that equal or exceed the amount stated in Section 1.140(b)(3) within 24 hours
4	of reaching or exceeding that amount.
5	(C) Each candidate committee supporting a candidate for Mayor shall file a
6	statement with the Ethics Commission indicating when the candidate committee has received
7	contributions to be deposited into its Campaign Contribution Trust Account or made qualified
8	campaign expenditures, that equal or exceed the amount stated in Section 1.140(c)(3) within 24 hours
9	of reaching or exceeding that amount.
10	(2) The Executive Director shall post the information disclosed on statements required
11	by this subsection on the website of the Ethics Commission within two business days of the statement's
12	filing.
13	(c) Process for Lifting Expenditure Ceilings.
14	(1) The Executive Director shall promptly review statements filed pursuant to state and
15	local law, including the statement required by subsection (b)(1)(A) of this Section 1.133, and any other
16	materials the Executive Director deems relevant, to determine if an expenditure ceiling must be lifted
17	pursuant to subsection $(a)(1)(A)$.
18	(2) The Executive Director shall promptly review statements filed pursuant to state and
19	local law, and any other materials the Executive Director deems relevant, to determine if an
20	expenditure ceiling must be lifted pursuant to subsection (a)(1)(B) of this Section 1.133.
21	(3) The Executive Director shall promptly review statements filed pursuant to state and
22	local law, including California Government Code section 84204 and Sections 1.161, 1.162, and 1.163,
23	and any other materials the Executive Director deems relevant, to determine whether a communication
24	supports or opposes one or more candidates in a race and if an expenditure ceiling must be lifted
25	pursuant to subsection (a)(1)(C) of this Section 1.133.

1	The Executive Director shall use the following factors to determine whether the communication
2	supports or opposes one or more candidates include the following:
3	(A) whether the communication clearly identifies one or more candidates;
4	(B) the timing of the communication;
5	(C) the voters targeted by the communication;
6	(D) whether the communication identifies any candidate's position on a public
7	policy issue and urges the reader or viewer to take action, including calling the candidate to support or
8	oppose the candidate's position;
9	(E) whether the position of one or more candidates on a public policy issue has
10	been raised as distinguishing these candidates from others in the campaign, either in the
11	communication itself or in other public communications;
12	(F) whether the communication is part of an ongoing series of substantially
13	similar advocacy communications by the organization on the same issue; and
14	(G) any other factors the Executive Director deems relevant.
15	(4) Within one business day of determining that an expenditure ceiling must be lifted
16	pursuant to this Section 1.133, the Executive Director shall inform every candidate for that office that
17	the Ethics Commission has lifted the applicable expenditure ceiling. The Executive Director shall also
18	post a notice on the Ethics Commission's website. If an objection made pursuant to subsection (c)(5) of
19	this Section 1.133 delays or prevents a determination from becoming final, the Executive Director shall
20	send subsequent notices regarding the objection and final determination.
21	(5) Objections.
22	(A) Within one business day of the date that the Executive Director makes a
23	determination under this subsection (c), any candidate in the race may object to the Executive
24	Director's determination. The Executive Director shall respond to any objection within one business
25	day of receiving the objection.

