

File No. 160699

Committee Item No. 10

Board Item No. 20

**COMMITTEE/BOARD OF SUPERVISORS**  
**AGENDA PACKET CONTENTS LIST**

Committee: Rules Committee

Date July 14, 2016

Board of Supervisors Meeting

Date July 19, 2016

**Cmte Board**

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
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Completed by: Derek Evans Date July 8, 2016  
Completed by: Derek Evans Date July 18, 2016

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

### RULES COMMITTEE

### SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Katy Tang, Chair  
Rules Committee

FROM: Derek Evans, Assistant Clerk

DATE: July 18, 2016

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, July 19, 2016

The following file should be presented as a **COMMITTEE REPORT** at the Board Meeting on Tuesday, July 19, 2016. This item was acted upon at the Rules Committee Meeting on Thursday, July 14, 2016, at 11:00 a.m., by the votes indicated.

**Item No. 81            File No. 160699**

**[Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees]**

Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

RECOMMENDED AS A COMMITTEE REPORT

Vote: Supervisor Katy Tang - Aye  
Supervisor Eric Mar - Aye  
Supervisor Malia Cohen - Aye

c: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Alisa Somera, Acting Legislative Deputy Director  
Jon Givner, Deputy City Attorney

1 [Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-  
2 Controlled General Purpose Committees]

3 **Motion ordering submitted to the voters an Ordinance amending the Campaign and**  
4 **Governmental Conduct Code to prohibit City elected officials from establishing**  
5 **candidate-controlled general purpose committees, at an election to be held on**  
6 **November 8, 2016.**

7  
8 MOVED, That the Board of Supervisors hereby submits the following ordinance to the  
9 voters of the City and County of San Francisco, at an election to be held on November 8,  
10 2016.

11  
12 **Ordinance amending the Campaign and Governmental Conduct Code to prohibit City**  
13 **elected officials from establishing candidate-controlled general purpose committees.**

14 NOTE: **Unchanged Code text and uncodified text** are in plain font.  
15 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
16 **Deletions to Codes** are in ~~italics Times New Roman font~~.  
17 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code subsections or  
18 parts of tables.

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

20 Section 1. The Campaign and Governmental Conduct Code is hereby amended by  
21 revising Sections 1.104 and 1.122, to read as follows:

22 **SEC. 1.104. DEFINITIONS.**

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

24 \* \* \* \*

25

1 "Candidate" shall be defined as set forth in the California Political Reform Act,  
2 California Government Code section 81000, et seq., but shall include only candidates for City  
3 elective office.

4 "Candidate committee" shall mean a ~~committee controlled by a candidate, and candidate-~~  
5 controlled committee that is primarily formed to support that candidate's election for City elective  
6 office.

7 "Candidate-controlled committee" shall mean a controlled committee that is controlled by a  
8 candidate.

9 \* \* \* \*

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

12 \* \* \* \*

13 "General purpose committee" shall be defined as set forth in the California Political  
14 Reform Act, California Government Code section 81000, et seq.

15 \* \* \* \*

16 **SEC. 1.122. SOLICITATION OR ACCEPTANCE OF CAMPAIGN CONTRIBUTIONS**  
17 **– LIMITATIONS.**

18 (a) DECLARATION OF INTENT REQUIRED. No candidate or candidate committee  
19 shall solicit or accept, or cause to be solicited or accepted, any contribution unless and until  
20 the candidate has filed a declaration of intention to become a candidate for a specific City  
21 elective office with the Department of Elections on a form prescribed by the Director of  
22 Elections.

23 No person shall file a declaration of intention to become a candidate for more than one  
24 City elective office.

25 (b) USE OF CAMPAIGN FUNDS.

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

12 (2) PROHIBITING CANDIDATE-CONTROLLED GENERAL PURPOSE

13 COMMITTEES. No candidate holding City elective office may control a candidate-controlled general  
14 purpose committee. Any candidate who controls a candidate-controlled general purpose committee  
15 prior to assuming City elective office shall return, use, or dispose of all funds held by the committee  
16 using the means specified in subsection (b)(4) within 90 days of the date that the candidate assumes  
17 office.

