File No. <u>170868</u>

Committee	Item No.	2
<b>Board Item</b>	No.	

### **COMMITTEE/BOARD OF SUPERVISORS**

AGENDA PACKET CONTENTS LIST

Committee:	Rules Committee	_Date	May 23, 2018	
Board of Supervisors Meeting Date				
Cmte Board				
	Motion			
	Resolution Ordinance			
	Legislative Digest			
	Budget and Legislative Analyst Report			
	Youth Commission Report			
	Introduction Form		<b>D</b>	
	Department/Agency Cover Lette MOU	er and/or l	Report	
	Grant Information Form			
	Grant Budget			
	Subcontract Budget			
	Contract/Agreement			
	Form 126 – Ethics Commission Award Letter			
	Application			
	Public Correspondence			
OTHER	(Use back side if additional spa	ce is need	led)	
	Referral ETH 102617			
	Referral FYI 102617		·····	
	Referral FYI 050718			
	Ethics Recommendation 051618	······ ,		
			<u></u>	
Completed b			ay 18, 2018	
Completed b		Date		

#### FILE NO. 170868

SUBSTITUTED 5/1/2018 ORDINANCE NO.

[Campaign and Governmental Conduct Code - Campaign Finance Amendments]

Ordinance amending the Campaign and Governmental Conduct Code to require candidates to attest to the lack of any coordination with other committees; and that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u>. Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>. Board amendment additions are in <u>double-underlined Arial font</u>. Board amendment deletions are in <u>strikethrough Arial font</u>. 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:

Section 1. The Campaign and Governmental Conduct Code is hereby amended by

adding Section 1.165, and revising Sections 1.115, 1.128, 1.152, and 1.156, to read as follows:

#### SEC. 1.115. COORDINATION OF EXPENDITURES.

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

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

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

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

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

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

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

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

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

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

Supervisor Kim BOARD OF SUPERVISORS

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

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

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

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

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

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

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

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

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

(d) Definition. For purposes of *this Section subsections (a)-(c)*, the terms "candidate"
 includes an agent of the candidate when the agent is acting within the course and scope of
 the agency.
 (e) Candidate Statements Regarding Coordination of Expenditures. Candidates required to
 file campaign disclosure statements with the Ethics Commission shall attest, under penalty of perjury,
 that their candidate committees have not failed to report any expenditure made by another committee
 that would constitute a contribution to their candidate committees. Candidates shall file the form

required by this subsection (e) on the deadlines established by Section 1.135 for supplemental preelection statements.

SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE CEILINGS.

(a) <u>Eligible Candidates.</u> Candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District may accept the applicable voluntary expenditure ceiling. Candidates for the Board of Supervisors or Mayor may not accept a voluntary expenditure ceiling.

(b) <u>Acceptance of Voluntary Expenditure Ceiling</u>. To accept the applicable voluntary expenditure ceiling, a candidate must file a statement with the Ethics Commission accepting the applicable voluntary expenditure ceiling. <u>A candidate who has filed such a statement may not</u> <u>make qualified campaign expenditures in excess of the voluntary expenditure ceiling, unless under</u> <u>Section 1.134, the Ethics Commission has lifted the applicable voluntary expenditure ceiling</u>. The candidate shall file this statement no later than the deadline for filing nomination papers with the Department of Elections. A candidate may not withdraw the statement accepting the voluntary expenditure ceiling after filing the statement. A candidate may not file the statement

accepting the applicable voluntary expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure ceiling under Section 1.134 of this Chapter.

#### (c) Voter Information Pamphlet.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

(1) Notice regarding each eligible candidate. The Director of Elections shall include in the Voter Information Pamphlet a notice informing voters whether each candidate for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District has accepted the voluntary expenditure ceiling. For candidates who have accepted the voluntary expenditure ceiling, the notice shall state: "The above candidate has accepted the City's voluntary spending limit." For candidates who have not accepted the voluntary expenditure ceiling, the notice shall state: "The above candidate has NOT accepted the City's voluntary spending limit." If a candidate was precluded from accepting the voluntary expenditure ceiling because the expenditure ceiling for a particular race was lifted under Section 1.134 of the Chapter before the candidate filed the statement required by this Section, the notice for that candidate shall state: "The City's voluntary spending limit was lifted before the candidate decided whether to accept or not accept the limit." The notice shall be printed in the same font size and type, and on the same page, as the candidate's statement of qualifications.

(2) Notice regarding candidates for the Board of Supervisors and Mayor. The Director of Elections shall include in the Voter Information Pamphlet a notice informing voters that candidates for the Board of Supervisors and Mayor are not eligible to accept voluntary expenditure ceilings. Within 60 days after the effective date of the ordinance in Board File No. 170868, after consulting with the Executive Director of the Ethics Commission, the Director of Elections shall determine the wording of the notice.

(e) (d) Website. The Ethics Commission shall maintain, on its website, a list of the candidates who have accepted the voluntary expenditure ceiling. If the Ethics Commission

has lifted a voluntary expenditure ceiling for a particular race under Section 1.134 of this Chapter, the Ethics Commission shall instead maintain a list of the candidates who have accepted, but are no longer subject to the voluntary expenditure ceiling in that race.

(d) A candidate who has accepted the applicable voluntary expenditure ceiling and makes qualified campaign expenditures in excess of the voluntary expenditure ceiling, at a time when the Ethics Commission has not lifted the applicable voluntary expenditure ceiling, is subject to the penalties in Section 1.170.

# SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF SUPERVISORS AND MAYOR.

(a) ELECTIONS FOR THE BOARD OF SUPERVISORS.

(1) In addition to the campaign disclosure requirements imposed by the California Political Reform Act and other provisions of this Chapter, each candidate committee supporting a candidate for the Board of Supervisors shall file a statement with the Ethics Commission indicating when the committee has received contributions to be deposited into its Campaign Contribution Trust Account or made expenditures that equal or exceed \$5,000 \$10,000 within 24 hours of reaching or exceeding that amount.

(2) In addition to the supplemental report in Subsection (a)(1) of this Section, each candidate committee supporting a candidate for the Board of Supervisors shall file a statement with the Ethics Commission disclosing when the committee has received contributions to be deposited into its Campaign Contribution Trust Account or made expenditures that in the aggregate-equal or exceed \$100,000. The candidate committee shall file this report within 24 hours of reaching or exceeding the threshold. Thereafter, the candidate committee shall file an additional supplemental report within 24 hours of every time the candidate committee receives additional contributions to be deposited into its Campaign

Contribution Trust Account or makes additional expenditures that in the aggregate equal or exceed \$10,000.

(3) The Executive Director shall post the information disclosed on statements required by this subsection on the website of the Ethics Commission within two business days of the statement's filing.

\* \* \* \*

## SEC. 1.156. REPORT TO THE MAYOR AND BOARD OF SUPERVISORS <u>- PUBLIC</u> <u>FINANCING</u>.

Following each election at which the Mayor or members of the Board of Supervisors are elected, the Ethics Commission shall submit a report to the Mayor and Board of Supervisors <u>regarding the administration, efficacy, and operation of the City's public financing</u> <u>program</u>. The report shall state the amount of public funds used to pay for election campaigns in that election and such other information as the Ethics Commission deems useful, including the number of candidates who received public funds; the number of nonparticipating candidates; the amount of qualified campaign expenditures made by all candidates in that election; and the amount of independent expenditures made in connection with the election.

SEC. 1.165. INFORMATION REGARDING THIRD-PARTY SPENDING IN MUNICIPAL ELECTIONS. Prior to each municipal election, the Ethics Commission shall create a public webpage that provides the most readily available information regarding independent expenditures made in support of or opposition to candidates appearing on the ballot for that election.

Section 2. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal Code that are explicitly shown in this ordinance as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the ordinance.

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

APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney By: ANDREW SHEN Deputy City Attorney

n:\legana\as2017\1700761\01272009.docx

#### REVISED LEGISLATIVE DIGEST

(Substituted, 5/1/2018)

[Campaign and Governmental Conduct Code - Campaign Finance Amendments]

Ordinance amending the Campaign and Governmental Conduct Code to require candidates to attest to the lack of any coordination with other committees; and that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits.

#### Existing Law

#### 1. Independent Expenditures; Coordination

Consistent with state law, local law specifies that if an expenditure is made at the behest of a candidate, the expenditure constitutes a contribution to the candidate it benefits. S.F. Campaign & Gov'tal Conduct Code § 1.115. Local law does not require candidates to make any explicit representations or statements regarding this potential "coordination" with committees making expenditures on their behalf.

#### 2. Voluntary Expenditure Ceilings

Candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District ("School Board") or the Board of Trustees for the San Francisco Community College District ("City College Board") may accept voluntary spending limits, referred to as "voluntary expenditure ceilings." *Id.* § 1.128(a). The voluntary expenditure ceiling for candidates for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, and Treasurer is \$243,000. *Id.* § 1.130(a). The voluntary expenditure ceiling for School Board and City College Board candidates is \$104,000. *Id.* § 1.130(b). The Ethics Commission may "lift" these voluntary expenditures ceilings in specified circumstances. *See id.* § 1.134.

Candidates for the Board of Supervisors and Mayor cannot accept these voluntary spending limits. But these candidates may participate in the City's separate public financing program.

#### Amendments to Current Law

#### 1. Independent Expenditures; Coordination

The proposed ordinance would require candidates to file statements with the Ethics Commission attesting, under penalty of perjury, that they have not engaged in any "coordination" with committees making independent expenditures.

#### 2. Voluntary Expenditure Ceilings

The proposed ordinance would require the Director of Elections to include a notation in the Voter Information Pamphlet for each candidate for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, School Board, and City College Board indicating whether the candidate has accepted the applicable voluntary expenditure ceiling. The proposal would also require the Director of Elections, in consultation with the Executive Director of the Ethics Commission, to also include a notation in the Voter Information Pamphlet explaining that candidates for the Board of Supervisors and Mayor are not eligible to accept voluntary expenditure ceilings.

#### **Background Information**

Under Campaign and Governmental Conduct Code section 1.103, the Board of Supervisors may amend the campaign finance provisions of the Code if:

(a) The amendment furthers the purposes of this Chapter;

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

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

(d) The Board of Supervisors approves the proposed amendment by at least a twothirds vote of all its members.

n:\legana\as2017\1700761\01208732.docx



# ETHICS COMMISSION CITY AND COUNTY OF SAN FRANCISCO

May 16, 2018 DAINA CHIU CHAIR Honorable Members QUENTIN L. KOPP San Francisco Board of Supervisors VICE-CHAIR Attention: Angela Calvillo, Clerk of the Board of Supervisors City Hall, Room 244 PAULA. RENNE 1 Dr. Carlton B. Goodlett Place COMMISSIONER San Francisco, CA 94102 **YVONNE LEE** COMMISSIONER Re: Proposed Ordinance amending the Campaign and Governmental Conduct Code (File No. 170868) NOREEN AMBROSE COMMISSIONER Honorable Members: LEEANN PELHAM At its May 7, 2018 Regular Meeting, the Ethics Commission voted unanimously to support File EXECUTIVE DIRECTOR 170868, an ordinance sponsored by Supervisor Kim that would amend the Campaign and Governmental Conduct Code (the "Code"). A copy of the legislation considered and acted on by the Ethics Commission appears in the Attachment. For the reasons detailed below, the Ethics Commission supports this legislation to further promote accountability in City campaigns and assist voters in making informed electoral decisions. Non-Coordination Attestation by Candidates The Ordinance would add subsection (e) to section 1.115 of the Code, requiring all candidates who file campaign statements with the Commission to "attest, under penalty of perjury, that their candidate committees have not failed to report any expenditure made by another committee that would constitute a contribution to their candidate committees." Under the California Government Code, a payment for a communication that is made in coordination with a candidate constitutes a contribution to that candidate. By requiring candidates to attest that they have not failed to report any contributions from other committees, this legislation would effectively require candidates to attest did they have not surreptitiously coordinated with an outside committee. This attestation requirement would help to remind candidates about rules regarding independent expenditures, coordination, and reporting of "nonmonetary" contributions (contributions that do not take the form of a cash payment, loan, or debt). Noting Acceptance of the Voluntary Expenditure Ceiling in the Voter Information Pamphlet The Ordinance would amend section 1.128 to require that the voter information pamphlet note which candidates have accepted the Voluntary Expenditure Ceiling (VEC) and which have not. The VEC is a limit on campaign expenditures that candidates in applicable races may

25 Van Ness Avenue, Suite 220 • San Francisco, CA 94102-6053 • Phone (415) 252-3100 • Fax (415) 252-3112E-Mail Address: ethics.commission@sfgov.orgWeb site: https://www.sfethics.org

voluntarily chose to abide by in their campaigns. Under City law, the VEC applies only to

candidates seeking election to the offices of Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District.<sup>1</sup> A candidate who has accepted the applicable voluntary expenditure ceiling and makes qualified campaign expenditures in excess of those ceiling when the Ethics Commission has not lifted the applicable ceiling when required to under the law is subject to penalties. Current law requires the Ethics Commission to maintain on its website a list of the candidates who have accepted the voluntary expenditure ceiling. Indicating directly in the Voter Information Pamphlet whether a candidate who may abide by a VEC has opted to do so will equip voters with information about that candidate's choice at the time they are considering their vote.

#### **Clarifying Contents of the Public Financing Report**

Current law requires the Ethics Commission to report to the Mayor and Board of Supervisors on the City's public financing program following each election at which on or more candidates to those offices is elected. The proposed Ordinance would add language to existing law at Section 1.156 specifying that the report must additionally analyze "the administration, efficacy, and operation of the City's public financing program." The Ethics Commission supports this statutory change, which is consistent with its current practices.

#### Information Regarding Third-Party Spending

The Ordinance would create a new statutory requirement in Section 1.165 that the Commission provide data on its website regarding independent expenditures supporting or opposing candidates in City elections. The data would have to reflect the most current information disclosed on committee statements and reports. The Ethics Commission supports this statutory change, which is consistent with its current practices.

The Commission supports the proposed Ordinance and encourages its enactment when it comes before the Board for its consideration.

If you have any questions for the Ethics Commission or would like any additional information from our office, please feel free to contact me at (415) 252-3100.

Sincerely,

*LeeAnn Pelham* LeeAnn Pelham Executive Director

Attachment

<sup>&</sup>lt;sup>1</sup> Candidates for the Board of Supervisors or Mayor may not accept a VEC and instead have the option to participate in a public financing system that enables them to receive limited public funds in exchange for agreeing to voluntarily limit their campaign spending, among other things.

ORDINANCE NO.

1	[Campaign and C	Governmental Conduct Code - Campaign Finance Amendments]
2		
3	Ordinance ame	nding the Campaign and Governmental Conduct Code to 1) require
4	candidates to a	test to the lack of any coordination with other committees; and 2)
5	require that the	Voter Information Pamphlet note which candidates have agreed to
6	voluntary spend	ling limits.
7 8		Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in strikethrough italics Times New Roman font.
9 10		Board amendment additions are in <u>double-underlined Arial font</u> . Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code
11		subsections or parts of tables.
12	Be it ordai	ned by the People of the City and County of San Francisco:
13	Section 1.	The Campaign and Governmental Conduct Code is hereby amended by
14	adding Section 1	.165, and revising Sections 1.115, 1.128, 1.152, and 1.156, to read as
15	follows:	
16	SEC. 1.11	5. COORDINATION OF EXPENDITURES.
17	(a) Gene	al. An expenditure is not considered independent and shall be treated as a
18	contribution from	the person making the expenditure to the candidate on whose behalf, or for
19	whose benefit the	e expenditure is made, if the expenditure funds a communication that
20	expressly advoca	te the nomination, election or defeat of a clearly identified candidate and is
21	made under the f	ollowing circumstance:
22	(1)	The expenditure is made at the request, suggestion, or direction of, or in
23	cooperation, con	sultation, concert or coordination with, the candidate on whose behalf, or for
24	whose benefit, th	e expenditure is made; or
25		

(2) The communication funded by the expenditure is created, produced or 1 2 disseminated:

(A) After the candidate has made or participated in making any decision 3 4 regarding the content, timing, location, mode, intended audience, volume of distribution, or 5 frequency of placement of the communication; or

(B) After discussion between the creator, producer or distributor of a 6 communication, or the person paying for that communication, and the candidate or committee 7 regarding the content, timing, location, mode, intended audience, volume of distribution or 8 9 frequency of placement of that communication, the result of which is agreement on any of these topics. 10

(b) Rebuttable Presumption of Coordination. In addition to Subsection (a) of this 11 12 section subsection (a), there shall be a presumption that an expenditure funding a communication that expressly advocates the nomination, election or defeat of a clearly 13 identified candidate is not independent of the candidate on whose behalf or for whose benefit 14 15 the expenditure is made, when:

16

(1) It is based on information about the candidate or committee's campaign 17 needs or plans provided to the spender by the candidate;

18 (2) It is made by or through any agent of the candidate in the course of the agent's involvement in the current campaign; 19

20 (3) The spender retains the services of a person, including a campaign 21 consultant, who provides, or has provided, the candidate with professional services related to 22 campaign or fund raising strategy for that same election;

(4) The communication replicates, reproduces, republishes or disseminates, in 23 whole or in substantial part, a communication designed, produced, paid for or distributed by 24 the candidate; or 25

1 (5) In the same election that the expenditure is made, the spender or spender's 2 agent is serving or served in an executive or policymaking role for the candidate's campaign 3 or participated in strategy or policy making discussions with the candidate's campaign relating 4 to the candidate's pursuit of election to office and the candidate is pursuing the same office as 5 a candidate whose nomination or election the expenditure is intended to influence.

- 6 (c) **Exceptions.** Notwithstanding the foregoing, an expenditure shall not be 7 considered a contribution to a candidate merely because:
- 8

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

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

11

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

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

- (5) The spender has invited the candidate or committee to make an appearance
  before the spender's members, employees, shareholders, or the families thereof, provided
  that there is no discussion with the candidate prior to the expenditure relating to details of the
  expenditure;
- (6) The spender informs a candidate that the spender has made an expenditure
  provided that there is no other exchange of information not otherwise available to the public,
  relating to the details of the expenditure; or
- (7) The expenditure is made at the request or suggestion of the candidate forthe benefit of another candidate or committee.
- 24
- 25

(d) Definition. For purposes of *this Section subsections (a)-(c)*, the terms "candidate"
 includes an agent of the candidate when the agent is acting within the course and scope of
 the agency.
 (e) Candidate Statements Regarding Coordination of Expenditures. Candidates required to

5 *file campaign disclosure statements with the Ethics Commission shall attest, under penalty of perjury,* 

6 *that their candidate committees have not failed to report any expenditure made by another committee* 

7 *that would constitute a contribution to their candidate committees. Candidates shall file the form* 

8 required by this subsection (e) on the deadlines established by Section 1.135 for supplemental

- 9 *preelection statements.*
- 10

11 SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE 12 CEILINGS.

(a) <u>Eligible Candidates.</u> Candidates for Assessor, City Attorney, District Attorney,
Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified
School District or the Governing Board of the San Francisco Community College District may
accept the applicable voluntary expenditure ceiling. Candidates for the Board of Supervisors
or Mayor may not accept a voluntary expenditure ceiling.

(b) <u>Acceptance of Voluntary Expenditure Ceiling.</u> To accept the applicable voluntary
expenditure ceiling, a candidate must file a statement with the Ethics Commission accepting
the applicable voluntary expenditure ceiling. <u>A candidate who has filed such a statement may not</u>
<u>make qualified campaign expenditures in excess of the voluntary expenditure ceiling, unless under</u>
<u>Section 1.134, the Ethics Commission has lifted the applicable voluntary expenditure ceiling.</u> The
candidate shall file this statement no later than the deadline for filing nomination papers with
the Department of Elections. A candidate may not withdraw the statement accepting the

voluntary expenditure ceiling after filing the statement. A candidate may not file the statement

1

2

accepting the applicable voluntary expenditure ceiling if the Ethics Commission has lifted the voluntary expenditure ceiling under Section 1.134 of this Chapter.

3

(c) Voter Information Pamphlet.

4

(1) Notice regarding each eligible candidate. The Director of Elections shall include

- 5 in the Voter Information Pamphlet a notice informing voters whether each candidate for Assessor, City
- 6 Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San

7 Francisco Unified School District or the Governing Board of the San Francisco Community College

8 District has accepted the voluntary expenditure ceiling. For candidates who have accepted the

9 voluntary expenditure ceiling, the notice shall state: "The above candidate has accepted the City's

10 *voluntary spending limit." For candidates who have not accepted the voluntary expenditure ceiling,* 

11 *the notice shall state: "The above candidate has NOT accepted the City's voluntary spending limit."* 

12 *If a candidate was precluded from accepting the voluntary expenditure ceiling because the expenditure* 

13 *ceiling for a particular race was lifted under Section 1.134 of the Chapter before the candidate filed the* 

14 statement required by this Section, the notice for that candidate shall state: "The City's voluntary

15 *spending limit was lifted before the candidate decided whether to accept or not accept the limit." The* 

16 *notice shall be printed in the same font size and type, and on the same page, as the candidate's* 

17 *statement of qualifications.* 

18

(2) Notice regarding candidates for the Board of Supervisors and Mayor. The

19 Director of Elections shall include in the Voter Information Pamphlet a notice informing voters that

20 *candidates for the Board of Supervisors and Mayor are not eligible to accept voluntary expenditure* 

21 ceilings. Within 60 days after the effective date of the ordinance in Board File No., after

22 consulting with the Executive Director of the Ethics Commission, the Director of Elections shall

23 *determine the wording of the notice.* 

24 (c) (d) Website. The Ethics Commission shall maintain, on its website, a list of the
 25 candidates who have accepted the voluntary expenditure ceiling. If the Ethics Commission

has lifted a voluntary expenditure ceiling for a particular race under Section 1.134 of this
Chapter, the Ethics Commission shall instead maintain a list of the candidates who have
accepted, but are no longer subject to the voluntary expenditure ceiling in that race.

- 4 (d) A candidate who has accepted the applicable voluntary expenditure ceiling and makes
  5 qualified campaign expenditures in excess of the voluntary expenditure ceiling, at a time when the
  6 Ethics Commission has not lifted the applicable voluntary expenditure ceiling, is subject to the
  7 penalties in Section 1.170.
- 8

# 9 SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF 10 SUPERVISORS AND MAYOR.

11

(a) ELECTIONS FOR THE BOARD OF SUPERVISORS.

(1) In addition to the campaign disclosure requirements imposed by the
 California Political Reform Act and other provisions of this Chapter, each candidate committee
 supporting a candidate for the Board of Supervisors shall file a statement with the Ethics
 Commission indicating when the committee has received contributions to be deposited into its
 Campaign Contribution Trust Account or made expenditures that equal or exceed \$5,000
 \$10,000\$ within 24 hours of reaching or exceeding that amount.

(2) In addition to the supplemental report in Subsection (a)(1) of this Section, 18 19 each candidate committee supporting a candidate for the Board of Supervisors shall file a 20 statement with the Ethics Commission disclosing when the committee has received 21 contributions to be deposited into its Campaign Contribution Trust Account or made 22 expenditures that in the aggregate-equal or exceed \$100,000. The candidate committee shall file this report within 24 hours of reaching or exceeding the threshold. Thereafter, the 23 24 candidate committee shall file an additional supplemental report within 24 hours of every time the candidate committee receives additional contributions to be deposited into its Campaign 25

Contribution Trust Account or makes additional expenditures that in the aggregate equal or
 exceed \$10,000.

3 (3) The Executive Director shall post the information disclosed on statements
4 required by this subsection on the website of the Ethics Commission within two business days
5 of the statement's filing.

6

\* \* \* \*

7 SEC. 1.156. REPORT TO THE MAYOR AND BOARD OF SUPERVISORS <u>- PUBLIC</u>
 8 <u>FINANCING</u>.

9 Following each election at which the Mayor or members of the Board of Supervisors

10 are elected, the Ethics Commission shall submit a report to the Mayor and Board of

11 Supervisors <u>regarding the administration, efficacy, and operation of the City's public financing</u>

12 *program*. The report shall state the amount of public funds used to pay for election campaigns

13 in that election and such other information as the Ethics Commission deems useful, including

14 the number of candidates who received public funds; the number of nonparticipating

15 candidates; the amount of qualified campaign expenditures made by all candidates in that

16 election; and the amount of independent expenditures made in connection with the election.

17

18

SEC. 1.165. INFORMATION REGARDING THIRD-PARTY SPENDING IN MUNICIPAL

19 *ELECTIONS.* Prior to each municipal election, the Ethics Commission shall create a public webpage

20 *that provides the most readily available information regarding independent expenditures made in* 

21 *support of or opposition to candidates appearing on the ballot for that election.* 

22

Section 2. Effective Date. This ordinance shall become effective 30 days after
 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
 of Supervisors overrides the Mayor's veto of the ordinance.

3

Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
additions, and Board amendment deletions in accordance with the "Note" that appears under
the official title of the ordinance.

10

11 Section 4. Severability. If any section, subsection, sentence, clause, phrase, or word 12 of this ordinance, or any application thereof to any person or circumstance, is held to be 13 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision 14 shall not affect the validity of the remaining portions or applications of the ordinance. The 15 Board of Supervisors hereby declares that it would have passed this ordinance and each and 16 every section, subsection, sentence, clause, phrase, and word not declared invalid or 17 unconstitutional without regard to whether any other portion of this ordinance or application 18 thereof would be subsequently declared invalid or unconstitutional.

19

20 APPROVED AS TO FORM: DENNIS J. HERRERA, City Attorney 21

22 By: ANDREW SHEN 23 Deputy City Attorney

- 24 n:\legana\as2017\1700761\01272009.docx
- 25



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

TO: FROM: Solution Arntz, Director, Department of Elections Alisa Somera, Legislative Deputy Director Rules Committee

DATE: May 7, 2018

#### SUBJECT: SUBSTITUTE LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following substitute legislation, introduced by Supervisor Kim on May 1, 2018:

#### File No. 170868-3

Ordinance amending the Campaign and Governmental Conduct Code to require candidates to attest to the lack of any coordination with other committees; and that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: <u>alisa.somera@sfgov.org</u>.



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

TO: LeeAnn Pelham, Executive Director, Ethics Commission

FROM: Alisa Somera, Legislative Deputy Director, Rules Committee

DATE: May 7, 2018

SUBJECT: SUBSTITUTE LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following substitute legislation, introduced by Supervisor Kim on May 1, 2018. This matter has been referred to the Ethics Commission for comment and recommendation.

Pursuant to Campaign and Governmental Conduct Code, Section 1.103, the Board of Supervisors may amend Chapter 1 of that code if the Ethics Commission approves the proposed amendment in advance by at least a 4/5 vote of all its members.

File No. 170868-3

Ordinance amending the Campaign and Governmental Conduct Code to require candidates to attest to the lack of any coordination with other committees; and that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits.

Please submit the Commission's response, which will be included with the legislation, with this cover sheet.

RESPONSE FROM ETHICS COMMISSION	
Approved (by vote)	Rejected (by vote)
Recommendation Attached	
Chairperson, Ethics Commission	Date
c: Kyle Kundert, Ethics Commission	



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

TO: LeeAnn Pelham, Executive Director, Ethics Commission

FROM: Alisa Somera, Legislative Deputy Director Board of Supervisors, Rules Committee

DATE: October 26, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee received the following legislation, introduced by Supervisor Kim on July 25, 2017. This matter has been referred to the Ethics Commission for comment and recommendation.

Pursuant to Campaign and Governmental Conduct Code, Section 1.103, the Board of Supervisors may amend Chapter 1 of that code if the Ethics Commission approves the proposed amendment in advance by at least a 4/5 vote of all its members.

File No. 170868

Ordinance amending the Campaign and Governmental Conduct Code to 1) require candidates to attest, under penalty of perjury, to the lack of any coordination with other committees; 2) require that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits; 3) clarify supplemental reporting for the public financing program; 4) require written disclaimers to appear in 14-point font; 5) require that disclaimers be included at the beginning of audio and video advertisements; 6) require that disclaimers include the top four donors to committees, if the donors have contributed \$20,000 or more; and 7) prior to each municipal election, require the Ethics Commission to distribute a pamphlet to San Francisco voters regarding third-party spending.

Please submit the Commission's response, which will be included with the legislation, with this cover sheet.

RESPONSE FROM ETHICS COMMISSION Approved (by vote)	Rejected (by vote)
Recommendation Attached	
Chairperson, Ethics Commission	Date

c: Kyle Kundert, Ethics Commission



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

TO: John Arntz, Director, Department of Elections

FROM: Alisa Somera, Legislative Deputy Director Rules Committee

DATE: October 26, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee has received the following proposed legislation, introduced by Supervisor Kim on July 25, 2017:

File No. 170868

Ordinance amending the Campaign and Governmental Conduct Code to 1) require candidates to attest, under penalty of perjury, to the lack of any coordination with other committees; 2) require that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits; 3) clarify supplemental reporting for the public financing program; 4) require written disclaimers to appear in 14-point font; 5) require that disclaimers be included at the beginning of audio and video advertisements; 6) require that disclaimers include the top four donors to committees, if the donors have contributed \$20,000 or more; and 7) prior to each municipal election, require the Ethics Commission to distribute a pamphlet to San Francisco voters regarding third-party spending.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: <u>alisa.somera@sfgov.org</u>.

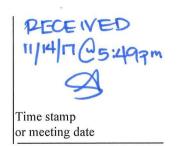
Print Form
Introduction Form BOARD OF SUPERVISORS
By a Member of the Board of Supervisors or Mayor
I hereby submit the following item for introduction (select only one):
1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
2. Request for next printed agenda Without Reference to Committee.
3. Request for hearing on a subject matter at Committee.
4. Request for letter beginning :"Supervisor inquiries"
5. City Attorney Request.
6. Call File No.       from Committee.
7. Budget Analyst request (attached written motion).
<ul> <li>✓ 8. Substitute Legislation File No. 170868</li> </ul>
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 Vouth Commission Ethics Commission
Planning Commission Building Inspection Commission
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.
Sponsor(s):
Kim
Subject:
Ordinance amending the Campaign and Governmental Conduct Code to 1) require candidates to attest to the lack of any coordination with other committees; and 2) require that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits.
The text is listed:
see attached
Signature of Sponsoring Supervisor:

For Clerk's Use Only

Pr	int	Form	

## **Introduction Form**

By a Member of the Board of Supervisors or Mayor



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 inquiries"
5. City Attorney Request.
6. Call File No. from Committee.
7. Budget Analyst request (attached written motion).
<ul><li>✓ 8. Substitute Legislation File No. 170868</li></ul>
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:
$\Box$ Small Business Commission $\Box$ Youth Commission $\boxtimes$ Ethics Commission
Planning Commission Building Inspection Commission
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.
Sponsor(s):
Kim
Subject:
[Campaign and Governmental Conduct Code - Campaign Finance Amendments]
The text is listed:
Ordinance amending the Campaign and Governmental Conduct Code to 1) clarify that campaigns must disclose
expenditures on social media; 2) require committees that make independent expenditures to disclose the original
sources of their funds; 3) require candidates to attest to the lack of any coordination with other committees; 4) require
that the Voter Information Pamphlet note which candidates have agreed to voluntary spending limits; 5) require the Ethics Commission to complete audits of candidate committees within 24 months; 6) modify disclaimer
requirements; 7) specify disclosure requirements for social media advertisements; and 8) prior to each municipal
election, require the Ethics Commission to distribute a pamphlet to San Francisco voters regarding third-party
spending.
Signature of Sponsoring Supervisor:

Print Form	
Introduction Form BOARD OF SUPERVISE	IRS
By a Member of the Board of Supervisors or Mayor 2017 JUL 25 Ph 2: 2	6
Time s	
✓ 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	inquiries"
5. City Attorney Request.	-
6. Call File No. from Committee.	8 y
7. Budget Analyst request (attached 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 Vouth Commission Ethics Commission	sion
Planning Commission Building Inspection Commission	
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative F	orm.
Sponsor(s):	
Kim;	1
Subject:	
Campaign and Governmental Conduct Code - Campaign Finance Amendments	
The text is listed:	
Attached	
Signature of Sponsoring Supervisor:	

For Clerk's Use Only