FILE NO. 060501

Amendment of the whole In Board 8/15/06 ORDINANCE NO.

1 [Campaign Finance Reform Ordinance Amendments.]

2

3 Ordinance amending Sections 1.100, 1.104, 1.108, 1.112, 1.114, 1.116, 1.122, 1.126, 1.128, 1.130, 1.135, 1.150, 1.161 and 1.170, adding sections 1.107, 1.113, 1.115, 1.118, 4 5 1.162.5, 1.163.5 and 1.172 and repealing section 1.132, Chapter 2 of Article I, section 6 1.200 and Chapter 4 of Article I, sections 1.400, 1.405, 1.410, 1.415, 1.420 and 1.425 of 7 the Campaign and Governmental Conduct Code to move the False Endorsements 8 Ordinance and the Prohibition on Multiple Campaign Accounts into the Campaign 9 Finance Reform Ordinance ("CFRO"); subject School District and Community College 10 District measures to CFRO; reenact contribution and voluntary expenditure limits at 11 their existing levels; clarify sections of CFRO related to electronic filing requirements, 12 candidate loan restrictions, permissible uses of campaign funds, pre-election reporting 13 requirements, and the contractor contribution prohibition; prohibit candidates from 14 accepting voluntary expenditure ceilings if the applicable ceiling was already lifted; create late filing fees for reports required by CFRO; create new penalties for candidates 15 16 that receive public financing and exceed applicable expenditure ceilings; create new and clarify existing disclaimer requirements for campaign advertisements; create 17 18 training requirements for candidates and treasurers; create new filing requirements during the signature gathering process for ballot measures; permit the return of 19 contributions once campaign funds become surplus or a candidate withdraws only on 20 21 a last in, first out basis; permit the Ethics Commission to extend filing deadlines that 22 fall on weekends or holidays; require candidates to pay for accrued expenses within 23 180 days; and require expenditures that are coordinated with candidates to be treated as contributions. 24

25

Note: Additions are single-underline italics Times New Roman; 1 deletions are strikethrough italics Times New Roman. Board amendment additions are double underlined. 2 Board amendment deletions are strikethrough normal. 3 Be it ordained by the People of the City and County of San Francisco: 4 Section 1. The San Francisco Campaign and Governmental Code is hereby amended 5 by amending Sections 1.100, 1.104, 1.108, 1.112, 1.114, 1.116, 1.122, 1.126, 1.128, 1.130, 6 1.135, 1.150, 1.161 and 1.170 to read as follows: 7 SEC. 1.100. PURPOSE AND INTENT. 8 (a) Huge sums of moneys often are necessary to finance American election 9 campaigns. Inherent to the high cost of election campaigning is the problem of improper 10 influence, real or potential, exercised by campaign contributors over elected officials. In 11 addition, this fundraising distracts public officials seeking reelection from focusing upon 12 important public matters, encourages contributions which may have a corrupting influence, 13 and gives incumbents an unfair fundraising advantage over potential challengers. These 14 developments undermine the integrity of the governmental process, the competitiveness of 15 campaigns and public confidence in local officials. 16 It is the purpose and intent of the People of the City and County of San (b) 17 Francisco in enacting this Chapter to: 18 (1) Place realistic and enforceable limits on the amount individuals may contribute 19 to political campaigns in municipal elections and to provide full and fair enforcement of all the 20 provisions in this Chapter; 21 (2) Ensure that all individuals and interest groups in our city have a fair opportunity 22 to participate in elective and governmental processes; 23 24 25 MAYOR, ETHICS COMMISSION

(3) Create an incentive to limit overall expenditures in campaigns, thereby reducing
 the pressure on candidates to raise large campaign war chests for defensive purposes
 beyond the amount necessary to communicate reasonably with voters;

4 (4) Reduce the advantage of incumbents and thus encourage competition for
5 elective office;

6 (5) Allow candidates and officeholders to spend a smaller proportion of their time on
7 fundraising and a greater proportion of their time dealing with issues of importance to their
8 constituents' community;

9 (6) Ensure that serious candidates are able to raise enough money to communicate 10 their views and positions adequately to the public, thereby promoting public discussion of the 11 important issues involved in political campaigns;

12 (7) Limit contributions to candidates and committees, including committees that
 13 make independent expenditures, to eliminate or reduce the appearance or reality that large
 14 contributors may exert undue influence over elected officials;

(8) Assist voters in making informed electoral decisions and ensure compliance with
 campaign contribution limits through the required filing of campaign statements detailing the
 sources of campaign contributions and how those contributions have been expended;

(9) Make it easier for the public, the media and election officials to efficiently review
and compare campaign statements by requiring committees that meet certain financial
thresholds to file copies of their campaign statements on computer diskettes or other

- 21 designated electronic media; and
- 22 (10) Help restore public trust in governmental and electoral institutions; *and*
- 23 (11) Help ensure the integrity of the election process by prohibiting campaign advertisements
- 24 *that contain knowing false endorsements of current and former public officials, candidates, political*
- 25

MAYOR, ETHICS COMMISSION

1	clubs, and organizations. Such false endorsements undermine the integrity of the electoral process by
2	misleading and confusing voters about the actual support for or opposition to candidates or ballot
3	measures and it is too burdensome for individual voters, inundated with campaign messages, to verify
4	the accuracy of such claims and for persons whose positions are misrepresented to correct the
5	misrepresentations close in time to the election.
6	(c) This Chapter is enacted in accordance with the terms of Sections 5 and 7
7	of Article XI of the Constitution of the State of California and Section 1.101 of the Charter of
8	the City and County of San Francisco.
9	SEC. 1.104. DEFINITIONS.
10	(a) "Candidate" shall mean any individual listed on the ballot for election to any City
11	elective office or who otherwise has taken affirmative action to seek nomination or election to
12	such office. The term "candidate" shall also mean the candidate's campaign committee.
13	(b) "Charitable organization" shall mean an entity exempt from taxation pursuant to
14	Title 26, Section 501 of the United State Code.
15	(c) "City elective office" shall mean the offices of Mayor, Member of the Board of
16	Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender,
17	Member of the Board of Education of the San Francisco Unified School District and Member
18	of the Governing Board of the San Francisco Community College District. The Board of
19	Supervisors shall be deemed to consist of eleven separate City elective offices, the San
20	Francisco Community College District shall be deemed to consist of seven separate City
21	elective offices, and the Board of Education of the San Francisco Unified School District shall
22	be deemed to consist of seven separate City elective offices.
23	(d) "Committee" shall be defined as set forth in the Government Code of the State
24	of California (commencing at Section 81000).
25	

(e) "Contribution" shall be defined as set forth in Government Code of the State of
 California (commencing at Section 81000); provided, however, that "contribution" shall include
 loans of any kind or nature.

4 (f) "Election" shall mean any primary, general, or special municipal election held in
5 the City and County of San Francisco for City elective office, regardless of whether the
6 election is conducted by district or Citywide.

(g) "Enforcement authority" shall mean the District Attorney of the City and County
of San Francisco for criminal enforcement, the City Attorney for civil enforcement, and the
Ethics Commission for administrative enforcement. Nothing in this Chapter shall be construed
as limiting the authority of any law enforcement agency or prosecuting attorney to enforce the
provisions of this Chapter under any circumstances where such law enforcement agency or
prosecuting attorney otherwise has lawful authority to do so.