18 (23) WITHDRAWAL FROM CANDIDACY. If a candidate has withdrawn his or  
19 her candidacy, campaign funds held by that candidate's committee's Campaign Contribution  
20 Trust Account shall be:

21 (A) returned on a "last in, first out" basis to those persons who have  
22 made said contributions;

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

24 (C) donated to a charitable organization;

25 (D) used to pay outstanding campaign debts or accrued expenses;

1 (E) used to pay expenses associated with terminating the committee,  
2 such as bookkeeping, legal fees, preparation of campaign statements, and audits; or

3 (F) used for other permissible purposes established by the Ethics  
4 Commission by regulation.

5 (34) SURPLUS FUNDS. Surplus funds held by a candidate or committee shall  
6 be:

7 (A) returned on a "last in, first out" basis to those persons who have  
8 made said contributions;

9 (B) donated to a charitable organization;

10 (C) donated to the City and County of San Francisco;

11 (D) used to pay outstanding campaign debts or accrued expenses;

12 (E) used to pay expenses associated with terminating the committee,  
13 such as bookkeeping, legal fees, preparation of campaign statements, and audits; or

14 (F) used for other permissible purposes established by the Ethics  
15 Commission by regulation.

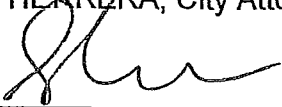
16 (c) TRANSFER OF FUNDS. Subject to the restrictions set forth in Subsection (b), at  
17 any time, funds held in a candidate committee's Campaign Contribution Trust Account may be  
18 transferred to any legally constituted committee established by the candidate under the  
19 California Political Reform Act, California Government Code section 81000 et seq.  
20 Contributions transferred under this subsection shall be attributed to specific contributors  
21 using a "first in, first out" or "last in, first out" accounting method.  
22

23 Section 2. Scope of Ordinance. In enacting this ordinance, the People of the City and  
24 County of San Francisco intend to amend only those words, phrases, paragraphs,  
25 subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other

1 constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions  
2 or deletions, in accordance with the "Note" that appears under the official title of the  
3 ordinance.

4  
5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

7 By:

  
8 ANDREW SHEN  
Deputy City Attorney

9 n:\egana\as2016\1600751\01110445.docx

**LEGISLATIVE DIGEST**

[Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees]

**Motion ordering submitted to the voters an Ordinance amending the Campaign and Governmental Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.**

Existing Law

1. Local Law

San Francisco Campaign and Governmental Conduct Code Section 1.122 restricts how local candidates may use their campaign funds, i.e., campaign contributions. Section 1.122(b)(1) provides that campaign funds may be used only to further a candidate's election to office, or for expenses associated with holding that office, so long as those expenditures are reasonably related to a legislative, governmental, or political purpose.

Section 1.122(b)(3) provides that "surplus funds," e.g., funds remaining in a candidate's campaign account after the candidate leaves City elective office, must be:

- returned on a "last in, first out" basis to contributors;
- donated to a charitable organization;
- donated to the City;
- used to pay outstanding campaign debts; or
- used to pay expenses associated with terminating the committee.

2. State Law

A "controlled committee" is a committee that is controlled directly or indirectly by a candidate. Cal. Gov. Code § 82016. A candidate controls a committee if he or she, his or her agent, or any other committee he or she controls has a significant influence on the actions or decisions of the committee. A candidate may exercise significant influence over a committee in various ways, including being involved with decision-making or developing or implementing campaign strategy for the committee. See Pirayou Adv. Ltr., FPPC Adv. I-10-159, 2010 WL 5481367 (Dec. 13, 2010).

Under state law, a candidate typically cannot control more than one committee, except for committees formed to support or oppose ballot measures. See Bagatelos Adv. Ltr., CA FPPC Adv. I-89-240, 1989 WL 572585 (May 31, 1989).



A “general purpose committee” is a committee that supports or opposes more than one candidate or ballot measure. Cal. Gov. Code § 82027.5. (In contrast, a “primarily formed committee” is a committee that supports or opposes a single candidate or measure. *Id.* § 82047.5.) Thus, a candidate-controlled general purpose committee may spend campaign funds to support or oppose multiple ballot measures.

Local elected officeholders are subject to both state and local law restrictions. So under existing law, a local officeholder could control a general purpose committee, but that committee could spend funds only on ballot measures, not to support or oppose other candidates.

#### Amendments to Current Law

The proposed amendments would amend Section 1.122 to prohibit local officeholders from controlling a general purpose committee. The amendments would also provide that if a local candidate controlled a general purpose committee prior to assuming office, the candidate would have 90 days to dispose of any campaign funds as surplus funds.

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## Evans, Derek

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**From:** Hepner, Lee (BOS)  
**Sent:** Thursday, June 30, 2016 2:13 PM  
**To:** Evans, Derek  
**Cc:** Quizon, Dyanna (BOS)  
**Subject:** FW: Ethics legislation

Hi Derek – see below. Let me know if that will suffice for the file.

Best,  
Lee

Lee Hepner  
*Legislative Aide*  
Supervisor Aaron Peskin  
415.554.7450 office  
415.554.7419 direct

**From:** Andrew Shen [mailto:Andrew.Shen@sfgov.org]  
**Sent:** Thursday, June 30, 2016 12:18 PM  
**To:** Hepner, Lee (BOS) <lee.hepner@SFGOV1.onmicrosoft.com>  
**Cc:** Pelham, LeeAnn (ETH) <leeann.pelham@sfgov.org>  
**Subject:** RE: Ethics legislation

Hi Lee,

The video (and audio) recording of Monday's meeting is available here:  
[http://sanfrancisco.granicus.com/ViewPublisher.php?view\\_id=142](http://sanfrancisco.granicus.com/ViewPublisher.php?view_id=142).

If you need something in writing that confirms that the Commission voted 4-0 in favor of Item 6, perhaps this meeting summary would suffice?

<http://www.sfethics.org/ethics/2016/06/meeting-summary-june-27-2016-summary-of-actions-taken-and-matters-discussed-at-ethics-commission-jun.html>

Hope this helps. Thanks.

Andrew Shen, Deputy City Attorney  
Office of the San Francisco City Attorney  
1 Dr. Carlton B. Goodlett Place, Suite 234  
San Francisco, CA 94102  
Direct dial: (415) 554-4780  
E-mail: [andrew.shen@sfgov.org](mailto:andrew.shen@sfgov.org)

SHARE

Meeting

## Summary – June 28, 2016 - Summary of Actions Taken and Matters Discussed at Ethics Commission June 27, 2016 Regular Meeting

Date: June 28, 2016

Contact: LeeAnn Pelham, Executive Director (415) 252-3100

At its regular meeting on June 27, 2016, the San Francisco Ethics Commission discussed the following matters and took the following actions:

- Voted unanimously 4-0 to approve the draft minutes for its regular meeting of May 23, 2016.
- Voted unanimously 4-0 to waive the attorney-client privilege in order to release the audio recording of the Ethics Commission's closed session held on June 23, 2014, regarding Agenda Item VI.
- Discussed a Staff report and took further public comment on a possible November 2016 ballot measure to restrict lobbyists' ability to provide gifts to City officers, make campaign contributions to local candidates, and bundle contributions. The Commission directed staff to provide two proposals for its consideration and possible action at its July 25, 2016 meeting.
- Discussed and voted unanimously 4-0 to support a proposal by Supervisor Peskin to prohibit City elected officials from establishing candidate-controlled general purpose committees.
- Discussed and took public comment on Ordinance proposed by Supervisor Peskin to amend the Campaign and Governmental Conduct Code to require members of City boards and commissions to file behested payment reports regarding the solicitation of charitable contributions. (Board of Supervisors File No.160478). The Commission asked Staff to provide a report regarding the proposed Ordinance for its consideration during its July 25, 2016 meeting.
- Discussed and approved Staff's proposed Ethics Commission Annual Policy Plan for FY2017.
- Discussed and took public comment on a possible amendment to the Ethics Commission's by-laws establishing a process for the Commission to respond to public records requests. The Commission indicated that a proposed by-law would be on the agenda for the Commission's consideration during its July 25, 2016 meeting.
- Discussed and received public comment on the June 2016 Executive Director's report.

Draft Minutes for the June 27, 2016 meeting will be available upon their completion and will be included on the Agenda for the Commission's next Regular Meeting. The next Regular Meeting of the Ethics Commission is scheduled for Monday, July 25, 2016 in Room 400 of City Hall at 5:30 pm.

For further information, please feel free to contact the Ethics Commission at (415) 252-3100.

