

[Campaign and Governmental Conduct Code - Campaign Public Financing Expenditure Ceilings and Reporting Requirements, and Campaign Contribution Limits]

Ordinance amending the Campaign and Governmental Conduct Code to modify the public financing program for candidates for the Mayor and the Board of Supervisors by replacing the current process of continuous adjustments of individual expenditure ceilings to a “one-and-done” approach in which the ceiling is removed for all candidates within the race once certain spending reaches a specified amount, and adjusting reporting requirements; raise the campaign contribution limit from \$500 to \$1,000 and authorize the Ethics Commission to adjust the contribution limit going forward for changes in the Consumer Price Index; and allow the Ethics Commission to designate the website to be used in campaign advertisement disclaimers.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Article I, Chapter 1 of the Campaign and Governmental Conduct Code is hereby amended by revising Sections 1.104, 1.114, 1.116, 1.140, 1.142, 1.161, 1.162, and 1.170, adding Sections 1.129, 1.131, and 1.133, deleting Sections 1.128, 1.130, 1.134, 1.143, and 1.152, to read as follows:

SEC. 1.104. DEFINITIONS.

Whenever in this Chapter 1 the following words or phrases are used, they shall mean:

1 * * * *

2 ~~“Individual Expenditure Ceiling” shall mean the expenditure ceiling established for each~~
3 ~~individual candidate for Mayor or the Board of Supervisors whom the Ethics Commission has certified~~
4 ~~as eligible to receive public funds under this Chapter.~~

5 * * * *

6 ~~“Total Opposition Spending” shall mean the sum of any expenditures made or expenses~~
7 ~~incurred by any person or persons for the purpose of making independent expenditures, electioneering~~
8 ~~communications or member communications in opposition to a specific candidate for Mayor or the~~
9 ~~Board of Supervisors.~~

10 ~~“Total Supportive Funds” shall mean the sum of all contributions received by a candidate~~
11 ~~committee supporting a candidate for Mayor or the Board of Supervisors, other than any funds that~~
12 ~~exceed the candidate’s Individual Expenditure Ceiling, plus the expenditures made or expenses~~
13 ~~incurred by any person or persons for the purpose of making independent expenditures, electioneering~~
14 ~~communications or member communications in support of that same candidate.~~

15 * * * *

16
17 **SEC. 1.114. CONTRIBUTIONS – LIMITS AND PROHIBITIONS.**

18 (a) LIMITS ON CONTRIBUTIONS TO CANDIDATES. No person other than a
19 candidate shall make, and no campaign treasurer for a candidate committee shall solicit or
20 accept, any contribution which will cause the total amount contributed by such person to such
21 candidate committee in an election to exceed ~~\$500~~\$1,000. The Ethics Commission is authorized
22 to adjust this figure to reflect changes in the California Consumer Price Index, provided that such
23 adjustments shall be rounded off to the nearest \$100.

24 * * * *

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

1 may, directly or by means of an agent, give, offer, promise to give, withhold, or offer or
2 promise to withhold ~~his or her~~ their vote or influence, or promise to take or refrain from taking
3 official action with respect to any proposed or pending matter in consideration of, or upon
4 condition that, any other person make or refrain from making a contribution.

5 * * * *

6
7 **SEC. 1.116. LIMITS ON LOANS TO CANDIDATES.**

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

10 (1) ~~\$15,000.00~~ \$27,000 for a candidate for the Board of Supervisors, Board of
11 Education of the San Francisco Unified School District or the Governing Board of the San
12 Francisco Community College District,

13 (2) ~~\$120,000.00~~ \$213,000 for a candidate for Mayor, or

14 (3) ~~\$35,000.00~~ \$62,000 for a candidate for Assessor or Public Defender, City
15 Attorney, Treasurer, District Attorney or Sheriff.

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

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

21 (d) Whenever the Ethics Commission adjusts the ~~voluntary~~ expenditure ceilings to
22 reflect changes in the California Consumer Price Index, as authorized under Section ~~1.130~~
23 1.131, the Commission is authorized to adjust the loan amounts in this Section 1.116 to reflect
24 changes in the Consumer Price Index, provided that such adjustments shall be rounded off to the
25 nearest \$1,000.

1 **SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE**

2 **CEILINGS.**

3 ~~(a) Candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff,~~
4 ~~Treasurer, the Board of Education of the San Francisco Unified School District or the Governing~~
5 ~~Board of the San Francisco Community College District may accept the applicable voluntary~~
6 ~~expenditure ceiling. Candidates for the Board of Supervisors or Mayor may not accept a voluntary~~
7 ~~expenditure ceiling.~~

8 ~~(b) To accept the applicable voluntary expenditure ceiling, a candidate must file a statement~~
9 ~~with the Ethics Commission accepting the applicable voluntary expenditure ceiling. The candidate~~
10 ~~shall file this statement no later than the deadline for filing nomination papers with the Department of~~
11 ~~Elections. A candidate may not withdraw the statement accepting the voluntary expenditure ceiling~~
12 ~~after filing the statement. A candidate may not file the statement accepting the applicable voluntary~~
13 ~~expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure ceiling under Section~~
14 ~~1.134 of this Chapter.~~

15 ~~(c) The Ethics Commission shall maintain, on its website, a list of the candidates who have~~
16 ~~accepted the voluntary expenditure ceiling. If the Ethics Commission has lifted a voluntary expenditure~~
17 ~~ceiling for a particular race under Section 1.134 of this Chapter, the Ethics Commission shall instead~~
18 ~~maintain a list of the candidates who have accepted, but are no longer subject to the voluntary~~
19 ~~expenditure ceiling in that race.~~

20 ~~(d) A candidate who has accepted the applicable voluntary expenditure ceiling and makes~~
21 ~~qualified campaign expenditures in excess of the voluntary expenditure ceiling, at a time when the~~
22 ~~Ethics Commission has not lifted the applicable voluntary expenditure ceiling, is subject to the~~
23 ~~penalties in Section 1.170 for violation of this Chapter.~~

1 **SEC. 1.129. EXPENDITURE CEILINGS.**

2 **(a) Required Expenditure Ceilings for Public Financing.**

3 (1) To be eligible to receive public financing of campaign expenses under this Chapter,
4 candidates for the Board of Supervisors or Mayor must agree that their candidate committee will not
5 make qualified campaign expenditures that total more than the applicable expenditure ceiling specified
6 in Section 1.131, unless the expenditure ceiling has been lifted as specified in Section 1.133.

7 (2) A candidate shall indicate their tentative acceptance of the expenditure ceiling by
8 filing their statement of participation with the Ethics Commission as required by Section 1.140.

9 (3) The expenditure ceiling shall apply to a candidate if the Executive Director has
10 certified the candidate is eligible to receive public financing under Section 1.142.

11 (4) The Ethics Commission shall maintain, on its website, a list of the candidates who
12 are subject to the expenditure ceiling. If the Ethics Commission has lifted the expenditure ceiling for a
13 particular race under Section 1.133, the Ethics Commission shall instead maintain a list of the
14 candidates who have accepted public financing, but are no longer subject to the expenditure ceiling in
15 that race.

16 (5) A candidate who is subject to the expenditure ceiling and makes qualified campaign
17 expenditures in excess of the applicable expenditure ceiling, at a time when the Ethics Commission has
18 not lifted the expenditure ceiling, is subject to the penalties in Section 1.170 for violation of this
19 Chapter.

20 **(b) Voluntary Expenditure Ceilings.**

21 (1) Candidates for Assessor-Recorder, City Attorney, District Attorney, Public
22 Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District, or
23 the Governing Board of the San Francisco Community College District may accept the applicable
24 voluntary expenditure ceiling specified in Section 1.131, unless the expenditure ceiling has been lifted
25 as specified in Section 1.133. Candidates for the Board of Supervisors or Mayor may not accept a

1 voluntary expenditure ceiling.

2 (2) To accept the applicable voluntary expenditure ceiling, a candidate must file a
3 statement with the Ethics Commission accepting the applicable voluntary expenditure ceiling. The
4 candidate shall file this statement no later than the deadline for filing nomination papers with the
5 Department of Elections. A candidate may not withdraw the statement accepting the voluntary
6 expenditure ceiling after filing the statement. A candidate may not file the statement accepting the
7 applicable voluntary expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure
8 ceiling under Section 1.333.

9 (3) The Ethics Commission shall maintain, on its website, a list of the candidates who
10 have accepted the voluntary expenditure ceiling. If the Ethics Commission has lifted a voluntary
11 expenditure ceiling for a particular race under Section 1.133 , the Ethics Commission shall instead
12 maintain a list of the candidates who have accepted, but are no longer subject to, the voluntary
13 expenditure ceiling in that race.

14 (4) A candidate who has accepted the applicable voluntary expenditure ceiling and
15 makes qualified campaign expenditures in excess of the voluntary expenditure ceiling, at a time when
16 the Ethics Commission has not lifted the applicable voluntary expenditure ceiling, is subject to the
17 penalties in Section 1.170 for violation of this Chapter.

18
19 **SEC. 1.130. AMOUNT OF VOLUNTARY EXPENDITURE CEILINGS.**

20 ~~(a) Any candidate for Assessor, Public Defender, City Attorney, District Attorney, Treasurer,~~
21 ~~or Sheriff who agrees to accept voluntary expenditure ceilings shall not make total qualified campaign~~
22 ~~expenditures exceeding \$243,000, unless the Ethics Commission has lifted the voluntary expenditure~~
23 ~~ceiling pursuant to Section 1.134 of this Chapter.~~

24 ~~(b) Any candidate for the Board of Education of the San Francisco Unified School District or~~
25 ~~the Governing Board of the San Francisco Community College District who agrees to accept voluntary~~

1 ~~expenditure ceilings shall not make total qualified campaign expenditures exceeding \$104,000, unless~~
2 ~~the Ethics Commission has lifted the voluntary expenditure ceiling pursuant to Section 1.134 of this~~
3 ~~Chapter.~~

4 ~~(c) The Ethics Commission is authorized to adjust annually by regulation the voluntary~~
5 ~~expenditure ceilings imposed by this Section to reflect the change in the California Consumer Price~~
6 ~~Index for that year, provided that such adjustments shall be rounded off to the nearest \$1,000.~~

7
8 **SEC. 1.131. AMOUNT OF EXPENDITURE CEILINGS.**

9 (a) Any candidate for the Board of Supervisors subject to an expenditure ceiling under Section
10 1.129(a) shall not make total qualified campaign expenditures exceeding \$412,000, unless the Ethics
11 Commission has lifted the expenditure ceiling pursuant to Section 1.133.

