File No. 250868

Committee Item No. 5
Board Item No. ______

COMMITTEE/BOARD OF SUPERVISORS

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Prepared by: Monique Crayton **Date:** July 10, 2026
Prepared by: ______ **Date:** ______
Prepared by: ______ **Date:** ______

[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:

* * * *

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

* * * *

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

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

* * * *

SEC. 1.114. CONTRIBUTIONS – LIMITS AND PROHIBITIONS.

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

* * * *

(d) PROHIBITION ON CONTRIBUTIONS FOR OFFICIAL ACTION. No candidate may, directly or by means of an agent, give, offer, promise to give, withhold, or offer or promise to withhold ~~*his or her*~~ *their* vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a contribution.

* * * *

SEC. 1.116. LIMITS ON LOANS TO CANDIDATES.

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

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

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

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

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

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

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

~~***SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE CEILINGS.***~~

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

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

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

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

SEC. 1.129. EXPENDITURE CEILINGS.

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

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

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

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

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

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

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

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

voluntary expenditure ceiling.

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

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

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

~~***SEC. 1.130. AMOUNT OF VOLUNTARY EXPENDITURE CEILINGS.***~~

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

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

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

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

SEC. 1.131. AMOUNT OF EXPENDITURE CEILINGS.

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

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

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

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

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

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

SEC. 1.133. LIFTING OF EXPENDITURE CEILINGS AND SUPPLEMENTAL REPORTING REQUIREMENTS.

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

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

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

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

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

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

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

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

Commission.

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

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

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

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

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

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

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

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

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

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

(B) the timing of the communication;

(C) the voters targeted by the communication;

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

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

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

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

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

(5) ***Objections****.*

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

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

(B) Within one business day of the Executive Director's response, the candidate who objected to the determination 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 the Chair of the Commission of the request.

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

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

(i) no candidate objects to the Executive Director's determination;

(ii) an objection is made, and the candidate does not request a review of the Executive Director's determination by the Commission;

(iii) a request is made, and the Chair does not request the Commission review the determination; or

(iv) the Commission does not overrule the Executive Director's determination.

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

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

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

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

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

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

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

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

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

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

SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.

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

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

(2) Agree to the following conditions:

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

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

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

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

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

Section; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(~~*4*~~*3*) The figures in Subsections (c)(2) and (c)(3) of this Section *1.140* to reflect changes in the California Consumer Price Index, provided that such adjustments shall be rounded off to the nearest $5,000; and

(~~*5*~~*4*) The maximum amount of a contribution that constitutes a qualifying contribution pursuant to Section 1.104 to reflect changes in the California Consumer Price Index, provided that such adjustments shall be rounded off to the nearest $10.

SEC. 1.142. PROCESS FOR ESTABLISHING ELIGIBILITY; CERTIFICATION BY THE ETHICS COMMISSION.

* * * *

(d) DETERMINATION OF OPPOSITION. To determine whether a candidate for the Board of Supervisors is opposed as required under Section 1.140(b)(3) ~~*of this Chapter*~~ or a candidate for Mayor is opposed as required under Section 1.140(c)(3)~~ of this Chapter 1~~, the Executive Director shall review the material filed pursuant to Section ~~1.152~~ *1.133* ~~of this Chapter~~, and may review any other material.

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

* * * *

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

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

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

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

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

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

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

~~*(1) whether the communication clearly identifies one or more candidates;*~~

~~*(2) the timing of the communication;*~~

~~*(3) the voters targeted by the communication;*~~

~~*(4) whether the communication identifies any candidate's position on a public policy issue and urges the reader or viewer to take action, including calling the candidate to support or oppose the candidate's position;*~~

~~*(5) whether the position of one or more candidates on a public policy issue has been raised as distinguishing these candidates from others in the campaign, either in the communication itself or in other public communications;*~~

~~*(6) whether the communication is part of an ongoing series of substantially similar*~~

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

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

~~*(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*~~

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

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

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

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

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

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

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

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

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

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

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

SEC. 1.161. CAMPAIGN ADVERTISEMENTS.

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

* * * *

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

* * * *

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

* * * *

SEC. 1.162. ELECTIONEERING COMMUNICATIONS.

(a) DISCLAIMERS.

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

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

* * * *

SEC. 1.170. PENALTIES.

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

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

* * * *

(i) EFFECT OF VIOLATION ON CANDIDACY.

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

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

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

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

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

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

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

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: *<u>/s/ Kathleen Vermazen Radez</u>*
Kathleen Vermazen Radez
Deputy City Attorney

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FILE NO. 250868

LEGISLATIVE DIGEST

[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 Mayor and 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.

Existing Law

San Francisco implemented a limited public campaign financing program after the 2000 election to address concerns about the role of money in campaigns and politics. Under the program administered by the Ethics Commission, candidates for the Office of Mayor and the Board of Supervisors who qualify and meet program eligibility requirements may receive public funds. To participate, candidates must agree to adhere to campaign spending limits. The initial individual expenditure ceiling (IEC) for Supervisorial candidates is $350,000, and the initial IEC for Mayoral candidates is $1.7 million. These initial IEC levels have not been adjusted since 2019. The ceilings, however, may be incrementally raised during the course of a campaign to allow candidates subject to the limit to respond when independent expenditures and opponent fundraising exceed the candidate's current IEC. This process of incrementally adjusting each candidate's IEC requires ongoing reporting by candidates and ongoing adjustments by Ethics Commission auditors.

As permitted under the California Political Reform Act, San Francisco has adopted by ordinance a local contribution limit of $500. This limit has remained unchanged since 2000.

Campaign and Governmental Conduct Code Sections 1.161 and 1.162 require campaign advertisements to contain a disclaimer with the language "Financial disclosures are available at sfethics.org."

Amendments to Current Law

These amendments adopt a "one-and-done" mechanism to adjust the expenditure ceiling, similar to that applied in other comparable jurisdictions. To trigger the lifting of the applicable expenditure ceiling, non-participating candidates would be required to file a notice with the Ethics Commission within one business day of receiving contributions, or making expenditures, that aggregate to 75 percent or more of the applicable expenditure ceiling total. Additionally, Staff would monitor the level of independent expenditures made in a race to determine when independent spending exceeds 75 percent of the current ceiling. Lifting the applicable ceiling when these 75 percent thresholds are passed will allow participating candidates to have sufficient lead time before they are surpassed by independent expenditures or spending by non-participating candidates. Once a 75 percent specified threshold has been passed that indicates a change to an expenditure ceiling is warranted, all candidates in the race would be permanently released from the applicable expenditure ceiling for the remainder of the election. In conjunction with these changes, the existing threshold reporting requirements would be adjusted to reflect that this ongoing reporting is no longer necessary.

This amendment will also adjust the contribution limit from $500 to $1,000 to reflect changes to the California Consumer Price Index, and will add a mechanism for the Ethics Commission to regularly adjust the limit to the nearest $100, similar to how the State makes periodic adjustments to its limit. This amendment similarly updates the limits on a candidate’s loan of personal funds to their campaign to reflect changes to the California Consumer Price Index, with a similar mechanism for the Ethics Commission to regularly adjust these limits to reflect future changes in the California Consumer Price Index.

Finally, this amendment updates the disclaimer requirements in anticipation of the transition to a different web domain for the Ethics Commission to comply with 2023 state legislation requiring that cities and counties must maintain websites that utilize a “.gov.” or “.ca.gov” domain by January 1, 2029.

Background Information

The proposed amendments to the Campaign and Governmental Conduct Code must be approved by the Ethics Commission by a supermajority vote of at least four members of the Commission, and approved by a supermajority vote of at least eight members of the Board of Supervisors.

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San Francisco
Ethics Commission

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August 22, 2025

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

Re: Ethics Commission Streamlining Legislation

Dear Members of the Board of Supervisors:

I am writing today to introduce two ordinances to the Board of Supervisors for consideration. These ordinances stem from the Commission's current Streamlining Project that was undertaken to evaluate various programs and policies administered by the Commission to determine if they are effective, efficient, adding value to the City, and furthering the Commission's mission of promoting the highest standards of integrity in government.

Recommendations & Legislation

The first of the two ordinances we are introducing involve campaign consultants, supplemental recusal notifications, and major developer disclosures. This proposed legislation would enact the following changes to City law:

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

Each of these programs and policies is unique to San Francisco and not found in comparable jurisdictions. The proposed changes would streamline these programs and policies which are currently overly complicated, burdensome, and adding limited value the City. By adjusting the scope and structure of these policies, City resources can be better focused on the core functions of the Commission.

The second ordinance would make changes to expenditure ceilings and reporting requirements within the City's Public Financing Program and adjust the City's campaign contribution limit. It is important to note these amendments would not change the eligibility requirements for the Public Financing Program or change the amount of public financing a candidate could receive under the program. This proposed ordinance would:

1. **Streamline how expenditure ceilings apply to candidates** by having ceilings apply consistently to all participating candidates in a race and establishing a process for then removing the ceiling in a race based on spending by third parties and non-participating candidates. This would replace the current process of applying unique ceilings to individual candidates, which are then adjusted indefinitely throughout the election. This change would simplify a process that is currently unnecessarily complicated and time-consuming for candidates, treasurers, and City staff who administer the Public Financing Program.

2. **Increase the City's campaign contribution limit from $500 to $1,000** to adjust for inflation for the first time in 25 years and establish a clear mechanism for future updates to the limit. Adjusting the campaign contribution limit will help candidates run viable campaigns from their controlled committees in the face of increased third-party spending.

In addition to the legislative digests provided by the City Attorney's Office, Ethics Commission staff have also provided an overview document for each of these two ordinances that covers each proposed change and is organized by code section, which is provided below as **Attachment 1**.

Additional Background & Resources

Ethics Commission staff began working on the Streamlining Project in January of this year. This project included soliciting feedback from the regulated community, members of the public, and other stakeholders. This stakeholder engagement work included two public Interested Persons meetings related to this project, which were held on March 11 and March 13.

In June, Staff presented preliminary recommendations to the Ethics Commission regarding this project. Memoranda containing findings and recommendations can be found in the Commission's June 2025 meeting materials.[1] In August, Staff provided the Commission with an additional memorandum and drafts of the ordinances being introduced today.[2]

Both ordinances would amend the Campaign & Governmental Conduct Code and require supermajority approval from both the Ethics Commission and the Board of Supervisors to be enacted. The Ethics Commission intends to consider both ordinances during its next regular meeting on September 12.

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

Sincerely,

Patrick Ford
Executive Director
San Francisco Ethics Commission

Attachment 1: Overview of Ethics Commission Streamlining Legislation

[1] See Items 7 and 8 of the June 13, 2025 Agenda, https://sfethics.org/ethics/2025/06/june-13-2025-agenda.html.
[2] See Item 7 and related attachments from the August 8, 2025 Agenda, https://sfethics.org/ethics/2025/08/agenda-august-8-2025.html

San Francisco
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Attachment 1: Overview of Streamlining Legislation

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

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

Type of Change & Code Section	Description of Change
Remove: Article I, Chapter 5 – Section 1.500	Deletes this entire section on findings as this is no longer necessary.
Amend: Article I, Chapter 5 – Section 1.510	Amends this section so that it no longer requires campaign consultants to register and file reports with the Ethics Commission. Instead, the section requires campaign consultants to provide their clients with the information the client needs to fully disclosure their campaign spending associated with the consultant. This information includes: 1. The name, business address, and business phone number of the campaign consultant; 2. If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer; and 3. Any economic consideration promised to or received by the campaign consultant from vendors and subvendors who provided campaign-related goods or services to the client's campaign, provided that the total is $500 or more.
Remove: Article I, Chapter 5 – Section 1.515	Deletes this entire section related to registration, reporting, and fees from campaign consultants.
Remove: Article I, Chapter 5 – Section 1.520	Deletes this entire section related to duties of the Ethics Commission regarding registration and reporting by campaign consultants. The Ethics Commission will continue to provide advice to campaign consultants and maintain regulations related to campaign consultants as necessary, however these duties do

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

Remove: Article III, Chapter 5 – Section 3.500	Deletes this entire section on findings as this is no longer necessary.
Amend: Article III, Chapter 5 – Section 3.520	Amends this section so that it removes the current disclosure requirement for major developers and replaces it with a requirement on the major developer to provide anyone performing lobbyist services for the developer with the information such persons would need to register and report as a lobbyist.
Amend: Article III, Chapter 5 – Section 3.530	Removes subsection (a) dealing with penalties for failing to disclose, as this subsection will no longer be needed.

Overview of Legislation on Expenditure Ceilings & Contribution Limits

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

	how non-mayoral and non-supervisorial candidates may accept or reject the voluntary expenditure ceiling in their race.
Remove: Article I, Chapter 1 – Section 1.130	Deletes this entire section on the amount of voluntary expenditure ceilings. Similar information regarding voluntary expenditure ceilings will be covered in the new Section 1.131.
Add: Article I, Chapter 1 – Section 1.131 ***(New)***	Creates a new section that specifies the amounts of the expenditure ceilings for each of the following races: • Board of Supervisors • Mayor • Other Citywide Offices • Education Related Boards This section also includes language clarifying that the Commission is authorized to adjust these amounts going forward to reflect changes in the CA CPI to the nearest $1,000.
Add: Article I, Chapter 1 – Section 1.133 ***(New)***	Creates a new section that covers when expenditure ceilings will be lifted for a race, what additional reporting is required, the process for lifting the expenditure ceiling for a race, and the process for candidate objections to the lifting of an expenditure ceiling. This new process will remove the expenditure ceiling in a race as soon as either: 1. A non-participating candidate, not subject to the expenditure ceiling, makes expenditures or receives contributions in excess of 75% percent of the ceiling in their race, or 2. Independent expenditures made in the race exceed 75% of the current expenditure ceiling in the race.
Remove: Article I, Chapter 1 – Section 1.134	Deletes this entire section on the lifting of the voluntary expenditure ceilings and supplemental reporting requirements. Similar information will be covered in the new Section 1.133.
Amend: Article I, Chapter 1 – Section 1.140	Amends subsection (b)(4) to remove a reference to individual expenditure ceilings and updates references to other sections. Amends subsection (c)(4) to remove reference to individual expenditure ceilings and updates references to other sections. Removes subsection (d)(1) as information on future ceiling adjustments is now covered in the new Section 1.131. Updates section to use gender neutral language throughout.

Amend: Article I, Chapter 1 – Section 1.142	Removes a reference in subsection (d) to Section 1.152 as it is being removed and replaces it with a reference to the new Section 1.333. Updates section to use gender neutral language throughout.
Remove: Article I, Chapter 1 – Section 1.143	Deletes this entire section on adjusting individual expenditure ceilings. Similar information regarding expenditure ceilings will be covered in the new Section 1.133.
Remove: Article I, Chapter 1 – Section 1.152	Deletes this entire section on supplemental reporting in elections for Board of Supervisors and Mayor. Similar information regarding reporting requirements will be covered in the new Section 1.133.
Amend: Article I, Chapter 1 – Section 1.161	Changes the text in subsections (a)(2) and (a)(4) to replace "sfethics.org" with "[website address designated by the Ethics Commission]." This language needs to be updated before the Ethics Commission is soon required to change its website domain per State law.
Amend: Article I, Chapter 1 – Section 1.162	Changes text of subsection (a)(1) to replace "sfethics.org" with "[website address designated by the Ethics Commission]." This language needs to be updated before the Ethics Commission is soon required to change its website domain per State law.
Amend: Article I, Chapter 1 – Section 1.170	Changes this section to update references to other sections and makes non-substantive formatting amendments.

BOARD of SUPERVISORS

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TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Patrick Ford, Executive Director, Ethics Commission

FROM: Victor Young, Assistant Clerk

DATE: August 7, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following proposed Ordinance:

File No. 250868

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.

If you have comments or reports to be included with the file, please forward them to Victor Young at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: victor.young@sfgov.org.

(attachment)

c. Michael Canning, Ethics Commission

San Francisco
Ethics Commission

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September 17, 2025

Honorable Members of the San Francisco Board of Supervisors
Attention: Angela Calvillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: **Ethics Commission Approves Ordinances Related to Streamlining Project**

Dear Members of the Board:

On September 2, Ethics Commission Executive Director Patrick Ford introduced two ordinances (File# 250867 and File# 250868) to the Board of Supervisors as a part of the Ethics Commission's current Streamlining Project. The first ordinance would make changes to the City's rules regarding campaign consultants, recusal notifications, and major developers. The second ordinance would streamline aspects of the City's Public Financing Program, specifically regarding expenditure ceilings and their associated reporting requirements, and adjust the City's campaign contribution limit.

Both ordinances require supermajority approval from both the Ethics Commission and the Board of Supervisors to be enacted under the City's Campaign & Governmental Conduct Code. At the Ethics Commission's meeting on Friday, September 12, 2025, the Commission approved the two ordinances unanimously with a 5-0 vote, which satisfies the required vote threshold for approval.

A copy of the Staff memorandum dated September 8, 2025, in which Ethics Staff recommends the Commission vote to approve the legislation is attached for reference. Note that in File# 250868, a minor amendment was made to the version currently on Legistar. On Page 6, Line 8, there was a reference to Section 1.333, which was corrected to be Section 1.133. The revised version with that change made is attached.

If you have any questions about these ordinances, please feel free to contact me at Michael.A.Canning@sfgov.org.

Sincerely,

Michael Canning

Michael Canning, Policy and Legislative Affairs Manager

Attachment Included

cc:
Patrick Ford, Ethics Commission Executive Director
Michael Gerchow, Deputy City Attorney
Kathleen Radez, Deputy City Attorney

ATTACHMENT

San Francisco
Ethics Commission

25 Van Ness Avenue, STE 220
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Date: September 8, 2025

To: Members of the Ethics Commission

From: Michael Canning, Policy & Legislative Affairs Manager

Re: **AGENDA ITEM 08 – Discussion and Possible Action on Legislation Related to Ethics Commission Streamlining Project**

Summary and Action Requested

This memo provides an overview of the Commission's legislation regarding the streamlining of various programs and policies administered by the Ethics Commission and general updates on the Commission's *Streamlining Project*. Staff recommend the Commission vote to approve the legislation presented in **Attachment 2** and **Attachment 4**.

Background

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

These recommendations were presented as two items during the Commission's June meeting. The first item covered findings and recommendations regarding campaign consultants, supplemental recusal notifications, major developers, and trustee candidate reporting requirements.[1] The second item covered proposed changes regarding expenditure ceilings and the candidate campaign contribution limit.[2] All of these recommendations, with the exception of those involving the trustee candidate reporting requirements, will require joint approval by supermajorities of both the Board of Supervisors and the Ethics Commission.

[1] June 13, 2025 Meeting Agenda Item 7 – Presentation, Discussion, and Possible Action on Ethics Commission Streamlining Project Regarding Major Developers, Campaign Consultants, Recusal Notifications, and Trustee Candidate Reporting Requirements.
[2] June 13, 2025 Meeting Agenda Item 8 – Presentation and Discussion on Streamlining of Expenditure Ceilings & Reporting Requirements for the Public Financing Program and Other Changes to Campaign Finance Rules.

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

Drafts of these two pieces of legislation were shared with the Commission for feedback last month, during the Commission's August meeting. Following the August meeting, the two ordinances and their respective legislative digests have been finalized with the City Attorney's Office and introduced at the Board of Supervisors. No substantive changes have been made to either ordinance since they were presented to the Commission in August.

Recommendations & Legislation

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

The first ordinance would make changes to the City's rules regarding campaign consultants, recusal notifications, and major developers. This ordinance is provided as **Attachment 2**. The legislative digest for this ordinance is provided as **Attachment 3**. This legislation would enact the following changes:

1. **Discontinue the registration and reporting requirements for campaign consultants** and instead require consultants to supply their clients with the information necessary to report the consultant's activities through the campaign committee's other existing campaign finance disclosures.

2. **Remove the City's requirement to file supplemental recusal notifications** with the Ethics Commission but retain the existing recusal procedures that occur during the meeting in which the recusal is made.

3. **Discontinue the disclosure requirements for major developers** and instead, if a developer is paying a nonprofit for lobbyist services, require the developer to provide the lobbyist with the information they need to register and report as a lobbyist under the City's existing rules.

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

The second ordinance would streamline aspects of the City's Public Financing Program, specifically regarding expenditure ceilings and their associated reporting requirements, and adjust the City's campaign contribution limit. It is important to note this ordinance would not change the eligibility requirements for the Public Financing Program or change the amount of public financing a candidate could receive under the program. This ordinance is provided as **Attachment 4**. The legislative digest for this ordinance is provided as **Attachment 5**. This legislation would enact the following changes:

1. **Streamline how expenditure ceilings apply to candidates** by having ceilings apply consistently to all participating candidates in a race and establishing a process for then removing the ceiling in a race based on spending by third parties and non-participating candidates. This would replace the current process of applying unique ceilings to individual candidates, which are then adjusted indefinitely throughout the election.
2. **Increase the City's campaign contribution limit from $500 to $1,000** to adjust for inflation since the previous limit was set in 2000 and establish a clear mechanism for future updates to the limit.

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

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

Update on Legislation Regarding Trustee Elections

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

During the June meeting, the Commission voted to authorize the Chair and the Executive Director to send a letter to the Board of Supervisors requesting the Board introduce and enact legislation that would discontinue the reporting requirements for these candidates. The letter was sent on July 14 and is provided as **Attachment 6**. Staff anticipate legislation being introduced by the Board of Supervisors on this topic in September.

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

Next Steps

Staff recommend the Commission vote to approve both the ordinance regarding campaign consultants, recusal notifications, and major developers, and the ordinance on expenditure ceilings and the campaign contribution limit. These two ordinances are presented in **Attachment 2** and **Attachment 4**. Documents summarizing these ordinances are provided in **Attachment 1**, **Attachment 3**, and **Attachment 5**.

Both ordinances require supermajority approval from both the Ethics Commission and the Board of Supervisors to be enacted. Both ordinances were introduced at the Board of Supervisors on September 2 and are being sponsored by President Mandelman. If the ordinances are approved by the Commission in September, they will then be referred to the Board of Supervisors for consideration and potential action. If the Board were to make substantive amendments, the ordinances would need to be referred back to the Ethics Commission for reconsideration and approval. If the ordinances are approved by the Board of Supervisors without substantive amendments or significant delays, both ordinances could be operative by the start of 2026.

Attachments:

Attachment 1: Overview of Streamlining Legislation
Attachment 2: Legislation to Streamline Various Ethics Related Programs and Policies
Attachment 3: Legislative Digest on Legislation to Streamline Various Ethics Related Programs and Policies
Attachment 4: Legislation to Streamline the Public Financing Program & Update Campaign Contribution Limits
Attachment 5: Legislative Digest on Legislation to Streamline the Public Financing Program & Update Campaign Contribution Limits
Attachment 6: Ethics Commission Letter Regarding Trustee Elections – 7.14.25

ATTACHMENT 1

San Francisco
Ethics Commission

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Attachment 1: Overview of Streamlining Legislation

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

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

Type of Change & Code Section	Description of Change
Remove: Article I, Chapter 5 – Section 1.500	Deletes this entire section on findings as this is no longer necessary.
Amend: Article I, Chapter 5 – Section 1.510	Amends this section so that it no longer requires campaign consultants to register and file reports with the Ethics Commission. Instead, the section requires campaign consultants to provide their clients with the information the client needs to fully disclosure their campaign spending associated with the consultant. This information includes: 1. The name, business address, and business phone number of the campaign consultant; 2. If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer; and 3. Any economic consideration promised to or received by the campaign consultant from vendors and subvendors who provided campaign-related goods or services to the client's campaign, provided that the total is $500 or more.
Remove: Article I, Chapter 5 – Section 1.515	Deletes this entire section related to registration, reporting, and fees from campaign consultants.
Remove: Article I, Chapter 5 – Section 1.520	Deletes this entire section related to duties of the Ethics Commission regarding registration and reporting by campaign consultants. The Ethics Commission will continue to provide advice to campaign consultants and maintain regulations related to campaign consultants as necessary, however these duties do

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

Remove: Article III, Chapter 5 – Section 3.500	Deletes this entire section on findings as this is no longer necessary.
Amend: Article III, Chapter 5 – Section 3.520	Amends this section so that it removes the current disclosure requirement for major developers and replaces it with a requirement on the major developer to provide anyone performing lobbyist services for the developer with the information such persons would need to register and report as a lobbyist.
Amend: Article III, Chapter 5 – Section 3.530	Removes subsection (a) dealing with penalties for failing to disclose, as this subsection will no longer be needed.

Overview of Legislation on Expenditure Ceilings & Contribution Limits

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

	how non-mayoral and non-supervisorial candidates may accept or reject the voluntary expenditure ceiling in their race.
Remove: Article I, Chapter 1 – Section 1.130	Deletes this entire section on the amount of voluntary expenditure ceilings. Similar information regarding voluntary expenditure ceilings will be covered in the new Section 1.131.
Add: Article I, Chapter 1 – Section 1.131 (New)	Creates a new section that specifies the amounts of the expenditure ceilings for each of the following races: • Board of Supervisors • Mayor • Other Citywide Offices • Education Related Boards This section also includes language clarifying that the Commission is authorized to adjust these amounts going forward to reflect changes in the CA CPI to the nearest $1,000.
Add: Article I, Chapter 1 – Section 1.133 (New)	Creates a new section that covers when expenditure ceilings will be lifted for a race, what additional reporting is required, the process for lifting the expenditure ceiling for a race, and the process for candidate objections to the lifting of an expenditure ceiling. This new process will remove the expenditure ceiling in a race as soon as either: 1. A non-participating candidate, not subject to the expenditure ceiling, makes expenditures or receives contributions in excess of 75% percent of the ceiling in their race, or 2. Independent expenditures made in the race exceed 75% of the current expenditure ceiling in the race.
Remove: Article I, Chapter 1 – Section 1.134	Deletes this entire section on the lifting of the voluntary expenditure ceilings and supplemental reporting requirements. Similar information will be covered in the new Section 1.133.
Amend: Article I, Chapter 1 – Section 1.140	Amends subsection (b)(4) to remove a reference to individual expenditure ceilings and updates references to other sections. Amends subsection (c)(4) to remove reference to individual expenditure ceilings and updates references to other sections. Removes subsection (d)(1) as information on future ceiling adjustments is now covered in the new Section 1.131. Updates section to use gender neutral language throughout.

Amend: Article I, Chapter 1 – Section 1.142	Removes a reference in subsection (d) to Section 1.152 as it is being removed and replaces it with a reference to the new Section 1.133. Updates section to use gender neutral language throughout.
Remove: Article I, Chapter 1 – Section 1.143	Deletes this entire section on adjusting individual expenditure ceilings. Similar information regarding expenditure ceilings will be covered in the new Section 1.133.
Remove: Article I, Chapter 1 – Section 1.152	Deletes this entire section on supplemental reporting in elections for Board of Supervisors and Mayor. Similar information regarding reporting requirements will be covered in the new Section 1.133.
Amend: Article I, Chapter 1 – Section 1.161	Changes the text in subsections (a)(2) and (a)(4) to replace "sfethics.org" with "[website address designated by the Ethics Commission]." This language needs to be updated before the Ethics Commission is soon required to change its website domain per State law.
Amend: Article I, Chapter 1 – Section 1.162	Changes text of subsection (a)(1) to replace "sfethics.org" with "[website address designated by the Ethics Commission]." This language needs to be updated before the Ethics Commission is soon required to change its website domain per State law.
Amend: Article I, Chapter 1 – Section 1.170	Changes this section to update references to other sections and makes non-substantive formatting amendments.

ATTACHMENT 2

[Campaign and Governmental Conduct Code - Campaign Consultants, Recusal Notifications, Major Developer Disclosures]

Ordinance amending the Campaign and Governmental Conduct Code to require campaign consultants to provide information necessary for their clients to fully disclose campaign spending, and repeal the requirement that such consultants register with the Ethics Commission; repeal the requirement that members of City boards and commissions file a notice with the Ethics Commission after recusing from participation in a matter based on a financial conflict of interest; and require developers of certain large projects to provide information on nonprofit donations for lobbyist activities so that recipients can accurately register and report such activities, and repeal the requirement that developers register with the Ethics Commission.

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 5 of the Campaign and Governmental Conduct Code is hereby amended by revising Sections 1.510, 1.525, and 1.540, and deleting sections 1.500, 1.515, 1.520, and 1.530, to read as follows:

~~***SEC. 1.500. FINDINGS.***~~

~~*(a) The City and County of San Francisco has a paramount interest in protecting the integrity and credibility of its electoral and government institutions. Election campaigns are highly competitive*~~

~~*in San Francisco, and candidates frequently contract for the services of professional campaign consultants who specialize in guiding and managing campaigns.*~~

~~*(b) It is the purpose and intent of the people of the City and County of San Francisco in enacting this Chapter to impose reasonable registration and disclosure requirements on campaign consultants. Required registration and disclosure of information by campaign consultants will assist the public in making informed decisions, and protect public confidence in the electoral and governmental processes.*~~

SEC. 1.510. ~~PROHIBITIONS.~~ *INFORMATION TO BE PROVIDED TO CLIENTS.*

~~*It shall be unlawful for any campaign consultant to provide campaign consulting services, or accept any economic consideration for the provision of campaign consulting services, without first registering with the Ethics Commission and complying with the reporting requirements specified in Section 1.515.*~~ *Each campaign consultant must provide to their client(s) the following information, so that the client(s) may fully disclose their campaign spending associated with the consultant:*

(a) The name, business address, and business phone number of the campaign consultant;

(b) If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer; and

(c) Any economic consideration promised to or received by the campaign consultant from vendors and subvendors who provided campaign-related goods or services to the client's campaign, provided that the total is $500 or more per vendor or subvendor.

~~***SEC. 1.515. REGISTRATION, REREGISTRATION, REPORTING, AND FEES.***~~

~~*(a) REGISTRATION REPORTS. At the time of initial registration, each campaign consultant shall report to the Ethics Commission the following information:*~~

~~*(1) The name, business address and business phone number of the campaign*~~

~~consultant;~~

~~(2) If the campaign consultant is an individual, the name of the campaign consultant's employer and a description of the business activity engaged in by the employer;~~

~~(3) The names of any individuals employed by the campaign consultant to assist in providing campaign consulting services;~~

~~(4) A statement of whether the campaign consultant is required to register with the Ethics Commission pursuant to the Regulation of Lobbyists Ordinance, San Francisco Campaign and Governmental Conduct Code, Article II;~~*

~~(5) A statement of whether the campaign consultant is required to register with the Tax Collector pursuant to the Business Tax Ordinance, San Francisco Municipal Code, Part III, Section 1001, et. seq.;~~

~~(6) The name, address, and telephone number of each client to whom the campaign consultant provided campaign consulting services during the preceding three months;~~

~~(7) For each client, the total economic consideration promised by or received from the client in exchange for the provision of campaign consulting services during the preceding three months, provided that the total is $500 or more;~~

~~(8) Each political contribution of $100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to a candidate or measure;~~

~~(9) The cumulative total of all political contributions made or delivered by the campaign consultant, or which is made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the preceding three months in support of or in opposition to each individual candidate or measure, provided that the cumulative total is $500 or more;~~

~~*(10) Any gifts promised or made by the campaign consultant to a local officeholder during the preceding three months which in the aggregate total $50 or more; and*~~

~~*(11) Any other information required by the Ethics Commission consistent with the purposes and provisions of this Chapter.*~~

~~*(b) REREGISTRATION REPORTS. Each campaign consultant shall reregister annually no later January 1st.*~~

~~*(c) FEES. At the time of initial registration and reregistration, each campaign consultant shall pay to the Ethics Commission a registration fee and an additional fee for each client of the campaign consultant. The amount of the fee shall be:*~~

~~*(i) Campaign consultants earning at least $1,000 but not more than $5,000 per calendar year shall pay a registration fee of $50 and shall pay a client fee of $50 per client;*~~

~~*(ii) Campaign consultants earning more than $5,000 but not more than $20,000 per calendar year shall pay a registration fee of $200 and a client fee of $50 per client;*~~

~~*(iii) Campaign consultants earning more than $20,000 per calendar year shall pay a registration fee of $400 and a client fee of $50 per client.*~~

~~*When a client is acquired subsequent to initial registration or reregistration, the per-client fee shall be paid at the time of filing the information required by Subsection (d). The Ethics Commission shall deposit fees collected pursuant to this Section in the General Fund of the City and County of San Francisco. On or after July 1, 1999, the Ethics Commission shall evaluate the fees set by this Section and propose any amendments for approval by the Board of Supervisors no later than December 1, 1999. If the Ethics Commission or the Board of Supervisors takes no action, the fees set by this Section shall remain in effect.*~~

~~*(d) CLIENT AUTHORIZATION STATEMENTS. At the time of initial registration, the campaign consultant shall submit to the Ethics Commission a written authorization from each client that contracts with the campaign consultant for campaign consulting services.*~~

~~*If the campaign consultant is retained by a client after the date of initial registration, the campaign consultant must file a Client Authorization Statement before providing any campaign consulting services to the client and before receiving any economic consideration from the client in exchange for campaign consulting services, and in any event no later than 15 days after being retained to provide campaign consulting services to the client.*~~

~~*(e) QUARTERLY REPORTS. Each campaign consultant shall file with the Ethics Commission quarterly reports containing the following information:*~~

~~*(1) For each client, the total economic consideration promised by or received from the client during the reporting period for campaign consulting services, provided that the total is $500 or more;*~~

~~*(2) The total economic consideration promised by or received from all clients during the reporting period for campaign consulting services;*~~

~~*(3) Political contributions of $100 or more made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the reporting period in support of or in opposition to a candidate or measure;*~~

~~*(4) The cumulative total of all political contributions made or delivered by the campaign consultant, or made by a client at the behest of the campaign consultant, or for which the campaign consultant acted as an agent or intermediary, during the reporting period in support of or in opposition to each individual candidate or measure, provided that the cumulative total is $500 or more;*~~

~~*(5) Any gifts promised or made by the campaign consultant to a local officeholder during the reporting period which in the aggregate total $50 or more;*~~

~~*(6) Economic consideration promised to or received by the campaign consultant during the reporting period from vendors and subvendors who provided campaign-related goods or services to*~~

~~*a current client of the campaign consultant;*~~

~~*(7) The name of each local officeholder and City employee who is employed by the campaign consultant, or by a client of the campaign consultant at the behest of the campaign consultant, during the reporting period;*~~

~~*(8) Each City contract obtained by the campaign consultant during the reporting period, provided that the contract is approved by a local officeholder who is a client of the campaign consultant;*~~

~~*(9) Each appointment to public office received by the campaign consultant during the reporting period, provided that the appointment is made by a local office-holder who is a client of the campaign consultant;*~~

~~*(10) Any other information required by the Ethics Commission consistent with the purposes and provisions of this Chapter.*~~

~~*Quarterly reports are due as follows: The report for the period starting December 1st and ending February 28th is due March 15th; the report for the period starting March 1st and ending May 31st is due June 15th; the report for the period starting June 1st and ending August 31st is due September 15th; and the report for the period starting September 1st and ending November 30th is due December 15th.*~~

~~*(f) CLIENT TERMINATION STATEMENTS. Within 30 days after a client terminates the services of a campaign consultant, the campaign consultant shall submit to the Ethics Commission a statement that the client has terminated the services of the campaign consultant. A campaign consultant may not provide campaign consulting services to a client or accept economic consideration for the provision of campaign consulting services after a client termination statement is filed, until a new client authorization statement has been filed pursuant to Section 1.515(d).*~~

~~*(g) CAMPAIGN CONSULTANT TERMINATION STATEMENTS. A campaign consultant shall comply with all requirements of this Chapter until the campaign consultant ceases all activity as a*~~

~~*campaign consultant and files a statement of termination with the Ethics Commission. A statement of termination must include all information required by Subsection (e) for the period since the campaign consultant's last quarterly report.*~~

~~*(h) Each campaign consultant shall verify, under penalty of perjury, the accuracy and completeness of the information provided under Sections 1.515 and 1.520(c).*~~

~~*(i) Each campaign consultant shall retain for a period of five years all books, papers and documents necessary to substantiate the reports and statements required under this Chapter.*~~

~~***SEC. 1.520. POWERS AND DUTIES OF THE ETHICS COMMISSION.***~~

~~*(a) The Ethics Commission shall provide forms for the reporting of all information required by this Chapter.*~~

~~*(b) The Ethics Commission shall issue a registration number to each registered campaign consultant.*~~

~~*(c) At the time of initial registration and reregistration, the Ethics Commission shall provide the campaign consultant with a copy of the City's campaign and lobbyist laws, the Code of Conduct specified in Section 1.530, and any related material which the Commission determines will serve the purposes of this Chapter. Each campaign consultant must sign a statement acknowledging receipt of these materials.*~~

~~*(d) The Ethics Commission shall compile the information provided in registration and quarterly reports filed pursuant to this Chapter as soon as practicable after the close of each quarter and shall forward a report of the compiled information to the Board of Supervisors and the Mayor.*~~

~~*(e) The Ethics Commission shall preserve all original reports, statements, and other records required to be kept or filed under this Chapter for a period of five years. Such reports, statements, and records shall constitute a part of the public records of the Ethics Commission and shall be open to public inspection.*~~

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

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

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

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

(~~*b*~~*a*) Any person who believes that Section 1.510 has been violated may file a complaint with the Ethics Commission. Upon receipt of a complaint, or upon its own initiative, the Commission may investigate allegations of a violation of Section 1.510 and enforce the provisions of Section 1.510 pursuant to the procedures established in San Francisco Charter Section C3.699-13, and the Commission's rules and regulations adopted pursuant to Charter

Section 15.102.

(~~c~~*b*) When the Commission, pursuant to the procedures specified in Charter Section C3.699-13, determines on the basis of substantial evidence that a person or entity has violated Section 1.510, the Commission may require the person or entity to: (1) cease and desist the violation; ~~*(2) file any reports or statements or pay any fees required by this Chapter,*~~ and/or (~~3~~*2*) pay a monetary penalty of up to $5,000 for each violation, or three times the amount not properly reported, whichever is greater. ~~*The Commission may cancel for up to one year the registration of any campaign consultant who has violated Section 1.510.*~~ A campaign consultant ~~*whose registration has been canceled pursuant to this*~~ *found by the Commission to have violated* Section *1.510* may not provide campaign consulting services in exchange for economic consideration for *one year from the date of that finding* ~~*the period that the registration is canceled. When the period of cancellation ends, the campaign consultant may reregister pursuant to Section 1.515(a) and (c)*~~.

(~~d~~*c*) Any person or entity which knowingly or negligently violates or who causes any other person to violate Section 1.510 may be liable in a civil action brought by the City Attorney for an amount up to $5,000 per violation, or three times the amount not properly reported, whichever is greater.

(~~e~~*d*) Any person or entity which intentionally or negligently violates Section 1.510 is guilty of a misdemeanor.

(~~f~~*e*) No administrative, civil, or criminal action shall be maintained to enforce Section 1.510 unless brought within four years after the date the cause of action accrued or the date that the facts constituting the cause of action were discovered by the Ethics Commission, City Attorney, or District Attorney, whichever is later.

(~~g~~*f*) In investigating any alleged violation of Section 1.510, the Ethics Commission and City Attorney shall have the power to inspect, upon reasonable notice, all documents required to be maintained under *~~Section 1.515(i)~~* *this Chapter*. This power to inspect documents is in addition to other powers conferred on the Ethics Commission and City Attorney by the Charter, or by ordinance, including the power of subpoena.

(g) Each campaign consultant shall retain for a period of five years all books, papers, and documents necessary to substantiate the information required to be provided to clients under this Chapter.

~~SEC. 1.530. CODE OF CONDUCT.~~

~~At the time of initial registration and reregistration, each campaign consultant must elect whether to voluntarily comply with the following Code of Conduct:~~

~~"I am familiar with all the laws, rules and regulations applicable to local campaigns;~~

~~"I will not knowingly make false statements about the qualifications or positions of any candidate, or about the scope and effect of any measure;~~

~~"I will not knowingly make false statements that any real or fictitious person supports or opposes a candidate or measure;~~

~~"In the event that I make inadvertent false statements about the qualifications or positions of any candidate or about the scope and effect of any measure, I will endeavor to provide corrected information in written form to the Ethics Commission within five days;~~

~~"I will refrain from appealing to prejudice in the conduct of a campaign, and from conducting, managing or advising a campaign, which appeals to prejudice based on race, gender, ethnic background, religious affiliation or nonaffiliation, sexual orientation, age, disability, or economic status;~~

~~"I will refrain from seeking to obtain the support of or opposition to any candidate or measure by the use of financial inducements or by the use of threats or coercion;~~

~~"I will refrain from influencing the submission of a measure to the San Francisco voters for the~~

~~*sole purpose of obtaining economic consideration for campaign consulting services;*~~

~~*"I will disclose through a filing at the San Francisco Ethics Commission any agreements that would result in a campaign consulting contract resulting from my efforts to influence the submission of a measure to the San Francisco voters at the time that I seek submission of any such measure;*~~

~~*"I will refrain from seeking to evade, or participating in efforts of others to evade, the legal requirements in laws pertaining to political campaigns;*~~

~~*"I will not knowingly participate in the preparation, dissemination, or broadcast of paid political advertising or campaign materials that contain false information; and*~~

~~*"I will refrain from accepting clients whose interests are adverse to each other."*~~

SEC. 1.540. ELECTRONIC FILING OF STATEMENTS AND REPORTS.

~~*(a) ELECTRONIC FILLING REQUIRED. Whenever campaign consultants are required by this Chapter to file an original statement or report, t*~~*T*he Ethics Commission may require ~~*the*~~ *a campaign* consultant~~s~~ to file an electronic copy of ~~*the*~~ *any* statement or report *required under this Chapter*. ~~*The electronic copy shall be due no later than the deadline imposed by this Chapter for filing the original statement or report.*~~

~~*(b) POWERS AND DUTIES OF THE ETHICS COMMISSION.*~~

~~*(i) Pursuant to San Francisco Charter Section 15.102, the Ethics Commission shall adopt regulations specifying the electronic filing requirements applicable to campaign consultants. The Ethics Commission shall adopt these regulations no fewer than 120 days before the electronic filing requirements are effective.*~~

~~*(ii) The Ethics Commission shall prescribe the format for electronic copies of statements and reports no fewer than 90 days before the statements and reports are due to be filed.*~~

~~*(c) PENALTIES. If any campaign consultant files an electronic copy of a statement or report after the deadline imposed by this Section, the Ethics Commission shall, in addition to any other*~~

~~*penalties or remedies established in this Chapter, fine the campaign consultant $10 per day after the deadline until the electronic copy is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if the Commission determines that the late filing was not willful and that enforcement will not further the purposes of this Chapter. The Ethics Commission shall deposit funds collected under this Section in the General Fund of the City and County of San Francisco.*~~

Section 2. Article II, Chapter 1 of the Campaign and Governmental Conduct Code is hereby amended by revising Section 2.117 to read as follows:

SEC. 2.117. LOBBYING BY CAMPAIGN CONSULTANTS.

* * * *

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

(1) "Campaign consultant" shall have the same meaning as in Article I, Chapter 5, Section 1.505 of this Code.

(2) "Campaign consulting services" shall have the same meaning as in Article I, Chapter 5, Section 1.505 of this Code.

(3) "Current *or former* client" shall mean a person for whom the campaign consultant has ~~*filed a client authorization statement pursuant to Article I, Chapter 5, Section 1.515(d) of this Code and not filed a client termination statement pursuant to Article I, Chapter 5, Section 1.515(f) of this Code*~~ *provided, or been compensated for, campaign consulting services during the preceding 60 months*. If such person is a committee as defined by Section 82013 of the California Government Code, the current client shall be any individual who controls such committee; any candidate that such committee was primarily formed to support; and any proponent or opponent of a ballot measure that the committee is primarily formed to support

or oppose.

(4) "Employee" shall mean an individual employed by a campaign consultant, but does not include any individual who has an ownership interest in the campaign consultant that employs them.

~~*(5) "Former client" shall mean a person for whom the campaign consultant has filed a client termination statement pursuant to Article I, Chapter 5, Section 1.515(f) of this Code within the 60 months prior to communicating with the person.*~~

Section 3. Article III, Chapter 2 of the Campaign and Governmental Conduct Code is hereby amended by revising Sections 3.209 and 3.216 to read as follows:

SEC. 3.209. RECUSAL~~S~~ *PROCEDURES*.

~~*(a)* ***Recusal Procedures.***~~ Any member of a City board or commission who has a conflict of interest under Sections 3.206 or 3.207, or who must recuse ~~*himself or herself*~~ *themselves* from a proceeding under California Government Code Section 84308, shall, in the public meeting of the board or commission, upon identifying a conflict of interest immediately prior to the consideration of the matter, do all of the following:

(~~*1*~~*a*) publicly identify the circumstances that give rise to the conflict of interest in detail sufficient to be understood by the public, provided that disclosure of the exact street address of a residence is not required;

(~~*2*~~*b*) recuse ~~*himself or herself*~~ *themselves* from discussing or acting on the matter; and

(~~*3*~~*c*) leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on and remains on the consent calendar.

~~*(b) Recusal Notification. A member of a City board or commission who is required to file a*~~

~~*statement of economic interests pursuant to Article III, Chapter 1 of the Campaign and Governmental Conduct Code shall file a recusal notification form each time the member recuses himself or herself, as required by subsection (a).*~~

~~*(1) The member shall file the original recusal notification form, along with a copy of the meeting agenda containing the item involving the conflict of interest, with the Ethics Commission within 15 calendar days after the date of the meeting at which the recusal occurred.*~~

~~*(2) The member shall file the recusal notification form with the Ethics Commission even if the member is not present at the meeting that would have involved the conflict of interest.*~~

~~*(3) The recusal notification form shall be filed under penalty of perjury in a method prescribed by the Ethics Commission and shall include, at a minimum, the following:*~~

~~*(A) the member's name;*~~

~~*(B) the name of the member's board or commission;*~~

~~*(C) the date of the meeting at which the recusal occurred or would have occurred;*~~

~~*(D) the agenda item number, a brief description of the matter, and a statement of whether the matter concerns the making of a contract; and*~~

~~*(E) the financial interest causing the recusal.*~~

~~*(c) Exception. The requirements of this Section 3.209 shall not apply to the members of the Board of Supervisors.*~~

SEC. 3.216. BRIBERY AND GIFTS.

* * * *

(d) **Gifts of Travel.**

(1) **Gifts to Elected Officers.** In addition to the gift limits and reporting requirements imposed by the Political Reform Act and this Code, no elected officer may

accept a gift of transportation, lodging, or subsistence for any out-of-state trip paid for in part by an individual or entity other than the City and County of San Francisco, another governmental body, or a bona fide educational institution, defined in Section 203 of the Revenue and Taxation Code, unless the officer has first disclosed on a form filed with the Ethics Commission:

(A) the name of the individual or entity and the total amount that will be paid by the individual or entity to fund the trip, including but not limited to the amount directly related to the cost of the elected officer's transportation, lodging, and subsistence;

(B) the name, occupation and employer of any contributor who has contributed more than $500 to the individual or entity funding the trip and whose contributions were used in whole or in part to fund the trip;

(C) a description of the purpose of the trip and the itinerary; and

(D) the name of any individual accompanying the official on the trip who is:

(i) a City employee required to file a Statement of Economic Interests,

(ii) a lobbyist *as defined in Section 2.105 of this Code,* or *a* campaign consultant *as defined in Section 2.117 of this Code* ~~*registered with the Ethics Commission*~~,

(iii) an employee of or individual who has any ownership interest in a lobbyist or campaign consultant registered with the Ethics Commission, or

(iv) the individual funding the trip, or an employee or officer of the entity funding the trip.

(2) **Reimbursement of Gifts of Travel.** In addition to any other reporting requirements imposed by the Political Reform Act or local law, an elected officer who reimburses an individual or entity for a gift of transportation, lodging or subsistence related to

out-of-state travel and thereby avoids having received or accepted the gift shall file a form with the Ethics Commission within 30 days of such reimbursement disclosing:

(A) the name of the individual or entity that originally paid for the transportation, lodging or subsistence;

(B) the amount paid by the individual or entity for the elected officer's transportation, lodging or subsistence;

(C) the amount reimbursed by the elected officer to the individual or entity and the process used to determine that amount; and

(D) a description of the purpose of the trip and the itinerary.

(3) **Format.** The Ethics Commission shall provide forms for the disclosure required by this subsection and shall make the completed forms available on its website.

(4) **Definition.** For the purpose of this subsection, the term "elected officer" means the Mayor, member of the Board of Supervisors, City Attorney, District Attorney, Public Defender, Assessor, Treasurer, and Sheriff.

* * * *

Section 4. Article III, Chapter 5 of the Campaign and Governmental Conduct Code is hereby amended by revising Sections 3.520 and 3.530, and deleting Section 3.500, to read as follows:

~~SEC. 3.500. FINDINGS~~

~~The Board of Supervisors finds that public disclosure of the donations that developers make to nonprofit organizations that may communicate with the City and County regarding major development projects is essential to protect public confidence in the fairness and impartiality of City and County land use decisions. The Board further finds that disclosure is essential to allow the public to fully and~~

~~*fairly evaluate the City and County's land use decisions. It is the purpose and intent of this Chapter to impose reasonable disclosure requirements on developers to provide the public with information about these donations.*~~

SEC. 3.520. ~~REQUIRED DISCLOSURE~~ *INFORMATION TO BE PROVIDED WHEN PAYMENTS OR DONATIONS ARE MADE TO NONPROFITS IN EXCHANGE FOR LOBBYIST SERVICES*.

Any developer of a major project, or any of its affiliates, that has paid or donated to a nonprofit organization in exchange for lobbyist services, as defined in Section 2.105 of this Code, shall provide to any person who will provide the lobbyist services the information that they would need to register and report such lobbyist services under Section 2.110 of this Code. The developer must provide this information to such persons within five days of entering such an agreement.

~~*(a) Any developer of a major project shall, within 30 days of the date the Planning Commission (or any other local lead agency) certifies the EIR for that project or, for a major project relying on a program EIR, within 30 days of the date that the Planning Department, Planning Commission, or any other local lead agency adopts a final environmental determination under CEQA, report the following information to the Ethics Commission:*~~

~~*(1) The name, business address, business e-mail address and business telephone number of the developer, as well as those of any affiliates that made donations subject to this Chapter.*~~

~~*(2) The EIR case number and a description of the major project.*~~

~~*(3) The date the Planning Commission (or other local lead agency) certified the EIR or adopted the final environmental determination.*~~

~~*(4) The name, business address, business e-mail address, business telephone number and website of any nonprofit organization: (A) to whom the developer or any affiliate of the developer*~~

~~*has made cumulative donations of $5,000 or more since the date one year before the Environmental Evaluation Application for the major project was filed: and (B) that with regard to the developer's major project, has had one or more contacts with an officer of the City and County or has provided public comment at any hearing before any board or commission of the City and County. For the purpose of this Subsection 3.520(a)(4), the term "contact" shall have the same meaning as in Section 2.106 of this Code, except that a "contact" shall also include a person providing oral or written testimony that becomes part of the record of a public hearing; and the term "officer of the City and County of San Francisco" shall have the same meaning as in Section 2.105 of this Code.*~~

~~*(5) For each nonprofit organization reported under Subsection (a)(4), the date and amount of each donation the developer or affiliate made to the nonprofit during the reporting period.*~~

~~*(6) Any other information required by the Ethics Commission consistent with the purposes and provisions of this Chapter.*~~

~~*(b) After a developer files a report required by Subsection (a), the developer shall file a total of four additional quarterly reports, according to the following schedule: The developer shall file a report on April 15 for the period starting January 1 and ending March 31; on July 15 for the period starting April 1 and ending June 30; on October 15 for the period starting July 1 and ending September 30; and on January 15 for the period starting October 1 and ending December 31. Each quarterly report shall include:*~~

~~*(1) The name, business address, business e-mail address, and business telephone number of the developer and any affiliates that made donations subject to this Chapter.*~~

~~*(2) The EIR case number and a description of the major project.*~~

~~*(3) The date the Planning Commission (or other local lead agency) certified the EIR or adopted the final environmental determination.*~~

~~*(4) The name, business address, business e-mail address, business telephone number and website of any nonprofit organization to which the developer has made cumulative donations of*~~

~~*$5,000 or more since the date one year before the Environmental Evaluation Application was filed.*~~

~~*(5) For each nonprofit organization reported under Subsection (b)(4), the date and amount of each donation the developer made to the nonprofit during the reporting period.*~~

~~*(6) Any other information required by the Ethics Commission consistent with the purposes and provisions of this Chapter.*~~

~~*(c) At the time of filing the initial report required by subsection (a), the developer shall pay a fee of $500.*~~

SEC. 3.530. PENALTIES AND ENFORCEMENT.

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

(~~*b*~~*a*) Any person who violates this Chapter, including but not limited to, by providing inaccurate or incomplete information, may be liable in an administrative proceeding before the Ethics Commission pursuant to Charter Section C3.699-13. In addition to the administrative penalties set forth in the Charter, the Ethics Commission may issue warning letters regarding potential violations of this Chapter.

(~~*c*~~*b*) Any person or entity which knowingly or negligently violates this Chapter may be liable in a civil action brought by the City Attorney for an amount up to $5,000 per violation, or three times the amount not properly reported, whichever is greater.

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

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

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

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

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

Section 8. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: */s/ Kathleen Vermazen Radez*
KATHLEEN VERMAZEN RADEZ
Deputy City Attorney

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ATTACHMENT 3

FILE NO. 250867

LEGISLATIVE DIGEST

[Campaign and Governmental Conduct Code - Campaign Consultants, Recusal Notifications, Major Developer Disclosures]

Ordinance amending the Campaign and Governmental Conduct Code to require campaign consultants to provide information necessary for their clients to fully disclose campaign spending, and repeal the requirement that such consultants register with the Ethics Commission; repeal the requirement that members of City boards and commissions file a notice with the Ethics Commission after recusing from participation in a matter based on a financial conflict of interest; and require developers of certain large projects to provide information on nonprofit donations for lobbyist activities so that recipients can accurately register and report such activities, and repeal the requirement that developers register with the Ethics Commission.

Existing Law

The Campaign and Governmental Conduct Code requires campaign consultants to register with the Ethics Commission and comply with specified reporting requirements. The Ethics Commission is required to compile and report this information to the Board of Supervisors and the Mayor after the close of each quarter; preserve all reports, statements, and other records required under these rules; adopt rules and regulations to implement these requirements; and provide formal and informal advice regarding these requirements. The Ethics Commission has the authority to impose late fines and other penalties for failure to comply with these requirements. Each campaign consultant must also elect whether to voluntarily comply with a specified Code of Conduct.

The Campaign and Governmental Conduct Code requires any member of a City board or commission, excluding the Board of Supervisors, who is required to file a statement of economic interests to notify the Ethics Commission each time the member recuses themselves.

The Campaign and Governmental Conduct Code requires any developer of a major project, as defined in that Code, to file five disclosure forms with the Ethics Commission containing information about certain donations to nonprofit organizations the developer may have made. The Ethics Commission has the authority to impose late fines and other penalties for failure to comply with these disclosure requirements.

Amendments to Current Law

The proposed ordinance amends the Campaign and Governmental Conduct Code by 1) requiring campaign consultants to provide information necessary for their clients to fully disclose campaign spending, instead of registering themselves with the Ethics Commission; 2) repealing the requirement that members of City boards and commissions file a notice with the Ethics Commission after recusing from participation in a matter based on a financial conflict of interest, while maintaining the other existing disclosure and recusal requirements; and 3) requiring developers of certain large projects to provide information on nonprofit donations for lobbyist activities so that recipients can accurately register and report such activities, instead of registering themselves with the Ethics Commission.

Background Information

The proposed amendments to the Campaign and Governmental Conduct Code must be approved by the Ethics Commission by a supermajority vote of at least four members of the Commission, and approved by a supermajority vote of at least eight members of the Board of Supervisors.

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ATTACHMENT 4

[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:

* * * *

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

* * * *

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

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

* * * *

SEC. 1.114. CONTRIBUTIONS – LIMITS AND PROHIBITIONS.

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

* * * *

(d) PROHIBITION ON CONTRIBUTIONS FOR OFFICIAL ACTION. No candidate may, directly or by means of an agent, give, offer, promise to give, withhold, or offer or promise to withhold ~~*his or her*~~ *their* vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a contribution.

* * * *

SEC. 1.116. LIMITS ON LOANS TO CANDIDATES.

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

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

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

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

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

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

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

~~SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE CEILINGS.~~

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

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

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

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

SEC. 1.129. EXPENDITURE CEILINGS.

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

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

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

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

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

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

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

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

voluntary expenditure ceiling.

(2) To accept the applicable voluntary expenditure ceiling, a candidate must file a statement with the Ethics Commission accepting the applicable voluntary expenditure ceiling. The candidate shall file this statement no later than the deadline for filing nomination papers with the Department of Elections. A candidate may not withdraw the statement accepting the voluntary expenditure ceiling after filing the statement. A candidate may not file the statement accepting the applicable voluntary expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure ceiling under Section 1.133.

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

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

~~***SEC. 1.130. AMOUNT OF VOLUNTARY EXPENDITURE CEILINGS.***~~

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

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

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

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

SEC. 1.131. AMOUNT OF EXPENDITURE CEILINGS.

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

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

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

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

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

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

SEC. 1.133. LIFTING OF EXPENDITURE CEILINGS AND SUPPLEMENTAL REPORTING REQUIREMENTS.

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

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

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

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

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

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

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

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

Commission.

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

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

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

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

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

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

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

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

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

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

(B) the timing of the communication;

(C) the voters targeted by the communication;

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

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

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

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

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

(5) ***Objections****.*

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

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

(B) Within one business day of the Executive Director's response, the candidate who objected to the determination 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 the Chair of the Commission of the request.

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

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

(i) no candidate objects to the Executive Director's determination;

(ii) an objection is made, and the candidate does not request a review of the Executive Director's determination by the Commission;

(iii) a request is made, and the Chair does not request the Commission review the determination; or

(iv) the Commission does not overrule the Executive Director's determination.

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

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

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

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

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

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

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

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

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

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

SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.

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

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

(2) Agree to the following conditions:

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

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

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

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

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

Section; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(~~*4*~~*3*) The figures in Subsections (c)(2) and (c)(3) of this Section *1.140* to reflect changes in the California Consumer Price Index, provided that such adjustments shall be rounded off to the nearest $5,000; and

(~~*5*~~*4*) The maximum amount of a contribution that constitutes a qualifying contribution pursuant to Section 1.104 to reflect changes in the California Consumer Price Index, provided that such adjustments shall be rounded off to the nearest $10.

SEC. 1.142. PROCESS FOR ESTABLISHING ELIGIBILITY; CERTIFICATION BY THE ETHICS COMMISSION.

* * * *

(d) DETERMINATION OF OPPOSITION. To determine whether a candidate for the Board of Supervisors is opposed as required under Section 1.140(b)(3) ~~*of this Chapter*~~ or a candidate for Mayor is opposed as required under Section 1.140(c)(3)~~ of this Chapter 1~~, the Executive Director shall review the material filed pursuant to Section ~~*1.152*~~ *1.133*~~ *of this Chapter*~~, and may review any other material.

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

* * * *

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

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

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

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

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

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

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

~~*(1) whether the communication clearly identifies one or more candidates;*~~

~~*(2) the timing of the communication;*~~

~~*(3) the voters targeted by the communication;*~~

~~*(4) whether the communication identifies any candidate's position on a public policy issue and urges the reader or viewer to take action, including calling the candidate to support or oppose the candidate's position;*~~

~~*(5) whether the position of one or more candidates on a public policy issue has been raised as distinguishing these candidates from others in the campaign, either in the communication itself or in other public communications;*~~

~~*(6) whether the communication is part of an ongoing series of substantially similar*~~

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

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

~~*(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*~~

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

~~SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF SUPERVISORS AND MAYOR.~~

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

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

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

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

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

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

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

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

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

SEC. 1.161. CAMPAIGN ADVERTISEMENTS.

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

* * * *

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

* * * *

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

* * * *

SEC. 1.162. ELECTIONEERING COMMUNICATIONS.

(a) DISCLAIMERS.

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

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

* * * *

SEC. 1.170. PENALTIES.

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

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

* * * *

(i) EFFECT OF VIOLATION ON CANDIDACY.

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

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

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

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

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

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

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

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: *<u>/s/ Kathleen Vermazen Radez</u>*
Kathleen Vermazen Radez
Deputy City Attorney

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ATTACHMENT 5

FILE NO. 250868

LEGISLATIVE DIGEST

[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 Mayor and 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.

Existing Law

San Francisco implemented a limited public campaign financing program after the 2000 election to address concerns about the role of money in campaigns and politics. Under the program administered by the Ethics Commission, candidates for the Office of Mayor and the Board of Supervisors who qualify and meet program eligibility requirements may receive public funds. To participate, candidates must agree to adhere to campaign spending limits. The initial individual expenditure ceiling (IEC) for Supervisorial candidates is $350,000, and the initial IEC for Mayoral candidates is $1.7 million. These initial IEC levels have not been adjusted since 2019. The ceilings, however, may be incrementally raised during the course of a campaign to allow candidates subject to the limit to respond when independent expenditures and opponent fundraising exceed the candidate's current IEC. This process of incrementally adjusting each candidate's IEC can continue indefinitely, requiring ongoing reporting by candidates and ongoing adjustments by Ethics Commission auditors.

As permitted under the California Political Reform Act, San Francisco has adopted by ordinance a local contribution limit of $500. This limit has remained unchanged since 2000.

Campaign and Governmental Conduct Code Sections 1.161 and 1.162 require campaign advertisements to contain a disclaimer with the language "Financial disclosures are available at sfethics.org."

Amendments to Current Law

These amendments adopt a "one-and-done" mechanism to adjust the expenditure ceiling, similar to that applied in other comparable jurisdictions. To trigger the lifting of the applicable expenditure ceiling, non-participating candidates would be required to file a notice with the Ethics Commission within one business day of receiving contributions, or making expenditures, that aggregate to 75 percent or more of the applicable expenditure ceiling total. Additionally, Staff would monitor the level of independent expenditures made in a race to determine when independent spending exceeds 75 percent of the current ceiling. Lifting the applicable ceiling when these 75 percent thresholds are passed will allow participating candidates to have sufficient lead time before they are surpassed by independent expenditures or spending by non-participating candidates. Once a 75 percent specified threshold has been passed that indicates a change to an expenditure ceiling is warranted, all candidates in the race would be permanently released from the applicable expenditure ceiling for the remainder of the election. In conjunction with these changes, the existing threshold reporting requirements would be adjusted to reflect that this ongoing reporting is no longer necessary.

This amendment will also adjust the contribution limit from $500 to $1,000 to reflect changes to the California Consumer Price Index, and will add a mechanism for the Ethics Commission to regularly adjust the limit to the nearest $100, similar to how the State makes periodic adjustments to its limit.

Finally, this amendment updates the disclaimer requirements in anticipation of the transition to a different web domain for the Ethics Commission to comply with 2023 state legislation requiring that cities and counties must maintain websites that utilize a ".gov." or ".ca.gov" domain by January 1, 2029.

Background Information

The proposed amendments to the Campaign and Governmental Conduct Code must be approved by the Ethics Commission by a supermajority vote of at least four members of the Commission, and approved by a supermajority vote of at least eight members of the Board of Supervisors.

In its current form, the IEC mechanism has been found to be ineffective at limiting candidate spending, while imposing high administrative costs on Ethics Commission Staff and participating committees. There is strong evidence that the current model of perpetual IEC raising does not significantly limit candidate spending, as candidates are frequently able to spend all their available funds, without ever hitting against their IEC. For the 2024 election, there were 295 IEC increases — of which only 12 impacted a candidate's ability to make expenditures. In all other instances, spending by opponents and third parties entitled candidates to an IEC increase even though they had not yet raised sufficient funds to be able to make expenditures up to their current IEC level.

Given that the current IEC mechanism is not achieving its intended purpose, and in line with feedback received from candidates and their treasurers, Ethics Commission Staff have determined that the burden it imposes on participating candidates is not justified. In line with those findings, Ethics Commission Staff proposed changes to the current program to reflect a shift to a "one and done" expenditure ceiling model similar to those used in other jurisdictions.

San Francisco's current contribution limit of $500 was set in 2000 and has not been adjusted since (Ord. 71-00). Given that adjustments for inflation allow for an accurate understanding of the current real value of money and the rising costs of campaigns means that candidates need to raise more funds to achieve their campaign goals, it is an appropriate time to adjust the City's limits for inflation. Increasing the City's limit from $500 to $1,000 would keep it comparable to other local jurisdictions, such as Los Angeles, which recently increased its limit to $1,000. In 2024, the average contribution limit among California cities with their own local contribution limits was $777. The new amount of $1,000 would also still be significantly less than the current State limit of $5,900.

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ATTACHMENT 6

San Francisco
Ethics Commission

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

July 14, 2025

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

Re: Ethics Commission Recommending Changes to Trustee Election Disclosures

Dear Members of the Board of Supervisors:

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

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

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

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

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

History of Trustee Election Disclosure Requirements

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

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

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

Current Requirements are Unnecessary, Overly Strict, and Burdensome

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

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

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

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

Sincerely,

/s/ Argemira Flórez Feng

Argemira Flórez Feng
Chair
San Francisco Ethics Commission

Patrick Ford
Executive Director
San Francisco Ethics Commission

San Francisco
Ethics Commission

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Supplemental Information on Proposed Changes to the Expenditure Ceiling Adjustment Process

On September 12, the Ethics Commission voted unanimously to approve an ordinance that would make expenditure ceilings in the Public Financing Program stronger and more workable by changing the process by which the ceilings are adjusted (File #250868). **The proposed new process makes spending limits more effective while also removing unnecessary burdens on candidates and better utilizing limited City resources.** The ordinance will:

- **Hold publicly financed candidates to stronger spending limits** when practicable but remove those limits when significant levels of unrestricted spending enter a race.
- **Reduce the administrative burden on candidates** by reducing the amount paperwork they need to regularly file with the Ethics Commission, instead allowing them to direct those resources towards engaging with voters.
- **Enable Ethics Commission auditors to spend more time performing audits** and less time calculating and administering unnecessarily complicated ceiling adjustments.

Earlier Ethics Commission findings and recommendations associated with this ordinance were presented to the Ethics Commission in a June report. This document supplements that earlier report with additional analysis regarding the proposed change. If you have questions, please contact Policy & Legislative Affairs Manager, Michael Canning at Michael.A.Canning@sfgov.org.

Why does the current process need to be changed?

The current process applies unique expenditure ceilings to each individual candidate and uses a complicated set of calculations involving the total amounts of funds spent for and against the candidate, to determine if that candidate's ceiling should be raised. This current process:

- **Rarely limits candidate spending:** In 2024, ceilings were ***adjusted 295 times***, and at the end of the election, the ceilings were ***only limiting the spending of a single candidate***.[1] Across races in 2022 and 2020, ceilings were adjusted 66 times and at the end of those elections were only limiting the spending of four candidates in four races.
- **Places a high administrative burden on candidates and diverts the time of Ethics Commission auditors:** In 2024, mayoral and supervisorial ***candidates filed 263 threshold statements*** with the Ethics Commission. These are statements that must be filed on an on-going basis, within 24 hours of passing certain fundraising or expenditure thresholds. Any approach that employs adjustable spending limits requires this constant reporting by candidates. Administering the

[1] Out of 27 total candidates that were receiving public financing.

current adjustment process also requires Ethics Commission auditors to be regularly pulled away from their primary auditing work, to calculate and process these ongoing ceiling adjustments.

What would the proposed ordinance do?

The proposed ordinance would change how expenditure ceilings are administered to simplify the overall process, allow ceilings to impose stronger limits on candidate ceilings when practicable, and remove the ceilings when they are no longer able to effectively limit spending in a race. The proposed process in the ordinance would do this by:

1. Consistently applying ceilings to all candidates in a race, instead of having unique ceilings that are applied and adjusted per candidate.
2. Lifting the ceilings in a race entirely if there is a significant level of unrestricted spending[2] in the race, instead of the current process of gradually increasing the limits multiple times throughout the election.

How would the proposed process have worked in past elections?

To better understand the impact of this change on expenditure ceilings, the attached tables compare how the current process applied in past races to how the proposed process would have applied if it had been in place. Under the proposed process:

- **Ceilings would be lifted late in the election or not at all.** In seven of the 15 races with publicly financed candidates, the ***ceilings would have remained in place*** for all participating candidates throughout the election. In another seven races, the ***ceilings would have been lifted in October or November***, in some cases just days before the election.
- **Fewer adjustments would be made throughout the election.** Across the three elections studied, the current process ***raised candidate ceilings 370 times***. Under the proposed process, the ceilings would have instead been ***lifted in eight of the 15 races***.
- **Ceilings would be more effective at *actually* limiting spending while in place.** The current process only held back the spending of five candidates at the end of their elections.[3] Under the proposed process, the ceilings would have remained in place in four of these races. In the other race, the ceiling would have held spending at a significantly lower amount until just days before the election. In several instances, where there were not significant amounts of independent expenditures being made, the proposed process would have been more effective at limiting the spending of participating candidates. In each election cycle studied, there were races where the current process raised the ceilings so high that they no longer limited spending. Under the proposed process these ceilings would have remained in place and actually limited candidate spending.[4]

[2] The ceiling in a race would be lifted if aggregate independent expenditures in the race exceed 75% of the current ceiling in that race or if a non-participating candidate in the same race raises more than that amount.
[3] Meaning the candidates had raised more money than their final expenditure ceiling allowed them to spend.
[4] See the District 9 race in 2024, the District 6 race in 2022, and the District 7 race in 2020 in the attached tables.

How would the proposed process account for independent expenditures?

Stricter Limits when Appropriate

The proposal would increase the threshold at which independent expenditures could trigger a change to expenditure ceilings. The ceilings would only be lifted if nearly $300,000 in independent spending was put into the race. Under current law, ***any amount*** of independent spending can trigger a cascade of ceiling adjustments for candidates, ***including for the candidate who was supported by the initial independent spending.*** The proposed process makes spending limits stronger in races in which there is less than $300,000 in independent spending, which is where spending limits have the greatest impact.

More Efficient Process for Responding to Independent Expenditures

Additionally, years of data from recent elections clearly show that once large amounts of independent spending are present in a race, expenditure ceilings are not effective tools for limiting spending in that race. The current process recognizes that in such races, publicly financed candidates need the ability to spend more money to react to the independent expenditures being made. This is an important element of the program. However, the current process attempts to achieve this through an inefficient approach that consistently fails to limit spending, as it regularly raises spending limits for candidates well beyond the amounts they have been able to raise. Instead of complicated, unending adjustments that are not effective at limiting spending, the ***proposed process focuses on the aggregate level of independent spending in a race and lifts the ceiling for the entire race when that spending reaches a significantly high level ($300,000)***. This process is simpler and still allows candidates to react to the independent spending in their race, but without unnecessarily consuming candidate and City resources.

Do these changes align with the purposes of the City's Campaign Finance Reform Ordinance?

Yes, this ordinance would retain and strengthen the City's expenditure ceilings, which help limit overall expenditures in campaigns. The proposed process will also reduce the complexity of the program and lower administrative hurdles, which will help enable candidates to spend less of their time on fundraising and bureaucracy, and more time engaging with voters on important issues.

Can the current process of applying unique ceilings to each candidate just be tweaked?

The City has experimented with candidate-specific ceilings for the last 25 years, and they have been overly complicated, burdensome, and ineffective. In 2018, the Ethics Commission considered moving to a process similar to what is being proposed by the current ordinance. However, after concerns were raised by certain advocates, the Commission compromised and instead of fully reforming the ceiling adjustment process, the Commission agreed to just increase the increments by which the individual ceilings were adjusted. Today, many of those same advocates are promoting another minor tweak, which would complicate the current process further and keep the same flaws of the current process in place.

It is imperative that the City transition away from the flawed system of candidate-specific expenditure ceilings that are gradually raised indefinitely throughout the election. **The proposed new process achieves better policy benefits without unnecessarily burdening candidates or diverting City resources.**

Attachment

Table 1: Comparison of Expenditure Ceiling Adjustments Under the Current and Proposed Processes (2020-2024)

Year	Races with Public Financing	Current Adjustment Process		Ethics Proposed New Adjustment Process	
		Adjustments Made	Summary of Outcomes	Adjustments Made	Summary of Outcomes
2020	5	46	Across 3 races, the spending of 3 candidates was limited at the end of the election. For all other candidates, ceilings were adjusted beyond what the candidates raised.	2	The initial ceilings would have remained in place for 3 races, limiting the spending of 6 candidates at the end of the election. In the other two races, the ceilings would have been lifted days before the election.
2022	3	20	In 1 race, the spending of 1 candidate was limited at the end of the election. For all other candidates, ceilings were adjusted beyond what the candidates raised.	1	The initial ceilings would have remained in place for 2 races, limiting the spending of 3 candidates at the end of the election. In the other race, the ceiling would have been lifted in mid-October.
2024	7	295	In 1 race, the spending of 1 candidate was limited at the end of the election. For all other candidates, ceilings were adjusted beyond what the candidates raised.	5	The initial ceilings would have remained in place for 3 races, limiting the spending of 6 candidates at the end of the election. In the other two races, the ceilings would have been lifted days before the election.

Table 2: 2020 Expenditure Ceiling Adjustments Under Current and Proposed Processes

November 3, 2020 Election										
				Current Process:				**Proposed Process:**		
Race	**Candidate[1]**	**Total Candidate Funds (TCF) Raised**	**Aggregate 3rd Party Spending**	**Initial Ceiling**	**# Adjust ments**	**Final Ceiling**	**TCF % of Final Ceiling**	**Initial Ceiling[2]**	**Final Ceiling[3]**	**TCF % of Initial Ceiling**
BOS1	Chan, Connie	$379,702	$285,267	$350,000	5	$650,000	58.4%	$350,000	Lifted between 10/29-11/2.	108.5%
BOS1	Lee, David	$325,530		$350,000	3	$500,000	65.1%	$350,000		93.0%
BOS1	Philhour, Marjan	$448,723		$350,000	3	$500,000	89.7%	$350,000		128.2%
BOS1	Shinzato, Veronica	$95,207		$350,000	3	$500,000	19.0%	$350,000		27.2%
BOS3	Peskin, Aaron	$400,470	$ 13,809	$350,000	0	$350,000	114.4%	$350,000	Ceiling would have remained in place.	114.4%
BOS3	Sauter, Danny	$322,957		$350,000	1	$400,000	80.7%	$350,000		92.3%
BOS5	Brown, Vallie	$501,449	$279,745	$350,000	2	$500,000	100.3%	$350,000	Lifted between 10/27-10/29.	143.3%
BOS5	Preston, Dean	$487,175		$350,000	5	$750,000	65.0%	$350,000		139.2%
BOS7	Engardio, Joel	$445,845	$211,035	$350,000	3	$500,000	89.2%	$350,000	Ceiling would have remained in place.	127.4%
BOS7	Martin-Pinto, Stephen	$132,808		$350,000	3	$500,000	26.6%	$350,000		37.9%
BOS7	Matranga, Ben	$249,918		$350,000	3	$500,000	50.0%	$350,000		71.4%
BOS7	Melgar, Myrna	$425,681		$350,000	3	$500,000	85.1%	$350,000		121.6%
BOS7	Murase, Emily	$345,622		$350,000	3	$500,000	69.1%	$350,000		98.7%
BOS7	Nguyen, Vilaska	$441,378		$350,000	5	$600,000	73.6%	$350,000		126.1%
BOS11	Avalos, John	$378,941	$186,953	$350,000	3	$550,000	68.9%	$350,000	Ceiling held.	108.3%
BOS11	Safai, Ahsha	$414,018		$350,000	1	$400,000	103.5%	$350,000		118.3%

[1] Only includes candidates who participated in the Public Financing Program – there was no public financing in BOS9 as incumbent Hilary Ronen ran unopposed.
[2] Ceiling was set at $350,000 via Ordinance 218-19 in 2019.
[3] Ceiling removal is triggered by aggregate 3rd party or non-participating candidate fundraising or spending going beyond 75% of the initial ceiling – this limit would have been $262,500 in 2020.

Table 3: 2022 Expenditure Ceiling Adjustments Under Current and Proposed Processes

November 8, 2022 Election										
				Current Process:				**Proposed Process:**		
Race	**Candidate[1]**	**Total Candidate Funds Raised (TCF)**	**Aggregate 3rd Party Spending**	**Initial Ceiling**	**# Adjust ments**	**Final Ceiling**	**TCF % of Final Ceiling**	**Initial Ceiling[2]**	**Final Ceiling[3]**	**TCF % of Initial Ceiling**
BOS4	Engardio, Joel	$434,967	$343,060	$350,000	5	$700,000	62.1%	$370,000	Lifted between 10/18-10/19.	117.6%
BOS4	Mar, Gordon	$445,585		$350,000	6	$600,000	74.3%	$370,000		120.4%
BOS6	Dorsey, Matt	$507,320	$127,024	$350,000	5	$650,000	78.0%	$370,000	Ceiling would have remained in place.	137.1%
BOS6	Mahogany, Honey	$532,070		$350,000	4	$550,000	96.7%	$370,000		143.8%
BOS8	Mandelman, Rafael	$376,883	$4,700	$350,000	0	$350,000	107.7%	$370,000	Ceiling would have remained in place.	101.9%

[1] Only includes candidates who participated in the Public Financing Program – there was no public financing in BOS2 as incumbent Catherine Stefani ran unopposed, and no public financing in D10 as neither incumbent Shamann Walton nor Brian Adam opted into the program.

[2] Ceiling was set at $350,000 via Ordinance 218-19 in 2019, adjusting for inflation would have set the 2022 ceiling at $370,000.

[3] Ceiling removal is triggered by aggregate 3rd party or non-participating candidate fundraising or spending going beyond 75% of the initial ceiling – this limit would have been $277,500 in 2022.

Table 4: 2024 Expenditure Ceiling Adjustments Under Current and Proposed Processes

November 5, 2024 Election										
				Current Process:				Proposed Process:		
Race	Candidate[1]	Candidate Funds Raised (TCF)	Aggregate 3rd Party Spending	Initial Ceiling	# Adjust ments	Final Ceiling	TCF % of Final Ceiling	Initial Ceiling[2]	Final Ceiling[3]	TCF % of Initial Ceiling
BOS1	Chan, Connie	$429,385	$1,582,322	$350,000	8	$850,000	50.5%	$398,000	Lifted between 10/1-10/2.	107.9%
BOS1	Nossokoff, Jen	$98,614		$350,000	11	$1,250,000	7.9%	$398,000		24.8%
BOS1	Philhour, Marjan	$511,583		$350,000	17	$1,700,000	30.1%	$398,000		128.5%
BOS3	Jamil, Moe	$423,509	$357,393	$350,000	7	$750,000	56.5%	$398,000	Lifted between 10/22-10/28.	106.4%
BOS3	Lai, Sharon	$448,059		$350,000	6	$700,000	64.0%	$398,000		112.6%
BOS3	Navarro, Eduard	$96,679		$350,000	6	$700,000	13.8%	$398,000		24.3%
BOS3	Sauter, Danny	$444,336		$350,000	4	$550,000	80.8%	$398,000		111.6%
BOS3	Susk, Matthew	$261,934		$350,000	6	$600,000	37.4%	$398,000		65.8%
BOS5	Jacobs, Scotty	$267,655	$534,375	$350,000	4	$650,000	41.2%	$398,000	Lifted between 10/18-10/23.	67.3%
BOS5	Looijen, Autumn	$156,172		$350,000	4	$650,000	24.0%	$398,000		39.2%
BOS5	Mahmood, Bilal	$509,049		$350,000	5	$850,000	59.9%	$398,000		127.9%
BOS5	Preston, Dean	$603,062		$350,000	4	$750,000	80.4%	$398,000		151.5%
BOS7	Boschetto, Matthew	$416,413	$114,012	$350,000	1	$400,000	104.1%	$398,000	Ceiling would have remained in place.	104.6%
BOS7	Martin-Pinto, Stephen	$186,227		$350,000	3	$500,000	37.2%	$398,000		46.8%
BOS7	Melgar, Myrna	$394,176		$350,000	3	$500,000	78.8%	$398,000		99.0%
BOS9	Chandler, Trevor	$426,701	$176,163	$350,000	2	$550,000	77.6%	$398,000	Ceiling would have remained in place.	107.2%
BOS9	Fielder, Jackie	$474,607		$350,000	3	$550,000	86.3%	$398,000		119.2%
BOS9	Hernandez, Roberto	$390,533		$350,000	3	$550,000	71.0%	$398,000		98.1%
BOS9	Torres, Stephen	$117,101		$350,000	3	$550,000	21.3%	$398,000		29.4%
BOS11	Chen, Chyanne	$399,261	$982,215	$350,000	6	$800,000	49.9%	$398,000	Lifted between 10/8-10/9.	100.3%
BOS11	Chisti, Adlah	$106,729		$350,000	6	$800,000	13.3%	$398,000		26.8%
BOS11	Jones, Ernest "EJ"	$369,447		$350,000	6	$800,000	46.2%	$398,000		92.8%
BOS11	Lai, Michael	$510,311		$350,000	8	$1,000,000	51.0%	$398,000		128.2%

MYR	Lurie, Daniel*	$10,478,237	$15,209,542	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MYR	Breed, London	$2,398,294		$1,700,000	46	$16,050,000	14.9%	$1,936,000	Lifted between 6/28-7/15.		123.9%
MYR	Farrell, Mark	$2,187,084		$1,700,000	35	$16,300,000	13.4%	$1,936,000			113.0%
MYR	Peskin, Aaron	$1,844,736		$1,700,000	43	$16,050,000	11.5%	$1,936,000			95.3%
MYR	Safai, Ahsha	$1,076,929		$1,700,000	45	$15,800,000	6.8%	$1,936,000			55.6%

*[1] *Only includes candidates who participated in the Public Financing Program – however, then-candidate Daniel Lurie was the first instance of non-participating candidate fundraising/spending being sufficient to warrant a ceiling lift his information is included.*

[2]Ceiling was set at $350,000 for supervisor candidates and $1,700,000 for Mayoral candidates via [Ordinance 218-19] in 2019, adjusting for inflation would have set the 2024 ceiling at $398,000 for supervisor candidates and $1,936,000 for mayoral candidates.

[3] Ceiling removal is triggered by aggregate 3rd party or non-participating candidate fundraising or spending going beyond 75% of the initial ceiling – this limit would have been $298,500 for supervisor candidates and $1,452,000 for mayoral candidates in 2024.

New York City Campaign Finance Board
100 Church Street, 12th Floor, New York, NY 10007
212.409.1800 | www.nyccfb.info

October 31, 2025

Committee on Rules
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689

Dear Supervisors Walton, Sherrill, and Mandelman,

I write to you regarding the ordinance (File #250868) amending the Campaign and Government Conduct Code, specifically related to expenditure limits. We appreciate the Board of Supervisors' ongoing commitment to ensuring transparent and equitable elections in the City and County of San Francisco.

The New York City Campaign Finance Board (CFB) maintains a robust public financing program designed to amplify the contributions of average New Yorkers and allow candidates of all backgrounds to run competitive campaigns. A cornerstone of this program is the implementation of pre-determined expenditure limits that apply uniformly to all participating candidates for a given office.

While these expenditure limits are not adjusted on a per-candidate basis, the program includes necessary relief for candidates when faced with high raising (including loans and contributions), spending (including obligated spending), or both by non-participant opponents. Per New York City Administrative Code § 3-706(3) and CFB Board Rule § 6-01(k), the expenditure limit for participants is increased to 150% of the original limit if a non-participant receives and/or spends more than half the applicable expenditure limit; the limit is completely lifted if a non-participant receives and/or spends more than 300% of the applicable expenditure limit. Relief is race-specific, meaning candidates who receive relief in the primary are once again subject to the original expenditure limit in the general election unless the criteria for relief are met again. This process is functional and necessary, demonstrated by the fact that the expenditure limit was increased to 150% of the original limit in four different New York City races in 2021 and in three races in 2025. The expenditure limit was completely lifted in two New York City races in 2021 and in one race in 2025.

While participating candidates may petition the CFB for expenditure limit relief, the New York City Administrative Code mandates that the CFB dispense such relief without it being requested, which significantly lessens the administrative burden on candidates. Additionally, consistent expenditure limits (which are adjusted after each general election using the Consumer Price Index) and stable criteria for increasing or lifting such limits allow uniform administration of expenditure limit relief by CFB staff.

The CFB's expenditure limit relief policy incentivizes candidates to participate in the matching funds program (and agree to the program's expenditure limits) by mitigating the disadvantages of competing

New York City Campaign Finance Board
100 Church Street, 12th Floor, New York, NY 10007
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with high spending nonparticipant opponents. We encourage you to consider these core principles of expenditure limit policy at the CFB as you deliberate the ordinance.

Sincerely,

Paul S. Ryan
Executive Director

President, District 8
BOARD of SUPERVISORS

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RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date: 06/12/2026

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

☐ Waiving 30-Day Rule (Board Rule No. 3.23)

File No. ____ ____ (Primary Sponsor)

Title.

☒ Transferring (Board Rule No 3.3)

File No. 250868 Mandelman (Primary Sponsor)

Title. Campaign and Governmental Conduct Code - Campaign Public Financing Expenditure Ceilings and Reporting Requirements, and

From: Rules Committee

To: Government Audit & Oversight Committee

☐ Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: ____ Replacing Supervisor: ____

For: ____ (Date) ____ (Committee) Meeting

Start Time: ____ End Time: ____

Temporary Assignment: ◉ Partial ○ Full Meeting

Rafael Mandelman, President
Board of Supervisors

City & County of San Francisco
Ethics Commission

Streamlining of Ethics Programs and Policies

(File #250867, File #250928, and File #250868)

Government Audit and Oversight Committee Presentation – July 16, 2026

Project Overview

- Evaluate whether existing programs are effective, efficient, and furthering the Commission’s mission.
- San Francisco is a leader on ethics rules, often trying new, unique approaches.
- Must ensure that the programs add value and are worth the continued cost to administer.
- If not, programs and policies may need to be scaled down or otherwise revised.
- This allows the Commission to focus on its core functions and administering the programs and policies that are most impactful.

Project Overview Cont.

- Project launched in February of 2025.
- Led to recommendations that are reflected in three ordinances:
  - ➢ **File No. 250867:** Regarding campaign consultants, supplemental recusal notifications, and major developers.
  - ➢ **File No. 250938:** Regarding the disclosure and reporting requirements in trustee elections.
  - ➢ **File No. 250868:** Regarding expenditure ceilings and contribution limits.
- In June of 2025 the Commission authorized the Chair to write to the Board requesting File No. 250938 be introduced and in September 2025, Ethics Commission voted unanimously to approve the other two ordinances which were then referred to the Board.

File No. 250867 - Regarding **campaign consultants**, supplemental recusal notifications, and major developers.

Campaign Consultant Disclosure Requirement

Current Law

- Campaign Consultants are required to register and file quarterly reports with the Ethics Commission.
- This disclosure requirement was created in 1997, before campaign finance was filed and presented to the public electronically.
- This **disclosure requirement is redundant** as the same information is available online via disclosures made by campaigns.
- Similar disclosure requirements do **not exist in other jurisdictions**.

Ordinance Would

- **Discontinue the registration and reporting requirements for campaign consultants.**
- Instead require consultants to supply their clients with the information necessary to report the consultant’s activities through the campaign committee’s other existing campaign finance disclosures.

File No. 250867 - Regarding campaign consultants, **supplemental recusal notifications**, and major developers.

Supplemental Recusal Notifications

Current Law	Ordinance Would
• Members of City boards and commissions who have a financial conflict of interest in a matter are required to recuse themselves from discussing or voting on the matter. • Additionally, the City requires members of boards and commissioners (excluding the Board of Supervisors) to file a disclosure with the Ethics Commission whenever they recuse. • This supplemental recusal **notification is redundant** as the information is already publicly disclosed when the recusal occurs.	• **Remove the City's requirement to file supplemental recusal notifications** with the Ethics Commission. • Retain the existing recusal procedures that occur during the meeting in which the recusal is made, which would have members of other boards and commissions follow the same process that is required for the Board of Supervisors.

File No. 250867 - Regarding campaign consultants, supplemental recusal notifications, and **major developers**.

Major Developer Disclosures

Current Law	**Ordinance Would**
• Requires real estate developers to disclose certain donations made to nonprofit organizations that have contacted City officers regarding major projects of the developer. • Requires a registration fee be paid by all developers and the filing of four quarterly reports (half of which report no donations made). • Disclosures **occur retroactively and are of unclear benefit** to City officers or the public. • Similar rules do **not exist in other jurisdictions**.	• **Eliminate the registration and reporting components on major developers.** • Instead require major developers that pay or donate to a nonprofit in exchange for lobbyist services, to provide the person performing the services with the information they would need to register and report that activity under the City's existing lobbyist rules.

File No. 250938 - Regarding the disclosure and reporting requirements in trustee elections.

Current Law	Ordinance Would
• San Francisco has three benefit-related boards that manage retirement and health benefits for City employees and retirees (*Health Service Board, Retirement Board, and Retiree Health Care Trust Fund Board*). • Since 2018, candidates for these positions have been required to follow strict campaign finance reporting requirements, despite virtually no financial activity: • Seven candidates since 2018, of those <u>just a single candidate</u> has reported raising funds (***$78.60 in total funds***). • These requirements provide **minimal public benefit**, impose **disproportionate and unnecessary burdens on candidates**, and continuing to administer the requirements is a **poor use of City resources**.	• **Remove the Trustee Election Filing Requirements.**

File No. 250868 - Regarding **expenditure ceilings** and contribution limits.

Expenditure Ceilings

Current Law
• The City’s Public Financing Program was established by Prop O in 2000 and helps ensure that candidates with a demonstrated level of community support can secure sufficient resources to mount a viable campaign. • To participate in the Public Financing Program, candidates agree to adhere to an **expenditure ceiling**. • San Francisco has a unique process by which these ceilings **are incrementally adjusted indefinitely** for each participating candidate. • Most other public financing programs in the country do not have expenditure ceilings at all and none of them have an adjustment process like San Francisco’s.

File No. 250868 - Regarding **expenditure ceilings** and contribution limits.

Issues with Current Ceiling Adjustment Process:

Rarely Limits Spending

- In 2024, ceilings were **adjusted 295 times**, and at the end of the election were **only limiting the spending of a single candidate**.
- Ceilings are regularly increased before the candidates have raised enough money to potentially spend beyond their ceiling.

Too Easily Influenced by Independent Spending

- Currently, **any amount of independent spending can necessitate a ceiling adjustment**, which can then trigger a cascade of additional adjustments.

Administrative Burden on Candidates and City Resources

- Places additional burden on candidate campaigns:
  - In 2024, candidates were **required to file 263 threshold statements**.
  - Candidates must file the statements **within 24** hours of each threshold crossed.
  - Takes time and campaign resources that could be **better spent engaging with voters**.
  - Disproportionate **impact on first-time, under-resourced candidates**.
- Daily monitoring, calculating, and communicating on ceiling adjustments by Ethics Commission auditors, this is **time that could be spent performing additional audits**.

File No. 250868 - Regarding **expenditure ceilings** and contribution limits.

Expenditure Ceilings

Ordinance Would

- Create **more effective expenditure ceilings** by ending the process of indefinitely adjusting the ceilings in response to low levels of independent spending.
- Instead of indefinite adjustments, a candidate's ceiling would **only be removed if there is a large amount of independent spending against that candidate** (or for their opponents) or if there is a non-participating candidate on track to spend beyond the ceiling.
- This **simplifies the process** and eliminates the need for candidates to file ongoing 24-hour threshold reports.
- Based on an analysis of historical data, this proposed change would have resulted in the following (across the last three election cycles in the 15 races with publicly financed candidates):
    - *In **six races**, no candidate's ceiling would have been lifted.*
    - *In **six races**, some, but not all the candidate ceilings would have been lifted.*
    - *In **three races**, all the candidates would have had their ceilings lifted.*

File No. 250868 - Regarding expenditure ceilings and **contribution limits**.

Contribution Limits

Current Law

- Contribution limits help prevent overreliance on wealthy donors and reduce risk of corruption
- San Francisco's $500 contribution limit was set in 2000 and has **never been adjusted** since.
- No clear mechanism in the Code to make inflationary adjustments.

Ordinance Would

- Adjust the contribution for inflation from $500 to $1,000.
  - Comparable to State average ($777) and City of Los Angeles ($900).
  - Still well below state limit ($5,900).
- Codify a mechanism for ongoing CPI-based adjustments that are ***rounded down*** to the nearest $100 to ensure gradual, incremental updates in the future.

File No. 250868 - Regarding expenditure ceilings and contribution limits.

Amendments Based on Stakeholder Feedback

1. **Changed adjustment mechanism for expenditure ceilings:** Instead of applying one ceiling to the entire race, the amended legislation applies and lifts the ceilings on a per candidate bases, thus ensuring that outside spending in support of a candidate will never result in that candidate’s ceiling being lifted.

2. **Slowed future contribution limit increases:** Instead of rounding future inflationary adjustments to nearest $100, the amended legislation would round the adjustments down to the nearest $100, slowing the rate of future increases.

3. **Removed inflationary adjustment for loan limit:** Instead of retroactively adjusting this amount for inflation, the current amounts would be retained, but the ordinance would still allow for future inflationary adjustments.

4. **Increased public financing match ratios:** The amended legislation increases the match ratio from 1:6 to 1:8. This does not increase the maximum public funds that can be received but it would help candidates get access to funds earlier and some candidates would receive more funding.

Thank You & Questions