###

The Ethics Commission, established in November 1993, serves the public, City employees and officials and candidates for public office through education and enforcement of ethics laws. Its duties include: filing and auditing of campaign finance disclosure statements, lobbyist and campaign consultant registration and regulation, administration of the public financing program, whistleblower program, conflict of interest reporting, investigations and enforcement, education and training, advice giving and statistical reporting. We invite you to follow our work at [www.sfethics.org](http://www.sfethics.org).

## Evans, Derek

---

**From:** Evans, Derek  
**Sent:** Monday, June 27, 2016 5:10 PM  
**To:** Rosenfield, Ben (CON)  
**Cc:** Rydstrom, Todd (CON); Lane, Maura (CON); Stevenson, Peg (CON)  
**Subject:** BOS Referral: File No. 160699 - Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees  
**Attachments:** 160699 Referral - Controller.pdf

Hello,

The Board of Supervisors' Rules Committee has received the following Motion to consider the proposed Initiative Ordinance for submission by the full Board, for the November 8, 2016, Election, introduced by Supervisor Peskin on June 14, 2016.

**File No. 160699                      Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees**

Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

Please review and prepare a financial analysis of the proposed measure prior to the first Rules Committee hearing.

If you have any questions or concerns please call me at (415) 554-7702 or email [derek.evans@sfgov.org](mailto:derek.evans@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Regards,

**Derek K. Evans**  
Assistant Clerk, Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244  
San Francisco, CA 94102  
Phone: (415) 554-7702 | Fax: (415) 554-5163  
[Derek.Evans@sfgov.org](mailto:Derek.Evans@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation, and archived matters since August 1998.

*Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

**Evans, Derek**

---

**From:** Evans, Derek  
**Sent:** Monday, June 27, 2016 5:06 PM  
**To:** Jones, Sarah (CPC)  
**Cc:** Navarrete, Joy (CPC); Poling, Jeanie (CPC); Rahaim, John (CPC); Rodgers, AnMarie (CPC)  
**Subject:** BOS Referral: File No. 160699 - Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees (Environmental Review)  
**Attachments:** 160699 Referral - CEQA.pdf

Hello,

The following legislation is being transmitted to you for environmental review:

**File No. 160699      Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees**

Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

Regards,

**Derek K. Evans**

Assistant Clerk, Board of Supervisors

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

Phone: (415) 554-7702 | Fax: (415) 554-5163

[Derek.Evans@sfgov.org](mailto:Derek.Evans@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

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## Evans, Derek

---

**From:** Evans, Derek  
**Sent:** Monday, June 27, 2016 5:05 PM  
**To:** Arntz, John (REG); Givner, Jon (CAT); Elliott, Nicole (MYR); Pelham, LeeAnn (ETH)  
**Cc:** Rodgers, AnMarie (CPC); Starr, Aaron (CPC); Sanchez, Scott (CPC)  
**Subject:** BOS Referral: File No. 160699 - Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees  
**Attachments:** 160699 Referral - Mandated.pdf

Hello,

The Board of Supervisors' Rules Committee has received the following Motion to consider the proposed Initiative Ordinance for submission by the full Board, for the November 8, 2016, Election, introduced by Supervisor Peskin on June 14, 2016.

**File No. 160699                      Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees**

Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

Please review and submit any reports or comments you wish to be included with the legislative file.

If you have any questions or concerns please call me at (415) 554-7702 or email [derek.evans@sfgov.org](mailto:derek.evans@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Regards,

**Derek K. Evans**  
Assistant Clerk, Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244  
San Francisco, CA 94102  
Phone: (415) 554-7702 | Fax: (415) 554-5163  
[Derek.Evans@sfgov.org](mailto:Derek.Evans@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

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**To:** Evans, Derek  
**cc:** Sömera, Alisá (BOS)  
**Subject:** RE: Rules July 14: Candidate-controlled General Purpose Committees

**From:** LARRY BUSH <sfwtrail@mac.com>

**Date:** July 11, 2016, 11:18:31 AM PDT

**To:** derek.evans@sfgov.org, London Breed <london.breed@sfgov.org>, kathy.tang@sfgov.org, eric.mar@sfgov.org, Malia Cohen <malia.cohen@sfgov.org>

