



# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

PETER KEANE  
CHAIRPERSON

February 23, 2018

DAINA CHIU  
VICE-CHAIRPERSON

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

PAUL A. RENNE  
COMMISSIONER

Ms. Linda Wong  
Clerk, Budget and Finance Committee

QUENTIN L. KOPP  
COMMISSIONER

City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

YVONNE LEE  
COMMISSIONER

LEEANN PELHAM  
EXECUTIVE DIRECTOR

By email only: [linda.wong@sfgov.org](mailto:linda.wong@sfgov.org), [angela.calvillo@sfgov.org](mailto:angela.calvillo@sfgov.org)

Dear Ms. Calvillo and Ms. Wong.

On February 15, 2018, the Budget and Finance Committee heard File No. 180001, an ordinance that would amend the Campaign and Governmental Conduct Code. The Committee voted to amend the file to "incorporate amendments proposed for review and adoption before the Ethics Commission on February 16, 2018."

At its February 16th meeting, the Ethics Commission voted 4 to 1 to adopt the amendments to the Ordinance that the Committee had incorporated into File No. 180001 the day before. The Ethics Commission also voted 3-1 to make certain additional amendments to the ordinance that were recommended by Supervisor Aaron Peskin. Because these amendments were only approved by three members of the Ethics Commission, they have not been formally approved for purposes of amending the Campaign Finance Reform Ordinance (Article I, Chapter 1 of the Campaign and Governmental Conduct Code) or the Government Ethics Ordinance (Article III, Chapter 2 of the Campaign and Governmental Conduct Code), which requires a four-fifths majority vote of the Ethic Commission.<sup>1</sup> Thus, if the Board of Supervisors passes File No. 180001 with all of the amendments made by the Ethics Commission on February 16th, the Ethics Commission will still need to approve certain of the amendments in order for them to become effective. These specific amendments are:

- Adding Section 1.158
- Amending Section 1.161(a)(1) & (5)

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<sup>1</sup> Campaign and Gov't Conduct Code §§ 1.103(b), 3.204(b).

- Amending Section 1.162(a)(3)
- Amending the definition of “anything of value” in Section 3.203

For the Committee’s consideration, I am attaching the version of File No. 180001 that was approved by the Ethics Commission. I am also attaching supporting documents that accompanied this version of the ordinance when it was considered by the Ethics Commission during its February 16 meeting. The Ethics Commission hopes that the Committee will amend File No. 180001 to adopt this version and requests that the Committee recommend the amended file for passage by the full Board of Supervisors.

Sincerely,

*/s/ Jessica L. Blome*  
Deputy Director

LeeAnn Pelham  
Executive Director

1 [Campaign and Governmental Conduct Code - Campaign Finance and Conflict of Interest]

2 **Ordinance amending the Campaign and Governmental Conduct Code to 1) prohibit**  
 3 **earmarking of contributions and false identification of contributors; 2) modify**  
 4 **contributor card requirements; 3) require disclosure of contributions solicited by City**  
 5 **elective officers for ballot measure and independent expenditure committees; 4)**  
 6 **require additional disclosures for campaign contributions from business entities to**  
 7 **political committees; 5) require disclosure of bundled campaign contributions; 6)**  
 8 **extend the prohibition on campaign contributions to candidates for City elective offices**  
 9 **and City elective officers who must approve certain City contracts; 7) require**  
 10 **committees to file a third pre-election statement prior to an election; 8) remove the**  
 11 **prohibition against distribution of campaign advertisements containing false**  
 12 **endorsements; 9) allow members of the public to receive a portion of penalties**  
 13 **collected in certain enforcement actions; 10) require financial disclosures from certain**  
 14 **major donors to local political committees; 11) impose additional disclaimer**  
 15 **requirements; 12) permit the Ethics Commission to recommend contract debarment as**  
 16 **a penalty for campaign finance violations; 13) create new conflict of interest and**  
 17 **political activity rules for elected officials and members of boards and commissions;**  
 18 **14) specify recusal procedures for members of boards and commissions; and 15)**  
 19 **establish local behested payment reporting requirements for donors and City officers.**

20  
 21 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.  
 22 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
 23 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.  
 24 **Board amendment additions** are in Arial font.  
 25 **Board amendment deletions** are in ~~Arial font~~.  
**Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or parts of tables.

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

1 Section 1. The Campaign and Governmental Conduct Code, Article I, Chapter 1, is  
2 hereby amended by revising Sections 1.104, 1.114, 1.126, 1.135, 1.161, 1.162, 1.168, 1.170,  
3 adding Sections 1.114.5, 1.124, 1.125, 1.158, and deleting Section 1.163.5, to read as  
4 follows:

5 **SEC. 1.104. DEFINITIONS.**

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

7 \* \* \* \*

8 “At the behest of” shall mean under the control or at the direction of, in cooperation,  
9 consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior  
10 consent of.

11 \* \* \* \*

12 “Business entity” shall mean a limited liability company (LLC), corporation, limited  
13 partnership, or limited liability partnership.

14 \* \* \* \*

15 “Prohibited source contribution” shall mean a contribution made (a) in violation of Section  
16 1.114, (b) in an assumed name as defined in Section 1.114.5(c), (c) from a person prohibited from  
17 contributing under Section 1.126, or (d) from a lobbyist prohibited from contributing under Section  
18 2.115(e).

19 \* \* \* \*

20 “Resident” shall mean a resident of the City and County of San Francisco.

21 “Solicit” shall mean personally request a contribution for any candidate or committee, either  
22 orally or in writing.

23 \* \* \* \*

24  
25 **SEC. 1.114. CONTRIBUTIONS - LIMITS AND PROHIBITIONS.**

1 (a) LIMITS ON CONTRIBUTIONS TO CANDIDATES. No person other than a  
2 candidate shall make, and no campaign treasurer for a candidate committee shall solicit or  
3 accept, any contribution which will cause the total amount contributed by such person to such  
4 candidate committee in an election to exceed \$500.

5 (b) LIMITS PROHIBITION ON CONTRIBUTIONS FROM CORPORATIONS. No  
6 corporation organized pursuant to the laws of the State of California, the United States, or any  
7 other state, territory, or foreign country, whether for profit or not, shall make a contribution to a  
8 candidate committee, provided that nothing in this subsection (b) shall prohibit such a  
9 corporation from establishing, administering, and soliciting contributions to a separate  
10 segregated fund to be utilized for political purposes by the corporation, provided that the  
11 separate segregated fund complies with the requirements of Federal law including Sections  
12 432(e) and 441b of Title 2 of the United States Code and any subsequent amendments to  
13 those Sections.

14 (c) EARMARKING. *No person may make a contribution to a committee on the condition or*  
15 *with the agreement that it will be contributed to any particular candidate or committee to circumvent*  
16 *the limits established by subsections (a) and (b).*

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

22 (e) (e) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

23 (1) General Rule. For purposes of the contribution limits imposed by this  
24 Section 1.114 and Section 1.120, the contributions of an entity whose contributions are  
25 directed and controlled by any individual shall be aggregated with contributions made by that

1 individual and any other entity whose contributions are directed and controlled by the same  
2 individual.

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

6 (3) Majority-Owned Entities. Contributions made by entities that are majority-  
7 owned by any person shall be aggregated with the contributions of the majority owner and all  
8 other 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 1.114, the term "entity" means any  
11 person other than an individual and "majority-owned" means a direct or indirect ownership of  
12 more than 50% percent.

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

21 ~~(e) (f) FORFEITURE OF UNLAWFUL CONTRIBUTIONS.~~ In addition to any other  
22 penalty, each committee that receives a contribution which exceeds the limits imposed by this  
23 Section 1.114 or which does not comply with the requirements of this Section shall pay  
24 promptly the amount received or deposited in excess of the permitted amount ~~permitted by this~~  
25 ~~Section~~ to the City and County of San Francisco ~~and~~ by delivering the payment to the Ethics

1 Commission for deposit in the General Fund of the City and County; provided that the Ethics  
2 Commission may provide for the waiver or reduction of the forfeiture.

3 ~~(f)~~ (g) RECEIPT OF CONTRIBUTIONS. A contribution to a candidate committee or  
4 committee making expenditures to support or oppose a candidate shall not be considered  
5 received if it is not cashed, negotiated, or deposited, and in addition ~~#~~ is returned to the donor  
6 before the closing date of the campaign statement on which the contribution would otherwise  
7 be reported, except that a contribution to a candidate committee or committee making  
8 expenditures to support or oppose a candidate made before an election at which the  
9 candidate is to be voted on but after the closing date of the last campaign statement required  
10 to be filed before the election shall not be considered to be deemed received if it is not  
11 cashed, negotiated, or deposited, and is returned to the contributor within 48 hours of receipt.  
12 For all committees not addressed by this Section 1.114, the determination of when  
13 contributions are considered to be received shall be made in accordance with the California  
14 Political Reform Act, ~~California Government Code Section 81000, et seq.~~

15  
16 **SEC. 1.114.5. CONTRIBUTIONS - DISCLOSURES.**

17 (a) CONTRIBUTOR INFORMATION REQUIRED. If the cumulative amount of contributions  
18 received from a contributor is \$100 or more, the committee shall not deposit any contribution that  
19 causes the total amount contributed by a person to equal or exceed \$100 unless the committee has the  
20 following information: the contributor's full name; the contributor's street address; the contributor's  
21 occupation; and the name of the contributor's employer or, if the contributor is self-employed, the name  
22 of the contributor's business.

23 (1) A committee will be deemed not to have had the required contributor information at  
24 the time the contribution was deposited if the required contributor information is not reported on the  
25 first campaign statement on which the contribution is required to be reported.

1                   (2) If a committee collects the information required under this subsection (a) on a form  
2 signed by the contributor stating that the contributor has not made a prohibited source contribution,  
3 there shall be a rebuttable presumption that the committee has not accepted a prohibited source  
4 contribution.

5                   (b) DISCLOSURE REQUIREMENTS FOR CONTRIBUTIONS TO BALLOT MEASURE  
6 COMMITTEES AND COMMITTEES MAKING INDEPENDENT EXPENDITURES.

7                   (1) In addition to the requirements in subsection (a), any person making contributions  
8 that total \$5,000 or more in a single calendar year, to a ballot measure committee or committee making  
9 independent expenditures at the behest of a City elective officer must disclose to the committee  
10 receiving the contribution the name of the City elective officer who requested the contribution.

11                   (2) Committees receiving contributions subject to subsection (b)(1) must report the  
12 names of the City elective officers who requested those contributions at the same time that the  
13 committees are required to file campaign statements with the Ethics Commission disclosing the  
14 contributions.

15                   (3) Notwithstanding the provisions of this subsection (b), no committee shall be  
16 required to make the disclosure required in subsection (b)(2) for any contribution that constitutes a  
17 contribution to the City elective officer at whose behest the contribution was made.

18                   (c) ASSUMED NAME CONTRIBUTIONS.

19                   (1) No contribution may be made, directly or indirectly, by any person or combination  
20 of persons, in a name other than the name by which they are identified for legal purposes, or in the  
21 name of another person or combination of persons.

22                   (2) No person may make a contribution to a candidate or committee in his, her, or its  
23 name when using any payment received from another person on the condition that it be contributed to a  
24 specific candidate or committee.



1            (d) FORFEITURE OF UNLAWFUL CONTRIBUTIONS. In addition to any other penalty, each  
2 committee that receives a contribution which does not comply with the requirements of this Section  
3 1.114.5 shall pay promptly the amount received or deposited to the City and County of San Francisco  
4 by delivering the payment to the Ethics Commission for deposit in the General Fund of the City and  
5 County; provided that the Ethics Commission may provide for the waiver or reduction of the forfeiture.

6  
7            **SEC. 1.124. ADDITIONAL DISCLOSURE REQUIREMENTS FOR CONTRIBUTIONS**  
8 **MADE BY BUSINESS ENTITIES.**

9            (a) Additional Disclosures. In addition to the campaign disclosure requirements imposed by  
10 the California Political Reform Act and other provisions of this Chapter 1, any committee required to  
11 file campaign statements with the Ethics Commission must disclose the following information for  
12 contribution(s) that, in aggregate, total \$10,000 or more that it receives in a single election cycle from  
13 a single business entity:

14            (1) the business entity's principal officers, including, but not limited to, the Chairperson  
15 of the Board of Directors, President, Vice-President, Chief Executive Officer, Chief Financial Officer,  
16 Chief Operating Officer, Executive Director, Deputy Director, or equivalent positions; and

17            (2) whether the business entity has received funds through a contract or grant from any  
18 City agency within the last 24 months for a project within the jurisdiction of the City and County of San  
19 Francisco, and if so, the name of the agency that provided the funding, and the value of the contract or  
20 grant.

21            (b) Filing Requirements. Committees shall provide this information for contributions received  
22 from business entities at the same time that they are required to file semiannual or preelection  
23 campaign statements with the Ethics Commission.

1           **SEC. 1.125. ADDITIONAL DISCLOSURE REQUIREMENTS FOR BUNDLED**

2           **CONTRIBUTIONS.**

3           (a) **Definition.** For purposes of this Section 1.125, the following words and phrases shall  
4           mean:

5           “Bundle” shall mean delivering or transmitting contributions, other than one’s own or one’s  
6           spouse’s, except for campaign administrative activities and any actions by the candidate that a  
7           candidate committee is supporting.

8           “Campaign administrative activity” shall mean administrative functions performed by paid or  
9           volunteer campaign staff, a campaign consultant whose payment is disclosed on the committee’s  
10           campaign statements, or such campaign consultant’s paid employees.

11           (b) **Additional Disclosure Requirements.** Any committee controlled by a City elective officer  
12           or candidate for City elective office that receives contributions totaling \$5,000 or more that have been  
13           bundled by a single individual shall disclose the following information:

14           (1) the name, occupation, employer, and mailing address of the person who bundled the  
15           contributions;

16           (2) a list of the contributions bundled by that person (including the name of the  
17           contributor and the date the contribution was made);

18           (3) if the individual who bundled the contributions is a member of a City board or  
19           commission, the name of the board or commission on which that person serves, and the names of any  
20           City officers who appointed or nominated that person to the board or commission.

21           (c) **Filing Requirements.** Committees shall provide the information for bundled contributions  
22           required by subsection (b) at the same time that they are required to file semiannual or preelection  
23           campaign statements with the Ethics Commission. Committees shall be required to provide this  
24           information following the receipt of the final contribution that makes the cumulative amount of  
25           contributions bundled by a single individual total \$5,000 or more.

1            (d) Website Posting. The Ethics Commission shall make all information that is submitted in  
2 accordance with subsection (b) publicly available through its website.

3  
4            **SEC. 1.126. CONTRIBUTION ~~LIMITS~~ PROHIBITION – CONTRACTORS DOING**  
5 **BUSINESS WITH THE CITY.**

6            (a) **Definitions.** For purposes of this Section 1.126, the following words and phrases  
7 shall mean:

8            “Affiliate” means any member of an entity’s board of directors or any of that entity’s principal  
9 officers, including its chairperson, chief executive officer, chief financial officer, chief operating officer,  
10 any person with an ownership interest of more than 10% in the entity, and any subcontractor listed in  
11 the entity’s bid or contract.

12            “Board on which an individual serves” means the board to which the officer was elected and  
13 any other board on which the elected officer serves.

14            “City Contractor” means any person who contracts with, or is seeking a contract with, any  
15 department of the City and County of San Francisco, a state agency on whose board an appointee of a  
16 City elective officer serves, the San Francisco Unified School District, or the San Francisco  
17 Community College District, when the total anticipated or actual value of the contract(s) that the  
18 person is party to or seeks to become party to with any such entity within a fiscal year equals or  
19 exceeds \$100,000.

20            “Contract” means any agreement or contract, including any amendment or modification to an  
21 agreement or contract, with the City and County of San Francisco, a state agency on whose board an  
22 appointee of a City elective officer serves, the San Francisco Unified School District, or the San  
23 Francisco Community College District for:

24            (1) the rendition of personal services,

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

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

2 (4) a grant, loan, or loan guarantee, or

3 (5) a development agreement.

4 “Contract” shall not mean a collective bargaining agreement or memorandum of understanding  
5 between the City and a labor union representing City employees regarding the terms and conditions of  
6 those employees’ City employment.

7 ~~(1) “Person who contracts with” includes any party or prospective party to a contract,~~  
8 ~~as well any member of that party's board of directors, its chairperson, chief executive officer, chief~~  
9 ~~financial officer, chief operating officer, any person with an ownership interest of more than 20 percent~~  
10 ~~in the party, any subcontractor listed in a bid or contract, and any committee, as defined by this~~  
11 ~~Chapter that is sponsored or controlled by the party, provided that the provisions of Section 1.114 of~~  
12 ~~this Chapter governing aggregation of affiliated entity contributions shall apply only to the party or~~  
13 ~~prospective party to the contract.~~

14 ~~(2) “Contract” means any agreement or contract, including any amendment or~~  
15 ~~modification to an agreement or contract, with the City and County of San Francisco, a state agency on~~  
16 ~~whose board an appointee of a City elective officer serves, the San Francisco Unified School District,~~  
17 ~~or the San Francisco Community College District for:~~

18 ~~(A) the rendition of personal services,~~

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

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

21 ~~(D) a grant, loan or loan guarantee.~~

22 ~~(3) “Board on which an individual serves” means the board to which the officer was~~  
23 ~~elected and any other board on which the elected officer serves.~~

24 **(b) Prohibition on Contributions.** No City Contractor or affiliate of a City Contractor  
25 may make any contribution to: person who contracts with the City and County of San Francisco, a state

1 ~~agency on whose board an appointee of a City elective officer serves, the San Francisco Unified School~~  
2 ~~District, or the San Francisco Community College District,~~

3 ~~(1) Shall make any contribution to:~~

4 ~~(A) (1) An individual holding a City elective office if the contract or contracts~~  
5 ~~must be approved by such individual, the board on which that individual serves, or a state~~  
6 ~~agency on whose board an appointee of that individual serves;~~

7 ~~(B) (2) A candidate for the office held by such individual; or~~

8 ~~(C) (3) A committee controlled by such individual or candidate.~~

9 ~~(2) Whenever the agreement or contract has a total anticipated or actual value of~~  
10 ~~\$50,000.00 or more, or a combination or series of such agreements or contracts approved by that same~~  
11 ~~individual or board have a value of \$50,000.00 or more in a fiscal year of the City and County~~

12 ~~(3) (c) **Term of Prohibitions.** The prohibitions set forth in subsection (b) shall apply from the~~  
13 ~~submission of a proposal for a contract until: At any time from the commencement of negotiations for~~  
14 ~~such contract until:~~

15 ~~(A) (1) The termination of negotiations for such contract; or~~

16 ~~(B) (2) Six 12 months have elapsed from the date the contract is approved.~~

17 ~~(e) (d) **Prohibition on Receipt of Contribution Soliciting or Accepting Contributions.** No~~  
18 ~~individual holding City elective office, candidate for such office, or committee controlled by such~~  
19 ~~an individual shall: solicit or~~

20 ~~(1) accept any contribution prohibited by subsection (b); or~~

21 ~~(2) solicit any contribution prohibited by subsection (b) from a person who the~~  
22 ~~individual knows or has reason to know to be a City Contractor.~~

23 ~~at any time from the formal submission of the contract to the individual until the termination of~~  
24 ~~negotiations for the contract or six months have elapsed from the date the contract is approved. For~~

1 ~~the purpose of this subsection, a contract is formally submitted to the Board of Supervisors at the time~~  
2 ~~of the introduction of a resolution to approve the contract.~~

3 ~~(d)~~ (e) **Forfeiture of ~~Dontribution~~ Contribution.** In addition to any other penalty, each  
4 committee that ~~receives~~ accepts a contribution prohibited by subsection ~~(e)~~ (b) shall pay  
5 promptly the amount received or deposited to the City and County of San Francisco and  
6 deliver the payment to the Ethics Commission for deposit in the General Fund of the City and  
7 County; provided that the Commission may provide for the waiver or reduction of the forfeiture.

8 ~~(e)~~ (f) **Notification.**

9 (1) ~~Prospective Parties to Contracts~~ Notification by City Agencies.

10 (A) Prospective Parties to Contracts. The City agency seeking to enter into a  
11 contract subject to subsection (b) shall inform any ~~Any~~ prospective party to a contract ~~with the City~~  
12 ~~and County of San Francisco, a state agency on whose board an appointee of a City elective officer~~  
13 ~~serves, the San Francisco Unified School District, or the San Francisco Community College District~~  
14 ~~shall inform each person described in Subsection (a)(1) of the prohibition in § subsection (b) and of~~  
15 ~~the duty to notify the Ethics Commission, as described in subsection (f)(2), by the commencement of~~  
16 ~~negotiations~~ by the submission of a proposal for such contract.

17 (B) Parties to Executed Contracts. After the final execution of a contract by a  
18 City agency and any required approvals of a City elective officer, the agency that has entered into a  
19 contract subject to subsection (b) shall inform any parties to the contract of the prohibition in  
20 subsection (b) and the term of such prohibition established by subsection (c).

21 (2) Notification of Ethics Commission. The City agency seeking to enter into a  
22 contract subject to subsection (b) shall notify the Ethics Commission, within 30 days of the submission  
23 of a proposal, on a form or in a format adopted by the Commission, of the value of the desired contract,  
24 the parties to the contract, and any subcontractor listed as part of the proposal

1                    (3) Notification by Prospective Parties to Contracts. Any prospective party to a  
2 contract subject to subsection (b) shall, by the submission of a proposal for such contract, inform any  
3 member of that party's board of directors and any of that party's principal officers, including its  
4 chairperson, chief executive officer, chief financial officer, chief operating officer, any person with an  
5 ownership interest of more than 10% in the party, and any subcontractor listed in the party's bid or  
6 contract of the prohibition in subsection (b).

7                    ~~(2)~~ (4) Notification by Individuals Who Hold City Elective Office. Every  
8 individual who holds a City elective office shall, within five business days of the approval of a  
9 contract by the officer, a board on which the officer sits, or a board of a state agency on which  
10 an appointee of the officer sits, notify the Ethics Commission, on a form or in a format adopted  
11 by the Commission, of each contract approved by the individual, the board on which the  
12 individual serves, or the board of a state agency on which an appointee of the officer sits. An  
13 individual who holds a City elective office need not file the form required by this subsection  
14 ~~(f)(4)~~ if the Clerk or Secretary of a Board on which the individual serves or a Board of a State  
15 agency on which an appointee of the officer serves has filed the form on behalf of the board.

16  
17                    **SEC. 1.135. SUPPLEMENTAL PRE-ELECTION STATEMENTS.**

18                    (a) **Supplemental Preelection Statements - General Purpose Committees.** In addition  
19 to the campaign disclosure requirements imposed by the California Political Reform Act and  
20 other provisions of this Chapter I, a San Francisco general purpose committee that makes  
21 contributions or expenditures totaling \$500 or more during the period covered by the  
22 preelection statement, other than expenditures for the establishment and administration of  
23 that committee, shall file a preelection statement before any election held in the City and  
24 County of San Francisco at which a candidate for City elective office or City measure is on the  
25 ballot.

1 (b) **Time for Filing Supplemental Preelection Statements - General Purpose**

2 **Committees.**

3 (1) Even-Numbered Years. In even-numbered years, preelection statements  
4 required by ~~this Section~~ subsection (a) shall be filed pursuant to the preelection statement filing  
5 schedule established by the Fair Political Practices Commission for county general purpose  
6 recipient committees. In addition to these deadlines, preelection statements shall also be filed, for  
7 the period ending six days before the election, no later than four days before the election.

8 (2) Odd-Numbered Years. In odd-numbered years, the filing schedule for  
9 preelection statements is as follows:

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

12 (2) (B) For the period ending 17 days before the election, the statement  
13 shall be filed no later than 12 days before the election; and

14 (C) For the period ending six days before the election, the statement shall be  
15 filed no later than four days before the election.

16 (c) **Time for Filing Supplemental Preelection Statements - Ballot Measure Committees and**  
17 **Candidate Committees.** In addition to the deadlines established by the Fair Political Practices  
18 Commission, ballot measure committees and candidate committees required to file preelection  
19 statements with the Ethics Commission shall file a third preelection statement before any election held  
20 in the City and County of San Francisco at which a candidate for City elective office or City measure is  
21 on the ballot, for the period ending six days before the election, no later than four days before the  
22 election.

23 (e) (d) The Ethics Commission may require that these statements be filed electronically.  
24  
25



1            ~~SEC. 1.163.5. DISTRIBUTION OF CAMPAIGN ADVERTISEMENTS CONTAINING~~  
2 ~~FALSE ENDORSEMENTS.~~

3            ~~(a) **Prohibition.** No person may sponsor any campaign advertisement that is distributed~~  
4 ~~within 90 days prior to an election and that contains a false endorsement, where the person acts with~~  
5 ~~knowledge of the falsity of the endorsement or with reckless disregard for the truth or falsity of the~~  
6 ~~endorsement. A false endorsement is a statement, signature, photograph, or image representing that a~~  
7 ~~person expressly endorses or conveys support for or opposition to a candidate or measure when in fact~~  
8 ~~the person does not expressly endorse or convey support for or opposition to the candidate or measure~~  
9 ~~as stated or implied in the campaign communication.~~

10           ~~(b) **Definitions.** Whenever in this Section the following words or phrases are used, they shall~~  
11 ~~mean:~~

12           ~~(1) "Campaign Advertisement" is any mailing, flyer, door hanger, pamphlet, brochure,~~  
13 ~~card, sign, billboard, facsimile, printed advertisement, broadcast, cable, satellite, radio, internet, or~~  
14 ~~recorded telephone advertisement that refers to one or more clearly identified candidates or ballot~~  
15 ~~measures. The term "campaign advertisement" does not include:~~

16           ~~(A) bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar~~  
17 ~~campaign memorabilia;~~

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

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

23           ~~(2) "Internet Advertisement" includes paid internet advertisements such as "banner"~~  
24 ~~and "popup" advertisements, paid emails, or emails sent to addresses purchased from another person,~~  
25 ~~and similar types of internet advertisements as defined by the Ethics Commission by regulation, but~~

1 ~~shall not include web blogs, listserves sent to persons who have contacted the sender, discussion~~  
2 ~~forums, or general postings on web pages.~~

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

5 ~~(c) **Enforcement and Penalties.** The penalties under Section 1.170(a) of this Chapter do not~~  
6 ~~apply to violations of this Section. Notwithstanding the 60-day waiting period in Section 1.168 of this~~  
7 ~~Chapter, a voter may bring an action to enjoin a violation of this Section immediately upon providing~~  
8 ~~written notice to the City Attorney. A court may enjoin a violation of this section only upon a showing~~  
9 ~~of clear and convincing evidence of a violation.~~

10  
11 **SEC. 1.158. MAJOR DONORS - FINANCIAL DISCLOSURES.**

12 (a) **Definitions.** Whenever in this Section 1.158 the following words or phrases are used, they  
13 shall mean:

14 "Business entity" shall mean any corporation, partnership, or other legal entity that is not a  
15 natural person, but shall not include any nonprofit organization that is exempt from taxation under  
16 Section 501(c) of the United States Internal Revenue Code.

17 "Committee" shall mean any committee that: (1) qualifies as committee pursuant to Section  
18 82013 of the California Government Code, including as that Section may be amended in the future; and  
19 (2) is required to file campaign statements with the Ethics Commission.

20 "Doing business" shall be defined as set forth in Title 2, Section 18230 of the California Code  
21 of Regulations.

22 "Immediate family" shall be defined as spouse, registered domestic partner, and any dependent  
23 children; "dependent child" shall be defined as set forth in Title 2, Section 18229.1 of the California  
24 Code of Regulations.

1           “Investment” shall be defined as set forth in Section 82034 of the California Government Code  
2 and Title 2, Section 18237 of the California Code of Regulations.

3           **(b) Financial disclosures.**

4           **(1) Required disclosures.** Any entity or person who during a calendar year contributes  
5 \$10,000 or more to a single committee, must disclose the following financial interests, within 24 hours  
6 of meeting the \$10,000 threshold:

7                   (A) All investments worth \$10,000 or more in any business entity located in or  
8 doing business in San Francisco held by the contributor or a member of the contributor’s immediate  
9 family; provided that the following investments do not need to be disclosed:

10                           (i) government bonds (including municipal bonds), diversified mutual  
11 funds, or exchange traded funds;

12                           (ii) bank accounts, savings accounts, money market funds, or certificates  
13 of deposit;

14                           (iii) insurance policies;

15                           (iv) annuities;

16                           (v) commodities;

17                           (vi) shares in a credit union;

18                           (vii) investments in defined-benefit pension funds through a government  
19 employer; and

20                           (viii) investments held in a blind trust.

21                   (B) All business entities located in or doing business in San Francisco in which  
22 the contributor holds the position of and receives compensation as director, officer, partner, trustee,  
23 employee, or any position of management.

24           **(2) Filing.** Persons required to make the disclosures required by subsection (b)(1) shall  
25 disclose such information by filing a form, to be specified by the Ethics Commission, with that agency.

1                                    (A) For any disclosure required by subsection (b)(1)(A), the disclosure shall  
2 include the name of business entity, a general description of the business entity, the nature of the  
3 investment, the date on which the investment was acquired, and the fair market value of the investment.  
4 The fair market value of the investment shall be disclosed according to the following ranges: \$10,000-  
5 \$100,000, \$100,000-\$1,000,000 or \$1,000,000 or more.

6                                    (B) For any disclosure required by subsection (b)(1)(B), the disclosure shall  
7 include the name of the business and a general description of the business entity.

8  
9                                    **SEC. 1.161. CAMPAIGN ADVERTISEMENTS.**

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

15                                    (1) TOP ~~TWO~~ THREE CONTRIBUTORS. The disclaimer requirements for  
16 primarily formed independent expenditure committees and primarily formed ballot measure  
17 committees set forth in the Political Reform Act with respect to a committee's top ~~two~~ three  
18 major contributors shall apply to contributors of ~~\$20,000~~ \$10,000 or more. The Ethics  
19 Commission may adjust this monetary threshold to reflect any increases or decreases in the  
20 Consumer Price Index. Such adjustments shall be rounded off to the nearest five thousand  
21 dollars.

22                                    (2) WEBSITE REFERRAL. Each disclaimer required by the Political Reform  
23 Act or its enabling regulations and by this section shall be followed in the same required  
24 format, size and speed by the following phrase: "Financial disclosures are available at  
25

1 sfethics.org." A substantially similar statement that specifies the web site may be used as an  
2 alternative in audio communications.

3 (3) MASS MAILINGS AND SMALLER WRITTEN ADVERTISEMENTS. Any  
4 disclaimer required by the Political Reform Act and by this section on a mass mailing, door  
5 hanger, flyer, poster, oversized campaign button or bumper sticker, or print advertisement  
6 shall be printed in at least 12-point font.

7 (4) CANDIDATE ADVERTISEMENTS. Advertisements by candidate  
8 committees shall include the following disclaimer statements: "Paid for by \_\_\_\_\_ (insert  
9 the name of the candidate committee)." and "Financial disclosures are available at  
10 sfethics.org." Except as provided in subsection (a)(3), the statements' format, size and speed  
11 shall comply with the disclaimer requirements for independent expenditures for or against a  
12 candidate set forth in the Political Reform Act and its enabling regulations.

13 (5) AUDIO AND VIDEO ADVERTISEMENTS. For audio advertisements, the  
14 disclaimers required by this Section 1.161 shall be spoken at the beginning of such advertisements.  
15 For video advertisements, the disclaimers required by this Section 1.161 shall be spoken at the  
16 beginning of such advertisements and appear in writing during the entirety of the advertisements.

17 \* \* \* \*

18  
19 **SEC. 1.162. ELECTIONEERING COMMUNICATIONS.**

20 (a) DISCLAIMERS.

21 (1) Every electioneering communication for which a statement is filed pursuant  
22 to subsection (b) shall include the following disclaimer: "Paid for by \_\_\_\_\_ (insert the  
23 name of the person who paid for the communication)." and "Financial disclosures are  
24 available at sfethics.org."  
25

1 (2) Any disclaimer required by this Section shall be included in or on an  
2 electioneering communication in a size, speed or format that complies with the disclaimer  
3 requirements for independent expenditures supporting or opposing candidates set forth in the  
4 Political Reform Act and its enabling regulations.

5 (3) Notwithstanding subsection (a)(2), any disclaimer required by this Section:

6 (A) to appear on a mass mailing, door hanger, flyer, poster, oversized  
7 campaign button or bumper sticker, or print advertisement shall be printed in at least ~~12-point~~  
8 14-point font;:

9 (B) to be included in an audio advertisement, shall be spoken at the beginning of  
10 such advertisements; or

11 (C) to be included in a video advertisement, shall be spoken at the beginning of  
12 such advertisements and appear in writing during the entirety of the advertisements.

13 \* \* \* \*

14  
15 **SEC. 1.168. ENFORCEMENT; ADVICE.**

16 (a) ENFORCEMENT – GENERAL PROVISIONS. Any person who believes that a  
17 violation of this Chapter I has occurred may file a complaint with the Ethics Commission, City  
18 Attorney, or District Attorney. The Ethics Commission shall investigate such complaints  
19 pursuant to Charter Section C3.699-13 and its implementing regulations. The City Attorney  
20 and District Attorney shall investigate, and shall have such investigative powers as are  
21 necessary for the performance of their duties under this Chapter.

22 (b) ENFORCEMENT – CIVIL ACTIONS. The City Attorney, or any ~~voter~~ resident, may  
23 bring a civil action to enjoin violations of or compel compliance with the provisions of this  
24 Chapter I.

1           (1) No ~~voter~~ resident may commence an action under this §subsection (b) without  
2 first providing written notice to the City Attorney of intent to commence an action. The notice  
3 shall include a statement of the grounds for believing a cause of action exists. The ~~voter~~  
4 resident shall deliver the notice to the City Attorney and the Ethics Commission at least 60 days  
5 in advance of filing an action. No ~~voter~~ resident may commence an action under this  
6 §subsection if the Ethics Commission has issued a finding of probable cause that the  
7 defendant violated the provisions of this Chapter, or if the City Attorney or District Attorney  
8 has commenced a civil or criminal action against the defendant, or if another ~~voter~~ resident has  
9 filed a civil action against the defendant under this §subsection.

10           (2) A Court may award reasonable attorney's fees and costs to any ~~voter~~ resident  
11 who obtains injunctive relief under this §subsection (b). If the Court finds that an action  
12 brought by a ~~voter~~ resident under this §subsection is frivolous, the Court may award the  
13 defendant reasonable attorney's fees and costs.

14           (c) STATUTE OF LIMITATIONS.

15           (1) **Criminal.** Prosecution for violation of this Chapter must be commenced  
16 within four years after the date on which the violation occurred.

17           (2) **Civil.** No civil action alleging a violation in connection with a campaign  
18 statement required under this Chapter shall be filed more than four years after an audit could  
19 begin, or more than one year after the Executive Director submits to the Commission any  
20 report of any audit conducted of the alleged violator, whichever period is less. Any other civil  
21 action alleging a violation of any provision of this Chapter shall be filed no more than four  
22 years after the date on which the violation occurred.

23           (3) **Administrative.** No administrative action alleging a violation of this Chapter  
24 and brought under Charter Section C3.699-13 shall be commenced more than four years after  
25 the date on which the violation occurred. The date on which the Commission forwards a

1 complaint or information in its possession regarding an alleged violation to the District  
2 Attorney and City Attorney as required by Charter Section C3.699-13 shall constitute the  
3 commencement of the administrative action.

4 (A) **Fraudulent Concealment.** If the person alleged to have violated this  
5 Chapter engages in the fraudulent concealment of his or her acts or identity, this four-year statute of  
6 limitations shall be tolled for the period of concealment. For purposes of this subsection, “fraudulent  
7 concealment” means the person knows of material facts related to his or her duties under this Chapter  
8 and knowingly conceals them in performing or omitting to perform those duties.

9 (4) **Collection of Fines and Penalties.** A civil action brought to collect fines or  
10 penalties imposed under this Chapter shall be commenced within four years after the date on  
11 which the monetary penalty or fine was imposed. For purposes of this Section, a fine or  
12 penalty is imposed when a court or administrative agency has issued a final decision in an  
13 enforcement action imposing a fine or penalty for a violation of this Chapter or the Executive  
14 Director has made a final decision regarding the amount of a late fine or penalty imposed  
15 under this Chapter. The Executive Director does not make a final decision regarding the  
16 amount of a late fine or penalty imposed under this Chapter until the Executive Director has  
17 made a determination to accept or not accept any request to waive a late fine or penalty  
18 where such waiver is expressly authorized by statute, ordinance, or regulation.

19 \* \* \* \*

20 (e) **DEBARMENT.**

21 The Ethics Commission may, after a hearing on the merits or pursuant to a stipulation among  
22 all parties, recommend that a Charging Official authorized to issue Orders of Debarment under  
23 Administrative Code Chapter 28 initiate debarment proceedings against any person in conformance  
24 with the procedures set forth in that Chapter.



1           **SEC. 1.170. PENALTIES.**

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

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

21           (c) ADMINISTRATIVE. Any person who ~~intentionally or negligently~~ violates any of the  
22 provisions of this Chapter I shall be liable in an administrative proceeding before the Ethics  
23 Commission held pursuant to the Charter for any penalties authorized therein.

24           \* \* \* \*

1 Section 2. The Campaign and Governmental Conduct Code, Article III, Chapter 2, is  
2 hereby amended by revising Section 3.203 and adding Sections 3.207, 3.209, and 3.231 to  
3 read as follows:

4 **SEC. 3.203. DEFINITIONS.**

5 Whenever in this Chapter 2 the following words or phrases are used, they shall mean:

6 “Anything of value” shall mean any money or property, private financial advantage, service,  
7 payment, advance, forbearance, loan, or promise of future employment, but does not include  
8 compensation and expenses paid by the City, contributions as defined herein, or gifts that qualify for  
9 gift exceptions established by State or local law.

10 “Associated,” when used in reference to an organization, shall mean any organization in which  
11 an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or  
12 controls, directly or indirectly, and severally or in the aggregate, at least 10% of the equity, or of which  
13 an individual or a member of his or her immediate family is an authorized representative or agent.

14 “City elective officer” shall mean a person who holds the office of Mayor, Member of the Board  
15 of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor and Public Defender.

16 “Contribution” shall be defined as set forth in the California Political Reform Act, California  
17 Government Code section 81000, et seq.

18 “Fundraising” shall mean:

19 (a) requesting that another person make a contribution;

20 (b) inviting a person to a fundraising event;

21 (c) supplying names to be used for invitations to a fundraiser;

22 (d) permitting one’s name or signature to appear on a solicitation for contributions or an  
23 invitation to a fundraising event;

24 (e) permitting one’s official title to be used on a solicitation for contributions or an invitation to  
25 a fundraising event;

1 (f) providing the use of one's home or business for a fundraising event;

2 (g) paying for at least 20% of the costs of a fundraising event;

3 (h) hiring another person to conduct a fundraising event;

4 (i) delivering a contribution, other than one's own, by whatever means to a City elective  
5 officer, a candidate for City elective office, or a candidate-controlled committee; or

6 (j) acting as an agent or intermediary in connection with the making of a contribution.

7 "Immediate family" shall mean spouse, registered domestic partner, and dependent children.

8 ~~(a)~~ "Officer" shall mean any person holding City elective office; any member of a board  
9 or commission required by Article III, Chapter 1 of this Code to file a statements of economic  
10 interests; any person appointed as the chief executive officer under any such board or  
11 commission; the head of each City department; the Controller; and the City Administrator.

12 ~~(b) "City elective office" shall mean the offices of Mayor, Member of the Board of Supervisors,~~  
13 ~~City Attorney, District Attorney, Treasurer, Sheriff, Assessor and Public Defender.~~

14 "Solicit" shall mean personally requesting a contribution for any candidate or committee,  
15 either orally or in writing.

16 "Subordinate employee" shall mean an employee of any person whose official City  
17 responsibilities include directing or evaluating the performance of the employee or any of the  
18 employee's supervisors.

19  
20 **SEC. 3.207. ADDITIONAL CONFLICTS OF INTEREST FOR CITY ELECTIVE**  
21 **OFFICERS AND MEMBERS OF BOARDS AND COMMISSIONS.**

22 (a) **Prohibitions.** In addition to the restrictions set forth in Section 3.206 and other provisions  
23 of this Chapter 2, the following shall also constitute conflicts of interest for City elective officers and  
24 members of boards and commissions:

1                   (1) No City elective officer or member of a board or commission may use his or her  
2 public position or office to seek or obtain anything of value for the private or professional benefit of  
3 himself or herself, his or her immediate family, or for an organization with which he or she is  
4 associated.

5                   (2) No City elective officer or member of a board or commission may, directly or by  
6 means of an agent, give, offer, promise to give, withhold, or offer or promise to withhold his or her vote  
7 or influence, or promise to take or refrain from taking official action with respect to any proposed or  
8 pending matter in consideration of, or upon condition that, any other person make or refrain from  
9 making a contribution.

10                  (3) No person may offer or give to an officer, directly or indirectly, and no City elective  
11 officer or member of a board or commission may solicit or accept from any person, directly or  
12 indirectly, anything of value if it could reasonably be expected to influence the officer's vote, official  
13 actions, or judgment, or could reasonably be considered as a reward for any official action or inaction  
14 on the part of the officer. This subsection (a)(3) does not prohibit a City elective officer or member of a  
15 board or commission from engaging in outside employment.

16                  (b) **Exception: public generally.** The prohibition set forth in subsection (a)(1) shall not apply  
17 if the resulting benefit, advantage, or privilege also affects a significant segment of the public and the  
18 effect is not unique. For purposes of this subsection (b):

19                   (1) A significant segment of the public is at least 25% of:

20                           (A) all businesses or non-profit entities within the official's jurisdiction;

21                           (B) all real property, commercial real property, or residential real property  
22 within the official's jurisdiction; or

23                           (C) all individuals within the official's jurisdiction.

24                   (2) A unique effect on a public official's financial interest includes a disproportionate  
25 effect on:

1 (A) the development potential or use of the official's real property or on the  
2 income producing potential of the official's real property or business entity;

3 (B) an official's business entity or real property resulting from the proximity of  
4 a project that is the subject of a decision;

5 (C) an official's interests in business entities or real properties resulting from  
6 the cumulative effect of the official's multiple interests in similar entities or properties that is  
7 substantially greater than the effect on a single interest;

8 (D) an official's interest in a business entity or real property resulting from the  
9 official's substantially greater business volume or larger real property size when a decision affects all  
10 interests by the same or similar rate or percentage;

11 (E) a person's income, investments, assets or liabilities, or real property if the  
12 person is a source of income or gifts to the official; or

13 (F) an official's personal finances or those of his or her immediate family.

14  
15 **SEC. 3.209. RECUSALS.**

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

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

24 (2) recuse himself or herself from discussing or acting on the matter; and

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

3                   (b) **Recusal Notification.** A member of a City board or commission who is required to file a  
4 statement of economic interests pursuant to Article III, Chapter 1 of the Campaign and Governmental  
5 Conduct Code shall file a recusal notification form each time the member recuses himself or herself, as  
6 required by subsection (a).

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

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

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

14                   (A) the member's name;

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

16                   (C) the date of the meeting at which the recusal occurred or would have  
17 occurred;

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

20                   (E) the financial interest causing the recusal.

21                   (c) **Repeated Recusals.** In the event a member of a City board or commission recuses himself  
22 or herself, as required by subsection (a) during any 365 day period from acting on:

23                   (1) three or more agenda items by reason of the same investment in a business entity,  
24 the same interest in real property or the same source of income; or  
25

1                   (2) 1% or more of the matters pending before the board or commission by reason of any  
2 investments in business entities, any interests in real property or any sources of income, the Ethics  
3 Commission shall examine the nature and extent of the conflict(s) of interest and shall determine  
4 whether the member has a significant and continuing conflict of interest. If the Ethics Commission so  
5 determines, the Ethics Commission may recommend to the official's appointing authority that the  
6 official divest or otherwise remove the conflicting interest, and, if the official fails to divest or otherwise  
7 remove the conflicting interest within 90 days or as the Ethics Commission determines as reasonably  
8 practicable, the Ethics Commission may recommend to the official's appointing authority that the  
9 official should be removed from office under Charter Section 15.105 or by other means.

10                   (d) **Exception.** The requirements of this Section 3.209 shall not apply to the members of the  
11 Board of Supervisors.

12  
13                   **SEC. 3.231. PROHIBITIONS ON POLITICAL ACTIVITY FOR CITY ELECTIVE**  
14 **OFFICERS AND MEMBERS OF BOARDS AND COMMISSIONS.**

15                   (a) **Solicitation of Campaign Volunteers.** No City elective officer or member of a board or  
16 commission shall solicit uncompensated volunteer services from any subordinate employee for a  
17 campaign for or against any ballot measure or candidate.

18                   (b) **Fundraising for Appointing Authorities.** No member of a board or commission may  
19 engage in fundraising on behalf of (1) the officer's appointing authority, if the appointing authority is a  
20 City elective officer; (2) any candidate for the office held by the officer's appointing authority; or (3)  
21 any committee controlled by the officer's appointing authority. For the purposes of this subsection,  
22 "member of a board or commission" shall not include a member of the Board of Supervisors.

1 Section 3. Section 1. The Campaign and Governmental Conduct Code, Article III,  
2 Chapter 6, is hereby amended by revising Sections 3.600, 3.610, 3.620, and by adding  
3 Sections 3.630, 3.640, 3.650, to read as follows:

4 **CHAPTER 6: BEHESTED PAYMENT REPORTING ~~FOR COMMISSIONERS~~**

5 **SEC. 3.600. DEFINITIONS.**

6 Whenever in this Chapter 6 the following words or phrases are used, they shall have  
7 the following meanings:

8 “Actively support or oppose” shall mean contact, testify in person before, or otherwise  
9 communicate in an attempt to influence an official or employees of a board or commission (including  
10 the Board of Supervisors), including use of an agent to do any such act.

11 “Agent” shall be defined as set forth in Title 2, Section 18438.3 of California Code of  
12 Regulations, as amended from time to time.

13 “At the behest of” shall mean under the control or at the direction of, in cooperation,  
14 consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior  
15 consent of.

16 ~~“Auctioneer” shall mean any person who is engaged in the calling for, the recognition of, and~~  
17 ~~the acceptance of, offers for the purchase of goods at an auction.~~

18 “Behested payment” shall mean a payment that is made at the behest of an officer, or an agent  
19 thereof, and that is made principally for a legislative, governmental, or charitable purpose.

20 ~~“Behested Payment Report” shall mean the Fair Political Practices Commission Form 803, or~~  
21 ~~any other successor form, required by the Fair Political Practices Commission to fulfill the disclosure~~  
22 ~~requirements imposed by California Government Code Section 82015(b)(2)(B)(iii), as amended from~~  
23 ~~time to time.~~

24 ~~“Charitable Contribution” shall mean any monetary or non-monetary contribution to a~~  
25 ~~government agency, a bona fide public or private educational institution as defined in Section 203 of~~



1 ~~the California Revenue and Taxation Code, or an organization that is exempt from taxation under~~  
2 ~~either Section 501(c) or Section 527 of the United States Internal Revenue Code.~~

3 ~~“Commissioner” shall mean any member of a board or commission listed in Campaign and~~  
4 ~~Governmental Conduct Code Section 3.1-103(a)(1); provided, however, that “Commissioner” shall not~~  
5 ~~include any member of the Board of Supervisors.~~

6 “Contact” shall be defined as set forth in Section 2.106 of this Code.

7 “Financial interest” shall be defined as set forth in the California Political Reform Act  
8 (California Government Code Section 87100 et seq.), any subsequent amendments to these Sections,  
9 and its implementing regulations.

10 “Interested party” shall mean (i) any party, participant or agent of a party or participant  
11 involved in a proceeding regarding administrative enforcement, a license, a permit, or other  
12 entitlement for use before an officer or any board or commission (including the Board of Supervisors)  
13 on which the officer sits, or (ii) any person who actively supports or opposes a governmental decision  
14 by an officer or any board or commission (including the Board of Supervisors) on which the officer sits,  
15 if such person has a financial interest in the decision.

16 “License, permit, or other entitlement for use” shall be defined as set forth in California  
17 Government Code Section 84308, as amended from time to time.

18 “Officer” shall mean the Mayor, City Attorney, District Attorney, Treasurer, Sheriff, Assessor-  
19 Recorder, Public Defender, a Member of the Board of Supervisors, or any member of a board or  
20 commission who is required to file a Statement of Economic Interests, including all persons holding  
21 positions listed in Section 3.1-103(a)(1) of this Code.

22 “Payment” shall mean a monetary payment or the delivery of goods or services.

23 “Participant” shall be defined as set forth in California Government Code Section 84308  
24 and Title 2, Section 18438.4 of California Code of Regulations, as amended from time to time.

1 "Party" shall be defined as set forth in California Government Code Section 84308, as  
2 amended from time to time.

3 "Public appeal" shall mean a request for a payment when such request is made by means of  
4 television, radio, billboard, a public message on an online platform, the distribution of 500 or more  
5 identical pieces of printed material, or a speech to a group of 50 or more individuals.

6 "Relative" shall mean a spouse, domestic partner, parent, grandparent, child, sibling, parent-in-  
7 law, aunt, uncle, niece, nephew, and first cousin, and includes any similar step relationship or  
8 relationship created by adoption.

9  
10 **SEC. 3.610. REQUIRED FILING OF BEHESTED PAYMENT REPORTS.**

11 (a) **FILING REQUIREMENT.** ~~If a Commissioner directly or indirectly requests or solicits~~  
12 ~~any Charitable Contribution(s), or series of Charitable Contributions, from any party, participant or~~  
13 ~~agent of a party or participant involved in a proceeding regarding administrative enforcement, a~~  
14 ~~license, a permit, or other entitlement for use before the Commissioner's board or commission, the~~  
15 ~~Commissioner shall file a Behested Payment Report with the Ethics Commission in the following~~  
16 ~~circumstances: If an officer directly or indirectly requests or solicits any behested payment(s) from an~~  
17 ~~interested party, the officer shall file the behested payment report described in subsection (b) with the~~  
18 ~~Ethics Commission in the following circumstances:~~

19 (1) ~~if the party, participant or agent makes any Charitable Contribution, or series of~~  
20 ~~Charitable Contributions, totaling \$1,000 or more while the proceeding is pending, the Commissioner~~  
21 ~~shall file a Behested Payment Report within 30 days of the date on which the Charitable Contribution~~  
22 ~~was made, or if there has been a series of Charitable Contributions, within 30 days of the date on~~  
23 ~~which a Charitable Contribution causes the total amount of the contributions to total \$1,000 or more;~~  
24 ~~if the interested party makes any behested payment(s) totaling \$1,000 or more during the pendency of~~  
25 ~~the matter involving the interested party, the officer shall file a behested payment report within 30 days~~

1 of the date on which the behested payment was made, or if there has been a series of behested  
2 payments, within 30 days of the date on which the behested payment(s) total \$1,000 or more;

3 ~~(2) if the party, participant or agent makes any Charitable Contribution, or series of~~  
4 ~~Charitable Contributions, totaling \$1,000 or more during the three months following the date a final~~  
5 ~~decision is rendered in the proceeding, the Commissioner shall file a Behested Payment Report within~~  
6 ~~30 days of the date on which the Charitable Contribution was made, or if there has been a series of~~  
7 ~~Charitable Contributions, within 30 days of the date on which a Charitable Contribution causes the~~  
8 ~~total amount of the contributions to total \$1,000 or more; and if the interested party makes any~~  
9 ~~behested payment(s) totaling \$1,000 or more during the six months following the date on which a final~~  
10 ~~decision is rendered in the matter involving the interested party, the officer shall file a behested~~  
11 ~~payment report within 30 days of the date on which the behested payment was made, or if there has~~  
12 ~~been a series of behested payments, within 30 days of the date on which the behested payment(s) total~~  
13 ~~\$1,000 or more; and~~

14 ~~(3) if the party, participant or agent made any Charitable Contribution, or series of~~  
15 ~~Charitable Contributions, totaling \$1,000 or more in the 12 months prior to the commencement of a~~  
16 ~~proceeding, the Commissioner shall file a Behested Payment Report within 30 days of the date the~~  
17 ~~Commissioner knew or should have known that the source of the Charitable Contribution(s) became a~~  
18 ~~party, participant or agent in a proceeding before the Commissioner's board or commission. if the~~  
19 ~~interested party made any behested payment(s) totaling \$1,000 or more in the 12 months prior to the~~  
20 ~~commencement of a matter involving the interested party, the officer shall file a behested payment~~  
21 ~~report within 30 days of the date the officer knew or should have known that the source of the behested~~  
22 ~~payment(s) became an interested party.~~

23 (b) **BEHESTED PAYMENT REPORT.** The behested payment report shall include the  
24 following:

25 (1) name of payor;

1                   (2) address of payor;

2                   (3) amount of the payment(s);

3                   (4) date(s) the payment(s) were made,

4                   (5) the name and address of the payee(s),

5                   (6) a brief description of the goods or services provided or purchased, if any, and a  
6 description of the specific purpose or event for which the payment(s) were made;

7                   (7) if the officer or the officer's relative, staff member, or paid campaign staff, is an  
8 officer, executive, member of the board of directors, staff member or authorized agent for the recipient  
9 of the behested payment(s), such individual's name, relation to the officer, and position held with the  
10 payee;

11                   (8) if the payee has created or distributed 200 or more substantially similar  
12 communications featuring the officer within the six months prior to the deadline for filing the behested  
13 payment report, a brief description of such communication(s), the purpose of the communication(s), the  
14 number of communication(s) distributed, and a copy of the communication(s); and

15                   (9) if in the six months following the deadline for filing the behested payment report, the  
16 payee has created or distributed 200 or more substantially similar communications featuring the  
17 officer, the officer shall file an amended payment report that discloses a brief description of such  
18 communication(s), the purpose of the communication(s), the number of communication(s) distributed,  
19 and a copy of the communication(s).

20                   (c) **AMENDMENTS.** If any of the information previously disclosed on a behested payment  
21 report changes during the pendency of the matter involving the interested party, or within six months of  
22 the final decision in such matter, the officer shall file an amended behested payment report.

23                   (d) **PUBLIC APPEALS.** Notwithstanding subsection (a), no officer shall be required to report  
24 any behested payment that is made solely in response to a public appeal.

25

1 (e) NOTICE. If an officer solicits or otherwise requests, in any manner other than a public  
2 appeal, that any person make a behested payment, the official or his agent must notify that person that  
3 if the person makes any behested payment in response to the solicitation or request, the person may be  
4 subject to the disclosure and notice requirements in Section 3.620.

5 (b) (f) WEBSITE POSTING. The Ethics Commission shall make available through its  
6 website all ~~B~~behested ~~P~~ayment ~~R~~eports it receives from ~~C~~ommissioners officers.