13

(h) "Ethics Commission" shall mean the San Francisco Ethics Commission.

14 (i) "Executive Director" shall mean the Executive Director of the Ethics

15 Commission, or the Executive Director's designee.

(j) "Individual Expenditure Ceiling" shall mean the expenditure ceiling established
 for each individual candidate for Mayor who has been certified by the Ethics Commission as
 eligible to receive public funds under this Chapter.

(k) "Matching contribution" shall mean a contribution up to \$500, that is made by an
individual, other than the candidate, who is a resident of San Francisco. Matching
contributions shall not include loans, contributions that are received more than 18 months
before the date of the election, contributions made by the candidate's immediate family or
qualifying contributions, and must comply with all requirements of this Chapter. Matching

- 24
- 25

MAYOR, ETHICS COMMISSION

contributions under \$100 that are not made by written instrument must be accompanied by
 written documentation of the contributor's name and address.

- 3 (I) "Measure" shall mean any City, *San Francisco Unified School District or San* 4 *Francisco Community College District* referendum, recall or ballot proposition, whether or not it
 5 qualifies for the ballot.
- 6 (m) "Person" shall mean any individual, partnership, corporation, association, firm, 7 committee, club or other organization or group of persons, however organized.
- 8 (n) "Qualified campaign expenditure" for candidates shall mean all of the following: 9 (1) Any expenditure made by a candidate, or by a committee controlled by 10 the candidate, for the purpose of influencing or attempting to influence the actions of the
- 11 voters for the election of the candidate to City elective office.
- 12 (2) A nonmonetary contribution provided to the candidate, officeholder or
 13 committee controlled by the candidate.
- 14 (3) The total cost actually paid or incurred by the candidate or controlled
 15 committee of the candidate for a slate mailing or other campaign literature produced or
 16 authorized by more than one candidate.
 - (4) Expenses incurred, but for which payment has not yet been made.
- (5) Expenses associated with complying with applicable laws, including but
 not limited to the California Political Reform Act, Government Code Section 81000, et seq.,
 and the provisions of this Chapter.
- (6) "Qualified campaign expenditure" shall not include <u>filing fees</u>, expenses
 incurred in connection with an administrative or judicial proceeding, payments for
 administrative, civil or criminal fines, including late filing fines, *costs incurred after the election*
- 24 *that do not directly affect the outcome of the election, including but not limited to utility bills, expenses*
- 25

17

MAYOR, ETHICS COMMISSION

1 *associated with an audit, and expenses related to preparing post-election campaign finance disclosure*

2 reports as required by the California Political Reform Act, Government Code section 81000, et seq.,

3 *and the provisions of this Chapter,* or for inaugural activities or officeholder expenses.

(o) "Qualifying contribution" shall mean a contribution of not less than \$10 and not
more than \$100 that is made by an individual who is a resident of San Francisco and that
complies with all requirements of this Chapter. Qualifying contributions shall not include
loans, contributions that are received more than 18 months before the date of the election or
contributions made by the candidate or the candidate's immediate family. Qualifying
contributions under \$100 that are not made by written instrument must be accompanied by
written documentation of the contributor's name and address.

(p) "Recorded telephone message" shall mean a recorded audio message that
expressly supports or opposes a candidate for City elective office that is distributed by
telephone.

(q) "Surplus funds" shall mean funds remaining in a candidate's campaign account
at the time the candidate leaves City elective office, or at the end of the post-election reporting
period following the defeat of the candidate for City elective office, whichever occurs last, and
funds remaining in the campaign account of a committee primarily formed to support or
oppose a measure at the end of the post-election reporting period following the election at
which the measure appeared on the ballot.

(r) "Total Opposition Spending" shall mean the sum of any expenditures made or
 expenses incurred by any person or persons for the purpose of making independent
 expenditures, electioneering communications or member communications in opposition to a
 specific candidate for Mayor.

- 24
- 25

MAYOR, ETHICS COMMISSION

(s) "Total Supportive Funds" shall mean the sum of all contributions received by a
candidate for Mayor other than any funds in the candidate's Campaign Contingency Account,
plus the expenditures made or expenses incurred by any person or persons for the purpose of
making independent expenditures, electioneering communications or member
communications in support of that same candidate.

6 (t) "Trust Account Limit," shall mean the amount of funds in the Campaign 7 Contribution Trust Account of a candidate for Mayor who has been certified by the Ethics 8 Commission as eligible to receive public funds under this Chapter such that the expenditure of 9 this amount would cause the candidate to reach, but not exceed, the candidate's Individual 10 Expenditure Ceiling. The Trust Account Limit shall be reduced as the candidate spends 11 money and shall be increased when his or her Individual Expenditure Ceiling increases.

(u) "Voter" means an individual registered to vote in San Francisco

13 (v)(u) "Written instrument" means a check, credit card receipt, or record of electronic 14 transfer of funds.

15

12

SEC. 1.108. CANDIDATE CAMPAIGN CONTRIBUTION TRUST ACCOUNTS AND
 CAMPAIGN CONTINGENCY ACCOUNTS.

18

(a) Candidate Campaign Contribution Trust Accounts.

(1) <u>Establishment of Account.</u> Each treasurer for a candidate shall establish a
 campaign contribution trust account for the candidate at an office of a bank located in the City
 and County of San Francisco, the account number and branch identification of which shall be
 filed with the Ethics Commission within 10 days of the establishment of the account. All of the
 expenditures by the candidate for the City elective office sought shall be made from that
 account.

25

MAYOR, ETHICS COMMISSION

1 (2)Prohibition on Multiple Accounts. All funds, services or in-kind contributions received 2 by a City elective officer, or by any person or committee on behalf of a City elective officer, for 3 expenses incurred directly in connection with carrying out the usual and necessary duties of holding 4 office shall be deposited, credited or otherwise reported to the officer's campaign contribution trust 5 account and shall be subject to the contribution limits in Section 1.114 of this Chapter. Nothing in this Section shall prohibit an officer from spending personal funds on official or related business activities. 6 7 (3) (2) Account Limits. A candidate for Mayor who has been certified by the Ethics 8 Commission as eligible to receive public funds under this Chapter shall not, at any time, have 9 an amount of funds greater than the candidate's Trust Account Limit in his or her Campaign Contribution Trust Account. 10 11 (b) Campaign Contingency Accounts for Candidates for Mayor. (1) Notwithstanding any other section of this Code, including subsection (a)(2) 1.200, 12 13 a candidate for Mayor who has been certified by the Ethics Commission as eligible to receive 14 public funds under this Chapter may maintain a Campaign Contingency Account separate 15 from his or her Campaign Contribution Trust Account into which he or she may deposit money 16 contributions in anticipation of the candidate's Individual Expenditure Ceiling being raised. All

money contributions deposited into this account shall be reported as if it were deposited into
the candidate's Campaign Contribution Trust Account.

(2) No expenditures shall be made from a Campaign Contingency Account
 established pursuant to this section. Funds may be transferred between a candidate's
 Campaign Contingency Account and the candidate's Campaign Contribution Trust Account,
 provided that the amount of funds in the candidate's Campaign Contribution Trust Account
 does not exceed the candidate's Trust Account Limit. All funds that qualify as matching
 contributions and are transferred from the Campaign Contingency Account to the Campaign

25

MAYOR, ETHICS COMMISSION

Contribution Trust Account shall be eligible to be matched with public funds in accordance
 with the procedures set forth in this Chapter. Within 10 days after the date of the election, the
 candidate shall turn over all funds in the Campaign Contingency Account to the Mayoral
 Election Campaign Fund.

