REVISED LEGISLATIVE DIGEST
(Amended in Committee – July 16, 2026)

[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 an approach in which the ceiling is removed for candidates within the race once certain spending reaches a specified amount, and adjusting reporting requirements; raising the campaign contribution limit for contributions to candidates for local office from $500 to $1,000 and authorizing the Ethics Commission to adjust the contribution limit going forward for changes in the Consumer Price Index; allowing the Ethics Commission to designate the website to be used in campaign advertisement disclaimers; and increasing the rate at which public funding is made available to qualified candidates for Mayor or Board of Supervisors.

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.

Candidates who qualify for the public campaign financing program receive an initial one-time payment, followed by additional payments at a ratio of $6 dollars in public funds for every $1 in matching contributions raised by the candidates. Qualified candidates for the Office of Mayor receive an initial payment of $300,000 and are eligible for additional funds up to maximum of $1,200,000 total public funds for non-incumbents, or $1,185,000 total public funds for incumbents, based on this 6:1 ratio of matching dollars. Qualified candidates for the Board of Supervisors receive an initial payment of $60,000 and are eligible for additional funds up to maximum of $255,000 total public funds for non-incumbents, or $252,000 total public funds for incumbents, based on this 6:1 ratio of matching dollars.

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 mechanism to remove the expenditure ceiling for candidates within a race once: (1) a non-participating candidate receives contributions, or makes expenditures, in excess of 75 percent or more of the applicable expenditure ceiling total; (2) a participating candidate makes expenditures in excess of the applicable expenditure ceiling; or (3) a person makes payments or incurs expenses for independent expenditures, electioneering communications, or members communications that clearly identify a candidate seeking election to the same office that either oppose the candidate’s election to the City elective office or support the election of an opponent of the candidate to the same City elective office, and total more than 50% of the applicable expenditure ceiling . These amendments also remove unnecessary reporting requirements and impose additional reporting requirements to assist Ethics Commission staff in identifying when a particular candidate’s expenditure ceiling should be lifted.

In addition, these amendments modify the initial payment and the matching ratio for qualified candidates participating in the public campaign financing program, while leaving unchanged the maximum amount of public funds a candidate may receive. Qualified candidates for the Office of Mayor would receive an increased initial payment of $400,000, and would be eligible for additional funds at a new ratio of $8 dollars in public funds for every $1 in matching contributions raised by the candidates up to the unchanged maximum of $1,200,000 total public funds for non-incumbents, or $1,185,000 total public funds for incumbents. Similarly, qualified candidates for the Board of Supervisors would receive an increased initial payment of $80,000, and would be eligible for additional funds at a new ratio of $8 dollars in public funds for every $1 in matching contributions raised by the candidates up to the unchanged maximum of $255,000 total public funds for non-incumbents, or $252,000 total public funds for incumbents.

This amendment will also adjust the contribution limit from $500 to $1000 to reflect changes to the California Consumer Price Index and will add a mechanism for the Ethics Commission to regularly adjust the limit based on future changes to the California Consumer Price Index, rounded down to the nearest $100. This amendment similarly allows the Ethics Commission to regularly adjust these loan limits to reflect future changes in the California Consumer Price Index, rounded off to the nearest $1,000.

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.

This new version of the ordinance modifies the prior version by (1) removing the proposed increase to limits on a candidate's personal loan to their own campaign, while retaining the authority of the Ethics Commission to adjust the loan limits in the future based on changes to the California Consumer Price Index; (2) requiring that any future adjustment to campaign contributions limits be based on changes to the California Consumer Price Index be rounded down to the nearest $100; (3) changing how adjustments to expenditure ceilings are made; and (4) increasing the initial payments to qualified candidates participating in the public campaign finance program and adjusting the ratio of additional payments from 6:1 to 8:1 while retaining the current maximum total payments to eligible candidates.

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