

1 [Campaign Finance Reform Ordinance Amendments.]

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3 **Ordinance amending Sections 1.100, 1.104, 1.108, 1.112, 1.114, 1.116, 1.122, 1.126,**
4 **1.128, 1.130, 1.135, 1.150, 1.161 and 1.170, adding sections 1.107, 1.113, 1.115, 1.118,**
5 **1.162.5, 1.163.5 and 1.172 and repealing section 1.132, Chapter 2 of Article I, section**
6 **1.200 and Chapter 4 of Article I, sections 1.400, 1.405, 1.410, 1.415, 1.420 and 1.425 of**
7 **the Campaign and Governmental Conduct Code to move the False Endorsements**
8 **Ordinance and the Prohibition on Multiple Campaign Accounts into the Campaign**
9 **Finance Reform Ordinance ("CFRO"); subject School District and Community College**
10 **District measures to CFRO; reenact contribution and voluntary expenditure limits at**
11 **their existing levels; clarify sections of CFRO related to electronic filing requirements,**
12 **candidate loan restrictions, permissible uses of campaign funds, pre-election reporting**
13 **requirements, and the contractor contribution prohibition; prohibit candidates from**
14 **accepting voluntary expenditure ceilings if the applicable ceiling was already lifted;**
15 **create late filing fees for reports required by CFRO; create new penalties for candidates**
16 **that receive public financing and exceed applicable expenditure ceilings; create new**
17 **and clarify existing disclaimer requirements for campaign advertisements; create**
18 **training requirements for candidates and treasurers; create new filing requirements**
19 **during the signature gathering process for ballot measures; permit the return of**
20 **contributions once campaign funds become surplus or a candidate withdraws only on**
21 **a last in, first out basis; permit the Ethics Commission to extend filing deadlines that**
22 **fall on weekends or holidays; require candidates to pay for accrued expenses within**
23 **180 days; and require expenditures that are coordinated with candidates to be treated**
24 **as contributions.**

1 Note: Additions are *single-underline italics Times New Roman*;
2 deletions are ~~*strikethrough italics Times New Roman*~~.
3 Board amendment additions are double underlined.
4 Board amendment deletions are ~~strikethrough normal~~.

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

6 Section 1. The San Francisco Campaign and Governmental Code is hereby amended
7 by amending Sections 1.100, 1.104, 1.108, 1.112, 1.114, 1.116, 1.122, 1.126, 1.128, 1.130,
8 1.135, 1.150, 1.161 and 1.170 to read as follows:

9 **SEC. 1.100. PURPOSE AND INTENT.**

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

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

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

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

- 1 (3) Create an incentive to limit overall expenditures in campaigns, thereby reducing
2 the pressure on candidates to raise large campaign war chests for defensive purposes
3 beyond the amount necessary to communicate reasonably with voters;
- 4 (4) Reduce the advantage of incumbents and thus encourage competition for
5 elective office;
- 6 (5) Allow candidates and officeholders to spend a smaller proportion of their time on
7 fundraising and a greater proportion of their time dealing with issues of importance to their
8 constituents' community;
- 9 (6) Ensure that serious candidates are able to raise enough money to communicate
10 their views and positions adequately to the public, thereby promoting public discussion of the
11 important issues involved in political campaigns;
- 12 (7) Limit contributions to candidates and committees, including committees that
13 make independent expenditures, to eliminate or reduce the appearance or reality that large
14 contributors may exert undue influence over elected officials;
- 15 (8) Assist voters in making informed electoral decisions and ensure compliance with
16 campaign contribution limits through the required filing of campaign statements detailing the
17 sources of campaign contributions and how those contributions have been expended;
- 18 (9) Make it easier for the public, the media and election officials to efficiently review
19 and compare campaign statements by requiring committees that meet certain financial
20 thresholds to file copies of their campaign statements on computer diskettes or other
21 designated electronic media; *and*
- 22 (10) Help restore public trust in governmental and electoral institutions; *and*
23 (11) Help ensure the integrity of the election process by prohibiting campaign advertisements
24 that contain knowing false endorsements of current and former public officials, candidates, political
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1 clubs, and organizations. Such false endorsements undermine the integrity of the electoral process by
2 misleading and confusing voters about the actual support for or opposition to candidates or ballot
3 measures and it is too burdensome for individual voters, inundated with campaign messages, to verify
4 the accuracy of such claims and for persons whose positions are misrepresented to correct the
5 misrepresentations close in time to the election.

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

9 **SEC. 1.104. DEFINITIONS.**

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

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

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

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

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

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

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

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

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

16 (j) "Individual Expenditure Ceiling" shall mean the expenditure ceiling established
17 for each individual candidate for Mayor who has been certified by the Ethics Commission as
18 eligible to receive public funds under this Chapter.

19 (k) "Matching contribution" shall mean a contribution up to \$500, that is made by an
20 individual, other than the candidate, who is a resident of San Francisco. Matching
21 contributions shall not include loans, contributions that are received more than 18 months
22 before the date of the election, contributions made by the candidate's immediate family or
23 qualifying contributions, and must comply with all requirements of this Chapter. Matching
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1 contributions under \$100 that are not made by written instrument must be accompanied by
2 written documentation of the contributor's name and address.

3 (l) "Measure" shall mean any City, San Francisco Unified School District or San
4 Francisco Community College District referendum, recall or ballot proposition, whether or not it
5 qualifies for the ballot.

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

8 (n) "Qualified campaign expenditure" for candidates shall mean includes all of the
9 following:

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

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

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

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

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

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

5 (o) "Qualifying contribution" shall mean a contribution of not less than \$10 and not
6 more than \$100 that is made by an individual who is a resident of San Francisco and that
7 complies with all requirements of this Chapter. Qualifying contributions shall not include
8 loans, contributions that are received more than 18 months before the date of the election or
9 contributions made by the candidate or the candidate's immediate family. Qualifying
10 contributions under \$100 that are not made by written instrument must be accompanied by
11 written documentation of the contributor's name and address.

12 (p) "Recorded telephone message" shall mean a recorded audio message that
13 expressly supports or opposes a candidate for City elective office that is distributed by
14 telephone.

15 (q) "Surplus funds" shall mean funds remaining in a candidate's campaign account
16 at the time the candidate leaves City elective office, or at the end of the post-election reporting
17 period following the defeat of the candidate for City elective office, whichever occurs last, and
18 funds remaining in the campaign account of a committee primarily formed to support or
19 oppose a measure at the end of the post-election reporting period following the election at
20 which the measure appeared on the ballot.

21 (r) "Total Opposition Spending" shall mean the sum of any expenditures made or
22 expenses incurred by any person or persons for the purpose of making independent
23 expenditures, electioneering communications or member communications in opposition to a
24 specific candidate for Mayor.

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1 (s) "Total Supportive Funds" shall mean the sum of all contributions received by a
2 candidate for Mayor other than any funds in the candidate's Campaign Contingency Account,
3 plus the expenditures made or expenses incurred by any person or persons for the purpose of
4 making independent expenditures, electioneering communications or member
5 communications in support of that same candidate.

6 (t) "Trust Account Limit," shall mean the amount of funds in the Campaign
7 Contribution Trust Account of a candidate for Mayor who has been certified by the Ethics
8 Commission as eligible to receive public funds under this Chapter such that the expenditure of
9 this amount would cause the candidate to reach, but not exceed, the candidate's Individual
10 Expenditure Ceiling. The Trust Account Limit shall be reduced as the candidate spends
11 money and shall be increased when his or her Individual Expenditure Ceiling increases.

12 (u) "Voter" means an individual registered to vote in San Francisco

13 (v) ~~(w)~~ "Written instrument" means a check, credit card receipt, or record of electronic
14 transfer of funds.

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16 **SEC. 1.108. CANDIDATE CAMPAIGN CONTRIBUTION TRUST ACCOUNTS AND**
17 **CAMPAIGN CONTINGENCY ACCOUNTS.**

18 (a) Candidate Campaign Contribution Trust Accounts.

19 (1) Establishment of Account. Each treasurer for a candidate shall establish a
20 campaign contribution trust account for the candidate at an office of a bank located in the City
21 and County of San Francisco, the account number and branch identification of which shall be
22 filed with the Ethics Commission within 10 days of the establishment of the account. All of the
23 expenditures by the candidate for the City elective office sought shall be made from that
24 account.

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

7 (3) ~~(2)~~ Account Limits. A candidate for Mayor who has been certified by the Ethics
8 Commission as eligible to receive public funds under this Chapter shall not, at any time, have
9 an amount of funds greater than the candidate's Trust Account Limit in his or her Campaign
10 Contribution Trust Account.

11 (b) Campaign Contingency Accounts for Candidates for Mayor.

12 (1) Notwithstanding any other section of this Code, including subsection (a)(2) ~~1-200~~,
13 a candidate for Mayor who has been certified by the Ethics Commission as eligible to receive
14 public funds under this Chapter may maintain a Campaign Contingency Account separate
15 from his or her Campaign Contribution Trust Account into which he or she may deposit money
16 contributions in anticipation of the candidate's Individual Expenditure Ceiling being raised. All
17 money contributions deposited into this account shall be reported as if it were deposited into
18 the candidate's Campaign Contribution Trust Account.

19 (2) No expenditures shall be made from a Campaign Contingency Account
20 established pursuant to this section. Funds may be transferred between a candidate's
21 Campaign Contingency Account and the candidate's Campaign Contribution Trust Account,
22 provided that the amount of funds in the candidate's Campaign Contribution Trust Account
23 does not exceed the candidate's Trust Account Limit. All funds that qualify as matching
24 contributions and are transferred from the Campaign Contingency Account to the Campaign
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1 Contribution Trust Account shall be eligible to be matched with public funds in accordance
2 with the procedures set forth in this Chapter. Within 10 days after the date of the election, the
3 candidate shall turn over all funds in the Campaign Contingency Account to the Mayoral
4 Election Campaign Fund.

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6 **SEC. 1.112. ELECTRONIC CAMPAIGN DISCLOSURE.**

7 (a) FILING ELECTRONIC ~~COPIES OF~~ CAMPAIGN STATEMENTS.

8 (1) Filing Electronic Copies of Campaign Statements. Whenever any committee that
9 meets the requirements of Subsection (b) of this Section is required by this Chapter or the
10 California Political Reform Act (Government Code Section 81000 et seq.) to file a semi-annual
11 campaign statement, a preelection campaign statement, a supplemental preelection campaign
12 statement, or a supplemental independent expenditure a campaign disclosure statement or report with
13 the Ethics Commission, the committee shall file at the same time a copy of the statement or
14 report in an electronic format with the Ethics Commission, provided the Ethics Commission
15 has prescribed the format at least 60 days before the statement or report is due to be filed.

16 (2) Continuous Filing of Electronic Statements. Once a committee is subject to the electronic
17 filing requirements imposed by this Section, the committee shall remain subject to the electronic filing
18 requirements, regardless of the amount of contributions received or expenditures made during each
19 reporting period, until the committee files a termination statement pursuant to this Chapter and the
20 California Political Reform Act (Government Code Section 81000 et seq.).

21 (3) Disclosure of Expenditure Dates. All electronic statements filed under this Section shall
22 include the date any expenditure required to be reported on the statement was incurred, provided that
23 the Commission's forms accommodate the reporting of such dates.

24 (b) COMMITTEES SUBJECT TO ELECTRONIC FILING REQUIREMENTS.

1 A committee is subject to this Section if the committee is: (1) required to file a
2 statement of organization under this Chapter and the California Political Reform Act
3 (Government Code Sections 81000 et seq.); and (2) is controlled by a candidate, or is formed
4 or exists primarily to support or oppose a candidate, or is formed or exists primarily to support
5 or oppose a ballot measure which is being voted on only in the City and County, or is a
6 general purpose committee active only in the City and County; and (3) receives contributions,
7 or makes independent expenditures, totaling \$5,000 or more in a calendar year. ~~For purposes~~
8 ~~of this Section, the term "contribution" shall be defined as set forth in the California Political Reform~~
9 ~~Act (Government Code Section 81000 et seq.)~~

10 ~~(c) — AUTHORITY OF ETHICS COMMISSION TO REQUIRE ADDITIONAL FILINGS.~~

11 ~~Whenever any committee that meets the requirements under Subsection (b) of this Section is~~
12 ~~required by this Chapter or the California Political Reform Act (Government Code Section 81000 et~~
13 ~~seq.) to file a campaign disclosure statement or report with the Ethics Commission, the Commission~~
14 ~~may require the committee to file an electronic copy of the statement or report. The electronic copy~~
15 ~~shall be due no later than the deadline imposed by the California Political Reform Act for filing the~~
16 ~~statement or report. Pursuant to San Francisco Charter Section 15.102, the Ethics Commission shall~~
17 ~~adopt regulations specifying the electronic filing requirements applicable to committees. The Ethics~~
18 ~~Commission shall adopt these regulations no fewer than 120 days before the electronic filing~~
19 ~~requirements are effective~~

20 ~~(d) — CONTINUOUS FILING OF ELECTRONIC COPIES OF CAMPAIGN STATEMENTS.~~

21 ~~Once a committee is subject to the electronic filing requirements imposed by this Section, the~~
22 ~~committee shall remain subject to the electronic filing requirements, regardless of the amount of~~
23 ~~contributions received or expenditures made during each reporting period, until the committee files a~~
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1 ~~termination statement pursuant to California Political Reform Act (Government Code Section 81000 et~~
2 ~~seq.).~~

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4 **SEC. 1.114. CONTRIBUTION LIMITS.**

5 (a) LIMITS ON CONTRIBUTIONS TO CANDIDATES.

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

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

12 (b) LIMITS ON CONTRIBUTIONS TO COMMITTEES.

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

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

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

22 (c) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

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

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

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

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

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

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

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

8 (f) RETURN OF CONTRIBUTIONS. A contribution to a candidate or
9 committee making expenditures to support or oppose a candidate shall not be considered to
10 be received if it is not cashed, negotiated, or deposited and in addition it is returned to the
11 donor before the closing date of the campaign statement on which the contribution would
12 otherwise be reported, except that a contribution to a candidate or committee making
13 expenditures to support or oppose a candidate made before an election at which the
14 candidate is to be voted on but after the closing date of the last campaign statement required
15 to be filed before the election shall not be considered to be deemed received if it is not
16 cashed, negotiated or deposited and is returned to the contributor within 48 hours of receipt.
17 For all committees not addressed by this Section, the determination of when contributions are
18 considered to be received shall be made in accordance with Government Code Section
19 81000, et seq.

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

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

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

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

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

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

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

12 (d)___ Whenever the Ethics Commission adjusts the voluntary expenditure ceilings to
13 reflect changes in the California Consumer Price Index, as authorized under section 1.130,
14 the Commission is authorized to adjust the loan amounts in this section to reflect changes in
15 the Consumer Price Index. ~~This section shall take effect January 1, 2004.~~

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17 **SEC. 1.122. SOLICITATION OR ACCEPTANCE OF CAMPAIGN CONTRIBUTIONS -**
18 **LIMITATIONS.**

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

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

4 (b) Use of Campaign Funds.

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

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

18 (A) returned on a ~~pro rata~~ "last in, first out" basis to those persons who have
19 made said contributions;

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

21 (C) donated to a charitable organization.

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

23 (i) returned on a ~~pro rata~~ "last in, first out" basis to those persons who have
24 made said contributions;

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

12 (a) Definitions.

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

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

21 (2) "Contract" means any agreement or contract, including any amendment or modification to
22 an agreement or contract, with the City and County of San Francisco, a state agency on whose board
23 an appointee of a City elective officer serves, the San Francisco Unified School District, or the San
24 Francisco Community College District for:
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1 (A) the rendition of personal services,

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

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

4 (D) a grant, loan or loan guarantee.

5 (b) Prohibition.

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

13 (1) shall make any contribution to:

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

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

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

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

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

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

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

3 (c) Notification.

4 (1) Prospective Parties to Contracts. Any prospective party to a contract with the City and
5 County of San Francisco, a state agency on whose board an appointee of a City elective officer serves,
6 the San Francisco Unified School District or the San Francisco Community College District shall
7 inform each person described in subsection (a)(1) of the prohibition in subsection (b) by the
8 commencement of negotiations for such contract.

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

17
18 **SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE**
19 **CEILINGS.**

20 (a) All candidates for City elective office must file a statement with the Ethics
21 Commission indicating whether they accept or do not accept the applicable expenditure
22 ceiling. This statement, which is a public document, shall be filed no later than the deadline
23 for filing nomination papers with the Department of Elections, and ~~once filed~~ may not be
24 withdrawn after such deadline. The form may not be filed prior to June 1 of an election occurring in
25

1 November or 120 days before an election held at any other time, and once filed may not be withdrawn.
2 A candidate may not accept or reject the applicable expenditure ceiling under this section if the
3 applicable expenditure ceiling has already been lifted under section 1.134 of this Chapter.

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

16 (b) Any candidate who files a statement pursuant to this Section accepting the
17 applicable expenditure ceiling and makes campaign expenditures in excess of the expenditure
18 ceiling, at a time when the ceiling has not been lifted, is subject to the penalties in Section
19 1.170 for violation of this Chapter.

20 21 **SEC. 1.130. AMOUNT OF EXPENDITURE CEILINGS.**

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

1 (b) Any candidate for Mayor who agrees to expenditure ceilings shall not make total
2 qualified campaign expenditures exceeding \$1,375,000.

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

5 (d) Any candidate for the Board of Education of the San Francisco Unified School
6 District or the Governing Board of the San Francisco Community College District who agrees
7 to expenditure ceilings shall not make total qualified campaign expenditures exceeding
8 \$~~98,000~~ 90,000.

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

12
13 **SEC. 1.135. SUPPLEMENTAL REPORTING.**

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

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

3 (1) For the period ending 45 days before the election, the statement shall be filed no later than
4 40 days before the election;

5 (2) For the period ending 17 days before the election, the statement shall be filed no later than
6 12 days before the election.

7 (c) The Ethics Commission may require that these statements be filed electronically.
8

9 **SEC. 1.148. RESTRICTIONS ON USE OF PUBLIC FUNDS; UNEXPENDED PUBLIC**
10 **FUNDS.**

11 (a) USE FOR QUALIFIED CAMPAIGN EXPENDITURES ONLY. Candidates who
12 receive public financing may use the public funds solely to pay for qualified campaign
13 expenditures, as defined by Section 1.104 of this Chapter, and to repay loans used to pay for
14 qualified campaign expenditures except that public funds may be used to pay filing fees and costs
15 incurred after the election that do not directly affect the outcome of the election, including but not
16 limited to utility bills, expenses associated with an audit, and expenses related to preparing post-
17 election campaign finance disclosure reports as required by the California Political Reform Act,
18 Government Code section 81000, et seq., and the provisions of this Chapter. Candidates may not
19 use public funds to pay for expenses incurred in connection with an administrative or judicial
20 proceeding. Candidates may not use public funds to pay administrative, civil or criminal fines,
21 including late filing fines, or to pay for inaugural activities or officeholder expenses. Candidates
22 may not use public funds to pay post-election bonuses to campaign employees or for election victory
23 celebrations or similar post-election campaign events.
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1 (b) PURCHASE OF EQUIPMENT. Any equipment purchased by a candidate with
2 public funds provided under this Chapter that has a useful life beyond the election campaign
3 for which the funds were provided, and a fair market value exceeding \$100, becomes City and
4 County property on the day following the date the candidate is elected or not elected to office.

5 (c) WITHDRAWAL OR FAILURE TO QUALIFY. Any candidate who receives public
6 financing but who withdraws or fails to qualify to have his or her name printed on the ballot in
7 the election for which the public funds were provided shall repay the Supervisor Election
8 Campaign Fund if the candidate was a candidate for the Board of Supervisors or to the
9 Mayoral Election Campaign Fund if the candidate was a candidate for Mayor the full sum
10 received from the Fund.

11 (d) UNEXPENDED PUBLIC FUNDS.

12 (i) General. Any candidate who receives public financing and who has
13 unexpended public funds shall pay to the City and County of San Francisco and deliver to the
14 Ethics Commission those funds for deposit in the Supervisor Election Campaign Fund if the
15 candidate was a candidate for the Board of Supervisors or to the Mayoral Election Campaign
16 Fund if the candidate was a candidate for Mayor no later than 30 days after the Ethics
17 Commission completes its audit of the candidate. Unexpended funds may be used to pay for
18 qualified campaign expenditures expenses associated with an audit such as bank fees, treasurer fees
19 and storage fees until the Ethics Commission completes its audit of the candidate.

20 (ii) Definition. For purposes of this section, unexpended public funds shall mean all
21 funds remaining in the candidate's account on the 30th day after the candidate is elected or
22 not elected to office, regardless of the source of the funds, but shall not exceed the amount of
23 public funds provided to the candidate. Funds raised after this date do not constitute
24 unexpended funds and may be used for any lawful purpose.

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SEC. 1.150. AUDIT; REPAYMENT.

(a) AUDIT. The Ethics Commission shall audit all candidates who receive public financing under this Chapter. Audits of candidates for Mayor conducted under this subsection shall begin within 60 days after the date the candidates' first post-election campaign disclosure report is required to be filed pursuant to Section 1.106 of this Chapter. At the request of the Executive Director, the Controller shall assist in conducting these audits.

(b) REPAYMENT.

(1) If the Ethics Commission determines that any portion of the payments made to a candidate from the Supervisor Election Campaign Fund or the Mayoral Election Campaign Fund exceeded the aggregate amount of payments to which the candidate was entitled under this Chapter, the Commission shall notify the Controller and the candidate. In addition to any other penalties, the candidate shall pay to the City and County of San Francisco, and deliver to the Ethics Commission an amount equal to the amount of the excess payments, and if the Commission determines that any amount of any payment made to a candidate from the Supervisor Election Campaign Fund or the Mayoral Election Campaign Fund was used for something other than qualified campaign expenditures, the candidate shall pay to the Ethics Commission an amount equal to the improper expenditure.

(2) Any candidate for Mayor who receives public funds under this Chapter and exceeds his or her Individual Expenditure Ceiling by ten percent or more shall, in addition to any other penalties, pay to the Ethics Commission an amount equal to the amount of public funds the candidate received under this Chapter.

(3) Any candidate for the Board of Supervisors who receives public funds under this Chapter and who exceeds, by ten percent or more, an expenditure ceiling that has not been lifted shall, in

1 addition to any other penalties, pay to the Ethics Commission an amount equal to the amount of public
2 funds the candidate received under this Chapter.

3 (4) All payments delivered to the Ethics Commission under this Section shall be
4 deposited in the Supervisor Election Campaign Fund if made by a candidate for the Board of
5 Supervisors or in the Mayoral Election Campaign Fund if made by a candidate for Mayor.

6
7 **SEC. 1.161. DISCLOSURE AND FILING REQUIREMENTS FOR MASS MAILINGS.**

8 (a) DISCLOSURE.

9 In addition to the requirements set forth in California Government Code Section
10 84305, each mass mailing paid for by a candidate for City elective office shall include on the
11 outside of each piece of mail in the mass mailing the following statement in not less than 14 point
12 type and in a color or print which contrasts with the background so as to be easily legible:
13 "paid for by _____ (insert candidate's name and street address)." A post office box may be
14 stated in lieu of a street address if the candidate's address is a matter of public record with the
15 San Francisco Ethics Commission.

16 (b) FILING.

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

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

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

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

6 (c) DEFINITIONS.

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

12 (2) For the purposes of this section, "Mass mailing" shall be defined as set
13 forth in the California Political Reform Act (Government Code Sections 81000 et seq.),
14 provided that the mass mailing is paid for by a candidate for City elective office with funds
15 raised for the candidate's campaign, and that the mass mailing advocates for or against
16 candidates for City elective office.

17

18 **SEC. 1.161.5. DISCLOSURE AND FILING FOR ELECTIONEERING**

19 **COMMUNICATIONS.**

20 (a) DISCLOSURE STATEMENTS.

21 (1) Every electioneering communication shall include a disclosure statement
22 identifying the person who paid for the communication. Such disclosure statement shall, at a
23 minimum, contain the following words, "paid for by _____ (insert the name of the person who
24 paid for the communication)."

25

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

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

10 (b) REPORTING OBLIGATIONS.

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

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

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

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

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

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

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

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

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

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

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

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1 (4) The Ethics Commission may require any itemized statement to be filed
2 electronically and may permit any required statement to be filed by facsimile. The Ethics
3 Commission shall promulgate regulations to implement this subsection before any person
4 shall be required to file an itemized statement electronically or permitted to file a statement by
5 facsimile.

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

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

15 (1) "Disclosure Date" shall mean:

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

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

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

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

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

7 (B) is distributed within 90 days prior to an election for the City elective office
8 sought by the candidate or a recall election regarding the City elective officer to 500 or more
9 individuals who are registered to vote or eligible to register to vote in the election or recall
10 election. There shall be a rebuttable presumption that any that any broadcast, cable, satellite,
11 or radio communication and any sign, billboard or printed advertisement is distributed to 500
12 or more individuals who are eligible to vote in or eligible to register to vote in an election for
13 the City elective office sought by the candidate or a recall election regarding the City elective
14 officer.

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

16 (i) communications that constitute expenditures or independent
17 expenditures under this Chapter;

18 (ii) communications made by a slate mailer organization if such
19 communications are required to be disclosed under California Government Code section
20 81000, et seq.;

21 (iii) communications paid for by the City or any other local, state or federal
22 government agency;

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1 (iv) spoken communications between two or more individuals in direct
2 conversation unless such communications are made by telephone and at least one of the
3 individuals is compensated for the purposes of making the telephone communication;

4 (v) communications that appear on bumper stickers, pins, stickers, hat
5 bands, badges, ribbons and other similar memorabilia;

6 (vi) news stories, commentaries or editorials distributed through any
7 newspaper, radio station, television station, or other recognized news medium unless such
8 news medium is owned or controlled by any political party, political committee or candidate;

9 (vii) communications to all members, employees and shareholders of an
10 organization, other than a political party, provided that such communications do not constitute
11 general public advertising such as, but not limited to, broadcasting, billboards, and newspaper
12 advertisements;

13 (viii) communications that occur during a candidate debate or forum; and

14 (ix) communications made solely to promote a candidate debate or forum
15 made by or on behalf of the person sponsoring the debate or forum, provided that such
16 communications do not otherwise discuss the positions or experience of a candidate for City
17 elective office or a City elective officer who is the subject of a recall election.

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

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

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

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

12

13 **SEC. 1.170. PENALTIES.**

14 (a) CRIMINAL.

15 Any person who knowingly or willfully violates any provision of this Chapter shall be
16 guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more
17 than \$5,000 for each violation or by imprisonment in the County jail for a period of not more
18 than six months or by both such fine and imprisonment; provided, however, that any willful or
19 knowing failure to report contributions or expenditures done with intent to mislead or deceive
20 or any willful or knowing violation of the provisions of Section 1.114 of this Chapter shall be
21 punishable by a fine of not less than \$5,000 for each violation or three times the amount not
22 reported or the amount received in excess of the amount allowable pursuant to Section 1.114
23 of this Chapter, or three times the amount expended in excess of the amount allowable
24 pursuant to Section 1.130 or 1.140.5, whichever is greater.

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1 (b) CIVIL.

2 Any person who intentionally or negligently violates any of the provisions of this
3 Chapter shall be liable in a civil action brought by the civil prosecutor for an amount up to
4 \$5,000 for each violation or three times the amount not reported or the amount received in
5 excess of the amount allowable pursuant to Section 1.114 or three times the amount
6 expended in excess of the amount allowable pursuant to Section 1.130 or 1.140.5, whichever
7 is greater.

8 (c) ADMINISTRATIVE.

9 Any person who intentionally or negligently violates any of the provisions of this
10 Chapter shall be liable in an administrative proceeding before the Ethics Commission held
11 pursuant to the Charter for an amount up to \$5,000 for each violation, or three times the
12 amount not reported or the amount received in excess of the amount allowable pursuant to
13 Section 1.114 or three times the amount expended in excess of the amount allowable
14 pursuant to Section 1.130 or 1.140.5, whichever is greater.

15 (d) ~~LATE FILING FEES PENALTIES FOR LATE ELECTRONIC FILINGS.~~

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

19 ~~(2) In addition to any other penalty, Any person who files an electronic copy of a~~
20 ~~statement or report required by this Chapter after the deadline imposed by this Chapter the~~
21 ~~California Political Reform Act (Government Code Section 81000 et seq.) for filing the written copy of~~
22 ~~the statement or report shall be liable in the amount of twenty-five dollars (\$25) per day after the~~
23 ~~deadline until the electronic copy or report is filed.~~

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

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

8 (e) MISUSE OF PUBLIC FUNDS.

9 Any person who willfully or knowingly uses public funds, paid pursuant to this Chapter,
10 for any purpose other than the purposes authorized by this Chapter shall be subject to the
11 penalties provided in this section.

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

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

19 (g) PERSONAL LIABILITY.

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

22 (h) JOINT AND SEVERAL LIABILITY.

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

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

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

9 (2) If a candidate for Mayor is found by a court to have exceeded the Individual
10 Expenditure Ceiling in this Chapter by ten percent or more at any time prior to his or her
11 election, he or she is ineligible for election, unless the court specifically determines that this
12 provision shall not be applicable. If feasible, the candidate's name shall be removed from the
13 ballot. No candidate for Mayor who is found by a court to have exceeded the Individual
14 Expenditure Ceiling in this Chapter by ten percent or more after his or her election shall be a
15 candidate for any City elective office for a period of 5 years following the court's determination
16 unless the court specifically determines that this provision shall not be applicable. The Ethics
17 Commission may make a recommendation to the Board of Supervisors that a candidate found
18 by a court to have exceeded the Individual Expenditure Ceiling in this Chapter by ten percent
19 or more should be removed from office.

20 (3) A plea of nolo contendere shall be deemed a conviction for purposes of this
21 Section.

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1 Section 2. The San Francisco Campaign and Governmental Code is hereby amended
2 by adding Sections 1.107, 1.113, 1.115, 1.118, 1.162.5, 1.163.5, and 1.172, to read as
3 follows:

4 **SEC. 1.107. TRAINING FOR TREASURERS**

5 (a) Training Requirements.

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

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

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

15 (c) Definition. For the purposes of this section, "committee" shall mean any committee that:

16 (1) qualifies as committee pursuant to subdivision (a) of Section 82013 of the California Government
17 Code as incorporated into this Chapter by Section 1.104; and (2) is required to file its semi-annual
18 campaign statements with the Ethics Commission.

19
20 **SEC. 1.113. DISCLOSURE REQUIREMENTS DURING SIGNATURE GATHERING**
21 **PERIODS FOR INITIATIVES, REFERENDA AND RECALLS.**

22 (a) In order to ensure that any person interested in the finances of any committee that is
23 raising or spending funds to support or oppose a measure, such committees shall file their financial
24 disclosure documents on dates that are within the time period in which signatures are gathered.

1 **(b)** *For initiatives and recalls, campaign disclosure statements shall be filed on the 15th day*
2 *of the signature gathering period covering days 1-10, on the 30th day covering days 11-25, and every*
3 *30 days thereafter for the 30-day period ending five days earlier through the end of the signature-*
4 *gathering period.*

5 **(c)** *For referenda, which have a 30-day signature gathering period, campaign disclosure*
6 *statements shall be filed on the 10th day of the period covering days 1-5, on the 25th day of the period*
7 *covering days 6-20, and by the 60th day after the end of the period covering days 21-30.*

8 **(d)** *Otherwise, campaign statements shall be completed and filed as specified in this*
9 *Chapter and state law.*

10
11 **SEC. 1.115. COORDINATION OF EXPENDITURES**

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

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

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

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

1 (B) after discussion between the creator, producer or distributor of a communication, or the
2 person paying for that communication, and the candidate or committee regarding the content, timing,
3 location, mode, intended audience, volume of distribution or frequency of placement of that
4 communication, the result of which is agreement on any of these topics.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18
19 **SEC. 1.118. PAYMENT OF ACCRUED EXPENSES**

20 (a) A candidate who accepts goods or services on credit shall pay for such accrued expenses in
21 full no later than 180 calendar days after receipt of a bill or invoice and in no event later than 180
22 calendar days after the last calendar day of the month in which the goods were delivered or the
23 services were rendered, unless it is clear from the circumstances that the failure to pay is reasonably

1 based on a good faith dispute. For purposes of this subsection, a good faith dispute shall be presumed
2 if the candidate produces the following:

3 (1) evidence that the candidate protested the payment of a bill no later than 30 calendar days
4 after the last calendar day of the month in which the goods were delivered or the services were
5 rendered; and

6 (2) evidence that the protest was based on the time of delivery, quality or quantity of goods
7 delivered or services rendered or the price of the goods delivered or the services provided.

8 (b) The provisions of subsection (a) do not apply to debt owed to a financial institution for an
9 outstanding credit card balance.

10 (c) Each and every calendar day any accrued expense remains partially or wholly unpaid after
11 the time periods set forth in subsection (a) constitutes a separate violation.

12
13 **SEC. 1.162.5. DISCLOSURE REQUIREMENTS – CAMPAIGN ADVERTISEMENTS**

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

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

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

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

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

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

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

9 (4) a billboard.

10
11 **SEC. 1.163.5. DISTRIBUTION OF CAMPAIGN ADVERTISEMENTS CONTAINING**
12 **FALSE ENDORSEMENTS.**

13 (a) Prohibition. No person may sponsor any campaign advertisement that is distributed within
14 90 days prior to an election and that contains a false endorsement, where the person acts with
15 knowledge of the falsity of the endorsement or with reckless disregard for the truth or falsity of the
16 endorsement. A false endorsement is a statement, signature, photograph, or image representing that a
17 person expressly endorses or conveys support for or opposition to a candidate or measure when in fact
18 the person does not expressly endorse or convey support for or opposition to the candidate or measure
19 as stated or implied in the campaign communication.

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

22 (1) "Campaign advertisement" is any mailing, flyer, doorhanger, pamphlet, brochure, card,
23 sign, billboard, facsimile, printed advertisement, broadcast, cable, satellite, radio, internet, or recorded

1 telephone advertisement that refers to one or more clearly identified candidates or ballot measures.

2 The term "campaign advertisement" does not include:

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

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

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

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

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

17 (c) Enforcement and penalties. The penalties under section 1.170(a) of this Chapter do not
18 apply to violations of this section. Notwithstanding the 60-day waiting period in section 1.168 of this
19 Chapter, a voter may bring an action to enjoin a violation of this section immediately upon providing
20 written notice to the City Attorney. A court may enjoin a violation of this section only upon a showing
21 of clear and convincing evidence of a violation.

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1 **SEC. 1.172 EXTENSION OF DEADLINES THAT FALL ON WEEKENDS AND**
2 **HOLIDAYS.**

3 *The Ethics Commission may, by regulation, extend any deadline imposed by this Chapter that*
4 *falls on a Saturday, Sunday or holiday on which the Ethics Commission is authorized by law to close.*

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

9
10 **SEC. 1.132. TIME PERIODS FOR EXPENDITURES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 ~~(g) — Voter. The term “voter” means a voter registered to vote in San Francisco.~~

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

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

14
15 ~~**SEC. 1.415. RESTRAINING ORDER OR INJUNCTION.**~~

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

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

~~Any person who violates Section 1.410 shall be liable in a civil action brought by the civil enforcement authority for an amount up to \$5,000.~~

~~**SEC. 1.425. SEVERABILITY.**~~

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

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

By: _____
CHAD A. JACOBS
Deputy City Attorney