1	(B) Within one business day of the Executive Director's response, the candidate
2	who objected to the determination may submit to the Executive Director a request that the Ethics
3	Commission review the Executive Director's determination. Within one business day of receiving the
4	request, the Executive Director shall notify the Chair of the Commission of the request.
5	If, within one business day of the Executive Director's notice, the Chair informs
6	the Executive Director that they are requesting the Commission review the determination, the Executive
7	Director shall schedule a meeting of the Commission on a date that occurs within two weeks of the
8	Chair's request. If the Commission overrules the Executive Director's determination, the Commission
9	shall make a final determination based on the factors set forth above.
10	(C) The Executive Director's determination shall become final if:
11	(i) no candidate objects to the Executive Director's determination;
12	(ii) an objection is made, and the candidate does not request a review of
13	the Executive Director's determination by the Commission;
14	(iii) a request is made, and the Chair does not request the Commission
15	review the determination; or
16	(iv) the Commission does not overrule the Executive Director's
17	determination.
18	
19	SEC. 1.134. LIFTING OF VOLUNTARY EXPENDITURE CEILINGS; SUPPLEMENTAL
20	REPORTING IN ELECTIONS FOR ASSESSOR, PUBLIC DEFENDER, CITY ATTORNEY,
21	DISTRICT ATTORNEY, TREASURER, SHERIFF, THE BOARD OF EDUCATION OF THE SAN
22	FRANCISCO UNIFIED SCHOOL DISTRICT, OR THE GOVERNING BOARD OF THE SAN
23	FRANCISCO COMMUNITY COLLEGE DISTRICT.
24	This Section shall apply only if at least one candidate for the City elective office has accepted
25	the applicable voluntary expenditure ceiling, and the Ethics Commission has not lifted that voluntary

1	expenditure ceiling. This Section applies only to candidates for Assessor, Public Defender, City
2	Attorney, District Attorney, Treasurer, Sheriff, the Board of Education of the San Francisco Unified
3	School District, or the Governing Board of the San Francisco Community College District.
4	(a) The voluntary expenditure ceiling shall no longer be binding on a candidate:
5	(1) If a candidate seeking election to the same City elective office, who has declined to
6	accept the voluntary expenditure ceiling, receives contributions or makes qualified campaign
7	expenditures in excess of 100 percent of the applicable voluntary expenditure ceiling,
8	(2) If a person or persons make expenditures or payments, or incur expenses for the
9	purpose of making independent expenditures, electioneering communications or member
10	communications that total more than 100 percent of the applicable voluntary expenditure ceiling, and
11	those expenditures or communications clearly identify a candidate seeking election to the same City
12	elective office, or
13	(3) If a candidate seeking election to the same City elective office, who has accepted the
14	voluntary expenditure ceiling, makes qualified campaign expenditures in excess of 100 percent of the
15	voluntary expenditure ceiling.
16	(b) Any candidate committee that receives contributions, makes qualified campaign
17	expenditures, incurs expenses or has funds in its Campaign Contribution Trust Account that total more
18	than 100 percent of the applicable voluntary expenditure ceiling shall, within 24 hours of exceeding
19	100 percent of the applicable voluntary expenditure ceiling, file a statement with the Ethics
20	Commission, on forms to be provided by the Ethics Commission, stating that fact and any additional
21	information required by the Ethics Commission.
22	(c) The Executive Director shall promptly review statements filed pursuant to state and local
23	law, including California Government Code section 84204 and Sections 1.161, 1.162, and 1.163 of this
24	Chapter, to determine whether a communication supports or opposes one or more candidates.
25	(d) Within one business day after determining that the threshold listed in subsection (a) has

1	been met with respect to an office appearing on the ballot, the Executive Director shall inform every
2	candidate for that office that the Ethics Commission has lifted the applicable voluntary expenditure
3	ceiling. The Executive Director shall also post a notice on the Ethics Commission's website and send
4	written notice by e-mail to any other person who has requested such notice.
5	
6	SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.
7	(a) REQUIREMENTS FOR ALL CANDIDATES. To be eligible to receive public
8	financing of campaign expenses under this Chapter, a candidate must:
9	(1) Have filed a statement indicating that he or she intends they intend to
10	participate in the public financing program under Section 1.142 of this Chapter.
11	(2) Agree to the following conditions:
12	(A) The candidate bears the burden of providing that each contribution
13	the candidate relies upon to establish eligibility is a qualifying contribution;
14	(B) The candidate bears the burden of proving that expenditures made
15	with public funds provided under this Chapter comply with Section 1.148 of this Chapter;
16	(C) The candidate will not make any payments to a contractor or vendor
17	in return for the contractor or vendor making a campaign contribution to the candidate or
18	make more than a total of 50 payments, other than the return of a contribution, to contractors
19	or vendor that have made contributions to the candidate;
20	(D) Notwithstanding Sections 1.114 and 1.116, the candidate shall not
21	loan or donate, in total, more than \$5,000 of his or her their own money to the campaign;
22	(E) The candidate shall not accept any loans to his or her their campaign
23	with the exception of a candidate's loan to his or her their own campaign as permitted by this
24	Section; and

(F) The candidate shall agree to participate in at least three debates with

the candidate's opponents.

- (3) Have paid any outstanding late fines or penalties, owed to the City by the candidate or any of the candidate's previous campaign committees, which were imposed for violations of this Code or the campaign finance provisions of the California Political Reform Act (Government Code Sections 84100-85704), provided that the Ethics Commission had notified the candidate of such fines or penalties by the time of certification.
- (4) Have filed any outstanding forms, owed to the City by the candidate or any of the candidate's previous campaign committees, which were required to be filed pursuant to this Code or the campaign finance provisions of the Political Reform Act (Government Code Sections 84100-85704), provided that the Ethics Commission had notified the candidate of such outstanding forms by the time of certification.
- (5) Have no finding by a court or by the Ethics Commission after a hearing on the merits, within the prior five years, that the candidate knowingly, willfully, or intentionally violated any Section of this Code or the campaign finance provisions of this California Political Reform Act (Government Code Sections 84100-85704). For purposes of this Section, a plea of *nolo contendere* constitutes a finding by a court of a willful violation.
- (b) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR THE BOARD OF SUPERVISORS. To be eligible to receive public financing of campaign expenses under this Chapter, a candidate for the Board of Supervisors must:
- (1) Be seeking election to the Board of Supervisors and be eligible to hold the office sought;
- (2) Have a candidate committee that has received at least \$10,000 in qualifying contributions from at least 100 contributors by the 70th day before the election; or, if the candidate is an incumbent member of the Board of Supervisors, have a candidate committee that has received at least \$15,000 in qualifying contributions from at least 150 contributors by

the 70th day before the election;

- (3) Be opposed by another candidate who has either established eligibility to receive public financing, or whose candidate committee has received contributions or made expenditures which in the aggregate equal or exceed \$10,000; and
- (4) Agree that *his or her their* candidate committee will not make qualified campaign expenditures that total more than the *candidate's Individual Expenditure Ceiling of*\$350,000, or as adjusted under Section 1.143 of this Chapter applicable expenditure ceiling specified in Section 1.131, unless the expenditure ceiling has been lifted as specified in Section 1.133.
- (c) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR MAYOR. To be eligible to receive public financing of campaign expenses under this Chapter, a candidate for Mayor must:
- (1) Be seeking election to the office of Mayor and be eligible to hold the office sought;
- (2) Have a candidate committee that has received at least \$50,000 in qualifying contributions from at least 500 contributors by the 70th day before the election; or, if the candidate is the incumbent Mayor, have a candidate committee that has received at least \$75,000 in qualifying contributions from at least 750 contributors by the 70th day before the election;
- (3) Be opposed by another candidate who has either established eligibility to receive public financing, or whose candidate committee has received contributions or made expenditures that in the aggregate equal or exceed \$50,000; and
- (4) Agree that *his or her their* candidate committee will not make qualified campaign expenditures that total more than the *candidate's Individual Expenditure Ceiling of*\$1,700,000, or as adjusted under Section 1.143 of this Chapter applicable expenditure ceiling specified in Section 1.131, unless the expenditure ceiling has been lifted as specified in Section 1.133.

1	(d) ADJUSTMENT OF EXPENDITURE LIMITS AND THRESHOLDS. The Ethics
2	Commission is authorized to adjust:
3	(1) The figures in Subsections (b)(4) and (c)(4) to reflect changes in the California
4	Consumer Price Index, provided that such adjustments shall be rounded off to the nearest \$1,000 for
5	candidates for the Board of Supervisors and the nearest \$5,000 for candidates for Mayor;
6	(21) The figure in Subsection (a)(2)(D) of this Section 1.140 to reflect changes in
7	the California Consumer Price Index, provided that such adjustments shall be rounded off to
8	the nearest \$1,000;
9	(32) The figures in Subsections (b)(2) and (b)(3) of this Section 1.140 to reflect
10	changes in the California Consumer Price Index, provided that such adjustments shall be
11	rounded off to the nearest \$500;
12	(43) The figures in Subsections (c)(2) and (c)(3) of this Section $\underline{1.140}$ to reflect
13	changes in the California Consumer Price Index, provided that such adjustments shall be
14	rounded off to the nearest \$5,000; and
15	(54) The maximum amount of a contribution that constitutes a qualifying
16	contribution pursuant to Section 1.104 to reflect changes in the California Consumer Price
17	Index, provided that such adjustments shall be rounded off to the nearest \$10.
18	
19	SEC. 1.142. PROCESS FOR ESTABLISHING ELIGIBILITY; CERTIFICATION BY
20	THE ETHICS COMMISSION.
21	* * * *
22	(d) DETERMINATION OF OPPOSITION. To determine whether a candidate for the
23	Board of Supervisors is opposed as required under Section 1.140(b)(3) of this Chapter or a
24	candidate for Mayor is opposed as required under Section 1.140(c)(3) of this Chapter 1, the
25	Executive Director shall review the material filed pursuant to Section 1.152 1.133 of this

Chapter, and may review any other material.

(e) CERTIFICATION. If the Executive Director determines that a candidate for Mayor or the Board of Supervisors has satisfied the requirements of Section 1.140, the Executive Director shall notify the candidate and certify to the Controller that the candidate is eligible to receive public financing under this Chapter—I. The Executive Director shall not certify that a candidate is eligible to receive public financing if the candidate's declaration or supporting material is incomplete or otherwise inadequate to establish eligibility. The Executive Director shall determine whether to certify a candidate no later than 30 days after the date the candidate submits his or her their declaration and supporting material, provided that the Executive Director shall make all determinations regarding whether to certify a candidate no later than the 55th day before the election.

* * * *

SEC. 1.143. ADJUSTING INDIVIDUAL EXPENDITURE CEILINGS.

This Section 1.143 shall apply only if the Ethics Commission has certified that at least one candidate for Mayor or the Board of Supervisors is eligible to receive public funds under this Chapter 1.

(a) The Executive Director shall adjust the Individual Expenditure Ceiling of a candidate for Mayor by \$250,000 when the sum of the Total Opposition Spending against that candidate and the highest level of the Total Supportive Funds of any other candidate for Mayor is greater than \$1,700,000 by any amount. Thereafter, the Executive Director shall further adjust a candidate's Individual Expenditure Ceiling in increments of \$250,000, whenever the sum of the Total Opposition Spending against that candidate and the highest level of the Total Supportive Funds of any other candidate for Mayor is greater than the candidate's current Individual Expenditure Ceiling by any amount.

(b) The Executive Director shall adjust the Individual Expenditure Ceiling of a candidate for
the Board of Supervisors by \$50,000 when the sum of the Total Opposition Spending against that
candidate and the highest level of the Total Supportive Funds of any other candidate for the same office
on the Board of Supervisors is greater than \$350,000 by any amount. Thereafter, the Executive
Director shall further adjust a candidate's Individual Expenditure Ceiling in increments of \$50,000,
whenever the sum of the Total Opposition Spending against that candidate and the highest level of the
Total Supportive Funds of any other candidate for the same office is greater than the candidate's
current Individual Expenditure Ceiling by any amount.
(c) The Executive Director shall promptly review statements filed pursuant to state and local
law, including Government Code section 84204 and Sections 1.161, 1.162, and 1.163 of this Chapter 1,
to determine whether a communication supports or opposes one or more candidates.
Factors the Executive Director shall use to determine whether the communication supports or
opposes one or more candidates include the following:
(1) whether the communication clearly identifies one or more candidates;
(2) the timing of the communication;
(3) the voters targeted by the communication;
(4) whether the communication identifies any candidate's position on a public policy
issue and urges the reader or viewer to take action, including calling the candidate to support or
oppose the candidate's position;
(5) whether the position of one or more candidates on a public policy issue has been
raised as distinguishing these candidates from others in the campaign, either in the communication
itself or in other public communications;
(6) whether the communication is part of an ongoing series of substantially similar
advocacy communications by the organization on the same issue; and
(7) any other factors the Executive Director deems relevant.

1	(d) Within one business day of the date that the Executive Director makes a determination
2	under subsection (c), either the candidate(s) identified in the communication or any candidate seeking
3	the same City elective office as the candidate identified in the communication may object to the
4	Executive Director's determination. The Executive Director shall respond to any objection within one
5	business day of receiving the objection.
6	(e) Within one business day of the Executive Director's response, either the candidate(s)
7	identified in the communication or any candidate seeking the same City elective office as the candidate
8	identified in the communication may submit to the Executive Director a request that the Ethics
9	Commission review the Executive Director's determination. Within one business day of receiving the
10	request, the Executive Director shall notify each Commissioner of the candidate's request.
11	If within one business day of the Executive Director's notice, two or more members of the
12	Commission inform the Executive Director that they would like to review the determination, the
13	Executive Director shall schedule a meeting of the Commission on a date that occurs within one week
14	of the Commissioners' requests. If three members of the Commission vote to overrule the Executive
15	Director's determination, the Commission shall make a final determination based on the factors set
16	forth above.
17	(f) If no candidate objects to the Executive Director's determination, if no candidate requests
18	review by the Commission of the Executive Director's determination, if a request is made and two or
19	more members of the Commission do not request to review the determination, or within one week of
20	two members of the Commission requesting to review the Executive Director's determination, at least
21	three members of the Commission do not vote to overrule the Executive Director's determination, the
22	Executive Director's determination shall become final.
23	The Executive Director shall determine whether to adjust the Individual Expenditure Ceilings of
24	each candidate for Mayor or the Board of Supervisors pursuant to either subsection (a) or (b) within
25	one business day of a final determination.

SUPERVISORS AND MAYOR. (a) ELECTIONS FOR THE BOARD OF SUPERVISORS. (1) In addition to the campaign disclosure requirements imposed by the California Political Reform Act and other provisions of this Chapter, each candidate committee supporting a candidate for the Board of Supervisors shall file a statement with the Ethics Commission indicating when the committee has received contributions to be deposited into its Campaign Contribution Trust Account or made expenditures that equal or exceed \$10,000 within 24 hours of reaching or exceeding that amount. (2) In addition to the supplemental report in subsection (a)(1) of this Section, each candidate committee supporting a candidate for the Board of Supervisors shall file a statement with the

Ethics Commission disclosing when the committee has received contributions to be deposited into its

Campaign Contribution Trust Account or made expenditures that in the aggregate-equal or exceed

\$100,000. The candidate committee shall file this report within 24 hours of reaching or exceeding the

threshold. Thereafter, the candidate committee shall file an additional supplemental report within 24

hours of every time the candidate committee receives additional contributions to be deposited into its

Campaign Contribution Trust Account or makes additional expenditures that in the aggregate equal or

SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF

exceed \$10,000.

(3) The Executive Director shall post the information disclosed on statements required by this subsection on the website of the Ethics Commission within two business days of the statement's filing.

(b) ELECTIONS FOR MAYOR.

(1) In addition to the campaign disclosure requirements imposed by the California

Political Reform Act and other provisions of this Chapter, each candidate committee supporting a

candidate for Mayor shall file a statement with the Ethics Commission indicating when the candidate

committee has received contributions to be deposited into its Campaign Contribution Trust Account or
made expenditures that equal or exceed \$50,000 within 24 hours of reaching or exceeding that amount
(2) In addition to the supplemental report in Subsection (b)(1) of this Section, each

candidate committee supporting a candidate for Mayor shall file a statement with the Ethics

Commission disclosing when the candidate committee has received contributions to be deposited into its Campaign Contribution Trust Account or made expenditures that in the aggregate-equal or exceed \$1,000,000. The candidate committee shall file this report within 24 hours of reaching or exceeding the threshold. Thereafter, the candidate committee shall file an additional supplemental report within 24 hours of every time the candidate committee receives additional contributions or makes additional expenditures that in the aggregate equal or exceed \$50,000.

(3) The Executive Director shall post the information disclosed on statements required by this subsection on the website of the Ethics Commission within two business days of the statement's filing.

(c) The supplemental statements required by Subsections (a)(2) and (b)(2) are not required until the Ethics Commission has certified that at least one candidate is eligible to receive public funds under this Chapter, provided that within two business days of the date that the Ethics Commission provides notice under this subsection that it has certified that a candidate is eligible to receive public funds under this Chapter, any report that previously would have been required under (a)(2) and (b)(2) must be filed. Within two business days of certifying that at least one candidate is eligible to receive public financing under this Chapter, the Ethics Commission shall post a notice on its website, send out a press release and send written notice by regular or electronic mail to all other candidates running for the same City elective office and to any other person who has requested such notice.

SEC. 1.161. CAMPAIGN ADVERTISEMENTS.

(a) DISCLAIMERS. In addition to complying with the disclaimer requirements set forth

1	in Chapter 4 of the California Political Reform Act, California Government Code sections
2	84100 et seq., and its enabling regulations, all committees making expenditures which
3	support or oppose any candidate for City elective office or any City measure shall also comply
4	with the following additional requirements:
5	* * * *
6	(2) WEBSITE REFERRAL. Each disclaimer required by the Political Reform
7	Act or its enabling regulations and by this Section 1.161 shall be followed in the same
8	required format, size, and speed by the following phrase: "Financial disclosures are available
9	at sfethics.org[website address designated by the Ethics Commission]." A substantially similar
10	statement that specifies the web site may be used as an alternative in audio communications.
11	* * * *
12	(4) CANDIDATE ADVERTISEMENTS. Advertisements by candidate
13	committees shall include the following disclaimer statements: "Paid for by (insert
14	the name of the candidate committee)." and "Financial disclosures are available at
15	sfethics.org[website address designated by the Ethics Commission]." Except as provided in
16	subsections (a)(3) and (a)(5), the statements' format, size, and speed shall comply with the
17	disclaimer requirements for independent expenditures for or against a candidate set forth in
18	the Political Reform Act and its enabling regulations.
19	* * * *
20	
21	SEC. 1.162. ELECTIONEERING COMMUNICATIONS.
22	(a) DISCLAIMERS.
23	(1) Every electioneering communication for which a statement is filed pursuant
24	to subsection (b) shall include the following disclaimer: "Paid for by (insert the
25	name of the person who paid for the communication)." and "Financial disclosures are

available at sfethics.org[website address designated by the Ethics Commission]."

2 ****

SEC. 1.170. PENALTIES.

- (a) CRIMINAL. Any person who knowingly or willfully violates any provision of this Chapter-*I* shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$5,000 for each violation or by imprisonment in the County jail for a period of not more than six months or by both such fine and imprisonment; provided, however, that any willful or knowing failure to report contributions or expenditures done with intent to mislead or deceive or any willful or knowing violation of the provisions of Sections 1.114, 1.126, or 1.127-of this Chapter I shall be punishable by a fine of not less than \$5,000 for each violation or three times the amount not reported or the amount received in excess of the amount allowable pursuant to Sections 1.114, 1.126, or 1.127-of this Chapter I, or three times the amount expended in excess of the amount allowable pursuant to Section 1.1301.131 or 1.140, whichever is greater.
- (b) CIVIL. Any person who intentionally or negligently violates any of the provisions of this Chapter-*I* shall be liable in a civil action brought by the City Attorney for an amount up to \$5,000 for each violation or three times the amount not reported or the amount received in excess of the amount allowable pursuant to Sections 1.114, 1.126, or 1.127 or three times the amount expended in excess of the amount allowable pursuant to Section *1.1301.131* or 1.140, whichever is greater. In determining the amount of liability, the court may take into account the seriousness of the violation, the degree of culpability of the defendant, and the ability of the defendant to pay.

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(i) EFFECT OF VIOLATION ON CANDIDACY.

1	(1) If a candidate is convicted, in a court of law, of a violation of this Chapter at
2	any time prior to his or her election, his or her candidacy shall be terminated immediately and
3	he or she shall be no longer eligible for election, unless the court at the time of sentencing
4	specifically determines that this provision shall not be applicable. No person convicted of a
5	misdemeanor under this Chapter after his or her election shall be a candidate for any other
6	City elective office for a period of five years following the date of the conviction unless the
7	court shall at the time of sentencing specifically determine that this provision shall not be
8	applicable.
9	(2) If a candidate for the Board of Supervisors certified as eligible for public
10	financing is found by a court to have exceeded the Individual Expenditure Ceiling in this
11	Chapter by $\frac{ten\ percent}{10\%}$ or more at any time prior to his or her election, such violation shall
12	constitute official misconduct. The Mayor may suspend any member of the Board of
13	Supervisors for such a violation, and seek removal of the candidate from office following the
14	procedures set forth in Charter Section 15.105(a).
15	(3) A plea of nolo contendere, in a court of law, shall be deemed a conviction for
16	purposes of this Section <u>1.170</u> .
17	
18	Section 2. Prerequisites for Enactment; Super-Majority Vote Requirement. The
19	enactment of Section 1 of this ordinance is subject to provisions of the Campaign and
20	Governmental Conduct Code that require the amendments to be approved by the Ethics
21	Commission by a supermajority vote of at least four members of the Commission, and
22	approved by a supermajority vote of at least eight members of the Board of Supervisors.

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Section 3. Effective Date. This ordinance shall become effective 30 days after

enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

1	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2	of Supervisors overrides the Mayor's veto of the ordinance.
3	
4	Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
5	intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
6	numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
7	Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
8	additions, and Board amendment deletions in accordance with the "Note" that appears under
9	the official title of the ordinance.
10	
11	Section 5. Severability. If any section, subsection, sentence, clause, phrase, or word
12	of this ordinance, or any application thereof to any person or circumstance, is held to be
13	invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
14	shall not affect the validity of the remaining portions or applications of the ordinance. The
15	Board of Supervisors hereby declares that it would have passed this ordinance and each and
16	every section, subsection, sentence, clause, phrase, and word not declared invalid or
17	unconstitutional without regard to whether any other portion of this ordinance or application
18	thereof would be subsequently declared invalid or unconstitutional.
19	
20	APPROVED AS TO FORM:
21	DAVID CHIU, City Attorney
22	By:
23	Kathleen Vermazen Radez Deputy City Attorney
24	n:\legana\as2025\2500348\01855853.docx

ATTACHMENT 4



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

July 14, 2025

Honorable Members of the San Francisco Board of Supervisors Attention: Angela Calvillo, Clerk of the Board of Supervisors

Re: Ethics Commission Recommending Changes to Trustee Election Disclosures

Dear Members of the Board of Supervisors:

The San Francisco Ethics Commission recommends that the Board of Supervisors enact legislation that would discontinue the campaign reporting requirements of candidates for the Retirement Board, Health Service Board, and Retiree Health Care Trust Fund Board. The Commission has found these requirements to be unnecessary, overly strict, and administratively burdensome and does not believe they add sufficient value to the City to justify their continued existence.

This recommendation stems from the Commission's current *Streamlining Project* that was undertaken to evaluate various programs and policies administered by the Commission to determine if they are effective, efficient, adding value to the City, and furthering the Commission's mission of promoting the highest standards of integrity in government. This program evaluation included soliciting feedback from the regulated community, members of the public, and other stakeholders.

Most of the recommendations emerging from this project involve changes to San Francisco's Campaign and Governmental Conduct Code and will thus require joint approval by the Board of Supervisors and the Ethics Commission. Commission staff will be reaching out to the Board soon to engage on those changes. However, the rules regarding the trustee election disclosure requirements are contained within the Administrative Code,¹ which is outside of the Ethics Commission's legislative authority. Thus, these changes require action solely from the Board of Supervisors.

On June 13, 2025, the Ethics Commission voted to authorize the Chair and the Executive Director to send this letter to the Board to formally make this legislative recommendation. At that meeting, Ethics Commission staff presented this recommendation, along with several others, under <u>Agenda Item 7</u>. The portion of the associated staff memo regarding the trustee election disclosure requirements is provided as **Attachment 1** to this letter.

A brief overview of the current program, the Commission's findings, and proposed recommendations are included below.

History of Trustee Election Disclosure Requirements

In 2018, the Administrative Code was amended to establish a uniform set of registration, disclosure, and termination filings for both candidates and third-party spenders in elections to the Health Service Board, Retirement Board, and Retiree Health Care Trust Fund Board. These trustee elections are

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¹ Administrative Code Sections 16.553-1, 16.553-2, 16.553-3, and 16.553-4.

administered by the Department of Elections but are not open to the public and candidates for these seats are not considered candidates under State and local law. Although the disclosure program was created following a 2017 Retiree Health Care Trust Fund Board in which third-party spending was prevalent, in general there is little or no spending in these races.

Current Requirements are Unnecessary, Overly Strict, and Burdensome

The current program provides little public benefit, as these elections do not typically have candidates that raise or spend any money, and the poor program structure creates undue burdens on candidates and City officials.

- Since the program was implemented, there has been virtually no financial activity reported.
 Since 2018, there have been a total of just seven candidates who have registered and filed disclosures with the Ethics Commission of those seven, only one candidate has ever disclosed raising funds. The total amount raised was \$78.60, which is below the \$100 threshold that requires contributor itemization on a campaign statement. No third-party spending has been reported during this time.
- The existing disclosure requirements are overly strict on trustee candidates, with the
 requirements being more stringent than those followed by candidates for City elective office.
 The current program requires these trustee candidates to establish a bank account regardless
 of whether they anticipate raising or spending any money. These requirements create a
 barrier to entry and discourage participation by potential candidates, who are typically City
 employees and retirees interested in how their benefits are managed.
- There are also unnecessary support costs borne by the Ethics Commission and the trustee bodies regarding the implementation of these rules, as they must coordinate to assist candidates and otherwise administer these trustee elections.

The public demands and deserves government agencies that are focused on using public resources in ways that are effective, efficient, and adding value to their lives. Discontinuing these unnecessary, overly strict, and burdensome reporting requirements will help encourage more people to run for trustee positions and enable Ethics Commission staff to focus more on the Commission's core functions that serve to promote the highest standards of integrity in City government.

Thank you for your consideration of legislation that would discontinue these requirements. If you have questions about this recommendation or would like to engage on this matter, please contact our Policy & Legislative Affairs Manager, Michael Canning (Michael A. Canning@sfgov.org).

Sincerely,

/s/ Argemira Flórez Feng

Argemira Flórez Feng

Chair
San Francisco Ethics Commission

Patrick Ford

Executive Director
San Francisco Ethics Commission