7 ~~(e) PENALTIES. A Commissioner who fails to comply with this Section 3.610 is subject to the~~  
8 ~~administrative process and penalties set forth in Section 3.242(d).~~

9 ~~(d) EXCEPTION. A Commissioner has no obligation to file Behested Payment Reports, as~~  
10 ~~required by subsection (a), if the Commissioner solicited Charitable Contributions by acting as an~~  
11 ~~auctioneer at a fundraising event for a nonprofit organization that is exempt from taxation under~~  
12 ~~Section 501(c)(3) of the United States Internal Revenue Code.~~

13  
14 **SEC. 3.620. FILING BY DONORS.**

15 (a) REPORT. Any interested party who makes a behested payment, or series of behested  
16 payments in a calendar year, of \$1,000 or more must disclose, within 30 days following the date on  
17 which the payment(s) totals \$1,000 or more:

18 (1) the proceeding the interested party is or was involved in;

19 (2) the decisions the interested party actively supports or opposes;

20 (3) the outcome(s) the interested party is or was seeking in such proceedings or  
21 decisions; and

22 (4) any contact(s) the interested party made in relation to such proceedings or  
23 decisions.

24 (b) NOTICE. Any person who makes a behested payment must notify the recipient that the  
25 payment is a behested payment, at the time the payment is made.

1  
2 **SEC. 3.630. FILING BY RECIPIENTS OF MAJOR BEHESTED PAYMENTS.**

3 **(a) MAJOR BEHESTED PAYMENT REPORT.** *Any person who receives a behested*  
4 *payment, or a series of behested payments, received during a calendar year, totaling \$100,000 or more*  
5 *that was made at the behest of any officer must do the following:*

6 (1) within 30 days following the date on which the payment(s) total \$100,000 or more,  
7 notify the Ethics Commission that the person has received such payment(s) and specify the date on  
8 which the payment(s) equaled or exceeded \$100,000;

9 (2) within 13 months following the date on which the payment(s) or payments total  
10 \$100,000 or more, but at least 12 months following the date on which the payment(s) total \$100,000 or  
11 more, disclose:

12 (i) all payments made by the person that were funded in whole or in part by the  
13 behested payment(s) made at the behest of the officer; and

14 (ii) if the person has actively supported or opposed any City decision(s)  
15 involving the officer in the 12 months following the date on which the payment(s) were made:

16 (A) the proceeding the person is or was involved in;

17 (B) the decision(s) the person actively supported or opposed;

18 (C) the outcome(s) the person is or was seeking in such proceedings or  
19 decisions; and

20 (D) any contact(s) the person made in relation to such proceedings or  
21 decisions.

22 (b) EXCEPTION. *Subsection (a) does not apply if the entity receiving the behested payment is*  
23 *a City department.*

24 (c) NOTICE REQUIRED. *If a recipient of a behested payment does not receive the notice, as*  
25 *required under Section 3.620, that a particular payment is a behested payment, the recipient will not be*

1 subject to penalties under Section 3.650, as regards that particular payment, for failure to file pursuant  
2 to subsection (a) unless it is clear from the circumstances that the recipient knew or should have known  
3 that the payment was made at the behest of an officer.

4  
5 **SEC. ~~3.620~~ 3.640. REGULATIONS.**

6 (a) The Ethics Commission may adopt rules, regulations, and guidelines for the  
7 implementation of this Chapter 6.

8 (b) The Ethics Commission may, by regulation, require persons ~~Commissioners~~ to  
9 electronically submit any ~~substantially the same~~ information ~~as required by the Behested Payment~~  
10 ~~Report~~ to fulfill their obligations under ~~Section 3.610~~ this Chapter 6.

11  
12 **SEC. 3.650. PENALTIES.**

13 Any party who fails to comply with any provision of this Chapter 6 is subject to the  
14 administrative process and penalties set forth in Section 3.242(d) of this Code.

15  
16 Section 4. Effective Date. This ordinance shall become effective 30 days after  
17 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
18 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
19 of Supervisors overrides the Mayor's veto of the ordinance.

20  
21 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
22 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
23 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
24 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
25

1 additions, and Board amendment deletions in accordance with the "Note" that appears under  
2 the official title of the ordinance.

3  
4 Section 6. Severability. If any section, subsection, sentence, clause, phrase, or word  
5 of this ordinance, or any application thereof to any person or circumstance, is held to be  
6 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
7 shall not affect the validity of the remaining portions or applications of the ordinance. The  
8 Board of Supervisors hereby declares that it would have passed this ordinance and each and  
9 every section, subsection, sentence, clause, phrase, and word not declared invalid or  
10 unconstitutional without regard to whether any other portion of this ordinance or application  
11 thereof would be subsequently declared invalid or unconstitutional.

12  
13 APPROVED AS TO FORM:  
14 DENNIS J. HERRERA, City Attorney

15 By: \_\_\_\_\_  
16 ANDREW SHEN  
17 Deputy City Attorney

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1 ~~[Initiative Ordinance -- Campaign and Governmental Conduct Code - Campaign Finance and~~  
2 ~~Conflict of Interest]~~

3 ~~Motion ordering submitted to the voters an ordinance amending the Campaign and~~  
4 ~~Governmental Conduct Code to 1) prohibit earmarking of contributions and false~~  
5 ~~identification of contributors; 2) modify contributor card requirements; 3) require~~  
6 ~~disclosure of contributions solicited by City elective officers for ballot measure and~~  
7 ~~independent expenditure committees; 4) require additional disclosures for campaign~~  
8 ~~contributions from business entities to political committees; 5) require disclosure of~~  
9 ~~bundled campaign contributions; 6) extend the prohibition on campaign contributions~~  
10 ~~to candidates for City elective offices and City elective officers who must approve~~  
11 ~~certain City contracts; 7) require committees to file a third pre-election statement prior~~  
12 ~~to an election; 8) remove the prohibition against distribution of campaign~~  
13 ~~advertisements containing false endorsements; 9) allow members of the public to~~  
14 ~~receive a portion of penalties collected in certain enforcement actions; 10) permit the~~  
15 ~~Ethics Commission to recommend contract debarment as a penalty for campaign~~  
16 ~~finance violations; 11) create new conflict of interest and political activity rules for~~  
17 ~~elected officials and members of boards and commissions; 12) specify recusal~~  
18 ~~procedures for members of boards and commissions; and 13) establish local behested~~  
19 ~~payment reporting requirements for donors and City officers.~~

20  
21 ~~MOVED, That pursuant to Charter section 15.102, the Ethics Commission hereby~~  
22 ~~submits the following ordinance to the voters of the City and County of San Francisco, at an~~  
23 ~~election to be held on June 5, 2018.~~

1 Ordinance amending the Campaign and Governmental Conduct Code to 1) prohibit  
2 earmarking of contributions and false identification of contributors; 2) modify  
3 contributor card requirements; 3) require disclosure of contributions solicited by City  
4 elective officers for ballot measure and independent expenditure committees; 4)  
5 require additional disclosures for campaign contributions from business entities to  
6 political committees; 5) require disclosure of bundled campaign contributions; 6)  
7 extend the prohibition on campaign contributions to candidates for City elective offices  
8 and City elective officers who must approve certain City contracts; 7) require  
9 committees to file a third pre-election statement prior to an election; 8) remove the  
10 prohibition against distribution of campaign advertisements containing false  
11 endorsements; 9) allow members of the public to receive a portion of penalties  
12 collected in certain enforcement actions; 10) require financial disclosures from certain  
13 major donors to local political committees; 11) impose additional disclaimer  
14 requirements; 12) permit the Ethics Commission to recommend contract debarment  
15 as a penalty for campaign finance violations; 13) create new conflict of interest and  
16 political activity rules for elected officials and members of boards and commissions;  
17 14) specify recusal procedures for members of boards and commissions; and 15)  
18 establish local behested payment reporting requirements for donors and City officers.

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

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

1 Section 1. The Campaign and Governmental Conduct Code, Article I, Chapter 1, is  
2 hereby amended by revising Sections 1.104, 1.114, 1.126, 1.135, 1.161, 1.162, 1.168, 1.170,  
3 adding Sections 1.114.5, 1.124, 1.125, 1.158, and deleting Section 1.163.5, to read as  
4 follows:

5 **SEC. 1.104. DEFINITIONS.**

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

7 \* \* \* \*

8 “At the behest of” shall mean under the control or at the direction of, in cooperation,  
9 consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior  
10 consent of.

11 \* \* \* \*

12 “Business entity” shall mean a limited liability company (LLC), corporation, limited  
13 partnership, or limited liability partnership.

14 \* \* \* \*

15 “Prohibited source contribution” shall mean a contribution made (a) in violation of Section  
16 1.114, (b) in an assumed name as defined in Section 1.114.5(c), (c) from a person prohibited from  
17 contributing under Section 1.126, or (d) from a lobbyist prohibited from contributing under Section  
18 2.115(e).

19 \* \* \* \*

20 “Resident” shall mean a resident of the City and County of San Francisco.

21 “Solicit” shall mean personally request a contribution for any candidate or committee, either  
22 orally or in writing.

23 \* \* \* \*

24  
25 **SEC. 1.114. CONTRIBUTIONS - LIMITS AND PROHIBITIONS.**

1 (a) LIMITS ON CONTRIBUTIONS TO CANDIDATES. No person other than a  
2 candidate shall make, and no campaign treasurer for a candidate committee shall solicit or  
3 accept, any contribution which will cause the total amount contributed by such person to such  
4 candidate committee in an election to exceed \$500.

5 (b) LIMITS PROHIBITION ON CONTRIBUTIONS FROM CORPORATIONS. No  
6 corporation organized pursuant to the laws of the State of California, the United States, or any  
7 other state, territory, or foreign country, whether for profit or not, shall make a contribution to a  
8 candidate committee, provided that nothing in this subsection (b) shall prohibit such a  
9 corporation from establishing, administering, and soliciting contributions to a separate  
10 segregated fund to be utilized for political purposes by the corporation, provided that the  
11 separate segregated fund complies with the requirements of Federal law including Sections  
12 432(e) and 441b of Title 2 of the United States Code and any subsequent amendments to  
13 those Sections.

14 (c) EARMARKING. No person may make a contribution to a committee on the condition or  
15 with the agreement that it will be contributed to any particular candidate or committee to circumvent  
16 the limits established by subsections (a) and (b).

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

22 (e) (e) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

23 (1) General Rule. For purposes of the contribution limits imposed by this  
24 Section 1.114 and Section 1.120, the contributions of an entity whose contributions are  
25 directed and controlled by any individual shall be aggregated with contributions made by that

1 individual and any other entity whose contributions are directed and controlled by the same  
2 individual.

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

6 (3) Majority-Owned Entities. Contributions made by entities that are majority-  
7 owned by any person shall be aggregated with the contributions of the majority owner and all  
8 other 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 1.114, the term "entity" means any  
11 person other than an individual and "majority-owned" means a direct or indirect ownership of  
12 more than 50% percent.

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

21 ~~(e) (f) FORFEITURE OF UNLAWFUL CONTRIBUTIONS.~~ In addition to any other  
22 penalty, each committee that receives a contribution which exceeds the limits imposed by this  
23 Section 1.114 or which does not comply with the requirements of this Section shall pay  
24 promptly the amount received or deposited in excess of the permitted amount ~~permitted by this~~  
25 ~~Section~~ to the City and County of San Francisco ~~and~~ by delivering the payment to the Ethics

1 Commission for deposit in the General Fund of the City and County; provided that the Ethics  
2 Commission may provide for the waiver or reduction of the forfeiture.

3 ~~(f)~~ (g) RECEIPT OF CONTRIBUTIONS. A contribution to a candidate committee or  
4 committee making expenditures to support or oppose a candidate shall not be considered  
5 received if it is not cashed, negotiated, or deposited, and in addition ~~#~~ is returned to the donor  
6 before the closing date of the campaign statement on which the contribution would otherwise  
7 be reported, except that a contribution to a candidate committee or committee making  
8 expenditures to support or oppose a candidate made before an election at which the  
9 candidate is to be voted on but after the closing date of the last campaign statement required  
10 to be filed before the election shall not be considered to be deemed received if it is not  
11 cashed, negotiated, or deposited, and is returned to the contributor within 48 hours of receipt.  
12 For all committees not addressed by this Section 1.114, the determination of when  
13 contributions are considered to be received shall be made in accordance with the California  
14 Political Reform Act, ~~California Government Code Section 81000, et seq.~~

15  
16 **SEC. 1.114.5. CONTRIBUTIONS - DISCLOSURES.**

17 (a) CONTRIBUTOR INFORMATION REQUIRED. If the cumulative amount of contributions  
18 received from a contributor is \$100 or more, the committee shall not deposit any contribution that  
19 causes the total amount contributed by a person to equal or exceed \$100 unless the committee has the  
20 following information: the contributor's full name; the contributor's street address; the contributor's  
21 occupation; and the name of the contributor's employer or, if the contributor is self-employed, the name  
22 of the contributor's business.

23 (1) A committee will be deemed not to have had the required contributor information at  
24 the time the contribution was deposited if the required contributor information is not reported on the  
25 first campaign statement on which the contribution is required to be reported.

1                   (2) If a committee collects the information required under this subsection (a) on a form  
2 signed by the contributor stating that the contributor has not made a prohibited source contribution,  
3 there shall be a rebuttable presumption that the committee has not accepted a prohibited source  
4 contribution.

5                   (b) DISCLOSURE REQUIREMENTS FOR CONTRIBUTIONS TO BALLOT MEASURE  
6 COMMITTEES AND COMMITTEES MAKING INDEPENDENT EXPENDITURES.

7                   (1) In addition to the requirements in subsection (a), any person making contributions  
8 that total \$5,000 or more in a single calendar year, to a ballot measure committee or committee making  
9 independent expenditures at the behest of a City elective officer must disclose to the committee  
10 receiving the contribution the name of the City elective officer who requested the contribution.

11                   (2) Committees receiving contributions subject to subsection (b)(1) must report the  
12 names of the City elective officers who requested those contributions at the same time that the  
13 committees are required to file campaign statements with the Ethics Commission disclosing the  
14 contributions.

15                   (3) Notwithstanding the provisions of this subsection (b), no committee shall be  
16 required to make the disclosure required in subsection (b)(2) for any contribution that constitutes a  
17 contribution to the City elective officer at whose behest the contribution was made.

18                   (c) ASSUMED NAME CONTRIBUTIONS.

19                   (1) No contribution may be made, directly or indirectly, by any person or combination  
20 of persons, in a name other than the name by which they are identified for legal purposes, or in the  
21 name of another person or combination of persons.

22                   (2) No person may make a contribution to a candidate or committee in his, her, or its  
23 name when using any payment received from another person on the condition that it be contributed to a  
24 specific candidate or committee.

1            (d) FORFEITURE OF UNLAWFUL CONTRIBUTIONS. In addition to any other penalty, each  
2 committee that receives a contribution which does not comply with the requirements of this Section  
3 1.114.5 shall pay promptly the amount received or deposited to the City and County of San Francisco  
4 by delivering the payment to the Ethics Commission for deposit in the General Fund of the City and  
5 County; provided that the Ethics Commission may provide for the waiver or reduction of the forfeiture.

6  
7            **SEC. 1.124. ADDITIONAL DISCLOSURE REQUIREMENTS FOR CONTRIBUTIONS**  
8 **MADE BY BUSINESS ENTITIES.**

9            (a) Additional Disclosures. In addition to the campaign disclosure requirements imposed by  
10 the California Political Reform Act and other provisions of this Chapter 1, any committee required to  
11 file campaign statements with the Ethics Commission must disclose the following information for  
12 contribution(s) that, in aggregate, total \$10,000 or more that it receives in a single election cycle from  
13 a single business entity:

14            (1) the business entity's principal officers, including, but not limited to, the Chairperson  
15 of the Board of Directors, President, Vice-President, Chief Executive Officer, Chief Financial Officer,  
16 Chief Operating Officer, Executive Director, Deputy Director, or equivalent positions; and

17            (2) whether the business entity has received funds through a contract or grant from any  
18 City agency within the last 24 months for a project within the jurisdiction of the City and County of San  
19 Francisco, and if so, the name of the agency that provided the funding, and the value of the contract or  
20 grant.

21            (b) Filing Requirements. Committees shall provide this information for contributions received  
22 from business entities at the same time that they are required to file semiannual or preelection  
23 campaign statements with the Ethics Commission.



1           **SEC. 1.125. ADDITIONAL DISCLOSURE REQUIREMENTS FOR BUNDLED**

2           **CONTRIBUTIONS.**

3           (a) **Definition.** For purposes of this Section 1.125, the following words and phrases shall  
4           mean:

5           “Bundle” shall mean delivering or transmitting contributions, other than one’s own or one’s  
6           spouse’s, except for campaign administrative activities and any actions by the candidate that a  
7           candidate committee is supporting.

8           “Campaign administrative activity” shall mean administrative functions performed by paid or  
9           volunteer campaign staff, a campaign consultant whose payment is disclosed on the committee’s  
10           campaign statements, or such campaign consultant’s paid employees.

11           (b) **Additional Disclosure Requirements.** Any committee controlled by a City elective officer  
12           or candidate for City elective office that receives contributions totaling \$5,000 or more that have been  
13           bundled by a single individual shall disclose the following information:

14           (1) the name, occupation, employer, and mailing address of the person who bundled the  
15           contributions;

16           (2) a list of the contributions bundled by that person (including the name of the  
17           contributor and the date the contribution was made);

18           (3) if the individual who bundled the contributions is a member of a City board or  
19           commission, the name of the board or commission on which that person serves, and the names of any  
20           City officers who appointed or nominated that person to the board or commission.

21           (c) **Filing Requirements.** Committees shall provide the information for bundled contributions  
22           required by subsection (b) at the same time that they are required to file semiannual or preelection  
23           campaign statements with the Ethics Commission. Committees shall be required to provide this  
24           information following the receipt of the final contribution that makes the cumulative amount of  
25           contributions bundled by a single individual total \$5,000 or more.

1            (d) Website Posting. The Ethics Commission shall make all information that is submitted in  
2 accordance with subsection (b) publicly available through its website.

3  
4            **SEC. 1.126. CONTRIBUTION ~~LIMITS~~ PROHIBITION – CONTRACTORS DOING**  
5 **BUSINESS WITH THE CITY.**

6            (a) **Definitions.** For purposes of this Section 1.126, the following words and phrases  
7 shall mean:

8            “Affiliate” means any member of an entity’s board of directors or any of that entity’s principal  
9 officers, including its chairperson, chief executive officer, chief financial officer, chief operating officer,  
10 any person with an ownership interest of more than 10% in the entity, and any subcontractor listed in  
11 the entity’s bid or contract.

12            “Board on which an individual serves” means the board to which the officer was elected and  
13 any other board on which the elected officer serves.

14            “City Contractor” means any person who contracts with, or is seeking a contract with, any  
15 department of the City and County of San Francisco, a state agency on whose board an appointee of a  
16 City elective officer serves, the San Francisco Unified School District, or the San Francisco  
17 Community College District, when the total anticipated or actual value of the contract(s) that the  
18 person is party to or seeks to become party to with any such entity within a fiscal year equals or  
19 exceeds \$100,000.

20            “Contract” means any agreement or contract, including any amendment or modification to an  
21 agreement or contract, with the City and County of San Francisco, a state agency on whose board an  
22 appointee of a City elective officer serves, the San Francisco Unified School District, or the San  
23 Francisco Community College District for:

24            (1) the rendition of personal services,

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

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

2                    (4) a grant, loan, or loan guarantee, or

3                    (5) a development agreement.

4                    “Contract” shall not mean a collective bargaining agreement or memorandum of understanding  
5                    between the City and a labor union representing City employees regarding the terms and conditions of  
6                    those employees’ City employment.

7                    ~~(1) “Person who contracts with” includes any party or prospective party to a contract,~~  
8                    ~~as well any member of that party's board of directors, its chairperson, chief executive officer, chief~~  
9                    ~~financial officer, chief operating officer, any person with an ownership interest of more than 20 percent~~  
10                    ~~in the party, any subcontractor listed in a bid or contract, and any committee, as defined by this~~  
11                    ~~Chapter that is sponsored or controlled by the party, provided that the provisions of Section 1.114 of~~  
12                    ~~this Chapter governing aggregation of affiliated entity contributions shall apply only to the party or~~  
13                    ~~prospective party to the contract.~~

14                    ~~(2) “Contract” means any agreement or contract, including any amendment or~~  
15                    ~~modification to an agreement or contract, with the City and County of San Francisco, a state agency on~~  
16                    ~~whose board an appointee of a City elective officer serves, the San Francisco Unified School District,~~  
17                    ~~or the San Francisco Community College District for:~~

18                    ~~(A) the rendition of personal services,~~

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

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

21                    ~~(D) a grant, loan or loan guarantee.~~

22                    ~~(3) “Board on which an individual serves” means the board to which the officer was~~  
23                    ~~elected and any other board on which the elected officer serves.~~

24                    **(b) Prohibition on Contributions.** No City Contractor or affiliate of a City Contractor  
25                    may make any contribution to: person who contracts with the City and County of San Francisco, a state

1 ~~agency on whose board an appointee of a City elective officer serves, the San Francisco Unified School~~  
2 ~~District, or the San Francisco Community College District,~~

3 ~~(1) Shall make any contribution to:~~

4 ~~(A) (1) An individual holding a City elective office if the contract or contracts~~  
5 ~~must be approved by such individual, the board on which that individual serves, or a state~~  
6 ~~agency on whose board an appointee of that individual serves;~~

7 ~~(B) (2) A candidate for the office held by such individual; or~~

8 ~~(C) (3) A committee controlled by such individual or candidate.~~

9 ~~(2) Whenever the agreement or contract has a total anticipated or actual value of~~  
10 ~~\$50,000.00 or more, or a combination or series of such agreements or contracts approved by that same~~  
11 ~~individual or board have a value of \$50,000.00 or more in a fiscal year of the City and County~~

12 ~~(3) (c) **Term of Prohibitions.** The prohibitions set forth in subsection (b) shall apply from the~~  
13 ~~submission of a proposal for a contract until: At any time from the commencement of negotiations for~~  
14 ~~such contract until:~~

15 ~~(A) (1) The termination of negotiations for such contract; or~~

16 ~~(B) (2) Six 12 months have elapsed from the date the contract is approved.~~

17 ~~(e) (d) **Prohibition on Receipt of Contribution Soliciting or Accepting Contributions.** No~~  
18 ~~individual holding City elective office, candidate for such office, or committee controlled by such~~  
19 ~~an individual shall: solicit or~~

20 ~~(1) accept any contribution prohibited by subsection (b); or~~

21 ~~(2) solicit any contribution prohibited by subsection (b) from a person who the~~  
22 ~~individual knows or has reason to know to be a City Contractor.~~

23 ~~at any time from the formal submission of the contract to the individual until the termination of~~  
24 ~~negotiations for the contract or six months have elapsed from the date the contract is approved. For~~

1 ~~the purpose of this subsection, a contract is formally submitted to the Board of Supervisors at the time~~  
2 ~~of the introduction of a resolution to approve the contract.~~

3 ~~(d)~~ (e) **Forfeiture of ~~Dontribution~~ Contribution.** In addition to any other penalty, each  
4 committee that ~~receives~~ accepts a contribution prohibited by subsection ~~(e)~~ (b) shall pay  
5 promptly the amount received or deposited to the City and County of San Francisco and  
6 deliver the payment to the Ethics Commission for deposit in the General Fund of the City and  
7 County; provided that the Commission may provide for the waiver or reduction of the forfeiture.

8 ~~(e)~~ (f) **Notification.**

9 (1) ~~Prospective Parties to Contracts~~ Notification by City Agencies.

10 (A) Prospective Parties to Contracts. The City agency seeking to enter into a  
11 contract subject to subsection (b) shall inform any ~~Any~~ prospective party to a contract ~~with the City~~  
12 ~~and County of San Francisco, a state agency on whose board an appointee of a City elective officer~~  
13 ~~serves, the San Francisco Unified School District, or the San Francisco Community College District~~  
14 shall inform each person described in Subsection (a)(1) of the prohibition in § ~~subsection (b) and of~~  
15 the duty to notify the Ethics Commission, as described in subsection (f)(2), ~~by the commencement of~~  
16 ~~negotiations~~ by the submission of a proposal for such contract.

17 (B) Parties to Executed Contracts. After the final execution of a contract by a  
18 City agency and any required approvals of a City elective officer, the agency that has entered into a  
19 contract subject to subsection (b) shall inform any parties to the contract of the prohibition in  
20 subsection (b) and the term of such prohibition established by subsection (c).

21 (2) Notification of Ethics Commission. The City agency seeking to enter into a  
22 contract subject to subsection (b) shall notify the Ethics Commission, within 30 days of the submission  
23 of a proposal, on a form or in a format adopted by the Commission, of the value of the desired contract,  
24 the parties to the contract, and any subcontractor listed as part of the proposal

1                    (3) Notification by Prospective Parties to Contracts. Any prospective party to a  
2 contract subject to subsection (b) shall, by the submission of a proposal for such contract, inform any  
3 member of that party's board of directors and any of that party's principal officers, including its  
4 chairperson, chief executive officer, chief financial officer, chief operating officer, any person with an  
5 ownership interest of more than 10% in the party, and any subcontractor listed in the party's bid or  
6 contract of the prohibition in subsection (b).

7                    ~~(2)~~ (4) Notification by Individuals Who Hold City Elective Office. Every  
8 individual who holds a City elective office shall, within five business days of the approval of a  
9 contract by the officer, a board on which the officer sits, or a board of a state agency on which  
10 an appointee of the officer sits, notify the Ethics Commission, on a form or in a format adopted  
11 by the Commission, of each contract approved by the individual, the board on which the  
12 individual serves, or the board of a state agency on which an appointee of the officer sits. An  
13 individual who holds a City elective office need not file the form required by this subsection  
14 (f)(4) if the Clerk or Secretary of a Board on which the individual serves or a Board of a State  
15 agency on which an appointee of the officer serves has filed the form on behalf of the board.  
16

17                    **SEC. 1.135. SUPPLEMENTAL PRE-ELECTION STATEMENTS.**

18                    (a) **Supplemental Preelection Statements - General Purpose Committees.** In addition  
19 to the campaign disclosure requirements imposed by the California Political Reform Act and  
20 other provisions of this Chapter I, a San Francisco general purpose committee that makes  
21 contributions or expenditures totaling \$500 or more during the period covered by the  
22 preelection statement, other than expenditures for the establishment and administration of  
23 that committee, shall file a preelection statement before any election held in the City and  
24 County of San Francisco at which a candidate for City elective office or City measure is on the  
25 ballot.

1 (b) **Time for Filing Supplemental Preelection Statements - General Purpose**

2 **Committees.**

3 (1) Even-Numbered Years. In even-numbered years, preelection statements  
4 required by ~~this Section~~ subsection (a) shall be filed pursuant to the preelection statement filing  
5 schedule established by the Fair Political Practices Commission for county general purpose  
6 recipient committees. In addition to these deadlines, preelection statements shall also be filed, for  
7 the period ending six days before the election, no later than four days before the election.

8 (2) Odd-Numbered Years. In odd-numbered years, the filing schedule for  
9 preelection statements is as follows:

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

12 (2) (B) For the period ending 17 days before the election, the statement  
13 shall be filed no later than 12 days before the election; and

14 (C) For the period ending six days before the election, the statement shall be  
15 filed no later than four days before the election.

16 (c) **Time for Filing Supplemental Preelection Statements - Ballot Measure Committees and**  
17 **Candidate Committees.** In addition to the deadlines established by the Fair Political Practices  
18 Commission, ballot measure committees and candidate committees required to file preelection  
19 statements with the Ethics Commission shall file a third preelection statement before any election held  
20 in the City and County of San Francisco at which a candidate for City elective office or City measure is  
21 on the ballot, for the period ending six days before the election, no later than four days before the  
22 election.

23 (e) (d) The Ethics Commission may require that these statements be filed electronically.  
24  
25

1            ~~SEC. 1.163.5. DISTRIBUTION OF CAMPAIGN ADVERTISEMENTS CONTAINING~~  
2 ~~FALSE ENDORSEMENTS.~~

3            ~~(a) **Prohibition.** No person may sponsor any campaign advertisement that is distributed~~  
4 ~~within 90 days prior to an election and that contains a false endorsement, where the person acts with~~  
5 ~~knowledge of the falsity of the endorsement or with reckless disregard for the truth or falsity of the~~  
6 ~~endorsement. A false endorsement is a statement, signature, photograph, or image representing that a~~  
7 ~~person expressly endorses or conveys support for or opposition to a candidate or measure when in fact~~  
8 ~~the person does not expressly endorse or convey support for or opposition to the candidate or measure~~  
9 ~~as stated or implied in the campaign communication.~~

10           ~~(b) **Definitions.** Whenever in this Section the following words or phrases are used, they shall~~  
11 ~~mean:~~

12           ~~(1) "Campaign Advertisement" is any mailing, flyer, door hanger, pamphlet, brochure,~~  
13 ~~card, sign, billboard, facsimile, printed advertisement, broadcast, cable, satellite, radio, internet, or~~  
14 ~~recorded telephone advertisement that refers to one or more clearly identified candidates or ballot~~  
15 ~~measures. The term "campaign advertisement" does not include:~~

16           ~~(A) bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar~~  
17 ~~campaign memorabilia;~~

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

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

23           ~~(2) "Internet Advertisement" includes paid internet advertisements such as "banner"~~  
24 ~~and "popup" advertisements, paid emails, or emails sent to addresses purchased from another person,~~  
25 ~~and similar types of internet advertisements as defined by the Ethics Commission by regulation, but~~



1 ~~shall not include web blogs, listserves sent to persons who have contacted the sender, discussion~~  
2 ~~forums, or general postings on web pages.~~

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

5 ~~(c) **Enforcement and Penalties.** The penalties under Section 1.170(a) of this Chapter do not~~  
6 ~~apply to violations of this Section. Notwithstanding the 60-day waiting period in Section 1.168 of this~~  
7 ~~Chapter, a voter may bring an action to enjoin a violation of this Section immediately upon providing~~  
8 ~~written notice to the City Attorney. A court may enjoin a violation of this section only upon a showing~~  
9 ~~of clear and convincing evidence of a violation.~~

10  
11 **SEC. 1.158. MAJOR DONORS - FINANCIAL DISCLOSURES.**

12 (a) **Definitions.** Whenever in this Section 1.158 the following words or phrases are used, they  
13 shall mean:

14 "Business entity" shall mean any corporation, partnership, or other legal entity that is not a  
15 natural person, but shall not include any nonprofit organization that is exempt from taxation under  
16 Section 501(c) of the United States Internal Revenue Code.

17 "Committee" shall mean any committee that: (1) qualifies as committee pursuant to Section  
18 82013 of the California Government Code, including as that Section may be amended in the future; and  
19 (2) is required to file campaign statements with the Ethics Commission.

20 "Doing business" shall be defined as set forth in Title 2, Section 18230 of the California Code  
21 of Regulations.

22 "Immediate family" shall be defined as spouse, registered domestic partner, and any dependent  
23 children; "dependent child" shall be defined as set forth in Title 2, Section 18229.1 of the California  
24 Code of Regulations.

1           “Investment” shall be defined as set forth in Section 82034 of the California Government Code  
2 and Title 2, Section 18237 of the California Code of Regulations.

3           **(b) Financial disclosures.**

4           **(1) Required disclosures.** Any entity or person who during a calendar year contributes  
5 \$10,000 or more to a single committee, must disclose the following financial interests, within 24 hours  
6 of meeting the \$10,000 threshold:

7                   **(A) All investments worth \$10,000 or more in any business entity located in or**  
8 doing business in San Francisco held by the contributor or a member of the contributor’s immediate  
9 family; provided that the following investments do not need to be disclosed:

10                           **(i) government bonds (including municipal bonds), diversified mutual**  
11 funds, or exchange traded funds;

12                           **(ii) bank accounts, savings accounts, money market funds, or certificates**  
13 of deposit;

14                           **(iii) insurance policies;**

15                           **(iv) annuities;**

16                           **(v) commodities;**

17                           **(vi) shares in a credit union;**

18                           **(vii) investments in defined-benefit pension funds through a government**  
19 employer; and

20                           **(viii) investments held in a blind trust.**

21                   **(B) All business entities located in or doing business in San Francisco in which**  
22 the contributor holds the position of and receives compensation as director, officer, partner, trustee,  
23 employee, or any position of management.

24           **(2) Filing.** Persons required to make the disclosures required by subsection (b)(1) shall  
25 disclose such information by filing a form, to be specified by the Ethics Commission, with that agency.

1 (A) For any disclosure required by subsection (b)(1)(A), the disclosure shall  
2 include the name of business entity, a general description of the business entity, the nature of the  
3 investment, the date on which the investment was acquired, and the fair market value of the investment.  
4 The fair market value of the investment shall be disclosed according to the following ranges: \$10,000-  
5 \$100,000, \$100,000-\$1,000,000 or \$1,000,000 or more.

6 (B) For any disclosure required by subsection (b)(1)(B), the disclosure shall  
7 include the name of the business and a general description of the business entity.

8  
9 **SEC. 1.161. CAMPAIGN ADVERTISEMENTS.**

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

15 (1) TOP ~~TWO~~ THREE CONTRIBUTORS. The disclaimer requirements for  
16 primarily formed independent expenditure committees and primarily formed ballot measure  
17 committees set forth in the Political Reform Act with respect to a committee's top ~~two~~ three  
18 major contributors shall apply to contributors of ~~\$20,000~~ \$10,000 or more. The Ethics  
19 Commission may adjust this monetary threshold to reflect any increases or decreases in the  
20 Consumer Price Index. Such adjustments shall be rounded off to the nearest five thousand  
21 dollars.

22 (2) WEBSITE REFERRAL. Each disclaimer required by the Political Reform  
23 Act or its enabling regulations and by this section shall be followed in the same required  
24 format, size and speed by the following phrase: "Financial disclosures are available at

1 sfethics.org." A substantially similar statement that specifies the web site may be used as an  
2 alternative in audio communications.

3 (3) MASS MAILINGS AND SMALLER WRITTEN ADVERTISEMENTS. Any  
4 disclaimer required by the Political Reform Act and by this section on a mass mailing, door  
5 hanger, flyer, poster, oversized campaign button or bumper sticker, or print advertisement  
6 shall be printed in at least 12-point font.

7 (4) CANDIDATE ADVERTISEMENTS. Advertisements by candidate  
8 committees shall include the following disclaimer statements: "Paid for by \_\_\_\_\_ (insert  
9 the name of the candidate committee)." and "Financial disclosures are available at  
10 sfethics.org." Except as provided in subsection (a)(3), the statements' format, size and speed  
11 shall comply with the disclaimer requirements for independent expenditures for or against a  
12 candidate set forth in the Political Reform Act and its enabling regulations.

13 (5) AUDIO AND VIDEO ADVERTISEMENTS. For audio advertisements, the  
14 disclaimers required by this Section 1.161 shall be spoken at the beginning of such advertisements.  
15 For video advertisements, the disclaimers required by this Section 1.161 shall be spoken at the  
16 beginning of such advertisements and appear in writing during the entirety of the advertisements.

17 \* \* \* \*

18  
19 **SEC. 1.162. ELECTIONEERING COMMUNICATIONS.**

20 **(a) DISCLAIMERS.**

21 (1) Every electioneering communication for which a statement is filed pursuant  
22 to subsection (b) shall include the following disclaimer: "Paid for by \_\_\_\_\_ (insert the  
23 name of the person who paid for the communication)." and "Financial disclosures are  
24 available at sfethics.org."

1                   (2) Any disclaimer required by this Section shall be included in or on an  
2 electioneering communication in a size, speed or format that complies with the disclaimer  
3 requirements for independent expenditures supporting or opposing candidates set forth in the  
4 Political Reform Act and its enabling regulations.

5                   (3) Notwithstanding subsection (a)(2), any disclaimer required by this Section:

6                   (A) to appear on a mass mailing, door hanger, flyer, poster, oversized  
7 campaign button or bumper sticker, or print advertisement shall be printed in at least ~~12-point~~  
8 14-point font;:

9                   (B) to be included in an audio advertisement, shall be spoken at the beginning of  
10 such advertisements; or

11                   (C) to be included in a video advertisement, shall be spoken at the beginning of  
12 such advertisements and appear in writing during the entirety of the advertisements.

13                   \* \* \* \*

14  
15                   **SEC. 1.168. ENFORCEMENT; ADVICE.**

16                   (a) ENFORCEMENT – GENERAL PROVISIONS. Any person who believes that a  
17 violation of this Chapter I has occurred may file a complaint with the Ethics Commission, City  
18 Attorney, or District Attorney. The Ethics Commission shall investigate such complaints  
19 pursuant to Charter Section C3.699-13 and its implementing regulations. The City Attorney  
20 and District Attorney shall investigate, and shall have such investigative powers as are  
21 necessary for the performance of their duties under this Chapter.

22                   (b) ENFORCEMENT – CIVIL ACTIONS. The City Attorney, or any ~~voter~~ resident, may  
23 bring a civil action to enjoin violations of or compel compliance with the provisions of this  
24 Chapter I.