12 (b) Any candidate for Mayor subject to an expenditure ceiling under Section 1.129(a) shall not
13 make total qualified campaign expenditures exceeding \$2,005,000, unless the Ethics Commission has
14 lifted the expenditure ceiling pursuant to Section 1.133.

15 (c) Any candidate for Assessor-Recorder, Public Defender, City Attorney, District Attorney,
16 Treasurer, or Sheriff who agrees to accept a voluntary expenditure ceiling under Section 1.129(b) shall
17 not make total qualified campaign expenditures exceeding \$374,000, unless the Ethics Commission has
18 lifted the voluntary expenditure ceiling pursuant to Section 1.133.

19 (d) Any candidate for the Board of Education of the San Francisco Unified School District or
20 the Governing Board of the San Francisco Community College District who agrees to accept a
21 voluntary expenditure ceiling under Section 1.129(b) shall not make total qualified campaign
22 expenditures exceeding \$160,000, unless the Ethics Commission has lifted the voluntary expenditure
23 ceiling pursuant to Section 1.133.

24 (e) The Ethics Commission is authorized to adjust the expenditure ceilings imposed by this
25 Section 1.131 to reflect changes in the California Consumer Price Index, provided that such

1 adjustments shall be rounded off to the nearest \$1,000.

2
3 **SEC. 1.133. LIFTING OF EXPENDITURE CEILINGS AND SUPPLEMENTAL**
4 **REPORTING REQUIREMENTS.**

5 **(a) Lifting of Expenditure Ceilings.**

6 (1) An expenditure ceiling shall no longer be binding on a candidate:

7 (A) if a candidate seeking election to the same office who is not subject to an
8 expenditure ceiling under Section 1.129(a), or who has not accepted a voluntary expenditure ceiling
9 under Section 1.129(b), receives contributions or makes qualified campaign expenditures in excess of
10 75% of the applicable expenditure ceiling;

11 (B) if a candidate seeking election to the same office, who is subject to the
12 expenditure ceiling or makes qualified campaign expenditures in excess of 100% of the applicable
13 expenditure ceiling; or

14 (C) if a person or persons makes expenditures or payments, or incurs expenses
15 for the purpose of making independent expenditures, electioneering communications, or member
16 communications, and those expenditures, payments, and expenses clearly identify a candidate seeking
17 election to the same City elective office and total more than 75% of the applicable expenditure ceiling.

18 **(b) Additional Reporting Requirements.**

19 (1) In addition to the campaign disclosure requirements imposed by the California
20 Political Reform Act and other provisions of this Chapter:

21 (A) Each candidate committee supporting a candidate in a race with an active
22 expenditure ceiling that receives contributions or makes qualified campaign expenditures that total
23 more than 75% of the applicable expenditure ceiling shall, within 24 hours of exceeding 75% of the
24 applicable expenditure ceiling, file a statement with the Ethics Commission, on forms to be provided by
25 the Ethics Commission, stating that fact and any additional information required by the Ethics

1 Commission.

2 (B) Each candidate committee supporting a candidate for the Board of
3 Supervisors shall file a statement with the Ethics Commission indicating when the committee has
4 received contributions to be deposited into its Campaign Contribution Trust Account or made qualified
5 campaign expenditures that equal or exceed the amount stated in Section 1.140(b)(3) within 24 hours
6 of reaching or exceeding that amount.

7 (C) Each candidate committee supporting a candidate for Mayor shall file a
8 statement with the Ethics Commission indicating when the candidate committee has received
9 contributions to be deposited into its Campaign Contribution Trust Account or made qualified
10 campaign expenditures, that equal or exceed the amount stated in Section 1.140(c)(3) within 24 hours
11 of reaching or exceeding that amount.

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

15 **(c) Process for Lifting Expenditure Ceilings.**

16 (1) The Executive Director shall promptly review statements filed pursuant to state and
17 local law, including the statement required by subsection (b)(1)(A) of this Section 1.133, and any other
18 materials the Executive Director deems relevant, to determine if an expenditure ceiling must be lifted
19 pursuant to subsection (a)(1)(A).

20 (2) The Executive Director shall promptly review statements filed pursuant to state and
21 local law, and any other materials the Executive Director deems relevant, to determine if an
22 expenditure ceiling must be lifted pursuant to subsection (a)(1)(B) of this Section 1.133.

23 (3) The Executive Director shall promptly review statements filed pursuant to state and
24 local law, including California Government Code section 84204 and Sections 1.161, 1.162, and 1.163,
25 and any other materials the Executive Director deems relevant, to determine whether a communication

1 supports or opposes one or more candidates in a race and if an expenditure ceiling must be lifted
2 pursuant to subsection (a)(1)(C) of this Section 1.133.