**Cc:** Aaron Peskin <aaron.peskin@earthlink.net>, sharyn saslafsky <sasplanner@gmail.com>, Hulda Garfalo <hgarfolocgi@yahoo.com>, Oliver Luby <oliverlear@yahoo.com>, Joseph Kelly <joe@kellyandinbarren.com>, "Charles Marsteller" <cm\_marsteller@hotmail.com>, Elena Schmid <eschmid@sonic.net>, bob dockendorff <docks@sbcbglobal.net>, Paul H. Melbostad <pmelbostad@g3mh.com>, Marc Saloman <marcsalomon@gmail.com>, "Robert van Ravenswaay" <mr.vanravenswaay@gmail.com>, Bob Planthold <political\_bob@att.net>, Joe Julian <jjulian@sfsu.edu>, Paul Ryan <pryan@campaignlegalcenter.org>, Bob Stern <rstern2009@gmail.com>, "Alex Kaplan" <akaplan@represent.us>, Zach Goldfine <zachgoldfine@gmail.com>, <morganay28@gmail.com>, <gregorybryan@gmail.com>, "Implementation Review Committee" <ir-sfcgja@googlegroups.com>, Helen Grieco <hgrieco@commoncause.org>

**Subject:** Rules July 14: Candidate-controlled General Purpose Committees

Chair, Rules Committee Members:

Friends of Ethics respectfully submits our recommendation in support of the initiative ordinance or board action on the prohibition of Candidate-controlled General Purpose Committees (Item 160699).

The 2013-2014 Civil Grand Jury recommended that action be taken to close a loophole that allowed for unlimited contributions to be controlled by an officeholder or candidate over a period of years, without regard to any specific ballot measure, meanwhile paying for a political infrastructure that includes polling, consultants, fundraisers, attorneys, mail, ads, literature, and even to pay for an official's private legal defense in a case brought by the city, among other costs.

Even more alarming, a 2014 Superior Court decision in *FPPC v Reed* held that such committees may expend their funds to support or defeat candidates for offices other than the one they hold or seek. The road is open for machine politics of the worse kind, and in ways that voters earlier overwhelmingly sought to end with Proposition X and Proposition J, later amended out of existence.

The San Francisco Ethics Commission unanimously endorsed Supervisor Peskin's ballot proposal now before the Rules Committee, having heard earlier extensive testimony on the potential corrupting influence of unlimited donations by Bob Stern, co-author of the California Political Reform Act, and Corey Cook, then the Director of the Leo T. McCarthy Center for Public Service and the Common Good.

The San Francisco Ethics Commission's database reveals that more than \$700,000 was donated to candidate-controlled general purpose committees since 2012 in amounts as large as \$49,000, with many contributions at \$25,000 or \$40,000. The record shows the contributors were

primarily developers, lobbyists, industry groups, investors seeking tax laws with special benefits, builders seeking variances and others seeking city approvals on decisions by the same officials.

As Bob Stern testified before the June 5, 2015 San Francisco Ethics Commission, "The donor does not care how a contribution is used; the donor only cares about the gratitude of the officeholder. He stated that the donor at the very least wants access to the official; at the most, the donor wants a decision by the officeholder. He estimated that 90% of campaign money comes from people who want something from government."

Dr. Cook also testified that "the appearance of corruption and the potential for corruption is present. And I would add, as importantly in my view, is the potential to increase the cynicism and disengagement of the public through these convoluted and non-transparent campaign funding mechanisms." (taken from SF Ethics Commission June 5, 2015 minutes (<http://www.sfethics.org/ethics/2015/06/minutes-june-5-2015.html>))

These "candidate-controlled general purpose committees" are different in magnitude and potential corrupting influence from a candidate-controlled ballot measure committee. A ballot measure committee is for a specific ballot measure in a specific election. While it also can be controlled by a candidate or officeholder, the funds it collects are specifically intended to support a specific ballot measure.

A "candidate-controlled general purpose committee" by law is not about any specific ballot measure, any specific election, and may never be about a ballot measure since the law allows funds to be collected and spent for the mere prospect of a potential ballot measure. This is true even if the General Purpose Committee states that it is about "ballot measures."

Unlike a candidate-controlled ballot measure committee, the General Purpose committee can roll its funds over from one election to another—which is exactly what is taking place in San Francisco.

