

San Francisco, CA Survey Results

Q1	Do you approve or disapprove of Governor Q4 Jerry Brown's job performance?		leaders and others seeking city approvals were	
	Approve70%		told to contribute to a specific candidate and not to contribute to another candidate by the	
	Disapprove16%		mayor Lee, with the participation of his to	p staff
Q2	Not sure		and top city Board of Supervisors members and that "we will be watching". Does this give you very serious concerns, somewhat serious concerns, minor concerns or no real concerns?	
			Very serious concerns	62%
	should ban appointees from fundraising or contributing to candidates for election to City Hall offices, or not? Think San Francisco should ban appointees from fundraising or contributing to candidates for election to City Hall offices	Q5	Somewhat serious concerns	21%
			Minor concerns	12%
			No real concerns	3%
			Not sure	2%
	Do not think San Francisco should ban appointees from fundraising or contributing to candidates for election to City Hall offices24% Not sure		At the same meeting, billionaire City Hall insider Ron Conway also said that if the developer donated money to the mayor's favorite candidate, that Conway would make a	
Q3	California allows for elected officials to ask others to write checks for a special purpose, as it did for the America's Cup debts or to celebrate City Hall's 100th anniversary. This request can come at the same time the potential donor has decisions being made by		donation in an equal amount to an organization supported by the developer. Does this give you very serious concerns, somewhat serious concerns, minor concerns or no real concerns about Ron Conway and the candidates he supports?	
	the official who requests the check. Do you think people who have pending decisions being made by public officials should be banned from being able to write checks for a special purpose at that official's request, or not? Think people who have pending decisions being made by public officials should be banned from being able to write checks for a special purpose at that official's request	Q6	Very serious concerns	56%
			Somewhat serious concerns	24%
			Minor concerns	11%
			No real concerns	3%
			Not sure	6%
			Ethics Commissioner Quentin Kopp has	called
			on the Ethics staff to fully investigate this incident, using subpeonas if necessary to guarantee that meeting participants testifunder oath. Do you support or oppose thie ethics investigation?	y s
			Support	
			Oppose	
			Not sure	21%





Q7	,	to e sco g or
	Do not think San Francisco should prohibit developers with pending decisions from contributing or fundraising for officials who decide on their requests	
	Not sure	
Q8	Do you think pay-to-play and corruption at 0 Hall has a very negative impact on quality of life in San Francisco, a somewhat negative impact, a somewhat positive impact or a very positive impact, or does it not make a difference?	of ry
	Very negative impact	62%
	Somewhat negative impact	23%
	Somewhat positive impact	4%
	Very positive impact	
	Not sure	10%
Q9	If you are a woman, press 1. If a man, press If you prefer not to identify, press 3.	
	Woman	49%
	Man	44%
	Prefer not to identify	
Q10	If you are a Democrat, press 1. If a Republi press 2. If an Independent, press 3.	can,
	Democrat	65%
	Republican	10%
	Independent	

Q11	If you are Hispanic or Latino, press 1. If white, press 2. If Asian or Pacific Islander, press 3. If African-American, press 4. If other, press 5.					
	Hispanic / Latino	10%				
	White	53%				
	Asian / Pacific Islander	22%				
	African-American	8%				
	Other	7%				
Q12	If you are 18-45 years old, press 1. If 46-65 press 2. If older than 65, press 3.	5,				
	18 to 45	20%				
	46 to 65	46%				
	Older than 65	34%				
Q13	Q13 Are you LGBT, or not? If you are LGBT, press 1. If not, press 2. If you don't care to say, press 3.					
	Yes	18%				
	No					
	Don't care to say					
Q14	Supervisor District					
	1	6%				
	2	10%				
	3	7%				
	4	7%				
	5	12%				
	6	. 7%				
	7	13%				
	8	15%				
	9	7%				
	10	6%				
	11	11%				

From:

Somera, Alisa (BOS)

To:

BOS Legislation, (BOS)

Subject:

FW: Public comment for EC/BoS meeting tomorrow

Date:

Tuesday, April 03, 2018 10:46:45 AM Peskin Legislation (00338614xAEB03).pdf

Attachments:

image001.png

Please place in Item Nos. 41-43 (File Nos. 180226, 180001, and 180280). Thx

Alisa Somera

Legislative Deputy Director San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102 415.554.7711 direct | 415.554.5163 fax alisa.somera@sfgov.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.

From: Board of Supervisors, (BOS) Sent: Monday, April 02, 2018 5:08 PM

legislative aides@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Somera, Alisa (BOS) 

Subject: FW: Public comment for EC/BoS meeting tomorrow

From: Tom Willis [mailto:tw@rip.com] **Sent:** Monday, April 02, 2018 3:36 PM

To: Board of Supervisors, (BOS) < board.of.supervisors@sfgov.org>; Kundert, Kyle (ETH) <kyle.kundert@sfgov.org>; Pelham, Leeann (ETH) <leeann.pelham@sfgov.org>

**Cc:** GIVNER, JON (CAT) < <u>lon.Givner@sfcityatty.org</u>>; SHEN, ANDREW (CAT) < <u>Andrew.Shen@sfcityatty.org</u>>

**Subject:** Public comment for EC/BoS meeting tomorrow

Please see attached our firm's written testimony with respect to tomorrow's joint Ethics Commission/Board of Supervisors meeting. Please place this in the public record for the meeting and we also request that you please forward it to the Ethics Commissioners and Board of Supervisors. Thank you very much, Tom Willis



1901 Harrison Street Suite 1550 Oakland CA 94612 Oakland: 510.346.6200 Sacramento: 916.264.1818 www.rjp.com

#### **MEMORANDUM**

To:

**Interested Parties** 

From:

Remcho, Johansen & Purcell, LLP

Date:

March 29, 2018

Re:

Proposed San Francisco legislation imposing de facto contribution limits on ballot

measure and independent expenditure committees

San Francisco Supervisor Aaron Peskin has proposed legislation that would require donors who give \$10,000 or more to a local ballot measure, independent expenditure or general purpose committee to disclose, within 24 hours of making the contribution, all of their financial interests of \$10,000 or more in businesses located in or doing business in San Francisco, as well as those of their immediate family members.

For each investment, the donor must disclose the name of the business entity, a general description of the business, the nature of the investment, the date on which the investment was acquired, and the fair market value of the investment. Donors must also identify and describe any entity doing business in the City for which the donor is an employee, officer, director, partner, or trustee.

A donor failing to file the disclosure report in an accurate and timely manner would be subject to late fees of \$50 per day, as well as administrative penalties of \$5,000 per violation or three times the amount not properly disclosed, whichever is greater. The law would apply retroactively, meaning that any donor who has already given \$10,000 or more to a local committee in 2018 would have to disclose their financial interests within 24 hours of the law going into effect or face fines and penalties.

The proposed legislation would be unconstitutional for two readily apparent reasons.

First, the legislation essentially seeks to impose a limit on contributions that is unlawful under basic First Amendment principles that the United States Supreme Court has applied consistently

for more than 40 years. Contributions to ballot measure and independent expenditure committees cannot be subject to limits. The reason is that the only governmental interest that can justify limits on political activity is preventing corruption or the appearance of corruption, and the Court has held there is no anti-corruption interest in limiting contributions to, or spending by, ballot measure and independent expenditure committees. *Buckley v. Valeo*, 424 U.S. 1, 47 (1976) (The "absence of prearrangement and coordination of an expenditure with the candidate or his agent [. . .] alleviates the danger that expenditures will be given as a quid pro quo for improper commitments from the candidate."); *Citizens Against Rent Control v. City of Berkeley*, 454 U.S. 290, 298 (1981) (striking down contribution limits on ballot measure committees); *Citizens United v. Fed. Elections Comm'n*, 558 U.S. 310 (2010) (striking down prohibition on unions and corporations making independent expenditures); *see also SpeechNow.org v. Fed. Elections Comm'n*, 599 F.3d 686, 696 (D.C. Cir. 2010) (striking down contribution limits on independent expenditure committees); *Thalheimer v. City of San Diego*, 645 F.3d 1109 (9th Cir. 2010) (same with respect to general purpose PACs).

Although Supervisor Peskin's proposal does not explicitly impose a contribution limit of \$10,000 on local committees, it has the same effect. In imposing severe burdens on any person wishing to make a contribution of \$10,000 or more to those committees, the law virtually guarantees few if any persons will make contributions over \$9,999. A person contemplating such a contribution could not contribute unless she was willing and able to do all of the following: (1) identify and describe all of her investments in businesses of \$10,000 or more; (2) accurately value all of those investments, even if the value cannot be readily determined; (3) determine the date the investment was acquired; (4) identify any other business for which the donor is an employee, director, officer, trustee, or partner; (5) determine if those entities are located or do business in San Francisco; (6) repeat steps 1-5 for all investments held by immediate family members; (7) do all of that in 24 hours; and (8) be willing to make this private information public. This would be extremely burdensome for an individual who owns stock through retirement or brokerage accounts or who holds investments in private companies, and it would prove virtually impossible for businesses. How could an individual with a diversified investment portfolio, or a company with diversified sales and investments, identify, within 24 hours, every interest of \$10,000 or more in entities doing business in San Francisco? "Doing business" in San Francisco, after all, includes any company whose products end up being sold in the City, from paper towels, meat, and medicine to tires, software, and roofing shingles.

In addition, the rules and forms that already exist for public officials to disclose their financial interests, which will undoubtedly be used as a model for donor disclosures, are complex and long, consisting of a 19-page form with instructions and an 16-page reference manual. While public officials usually have three months to complete this process, and often employ lawyers or other expert consultants to assist, donors would have merely 24 hours to do so. This would be especially problematic for donors who are asked for contributions in the last few weeks of the election cycle, when time is of the essence.

Together, these burdens are so severe they have the effect of imposing a de facto, and unlawful, contribution limit of \$10,000 or more on local committees. No reasonable person would choose to incur the proposal's onerous and invasive reporting requirements or subject themselves to the real possibility of late fines or penalties. In similar situations, where a statutory scheme does not directly limit permissible political speech but does so indirectly by imposing "a special and potentially significant burden" on those who would exercise that right, the Supreme Court has found those laws unconstitutional. See Davis v. Fed. Elections Comm'n, 554 U.S. 724, 739-40 (2008) (in striking down higher contribution limits for candidates who were not self-funded, the court acknowledged that while the provision does not impose an outright cap on a candidate's use of personal funds, "it imposes an unprecedented penalty on any candidate who robustly exercises that First Amendment right") (citation omitted); Arizona Free Enterprise Club's Freedom Club PAC v. Bennett, 564 U.S. 721 (2011) (same with respect to a public matching fund scheme). In those cases, as with this proposal, the "resulting drag on First Amendment rights is not constitutional simply because it attaches as a consequence of a statutorily imposed choice." Davis, 554 U.S. at 739. Put differently, in forcing a donor who wishes to make a contribution of \$10,000 or more to choose between the First Amendment right to make such a contribution and being subject to discriminatory and unprecedented burdens in exercising that right, the proposed legislation violates the First Amendment. *Id.* 

This was clearly Supervisor Peskin's intent: to freeze, through onerous regulatory disincentives, large contributions to local committees. In introducing his proposal, Supervisor Peskin forthrightly acknowledged that "[i]f I could ban these sorts of donations, I would," and in his cover letter

<sup>&</sup>lt;sup>1</sup> Joe Eskenazi, <u>Political Disclosure Bill Unsubtly Takes Aim at Ron Conway</u>, Mission Local (Feb. 13, 2018, 2:35 p.m.), https://missionlocal.org/2018/02/political-disclosure-bill-unsubtly-takes-aim-at-ron-conway/.

proposing the legislation, he focused on what he viewed to be the corrosive effects of large dollar contributions. But as the Supreme Court has explained, the interests with which Supervisor Peskin is really concerned — reducing the amount of money in politics and restricting "the political participation of some in order to enhance the relative influence of others" — are not legitimate objectives on which political speech may be restricted, but instead "impermissibly inject the Government 'into the debate over who should govern.' And those who govern should be the last people to help decide *who* should govern." *McCutcheon v. Fed. Elections Comm'n*, 134 S. Ct. 1434, 1441-42 (2014) (quotation, citations omitted). With this legislation, Supervisor Peskin has, in effect, attempted to achieve indirectly what he cannot achieve directly.

Second, even if it did not act as an impermissible contribution limit, the legislation nonetheless would be unconstitutional because it would not meet the constitutional requirements for disclosure laws operating in the area of core political speech. Such laws are subject to an "exacting scrutiny" standard of review, which requires a "substantial relation" between the disclosure requirement and a "sufficiently important" governmental interest. *Citizens United*, 558 U.S. at 366-67. Still, the specific standard of review applied to a campaign disclosure law is less important than an assessment of the "fit between the stated governmental objective and the means selected to achieve that objective." *McCutcheon*, 134 S. Ct. at 1445; *see also Minnesota Citizens Concerned for Life, Inc. v. Swanson*, 692 F.3d 864, 874-75 (8th Cir. 2012). In this regard, "if a law that restricts political speech does not avoid unnecessary abridgement of First Amendment rights, [. . . ] it cannot survive "rigorous" review." *McCutcheon*, 134 S. Ct. at 1446 (citation, quotation omitted).

To begin with, courts have struck down disclosure laws that are so cumbersome that they chill political participation. *See, e.g., Minnesota Citizens Concerned for Life, Inc.*, 692 F.3d 864; *Iowa Right To Life Committee, Inc. v. Tooker*, 717 F.3d 576 (8th Cir. 2013). For the reasons discussed above, the proposed legislation is certain to severely chill otherwise lawful contributions of \$10,000 or more to local committees, and for this reason alone cannot survive exacting scrutiny.

Moreover, the proposal is unconstitutional because it would neither advance a sufficiently important governmental interest nor be sufficiently tailored to any such interest. While courts have recognized that disclosure laws may be justified based on a governmental interest in providing the electorate with information about "the sources of election-related spending" (*Citizens United*, 558 U.S. at 367), that justification only supports the disclosure of basic information about a contributor, such as

name, address, and occupation and employer. *See*, *e.g.*, *id.* at 366-67; *Yamada v. Snipes*, 786 F.3d 1182 (9th Cir. 2015). We are not aware of any court that has construed the informational interest so broadly as to justify compelled disclosure of a donor's personal financial information (or those of her immediate family), particularly when the donor has a countervailing fundamental right to privacy that extends to one's personal financial information, as is the case here. *See* Cal. Const. art. I, § 1; *Valley Bank of Nevada v. Superior Court*, 15 Cal. 3d 652, 656 (1975); *see also City of Carmel-By-The-Sea v. Young*, 2 Cal. 3d 259, 268, 272 (1970).

The only interest advanced by Supervisor Peskin to justify his proposal (other than to ban large contributions outright) provides no support for finding the law constitutional. Supervisor Peskin contends that the electorate has a right to know "why major donors to independent expenditure committees are making those contributions" and that "a window into their investments in businesses that seek to extract private value from City Hall will provide part of that picture." To be clear, that is not a legitimate governmental interest on which to impose burdensome reporting requirements. But even if it were, there is no connection — much less a substantial relationship — between that goal and the proposed disclosures. The proposal is based on the faulty premise that an individual who owns a stock in any amount is making a decision to give to a campaign based on that holding. Moreover, unless that person controls the actions of the company, which only a few insiders can do, there is no connection between a company's actions to obtain City approval on a matter and a person's private investment in that company. Yet, the proposal requires disclosure of a person's private holdings regardless of whether the person has any control over the company, let alone any awareness of its dealings with the City, if any. Indeed, disclosure is also not limited to investments in businesses that have had or may have matters before the City. Rather, donors must list all businesses in which they have an interest that conduct business in the City, whether or not they have had or will have any matters before the City. In short, the timing and scope of disclosures is not tied in any way to City legislative or administrative action relating to a corporate interest, which, after all, is the purported reason for the proposal.

The overbreadth of the proposal does not end there. Public officials must submit financial disclosures because they make or influence government decisions and the state has a compelling interest in preventing financial conflicts of interest from influencing that process. *See County of Nevada v. MacMillan*, 11 Cal. 3d 662, 671 (1974). None of those concerns, however, exist with respect to private campaign donors who do not themselves make government decisions. Yet in contrast to the 24 hours given to donors under this proposal, public officials are usually given three months to complete

their disclosure reports, file them only once a year, and report only interests they held in the prior 12 months. Cal. Gov't Code §§ 87200 *et seq*. Thus, the proposal would impose a much more onerous reporting scheme on private citizens than applies to the governmental officials who are actually charged with making the decisions about which Supervisor Peskin purports to be concerned.

In sum, Supervisor Peskin's proposal would constitute a profoundly burdensome abridgement of First Amendment rights whose sole purpose is to chill otherwise lawful contributions. It would be irresponsible for the Board of Supervisors and Ethics Commission to knowingly enact a law that so blatantly violates the First Amendment rights of persons who care enough about this City to participate in its election processes.

(00337026-3)

From:

Somera, Alisa (BOS)

To:

BOS Legislation, (BOS)

Subject:

FW: Friends proposal for April 3 meeting

Date:

Tuesday, April 03, 2018 10:53:51 AM

Attachments:

FoEApril3mtq.docx image001.png

Please place in Item Nos. 41-43 (File Nos. 180226, 180001, and 180280). Thx

## Alisa Somera

Legislative Deputy Director San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102 415.554.7711 direct | 415.554.5163 fax alisa.somera@sfgov.org



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.

From: Board of Supervisors, (BOS) Sent: Tuesday, April 03, 2018 8:04 AM

To: BOS-Supervisors

bos-supervisors@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>

Subject: FW: Friends proposal for April 3 meeting

From: LARRY BUSH [mailto:sfwtrail@mac.com]

Sent: Monday, April 02, 2018 3:12 PM

To: Pelham, Leeann (ETH) < leeann.pelham@sfgov.org>; Kundert, Kyle (ETH) <<u>kyle.kundert@sfgov.org</u>>; Ford, Patrick (ETH) <<u>patrick.ford@sfgov.org</u>>

Subject: Friends proposal for April 3 meeting

Ethics leadership:

Friends of Ethics respectfully request your consideration of proposals we support as improving the Anti-Corruption and Accountability Ordinance.

They include:

- Prohibiting contractors from bundling contributions for the election or benefit of officials who decide on their contracts. San Francisco law already bans contributions from contractors, but overlooked the equally significance of undue influence through bundling contributions and benefits. This should be corrected.
- Prohibit "behested payments" requested by City Hall officials from
 - a) those with pending decisions at City Hall. This was the core violation in the Ed Jew prosecution that would have been legal if Supervisor Jew had actually delivered the funds to the groups he promised rather than keeping them.
 - b) to benefit any entity that hires or make an officer any relative, staff member, or appointee of the official. This is commonplace in many jurisdictions and seen in such funding as Inaugural Committee celebrations.
 - c) charitable behest payments must go to a 501c3 providing direct services to low-income resident. Only a tiny fraction of behest payments go to service charities.

This cannot be allowed to be a backdoor to influence peddling by designating advocacy groups as "charitable."

Behest payments exist almost nowhere except in California, and rely on a tie of mutual obligation between city officials, donors and recipients. This is not politically healthy or wise.

• Prohibit fundraising by city commissioners and appointees for officials who appoint them or for those they back. A city commission appointment should not be a reward for fundraising nor should it require supporting candidates. Currently we have a pending criminal trial that initially included fundraising by a city commissioner. San Francisco already recognizes the unique public duties of commissioners by prohibiting them from being paid to lobby other city commissions and departments. Fundraising for candidates is a

close kin to contract advocacy using one's commission position.

• Include a Private Right of Action similar to state law, federal law and that exist in other California jurisdictions that allows a citizen to share in the penalties that are awarded after a court action. To respond to concerns that this could be an open door to nuisance suits, this provision would only apply when a violation could result in penalties of \$50,000 or more, thus ensuring it is not used for such minor violations as type size, rare occasions of failure to identify a donor's employer, filings that exceed deadlines by a short time.

Friends of Ethics was actively involved in contacting national and state experts on campaign laws and on ethics matters. The Brennan Center, the Campaign Legal Center, Common Cause, Maplight, individuals like Bob Stern, a principal author of the state Political Reform Act, and Ann Ravel, former chair of the Federal Election Commission and past chair of the Fair Political Practices Commission all reviewed aspects of these proposals. We also relied on the analysis of Harvey Rose, the Board's Budget and Policy Analyst, and three San Francisco Civil Grand Jury investigations into our city's Ethics operation and laws.

We note that Bob Stern specifically recommended that the phrase "Independent Expenditure Committee" not be used but rather describe campaign-related committees as either "candidate-controlled committee" or "Non-candidate controlled committee."

We accepted their suggestions on how to improve San Francisco's policies and practices.

These proposals were raised at the Ethics Commission during its extensive considerations of this reform, and while they found some favor, they did not muster the four votes needed to add them to the current proposal.

We believe they will better serve the public. We also contracted with Public Policy Polling to assess San Francisco registered voter views of suggestions. PPP considers the responses to be "very strong" and range from two-to-one to three-to-one margins in all cases.

For the proposal being offered by Supervisor Peskin, the margin was better than seven-to-one in favor.

We are attaching the poll for your benefit.

Friends of Ethics consists of those who served as Ethics Commissioners, former Civil Grand Jury members, good government advocates and community activists.

Thank you for considering these proposals at the Tuesday joint Board-Ethics meeting.

Sincerely,

Larry Bush for Friends of Ethics

Friends of Ethics respectfully request your consideration of proposals we support as improving the Anti-Corruption and Accountability Ordinance.

They include:

- Prohibiting contractors from bundling contributions for the election or benefit of officials who decide on their contracts. San Francisco law already bans contributions from contractors, but overlooked the equally significance of undue influence through bundling contributions and benefits. This should be corrected.
- Prohibit "behested payments" requested by City Hall officials from

 a) those with pending decisions at City Hall. This was the core
 violation in the Ed Jew prosecution that would have been legal if
 Supervisor Jew had actually delivered the funds to the groups he
 promised rather than keeping them.
 - b) to benefit any entity that hires or make an officer any relative, staff member, or appointee of the official. This is commonplace in many jurisdictions and seen in such funding as Inaugural Committee celebrations.
 - c) charitable behest payments must go to a 501c3 providing direct services to low-income resident. Only a tiny fraction of behest payments go to service charities.
 - This cannot be allowed to be a backdoor to influence peddling by designating advocacy groups as "charitable."
 - Behest payments exist almost nowhere except in California, and rely on a tie of mutual obligation between city officials, donors and recipients. This is not politically healthy or wise.
- Prohibit fundraising by city commissioners and appointees for officials who appoint them or for those they back. A city commission appointment should not be a reward for fundraising nor should it require supporting candidates. Currently we have a pending criminal trial that initially included fundraising by a city commissioner. San Francisco already recognizes the unique public duties of commissioners by prohibiting them from being paid to lobby other city commissions and departments. Fundraising for candidates is a close kin to contract advocacy using one's commission position.

• Include a Private Right of Action similar to state law, federal law and that exist in other California jurisdictions that allows a citizen to share in the penalties that are awarded after a court action. To respond to concerns that this could be an open door to nuisance suits, this provision would only apply when a violation could result in penalties of \$50,000 or more, thus ensuring it is not used for such minor violations as type size, rare occasions of failure to identify a donor's employer, filings that exceed deadlines by a short time.

Friends of Ethics was actively involved in contacting national and state experts on campaign laws and on ethics matters. The Brennan Center, the Campaign Legal Center, Common Cause, Maplight, individuals like Bob Stern, a principal author of the state Political Reform Act, and Ann Ravel, former chair of the Federal Election Commission and past chair of the Fair Political Practices Commission all reviewed aspects of these proposals. We also relied on the analysis of Harvey Rose, the Board's Budget and Policy Analyst, and three San Francisco Civil Grand Jury investigations into our city's Ethics operation and laws.

We note that Bob Stern specifically recommended that the phrase "Independent Expenditure Committee" not be used but rather describe campaign-related committees as either "candidate-controlled committee" or "Non-candidate controlled committee."

We accepted their suggestions on how to improve San Francisco's policies and practices.

These proposals were raised at the Ethics Commission during its extensive considerations of this reform, and while they found some favor, they did not muster the four votes needed to add them to the current proposal.

We believe they will better serve the public. We also contracted with Public Policy Polling to assess San Francisco registered voter views of suggestions. PPP considers the responses to be "very strong" and range from two-to-one to three-to-one margins in all cases.

For the proposal being offered by Supervisor Peskin, the margin was better than seven-to-one in favor.

We are attaching the poll for your benefit.

Friends of Ethics consists of those who served as Ethics Commissioners, former Civil Grand Jury members, good government advocates and community activists.

Thank you for considering these proposals at the Tuesday joint Board-Ethics meeting.

Sincerely,

Larry Bush for Friends of Ethics

From:

Somera, Alisa (BOS)

To:

BOS Legislation, (BOS)

Subject:

FW: File 180280 Campaign and Governmental Conduct Code - Campaign Finance and Conflict of Interest

Date:

Thursday, April 05, 2018 3:37:32 PM

Attachments:

18.04.05 Ethics amendment Tang Peskin.pdf

image001.png

Can you please add this to File 180280?

Alisa Somera

Legislative Deputy Director San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place, Room 244 San Francisco, CA 94102 415.554.7711 direct | 415.554.5163 fax alisa.somera@sfgov.org



Click <u>HERE</u> 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.

From: Tang, Katy (BOS)

Sent: Thursday, April 05, 2018 1:58 PM

To: Somera, Alisa (BOS) <alisa.somera@sfgov.org>

Cc: Mohan, Menaka (BOS) < menaka.mohan@sfgov.org>

Subject: FW: File 180280 Campaign and Governmental Conduct Code - Campaign Finance and

Conflict of Interest

Forwarding to you as well, Alisa.

Katy Tang | District 4 Supervisor San Francisco Board of Supervisors City Hall, Room 264 (415) 554-7460

www.sfbos.org/Tang

<u>Facebook</u>: KatyTangSF <u>Twitter</u>: @SupervisorTang

From: Mohan, Menaka (BOS)

Sent: Thursday, April 05, 2018 11:45 AM

To: SHEN, ANDREW (CAT) < Andrew.Shen@sfcityatty.org >; GIVNER, JON (CAT)

<<u>Jon.Givner@sfcityatty.org</u>>; Pelham, Leeann (ETH) <<u>leeann.pelham@sfgov.org</u>>; Ford, Patrick (ETH)

<patrick.ford@sfgov.org>; Kundert, Kyle (ETH) <kyle.kundert@sfgov.org>; Chiu, Daina (ETH)

<daina.chiu@sfgov.org>; Renne, Paul (ETH) <paul.renne@sfgov.org>; Kopp, Quentin (ETH)

<Quentin.Kopp@sfgov.org>; Lee, Yvonne (ETH) <<u>vvonne.lee1@sfgov.org</u>>

Cc: Peskin, Aaron (BOS) aaron.peskin@sfgov.org; Hepner, Lee (BOS) lee.hepner@sfgov.org;

Tang, Katy (BOS) < katy.tang@sfgov.org>

Subject: File 180280 Campaign and Governmental Conduct Code - Campaign Finance and Conflict of

Interest

Hello-

Please see the attached letter from Supervisor Tang and Supervisor Peskin regarding an amendment under Chapter 6, Section 3.600

Best,

Menaka Mohan

Legislative Aide
Office of Supervisor Katy Tang
1 Dr. Carlton B. Goodlett Place, Room 264
San Francisco, CA 94102
menaka.mohan@sfgov.org
P: (415) 554-7460
www.sfbos.org/Tang

Member, Board of Supervisors District 4



Member, Board of Supervisors District 3

AARON PESKIN

KATY TANG

April 5, 2018

Ethics Commission 25 Van Ness Ave #220 San Francisco, CA 94102

To: Ethics Commissioners and Staff

We appreciated having the opportunity to work with you on changes to our local ethics regulations to increase transparency and accountability in political activities. During our marathon joint meeting, the Board of Supervisors inadvertently left out an amendment under Chapter 6, Section 3.600:

"Public appeal" shall mean a request for a payment when such request is made by means of television, radio, billboard, a public message on an online platform, the distribution of 500 200 or more identical pieces of printed material, the distribution of a single email to 200 or more recipients, or a speech to a group of 50 20 or more individuals."

This same change was made in Section 1.104 regarding contribution disclosure requirements and adopted by the Board of Supervisors.

Given this inadvertent error, we respectfully request that the Ethics Commission consider adopting an amendment to File 180280 at your next meeting.

Sincerely,

Katy Tang

District 4

Aaron Peskin District 3 From:

Board of Supervisors, (BOS)

To:

BOS Legislation, (BOS)

Subject: Date: FW: Opposition Letter - File 180276 Tuesday, April 03, 2018 12:57:34 PM

Attachments:

4.3.18 Protect Free Speech.pdf

From: Corey Smith [mailto:president@uniteddems.org]

Sent: Tuesday, April 03, 2018 11:41 AM

To: Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Stefani, Catherine (BOS)

<catherine.stefani@sfgov.org>; Tang, Katy (BOS) <katy.tang@sfgov.org>; Breed, London (BOS)

<london.breed@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>; Yee, Norman (BOS)

<norman.yee@sfgov.org>; Sheehy, Jeff (BOS) <jeff.sheehy@sfgov.org>; Ronen, Hillary

<hre>killary.ronen@sfgov.org; Cohen, Malia (BOS) <href="mailto:killary.ronen@sfgov.org">killary.ronen@sfgov.org; Calvillo, Angela (BOS)

<angela.calvillo@sfgov.org>; Board of Supervisors, (BOS) <bookstandard.of.supervisors@sfgov.org>;

Kundert, Kyle (ETH) <kyle.kundert@sfgov.org>; Pelham, Leeann (ETH) <leeann.pelham@sfgov.org>;

Safai, Ahsha (BOS) <ahsha.safai@sfgov.org>

Cc: rswan@sfchronicle.com; jsabatini@sfexaminer.com

Subject: Opposition Letter - File 180276

Members of the San Francisco Board of Supervisor and Staff of the San Francisco Ethics Commission,

Please see the attached letter in reference to today's discussion and vote on File # 180276.

Ethics staff - could you please share with the Ethics Commission?

Thank you

Corey Smith

President, United Democratic Club

Cell: 925-360-5290

FROM CONCERNED SAN FRANCISCO DEMOCRATIC & GRASSROOTS ACTIVISTS

April 3, 2018

Members of the San Francisco Board of Supervisors & Ethics Commission San Francisco City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Dear Supervisor or Commissioner:

As activist leaders in local grassroots political organizations, we write to urge you to reject Supervisor Aaron Peskin's recently proposed requirements for major donor disclosures and political disclaimers because they are unconstitutional, unnecessary, onerous and selectively punitive to his political opponents.

<u>In addition to their abject unconstitutionality, these proposals are designed for one purpose</u> – to stifle the political speech of those with whom the Supervisor does not agree.

Loopholes: Supervisor Peskin's proposals are riddled with loopholes aimed at disadvantaging his political opponents. Significantly, because they do not file reports with the San Francisco Ethics Commission, the San Francisco Democratic County Central Committee, Slate Mailer Organizations and Sacramento-based state committees are exempt from these proposals. This will mean that unlimited contributions from wealthy individuals and businesses can be contributed to these organizations exempt from these new requirements, while donors to other committees *engaged in the same kind of political activity or speech* would be forced to comply or face punishment.

Extreme & Unnecessary Disclaimer Requirements. The State of California recently adopted new requirements for disclaimers on political ads that apply to San Francisco. Supervisor Peskin's proposal, however, goes too far in requiring that disclaimers are read *in their entirety at the beginning of all TV, YouTube and radio ads, and before the content of the ad can start.* With state requirements included, this proposal will have the effect of requiring the disclaimer to appear in a black box background taking up one-third of the screen *for the entirety of the ad* for all TV and YouTube ads.

In a crowded media environment on television and online, Supervisor Peskin's onerous and extreme disclaimer proposal would essentially negate the value of communication to voters. Once again, we fear that this is his true intent. These new disclaimer requirements will further stifle his political opponents, while also preventing effective communication with voters about important and often complex bond, revenue and other measures on the ballot.

Lack of Transparency & Public Input In contrast to other proposals considered by the members of the Ethics Commission for months, improved through significant public input and feedback,

Supervisor Peskin's proposals have undergone little public scrutiny or deliberation. He introduced his proposals at the eleventh hour without even asking for review by the City Attorney, likely because he understood how constitutionally suspect they were.

In fact, the Board of Supervisors may not properly adopt these proposals on April 3rd.

San Francisco campaign law can be changed only if:

- First, the Ethics Commission approves the proposed amendment in advance by at least a four-fifths vote of all its members;
- Second, the proposed amendment is available for public review at least 30 days before the amendment is considered by the Board of Supervisors; and
- o Third, the Board of Supervisors approves the proposed amendment by at least a two-thirds vote of all its members.

Supervisor Peskin's proposals have not been approved by the Ethics Commission. Even if they were approved by the Ethics Commission on April 3, they would have to be available for public review for 30 days before the Board of Supervisors could approve them.

<u>Please do not allow yourself to be bullied and intimidated by Supervisor Peskin and his onerous, unconstitutional, legislative proposals.</u> They are riddled with loopholes, blatantly unconstitutional, ethically questionable and selectively punitive.

Do not let Supervisor Peskin stack the deck against those with whom he disagrees politically and stifle their participation in our local democratic process. <u>Please vote to reject these flawed</u> and poorly considered proposals.

Yours Very Truly,

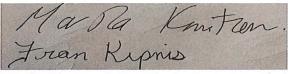
Tada Wird

UNITED DEMOCRATIC CLUB EXECUTIVE BOARD

MAYOR EDWIN MAH LEE DEMOCRATIC CLUB

Laura Clark, Executive Director, YIMBY Action

Todd David, Co-Founder, San Francisco Parent Political Action Committee



Martha Knutzen & Fran Kipnis, Former Co-Chairs, Alice B. Toklas LGBT Democratic Club*

D'VAL EN

D'Vonte Graham, President, San Francisco Black Young Democrats

angels

Angela Grills, President, District Five Democratic Club

*for identification purposes only