

1 [Campaign Finance Reform Ordinance Amendments.]

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3 **Ordinance amending Sections 1.100, 1.104, 1.108, 1.114, 1.116, 1.122, 1.126, 1.128,**
4 **1.130, 1.135, 1.161 and 1.170, adding sections 1.107, 1.115, 1.162.5 and 1.163.5 and**
5 **repealing section 1.132, Chapter 2 of Article I, section 1.200 and Chapter 4 of Article I,**
6 **sections 1.400, 1.405, 1.410, 1.415, 1.420 and 1.425 of the Campaign and Governmental**
7 **Conduct Code to move the False Endorsements Ordinance and the Prohibition on**
8 **Multiple Campaign Accounts into the Campaign Finance Reform Ordinance ("CFRO");**
9 **subject School District and Community College District measures to CFRO; reenact**
10 **contribution and voluntary expenditure limits at their existing levels; clarify sections of**
11 **CFRO related to candidate loan restrictions, permissible uses of campaign funds, pre-**
12 **election reporting requirements, and the contractor contribution prohibition; prohibit**
13 **candidates from accepting voluntary expenditure ceilings if the applicable ceiling was**
14 **already lifted; create late filing fees for reports required by CFRO; create new and**
15 **clarify existing disclaimer requirements for campaign advertisements; create training**
16 **requirements for candidates and treasurers; and require expenditures that are**
17 **coordinated with candidates to be treated as contributions.**

18 Note: Additions are *single-underline italics Times New Roman*;
19 deletions are *strikethrough italics Times New Roman*.
20 Board amendment additions are double underlined.
21 Board amendment deletions are ~~strikethrough normal~~.

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

22 Section 1. The San Francisco Campaign and Governmental Code is hereby amended
23 by amending Sections 1.100, 1.104, 1.108, 1.114, 1.116, 1.122, 1.126, 1.128, 1.130, 1.135,
24 1.161 and 1.170 to read as follows:

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1 **SEC. 1.100. PURPOSE AND INTENT.**

2 (a) Huge sums of moneys often are necessary to finance American election
3 campaigns. Inherent to the high cost of election campaigning is the problem of improper
4 influence, real or potential, exercised by campaign contributors over elected officials. In
5 addition, this fundraising distracts public officials seeking reelection from focusing upon
6 important public matters, encourages contributions which may have a corrupting influence,
7 and gives incumbents an unfair fundraising advantage over potential challengers. These
8 developments undermine the integrity of the governmental process, the competitiveness of
9 campaigns and public confidence in local officials.

10 (b) It is the purpose and intent of the People of the City and County of San
11 Francisco in enacting this Chapter to:

12 (1) Place realistic and enforceable limits on the amount individuals may contribute
13 to political campaigns in municipal elections and to provide full and fair enforcement of all the
14 provisions in this Chapter;

15 (2) Ensure that all individuals and interest groups in our city have a fair opportunity
16 to participate in elective and governmental processes;

17 (3) Create an incentive to limit overall expenditures in campaigns, thereby reducing
18 the pressure on candidates to raise large campaign war chests for defensive purposes
19 beyond the amount necessary to communicate reasonably with voters;

20 (4) Reduce the advantage of incumbents and thus encourage competition for
21 elective office;

22 (5) Allow candidates and officeholders to spend a smaller proportion of their time on
23 fundraising and a greater proportion of their time dealing with issues of importance to their
24 constituents' community;

1 (6) Ensure that serious candidates are able to raise enough money to communicate
2 their views and positions adequately to the public, thereby promoting public discussion of the
3 important issues involved in political campaigns;

4 (7) Limit contributions to candidates and committees, including committees that
5 make independent expenditures, to eliminate or reduce the appearance or reality that large
6 contributors may exert undue influence over elected officials;

7 (8) Assist voters in making informed electoral decisions and ensure compliance with
8 campaign contribution limits through the required filing of campaign statements detailing the
9 sources of campaign contributions and how those contributions have been expended;

10 (9) Make it easier for the public, the media and election officials to efficiently review
11 and compare campaign statements by requiring committees that meet certain financial
12 thresholds to file copies of their campaign statements on computer diskettes or other
13 designated electronic media; *and*

14 (10) Help restore public trust in governmental and electoral institutions; *and*

15 (11) *Help ensure the integrity of the election process by prohibiting campaign advertisements*
16 *that contain knowing false endorsements of current and former public officials, candidates, political*
17 *clubs, and organizations. Such false endorsements undermine the integrity of the electoral process by*
18 *misleading and confusing voters about the actual support for or opposition to candidates or ballot*
19 *measures and it is too burdensome for individual voters, inundated with campaign messages, to verify*
20 *the accuracy of such claims and for persons whose positions are misrepresented to correct the*
21 *misrepresentations close in time to the election.*

22 (c) This Chapter is enacted in accordance with the terms of Sections 5 and 7
23 of Article XI of the Constitution of the State of California and Section 1.101 of the Charter of
24 the City and County of San Francisco.

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SEC. 1.104. DEFINITIONS.

Whenever in this Chapter the following words or phrases are used, they shall mean:

(a) "Candidate" shall mean any individual listed on the ballot for election to any City elective office or who otherwise has taken affirmative action to seek nomination or election to such office. The term "candidate" shall also mean the candidate's campaign committee.

(b) "Charitable organization" shall mean an entity exempt from taxation pursuant to Title 26, Section 501 of the United State Code.

(c) "City elective office" shall mean the offices of Mayor, Member of the Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender, Member of the Board of Education of the San Francisco Unified School District and Member of the Governing Board of the San Francisco Community College District. The Board of Supervisors shall be deemed to consist of eleven separate City elective offices, the San Francisco Community College District shall be deemed to consist of seven separate City elective offices, and the Board of Education of the San Francisco Unified School District shall be deemed to consist of seven separate City elective offices.

(d) "Committee" shall be defined as set forth in the Government Code of the State of California (commencing at Section 81000).

(e) "Contribution" shall be defined as set forth in Government Code of the State of California (commencing at Section 81000); provided, however, that "contribution" shall include loans of any kind or nature.

(f) "Election" shall mean any primary, general, or special municipal election held in the City and County of San Francisco for City elective office, regardless of whether the election is conducted by district or Citywide.

1 (g) "Enforcement authority" shall mean the District Attorney of the City and County
2 of San Francisco for criminal enforcement, the City Attorney for civil enforcement, and the
3 Ethics Commission for administrative enforcement. Nothing in this Chapter shall be construed
4 as limiting the authority of any law enforcement agency or prosecuting attorney to enforce the
5 provisions of this Chapter under any circumstances where such law enforcement agency or
6 prosecuting attorney otherwise has lawful authority to do so.

7 (h) "Ethics Commission" shall mean the San Francisco Ethics Commission.

8 (i) "Executive Director" shall mean the Executive Director of the Ethics
9 Commission, or the Executive Director's designee.

10 (j) "Matching contribution" shall mean a contribution, that is made by an individual,
11 other than the candidate, who is a resident of San Francisco. Matching contributions shall not
12 include loans or qualifying contributions, and must comply with all requirements of this
13 Chapter. Matching contributions under \$100 that are not made by written instrument must be
14 accompanied by written documentation of the contributor's name and address.

15 (k) "Measure" shall mean any City, San Francisco Unified School District or San
16 Francisco Community College District referendum, recall or ballot proposition, whether or not it
17 qualifies for the ballot.

18 (l) "Person" shall mean any individual, partnership, corporation, association, firm,
19 committee, club or other organization or group of persons, however organized.

20 (m) "Qualified campaign expenditure" for candidates shall mean includes all of the
21 following:

22 (1) Any expenditure made by a candidate, or by a committee controlled by the
23 candidate, for the purpose of influencing or attempting to influence the actions of the voters for
24 the election of the candidate to City elective office.

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1 (2) A nonmonetary contribution provided to the candidate, officeholder or committee
2 controlled by the candidate.

3 (3) The total cost actually paid or incurred by the candidate or controlled committee
4 of the candidate for a slate mailing or other campaign literature produced or authorized by
5 more than one candidate.

6 (4) Expenses incurred, but for which payment has not yet been made.

7 (5) Expenses associated with complying with applicable laws, including but not
8 limited to the California Political Reform Act, Government Code Section 81000, et seq., and
9 the provisions of this Chapter.

10 (6) "Qualified campaign expenditure" shall not include filing fees, expenses incurred
11 in connection with an administrative or judicial proceeding, payments for administrative, civil
12 or criminal fines, including late filing fines, costs incurred after the election that do not directly
13 affect the outcome of the election, including but not limited to utility bills, expenses associated with an
14 audit, and expenses related to preparing post-election campaign finance disclosure reports as required
15 by the California Political Reform Act, Government Code section 81000, et seq., and the provisions of
16 this Chapter, or for inaugural activities or officeholder expenses.

17 (n) "Qualifying contribution" shall mean a contribution of not less than \$10 and not
18 more than \$100 that is made by an individual who is a resident of San Francisco and that
19 complies with all requirements of this Chapter. Qualifying contributions shall not include
20 loans. Qualifying contributions under \$100 that are not made by written instrument must be
21 accompanied by written documentation of the contributor's name and address.

22 (o) "Recorded telephone message" shall mean a recorded audio message that
23 expressly supports or opposes a candidate for City elective office that is distributed by
24 telephone.

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1 (p) "Surplus funds" shall mean funds remaining in a candidate's campaign account
2 at the time the candidate leaves City elective office, or at the end of the post-election reporting
3 period following the defeat of the candidate for City elective office, whichever occurs last, and
4 funds remaining in the campaign account of a committee primarily formed to support or
5 oppose a measure at the end of the post-election reporting period following the election at
6 which the measure appeared on the ballot.

7 (q) "Voter" means an individual registered to vote in San Francisco

8 (r)(g) "Written instrument" means a check, credit card receipt, or record of electronic
9 transfer of funds.

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11 **SEC. 1.108. CANDIDATE CAMPAIGN CONTRIBUTION TRUST ACCOUNT -**
12 **ESTABLISHMENT.**

13 (a) Establishment of account. Each treasurer for a candidate shall establish a
14 campaign contribution trust account for the candidate at an office of a bank located in the City
15 and County of San Francisco, the account number and branch identification of which shall be
16 filed with the Ethics Commission within 10 days of the establishment of the account. All of the
17 expenditures by the candidate for the City elective office sought shall be made from that
18 account.

19 (b) Prohibition on Multiple Accounts. All funds, services or in-kind contributions received
20 by a City elective officer, or by any person or committee on behalf of a City elective officer, for
21 expenses incurred directly in connection with carrying out the usual and necessary duties of holding
22 office shall be deposited, credited or otherwise reported to the officer's campaign contribution trust
23 account and shall be subject to the contribution limits in Section 1.114 of this Chapter. Nothing in this
24 Section shall prohibit an officer from spending personal funds on official or related business activities.

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SEC. 1.114. CONTRIBUTION LIMITS.

(a) LIMITS ON CONTRIBUTIONS TO CANDIDATES.

(1) Per Candidate Limit. No person other than a candidate shall make, and no candidate campaign treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person to such candidate in an election to exceed ~~\$500~~ \$500.

(2) Overall Limit. No person shall make any contribution which will cause the total amount contributed by such person to all candidates in an election to exceed ~~\$500~~ \$500 multiplied by the number of City elective offices to be voted on at that election.

(b) LIMITS ON CONTRIBUTIONS TO COMMITTEES.

(1) Per Committee Limit. No person shall make, and no committee treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person to the committee to exceed ~~\$500~~ \$500 per calendar year.

(2) Overall Limit. No person shall make, and no committee treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person to all committees to exceed ~~\$3000~~ \$3000 per calendar year.

(3) Definitions. For purposes of this Subsection, "committee" shall mean any committee making expenditures to support or oppose a candidate, but shall not include candidates' campaign committees.

(c) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

(1) General rule. For purposes of the contribution limits imposed by this Section and Section ~~1.120 and 1.126~~, the contributions of an entity whose contributions are directed and controlled by any individual shall be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.

1 (2) Multiple entity contributions controlled by the same persons. If two or more
2 entities make contributions that are directed and controlled by a majority of the same persons,
3 the contributions of those entities shall be aggregated.

4 (3) Majority-owned entities. Contributions made by entities that are majority-owned
5 by any person shall be aggregated with the contributions of the majority owner and all other
6 entities majority-owned by that person, unless those entities act independently in their
7 decisions to make contributions.

8 (4) Definition. For purposes of this Section, the term "entity" means any person
9 other than an individual and "majority-owned" means a direct or indirect ownership of more
10 than 50 percent, ~~except that an entity owned equally by two individuals shall be deemed majority-~~
11 ~~owned by each of the individuals.~~

12 (5) Effective Date. This Subsection shall take effect January 1, 2004.

13 (d) CONTRIBUTOR INFORMATION REQUIRED. If the cumulative amount of
14 contributions received from a contributor is \$100 or more, the committee shall not deposit any
15 contribution that causes the total amount contributed by a person to equal or exceed \$100
16 unless the committee has the following information: the contributor's full name; the
17 contributor's street address; the contributor's occupation; and the name of the contributor's
18 employer or, if the contributor is self-employed, the name of the contributor's business. A
19 committee will be deemed not to have had the required contributor information at the time the
20 contribution was deposited if the required contributor information is not reported on the first
21 campaign statement on which the contribution is required to be reported.

22 (e) FORFEITURE OF UNLAWFUL CONTRIBUTIONS. In addition to any other
23 penalty, each committee that receives a contribution which exceeds the limits imposed by this
24 Section or which does not comply with the requirements of this Section shall pay promptly the
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1 amount received or deposited in excess of the amount permitted by this Section to the City
2 and County of San Francisco and deliver the payment to the Ethics Commission for deposit in
3 the General Fund of the City and County; provided that the Commission may provide for the
4 waiver or reduction of the forfeiture.

5 (f) RETURN OF CONTRIBUTIONS. A contribution to a candidate or
6 committee making expenditures to support or oppose a candidate shall not be considered to
7 be received if it is not cashed, negotiated, or deposited and in addition it is returned to the
8 donor before the closing date of the campaign statement on which the contribution would
9 otherwise be reported, except that a contribution to a candidate or committee making
10 expenditures to support or oppose a candidate made before an election at which the
11 candidate is to be voted on but after the closing date of the last campaign statement required
12 to be filed before the election shall not be considered to be deemed received if it is not
13 cashed, negotiated or deposited and is returned to the contributor within 48 hours of receipt.
14 For all committees not addressed by this Section, the determination of when contributions are
15 considered to be received shall be made in accordance with Government Code Section
16 81000, et seq.

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18 **SEC. 1.116. LIMITS ON LOANS TO CANDIDATES.**

19 (a) A candidate's loan of personal funds to the candidate's campaign may not
20 exceed at any time more than:

21 (1) \$15,000 for a candidate for the Board of Supervisors, Board of Education of the
22 San Francisco Unified School District or the Governing Board of the San Francisco
23 Community College District,

24 (2) \$120,000 for a candidate for Mayor, or

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1 (3) \$35,000 for a candidate for Assessor or Public Defender, City Attorney,
2 Treasurer, District Attorney or Sheriff.

3 (b) A candidate may not charge interest on any loan the candidate has made to the
4 candidate's campaign.

5 (c) In addition to any other penalty, loans made by a candidate to the candidate's campaign
6 in excess of the amounts in subsection (a) shall be deemed a contribution to the campaign and may not
7 be repaid to the candidate.

8 (d) Whenever the Ethics Commission adjusts the voluntary expenditure ceilings to
9 reflect changes in the California Consumer Price Index, as authorized under section 1.130,
10 the Commission is authorized to adjust the loan amounts in this section to reflect changes in
11 the Consumer Price Index. *This section shall take effect January 1, 2004.*

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13 **SEC. 1.122. SOLICITATION OR ACCEPTANCE OF CAMPAIGN CONTRIBUTIONS -**
14 **LIMITATIONS.**

15 (a) Declaration of Intent Required. No intended candidate for any City
16 elective office, and no committee acting on behalf of a candidate, shall solicit or accept, or
17 cause to be solicited or accepted, any contribution unless and until said candidate shall have
18 filed a declaration of intention to become a candidate for a specific City elective office with the
19 Department of Elections on a form to be prescribed by the Director of Elections.

20 No person shall file a declaration of intention to become a candidate for more
21 than one City elective office. For the purposes of this Section a committee acting on behalf of
22 a candidate need not be controlled by or acting under the authorization of the candidate.

23 (b) Use of Campaign Funds.

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1 (i) General. Except as otherwise provided in this Chapter, funds in a
2 candidate's campaign account may be used only on behalf of the candidacy for the office
3 specified in the candidate's declaration of intention filed under subsection (a) or for expenses
4 associated with holding that office, provided that such expenditures are reasonably related to a
5 legislative, governmental, or political purpose. Contributions solicited or accepted under this
6 Section for one individual shall not be expended for the candidacy of any other individual or in
7 support of or opposition to any measure, or be donated to a charitable organization. Nothing in
8 this section shall prohibit a candidate in a ranked choice election from expending funds to support the
9 ranking of another candidate if the primary purpose of the expenditure is to further the candidate's own
10 campaign.

11 (ii) Withdrawal from candidacy. Campaign funds held by an individual who
12 ceases to be a candidate or fails to qualify for an office for which contributions have been
13 solicited or accepted shall be:

14 (A) returned on a pro rata basis to those persons who have made said
15 contributions;

16 (B) donated to the City and County of San Francisco; or

17 (C) donated to a charitable organization.

18 (c) Surplus funds. Surplus funds held by a candidate or committee shall be:

19 (i) returned on a pro rata basis to those persons who have made said
20 contributions;

21 (ii) donated to a charitable organization; or

22 (iii) donated to the City and County of San Francisco; ~~or~~

23 ~~(d)(iv)~~ Transfer of Funds. At any time, funds held in a candidate's campaign account
24 may be transferred to any legally constituted committee established by or on behalf of the
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1 candidate under the Government Code of the State of California (commencing at Section
2 81000). Contributions transferred under this subsection shall be attributed to specific
3 contributors using a "first in, first out" or "last in, first out" accounting method.
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5 **SEC. 1.126. CONTRIBUTION LIMITS - CONTRACTORS DOING BUSINESS WITH**
6 **THE CITY, THE UNIFIED SCHOOL DISTRICT AND THE SAN FRANCISCO COMMUNITY**
7 **COLLEGE DISTRICT.**

8 *(a) Definitions.*

9 *For purposes of this section, the following words and phrases shall mean:*

10 *(1) "Person who contracts with" includes any party or prospective party to a contract, as well*
11 *any member of that party's board of directors, its chairperson, chief executive officer, chief financial*
12 *officer, chief operating officer, any person with an ownership interest of more than 20 percent in the*
13 *party, any subcontractor listed in a bid or contract, and any committee, as defined by this Chapter that*
14 *is sponsored or controlled by the party, provided that the provisions of Section 1.114 of this Chapter*
15 *governing aggregation of affiliated entity contributions shall apply only to the party or prospective*
16 *party to the contract.*

17 *(2) "Contract" means any agreement or contract, including any amendment or modification to*
18 *an agreement or contract, with the City and County of San Francisco, a state agency on whose board*
19 *an appointee of a City elective officer serves, the San Francisco Unified School District, or the San*
20 *Francisco Community College District for:*

21 *(A) the rendition of personal services,*

22 *(B) the furnishing of any material, supplies or equipment,*

23 *(C) the sale or lease of any land or building, or*

24 *(D) a grant, loan or loan guarantee.*
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1 **(b) Prohibition.**

2 No person who contracts with the City and County of San Francisco, a state agency on
3 whose board an appointee of a City elective officer serves, the San Francisco Unified School
4 District or the San Francisco Community College District, ~~for the rendition of personal services,~~
5 ~~for the furnishing of any material, supplies or equipment to the City, the Unified School District or the~~
6 ~~Community College District, or for selling or leasing any land or building to or from the City, the~~
7 ~~Unified School District or the Community College District whenever such transaction would require~~
8 ~~approval by a City elective officer, or the board on which that City elective officer serves,~~

9 **(1)** shall make any contribution to:

10 **(A) such an officer, an individual holding a City elective office if the contract must be**
11 **approved by such individual, the board on which that individual serves or a board on which**
12 **an appointee of that individual serves;**

13 **(B) or a candidate for such an the office held by such individual;**; or

14 **(C) a committee controlled by such individual officer or candidate**

15 **(2) whenever the agreement or contract has a total anticipated or actual value of \$50,000 or**
16 **more, or a combination or series of such agreements or contracts approved by that same individual or**
17 **board have a value of \$50,000 or more in a fiscal year of the City and County**

18 **(3)** at any time from the commencement of negotiations for such contract until:

19 **(A) (1)** the termination of negotiations for such contract; or

20 **(B) (2) three-six** months have elapsed from the date the contract is approved ~~by the~~
21 ~~City elective officer, or the board on which that City elective officer serves.~~

22 **(c) Notification.**

23 **(1) Prospective Parties to Contracts. Any prospective party to a contract with the City and**
24 **County of San Francisco, a state agency on whose board an appointee of a City elective officer serves,**

1 the San Francisco Unified School District or the San Francisco Community College District shall
2 inform each person described in subsection (a)(1) of the prohibition in subsection (b) by the
3 commencement of negotiations for such contract.

4 (2) Individuals Who Hold City Elective Office. Every individual who holds a City elective
5 office shall, within five business days of the approval of a contract by the officer, a board on which the
6 officer sits or a board of a state agency on which an appointee of the officer sits, notify the Ethics
7 Commission, on a form adopted by the Commission, of each contract approved by the individual, the
8 board on which the individual serves or the board of a state agency on which an appointee of the
9 officer sits. An individual who holds a City elective office need not file the form required by this
10 subsection if the clerk or secretary of a board on which the individual serves or a board of a state
11 agency on which an appointee of the officer serves has filed the form on behalf of the board.

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13 **SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE**
14 **CEILINGS.**

15 (a) All candidates for City elective office must file a statement with the Ethics
16 Commission indicating whether they accept or do not accept the applicable expenditure
17 ceiling. This statement, which is a public document, shall be filed no later than the deadline
18 for filing nomination papers with the Department of Elections, and ~~once filed~~ may not be
19 withdrawn after such deadline. The form may not be filed prior to June 1 of an election occurring in
20 November or 120 days before an election held at any other time, and once filed may not be withdrawn.
21 A candidate may not accept or reject the applicable expenditure ceiling under this section if the
22 applicable expenditure ceiling has already been lifted under section 1.134 of this Chapter.

23 The Director of Elections shall cause to be published in the Voter Information
24 Pamphlet, on the same page as appears the candidate's statement of qualifications, a notice
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1 informing voters whether the candidate has accepted the voluntary expenditure ceiling. For
2 candidates who have accepted the voluntary expenditure ceiling, the notice shall state: "The
3 above candidate has accepted the City's voluntary spending limit." For candidates who have
4 not accepted the voluntary expenditure ceiling, the notice shall state: "The above candidate
5 has NOT accepted the City's voluntary spending limit." If a candidate was precluded from
6 accepting or rejecting the limits because the expenditure ceiling for a particular race was lifted under
7 section 1.134 of this Chapter before the candidate filed the statement required by this section, the
8 notice for that candidate shall state "The voluntary spending limit was lifted before this candidate
9 decided whether to accept or not accept the limit." The notice shall be printed in the same font
10 size and type as the candidate's statement of qualifications.

11 (b) Any candidate who files a statement pursuant to this Section accepting the
12 applicable expenditure ceiling and makes campaign expenditures in excess of the expenditure
13 ceiling, at a time when the ceiling has not been lifted, is subject to the penalties in Section
14 1.170 for violation of this Chapter.

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16 **SEC. 1.130. AMOUNT OF EXPENDITURE CEILINGS.**

17 (a) Any candidate for Assessor, Public Defender, City Attorney, District Attorney,
18 Treasurer, or Sheriff who agrees to expenditure ceilings shall not make total qualified
19 campaign expenditures exceeding \$229,000 ~~211,000~~.

20 (b) Any candidate for Mayor who agrees to expenditure ceilings shall not make total
21 qualified campaign expenditures exceeding \$784,000 ~~724,000~~.

22 (c) Any candidate for the Board of Supervisors who agrees to expenditure ceilings
23 shall not make total qualified campaign expenditures exceeding \$86,000 ~~83,000~~.

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1 (d) Any candidate for the Board of Education of the San Francisco Unified School
2 District or the Governing Board of the San Francisco Community College District who agrees
3 to expenditure ceilings shall not make total qualified campaign expenditures exceeding
4 \$98,000 ~~90,000~~.

5 (e) The Ethics Commission is authorized to adjust annually the expenditure ceilings
6 imposed by this Section to reflect the change in the California Consumer Price Index for that
7 year.

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9 **SEC. 1.135. SUPPLEMENTAL REPORTING.**

10 (a) Supplemental Preelection Statements. In addition to the campaign disclosure
11 requirements imposed by the California Political Reform Act and other provisions of this
12 Chapter, all San Francisco general purpose committees shall file preelection statements before any
13 election held in the City and County of San Francisco at which a candidate for City elective office or
14 City measure is on the ballot, if the committee makes contributions or expenditures totaling five
15 hundred dollars (\$500) or more during the period covered by the preelection statement. ~~any committee~~
16 ~~that makes contributions or independent expenditures totaling \$500 or more in a calendar month~~
17 ~~during the six months immediately preceding an election, to support or oppose a candidate for City~~
18 ~~elective office at that election, shall disclose, prior to the date of the election, all contributions and~~
19 ~~loans received and all expenditures made.~~

20 (b) Time for Filing Supplemental Preelection Statements. Preelection statements required by
21 this Section shall be filed as follows:

22 (1) For the period ending 45 days before the election, the statement shall be filed no later than
23 40 days before the election;

1 (2) For the period ending 17 days before the election, the statement shall be filed no later than
2 12 days before the election.

3 (c) The Ethics Commission may require that these statements be filed electronically.
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5 **SEC. 1.148. RESTRICTIONS ON USE OF PUBLIC FUNDS; UNEXPENDED PUBLIC**
6 **FUNDS.**

7 (a) USE FOR QUALIFIED CAMPAIGN EXPENDITURES ONLY. Candidates
8 who receive public financing may use the public funds solely to pay for qualified campaign
9 expenditures, as defined by Section 1.104 of this Chapter, and to repay loans used to pay for
10 qualified campaign expenditures except that public funds may be used to pay filing fees and costs
11 incurred after the election that do not directly affect the outcome of the election, including but not
12 limited to utility bills, expenses associated with an audit, and expenses related to preparing post-
13 election campaign finance disclosure reports as required by the California Political Reform Act,
14 Government Code section 81000, et seq., and the provisions of this Chapter. Candidates may not
15 use public funds to pay for expenses incurred in connection with an administrative or judicial
16 proceeding. Candidates may not use public funds to pay administrative, civil or criminal fines,
17 including late filing fines, or to pay for inaugural activities or officeholder expenses. Candidates
18 may not use public funds to pay post-election bonuses to campaign employees or for election victory
19 celebrations or similar post-election campaign events.

20 (b) PURCHASE OF EQUIPMENT. Any equipment purchased by a
21 candidate with public funds provided under this Chapter that has a useful life beyond the
22 election campaign for which the funds were provided, and a fair market value exceeding \$100,
23 becomes City and County property on the day following the date the candidate is elected or
24 not elected to office.
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1 (c) WITHDRAWAL OR FAILURE TO QUALIFY. Any candidate who receives
2 public financing but who withdraws or fails to qualify to have his or her name printed on the
3 ballot in the election for which the public funds were provided shall repay the Election
4 Campaign Fund the full sum received from the Fund.

5 (d) UNEXPENDED PUBLIC FUNDS.

6 (i) General. Any candidate who receives public financing and who has
7 unexpended public funds shall pay to the City and County of San Francisco and deliver to the
8 Ethics Commission those funds for deposit in the Election Campaign Fund no later than 30
9 days after the Ethics Commission completes its audit of the candidate. Unexpended funds
10 may be used to pay for ~~qualified campaign expenditures~~ expenses associated with an audit such as
11 bank fees, treasurer fees and storage fees until the Ethics Commission completes its audit of the
12 candidate.

13 (ii) Definition. For purposes of this section, unexpended public funds shall
14 mean all funds remain-ing in the candidate's account on the 30th day after the candidate is
15 elected or not elected to office, regardless of the source of the funds, but shall not exceed the
16 amount of public funds provided to the candidate. Funds raised after this date do not
17 constitute unexpended funds and may be used for any lawful purpose.

18

19 **SEC. 1.161. DISCLOSURE AND FILING REQUIREMENTS FOR MASS MAILINGS.**

20 (a) DISCLOSURE.

21 In addition to the requirements set forth in California Government Code Section
22 84305, each mass mailing paid for by a candidate for City elective office shall include on the
23 outside of each piece of mail in the mass mailing the following statement in not less than 14 point
24 type and in a color or print which contrasts with the background so as to be easily legible:

25

1 "paid for by _____ (insert candidate's name and street address)." A post office box may be
2 stated in lieu of a street address if the candidate's address is a matter of public record with the
3 San Francisco Ethics Commission.

4 (b) FILING.

5 (1) Each candidate for City elective office who pays for a mass mailing shall,
6 within five working days after the date of the mailing, file *two of the original pieces* ~~an original or~~
7 ~~copy~~ of the mailing with the San Francisco Ethics Commission.

8 (2) Each candidate for City elective office who pays for a mass mailing shall,
9 within five working days after the date of the mailing, file an itemized disclosure statement with
10 the San Francisco Ethics Commission for that mailing.

11 (3) A candidate for City elective office shall file the original pieces of mail and the
12 itemized disclosure statement required by subsections (b)(1) and (b)(2) within 48 hours of the date of
13 the mailing if the date of the mailing occurs within the final 16 days before the election.

14 (4) Every original ~~or copy~~ filed pursuant to this subsection shall be clearly
15 legible.

16 (c) DEFINITIONS.

17 (1) For the purposes of this section, "Itemized disclosure statement" shall
18 mean a detailed description of the separate costs associated with a mass mailing, including
19 but not limited to photography, design, production, printing, distribution and postage. Each
20 cost shall be disclosed on a form promulgated by the San Francisco Ethics Commission in a
21 manner that demonstrates each separate charge or payment for each mass mailing.

22 (2) For the purposes of this section, "Mass mailing" shall be defined as set
23 forth in the California Political Reform Act (Government Code Sections 81000 et seq.),
24 provided that the mass mailing is paid for by a candidate for City elective office with funds
25

1 raised for the candidate's campaign, and that the mass mailing advocates for or against
2 candidates for City elective office.

3

4 SEC. 1.161.5. DISCLOSURE AND FILING FOR ELECTIONEERING
5 COMMUNICATIONS.

6 (a) DISCLOSURE STATEMENTS.

7 (1) Every electioneering communication shall include a disclosure statement
8 identifying the person who paid for the communication. Such disclosure statement shall, at a
9 minimum, contain the following words, "paid for by _____ (insert the name of the person who
10 paid for the communication)."

11 (2) Any disclosure statement required by this section to be in printed form
12 shall be printed in a type and color so as to be easily legible to the intended public. ~~In no~~
13 ~~situation shall such~~ Such disclosure statement shall be printed in ~~less than~~ at least 14 point type ~~or~~
14 and in a color or print that ~~does not~~ contrasts with the background so as to be easily legible to
15 the intended public.

16 (3) Any disclosure statement required by this section to be in spoken form
17 shall be spoken at the same volume and speed as the rest of the communication so as to be
18 clearly audible and understood by the intended public and otherwise appropriately conveyed
19 for the hearing impaired.

20 (b) REPORTING OBLIGATIONS.

21 (1) Every person who makes payments for electioneering communications in
22 an aggregate amount of \$1,000 during any calendar year shall, within 48 hours of each
23 disclosure date, file an itemized statement with the San Francisco Ethics Commission.

24

25

1 (2) Each itemized statement required to be filed under this section shall be
2 filed on a form promulgated by the San Francisco Ethics Commission and shall contain the
3 following information:

4 (A) the full name, street address, city, state and zip code of the person
5 making payments for electioneering communications;

6 (B) the name of any individual sharing or exercising direction and control over
7 the person making payments for electioneering communications;

8 (C) the total amount of payments made by the person for electioneering
9 communications during the calendar year;

10 (D) a detailed description of each payment made by the person for
11 electioneering communications during the calendar year, provided that the person has not
12 already reported such payments on an itemized statement filed under this section; such
13 detailed description shall include the date the payment was made, the full name and address
14 of the person to whom the payment was made; the amount of the payment, and a brief
15 description of the consideration for which each payment was made;

16 (E) a detailed accounting of any payments of \$100 or more that the person
17 has received from another person, which were used for making electioneering
18 communications, provided that the person has not already reported such payments received
19 on an itemized statement filed under this section; such detailed accounting shall include the
20 dollar amount or value of each payment, the date of the payment's receipt, the name, street
21 address, city, state, and zip code of the person who made such payment, the occupation and
22 employer of the person who made such payment, if any, or, if the person is self-employed, the
23 name of the person's business, and the cumulative amount of payments received for the
24 purpose of making electioneering communications from that person during the calendar year;

25

1 (F) the total amount of all payments reported under subsection (E) during the
2 calendar year;

3 (G) a legible copy of the electioneering communication if in printed form, or a
4 transcript of the electioneering communication if in spoken form; and

5 (H) any other information required by the Ethics Commission consistent with
6 the purposes of this section.

7 (3) The filer shall verify, under penalty of perjury, the accuracy and
8 completeness of the information provided in the itemized statement, and shall retain for a
9 period of five years all books, papers and documents necessary to substantiate the itemized
10 statements required by this section.

11 (4) The Ethics Commission may require any itemized statement to be filed
12 electronically and may permit any required statement to be filed by facsimile. The Ethics
13 Commission shall promulgate regulations to implement this subsection before any person
14 shall be required to file an itemized statement electronically or permitted to file a statement by
15 facsimile.

16 (5) If any person files an itemized statement after any deadline imposed by
17 this section, the Ethics Commission shall, in addition to any other penalties or remedies
18 established in this Chapter, fine the person \$10 per day after the deadline until the statement
19 is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if
20 the Commission determines that the late filing was not willful and that enforcement will not
21 further the purposes of this Chapter. The Ethics Commission shall deposit funds collected
22 under this section in the General Fund of the City and County of San Francisco.

23 (c) DEFINITIONS. Whenever in this section the following words or phrases
24 are used, they shall mean:

25

1 (1) "Disclosure Date" shall mean:

2 (A) the first date during any calendar year when an electioneering
3 communication is distributed after a person has made payments aggregating \$1,000 for
4 electioneering communications; and

5 (B) after a person has met the threshold under subsection (A), any date
6 during that same calendar year when an electioneering communication is distributed, if that
7 same person made any payments for such electioneering communication.

8 (2) "Distributed" shall mean any act that permits an electioneering
9 communication to be viewed, read or heard.

10 (3) "Electioneering Communication" shall mean any communication,
11 including but not limited to any broadcast, cable, satellite, radio, internet, or telephone
12 communication, and any mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard,
13 facsimile, or printed advertisement, that:

14 (A) refers to a clearly identified candidate for City elective office or a City
15 elective officer who is the subject of a recall election; and

16 (B) is distributed within 90 days prior to an election for the City elective office
17 sought by the candidate or a recall election regarding the City elective officer to 500 or more
18 individuals who are registered to vote or eligible to register to vote in the election or recall
19 election. There shall be a rebuttable presumption that any that any broadcast, cable, satellite,
20 or radio communication and any sign, billboard or printed advertisement is distributed to 500
21 or more individuals who are eligible to vote in or eligible to register to vote in an election for
22 the City elective office sought by the candidate or a recall election regarding the City elective
23 officer.

24 (C) The term "Electioneering Communication" shall not include:

25

- 1 (i) communications that constitute expenditures or independent
2 expenditures under this Chapter;
- 3 (ii) communications made by a slate mailer organization if such
4 communications are required to be disclosed under California Government Code section
5 81000, et seq.;
- 6 (iii) communications paid for by the City or any other local, state or federal
7 government agency;
- 8 (iv) spoken communications between two or more individuals in direct
9 conversation unless such communications are made by telephone and at least one of the
10 individuals is compensated for the purposes of making the telephone communication;
- 11 (v) communications that appear on bumper stickers, pins, stickers, hat
12 bands, badges, ribbons and other similar memorabilia;
- 13 (vi) news stories, commentaries or editorials distributed through any
14 newspaper, radio station, television station, or other recognized news medium unless such
15 news medium is owned or controlled by any political party, political committee or candidate;
- 16 (vii) communications to all members, employees and shareholders of an
17 organization, other than a political party, provided that such communications do not constitute
18 general public advertising such as, but not limited to, broadcasting, billboards, and newspaper
19 advertisements;
- 20 (viii) communications that occur during a candidate debate or forum; and
- 21 (ix) communications made solely to promote a candidate debate or forum
22 made by or on behalf of the person sponsoring the debate or forum, provided that such
23 communications do not otherwise discuss the positions or experience of a candidate for City
24 elective office or a City elective officer who is the subject of a recall election.
- 25

1 (4) "Internet Communication" shall include paid internet advertisements such
2 as "banner" and "pop up" advertisements, paid emails or emails sent to addresses purchased
3 from another person, and similar types of internet communications as defined by the Ethics
4 Commission by regulation, but shall not include web blogs, listserves sent to persons who
5 have contacted the sender, discussion forums, or general postings on web pages.

6 (5) "Payment" shall be defined as set forth in Government Code of the State
7 of California (commencing at Section 81000); provided, however, that "payment" shall also
8 include any enforceable promise to make a payment.

9 (6) "Refers to a clearly identified candidate for City elective office or a City
10 elective officer who is the subject of a recall election" shall mean any communication that
11 contains the candidate's or officer's name, nickname or image or makes any other
12 unambiguous reference to the candidate or officer such as "your Supervisor" or "the
13 incumbent."

14 (D) Regulations. The Ethics Commission shall issue regulations
15 implementing this section, including regulations defining all members, employees and
16 shareholders of an organization.

17

18 **SEC. 1.170. PENALTIES.**

19 (a) CRIMINAL.

20 Any person who knowingly or willfully violates any provision of this Chapter shall be
21 guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more
22 than \$5,000 for each violation or by imprisonment in the County jail for a period of not more
23 than six months or by both such fine and imprisonment; provided, however, that any willful or
24 knowing failure to report contributions or expenditures done with intent to mislead or deceive

25

1 or any willful or knowing violation of the provisions of Section 1.114 of this Chapter shall be
2 punishable by a fine of not less than \$5,000 for each violation or three times the amount not
3 reported or the amount received in excess of the amount allowable pursuant to Section 1.114
4 of this Chapter, or three times the amount expended in excess of the amount allowable
5 pursuant to Section 1.130, whichever is greater.

6 (b) CIVIL.

7 Any person who intentionally or negligently violates any of the provisions of this
8 Chapter shall be liable in a civil action brought by the civil prosecutor for an amount up to
9 \$5,000 for each violation or three times the amount not reported or the amount received in
10 excess of the amount allowable pursuant to Section 1.114 or three times the amount
11 expended in excess of the amount allowable pursuant to Section 1.130, whichever is greater.

12 (c) ADMINISTRATIVE.

13 Any person who intentionally or negligently violates any of the provisions of this
14 Chapter shall be liable in an administrative proceeding before the Ethics Commission held
15 pursuant to the Charter for an amount up to \$5,000 for each violation, or three times the
16 amount not reported or the amount received in excess of the amount allowable pursuant to
17 Section 1.114 or three times the amount expended in excess of the amount allowable
18 pursuant to Section 1.130, whichever is greater.

19 (d) LATE FILING FEES PENALTIES FOR LATE ELECTRONIC FILINGS.

20 (1) Fees for Late Paper Filings. In addition to any other penalty, any person who files a
21 paper copy of any statement or report after the deadline imposed by this Chapter shall be liable in the
22 amount of ten dollars (\$10) per day after the deadline until the statement is filed.

23 (2) In addition to any other penalty, Any person who files an electronic copy of a
24 statement or report required by this Chapter after the deadline imposed by this Chapter the
25

1 ~~California Political Reform Act (Government Code Section 81000 et seq.) for filing the written copy of~~
2 ~~the statement or report~~ shall be liable in the amount of twenty-five dollars (\$25) per day after the
3 deadline until the electronic copy or report is filed.

4 (3) Limitation on Liability. Liability imposed by subsection (d)(1) shall not exceed the
5 cumulative amount stated in the late statement or report, or one hundred dollars (\$100), whichever is
6 greater. Liability imposed by subsection (d)(2) shall not exceed the cumulative amount stated in the
7 late statement or report, or two hundred and fifty dollars (\$250), whichever is greater.

8 (4) Reduction or Waiver. The Ethics Commission may reduce or waive a fee imposed by
9 this subsection if the Commission determines that the late filing was not willful and that enforcement
10 will not further the purposes of this Chapter.

11 (e) MISUSE OF PUBLIC FUNDS.

12 Any person who willfully or knowingly uses public funds, paid pursuant to this Chapter,
13 for any purpose other than the purposes authorized by this Chapter shall be subject to the
14 penalties provided in this Section.

15 (f) PROVISION OF FALSE OR MISLEADING INFORMATION TO THE ETHICS
16 COMMISSION; WITHHOLDING OF INFORMATION.

17 Any person who knowingly or willfully furnishes false or fraudulent evidence,
18 documents, or information to the Ethics Commission under this Chapter, or misrepresents any
19 material fact, or conceals any evidence, documents, or information, or fails to furnish to the
20 Ethics Commission any records, documents, or other information required to be provided
21 under this Chapter shall be subject to the penalties provided in this Section.

22 (g) PERSONAL LIABILITY.

23 Candidates and treasurers are responsible for complying with this Chapter and may be
24 held personally liable for violations by their committees.

25

1 (h) JOINT AND SEVERAL LIABILITY.

2 If two or more persons are responsible for any violation of this Chapter, they shall be
3 jointly and severally liable.

4 (i) EFFECT OF VIOLATION ON OUTCOME OF ELECTION.

5 If a candidate is convicted of a violation of this Chapter at any time prior to his or her
6 election, his or her candidacy shall be terminated immediately and he or she shall be no
7 longer eligible for election, unless the court at the time of sentencing specifically determines
8 that this provision shall not be applicable. No person convicted of a misdemeanor under this
9 Chapter after his or her election shall be a candidate for any other City elective office for a
10 period of five years following the date of the conviction unless the court shall at the time of
11 sentencing specifically determine that this provision shall not be applicable. A plea of nolo
12 contendere shall be deemed a conviction for purposes of this Section.

13
14 Section 2. The San Francisco Campaign and Governmental Code is hereby amended
15 by adding Sections 1.107, 1.115, 1.162.5, and 1.163.5, to read as follows:

16
17 **SEC. 1.107. TRAINING FOR TREASURERS**

18 (a) Training Requirements.

19 (1) Candidates. Every candidate for City elective office and their treasurers shall attend a
20 training program conducted or sponsored by the Ethics Commission prior to each election at which the
21 candidate's name will appear on the ballot.

22 (2) Treasurers. Every committee treasurer shall attend the next training program conducted or
23 sponsored by the Ethics Commission after the date the committee files either its original statement of
24 organization or an amendment to a statement of organization designating a new treasurer.

1 **(b) Exception.** *An individual who serves as the treasurer for more than one committee is not*
2 *required to attend a training required by subsection (a) if that individual has attended such a training*
3 *within the previous 12 months.*

4 **(c) Definition.** *For the purposes of this section, "committee" shall mean any committee that:*
5 *(1) qualifies as committee pursuant to subdivision (a) of Section 82013 of the California Government*
6 *Code as incorporated into this Chapter by Section 1.104; and (2) is required to file its semi-annual*
7 *campaign statements with the Ethics Commission.*

8
9 **SEC. 1.115. COORDINATION OF EXPENDITURES**

10 **(a) General.** *An expenditure is not considered independent and shall be treated as a*
11 *contribution from the person making the expenditure to the candidate on whose behalf, or for whose*
12 *benefit the expenditure is made, if the expenditure funds a communication that expressly advocates the*
13 *nomination, election or defeat of a clearly identified candidate and is made under the following*
14 *circumstance:*

15 **(1) the expenditure is made at the request, suggestion, or direction of, or in cooperation,**
16 *consultation, concert or coordination with, the candidate on whose behalf, or for whose benefit, the*
17 *expenditure is made; or*

18 **(2) the communication funded by the expenditure is created, produced or disseminated:**

19 **(A) after the candidate has made or participated in making any decision regarding the content,**
20 *timing, location, mode, intended audience, volume of distribution, or frequency of placement of the*
21 *communication; or*

22 **(B) after discussion between the creator, producer or distributor of a communication, or the**
23 *person paying for that communication, and the candidate or committee regarding the content, timing,*
24
25

1 location, mode, intended audience, volume of distribution or frequency of placement of that
2 communication, the result of which is agreement on any of these topics.

3 (b) Rebuttable presumption of coordination. In addition to subsection (a) of this section, there
4 shall be a presumption that an expenditure funding a communication that expressly advocates the
5 nomination, election or defeat of a clearly identified candidate is not independent of the candidate on
6 whose behalf or for whose benefit the expenditure is made, when:

7 (1) it is based on information about the candidate or committee's campaign needs or plans
8 provided to the spender by the candidate;

9 (2) it is made by or through any agent of the candidate in the course of the agent's involvement
10 in the current campaign;

11 (3) the spender retains the services of a person, including a campaign consultant, who provides,
12 or has provided, the candidate with professional services related to campaign or fundraising strategy
13 for that same election;

14 (4) the communication replicates, reproduces, republishes or disseminates, in whole or in
15 substantial part, a communication designed, produced, paid for or distributed by the candidate; or

16 (5) in the same election that the expenditure is made, the spender or spender's agent is serving
17 or served in an executive or policymaking role for the candidate's campaign or participated in strategy
18 or policy making discussions with the candidate's campaign relating to the candidate's pursuit of
19 election to office and the candidate is pursuing the same office as a candidate whose nomination or
20 election the expenditure is intended to influence.

21 (c) Exceptions. Notwithstanding the foregoing, an expenditure shall not be considered a
22 contribution to a candidate merely because:

23 (1) the spender interviews a candidate on issues affecting the spender;
24
25

1 (2) the spender has obtained a photograph, biography, position paper, press release, or similar
2 material from the candidate;

3 (3) the spender has previously made a contribution to the candidate;

4 (4) the spender makes an expenditure in response to a general, non-specific request for support
5 by a candidate, provided that there is no discussion with the candidate prior to the expenditure relating
6 to details of the expenditures;

7 (5) the spender has invited the candidate or committee to make an appearance before the
8 spender's members, employees, shareholders, or the families thereof, provided that there is no
9 discussion with the candidate prior to the expenditure relating to details of the expenditure;

10 (6) the spender informs a candidate that the spender has made an expenditure provided that
11 there is no other exchange of information not otherwise available to the public, relating to the details of
12 the expenditure; or

13 (7) the expenditure is made at the request or suggestion of the candidate for the benefit of
14 another candidate or committee.

15 (d) Definition. For purposes of this section, the terms "candidate" includes an agent of the
16 candidate when the agent is acting within the course and scope of the agency.

17
18 **SEC. 1.162.5. DISCLOSURE REQUIREMENTS – CAMPAIGN ADVERTISEMENTS**

19 (a) Disclosure. Any campaign advertisement that urges support for or opposition to one or
20 more candidates for City elective office shall include a disclosure statement identifying the person who
21 paid for the advertisement. Such disclosure statement shall, at a minimum, contain the following
22 words, "paid for by _____ (insert the name of the person who paid for the communication)" and
23 appear at least once on the advertisement.

1 (1) Any disclosure statement required by this section to be in printed form shall be printed
2 in a type and color so as to be easily legible to the intended public. Such disclosure statement shall be
3 printed in at least 14-point type and in a color or print that contrasts with the background so as to be
4 easily legible to the intended public.

5 (2) Any disclosure statement required by this section to be in spoken form shall be spoken at
6 the same volume and speed as the rest of the communication so as to be clearly audible and understood
7 by the intended public and otherwise appropriately conveyed for the hearing impaired.

8 (b) Definitions. For the purposes of this section, the term "campaign advertisement"
9 means:

10 (1) programming received by a television or radio;

11 (2) a communication placed in a newspaper; periodical or magazine of general circulation;

12 (3) posters, door hangers, and yard signs produced in quantities of 200 or more; and

13 (4) a billboard.

14
15 **SEC. 1.163.5. DISTRIBUTION OF CAMPAIGN ADVERTISEMENTS CONTAINING**
16 **FALSE ENDORSEMENTS.**

17 (a) Prohibition. No person may sponsor any campaign advertisement that is distributed within
18 90 days prior to an election and that contains a false endorsement, where the person acts with
19 knowledge of the falsity of the endorsement or with reckless disregard for the truth or falsity of the
20 endorsement. A false endorsement is a statement, signature, photograph, or image representing that a
21 person expressly endorses or conveys support for or opposition to a candidate or measure when in fact
22 the person does not expressly endorse or convey support for or opposition to the candidate or measure
23 as stated or implied in the campaign communication.

1 (b) Definitions. Whenever in this section the following words or phrases are used, they shall
2 mean:

3 (1) "Campaign advertisement" is any mailing, flyer, doorhanger, pamphlet, brochure, card,
4 sign, billboard, facsimile, printed advertisement, broadcast, cable, satellite, radio, internet, or recorded
5 telephone advertisement that refers to one or more clearly identified candidates or ballot measures.

6 The term "campaign advertisement" does not include:

7 (A) bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar
8 campaign memorabilia;

9 (B) news stories, commentaries or editorials distributed through any newspaper, radio, station,
10 television station or other recognized news medium unless such news medium is owned or controlled by
11 any political party, political committee or candidate; or

12 (C) material distributed to all members, employees and shareholders of an organization, other
13 than a political party;

14 (2) "Internet advertisement" includes paid internet advertisements such as "banner" and "pop-
15 up" advertisements, paid emails, or emails sent to addresses purchased from another person, and
16 similar types of internet advertisements as defined by the Ethics Commission by regulation, but shall
17 not include web blogs, listserves sent to persons who have contacted the sender, discussion forums, or
18 general postings on web pages.

19 (3) "Sponsor" means to pay for, direct, supervise or authorize the production of campaign
20 advertisement.

21 (c) Enforcement and penalties. The penalties under section 1.170(a) of this Chapter do not
22 apply to violations of this section. Notwithstanding the 60-day waiting period in section 1.168 of this
23 Chapter, a voter may bring an action to enjoin a violation of this section immediately upon providing

1 written notice to the City Attorney. A court may enjoin a violation of this section only upon a showing
2 of clear and convincing evidence of a violation.

3
4 Section 3. The San Francisco Campaign and Governmental Code is hereby amended
5 by repealing section 1.132, Chapter 2 of Article I, Section 1.200, and Chapter 4 of Article I,
6 Sections 1.400, 1.405, 1.410, 1.415, 1.420 and 1.425, as follows:

7
8 **~~SEC. 1.132. TIME PERIODS FOR EXPENDITURES.~~**

9 ~~(a) For purposes of the expenditure ceilings for the offices of Assessor and Public Defender,~~
10 ~~qualified campaign expenditures made at any time on or before the date of the primary shall be~~
11 ~~considered primary election expenditures, and qualified expenditures made after the date of the~~
12 ~~primary election shall be considered general election expenditures. However, in the event that~~
13 ~~payments are made but the goods or services are not used during the period purchased, the payments~~
14 ~~shall be considered qualified campaign expenditures for the time period in which they are used.~~
15 ~~Payments for goods or services used during both time periods shall be prorated.~~

16 ~~(b) For purposes of the expenditure ceilings for the offices of City Attorney, District Attorney,~~
17 ~~Treasurer, Sheriff and Supervisor, qualified campaign expenditures made at any time before the~~
18 ~~general election shall be considered general election expenditures, and qualified expenditures made~~
19 ~~after the general election shall be considered run-off election expenditures. However, in the event that~~
20 ~~payments are made but the goods or services are not used during the period purchased, the payments~~
21 ~~shall be considered qualified campaign expenditures for the time period in which they are used.~~
22 ~~Payments for goods or services used during both time periods shall be prorated.~~

1 **~~SEC. 1.200. PROHIBITION ON MULTIPLE CAMPAIGN ACCOUNTS.~~**

2 ~~An officer of the City and County of San Francisco, or any person or committee on behalf of an~~
3 ~~officer of the City and County of San Francisco, is hereby prohibited from establishing any account,~~
4 ~~other than a campaign fund, for the solicitation and expenditure of funds. Nothing in this section shall~~
5 ~~prohibit an officer from spending personal funds on official or related business activities.~~

6 ~~(a) — An account established by an officer or on behalf of an officer of the City and County of~~
7 ~~San Francisco is defined as any account used to pay expenses incurred directly in connection with~~
8 ~~carrying out the usual and necessary duties of holding office, including but not limited to, travel~~
9 ~~between an officer's residence and public office, meetings with constituents which are not campaign~~
10 ~~related meetings, salary payments to staff for other than campaign activities, office promotional~~
11 ~~materials, advertising, mailings, postage, and paid radio or television airtime.~~

12 ~~(b) — Any and all monies or services accepted or received by an officer or on behalf of an~~
13 ~~officer, except monies or services accepted or received from or as a result of the officer's personal or~~
14 ~~business activities, unrelated to his or her office, shall be deposited, credited or otherwise reported to a~~
15 ~~campaign fund established by the officer and shall be subject to the provisions contained in Section~~
16 ~~1.114 of the Campaign and Governmental Conduct Code.~~

17 ~~(c) — This Section shall not be applied retroactively. Funds held in officeholder accounts, or~~
18 ~~accounts on behalf of any officer, existing on November 2, 1993, may be expended on official or~~
19 ~~business related activities notwithstanding this Section. No further deposits, transfer, credits or other~~
20 ~~additions to the balance of the account shall be made. Upon depletion of all available funds in the~~
21 ~~officer's account, the account shall be closed.~~

1 **~~SEC. 1.400. PURPOSE.~~**

2 ~~Campaign literature that falsely represents the endorsement of current and former public~~
3 ~~officials, candidates, political clubs, and organizations has been distributed in recent local elections.~~
4 ~~These false representations undermine the integrity of the electoral process by misleading and~~
5 ~~confusing voters about the actual support for or opposition to candidates or ballot measures. It is too~~
6 ~~burdensome for individual voters, inundated with campaign messages, to verify the accuracy of such~~
7 ~~claims and for persons whose positions are misrepresented to correct the misrepresentations.~~
8 ~~Prohibiting knowingly false representations in campaign literature during the limited period when~~
9 ~~effectively responding to them is most difficult will serve the City's paramount interest in ensuring the~~
10 ~~integrity of the electoral process.~~

11 **~~SEC. 1.405. DEFINITIONS.~~**

12 ~~For purposes of this Chapter, the following definitions apply:~~

13 ~~(a) — Campaign literature. The term “campaign literature” includes but is not limited to any~~
14 ~~flyer, doorhanger, pamphlet, brochure, card, billboard, or advertisement urging support for or~~
15 ~~opposition to one or more candidates or ballot measures. The term “campaign literature” does not~~
16 ~~include bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar campaign~~
17 ~~memorabilia.~~

18 ~~(b) — Candidate. The term “candidate” has the same meaning as in section 1.104(a) of this~~
19 ~~Code.~~

20 ~~(c) — Civil enforcement authority. The term “civil enforcement authority” shall have the~~
21 ~~same meaning as in section 1.104(f) of this Code.~~

22 ~~(d) — Measure. The term “measure” has the same meaning as in section 1.104(g) of this~~
23 ~~Code.~~

24 ~~(e) — Person. The term “person” has the same meaning as in section 1.104(k) of this Code.~~

1 (f) ~~Sponsor. The term "sponsor" means to pay for, direct, supervise or authorize the~~
2 ~~production of campaign literature.~~

3 (g) ~~Voter. The term "voter" means a voter registered to vote in San Francisco.~~

4 ~~**SEC. 1.410. DISTRIBUTION OF CAMPAIGN LITERATURE CONTAINING FALSE**~~
5 ~~**ENDORSEMENT PROHIBITED.**~~

6 ~~No person may sponsor any campaign literature that is distributed within 90 days prior to an~~
7 ~~election and that contains a false endorsement, where the person acts with knowledge of the falsity of~~
8 ~~the endorsement or with reckless disregard for the truth or falsity of the endorsement. A false~~
9 ~~endorsement is a statement, signature, photograph, or image representing that a person endorses~~
10 ~~support of or opposition to a candidate or measure when in fact the person does not endorse support of~~
11 ~~or opposition to the candidate or measure as stated or implied in the campaign literature~~

12 ~~**SEC. 1.415. RESTRAINING ORDER OR INJUNCTION.**~~

13 ~~The civil enforcement authority, or any voter, may bring a civil action for injunctive relief~~
14 ~~against the publication, printing, circulation, or posting of campaign literature that violates Section~~
15 ~~1.410. No voter may commence an action under this Section without first providing written notice to~~
16 ~~the civil enforcement authority of intent to commence an action. A Court may award reasonable~~
17 ~~attorney's fees and costs to any voter who obtains injunctive relief under this Section. If the Court finds~~
18 ~~that an action brought by a voter under this section is frivolous, the Court may award the defendant~~
19 ~~reasonable attorney's fees and costs.~~

20 ~~**SEC. 1.420. PENALTIES.**~~

21 ~~Any person who violates Section 1.410 shall be liable in a civil action brought by the civil~~
22 ~~enforcement authority for an amount up to \$5,000. (Added by Ord. 71 00, File No. 000358, App.~~
23 ~~4/28/2000)~~

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~~SEC. 1.425. SEVERABILITY.~~

~~The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this Chapter, or the invalidity of the application thereof to any person or circumstances, shall not affect the validity of the remainder of this Chapter or the validity of its application to other persons or circumstances~~

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
CHAD A. JACOBS
Deputy City Attorney