- 5
- 6

SEC. 1.112. ELECTRONIC CAMPAIGN DISCLOSURE.

7

(a) FILING ELECTRONIC *COPIES OF* CAMPAIGN STATEMENTS.

8 (1) Filing Electronic Copies of Campaign Statements. Whenever any committee that

9 meets the requirements of Subsection (b) of this Section is required by <u>this Chapter or</u> the

10 California Political Reform Act (Government Code Section 81000 et seq.) to *file a semi-annual*

11 *campaign statement, a preelection campaign statement, a supplemental preelection campaign*

12 statement, or a supplemental independent expenditure a campaign disclosure statement or report with

the Ethics Commission, the committee shall file at the same time a copy of the statement or

14 report in an electronic format with the Ethics Commission, provided the Ethics Commission

15 has prescribed the format at least 60 days before the statement or report is due to be filed.

16 (2) Continuous Filing of Electronic Statements. Once a committee is subject to the electronic

17 *filing requirements imposed by this Section, the committee shall remain subject to the electronic filing*

18 *requirements, regardless of the amount of contributions received or expenditures made during each*

19 *reporting period, until the committee files a termination statement pursuant to this Chapter and the*

- 20 <u>California Political Reform Act (Government Code Section 81000 et seq.).</u>
- 21 (3) Disclosure of Expenditure Dates. All electronic statements filed under this Section shall
- 22 *include the date any expenditure required to be reported on the statement was incurred, provided that*
- 23 *the Commission's forms accommodate the reporting of such dates.*
- 24
- 25

MAYOR, ETHICS COMMISSION

- COMMITTEES SUBJECT TO ELECTRONIC FILING REQUIREMENTS. (b)
- 1

2 A committee is subject to this Section if the committee is: (1) required to file a 3 statement of organization under this Chapter and the California Political Reform Act 4 (Government Code Sections 81000 et seq.); and (2) is controlled by a candidate, or is formed 5 or exists primarily to support or oppose a candidate, or is formed or exists primarily to support or oppose a ballot measure which is being voted on only in the City and County, or is a 6 general purpose committee active only in the City and County; and (3) receives contributions, 7 8 or makes independent expenditures, totaling \$5,000 or more in a calendar year. *For purposes* 9 of this Section, the term "contribution" shall be defined as set forth in the California Political Reform 10 Act (Government Code Section 81000 et seq.)

- 11 (c) AUTHORITY OF ETHICS COMMISSION TO REQUIRE ADDITIONAL FILINGS.
- 12 Whenever any committee that meets the requirements under Subsection (b) of this Section is 13 required by this Chapter or the California Political Reform Act (Government Code Section 81000 et 14 seq.) to file a campaign disclosure statement or report with the Ethics Commission, the Commission 15 may require the committee to file an electronic copy of the statement or report. The electronic copy 16 shall be due no later than the deadline imposed by the California Political Reform Act for filing the 17 statement or report. Pursuant to San Francisco Charter Section 15.102, the Ethics Commission shall 18 adopt regulations specifying the electronic filing requirements applicable to committees. The Ethics 19 *Commission shall adopt these regulations no fewer than 120 days before the electronic filing*
- 20 *requirements are effective*

21

(d) CONTINUOUS FILING OF ELECTRONIC COPIES OF CAMPAIGN STATEMENTS.

- 22 Once a committee is subject to the electronic filing requirements imposed by this Section, the
- 23 committee shall remain subject to the electronic filing requirements, regardless of the amount of
- 24 contributions received or expenditures made during each reporting period, until the committee files a
- 25

MAYOR, ETHICS COMMISSION

termination statement pursuant to California Political Reform Act (Government Code Section 81000 et seq.).

3

4

5

SEC. 1.114. CONTRIBUTION LIMITS.

(a) LIMITS ON CONTRIBUTIONS TO CANDIDATES.

6 (1) Per Candidate Limit. No person other than a candidate shall make, and no
7 candidate campaign treasurer shall solicit or accept, any contribution which will cause the total
8 amount contributed by such person to such candidate in an election to exceed <u>\$500</u> \$500.

- 9 (2) Overall Limit. No person shall make any contribution which will cause the total
 10 amount contributed by such person to all candidates in an election to exceed <u>\$500</u> \$500
 11 multiplied by the number of City elective offices to be voted on at that election.
- 12 (b) LIMITS ON CONTRIBUTIONS FROM CORPORATIONS. No corporation 13 organized pursuant to the laws of the state of California, the United States, or any other state, 14 territory, or foreign country, whether for profit or not, shall make a contribution to a candidate 15 for City elective office, provided that nothing in this subsection shall prohibit such a 16 corporation from establishing, administering, and soliciting contributions to a separate 17 segregated fund to be utilized for political purposes by the corporation, provided that the 18 separate segregated fund complies with the requirements of federal law including sections 19 432(e) and 441b of Title 2 of the United States Code, including any subsequent amendments to those sections. 20
- 21

(c) LIMITS ON CONTRIBUTIONS TO COMMITTEES.

(1) Per Committee Limit. No person shall make, and no committee treasurer shall
solicit or accept, any contribution which will cause the total amount contributed by such
person to the committee to exceed \$500 \$500 per calendar year.

25

MAYOR, ETHICS COMMISSION

(2) Overall Limit. No person shall make, and no committee treasurer shall solicit or
 accept, any contribution which will cause the total amount contributed by such person to all
 committees to exceed <u>\$3000</u> \$3000 per calendar year.

4 (3) Definitions. For purposes of this Subsection, "committee" shall mean any
5 committee making expenditures to support or oppose a candidate, but shall not include
6 candidates' campaign committees.

7

(d) AGGREGATION OF AFFILIATED ENTITY CONTRIBUTIONS.

8 (1) General rule. For purposes of the contribution limits imposed by this Section
9 and Sections 1.120 *and 1.126*, the contributions of an entity whose contributions are directed
10 and controlled by any individual shall be aggregated with contributions made by that individual
11 and any other entity whose contributions are directed and controlled by the same individual.

12 (2) Multiple entity contributions controlled by the same persons. If two or more
13 entities make contributions that are directed and controlled by a majority of the same persons,
14 the contributions of those entities shall be aggregated.

(3) Majority-owned entities. Contributions made by entities that are majority-owned
by any person shall be aggregated with the contributions of the majority owner and all other
entities majority-owned by that person, unless those entities act independently in their
decisions to make contributions.

(4) Definition. For purposes of this Section, the term "entity" means any person
other than an individual and "majority-owned" means a direct or indirect ownership of more
than 50 percent, *except that an entity owned equally by two individuals shall be deemed majority- owned by each of the individuals*.

23

(5) Effective Date. This Subsection shall take effect January 1, 2004.

- 24
- 25

MAYOR, ETHICS COMMISSION

CONTRIBUTOR INFORMATION REQUIRED. If the cumulative amount of 1 (e) 2 contributions received from a contributor is \$100 or more, the committee shall not deposit any 3 contribution that causes the total amount contributed by a person to equal or exceed \$100 4 unless the committee has the following information: the contributor's full name; the 5 contributor's street address; the contributor's occupation; and the name of the contributor's employer or, if the contributor is self-employed, the name of the contributor's business. A 6 7 committee will be deemed not to have had the required contributor information at the time the 8 contribution was deposited if the required contributor information is not reported on the first 9 campaign statement on which the contribution is required to be reported.