Friends of Ethics reviewed all the campaign filings at the state Fair Political Practices Commission and found that only San Francisco has an active "candidate-controlled General Purpose Committee" controlled by a local officeholder. Indeed, elsewhere officials appear to have come to the realization that such committees clearly circumvent the candidate contribution limits and operate with virtually no constraints on how the funds are spent.

A Friends of Ethics poll conducted by David Binder last month found that 67% of voters believe that campaign contributions and lobbying is having a negative impact on government in San Francisco. That high percentage held true in every supervisorial district, with the highest percentage of 75% in District 10.

Friends of Ethics recommends the Rules Committee approve and support the ballot measure and ordinance to ban candidate-controlled general purpose committees at its July 14 meeting and pass it to the full Board with a recommendation to approve.

Friends of Ethics consists of former Ethics Commissioners, past civil grand jury members, past leaders of San Francisco Common Cause, and other proponents of ethics in government.

Thank you for your consideration of our recommendation.

Larry Bush for Friends of Ethics  
(also a past SF Civil Grand Jury 2013-2014 member)




BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Nicole Elliott, Mayor's Office  
Jon Givner, Office of the City Attorney  
Naomi Kelly, City Administrator  
LeeAnn Pelham, Executive Director, Ethics Commission  
John Arntz, Director, Department of Elections

FROM:  Derek Evans, Clerk, Rules Committee  
Board of Supervisors

DATE: June 27, 2016

SUBJECT: INITIATIVE ORDINANCE MOTION INTRODUCED  
November 8, 2016, Election

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The Board of Supervisors' Rules Committee has received the following Motion to consider the proposed Initiative Ordinance for submission by the full Board, for the November 8, 2016, Election, introduced by Supervisor Peskin on June 14, 2016.

**File No. 160699 Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees**

Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

This matter is being referred to you in accordance with Board Rules of Order 2.22.4. Please review and submit any reports or comments you wish to be considered with the legislative files.

If you have any questions or concerns, please call me at (415) 554-7702 or email [derek.kevans@sfgov.org](mailto:derek.kevans@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:

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June 27, 2016

File Nos. 160699

Sarah Jones  
Environmental Review Officer  
Planning Department  
1650 Mission Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103

Dear Ms. Jones:

On June 14, 2016, Supervisor Peskin introduced the following Motion to consider the proposed Initiative Ordinance for submission by the full Board, for the November 8, 2016, Election:

**File No. 160699 Initiative Ordinance - Campaign and Governmental  
Conduct Code - Prohibiting Candidate-Controlled  
General Purpose Committees**

Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

These matters are being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink, appearing to read "Derek Evans".

By: Derek Evans, Clerk  
Rules Committee

Attachment

c: Joy Navarrete, Environmental Planner  
Jeanie Poling, Environmental Planner


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## MEMORANDUM

TO: Ben Rosenfield, City Controller

FROM:  Derek Evans, Clerk, Rules Committee  
Board of Supervisors

DATE: June 27, 2016

SUBJECT: INITIATIVE ORDINANCE MOTION INTRODUCED  
November 8, 2016, Election

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Motion ordering submitted to the voters an Ordinance amending the Campaign and Government Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees, at an election to be held on November 8, 2016.

This matter is being referred to you in accordance with Elections Code, Section 305(B)(2) and Rules of Order 2.22.3. Please review and prepare a financial analysis on the proposed measures prior to the first Rules Committee hearing.

If you have any questions or concerns please call me at (415) 554-7702 or email [derek.evans@sfgov.org](mailto:derek.evans@sfgov.org). To submit documentation, please forward to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Deputy City Controller  
Peg Stevenson, City Performance Director

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission       Youth Commission       Ethics Commission
- Planning Commission       Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.**

**Sponsor(s):**

Peskin

**Subject:**

Initiative Ordinance - Campaign and Governmental Conduct Code - Prohibiting Candidate-Controlled General Purpose Committees

**The text is listed below or attached:**

Motion ordering submitted to the voters an ordinance amending the Campaign and Governmental Conduct Code to prohibit City elected officials from establishing candidate-controlled general purpose committees at an election to be held on November 8, 2016.

Signature of Sponsoring Supervisor:

For Clerk's Use Only: