File No. 2081

Committee Item No.	10
Board Item No	

COMMITTEE/BOARD OF SUPERVISORS

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Board of S	Supervisors Meeting	Date
Cmte Bo	pard	
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OTHER	(Use back side if additiona	Il space is needed)
Completed Completed	d by: Linda Wong	Date <u>12/3/12</u> Date

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

Supervisor Chiu

BOARD OF SUPERVISORS

[Campaign and Governmental Conduct Code - Requiring Electronic Filing of Campaign Statements]

Ordinance amending the San Francisco Campaign and Governmental Conduct Code, Section 1.112, to require the electronic filing of campaign statements submitted to the Ethics Commission.

NOTE:

Additions are <u>single-underline italics Times New Roman</u>; deletions are <u>strike through italics Times New Roman</u>. Board amendment additions are <u>double-underlined</u>; Board amendment deletions are <u>strikethrough normal</u>.

Be it ordained by the People of the City and County of San Francisco: Section 1. Findings.

- 1. The Political Reform Act of 1974, Government Code section 81000, et seq., requires certain candidates and committees to file campaign statements and reports with local filing officers. The San Francisco Campaign and Governmental Conduct Code imposes additional filing requirements on local candidates and committees. These state and local filings disclose a candidate's contributors and the financial activity of committees. They also provide necessary information for local campaign finance initiatives such as San Francisco's public financing program.
- 2. In the decades since the enactment of the Political Reform Act, candidates and committees have complied with their filing requirements by filing paper copies of their campaign statements and reports with the appropriate local and state agencies. Locally, the San Francisco Ethics Commission has endeavored to make its paper filings readily available to the public through its website by scanning and posting these documents as portable document format (PDF) files. But to scan and post these filings requires a substantial amount of staff time, particularly around filing deadlines when the public often desires immediate disclosure of campaign-related information.

of staff time, particularly around filing deadlines when the public often desires immediate disclosure of campaign-related information.

- 3. In July 2012, the Legislature approved Assembly Bill 2452 (AB 2452), sponsored by Assemblyman Tom Ammiano, which authorizes local jurisdictions to require candidates and committees to forego paper filings and to instead file their required statements electronically. The Governor approved the legislation on July 13, 2012. The City and County of San Francisco sponsored the legislation, and the Ethics Commission played a significant role in ensuring its passage.
- 4. To conserve staff resources and make the information publicly available in a shorter time-frame and more usable format, the San Francisco Ethics Commission should take advantage of this recent change in state law. The public will be able to access the information disclosed in campaign statements in a more timely manner, by eliminating any manual processing of filings. An electronic filing system also allows the public to run searches and compile information more easily. By moving to an electronic filing system, the Ethics Commission also will no longer need to expend staff time and limited resources to accept, process, and store copious campaign statements as paper copies.
- 5. The Board of Supervisors and the Ethics Commission find that the Ethics Commission's electronic filing system will operate securely and effectively. The Board of Supervisors and the Ethics Commission also find that the electronic filing system would not unduly burden filers.
- Section 2. The San Francisco Campaign and Governmental Conduct Code is hereby amended by amending Section 1.112, to read as follows:

SEC. 1.112. ELECTRONIC CAMPAIGN DISCLOSURE.

(a) FILING ELECTRONIC CAMPAIGN STATEMENTS.

SUPERVISOR CHIU BOARD OF SUPERVISORS

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- (1) Filing Electronic Copies of Campaign Statements Required by State Law. Whenever any committee that meets the requirements of Subsection (b) of this Section is required by the California Political Reform Act, California Government Code Section 81000 et seq., to file a campaign disclosure statement or report with the Ethics Commission, the committee shall file at the same time a copy of the statement or report in an electronic format with the Ethics Commission, provided the Ethics Commission has prescribed the format at least 60 days before the statement or report is due to be filed.
- (2) Filing Electronic Copies of Campaign Statements Required by Local Law. Whenever any committee is required to file a campaign disclosure statement or report with the Ethics Commission under this Chapter, the committee shall file the statement or report in an electronic format, provided the Ethics Commission has prescribed the format at least 60 days before the statement or report is due to be filed.
- (3) Continuous Filing of Electronic Statements. Once a committee is subject to the electronic filing requirements imposed by this Section, the committee shall remain subject to the electronic filing requirements, regardless of the amount of contributions received or expenditures made during each reporting period, until the committee terminates pursuant to this Chapter and the California Political Reform Act, California Government Code Section 81000 et seq.
- (4) Disclosure of Expenditure Dates. All electronic statements filed under this Section shall include the date any expenditure required to be reported on the statement was incurred, provided that the Ethics Commission's forms accommodate the reporting of such dates.
 - (b) COMMITTEES SUBJECT TO ELECTRONIC FILING REQUIREMENTS.

- (1) A committee must file electronic copies of statements and reports $i\underline{f}i\underline{t}$ receives contributions or makes expenditures that total $\$5,000\underline{1,000}$ or more in a calendar year and is:
 - (A) a committee controlled by a candidate for City elective office;
- (B) a committee primarily formed to support or oppose a local measure or a candidate for City elective office; or
- (C) a general purpose recipient, independent expenditure or major donor committee that qualifies, under state law, as a *eity or* county general purpose committee in the City and County of San Francisco-*; or*
- (D) a committee primarily formed to support or oppose a person seeking membership on a San Francisco county central committee, including a committee controlled by the person seeking membership on a San Francisco county central committee.
- (2) The Ethics Commission may require additional committees not listed in this Section to file electronically through regulations adopted at least 60 days before the statement or report is due to be filed.
- (c) VOLUNTARY ELECTRONIC FILING. Any committee not required to file electronic statements by this Section may voluntarily opt to file electronic statements by submitting written notice to the Ethics Commission. A committee that opts to file electronic statements shall be subject to the requirements of this Section.
- Section 3. Effective Date. This ordinance shall become effective 30 days from the date of passage. If the effective date is prior to January 1, 2013, the ordinance shall not become operative until January 1, 2013.
- Section 4. This section is uncodified. In enacting this Ordinance, the Board intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any other constituent part of the Campaign and

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1	Governmental Conduct Code that are explicitly shown in this legislation as additions,				
2	deletions, Board amendment additions, and Board amendment deletions in accordance with				
3	the "Note" that appears under the official title of the legislation.				
4					
5	APPROVED AS TO FORM:				
6	DENNIS J. HERRERA, City Attorney				
7	By: Mu				
8	ANDREW SHEN Deputy City Attorney				
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SUPERVISOR CHIU BOARD OF SUPERVISORS

LEGISLATIVE DIGEST

[Campaign and Governmental Conduct Code - Requiring Electronic Filing of Campaign Statements]

Ordinance amending the San Francisco Campaign and Governmental Conduct Code by amending section 1.112 to require the electronic filing of campaign statements submitted to the Ethics Commission.

Existing Law

Under section 1.112 of the San Francisco Campaign and Governmental Conduct Code, the Ethics Commission ("Commission") may require campaign committees to file their campaign statements electronically, *in addition to* filing paper copies of those same statements.

The electronic filing requirements apply only to campaign committees that are active primarily in local campaigns and that receive contributions or make expenditures that total \$5,000 or more in a calendar year.

Amendments to Current Law

As authorized by recently enacted state law, under the proposed amendments, campaign committees required to submit their campaign statements to the Commission can do so electronically, *without* filing an additional paper copies. The proposal also lowers the threshold for electronic filing to committees that receive contributions or make expenditures that total \$1,000 or more in a calendar year.

Consistent with current practice, the proposed amendments also explicitly provide that a committee primarily formed to support or oppose a person seeking membership on a San Francisco county central committee is subject to these electronic filing requirements.

Lastly, the proposal includes uncodified findings addressing the security and usability of the Commission's electronic filing system, as required by state law.

Background Information

Under Assembly Bill 2452 ("AB 2452"), local jurisdictions may adopt an exclusively electronic filing system for campaign statements filed by local committees. Local jurisdictions that wish to use such an electronic filing system must first enact an ordinance that specifically requires electronic filing for local committees and that includes legislative findings stating that the electronic filing system will operate securely and will not unduly burden filers. The operative date of AB 2452 will be January 1, 2013.

The Board of Supervisors may only amend the Campaign Finance Reform Ordinance ("CFRO"), Chapter 1 of the Campaign and Governmental Conduct Code under certain conditions. Such amendments must fulfill the following requirements:

- (1) the amendment must furthers the purposes of the CFRO;
- (2) the Ethics Commission must approve the proposed amendments in advance by at least a four-fifths vote of all its members;
- (3) the proposed amendments must be available for public review at least 30 days before the amendments are considered by the Board of Supervisors or any committee of the Board of Supervisors; and
- (4) the Board of Supervisors must approve the proposed amendments by at least a two-thirds vote of all its members.

The Ethics Commission approved this ordinance by a 4-0 vote at its July 23, 2012 meeting.

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

I hereby submit the following item for introduction (select only one):	Time stamp or meeting date			
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	inquires"			
□ 5. City Attorney request.				
☐ 6. Call File No. from Committee.	•			
☐ 7. Budget Analyst request (attach written motion).				
8. Substitute Legislation File No.				
9. Request for Closed Session (attach written motion).				
☐ 10. Board to Sit as A Committee of the Whole.				
☐ 11. Question(s) 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	nmission			
☐ Planning Commission ☐ Building Inspection Commis				
Note: For the Imperative Agenda (a resolution not on the printed agenda), use a different	torm.			
Sponsor(s):	· · · · · · · · · · · · · · · · · · ·			
Supervisor Chiu				
Subject: Campaign and Government Conduct Code Amendment - Section 1.112 - Requiring only electrocampaign statements.	conic filing of			
The text is listed below or attached:				
See attached.				
Signature of Sponsoring Supervisor:				

For Clerk's Use Only: