

File No. 210316

Committee Item No. _____

Board Item No. 32

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: April 6, 2021

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OTHER

- Assembly Bill No. 20
- CSAC/LCC Position
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Prepared by: Jocelyn Wong

Date: April 2, 2021

Prepared by: _____

Date: _____

1 [Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections
2 Act]

3 **Resolution supporting California State Assembly Bill No. 20, authored by Assembly**
4 **Member Ash Kalra, and co-authored by Assembly Member Alex Lee, the Corporate-**
5 **Free Elections Act, which would prohibit a candidate for elective office in California**
6 **from receiving a contribution from a business entity, and a business entity from**
7 **making a contribution to a candidate for elective office**

8
9 WHEREAS, The insulation of electoral and governmental institutions from undue
10 corporate influence is critical to the health of a functioning democracy; and

11 WHEREAS, The influx of large sums of corporate money into campaigns for elected
12 offices damages the public's trust in government; and

13 WHEREAS, According to a study in the Academy of Management Journal, Vol. 64, No.
14 1, companies spend when they are worried about negative media coverage prompting what
15 they perceive to be potentially harmful regulations, when there are powerful social movement
16 organizations, to gain a seat at the 'legislative table' to communicate their interests, and
17 because they see it as consistent with their responsibility to stakeholders; and

18 WHEREAS, It was found that spending by just five companies in support of Prop 22 in
19 2020 - Uber, Lyft, Postmates, DoorDash, and Instacart - accounted for upwards of \$224
20 million, 28.5-percent, of total spending on state-level ballot measures; and

21 WHEREAS, In 2020, politicians and campaigns in California accepted a total of \$2.1
22 million from PG&E, according to ABC10's analysis of state campaign finance data, both
23 during the company's bankruptcy and after it pleaded guilty to 85 more felonies; and

24 WHEREAS, Many candidates, in order to stay competitive in their races, are compelled
25 to take money from corporations; and

1 WHEREAS, In passing such a restriction, California would join the 22 states in the
2 United States who already impose outright bans on corporations from directly contributing to
3 campaigns for elective office; and

4 WHEREAS, San Francisco voters enacted campaign contribution limits in 2000 with
5 the intent to eliminate or reduce the appearance or reality that large contributors may exert
6 undue influence over elected officials; and

7 WHEREAS, In November 2019, San Francisco voters overwhelmingly voted on a
8 margin of 76 to 23-percent to pass Campaign Contribution Restrictions and Advertisement
9 Disclaimer Requirements, “The Sunlight on Dark Money Initiative” to enhance the integrity of
10 the election process and help restore public trust in governmental and electoral institutions in
11 the City and County of San Francisco; and

12 WHEREAS, Since January 2020, the FBI has been conducting a large federal
13 investigation targeting public corruption in the City and County of San Francisco; to date, ten
14 individuals have been charged, including two high-ranking former San Francisco public
15 officials, and five individuals have pleaded guilty; and

16 WHEREAS, In order to curb actual corruption and the appearance of corruption of our
17 government by corporate contributions, it is incumbent upon the California Legislature to
18 prohibit direct contributions from corporations to political campaigns at the state and local
19 levels; now, therefore, be it

20 RESOLVED, That the City and County of San Francisco supports California State
21 Assembly Bill No. 20 and urges the Assembly and Senate to pass the bill; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the
23 Board to send a copy of this Resolution to the California State Assembly and the California
24 State Senate.

AMENDED IN ASSEMBLY MARCH 1, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 20

Introduced by Assembly Members Lee and Kalra
(Coauthors: ~~Coauthor: Assembly Members McCarty and Quirk~~
***Member McCarty*)**
(Coauthor: Senator Allen)

December 7, 2020

An act to add Section 85322 to the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 20, as amended, Lee. Political Reform Act of 1974: campaign contributions: ~~The Clean Money Act of 2021~~. *Corporate-Free Elections Act*.

The Political Reform Act of 1974 imposes various limitations on contributions that may be made to, or accepted by, candidates for elective office. A violation of the act's provisions is punishable as a misdemeanor and subject to specified penalties.

This bill, the ~~Clean Money Act of 2021~~, *Corporate-Free Elections Act*, would prohibit a candidate for elective office from receiving a contribution from a business entity, and a business entity from making a contribution to a candidate for elective office, and would make related findings and declarations. By expanding the scope of existing crimes with regard to contribution limitations, this bill would impose a state-mandated local program.

~~This bill would state that it is the intent of the Legislature to enact legislation to create a public financing system for elections within the state.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a $\frac{2}{3}$ vote of each house of the Legislature and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited as the
2 ~~“Clean Money Act of 2021.”~~ *“Corporate-Free Elections Act.”*

3 SEC. 2. The Legislature finds and declares all of the following:

4 (a) Under current campaign financing laws, there is great
5 potential for corporate special interests to manipulate the interests
6 and priorities of elected officials and candidates throughout the
7 state, such that these interests and priorities do not align with the
8 will of their constituents or the people of California.

9 (b) Corporate special interests routinely account for the majority
10 of contributions to officers and candidates for state and local
11 offices.

12 (c) Corporations exist for the purpose of making profit, and thus
13 their political activities are fundamentally in the interest of
14 increasing said profits by giving monetary incentives for favorable
15 policy.

16 (d) Each year, corporations contribute hundreds of millions of
17 dollars to campaigns for state and local offices across California.
18 For example, in 2020 it was found that more than \$785 million
19 was spent to influence voters on ballot measures alone, with
20 millions more spent on individual races. Many candidates, in order
21 to stay competitive in their races, are compelled to take money
22 from corporations.

23 (e) With so many campaigns funded with corporate money, it
24 is impossible to guarantee that the will and interests of the people

1 of California are being represented in the state over the interests
2 of the corporations who provide this money.

3 (f) In 2000, California voters passed Proposition 34, which
4 barred lobbyists from making contributions to politicians they seek
5 to influence within the scope of their profession. The intent of this
6 provision according to its authors was, “To reduce the influence
7 of large contributors with an interest in matters before state
8 government.”

9 (g) As corporations have an undeniable interest in matters before
10 the state government, as well as an incontrovertible influence as
11 large contributors, it is evident that a ban on their direct
12 contributions to campaigns for elective office within the state is
13 necessary.

14 (h) In passing such a restriction, California would join the 22
15 states in the United States who already impose outright bans on
16 corporations from directly contributing to campaigns for elective
17 office.

18 (i) As defined in 11 CFR 114.2(a), national corporations are
19 already barred from making direct contributions to candidates for
20 federal, state, and local office.

21 (j) In accordance with the spirit of this policy, it is the intent of
22 this act to bar all corporate special interests from contributing
23 directly to candidates running for state or local elective office.

24 (k) In order to curb actual corruption and the appearance of
25 corruption of our government by corporate contributions, it is
26 incumbent upon the Legislature to prohibit direct contributions to
27 political campaigns in the state by corporations.

28 SEC. 3. Section 85322 is added to the Government Code, to
29 read:

30 85322. (a) Notwithstanding Section 85301, a business entity,
31 as defined in Section 82005, shall not make a contribution to a
32 candidate for elective office.

33 (b) A candidate for elective office shall not accept a contribution
34 from a business entity, as defined in Section 82005.

35 ~~SEC. 4. It is the intent of the Legislature to enact legislation~~
36 ~~to create a public financing system for elections within the state.~~

37 ~~SEC. 5.~~

38 SEC. 4. No reimbursement is required by this act pursuant to
39 Section 6 of Article XIII B of the California Constitution because
40 the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or
2 infraction, eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section 17556 of
4 the Government Code, or changes the definition of a crime within
5 the meaning of Section 6 of Article XIII B of the California
6 Constitution.

7 ~~SEC. 6.~~

8 *SEC. 5.* The Legislature finds and declares that this bill furthers
9 the purposes of the Political Reform Act of 1974 within the
10 meaning of subdivision (a) of Section 81012 of the Government
11 Code.

O

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only

From: [Snyder, Jen \(BOS\)](#)
To: [BOS Legislation, \(BOS\)](#)
Subject: Re: D5 Resolution Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections Act
Date: Wednesday, March 24, 2021 4:39:12 PM
Attachments: [image001.png](#)
[20210AB20_98.pdf](#)

Here we are:

We approve of the edits, thank you very much!

Also attached is a copy of AB 20

The [California State Association of Counties](#) and [League of California Cities](#) have not taken a position on this bill.

We confirm that this is non-controversial and appropriate for AWOK

Thank you!!

Jen Snyder
Legislative Aide
Office of Supervisor Dean Preston
Cell: (510) 367-1984
[Sign up for our newsletter!](#)

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Wednesday, March 24, 2021 2:16 PM
To: Snyder, Jen (BOS) <jen.snyder@sfgov.org>
Cc: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Subject: RE: D5 Resolution Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections Act

Hi Jen,

Please find attached updated proof with clerical edits to the legislation. Kindly review and confirm that these edits are agreeable.

Also, as mentioned below we are still looking to obtain the following:

- Copy of AB 20
- Pursuant to Board Rule 2.8.2, please confirm that organizations such as the [California State Association of Counties](#) and [League of California Cities](#) have *not* taken a position on these bills. If they have, please provide a copy of their statement for completeness of the file

Thank you.

Lisa Lew
San Francisco Board of Supervisors

1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T 415-554-7718 | F 415-554-5163
lisa.lew@sfgov.org | www.sfbos.org

(VIRTUAL APPOINTMENTS) To schedule a “virtual” meeting with me (on Microsoft Teams), please ask and I can answer your questions in real time.

Due to the current COVID-19 health emergency and the Shelter in Place Order, the Office of the Clerk of the Board is working remotely while providing complete access to the legislative process and our services.



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The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.*

From: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Sent: Tuesday, March 23, 2021 4:03 PM
To: Snyder, Jen (BOS) <jen.snyder@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Preston, Dean (BOS) <dean.preston@sfgov.org>
Subject: RE: D5 Resolution Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections Act

Thank you Jen. Please provide a copy of AB 20 for the file.

Pursuant to Board Rule 2.8.2, please confirm that organizations such as the [California State Association of Counties](#) and [League of California Cities](#) have *not* taken a position on these bills. If they have, please provide a copy of their statement for completeness of the file.

Thank you in advance,

Jocelyn Wong

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
T: 415.554.7702 | F: 415.554.5163
jocelyn.wong@sfgov.org | www.sfbos.org

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From: Snyder, Jen (BOS) <jen.snyder@sfgov.org>
Sent: Tuesday, March 23, 2021 4:01 PM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Preston, Dean (BOS) <dean.preston@sfgov.org>
Subject: D5 Resolution Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections Act

Hi again!

Here is our resolution and intro form from the D5 office Supporting California State Assembly Bill No. 20 (Kalra and Lee) - Corporate Free Elections Act. Our intro form indicates our Request for next printed agenda Without Reference to Committee.

Supervisor Preston is CC'd here to indicate his approval

Thank you much!

Jen Snyder
Legislative Aide
Office of Supervisor Dean Preston
Desk: (415) 554-7687
Cell: (510) 367-1984