1           (1) No ~~voter~~ resident may commence an action under this §subsection (b) without  
2 first providing written notice to the City Attorney of intent to commence an action. The notice  
3 shall include a statement of the grounds for believing a cause of action exists. The ~~voter~~  
4 resident shall deliver the notice to the City Attorney and the Ethics Commission at least 60 days  
5 in advance of filing an action. No ~~voter~~ resident may commence an action under this  
6 §subsection if the Ethics Commission has issued a finding of probable cause that the  
7 defendant violated the provisions of this Chapter, or if the City Attorney or District Attorney  
8 has commenced a civil or criminal action against the defendant, or if another ~~voter~~ resident has  
9 filed a civil action against the defendant under this §subsection.

10           (2) A Court may award reasonable attorney's fees and costs to any ~~voter~~ resident  
11 who obtains injunctive relief under this §subsection (b). If the Court finds that an action  
12 brought by a ~~voter~~ resident under this §subsection is frivolous, the Court may award the  
13 defendant reasonable attorney's fees and costs.

14           (c) STATUTE OF LIMITATIONS.

15           (1) **Criminal.** Prosecution for violation of this Chapter must be commenced  
16 within four years after the date on which the violation occurred.

17           (2) **Civil.** No civil action alleging a violation in connection with a campaign  
18 statement required under this Chapter shall be filed more than four years after an audit could  
19 begin, or more than one year after the Executive Director submits to the Commission any  
20 report of any audit conducted of the alleged violator, whichever period is less. Any other civil  
21 action alleging a violation of any provision of this Chapter shall be filed no more than four  
22 years after the date on which the violation occurred.

23           (3) **Administrative.** No administrative action alleging a violation of this Chapter  
24 and brought under Charter Section C3.699-13 shall be commenced more than four years after  
25 the date on which the violation occurred. The date on which the Commission forwards a

1 complaint or information in its possession regarding an alleged violation to the District  
2 Attorney and City Attorney as required by Charter Section C3.699-13 shall constitute the  
3 commencement of the administrative action.

4 (A) **Fraudulent Concealment.** If the person alleged to have violated this  
5 Chapter engages in the fraudulent concealment of his or her acts or identity, this four-year statute of  
6 limitations shall be tolled for the period of concealment. For purposes of this subsection, “fraudulent  
7 concealment” means the person knows of material facts related to his or her duties under this Chapter  
8 and knowingly conceals them in performing or omitting to perform those duties.

9 (4) **Collection of Fines and Penalties.** A civil action brought to collect fines or  
10 penalties imposed under this Chapter shall be commenced within four years after the date on  
11 which the monetary penalty or fine was imposed. For purposes of this Section, a fine or  
12 penalty is imposed when a court or administrative agency has issued a final decision in an  
13 enforcement action imposing a fine or penalty for a violation of this Chapter or the Executive  
14 Director has made a final decision regarding the amount of a late fine or penalty imposed  
15 under this Chapter. The Executive Director does not make a final decision regarding the  
16 amount of a late fine or penalty imposed under this Chapter until the Executive Director has  
17 made a determination to accept or not accept any request to waive a late fine or penalty  
18 where such waiver is expressly authorized by statute, ordinance, or regulation.

19 \* \* \* \*

20 (e) **DEBARMENT.**

21 The Ethics Commission may, after a hearing on the merits or pursuant to a stipulation among  
22 all parties, recommend that a Charging Official authorized to issue Orders of Debarment under  
23 Administrative Code Chapter 28 initiate debarment proceedings against any person in conformance  
24 with the procedures set forth in that Chapter.

1           **SEC. 1.170. PENALTIES.**

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

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

21           (c) ADMINISTRATIVE. Any person who ~~intentionally or negligently~~ violates any of the  
22 provisions of this Chapter I shall be liable in an administrative proceeding before the Ethics  
23 Commission held pursuant to the Charter for any penalties authorized therein.

24           \* \* \* \*



1 Section 2. The Campaign and Governmental Conduct Code, Article III, Chapter 2, is  
2 hereby amended by revising Section 3.203 and adding Sections 3.207, 3.209, and 3.231 to  
3 read as follows:

4 **SEC. 3.203. DEFINITIONS.**

5 Whenever in this Chapter 2 the following words or phrases are used, they shall mean:

6 “Anything of value” shall mean any money or property, ~~favor~~private financial advantage,  
7 service, payment, advance, forbearance, loan, or promise of future employment, but does not include  
8 compensation and expenses paid by the City, contributions as defined herein, or gifts that qualify for  
9 gift exceptions established by State or local law.

10 “Associated,” when used in reference to an organization, shall mean any organization in which  
11 an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or  
12 controls, directly or indirectly, and severally or in the aggregate, at least 10% of the equity, or of which  
13 an individual or a member of his or her immediate family is an authorized representative or agent.

14 “City elective officer” shall mean a person who holds the office of Mayor, Member of the Board  
15 of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor and Public Defender.

16 “Contribution” shall be defined as set forth in the California Political Reform Act, California  
17 Government Code section 81000, et seq.

18 “Fundraising” shall mean:

19 (a) requesting that another person make a contribution;

20 (b) inviting a person to a fundraising event;

21 (c) supplying names to be used for invitations to a fundraiser;

22 (d) permitting one’s name or signature to appear on a solicitation for contributions or an  
23 invitation to a fundraising event;

24 (e) permitting one’s official title to be used on a solicitation for contributions or an invitation to  
25 a fundraising event;

1 (f) providing the use of one's home or business for a fundraising event;

2 (g) paying for at least 20% of the costs of a fundraising event;

3 (h) hiring another person to conduct a fundraising event;

4 (i) delivering a contribution, other than one's own, by whatever means to a City elective  
5 officer, a candidate for City elective office, or a candidate-controlled committee; or

6 (j) acting as an agent or intermediary in connection with the making of a contribution.

7 "Immediate family" shall mean spouse, registered domestic partner, and dependent children.

8 ~~(a)~~ "Officer" shall mean any person holding City elective office; any member of a board  
9 or commission required by Article III, Chapter 1 of this Code to file a statements of economic  
10 interests; any person appointed as the chief executive officer under any such board or  
11 commission; the head of each City department; the Controller; and the City Administrator.

12 ~~(b) "City elective office" shall mean the offices of Mayor, Member of the Board of Supervisors,~~  
13 ~~City Attorney, District Attorney, Treasurer, Sheriff, Assessor and Public Defender.~~

14 "Solicit" shall mean personally requesting a contribution for any candidate or committee,  
15 either orally or in writing.

16 "Subordinate employee" shall mean an employee of any person whose official City  
17 responsibilities include directing or evaluating the performance of the employee or any of the  
18 employee's supervisors.

19  
20 **SEC. 3.207. ADDITIONAL CONFLICTS OF INTEREST FOR CITY ELECTIVE**  
21 **OFFICERS AND MEMBERS OF BOARDS AND COMMISSIONS.**

22 (a) **Prohibitions.** In addition to the restrictions set forth in Section 3.206 and other provisions  
23 of this Chapter 2, the following shall also constitute conflicts of interest for City elective officers and  
24 members of boards and commissions:

1                   (1) No City elective officer or member of a board or commission may use his or her  
2 public position or office to seek or obtain anything of value for the private or professional benefit of  
3 himself or herself, his or her immediate family, or for an organization with which he or she is  
4 associated.

5                   (2) No City elective officer or member of a board or commission may, directly or by  
6 means of an agent, give, offer, promise to give, withhold, or offer or promise to withhold his or her vote  
7 or influence, or promise to take or refrain from taking official action with respect to any proposed or  
8 pending matter in consideration of, or upon condition that, any other person make or refrain from  
9 making a contribution.

10                   (3) No person may offer or give to an officer, directly or indirectly, and no City elective  
11 officer or member of a board or commission may solicit or accept from any person, directly or  
12 indirectly, anything of value if it could reasonably be expected to influence the officer's vote, official  
13 actions, or judgment, or could reasonably be considered as a reward for any official action or inaction  
14 on the part of the officer. This subsection (a)(3) does not prohibit a City elective officer or member of a  
15 board or commission from engaging in outside employment.

16                   (b) **Exception: public generally.** The prohibition set forth in subsection (a)(1) shall not apply  
17 if the resulting benefit, advantage, or privilege also affects a significant segment of the public and the  
18 effect is not unique. For purposes of this subsection (b):

19                   (1) A significant segment of the public is at least 25% of:

20                           (A) all businesses or non-profit entities within the official's jurisdiction;

21                           (B) all real property, commercial real property, or residential real property  
22 within the official's jurisdiction; or

23                           (C) all individuals within the official's jurisdiction.

24                   (2) A unique effect on a public official's financial interest includes a disproportionate  
25 effect on:

1 (A) the development potential or use of the official's real property or on the  
2 income producing potential of the official's real property or business entity;

3 (B) an official's business entity or real property resulting from the proximity of  
4 a project that is the subject of a decision;

5 (C) an official's interests in business entities or real properties resulting from  
6 the cumulative effect of the official's multiple interests in similar entities or properties that is  
7 substantially greater than the effect on a single interest;

8 (D) an official's interest in a business entity or real property resulting from the  
9 official's substantially greater business volume or larger real property size when a decision affects all  
10 interests by the same or similar rate or percentage;

11 (E) a person's income, investments, assets or liabilities, or real property if the  
12 person is a source of income or gifts to the official; or

13 (F) an official's personal finances or those of his or her immediate family.

14  
15 **SEC. 3.209. RECUSALS.**

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

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

24 (2) recuse himself or herself from discussing or acting on the matter; and

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

3                   (b) **Recusal Notification.** A member of a City board or commission who is required to file a  
4 statement of economic interests pursuant to Article III, Chapter 1 of the Campaign and Governmental  
5 Conduct Code shall file a recusal notification form each time the member recuses himself or herself, as  
6 required by subsection (a).

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

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

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

14                           (A) the member's name;

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

16                           (C) the date of the meeting at which the recusal occurred or would have  
17 occurred;

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

20                           (E) the financial interest causing the recusal.

21                  (c) **Repeated Recusals.** In the event a member of a City board or commission recuses himself  
22 or herself, as required by subsection (a) during any 365 day period from acting on:

23                   (1) three or more agenda items by reason of the same investment in a business entity,  
24 the same interest in real property or the same source of income; or

1                   (2) 1% or more of the matters pending before the board or commission by reason of any  
2 investments in business entities, any interests in real property or any sources of income, the Ethics  
3 Commission shall examine the nature and extent of the conflict(s) of interest and shall determine  
4 whether the member has a significant and continuing conflict of interest. If the Ethics Commission so  
5 determines, the Ethics Commission may recommend to the official's appointing authority that the  
6 official divest or otherwise remove the conflicting interest, and, if the official fails to divest or otherwise  
7 remove the conflicting interest *within 90 days or as the Ethics Commission determines as reasonably*  
8 *practicable*, the Ethics Commission may recommend to the official's appointing authority that the  
9 official should be removed from office under Charter Section 15.105 or by other means.

10                   (d) **Exception.** The requirements of this Section 3.209 shall not apply to the members of the  
11 Board of Supervisors.

12  
13                   **SEC. 3.231. PROHIBITIONS ON POLITICAL ACTIVITY FOR CITY ELECTIVE**  
14 **OFFICERS AND MEMBERS OF BOARDS AND COMMISSIONS.**

15                   (a) **Solicitation of Campaign Volunteers.** No City elective officer or member of a board or  
16 commission shall solicit uncompensated volunteer services from any subordinate employee for a  
17 campaign for or against any ballot measure or candidate.

18                   (b) **Fundraising for Appointing Authorities.** No member of a board or commission may  
19 engage in fundraising on behalf of (1) the officer's appointing authority, if the appointing authority is a  
20 City elective officer; (2) any candidate for the office held by the officer's appointing authority; or (3)  
21 any committee controlled by the officer's appointing authority. For the purposes of this subsection,  
22 "member of a board or commission" shall not include a member of the Board of Supervisors.

1 Section 3. Section 1. The Campaign and Governmental Conduct Code, Article III,  
2 Chapter 6, is hereby amended by revising Sections 3.600, 3.610, 3.620, and by adding  
3 Sections 3.630, 3.640, 3.650, to read as follows:

4 **CHAPTER 6: BEHESTED PAYMENT REPORTING ~~FOR COMMISSIONERS~~**

5 **SEC. 3.600. DEFINITIONS.**

6 Whenever in this Chapter 6 the following words or phrases are used, they shall have  
7 the following meanings:

8 “Actively support or oppose” shall mean contact, testify in person before, or otherwise  
9 communicate in an attempt to influence an official or employees of a board or commission (including  
10 the Board of Supervisors), including use of an agent to do any such act.

11 “Agent” shall be defined as set forth in Title 2, Section 18438.3 of California Code of  
12 Regulations, as amended from time to time.

13 “At the behest of” shall mean under the control or at the direction of, in cooperation,  
14 consultation, coordination, or concert with, at the request or suggestion of, or with the express, prior  
15 consent of.

16 ~~“Auctioneer” shall mean any person who is engaged in the calling for, the recognition of, and~~  
17 ~~the acceptance of, offers for the purchase of goods at an auction.~~

18 “Behested payment” shall mean a payment that is made at the behest of an officer, or an agent  
19 thereof, and that is made principally for a legislative, governmental, or charitable purpose.

20 ~~“Behested Payment Report” shall mean the Fair Political Practices Commission Form 803, or~~  
21 ~~any other successor form, required by the Fair Political Practices Commission to fulfill the disclosure~~  
22 ~~requirements imposed by California Government Code Section 82015(b)(2)(B)(iii), as amended from~~  
23 ~~time to time.~~

24 ~~“Charitable Contribution” shall mean any monetary or non-monetary contribution to a~~  
25 ~~government agency, a bona fide public or private educational institution as defined in Section 203 of~~

1 ~~the California Revenue and Taxation Code, or an organization that is exempt from taxation under~~  
2 ~~either Section 501(c) or Section 527 of the United States Internal Revenue Code.~~

3 ~~“Commissioner” shall mean any member of a board or commission listed in Campaign and~~  
4 ~~Governmental Conduct Code Section 3.1-103(a)(1); provided, however, that “Commissioner” shall not~~  
5 ~~include any member of the Board of Supervisors.~~

6 “Contact” shall be defined as set forth in Section 2.106 of this Code.

7 “Financial interest” shall be defined as set forth in the California Political Reform Act  
8 (California Government Code Section 87100 et seq.), any subsequent amendments to these Sections,  
9 and its implementing regulations.

10 “Interested party” shall mean (i) any party, participant or agent of a party or participant  
11 involved in a proceeding regarding administrative enforcement, a license, a permit, or other  
12 entitlement for use before an officer or any board or commission (including the Board of Supervisors)  
13 on which the officer sits, or (ii) any person who actively supports or opposes a governmental decision  
14 by an officer or any board or commission (including the Board of Supervisors) on which the officer sits,  
15 if such person has a financial interest in the decision.

16 “License, permit, or other entitlement for use” shall be defined as set forth in California  
17 Government Code Section 84308, as amended from time to time.

18 “Officer” shall mean the Mayor, City Attorney, District Attorney, Treasurer, Sheriff, Assessor-  
19 Recorder, Public Defender, a Member of the Board of Supervisors, or any member of a board or  
20 commission who is required to file a Statement of Economic Interests, including all persons holding  
21 positions listed in Section 3.1-103(a)(1) of this Code.

22 “Payment” shall mean a monetary payment or the delivery of goods or services.

23 “Participant” shall be defined as set forth in California Government Code Section 84308  
24 and Title 2, Section 18438.4 of California Code of Regulations, as amended from time to time.



1 "Party" shall be defined as set forth in California Government Code Section 84308, as  
2 amended from time to time.

3 "Public appeal" shall mean a request for a payment when such request is made by means of  
4 television, radio, billboard, a public message on an online platform, the distribution of 500 or more  
5 identical pieces of printed material, or a speech to a group of 50 or more individuals.

6 "Relative" shall mean a spouse, domestic partner, parent, grandparent, child, sibling, parent-in-  
7 law, aunt, uncle, niece, nephew, and first cousin, and includes any similar step relationship or  
8 relationship created by adoption.

9  
10 **SEC. 3.610. REQUIRED FILING OF BEHESTED PAYMENT REPORTS.**

11 (a) **FILING REQUIREMENT.** ~~If a Commissioner directly or indirectly requests or solicits~~  
12 ~~any Charitable Contribution(s), or series of Charitable Contributions, from any party, participant or~~  
13 ~~agent of a party or participant involved in a proceeding regarding administrative enforcement, a~~  
14 ~~license, a permit, or other entitlement for use before the Commissioner's board or commission, the~~  
15 ~~Commissioner shall file a Behested Payment Report with the Ethics Commission in the following~~  
16 ~~circumstances: If an officer directly or indirectly requests or solicits any behested payment(s) from an~~  
17 ~~interested party, the officer shall file the behested payment report described in subsection (b) with the~~  
18 ~~Ethics Commission in the following circumstances:~~

19 (1) ~~if the party, participant or agent makes any Charitable Contribution, or series of~~  
20 ~~Charitable Contributions, totaling \$1,000 or more while the proceeding is pending, the Commissioner~~  
21 ~~shall file a Behested Payment Report within 30 days of the date on which the Charitable Contribution~~  
22 ~~was made, or if there has been a series of Charitable Contributions, within 30 days of the date on~~  
23 ~~which a Charitable Contribution causes the total amount of the contributions to total \$1,000 or more;~~  
24 ~~if the interested party makes any behested payment(s) totaling \$1,000 or more during the pendency of~~  
25 ~~the matter involving the interested party, the officer shall file a behested payment report within 30 days~~

1 of the date on which the behested payment was made, or if there has been a series of behested  
2 payments, within 30 days of the date on which the behested payment(s) total \$1,000 or more;

3 ~~(2) if the party, participant or agent makes any Charitable Contribution, or series of~~  
4 ~~Charitable Contributions, totaling \$1,000 or more during the three months following the date a final~~  
5 ~~decision is rendered in the proceeding, the Commissioner shall file a Behested Payment Report within~~  
6 ~~30 days of the date on which the Charitable Contribution was made, or if there has been a series of~~  
7 ~~Charitable Contributions, within 30 days of the date on which a Charitable Contribution causes the~~  
8 ~~total amount of the contributions to total \$1,000 or more; and if the interested party makes any~~  
9 ~~behested payment(s) totaling \$1,000 or more during the six months following the date on which a final~~  
10 ~~decision is rendered in the matter involving the interested party, the officer shall file a behested~~  
11 ~~payment report within 30 days of the date on which the behested payment was made, or if there has~~  
12 ~~been a series of behested payments, within 30 days of the date on which the behested payment(s) total~~  
13 ~~\$1,000 or more; and~~

14 ~~(3) if the party, participant or agent made any Charitable Contribution, or series of~~  
15 ~~Charitable Contributions, totaling \$1,000 or more in the 12 months prior to the commencement of a~~  
16 ~~proceeding, the Commissioner shall file a Behested Payment Report within 30 days of the date the~~  
17 ~~Commissioner knew or should have known that the source of the Charitable Contribution(s) became a~~  
18 ~~party, participant or agent in a proceeding before the Commissioner's board or commission. if the~~  
19 ~~interested party made any behested payment(s) totaling \$1,000 or more in the 12 months prior to the~~  
20 ~~commencement of a matter involving the interested party, the officer shall file a behested payment~~  
21 ~~report within 30 days of the date the officer knew or should have known that the source of the behested~~  
22 ~~payment(s) became an interested party.~~

23 (b) **BEHESTED PAYMENT REPORT.** The behested payment report shall include the  
24 following:

25 (1) name of payor;

1                   (2) address of payor;

2                   (3) amount of the payment(s);

3                   (4) date(s) the payment(s) were made,

4                   (5) the name and address of the payee(s),

5                   (6) a brief description of the goods or services provided or purchased, if any, and a  
6 description of the specific purpose or event for which the payment(s) were made;

7                   (7) if the officer or the officer's relative, staff member, or paid campaign staff, is an  
8 officer, executive, member of the board of directors, staff member or authorized agent for the recipient  
9 of the behested payment(s), such individual's name, relation to the officer, and position held with the  
10 payee;

11                   (8) if the payee has created or distributed 200 or more substantially similar  
12 communications featuring the officer within the six months prior to the deadline for filing the behested  
13 payment report, a brief description of such communication(s), the purpose of the communication(s), the  
14 number of communication(s) distributed, and a copy of the communication(s); and

15                   (9) if in the six months following the deadline for filing the behested payment report, the  
16 payee has created or distributed 200 or more substantially similar communications featuring the  
17 officer, the officer shall file an amended payment report that discloses a brief description of such  
18 communication(s), the purpose of the communication(s), the number of communication(s) distributed,  
19 and a copy of the communication(s).

20                   (c) **AMENDMENTS.** If any of the information previously disclosed on a behested payment  
21 report changes during the pendency of the matter involving the interested party, or within six months of  
22 the final decision in such matter, the officer shall file an amended behested payment report.

23                   (d) **PUBLIC APPEALS.** Notwithstanding subsection (a), no officer shall be required to report  
24 any behested payment that is made solely in response to a public appeal.

1           (e) **NOTICE.** If an officer solicits or otherwise requests, in any manner other than a public  
2 appeal, that any person make a behested payment, the official or his agent must notify that person that  
3 if the person makes any behested payment in response to the solicitation or request, the person may be  
4 subject to the disclosure and notice requirements in Section 3.620.

5           (b) (f) **WEBSITE POSTING.** The Ethics Commission shall make available through its  
6 website all ~~B~~behested ~~P~~ayment ~~R~~eports it receives from ~~C~~ommissioners officers.

7           (c) ~~PENALTIES.~~ ~~A Commissioner who fails to comply with this Section 3.610 is subject to the~~  
8 ~~administrative process and penalties set forth in Section 3.242(d).~~

9           (d) ~~EXCEPTION.~~ ~~A Commissioner has no obligation to file Behested Payment Reports, as~~  
10 ~~required by subsection (a), if the Commissioner solicited Charitable Contributions by acting as an~~  
11 ~~auctioneer at a fundraising event for a nonprofit organization that is exempt from taxation under~~  
12 ~~Section 501(c)(3) of the United States Internal Revenue Code.~~

13  
14           **SEC. 3.620. FILING BY DONORS.**

15           (a) **REPORT.** Any interested party who makes a behested payment, or series of behested  
16 payments in a calendar year, of \$1,000 or more must disclose, within 30 days following the date on  
17 which the payment(s) totals \$1,000 or more:

18                   (1) the proceeding the interested party is or was involved in;

19                   (2) the decisions the interested party actively supports or opposes;

20                   (3) the outcome(s) the interested party is or was seeking in such proceedings or  
21 decisions; and

22                   (4) any contact(s) the interested party made in relation to such proceedings or  
23 decisions.

24           (b) **NOTICE.** Any person who makes a behested payment must notify the recipient that the  
25 payment is a behested payment, at the time the payment is made.

1  
2 **SEC. 3.630. FILING BY RECIPIENTS OF MAJOR BEHESTED PAYMENTS.**

3 **(a) MAJOR BEHESTED PAYMENT REPORT.** *Any person who receives a behested*  
4 *payment, or a series of behested payments, received during a calendar year, totaling \$100,000 or more*  
5 *that was made at the behest of any officer must do the following:*

6 *(1) within 30 days following the date on which the payment(s) total \$100,000 or more,*  
7 *notify the Ethics Commission that the person has received such payment(s) and specify the date on*  
8 *which the payment(s) equaled or exceeded \$100,000;*

9 *(2) within 13 months following the date on which the payment(s) or payments total*  
10 *\$100,000 or more, but at least 12 months following the date on which the payment(s) total \$100,000 or*  
11 *more, disclose:*

12 *(i) all payments made by the person that were funded in whole or in part by the*  
13 *behested payment(s) made at the behest of the officer; and*

14 *(ii) if the person has actively supported or opposed any City decision(s)*  
15 *involving the officer in the 12 months following the date on which the payment(s) were made:*

16 *(A) the proceeding the person is or was involved in;*

17 *(B) the decision(s) the person actively supported or opposed;*

18 *(C) the outcome(s) the person is or was seeking in such proceedings or*  
19 *decisions; and*

20 *(D) any contact(s) the person made in relation to such proceedings or*  
21 *decisions.*

22 **(b) EXCEPTION.** *Subsection (a) does not apply if the entity receiving the behested payment is*  
23 *a City department.*

24 **(c) NOTICE REQUIRED.** *If a recipient of a behested payment does not receive the notice, as*  
25 *required under Section 3.620, that a particular payment is a behested payment, the recipient will not be*

1 subject to penalties under Section 3.650, as regards that particular payment, for failure to file pursuant  
2 to subsection (a) unless it is clear from the circumstances that the recipient knew or should have known  
3 that the payment was made at the behest of an officer.

4  
5 **SEC. ~~3.620~~ 3.640. REGULATIONS.**

6 (a) The Ethics Commission may adopt rules, regulations, and guidelines for the  
7 implementation of this Chapter 6.

8 (b) The Ethics Commission may, by regulation, require persons ~~Commissioners~~ to  
9 electronically submit any ~~substantially the same~~ information ~~as~~ required ~~by the Behested Payment~~  
10 ~~Report~~ to fulfill their obligations under ~~Section 3.610~~ this Chapter 6.

11  
12 **SEC. 3.650. PENALTIES.**

13 Any party who fails to comply with any provision of this Chapter 6 is subject to the  
14 administrative process and penalties set forth in Section 3.242(d) of this Code.

15  
16 Section 4. Effective ~~and Operative~~ Dates. This ordinance shall become effective 30  
17 days after enactment. ~~This ordinance shall become operative on January 1, 2019.~~  
18 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
19 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of  
20 Supervisors overrides the Mayor's veto of the ordinance.

21  
22 ~~Section 5. Appropriation. There is hereby appropriated \$158,900 from the General~~  
23 ~~Reserve to fund administrative and enforcement costs required to implement this ordinance,~~  
24 ~~which shall be appropriated and made available 30 days after the Board of Supervisors~~  
25 ~~declares the results of the June 5, 2018 election. Any portion of this appropriation that~~

1 ~~remains unspent at the end of Fiscal Year 2018-19 shall be carried forward and spent in~~  
2 ~~subsequent years for the same purpose. Additionally, it shall be City policy in all fiscal years~~  
3 ~~following depletion of this original appropriation that the Board of Supervisors shall annually~~  
4 ~~appropriate \$5,000 for this purpose, to be adjusted annually to reflect changes in the~~  
5 ~~California Consumer Price Index and rounded off to the nearest \$100.~~

6  
7 ~~Section 6. Amendment or Repeal. The Board of Supervisors may amend this~~  
8 ~~ordinance, without further voter approval, if all of the following conditions are met:~~

9 ~~(a) the amendment furthers the purposes of this ordinance;~~

10 ~~(b) the Ethics Commission approves the proposed amendment in advance by at least~~  
11 ~~a four-fifths vote of all its members;~~

12 ~~(c) the proposed amendment is available for public review at least 30 days before the~~  
13 ~~amendment is considered by the Board of Supervisors or any committee of the Board of~~  
14 ~~Supervisors; and~~

15 ~~(d) the Board of Supervisors approves the proposed amendment by at least a two-~~  
16 ~~thirds vote of all its members.~~

17  
18 Section 57. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
19 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
20 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
21 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
22 additions, and Board amendment deletions in accordance with the "Note" that appears under  
23 the official title of the ordinance.

1           Section 68. Severability. If any section, subsection, sentence, clause, phrase, or word  
2 of this ordinance, or any application thereof to any person or circumstance, is held to be  
3 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
4 shall not affect the validity of the remaining portions or applications of the ordinance. The  
5 Board of Supervisors hereby declares that it would have passed this ordinance and each and  
6 every section, subsection, sentence, clause, phrase, and word not declared invalid or  
7 unconstitutional without regard to whether any other portion of this ordinance or application  
8 thereof would be subsequently declared invalid or unconstitutional.

9  
10 APPROVED AS TO FORM:  
11 DENNIS J. HERRERA, City Attorney

12 By: \_\_\_\_\_  
13       ANDREW SHEN  
14       Deputy City Attorney

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# ETHICS COMMISSION

## CITY AND COUNTY OF SAN FRANCISCO

PETER KEANE  
CHAIRPERSON

DAINA CHIU  
VICE-CHAIRPERSON

PAUL A. RENNE  
COMMISSIONER

QUENTIN L. KOPP  
COMMISSIONER

YVONNE LEE  
COMMISSIONER

LEEANN PELHAM  
EXECUTIVE DIRECTOR

**Date:** February 14, 2018

**To:** Members, San Francisco Ethics Commission

**From:** Pat Ford, Policy Analyst  
Kyle Kundert, Senior Policy Analyst

**Re:** **Agenda Item 4 – Revised Staff memorandum introducing revised version of the 2017 Anti-Corruption and Accountability Ordinance (“ACAO”)**

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**Summary:** This memorandum introduces a revised version of the proposed 2017 San Francisco Anti-Corruption and Accountability Ordinance (“ACAO”) based on legislative feedback received following its referral to the Board of Supervisors.

**Action Requested:** Staff recommends that the Commission adopt the revised ACAO proposed and presented in Attachment 1 and vote to place the ordinance on the ballot for the June 5, 2018 election.

Section I of this memorandum provides an update on the procedural history of the Ordinance since its approval by the Commission at its regular meeting on November 27, 2017. Section II summarizes the main concerns about the Ordinance that have been expressed by members of the Board of Supervisors and explains the amendments that Staff proposes to address these concerns. This revised ordinance appears as Attachment 1. Section III summarizes a recent proposal by Supervisor Peskin to require financial disclosures by all major donors. The text of this proposal is appears as Attachment II.

### I. Update on the Progress of the Ordinance Since Approval by the Commission

On November 27, 2017, the Commission voted 4-1 to approve the Anti-Corruption and Accountability Ordinance (the “Ordinance”) and recommend it to the Board of Supervisors (the “Board”) for final passage into law. Staff transmitted the text of the Ordinance to the Clerk of the Board on November 30th. When the Board returned from recess on January 9, 2018, the Ordinance was assigned to the Rules Committee and placed on a thirty-day hold. Through a request by the Chair and Vice Chair, the Commission obtained a waiver of the thirty-day rule from Board President London Breed so that formal discussion of the Ordinance could begin as soon as possible.

After Staff provided a budget impact estimate for the Ordinance that exceeded \$200,000, the Ordinance was transferred from the Rules Committee to the Budget and Finance Committee

(the “Committee”).<sup>1</sup> The Committee held its first hearing on the Ordinance on February 1<sup>st</sup>, and Executive Director Pelham, Kyle Kundert, and Pat Ford presented the Ordinance and answered questions. In addition to the members of the Committee (Supervisors Cohen, Fewer, and Stefani), the hearing was attended by Supervisors Peskin and Tang, who provided additional comments on the Ordinance. Members of the public, including representatives of the non-profit community, also provided comment during the hearing.

At the request of Chair Keane, Staff met with Vice Chair Chiu and Commissioner Renne on February 6 to discuss the concerns expressed at the Budget and Finance Committee and assess whether any amendments might be appropriate to address concerns raised at the hearing.

**II. Main Criticisms Expressed by Members of the Board**

A. Section 1.114.5(a) – Contributor Card Requirement

<b>Section Summary</b>
Section 1.114.5(a) would require committees to collect a signed contributor card from any contributor giving \$100 or more to the committee. The card would include the name, address, and employment of the contributor. By signing the card, a contributor would be also be attesting that the contribution does not violate certain restrictions on contributions (e.g. the \$500 contribution limit, lobbyist restrictions, and City contractor restrictions). Any committee that collects a signed contributions card will benefit from a rebuttable presumption that the corresponding contribution does not violate those particular restrictions.
<b>Criticism</b>
<ul style="list-style-type: none"> <li>This requirement is too burdensome on committees and contributors. It will suppress contributions by small donors.</li> </ul>
<b>Proposed Amendment</b>
<ul style="list-style-type: none"> <li>Attachment 1 proposes to amend the section to make the contributor card voluntary, rather than mandatory. Collecting a signed contribution card would still trigger the presumption that the contribution does not constitute a prohibited source contribution. This provides a tool for committees to perform due diligence on contribution sources without creating a legal requirement that could suppress small contributions.</li> </ul>

B. Section 1.125 – Disclosure of Bundling

<b>Section Summary</b>
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<sup>1</sup>Subsequent budget impact analysis that incorporates the use more economical filing systems (e.g. DocuSign) have shown that the impact will likely be closer to \$160,000.

Section 1.125 would require a committee to file a disclosure form whenever it receives \$5,000 or more in contributions in a single year that were bundled by a single person. Bundling is delivering or transmitting a contribution other than one’s own, with exceptions for candidates, campaign staff, and volunteers. The disclosure form would state which contributions were bundled, who the bundler was, and whether the bundler had attempted to influence the candidate within the last twelve months.

**Criticism**

- The disclosure regarding whether the bundler has attempted to influence the candidate in the last twelve months is ambiguous. “Attempt to influence” is not defined.

**Proposed Amendment**

- Attachment 1 proposes to delete the disclosure regarding *attempts to influence* so that committees only need to disclose which contributions were bundled and by whom. This would still allow the public to see who is bundling for a particular candidate and to make connections between that activity and any subsequent benefit bestowed on the bundler by the candidate.

C. Section 1.127 – Contributions by Persons with a Financial Interest in a Land Use Matter

**Section Summary**

Section 1.127 would prohibit parties with a financial interest in a land use matter pending before a City department from making a contribution to the Mayor, the City Attorney, a member of the Board of Supervisors, or a candidate for any of these offices. An exception would allow such persons to make an otherwise prohibited contribution if the person with a financial interest in a land use matter is a 501(c)(3) organization that is wholly or substantially funded by the City and the land use matter concerns the provision of housing, healthcare, or other social welfare services to low-income City residents.

**Criticism**

- There is no clear basis for the mayor, city attorney, and members of the board of supervisors to be singled out in this prohibition as having a strong nexus to land use decisions.
- There should be an overall project threshold that a project must meet in order for interested parties to be subject to the contribution restriction.
- The notice requirements are too burdensome. They require City departments and parties filing applications to make various filings with the Ethics Commission that will be unnecessarily complex.
- The definition of *land use matter* is arbitrary; it excludes some land use decisions that should be included, and includes others that should not. For example, it fails to distinguish between the various types of discretionary reviews.
- The definition of *developer* is arbitrary and does not reflect real world land use transactions.

**Proposed Amendment**

- Attachment 1 proposes to strike this provision from the Ordinance entirely. Considering the highly diffuse and technical nature of land use decision making in the City, a contribution restriction based on participation in a land use matter would likely be better executed through a separate process that can properly address the various concerns raised by members of the Board. Staff recommends that these issues and approaches continue to be explored and refined to identify how they might be addressed legislatively in the future.

D. Section 3.207 – Conflict of Interest Provisions

**Section Summary**

Section 3.207 would add various new conflict-of-interest provisions to City law. These include:

- (1) no City official may use his position to seek a personal benefit for himself, his family, or an organization with which he is associated;
- (2) no City elected official may promise an official action in exchange for a contribution; and,
- (3) no City elected official may accept (and no person may offer or give) anything of value if it could be reasonably expected to influence the official’s official actions.

**Criticism**

- The definition of “anything of value” is too broad. Including the words “property, favor, service” goes too far. There should have to be a monetary value to any item that constitutes “anything of value.”
- When referring to an organization with which an official is “associated,” the Ordinance should not include an organization for which the official or his family member is an “authorized representative or agent.” This could capture volunteers, and the rule should only apply if the official or his family member is a paid employee or independent contractor for the organization.

**No Proposed Amendment**

- Attachment 1 makes no change to Section 3.207.
- Although the term *anything of value* is broad, the impact of that breadth is restricted by the fact that a conflict only exists if the receipt of anything of value “could *reasonably* be expected to influence [an] officer’s ... official actions ....” It is not reasonable to expect that an item of *de minimis* value would influence an official’s vote or judgment, and, therefore, this

activity would not constitute a conflict of interest. This *reasonableness* inquiry, and not merely whether anything of value was given or accepted, is the core of the analysis behind Section 3.207(a)(3).

- The definition of *associated* should include organizations for which an official (or her family member) serves in an unpaid capacity. If this term were narrowed to only include groups that pay an official or the official’s family member for services, this would allow for conduct that clearly goes against the intent of Section 3.207(a)(1). For example, under the narrowed “paid work only” definition of *associated*, an official would not be prohibited from using her public position to obtain something of value for an organization for which that official serves as an unpaid director.

E. Section 3.209 – Repeated Recusals

<b>Section Summary</b>
Section 3.209 would create a procedure for the Ethics Commission to review instances in which a board or commission member recuses herself repeatedly from board or commission matters. The procedure would be triggered by three or more recusals within one year, or recusal from 1% or more of the body’s matters in a given year. The Ethics Commission would review the recusals and issue a written determination as to whether “the official has a significant and continuing conflict of interest.” The Ethics Commission may recommend to the official’s appointing authority that the official remove the conflict the interest and, if the conflict is not removed, be removed from office.
<b>Criticism</b>
<ul style="list-style-type: none"> <li>• This provision would punish board and commission members for properly recusing themselves. It would have the perverse consequence of inhibiting proper recusals.</li> <li>• It is not clear what constitutes a <i>matter</i> for purposes of calculating the number of matters in which an official recuses herself. Sometimes the same general matter comes before a commission in different forms and at different stages. This should be counted as one <i>matter</i>.</li> <li>• It is not clear how the Commission will discover and track recusals by board and commission members.</li> </ul>
<b>Proposed Amendment</b>
<ul style="list-style-type: none"> <li>• Attachment 1 proposes to amend the section to narrow the circumstances that trigger review, such that only repeated recusals by a City Board or Commission member stemming from the same financial or property interest would initiate review by the Commission.</li> <li>• Attachment 1 also amends the section to create a notification procedure. A member of a board or commission would file a recusal notification with the Commission within fifteen days of the meeting in which the member recused himself. The disclosure would require the</li> </ul>

member to state the personal interest that necessitated the recusal. This would allow the Commission to track recusals and personal interests for purposes of review.

- Both amendments track the statutory language in place in Los Angeles, where a workable recusal review process is in operation.

F. Section 3.600 *et seq.* – Behested Payment Disclosures

**Section Summary**

Chapter 6 of Article 3 already requires some degree of behested payment reporting by City Officials that goes beyond the requirements of state law. The Ordinance would amend these requirements to:

- (1) expand the reporting requirement to apply when a person making a behested payment actively supports or opposes a decision by the official who requested the payment, regardless of whether the donor has a financial interest in the decision;
- (2) require officials to disclose (a) whether the organization receiving a behested payment spends money to distribute communications featuring the official, and (b) whether the official, her relative, or her staff member are affiliated with the recipient organization;
- (3) require donors to disclose what matter before the official the donor is a party to or is actively supporting or opposing;
- (4) require certain recipients of behested payments to disclose how behested funds are spent;
- (5) create an exception for when a behest is made through a public communication; and
- (6) require elected officials, and not only members of boards and commissions, to file under local rules.

**Criticism**

- These changes are not necessary. Local behested payment reporting only became operative on January 1, 2018. Allow these new rules to be in effect for longer before making changes.
- The proposed rules go too far by also including behested payments where the donor is not a party or participant to matter before the official (a concept borrowed from California Government Code Section 84308), but merely actively supports or opposes an official decision in which they have no financial interest. This is especially troubling considering that testimony at a public proceeding (such as public comment at a commission meeting) could mean that a person actively supports or opposes a government decision.

**Proposed Amendment**

- Attachment 1 proposes to amend Section 3.600 so that a person can only be considered an interested party for actively supporting or opposing a government decision if the person has a financial interest in the decision. This would mean that a person who engages in public comment or otherwise tries to affect the outcome of a government decision would not be

considered an interested party if they have no financial interest in the outcome. If such a person were to make a payment at the behest of an official who is responsible for making the decision, this activity would not trigger disclosure under the Ordinance. If, on the other hand, the person did have a financial interest in the decision, the behested payment and the financial interest would have to be disclosed. This amendment preserves the core function of disclosing conduct that carries a risk of pay-to-play while avoiding any chilling effect on civic participation.

### **III. Proposal by Supervisor Peskin – Major Donor Financial Disclosures**

Following consideration of the Ordinance by the Committee, Staff received a proposal by Supervisor Peskin that would create a new disclosure requirement for major donors. Under the proposal, any person who contributes \$10,000 or more to a committee that files statements with the Commission would have to also file a statement listing the person’s major financial holdings. This proposal is attached here as Attachment 2 for the Commission’s review and consideration. Because of the recentness of this proposal, Staff has not had the full opportunity to analyze its implications. However, there are certain aspects of the proposal that the Commission should consider at the outset.

#### **A. Implementation Timeline**

Supervisor Peskin has expressed the desire for this proposal to become operative in time for the June 2018 election. It is highly unlikely that staff would be able to implement electronic filing of a new disclosure form in such a short time. Without implementing electronic filing, the proposed disclosure would have little informational value because all filings would have to be made on paper and the public would not be able to access the disclosures online.

#### **B. Burden on Contributions – Constitutional Concerns**

The proposal would require major donors to disclose their financial interests over \$10,000 within twenty-four hours of making contributions to a single committee totaling \$10,000. For certain donors, this could be an impracticable requirement. This is especially true for corporate donors and individuals with many holdings. If this requirement creates a high burden that chills political speech without a sufficient government interest, it could fail under a constitutional challenge. Staff wishes to engage the City Attorney’s office to review this aspect of the proposal.

#### **C. Retroactive Effect**

The proposal states that it will be retroactive to January 1, 2018. Regulated parties would have ten days after the ordinance becomes effective to file financial disclosures if they made contributions totaling \$10,000 to a committee since January 1st. Although Staff has not had the opportunity to review whether the proposal may legally include retroactive applicability, this feature is different from how other disclosure requirements have gone into effect and warrants further review by the Commission and the City Attorney.

#### D. Usefulness of Data

While there is obvious value in knowing the financial holdings of major donors, that value is dependent on also knowing which candidates or ballot measures the major donor's political payments are used to support or oppose. As written, the proposal will require all major donors to file financial disclosure but does not create any explicit connection between the major donor and a recipient committee or independent expenditure committee. This problem will be exacerbated by the fact that major donors and independent committees are often separated by multiple intermediary committees. In order to establish a connection between a major donor's financial holdings and his or her support of a candidate or ballot measure, one would need to trace the money back through these intermediary committees. Nothing in the proposal would facilitate this process of tracing back to the original source of political funds.

#### **Recommendation**

Staff recommends that the Commission adopt the changes proposed above and presented in Attachment 1 and vote to place the ordinance directly on the ballot for the June 5, 2018 election.



1 ~~written notice to the City Attorney. A court may enjoin a violation of this section only upon a showing~~  
2 ~~of clear and convincing evidence of a violation.~~

3  
4 **SEC. 1.158. MAJOR DONORS - FINANCIAL DISCLOSURES.**

5 **(a) Definitions.** Whenever in this Section 1.158 the following words or phrases are  
6 used, they shall mean:

7 “Business entity” shall mean any corporation, partnership, or other legal entity that is  
8 not a natural person, but shall not include any nonprofit organization that is exempt from  
9 taxation under Section 501(c) of the United States Internal Revenue Code.

10 “Committee” shall mean any committee that: (1) qualifies as committee pursuant to  
11 Section 82013 of the California Government Code, including as that Section may be amended  
12 in the future; and (2) is required to file campaign statements with the Ethics Commission.

13 “Doing business” shall be defined as set forth in Title 2, Section 18230 of the California  
14 Code of Regulations.

15 “Immediate family” shall be defined as spouse, registered domestic partner, and any  
16 dependent children; “dependent child” shall be defined as set forth in Title 2, Section 18229.1  
17 of the California Code of Regulations.

18 “Investment” shall be defined as set forth in Section 82034 of the California  
19 Government Code and Title 2, Section 18237 of the California Code of Regulations.

20 **(b) Financial disclosures.**

21 **(1) Required disclosures.** Any entity or person who during a calendar year  
22 contributes \$10,000 or more to a single committee, must disclose the following financial  
23 interests, within 24 hours of meeting the \$10,000 threshold:

1 (A) All investments worth \$10,000 or more in any business entity located  
2 in or doing business in San Francisco held by the contributor or a member of the contributor's  
3 immediate family; provided that the following investments do not need to be disclosed:

4 (i) government bonds (including municipal bonds), diversified  
5 mutual funds, or exchange traded funds;

6 (ii) bank accounts, savings accounts, money market funds, or  
7 certificates of deposit;

8 (iii) insurance policies;

9 (iv) annuities;

10 (v) commodities;

11 (vi) shares in a credit union;

12 (vii) investments in defined-benefit pension funds through a  
13 government employer; and

14 (viii) investments held in a blind trust.

15 (B) All business entities located in or doing business in San Francisco in  
16 which the contributor holds the position of and receives compensation as director, officer,  
17 partner, trustee, employee, or any position of management.

18 (2) Filing. Persons required to make the disclosures required by subsection  
19 (b)(1) shall disclose such information by filing a form, to be specified by the Ethics  
20 Commission, with that agency.

21 (A) For any disclosure required by subsection (b)(1)(A), the disclosure  
22 shall include the name of business entity, a general description of the business entity, the  
23 nature of the investment, the date on which the investment was acquired, and the fair market  
24 value of the investment. The fair market value of the investment shall be disclosed according  
25 to the following ranges: \$10,000-\$100,000, \$100,000-\$1,000,000 or \$1,000,000 or more.

1 (B) For any disclosure required by subsection (b)(1)(B), the disclosure  
2 shall include the name of the business and a general description of the business entity.  
3

4 **SEC. 1.161. CAMPAIGN ADVERTISEMENTS.**

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

10 (1) TOP TWO THREE CONTRIBUTORS. The disclaimer requirements for  
11 primarily formed independent expenditure committees and primarily formed ballot measure  
12 committees set forth in the Political Reform Act with respect to a committee's top two three  
13 major contributors shall apply to contributors of \$20,000 \$10,000 or more. The Ethics  
14 Commission may adjust this monetary threshold to reflect any increases or decreases in the  
15 Consumer Price Index. Such adjustments shall be rounded off to the nearest five thousand  
16 dollars.

17 (2) WEBSITE REFERRAL. Each disclaimer required by the Political Reform  
18 Act or its enabling regulations and by this section shall be followed in the same required  
19 format, size and speed by the following phrase: "Financial disclosures are available at  
20 sfethics.org." A substantially similar statement that specifies the web site may be used as an  
21 alternative in audio communications.

22 (3) MASS MAILINGS AND SMALLER WRITTEN ADVERTISEMENTS. Any  
23 disclaimer required by the Political Reform Act and by this section on a mass mailing, door  
24 hanger, flyer, poster, oversized campaign button or bumper sticker, or print advertisement  
25 shall be printed in at least 12-point font.

1 (4) CANDIDATE ADVERTISEMENTS. Advertisements by candidate  
2 committees shall include the following disclaimer statements: "Paid for by \_\_\_\_\_ (insert  
3 the name of the candidate committee)." and "Financial disclosures are available at  
4 sfethics.org." Except as provided in subsection (a)(3), the statements' format, size and speed  
5 shall comply with the disclaimer requirements for independent expenditures for or against a  
6 candidate set forth in the Political Reform Act and its enabling regulations.

7 (5) AUDIO AND VIDEO ADVERTISEMENTS. For audio advertisements, the  
8 disclaimers required by this Section 1.161 shall be spoken at the beginning of such  
9 advertisements. For video advertisements, the disclaimers required by this Section 1.161  
10 shall be spoken at the beginning of such advertisements and appear in writing during the  
11 entirety of the advertisements.

12 \* \* \* \*

13  
14 **SEC. 1.162. ELECTIONEERING COMMUNICATIONS.**

15 (a) DISCLAIMERS.

16 (1) Every electioneering communication for which a statement is filed pursuant  
17 to subsection (b) shall include the following disclaimer: "Paid for by \_\_\_\_\_ (insert the  
18 name of the person who paid for the communication)." and "Financial disclosures are  
19 available at sfethics.org."

20 (2) Any disclaimer required by this Section shall be included in or on an  
21 electioneering communication in a size, speed or format that complies with the disclaimer  
22 requirements for independent expenditures supporting or opposing candidates set forth in the  
23 Political Reform Act and its enabling regulations.

24 (3) Notwithstanding subsection (a)(2), any disclaimer required by this Section:  
25

1                   (A) to appear on a mass mailing, door hanger, flyer, poster, oversized  
2 campaign button or bumper sticker, or print advertisement shall be printed in at least 12-point  
3 font;

4                   (B) to be included in an audio advertisement, shall be spoken at the  
5 beginning of such advertisements; or

6                   (C) to be included in a video advertisement, shall be spoken at the  
7 beginning of such advertisements and appear in writing during the entirety of the  
8 advertisements.

9                   \* \* \* \*

10  
11                   **SEC. 1.168. ENFORCEMENT; ADVICE.**

12                   (a) ENFORCEMENT – GENERAL PROVISIONS. Any person who believes that a  
13 violation of this Chapter I has occurred may file a complaint with the Ethics Commission, City  
14 Attorney, or District Attorney. The Ethics Commission shall investigate such complaints  
15 pursuant to Charter Section C3.699-13 and its implementing regulations. The City Attorney  
16 and District Attorney shall investigate, and shall have such investigative powers as are  
17 necessary for the performance of their duties under this Chapter.

18                   (b) ENFORCEMENT – CIVIL ACTIONS. The City Attorney, or any ~~voter~~ resident, may  
19 bring a civil action to enjoin violations of or compel compliance with the provisions of this  
20 Chapter I.

21                   (1) No ~~voter~~ resident may commence an action under this ~~§~~ subsection (b) without  
22 first providing written notice to the City Attorney of intent to commence an action. The notice  
23 shall include a statement of the grounds for believing a cause of action exists. The ~~voter~~  
24 resident shall deliver the notice to the City Attorney and the Ethics Commission at least 60 days  
25 in advance of filing an action. No ~~voter~~ resident may commence an action under this

1 "Anything of value" shall mean any money or property, favor private financial advantage,  
2 service, payment, advance, forbearance, loan, or promise of future employment, but does not include  
3 compensation and expenses paid by the City, contributions as defined herein, or gifts that qualify for  
4 gift exceptions established by State or local law.

5 "Associated," when used in reference to an organization, shall mean any organization in which  
6 an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or  
7 controls, directly or indirectly, and severally or in the aggregate, at least 10% of the equity, or of which  
8 an individual or a member of his or her immediate family is an authorized representative or agent.

9 "City elective officer" shall mean a person who holds the office of Mayor, Member of the Board  
10 of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor and Public Defender.

11 "Contribution" shall be defined as set forth in the California Political Reform Act, California  
12 Government Code section 81000, et seq.

13 "Fundraising" shall mean:

14 (a) requesting that another person make a contribution;

15 (b) inviting a person to a fundraising event;

16 (c) supplying names to be used for invitations to a fundraiser;

17 (d) permitting one's name or signature to appear on a solicitation for contributions or an  
18 invitation to a fundraising event;

19 (e) permitting one's official title to be used on a solicitation for contributions or an invitation to  
20 a fundraising event;

21 (f) providing the use of one's home or business for a fundraising event;

22 (g) paying for at least 20% of the costs of a fundraising event;

23 (h) hiring another person to conduct a fundraising event;

24 (i) delivering a contribution, other than one's own, by whatever means to a City elective  
25 officer, a candidate for City elective office, or a candidate-controlled committee; or

1 (C) an official's interests in business entities or real properties resulting from  
2 the cumulative effect of the official's multiple interests in similar entities or properties that is  
3 substantially greater than the effect on a single interest;

4 (D) an official's interest in a business entity or real property resulting from the  
5 official's substantially greater business volume or larger real property size when a decision affects all  
6 interests by the same or similar rate or percentage;

7 (E) a person's income, investments, assets or liabilities, or real property if the  
8 person is a source of income or gifts to the official; or

9 (F) an official's personal finances or those of his or her immediate family.

10  
11 **SEC. 3.209. RECUSALS PROCEDURES.**

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

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

20 (2)-(b) recuse himself or herself from discussing or acting on the matter; and

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

23 **(b) Repeated Recusals.** If a member of a City board or commission, including a  
24 member of the Board of Supervisors, recuses himself or herself, as required by subsection  
25 (a), in any 12-month period from discussing or acting on:

1 ~~(1) three or more separate matters; or~~

2 ~~(2) 1% or more of the matters pending before the officer's board or commission,~~

3 ~~the Commission shall determine whether the official has a significant and continuing conflict of~~  
4 ~~interest. The Commission shall publish its written determination, including any discussion of~~  
5 ~~the official's factual circumstances and applicable law, on its website. Thereafter, if the~~  
6 ~~Commission determines that the official has a significant and continuing conflict of interest,~~  
7 ~~the official shall provide the Commission with written notification of subsequent recusals~~  
8 ~~resulting from the same conflicts of interest identified in the written determination. With~~  
9 ~~respect to such officials, the Commission may recommend to the official's appointing authority~~  
10 ~~that the official divest or otherwise remove the conflicting interest, and, if the official fails to~~  
11 ~~divest or otherwise remove the conflicting interest, the Commission may recommend to the~~  
12 ~~official's appointing authority that the official should be removed from office under Charter~~  
13 ~~Section 15.105 or by other means.~~

14  
15 **SEC. 3.231. PROHIBITIONS ON POLITICAL ACTIVITY FOR CITY ELECTIVE**  
16 **OFFICERS AND MEMBERS OF BOARDS AND COMMISSIONS.**

17 (a) Solicitation of Campaign Volunteers. No City elective officer or member of a board or  
18 commission shall solicit uncompensated volunteer services from any subordinate employee for a  
19 campaign for or against any ballot measure or candidate.

20 (b) Fundraising for Appointing Authorities. No member of a board or commission may  
21 engage in fundraising on behalf of (1) the officer's appointing authority, if the appointing authority is a  
22 City elective officer; (2) any candidate for the office held by the officer's appointing authority; or (3)  
23 any committee controlled by the officer's appointing authority. For the purposes of this subsection,  
24 "member of a board or commission" shall not include a member of the Board of Supervisors.



1 to subsection (a) unless it is clear from the circumstances that the recipient knew or should have known  
2 that the payment was made at the behest of an officer.

3  
4 **SEC. ~~3.620~~ 3.640. REGULATIONS.**

5 (a) The Ethics Commission may adopt rules, regulations, and guidelines for the  
6 implementation of this Chapter 6.

7 (b) The Ethics Commission may, by regulation, require persons ~~Commissioners~~ to  
8 electronically submit any ~~substantially the same~~ information ~~as~~ required ~~by the Behested Payment~~  
9 ~~Report~~ to fulfill their obligations under ~~Section 3.610~~ this Chapter 6.

10  
11 **SEC. 3.650. PENALTIES.**

12 Any party who fails to comply with any provision of this Chapter 6 is subject to the  
13 administrative process and penalties set forth in Section 3.242(d) of this Code.

14  
15 Section 4. Effective and Operative Dates. This ordinance shall become effective 30  
16 days after enactment. ~~This ordinance shall become operative on January 1, 2019.~~  
17 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
18 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of  
19 Supervisors overrides the Mayor's veto of the ordinance.

20  
21 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
22 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
23 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
24 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
25