3 The Executive Director shall use the following factors to determine whether the communication
4 supports or opposes one or more candidates include the following:

5 (A) whether the communication clearly identifies one or more candidates;

6 (B) the timing of the communication;

7 (C) the voters targeted by the communication;

8 (D) whether the communication identifies any candidate's position on a public
9 policy issue and urges the reader or viewer to take action, including calling the candidate to support or
10 oppose the candidate's position;

11 (E) whether the position of one or more candidates on a public policy issue has
12 been raised as distinguishing these candidates from others in the campaign, either in the
13 communication itself or in other public communications;

14 (F) whether the communication is part of an ongoing series of substantially
15 similar advocacy communications by the organization on the same issue; and

16 (G) any other factors the Executive Director deems relevant.

17 (4) Within one business day of determining that an expenditure ceiling must be lifted
18 pursuant to this Section 1.133, the Executive Director shall inform every candidate for that office that
19 the Ethics Commission has lifted the applicable expenditure ceiling. The Executive Director shall also
20 post a notice on the Ethics Commission's website. If an objection made pursuant to subsection (c)(5) of
21 this Section 1.133 delays or prevents a determination from becoming final, the Executive Director shall
22 send subsequent notices regarding the objection and final determination.

23 (5) Objections.

24 (A) Within one business day of the date that the Executive Director makes a
25 determination under this subsection (c), any candidate in the race may object to the Executive

1 Director's determination. The Executive Director shall respond to any objection within one business
2 day of receiving the objection.

3 (B) Within one business day of the Executive Director's response, the candidate
4 who objected to the determination may submit to the Executive Director a request that the Ethics
5 Commission review the Executive Director's determination. Within one business day of receiving the
6 request, the Executive Director shall notify the Chair of the Commission of the request.

7 If, within one business day of the Executive Director's notice, the Chair informs
8 the Executive Director that they are requesting the Commission review the determination, the Executive
9 Director shall schedule a meeting of the Commission on a date that occurs within two weeks of the
10 Chair's request. If the Commission overrules the Executive Director's determination, the Commission
11 shall make a final determination based on the factors set forth above.

12 (C) The Executive Director's determination shall become final if:

- 13 (i) no candidate objects to the Executive Director's determination;
14 (ii) an objection is made, and the candidate does not request a review of
15 the Executive Director's determination by the Commission;
16 (iii) a request is made, and the Chair does not request the Commission
17 review the determination; or
18 (iv) the Commission does not overrule the Executive Director's
19 determination.

20
21 ~~**SEC. 1.134. LIFTING OF VOLUNTARY EXPENDITURE CEILINGS; SUPPLEMENTAL**~~
22 ~~**REPORTING IN ELECTIONS FOR ASSESSOR, PUBLIC DEFENDER, CITY ATTORNEY,**~~
23 ~~**DISTRICT ATTORNEY, TREASURER, SHERIFF, THE BOARD OF EDUCATION OF THE SAN**~~
24 ~~**FRANCISCO UNIFIED SCHOOL DISTRICT, OR THE GOVERNING BOARD OF THE SAN**~~
25 ~~**FRANCISCO COMMUNITY COLLEGE DISTRICT.**~~

1 ~~This Section shall apply only if at least one candidate for the City elective office has accepted~~
2 ~~the applicable voluntary expenditure ceiling, and the Ethics Commission has not lifted that voluntary~~
3 ~~expenditure ceiling. This Section applies only to candidates for Assessor, Public Defender, City~~
4 ~~Attorney, District Attorney, Treasurer, Sheriff, the Board of Education of the San Francisco Unified~~
5 ~~School District, or the Governing Board of the San Francisco Community College District.~~

6 ~~(a) The voluntary expenditure ceiling shall no longer be binding on a candidate:~~

7 ~~(1) If a candidate seeking election to the same City elective office, who has declined to~~
8 ~~accept the voluntary expenditure ceiling, receives contributions or makes qualified campaign~~
9 ~~expenditures in excess of 100 percent of the applicable voluntary expenditure ceiling,~~

10 ~~(2) If a person or persons make expenditures or payments, or incur expenses for the~~
11 ~~purpose of making independent expenditures, electioneering communications or member~~
12 ~~communications that total more than 100 percent of the applicable voluntary expenditure ceiling, and~~
13 ~~those expenditures or communications clearly identify a candidate seeking election to the same City~~
14 ~~elective office, or~~

15 ~~(3) If a candidate seeking election to the same City elective office, who has accepted the~~
16 ~~voluntary expenditure ceiling, makes qualified campaign expenditures in excess of 100 percent of the~~
17 ~~voluntary expenditure ceiling.~~

18 ~~(b) Any candidate committee that receives contributions, makes qualified campaign~~
19 ~~expenditures, incurs expenses or has funds in its Campaign Contribution Trust Account that total more~~
20 ~~than 100 percent of the applicable voluntary expenditure ceiling shall, within 24 hours of exceeding~~
21 ~~100 percent of the applicable voluntary expenditure ceiling, file a statement with the Ethics~~
22 ~~Commission, on forms to be provided by the Ethics Commission, stating that fact and any additional~~
23 ~~information required by the Ethics Commission.~~

24 ~~(c) The Executive Director shall promptly review statements filed pursuant to state and local~~
25 ~~law, including California Government Code section 84204 and Sections 1.161, 1.162, and 1.163 of this~~

1 ~~Chapter, to determine whether a communication supports or opposes one or more candidates.~~

2 ~~(d) Within one business day after determining that the threshold listed in subsection (a) has~~
3 ~~been met with respect to an office appearing on the ballot, the Executive Director shall inform every~~
4 ~~candidate for that office that the Ethics Commission has lifted the applicable voluntary expenditure~~
5 ~~ceiling. The Executive Director shall also post a notice on the Ethics Commission's website and send~~
6 ~~written notice by e-mail to any other person who has requested such notice.~~

8 **SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.**

9 (a) REQUIREMENTS FOR ALL CANDIDATES. To be eligible to receive public
10 financing of campaign expenses under this Chapter, a candidate must:

11 (1) Have filed a statement indicating that ~~he or she intends~~ they intend to
12 participate in the public financing program under Section 1.142 ~~of this Chapter.~~

13 (2) Agree to the following conditions:

14 (A) The candidate bears the burden of providing that each contribution
15 the candidate relies upon to establish eligibility is a qualifying contribution;

16 (B) The candidate bears the burden of proving that expenditures made
17 with public funds provided under this Chapter comply with Section 1.148 ~~of this Chapter;~~

18 (C) The candidate will not make any payments to a contractor or vendor
19 in return for the contractor or vendor making a campaign contribution to the candidate or
20 make more than a total of 50 payments, other than the return of a contribution, to contractors
21 or vendor that have made contributions to the candidate;

22 (D) Notwithstanding Sections 1.114 and 1.116, the candidate shall not
23 loan or donate, in total, more than \$5,000 of ~~his or her~~ their own money to the campaign;

24 (E) The candidate shall not accept any loans to ~~his or her~~ their campaign
25 with the exception of a candidate's loan to ~~his or her~~ their own campaign as permitted by this

1 Section; and

2 (F) The candidate shall agree to participate in at least three debates with
3 the candidate's opponents.

4 (3) Have paid any outstanding late fines or penalties, owed to the City by the
5 candidate or any of the candidate's previous campaign committees, which were imposed for
6 violations of this Code or the campaign finance provisions of the California Political Reform
7 Act (Government Code Sections 84100-85704), provided that the Ethics Commission had
8 notified the candidate of such fines or penalties by the time of certification.

9 (4) Have filed any outstanding forms, owed to the City by the candidate or any
10 of the candidate's previous campaign committees, which were required to be filed pursuant to
11 this Code or the campaign finance provisions of the Political Reform Act (Government Code
12 Sections 84100-85704), provided that the Ethics Commission had notified the candidate of
13 such outstanding forms by the time of certification.

14 (5) Have no finding by a court or by the Ethics Commission after a hearing on
15 the merits, within the prior five years, that the candidate knowingly, willfully, or intentionally
16 violated any Section of this Code or the campaign finance provisions of this California Political
17 Reform Act (Government Code Sections 84100-85704). For purposes of this Section, a plea
18 of *nolo contendere* constitutes a finding by a court of a willful violation.

19 (b) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR THE BOARD OF
20 SUPERVISORS. To be eligible to receive public financing of campaign expenses under this
21 Chapter, a candidate for the Board of Supervisors must:

22 (1) Be seeking election to the Board of Supervisors and be eligible to hold the
23 office sought;

24 (2) Have a candidate committee that has received at least \$10,000 in qualifying
25 contributions from at least 100 contributors by the 70th day before the election; or, if the

1 candidate is an incumbent member of the Board of Supervisors, have a candidate committee
2 that has received at least \$15,000 in qualifying contributions from at least 150 contributors by
3 the 70th day before the election;

4 (3) Be opposed by another candidate who has either established eligibility to
5 receive public financing, or whose candidate committee has received contributions or made
6 expenditures which in the aggregate equal or exceed \$10,000; and

7 (4) Agree that ~~his or her~~ their candidate committee will not make qualified
8 campaign expenditures that total more than the ~~candidate's Individual Expenditure Ceiling of~~
9 ~~\$350,000, or as adjusted under Section 1.143 of this Chapter~~ applicable expenditure ceiling specified
10 in Section 1.131, unless the expenditure ceiling has been lifted as specified in Section 1.133.

11 (c) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR MAYOR. To be eligible
12 to receive public financing of campaign expenses under this Chapter, a candidate for Mayor
13 must:

14 (1) Be seeking election to the office of Mayor and be eligible to hold the office
15 sought;

16 (2) Have a candidate committee that has received at least \$50,000 in qualifying
17 contributions from at least 500 contributors by the 70th day before the election; or, if the
18 candidate is the incumbent Mayor, have a candidate committee that has received at least
19 \$75,000 in qualifying contributions from at least 750 contributors by the 70th day before the
20 election;

21 (3) Be opposed by another candidate who has either established eligibility to
22 receive public financing, or whose candidate committee has received contributions or made
23 expenditures that in the aggregate equal or exceed \$50,000; and

24 (4) Agree that ~~his or her~~ their candidate committee will not make qualified
25 campaign expenditures that total more than the ~~candidate's Individual Expenditure Ceiling of~~

1 ~~\$1,700,000, or as adjusted under Section 1.143 of this Chapter~~ applicable expenditure ceiling specified
2 in Section 1.131, unless the expenditure ceiling has been lifted as specified in Section 1.133.

3 (d) ADJUSTMENT OF EXPENDITURE LIMITS AND THRESHOLDS. The Ethics
4 Commission is authorized to adjust:

5 ~~—— (1) The figures in Subsections (b)(4) and (c)(4) to reflect changes in the California~~
6 ~~Consumer Price Index, provided that such adjustments shall be rounded off to the nearest \$1,000 for~~
7 ~~candidates for the Board of Supervisors and the nearest \$5,000 for candidates for Mayor;~~

8 (21) The figure in Subsection (a)(2)(D) of this Section 1.140 to reflect changes in
9 the California Consumer Price Index, provided that such adjustments shall be rounded off to
10 the nearest \$1,000;

11 (32) The figures in Subsections (b)(2) and (b)(3) of this Section 1.140 to reflect
12 changes in the California Consumer Price Index, provided that such adjustments shall be
13 rounded off to the nearest \$500;

14 (43) The figures in Subsections (c)(2) and (c)(3) of this Section 1.140 to reflect
15 changes in the California Consumer Price Index, provided that such adjustments shall be
16 rounded off to the nearest \$5,000; and

17 (54) The maximum amount of a contribution that constitutes a qualifying
18 contribution pursuant to Section 1.104 to reflect changes in the California Consumer Price
19 Index, provided that such adjustments shall be rounded off to the nearest \$10.

20
21 **SEC. 1.142. PROCESS FOR ESTABLISHING ELIGIBILITY; CERTIFICATION BY**
22 **THE ETHICS COMMISSION.**

23 * * * *

24 (d) DETERMINATION OF OPPOSITION. To determine whether a candidate for the
25 Board of Supervisors is opposed as required under Section 1.140(b)(3) ~~of this Chapter~~ or a

1 candidate for Mayor is opposed as required under Section 1.140(c)(3) ~~of this Chapter 1~~, the
2 Executive Director shall review the material filed pursuant to Section ~~1.152~~ 1.133 ~~of this~~
3 ~~Chapter~~, and may review any other material.

4 (e) CERTIFICATION. If the Executive Director determines that a candidate for Mayor
5 or the Board of Supervisors has satisfied the requirements of Section 1.140, the Executive
6 Director shall notify the candidate and certify to the Controller that the candidate is eligible to
7 receive public financing under this Chapter ~~1~~. The Executive Director shall not certify that a
8 candidate is eligible to receive public financing if the candidate's declaration or supporting
9 material is incomplete or otherwise inadequate to establish eligibility. The Executive Director
10 shall determine whether to certify a candidate no later than 30 days after the date the
11 candidate submits ~~his or her~~ their declaration and supporting material, provided that the
12 Executive Director shall make all determinations regarding whether to certify a candidate no
13 later than the 55th day before the election.

14 * * * *

15
16 **~~SEC. 1.143. ADJUSTING INDIVIDUAL EXPENDITURE CEILINGS.~~**

17 ~~This Section 1.143 shall apply only if the Ethics Commission has certified that at least one~~
18 ~~candidate for Mayor or the Board of Supervisors is eligible to receive public funds under this Chapter~~
19 ~~1.~~

20 ~~(a) The Executive Director shall adjust the Individual Expenditure Ceiling of a candidate for~~
21 ~~Mayor by \$250,000 when the sum of the Total Opposition Spending against that candidate and the~~
22 ~~highest level of the Total Supportive Funds of any other candidate for Mayor is greater than~~
23 ~~\$1,700,000 by any amount. Thereafter, the Executive Director shall further adjust a candidate's~~
24 ~~Individual Expenditure Ceiling in increments of \$250,000, whenever the sum of the Total Opposition~~
25 ~~Spending against that candidate and the highest level of the Total Supportive Funds of any other~~

1 candidate for Mayor is greater than the candidate's current Individual Expenditure Ceiling by any
2 amount.

3 ~~(b) The Executive Director shall adjust the Individual Expenditure Ceiling of a candidate for~~
4 ~~the Board of Supervisors by \$50,000 when the sum of the Total Opposition Spending against that~~
5 ~~candidate and the highest level of the Total Supportive Funds of any other candidate for the same office~~
6 ~~on the Board of Supervisors is greater than \$350,000 by any amount. Thereafter, the Executive~~
7 ~~Director shall further adjust a candidate's Individual Expenditure Ceiling in increments of \$50,000,~~
8 ~~whenever the sum of the Total Opposition Spending against that candidate and the highest level of the~~
9 ~~Total Supportive Funds of any other candidate for the same office is greater than the candidate's~~
10 ~~current Individual Expenditure Ceiling by any amount.~~

11 ~~(c) The Executive Director shall promptly review statements filed pursuant to state and local~~
12 ~~law, including Government Code section 84204 and Sections 1.161, 1.162, and 1.163 of this Chapter 1,~~
13 ~~to determine whether a communication supports or opposes one or more candidates.~~

14 ~~Factors the Executive Director shall use to determine whether the communication supports or~~
15 ~~opposes one or more candidates include the following:~~

- 16 ~~(1) whether the communication clearly identifies one or more candidates;~~
- 17 ~~(2) the timing of the communication;~~
- 18 ~~(3) the voters targeted by the communication;~~
- 19 ~~(4) whether the communication identifies any candidate's position on a public policy~~
20 ~~issue and urges the reader or viewer to take action, including calling the candidate to support or~~
21 ~~oppose the candidate's position;~~
- 22 ~~(5) whether the position of one or more candidates on a public policy issue has been~~
23 ~~raised as distinguishing these candidates from others in the campaign, either in the communication~~
24 ~~itself or in other public communications;~~
- 25 ~~(6) whether the communication is part of an ongoing series of substantially similar~~

~~advocacy communications by the organization on the same issue; and~~

~~(7) any other factors the Executive Director deems relevant.~~

~~(d) Within one business day of the date that the Executive Director makes a determination under subsection (c), either the candidate(s) identified in the communication or any candidate seeking the same City elective office as the candidate identified in the communication may object to the Executive Director's determination. The Executive Director shall respond to any objection within one business day of receiving the objection.~~

~~(e) Within one business day of the Executive Director's response, either the candidate(s) identified in the communication or any candidate seeking the same City elective office as the candidate identified in the communication may submit to the Executive Director a request that the Ethics Commission review the Executive Director's determination. Within one business day of receiving the request, the Executive Director shall notify each Commissioner of the candidate's request.~~

~~If within one business day of the Executive Director's notice, two or more members of the Commission inform the Executive Director that they would like to review the determination, the Executive Director shall schedule a meeting of the Commission on a date that occurs within one week of the Commissioners' requests. If three members of the Commission vote to overrule the Executive Director's determination, the Commission shall make a final determination based on the factors set forth above.~~

~~(f) If no candidate objects to the Executive Director's determination, if no candidate requests review by the Commission of the Executive Director's determination, if a request is made and two or more members of the Commission do not request to review the determination, or within one week of two members of the Commission requesting to review the Executive Director's determination, at least three members of the Commission do not vote to overrule the Executive Director's determination, the Executive Director's determination shall become final.~~

~~The Executive Director shall determine whether to adjust the Individual Expenditure Ceilings of~~

1 ~~each candidate for Mayor or the Board of Supervisors pursuant to either subsection (a) or (b) within~~
2 ~~one business day of a final determination.~~

3
4 **~~SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF~~**
5 **~~SUPERVISORS AND MAYOR.~~**

6 ~~(a) ELECTIONS FOR THE BOARD OF SUPERVISORS.~~

7 ~~(1) In addition to the campaign disclosure requirements imposed by the California~~
8 ~~Political Reform Act and other provisions of this Chapter, each candidate committee supporting a~~
9 ~~candidate for the Board of Supervisors shall file a statement with the Ethics Commission indicating~~
10 ~~when the committee has received contributions to be deposited into its Campaign Contribution Trust~~
11 ~~Account or made expenditures that equal or exceed \$10,000 within 24 hours of reaching or exceeding~~
12 ~~that amount.~~

13 ~~(2) In addition to the supplemental report in subsection (a)(1) of this Section, each~~
14 ~~candidate committee supporting a candidate for the Board of Supervisors shall file a statement with the~~
15 ~~Ethics Commission disclosing when the committee has received contributions to be deposited into its~~
16 ~~Campaign Contribution Trust Account or made expenditures that in the aggregate equal or exceed~~
17 ~~\$100,000. The candidate committee shall file this report within 24 hours of reaching or exceeding the~~
18 ~~threshold. Thereafter, the candidate committee shall file an additional supplemental report within 24~~
19 ~~hours of every time the candidate committee receives additional contributions to be deposited into its~~
20 ~~Campaign Contribution Trust Account or makes additional expenditures that in the aggregate equal or~~
21 ~~exceed \$10,000.~~

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

25 ~~(b) ELECTIONS FOR MAYOR.~~

1 ~~(1) In addition to the campaign disclosure requirements imposed by the California~~
2 ~~Political Reform Act and other provisions of this Chapter, each candidate committee supporting a~~
3 ~~candidate for Mayor shall file a statement with the Ethics Commission indicating when the candidate~~
4 ~~committee has received contributions to be deposited into its Campaign Contribution Trust Account or~~
5 ~~made expenditures that equal or exceed \$50,000 within 24 hours of reaching or exceeding that amount.~~

6 ~~(2) In addition to the supplemental report in Subsection (b)(1) of this Section, each~~
7 ~~candidate committee supporting a candidate for Mayor shall file a statement with the Ethics~~
8 ~~Commission disclosing when the candidate committee has received contributions to be deposited into~~
9 ~~its Campaign Contribution Trust Account or made expenditures that in the aggregate equal or exceed~~
10 ~~\$1,000,000. The candidate committee shall file this report within 24 hours of reaching or exceeding~~
11 ~~the threshold. Thereafter, the candidate committee shall file an additional supplemental report within~~
12 ~~24 hours of every time the candidate committee receives additional contributions or makes additional~~
13 ~~expenditures that in the aggregate equal or exceed \$50,000.~~

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

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

1 **SEC. 1.161. CAMPAIGN ADVERTISEMENTS.**

2 (a) DISCLAIMERS. In addition to complying with the disclaimer requirements set forth
3 in Chapter 4 of the California Political Reform Act, California Government Code sections
4 84100 et seq., and its enabling regulations, all committees making expenditures which
5 support or oppose any candidate for City elective office or any City measure shall also comply
6 with the following additional requirements:

7 * * * *

8 (2) WEBSITE REFERRAL. Each disclaimer required by the Political Reform
9 Act or its enabling regulations and by this Section 1.161 shall be followed in the same
10 required format, size, and speed by the following phrase: "Financial disclosures are available
11 at ~~sfethics.org~~[website address designated by the Ethics Commission]." A substantially similar
12 statement that specifies the web site may be used as an alternative in audio communications.

13 * * * *

14 (4) CANDIDATE ADVERTISEMENTS. Advertisements by candidate
15 committees shall include the following disclaimer statements: "Paid for by _____ (insert
16 the name of the candidate committee)." and "Financial disclosures are available at
17 ~~sfethics.org~~[website address designated by the Ethics Commission]." Except as provided in
18 subsections (a)(3) and (a)(5), the statements' format, size, and speed shall comply with the
19 disclaimer requirements for independent expenditures for or against a candidate set forth in
20 the Political Reform Act and its enabling regulations.

21 * * * *

22
23 **SEC. 1.162. ELECTIONEERING COMMUNICATIONS.**

24 (a) DISCLAIMERS.

25 (1) Every electioneering communication for which a statement is filed pursuant

1 to subsection (b) shall include the following disclaimer: "Paid for by _____ (insert the
2 name of the person who paid for the communication)." and "Financial disclosures are
3 available at ~~sfethics.org~~[website address designated by the Ethics Commission]."

4 * * * *

5
6 **SEC. 1.170. PENALTIES.**

7 (a) CRIMINAL. Any person who knowingly or willfully violates any provision of this
8 Chapter ~~1~~ shall be guilty of a misdemeanor and upon conviction thereof shall be punished by
9 a fine of not more than \$5,000 for each violation or by imprisonment in the County jail for a
10 period of not more than six months or by both such fine and imprisonment; provided, however,
11 that any willful or knowing failure to report contributions or expenditures done with intent to
12 mislead or deceive or any willful or knowing violation of the provisions of Sections 1.114,
13 1.126, or 1.127 ~~of this Chapter 1~~ shall be punishable by a fine of not less than \$5,000 for each
14 violation or three times the amount not reported or the amount received in excess of the
15 amount allowable pursuant to Sections 1.114, 1.126, or 1.127 ~~of this Chapter 1~~, or three times
16 the amount expended in excess of the amount allowable pursuant to Section ~~1.130~~1.131 or
17 1.140, whichever is greater.

18 (b) CIVIL. Any person who intentionally or negligently violates any of the provisions of
19 this Chapter ~~1~~ shall be liable in a civil action brought by the City Attorney for an amount up to
20 \$5,000 for each violation or three times the amount not reported or the amount received in
21 excess of the amount allowable pursuant to Sections 1.114, 1.126, or 1.127 or three times the
22 amount expended in excess of the amount allowable pursuant to Section ~~1.130~~1.131 or 1.140,
23 whichever is greater. In determining the amount of liability, the court may take into account
24 the seriousness of the violation, the degree of culpability of the defendant, and the ability of
25 the defendant to pay.

1 * * * *

2 (i) EFFECT OF VIOLATION ON CANDIDACY.

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

11 (2) If a candidate for the Board of Supervisors certified as eligible for public
12 financing is found by a court to have exceeded the Individual Expenditure Ceiling in this
13 Chapter by ~~ten percent~~10% or more at any time prior to his or her election, such violation shall
14 constitute official misconduct. The Mayor may suspend any member of the Board of
15 Supervisors for such a violation, and seek removal of the candidate from office following the
16 procedures set forth in Charter Section 15.105(a).

17 (3) A plea of nolo contendere, in a court of law, shall be deemed a conviction for
18 purposes of this Section 1.170.

19
20 Section 2. Prerequisites for Enactment; Super-Majority Vote Requirement. The
21 enactment of Section 1 of this ordinance is subject to provisions of the Campaign and
22 Governmental Conduct Code that require the amendments to be approved by the Ethics
23 Commission by a supermajority vote of at least four members of the Commission, and
24 approved by a supermajority vote of at least eight members of the Board of Supervisors.

1 Section 3. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

5
6 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
10 additions, and Board amendment deletions in accordance with the "Note" that appears under
11 the official title of the ordinance.

12
13 Section 5. Severability. If any section, subsection, sentence, clause, phrase, or word
14 of this ordinance, or any application thereof to any person or circumstance, is held to be
15 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
16 shall not affect the validity of the remaining portions or applications of the ordinance. The
17 Board of Supervisors hereby declares that it would have passed this ordinance and each and
18 every section, subsection, sentence, clause, phrase, and word not declared invalid or
19 unconstitutional without regard to whether any other portion of this ordinance or application
20 thereof would be subsequently declared invalid or unconstitutional.

21
22 APPROVED AS TO FORM:
23 DAVID CHIU, City Attorney

24 By: /s/ Kathleen Vermazen Radez
25 Kathleen Vermazen Radez
Deputy City Attorney

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