(f) FORFEITURE OF UNLAWFUL CONTRIBUTIONS. In addition to any other
 penalty, each committee that receives a contribution which exceeds the limits imposed by this
 Section or which does not comply with the requirements of this Section shall pay promptly the
 amount received or deposited in excess of the amount permitted by this Section to the City
 and County of San Francisco and deliver the payment to the Ethics Commission for deposit in
 the General Fund of the City and County; provided that the Commission may provide for the
 waiver or reduction of the forfeiture.

17 **RETURN OF CONTRIBUTIONS.** A contribution to a candidate or committee (g) 18 making expenditures to support or oppose a candidate shall not be considered to be received 19 if it is not cashed, negotiated, or deposited and in addition it is returned to the donor before the closing date of the campaign statement on which the contribution would otherwise be 20 21 reported, except that a contribution to a candidate or committee making expenditures to 22 support or oppose a candidate made before an election at which the candidate is to be voted on but after the closing date of the last campaign statement required to be filed before the 23 24 election shall not be considered to be deemed received if it is not cashed, negotiated or

25

MAYOR, ETHICS COMMISSION

1	deposited and is returned to the contributor within 48 hours of receipt. For all committees not
2	addressed by this Section, the determination of when contributions are considered to be
3	received shall be made in accordance with Government Code Section 81000, et seq.
4	
5	SEC. 1.116. LIMITS ON LOANS TO CANDIDATES.
6	(a) A candidate's loan of personal funds to the candidate's campaign may not
7	exceed at any time more than:
8	(1) \$15,000 for a candidate for the Board of Supervisors, Board of Education of the
9	San Francisco Unified School District or the Governing Board of the San Francisco
10	Community College District,
11	(2) \$120,000 for a candidate for Mayor, or
12	(3) \$35,000 for a candidate for Assessor or Public Defender, City Attorney,
13	Treasurer, District Attorney or Sheriff.
14	(b) A candidate may not charge interest on any loan the candidate has made to the
15	candidate's campaign.
16	(c) In addition to any other penalty, loans made by a candidate to the candidate's campaign
17	in excess of the amounts in subsection (a) shall be deemed a contribution to the campaign and may not
18	be repaid to the candidate.
19	(d) Whenever the Ethics Commission adjusts the voluntary expenditure ceilings to
20	reflect changes in the California Consumer Price Index, as authorized under section 1.130,
21	the Commission is authorized to adjust the loan amounts in this section to reflect changes in
22	the Consumer Price Index. This section shall take effect January 1, 2004.
23	
24	
25	
	MAYOR, ETHICS COMMISSION

1 SEC. 1.122. SOLICITATION OR ACCEPTANCE OF CAMPAIGN CONTRIBUTIONS -2 LIMITATIONS.

- 3 (a) Declaration of Intent Required. No intended candidate for any City
 4 elective office, and no committee acting on behalf of a candidate, shall solicit or accept, or
 5 cause to be solicited or accepted, any contribution unless and until said candidate shall have
 6 filed a declaration of intention to become a candidate for a specific City elective office with the
 7 Department of Elections on a form to be prescribed by the Director of Elections.
- 8 No person shall file a declaration of intention to become a candidate for more 9 than one City elective office. For the purposes of this Section a committee acting on behalf of 10 a candidate need not be controlled by or acting under the authorization of the candidate.
- 11

(b) Use of Campaign Funds.

- (i) General. Except as otherwise provided in this Chapter, funds in a 12 13 candidate's campaign account may be used only on behalf of the candidacy for the office 14 specified in the candidate's declaration of intention filed under subsection (a) or for expenses 15 associated with holding that office, provided that such expenditures are reasonably related to a 16 legislative, governmental, or political purpose. Contributions solicited or accepted under this 17 Section for one individual shall not be expended for the candidacy of any other individual or in 18 support of or opposition to any measure, or be donated to a charitable organization. Nothing in 19 this section shall prohibit a candidate in a ranked choice election from expending funds to support the ranking of another candidate if the primary purpose of the expenditure is to further the candidate's own 20 21 campaign..
- (ii) Withdrawal from candidacy. Campaign funds held by an individual who
 ceases to be a candidate or fails to qualify for an office for which contributions have been
 solicited or accepted shall be:
- 25
- MAYOR, ETHICS COMMISSION

1		(A)	returned on a pro rata "last in, first out" basis to those persons who have
2	made said contributions;		
3		(B)	donated to the City and County of San Francisco; or
4		(C)	donated to a charitable organization.
5		(c)	Surplus funds. Surplus funds held by a candidate or committee shall be:
6		(i)	returned on a pro rata "last in, first out" basis to those persons who have
7	made said co	ntribut	ions;
8		(ii)	donated to a charitable organization; or
9		(iii)	donated to the City and County of San Francisco.; or
10		<u>(d)(iv)</u>	Transfer of Funds. At any time, funds held in a candidate's campaign account
11	<u>may be</u> transfe	erred to	o any legally constituted committee established by or on behalf of the
12	candidate und	der the	Government Code of the State of California (commencing at Section
13	81000). Cont	tributio	ns transferred under this subsection shall be attributed to specific
14	contributors u	ising a	"first in, first out" or "last in, first out" accounting method.
15			
16	SEC. 1	.126.	CONTRIBUTION LIMITS - CONTRACTORS DOING BUSINESS WITH
17	THE CITY, TI	HE UN	IFIED SCHOOL DISTRICT AND THE SAN FRANCISCO COMMUNITY
18	COLLEGE D	ISTRIC	CT.
19	<u>(a)</u> Dej	finition	<u>S.</u>
20	<u>For pur</u>	rposes o	of this section, the following words and phrases shall mean:
21	<u>(1) "Pe</u>	rson wi	ho contracts with" includes any party or prospective party to a contract, as well
22	any member of	that pe	arty's board of directors, its chairperson, chief executive officer, chief financial
23	<u>officer, chief o</u>	peratin	g officer, any person with an ownership interest of more than 20 percent in the
24	party, any subc	contrac	tor listed in a bid or contract, and any committee, as defined by this Chapter that
25			

1	is sponsored or controlled by the party, provided that the provisions of Section 1.114 of this Chapter
2	governing aggregation of affiliated entity contributions shall apply only to the party or prospective
3	party to the contract.
4	(2) "Contract" means any agreement or contract, including any amendment or modification to
5	an agreement or contract, with the City and County of San Francisco, a state agency on whose board
6	an appointee of a City elective officer serves, the San Francisco Unified School District, or the San
7	Francisco Community College District for:
8	(A) the rendition of personal services,
9	(B) the furnishing of any material, supplies or equipment,
10	(C) the sale or lease of any land or building, or
11	(D) a grant, loan or loan guarantee.
12	(b) Prohibition.
13	No person who contracts with the City and County of San Francisco, a state agency on
14	whose board an appointee of a City elective officer serves, the San Francisco Unified School
15	District or the San Francisco Community College District, for the rendition of personal services,
16	for the furnishing of any material, supplies or equipment to the City, the Unified School District or the
17	Community College District, or for selling or leasing any land or building to or from the City, the
18	Unified School District or the Community College District whenever such transaction would require
19	approval by a City elective officer, or the board on which that City elective officer serves,
20	(1) shall make any contribution to:
21	(A) such an officer, an individual holding a City elective office if the contract must be
22	approved by such individual, the board on which that individual serves or a board on which
23	an appointee of that individual serves;
24	(B) or a candidate for such an the office held by such individual; or
25	

1	(C) a committee controlled by such <i>individual officer</i> or candidate
2	(2) whenever the agreement or contract has a total anticipated or actual value of \$50,000 or
3	more, or a combination or series of such agreements or contracts approved by that same individual or
4	board have a value of \$50,000 or more in a fiscal year of the City and County
5	(3) at any time from the commencement of negotiations for such contract until:
6	(A) (1) the termination of negotiations for such contract; or
7	(B) (2) three six months have elapsed from the date the contract is approved by the
8	City elective officer, or the board on which that City elective officer serves.
9	(c) Notification.
10	(1) Prospective Parties to Contracts. Any prospective party to a contract with the City and
11	County of San Francisco, a state agency on whose board an appointee of a City elective officer serves,
12	the San Francisco Unified School District or the San Francisco Community College District shall
13	inform each person described in subsection (a)(1) of the prohibition in subsection (b) by the
14	commencement of negotiations for such contract.
15	(2) Individuals Who Hold City Elective Office. Every individual who holds a City elective
16	office shall, within five business days of the approval of a contract by the officer, a board on which the
17	officer sits or a board of a state agency on which an appointee of the officer sits, notify the Ethics
18	Commission, on a form adopted by the Commission, of each contract approved by the individual, the
19	board on which the individual serves or the board of a state agency on which an appointee of the
20	officer sits. An individual who holds a City elective office need not file the form required by this
21	subsection if the clerk or secretary of a board on which the individual serves or a board of a state
22	agency on which an appointee of the officer serves has filed the form on behalf of the board.
23	
24	
25	
	MAYOR ETHICS COMMISSION

1 SEC. 1.128. ACCEPTANCE OR REJECTION OF VOLUNTARY EXPENDITURE 2 CEILINGS.

3 All candidates for City elective office must file a statement with the Ethics (a) 4 Commission indicating whether they accept or do not accept the applicable expenditure 5 ceiling. This statement, which is a public document, shall be filed no later than the deadline for filing nomination papers with the Department of Elections, and once filed may not be 6 7 withdrawn after such deadline. The form may not be filed prior to June 1 of an election occurring in 8 November or 120 days before an election held at any other time, and once filed may not be withdrawn. 9 A candidate may not accept or reject the applicable expenditure ceiling under this section if the 10 applicable expenditure ceiling has already been lifted under section 1.134 of this Chapter. 11 The Director of Elections shall cause to be published in the Voter Information 12 Pamphlet, on the same page as appears the candidate's statement of qualifications, a notice 13 informing voters whether the candidate has accepted the voluntary expenditure ceiling. For 14 candidates who have accepted the voluntary expenditure ceiling, the notice shall state: "The 15 above candidate has accepted the City's voluntary spending limit." For candidates who have 16 not accepted the voluntary expenditure ceiling, the notice shall state: "The above candidate 17 has NOT accepted the City's voluntary spending limit." If a candidate was precluded from 18 accepting or rejecting the limits because the expenditure ceiling for a particular race was lifted under 19 section 1.134 of this Chapter before the candidate filed the statement required by this section, the notice for that candidate shall state "The voluntary spending limit was lifted before this candidate 20 21 decided whether to accept or not accept the limit." The notice shall be printed in the same font 22 size and type as the candidate's statement of qualifications. Nothing in this subsection shall prevent a candidate from participating in a public financing program authorized by this 23 24 Chapter.

25

MAYOR, ETHICS COMMISSION

(b) Any candidate who files a statement pursuant to this Section accepting the
applicable expenditure ceiling and makes campaign expenditures in excess of the expenditure
ceiling, at a time when the ceiling has not been lifted, is subject to the penalties in Section
1.170 for violation of this Chapter.

- 5
- 6

SEC. 1.130. AMOUNT OF EXPENDITURE CEILINGS.

7 (a) Any candidate for Assessor, Public Defender, City Attorney, District Attorney,

8 Treasurer, or Sheriff who agrees to expenditure ceilings shall not make total qualified

9 campaign expenditures exceeding $\frac{229,000}{211,000}$.

- (b) Any candidate for Mayor who agrees to expenditure ceilings shall not make total
 qualified campaign expenditures exceeding \$1,375,000.
- 12 (c) Any candidate for the Board of Supervisors who agrees to expenditure ceilings
 13 shall not make total qualified campaign expenditures exceeding \$<u>86,000</u> <u>83,000</u>.
- (d) Any candidate for the Board of Education of the San Francisco Unified School
 District or the Governing Board of the San Francisco Community College District who agrees
 to expenditure ceilings shall not make total qualified campaign expenditures exceeding
- 17 \$<u>98,000</u>90,000.

(e) The Ethics Commission is authorized to adjust annually the expenditure ceilings
imposed by this Section to reflect the change in the California Consumer Price Index for that
year.

- 21
- 22

SEC. 1.135. SUPPLEMENTAL REPORTING.

23 (a) Supplemental Preelection Statements. In addition to the campaign disclosure
 24 requirements imposed by the California Political Reform Act and other provisions of this
 25

MAYOR, ETHICS COMMISSION

1	Chapter, all San Francisco general purpose committees shall file preelection statements before any
2	election held in the City and County of San Francisco at which a candidate for City elective office or
3	City measure is on the ballot, if the committee makes contributions or expenditures totaling five
4	hundred dollars (\$500) or more during the period covered by the preelection statement.any committee
5	that makes contributions or independent expenditures totaling \$500 or more in a calendar month
6	during the six months immediately preceding an election, to support or oppose a candidate for City
7	elective office at that election, shall disclose, prior to the date of the election, all contributions and
8	loans received and all expenditures made.
9	(b) Time for Filing Supplemental Preelection Statements. Preelection statements required by
10	this Section shall be filed as follows:
11	(1) For the period ending 45 days before the election, the statement shall be filed no later than
12	40 days before the election;
13	(2) For the period ending 17 days before the election, the statement shall be filed no later than
14	<u>12 days before the election.</u>
15	(c) The Ethics Commission may require that these statements be filed electronically.
16	
17	SEC. 1.148. RESTRICTIONS ON USE OF PUBLIC FUNDS; UNEXPENDED PUBLIC
18	FUNDS.
19	(a) USE FOR QUALIFIED CAMPAIGN EXPENDITURES ONLY. Candidates who
20	receive public financing may use the public funds solely to pay for qualified campaign
21	expenditures, as defined by Section 1.104 of this Chapter, and to repay loans used to pay for
22	qualified campaign expenditures except that public funds may be used to pay filing fees and costs
23	incurred after the election that do not directly affect the outcome of the election, including but not
24	limited to utility bills, expenses associated with an audit, and expenses related to preparing post-
25	

1 <u>election campaign finance disclosure reports as required by the California Political Reform Act</u>,

Government Code section 81000, et seq., and the provisions of this Chapter. Candidates may not
 use public funds to pay for expenses incurred in connection with an administrative or judicial
 proceeding. Candidates may not use public funds to pay administrative, civil or criminal fines,
 including late filing fines, or to pay for inaugural activities or officeholder expenses. <u>Candidates</u>
 <u>may not use public funds to pay post-election bonuses to campaign employees or for election victory</u>

7 <u>celebrations or similar post-election campaign events.</u>

8 (b) PURCHASE OF EQUIPMENT. Any equipment purchased by a candidate with 9 public funds provided under this Chapter that has a useful life beyond the election campaign 10 for which the funds were provided, and a fair market value exceeding \$100, becomes City and 11 County property on the day following the date the candidate is elected or not elected to office. 12 (c) WITHDRAWAL OR FAILURE TO QUALIFY. Any candidate who receives public 13 financing but who withdraws or fails to qualify to have his or her name printed on the ballot in 14 the election for which the public funds were provided shall repay the Supervisor Election Campaign Fund if the candidate was a candidate for the Board of Supervisors or to the 15 Mayoral Election Campaign Fund if the candidate was a candidate for Mayor the full sum 16 17 received from the Fund.

18

(d) UNEXPENDED PUBLIC FUNDS.

(i) General. Any candidate who receives public financing and who has
unexpended public funds shall pay to the City and County of San Francisco and deliver to the
Ethics Commission those funds for deposit in the Supervisor Election Campaign Fund if the
candidate was a candidate for the Board of Supervisors or to the Mayoral Election Campaign
Fund if the candidate was a candidate for Mayor no later than 30 days after the Ethics
Commission completes its audit of the candidate. Unexpended funds may be used to pay for

25

MAYOR, ETHICS COMMISSION

1 *qualified campaign expenditures expenses associated with an audit such as bank fees, treasurer fees*

- 2 *and storage fees* until the Ethics Commission completes its audit of the candidate.
- 3 (ii) Definition. For purposes of this section, unexpended public funds shall mean all 4 funds remaining in the candidate's account on the 30th day after the candidate is elected or 5 not elected to office, regardless of the source of the funds, but shall not exceed the amount of 6 public funds provided to the candidate. Funds raised after this date do not constitute 7 unexpended funds and may be used for any lawful purpose.
- 8
- 9

SEC. 1.150. AUDIT; REPAYMENT.

(a) AUDIT. The Ethics Commission shall audit all candidates who receive public
financing under this Chapter. Audits of candidates for Mayor conducted under this subsection
shall begin within 60 days after the date the candidates' first post-election campaign
disclosure report is required to be filed pursuant to Section 1.106 of this Chapter. At the
request of the Executive Director, the Controller shall assist in conducting these audits.

15

(b) REPAYMENT.

16 (1) If the Ethics Commission determines that any portion of the payments made to a 17 candidate from the Supervisor Election Campaign Fund or the Mayoral Election Campaign 18 Fund exceeded the aggregate amount of payments to which the candidate was entitled under 19 this Chapter, the Commission shall notify the Controller and the candidate. In addition to any other penalties, the candidate shall pay to the City and County of San Francisco, and deliver 20 21 to the Ethics Commission an amount equal to the amount of the excess payments, and if the 22 Commission determines that any amount of any payment made to a candidate from the 23 Supervisor Election Campaign Fund or the Mayoral Election Campaign Fund was used for

- 24
- 25

MAYOR, ETHICS COMMISSION

something other than gualified campaign expenditures, the candidate shall pay to the Ethics 1 2 Commission an amount equal to the improper expenditure.

3

(2) Any candidate for Mayor who receives public funds under this Chapter and 4 exceeds his or her Individual Expenditure Ceiling by ten percent or more shall, in addition to 5 any other penalties, pay to the Ethics Commission an amount equal to the amount of public funds the candidate received under this Chapter. 6

7 (3) Any candidate for the Board of Supervisors who receives public funds under this Chapter

8 and who exceeds, by ten percent or more, an expenditure ceiling that has not been lifted shall, in

9 addition to any other penalties, pay to the Ethics Commission an amount equal to the amount of public

10 funds the candidate received under this Chapter.

11 (4) All payments delivered to the Ethics Commission under this Section shall be deposited in the Supervisor Election Campaign Fund if made by a candidate for the Board of 12 13 Supervisors or in the Mayoral Election Campaign Fund if made by a candidate for Mayor.

14

16

SEC. 1.161. DISCLOSURE AND FILING REQUIREMENTS FOR MASS MAILINGS. 15

DISCLOSURE. (a)

17 In addition to the requirements set forth in California Government Code Section 18 84305, each mass mailing paid for by a candidate for City elective office shall include on the 19 outside of each piece of mail in the mass mailing the following statement in not less than 14 point

type and in a color or print which contrasts with the background so as to be easily legible: 20

- "paid for by _____ (insert candidate's name and street address)." A post office box may be 21
- 22 stated in lieu of a street address if the candidate's address is a matter of public record with the
- 23 San Francisco Ethics Commission.
- 24
- 25

MAYOR, ETHICS COMMISSION

- 1 (b) FILING.
- 2 Each candidate for City elective office who pays for a mass mailing shall, (1)3 within five working days after the date of the mailing, file two of the original pieces an original or 4 *copy* of the mailing with the San Francisco Ethics Commission. 5 (2)Each candidate for City elective office who pays for a mass mailing shall, within five working days after the date of the mailing, file an itemized disclosure statement with 6 the San Francisco Ethics Commission for that mailing. 7 8 (3)A candidate for City elective office shall file the original pieces of mail and the 9 itemized disclosure statement required by subsections (b)(1) and (b)(2) within 48 hours of the date of 10 the mailing if the date of the mailing occurs within the final 16 days before the election. 11 Every original *or copy* filed pursuant to this subsection shall be clearly (4)12 legible. 13 (C) DEFINITIONS. 14 (1)For the purposes of this section, "Itemized disclosure statement" shall 15 mean a detailed description of the separate costs associated with a mass mailing, including but not limited to photography, design, production, printing, distribution and postage. Each 16 17 cost shall be disclosed on a form promulgated by the San Francisco Ethics Commission in a 18 manner that demonstrates each separate charge or payment for each mass mailing. 19 (2)For the purposes of this section, "Mass mailing" shall be defined as set forth in the California Political Reform Act (Government Code Sections 81000 et seq.), 20 provided that the mass mailing is paid for by a candidate for City elective office with funds 21 22 raised for the candidate's campaign, and that the mass mailing advocates for or against 23 candidates for City elective office. 24
- 25

SEC. 1.161.5. DISCLOSURE AND FILING FOR ELECTIONEERING

2 COMMUNICATIONS.

3

1

(a) DISCLOSURE STATEMENTS.

4 (1) Every electioneering communication shall include a disclosure statement
5 identifying the person who paid for the communication. Such disclosure statement shall, at a
6 minimum, contain the following words, "paid for by _____ (insert the name of the person who
7 paid for the communication)."

8 (2) Any disclosure statement required by this section to be in printed form
9 shall be printed in a type and color so as to be easily legible to the intended public. *In no*10 *situation shall such* disclosure statement *shall* be printed in *less than at least* 14 point type *or*11 *and* in a color or print that *does not* contrasts with the background so as to be easily legible to
12 the intended public.

(3) Any disclosure statement required by this section to be in spoken form
shall be spoken at the same volume and speed as the rest of the communication so as to be
clearly audible and understood by the intended public and otherwise appropriately conveyed
for the hearing impaired.

17

(b) REPORTING OBLIGATIONS.

18 (1) Every person who makes payments for electioneering communications in
19 an aggregate amount of \$1,000 during any calendar year shall, within 48 hours of each
20 disclosure date, file an itemized statement with the San Francisco Ethics Commission.

- (2) Each itemized statement required to be filed under this section shall be
 filed on a form promulgated by the San Francisco Ethics Commission and shall contain the
 following information:
- 24
- 25

MAYOR, ETHICS COMMISSION

(A) the full name, street address, city, state and zip code of the person 1 2 making payments for electioneering communications;

3

(B) the name of any individual sharing or exercising direction and control over 4 the person making payments for electioneering communications;

5 (C) the total amount of payments made by the person for electioneering 6 communications during the calendar year;

7 (D) a detailed description of each payment made by the person for 8 electioneering communications during the calendar year, provided that the person has not 9 already reported such payments on an itemized statement filed under this section; such 10 detailed description shall include the date the payment was made, the full name and address 11 of the person to whom the payment was made; the amount of the payment, and a brief 12 description of the consideration for which each payment was made;

13 (E) a detailed accounting of any payments of \$100 or more that the person 14 has received from another person, which were used for making electioneering 15 communications, provided that the person has not already reported such payments received on an itemized statement filed under this section; such detailed accounting shall include the 16 17 dollar amount or value of each payment, the date of the payment's receipt, the name, street 18 address, city, state, and zip code of the person who made such payment, the occupation and 19 employer of the person who made such payment, if any, or, if the person is self-employed, the name of the person's business, and the cumulative amount of payments received for the 20 21 purpose of making electioneering communications from that person during the calendar year; 22 (F) the total amount of all payments reported under subsection (E) during the

- 23
- 24
- 25

MAYOR, ETHICS COMMISSION

Board of Supervisors

calendar year;

(G) a legible copy of the electioneering communication if in printed form, or a
 transcript of the electioneering communication if in spoken form; and

3 (H) any other information required by the Ethics Commission consistent with
4 the purposes of this section.

5 (3) The filer shall verify, under penalty of perjury, the accuracy and 6 completeness of the information provided in the itemized statement, and shall retain for a 7 period of five years all books, papers and documents necessary to substantiate the itemized 8 statements required by this section.

9 (4) The Ethics Commission may require any itemized statement to be filed 10 electronically and may permit any required statement to be filed by facsimile. The Ethics 11 Commission shall promulgate regulations to implement this subsection before any person 12 shall be required to file an itemized statement electronically or permitted to file a statement by 13 facsimile.

(5) If any person files an itemized statement after any deadline imposed by
this section, the Ethics Commission shall, in addition to any other penalties or remedies
established in this Chapter, fine the person \$10 per day after the deadline until the statement
is received by the Ethics Commission. The Ethics Commission may reduce or waive a fine if
the Commission determines that the late filing was not willful and that enforcement will not
further the purposes of this Chapter. The Ethics Commission shall deposit funds collected
under this section in the General Fund of the City and County of San Francisco.

(c) DEFINITIONS. Whenever in this section the following words or phrases
 are used, they shall mean:

"Disclosure Date" shall mean:

- 23
- 24
- 25

MAYOR, ETHICS COMMISSION

(1)

(A) the first date during any calendar year when an electioneering 1 2 communication is distributed after a person has made payments aggregating \$1,000 for 3 electioneering communications; and 4 (B) after a person has met the threshold under subsection (A), any date 5 during that same calendar year when an electioneering communication is distributed, if that 6 same person made any payments for such electioneering communication. 7 (2)"Distributed" shall mean any act that permits an electioneering 8 communication to be viewed, read or heard. 9 (3)"Electioneering Communication" shall mean any communication, 10 including but not limited to any broadcast, cable, satellite, radio, internet, or telephone 11 communication, and any mailing, flyer, doorhanger, pamphlet, brochure, card, sign, billboard, 12 facsimile, or printed advertisement, that: 13 (A) refers to a clearly identified candidate for City elective office or a City 14 elective officer who is the subject of a recall election; and 15 (B) is distributed within 90 days prior to an election for the City elective office 16 sought by the candidate or a recall election regarding the City elective officer to 500 or more 17 individuals who are registered to vote or eligible to register to vote in the election or recall 18 election. There shall be a rebuttable presumption that any that any broadcast, cable, satellite, 19 or radio communication and any sign, billboard or printed advertisement is distributed to 500 or more individuals who are eligible to vote in or eligible to register to vote in an election for 20 the City elective office sought by the candidate or a recall election regarding the City elective 21 22 officer. (C) The term "Electioneering Communication" shall not include: 23 24

25

(i) communications that constitute expenditures or independent
 expenditures under this Chapter;

3 (ii) communications made by a slate mailer organization if such
4 communications are required to be disclosed under California Government Code section
5 81000, et seq.;

6 (iii) communications paid for by the City or any other local, state or federal
7 government agency;

8 (iv) spoken communications between two or more individuals in direct 9 conversation unless such communications are made by telephone and at least one of the 10 individuals is compensated for the purposes of making the telephone communication;

(v) communications that appear on bumper stickers, pins, stickers, hat
bands, badges, ribbons and other similar memorabilia;

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

(vii) communications to all members, employees and shareholders of an
organization, other than a political party, provided that such communications do not constitute
general public advertising such as, but not limited to, broadcasting, billboards, and newspaper
advertisements;

20

(viii) communications that occur during a candidate debate or forum; and

(ix) communications made solely to promote a candidate debate or forum
 made by or on behalf of the person sponsoring the debate or forum, provided that such
 communications do not otherwise discuss the positions or experience of a candidate for City
 elective office or a City elective officer who is the subject of a recall election.

25

MAYOR, ETHICS COMMISSION

(4) "Internet Communication" shall include paid internet advertisements such
 as "banner" and "pop up" advertisements, paid emails or emails sent to addresses purchased
 from another person, and similar types of internet communications as defined by the Ethics
 Commission by regulation, but shall not include web blogs, listserves sent to persons who
 have contacted the sender, discussion forums, or general postings on web pages.

6 (5) "Payment" shall be defined as set forth in Government Code of the State
7 of California (commencing at Section 81000); provided, however, that "payment" shall also
8 include any enforceable promise to make a payment.

9 (6) "Refers to a clearly identified candidate for City elective office or a City 10 elective officer who is the subject of a recall election" shall mean any communication that 11 contains the candidate's or officer's name, nickname or image or makes any other 12 unambiguous reference to the candidate or officer such as "your Supervisor" or "the 13 incumbent."

(D) Regulations. The Ethics Commission shall issue regulations
implementing this section, including regulations defining all members, employees and
shareholders of an organization.

17

18 SEC. 1.170. PENALTIES.

19 (a) CRIMINAL.

Any person who knowingly or willfully violates any provision of this Chapter shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$5,000 for each violation or by imprisonment in the County jail for a period of not more than six months or by both such fine and imprisonment; provided, however, that any willful or knowing failure to report contributions or expenditures done with intent to mislead or deceive

25

MAYOR, ETHICS COMMISSION

or any willful or knowing violation of the provisions of Section 1.114 of this Chapter shall be
punishable by a fine of not less than \$5,000 for each violation or three times the amount not
reported or the amount received in excess of the amount allowable pursuant to Section 1.114
of this Chapter, or three times the amount expended in excess of the amount allowable
pursuant to Section 1.130 or 1.140.5, whichever is greater.

6

(b) CIVIL.

Any person who intentionally or negligently violates any of the provisions of this
Chapter shall be liable in a civil action brought by the civil prosecutor for an amount up to
\$5,000 for each violation or three times the amount not reported or the amount received in
excess of the amount allowable pursuant to Section 1.114 or three times the amount
expended in excess of the amount allowable pursuant to Section 1.130 or 1.140.5, whichever
is greater.

13 (c) A

ADMINISTRATIVE.

Any person who intentionally or negligently violates any of the provisions of this Chapter shall be liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation, or three times the amount not reported or the amount received in excess of the amount allowable pursuant to Section 1.114 or three times the amount expended in excess of the amount allowable pursuant to Section 1.130 or 1.140.5, whichever is greater.

20

(d) <u>LATE FILING FEES PENALTIES FOR LATE ELECTRONIC FILINGS</u>.

21

(1) Fees for Late Paper Filings. In addition to any other penalty, any person who files a

22 paper copy of any statement or report after the deadline imposed by this Chapter shall be liable in the

23 *amount of ten dollars (\$10) per day after the deadline until the statement is filed.*

- 24
- 25

MAYOR, ETHICS COMMISSION

In addition to any other penalty, Aany person who files an electronic copy of a 1 (2)2 statement or report *required by this Chapter* after the deadline imposed by *this Chapter*. 3 California Political Reform Act (Government Code Section 81000 et seq.) for filing the written copy of 4 the statement or report shall be liable in the amount of twenty-five dollars (\$25) per day after the deadline until the electronic copy or report is filed. 5 Limitation on Liability. Liability imposed by subsection (d)(1) shall not exceed the 6 (3)7 cumulative amount stated in the late statement or report, or one hundred dollars (\$100), whichever is 8 greater. Liability imposed by subsection (d)(2) shall not exceed the cumulative amount stated in the 9 late statement or report, or two hundred and fifty dollars (\$250), whichever is greater. 10 Reduction or Waiver. The Ethics Commission may reduce or waive a fee imposed by this (4)11 subsection if the Commission determines that the late filing was not willful and that enforcement will 12 not further the purposes of this Chapter. MISUSE OF PUBLIC FUNDS. 13 (e) 14 Any person who willfully or knowingly uses public funds, paid pursuant to this Chapter. for any purpose other than the purposes authorized by this Chapter shall be subject to the 15 16 penalties provided in this section. PROVISION OF FALSE OR MISLEADING INFORMATION TO THE ETHICS 17 (f) COMMISSION; WITHHOLDING OF INFORMATION. 18 19 Any person who knowingly or willfully furnishes false or fraudulent evidence, documents, or information to the Ethics Commission under this Chapter, or misrepresents any 20 21 material fact, or conceals any evidence, documents, or information, or fails to furnish to the 22 Ethics Commission any records, documents, or other information required to be provided 23 under this Chapter shall be subject to the penalties provided in this section. 24 25

MAYOR, ETHICS COMMISSION

1

(g) PERSONAL LIABILITY.

- Candidates and treasurers are responsible for complying with this Chapter and may be
 held personally liable for violations by their committees.
- 4

(h) JOINT AND SEVERAL LIABILITY.

5 If two or more persons are responsible for any violation of this Chapter, they shall be 6 jointly and severally liable.

7

(i) EFFECT OF VIOLATION ON OUTCOME OF ELECTION.

8 (1) If a candidate is convicted of a violation of this Chapter at any time prior to his or 9 her election, his or her candidacy shall be terminated immediately and he or she shall be no 10 longer eligible for election, unless the court at the time of sentencing specifically determines 11 that this provision shall not be applicable. No person convicted of a misdemeanor under this 12 Chapter after his or her election shall be a candidate for any other City elective office for a 13 period of five years following the date of the conviction unless the court shall at the time of 14 sentencing specifically determine that this provision shall not be applicable.

If a candidate for Mayor is found by a court to have exceeded the Individual 15 (2) Expenditure Ceiling in this Chapter by ten percent or more at any time prior to his or her 16 17 election, he or she is ineligible for election, unless the court specifically determines that this 18 provision shall not be applicable. If feasible, the candidate's name shall be removed from the 19 ballot. No candidate for Mayor who is found by a court to have exceeded the Individual Expenditure Ceiling in this Chapter by ten percent or more after his or her election shall be a 20 candidate for any City elective office for a period of 5 years following the court's determination 21 22 unless the court specifically determines that this provision shall not be applicable. The Ethics 23 Commission may make a recommendation to the Board of Supervisors that a candidate found

- 24
- 25

MAYOR, ETHICS COMMISSION

by a court to have exceeded the Individual Expenditure Ceiling in this Chapter by ten percent 1 2 or more should be removed from office. 3 (3) A plea of nolo contendere shall be deemed a conviction for purposes of this 4 Section. 5 Section 2. The San Francisco Campaign and Governmental Code is hereby amended 6 7 by adding Sections 1.107, 1.113, 1.115, 1.118, 1.162.5, 1.163.5, and 1.172, to read as 8 follows: 9 SEC. 1.107. TRAINING FOR TREASURERS 10 (a) Training Requirements. 11 (1) Candidates. Every candidate for City elective office and their treasurers shall attend a 12 training program conducted or sponsored by the Ethics Commission prior to each election at which the 13 candidate's name will appear on the ballot. 14 (2) Treasurers. Every committee treasurer shall attend the next training program conducted or sponsored by the Ethics Commission after the date the committee files either its original statement of 15 16 organization or an amendment to a statement of organization designating a new treasurer. 17 (b) Exception. An individual who serves as the treasurer for more than one committee is not required to attend a training required by subsection (a) if that individual has attended such a training 18 19 within the previous 12 months. (c) Definition. For the purposes of this section, "committee" shall mean any committee that: 20 21 (1) qualifies as committee pursuant to subdivision (a) of Section 82013 of the California Government 22 Code as incorporated into this Chapter by Section 1.104; and (2) is required to file its semi-annual campaign statements with the Ethics Commission. 23 24

25

MAYOR, ETHICS COMMISSION

SEC. 1.113. DISCLOSURE REQUIREMENTS DURING SIGNATURE GATHERING 2 PERIODS FOR INITIATIVES, REFERENDA AND RECALLS.

- 3 (a)In order to ensure that any person interested in the finances of any committee that is
- raising or spending funds to support or oppose a measure, such committees shall file their financial 4
- 5 disclosure documents on dates that are within the time period in which signatures are gathered.
- 6 (b) For initiatives and recalls, campaign disclosure statements shall be filed on the 15th day
- 7 of the signature gathering period covering days 1-10, on the 30th day covering days 11-25, and every
- 8 30 days thereafter for the 30-day period ending five days earlier through the end of the signature-
- 9 gathering period.
- 10 For referenda, which have a 30-day signature gathering period, campaign disclosure (c)
- 11 statements shall be filed on the 10th day of the period covering days 1-5, on the 25th day of the period
- 12 covering days 6-20, and by the 60th day after the end of the period covering days 21-30.
- 13 (d) Otherwise, campaign statements shall be completed and filed as specified in this
- 14 *Chapter and state law.*
- 15

1

16

SEC. 1.115. COORDINATION OF EXPENDITURES

- 17 (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 18

19 benefit the expenditure is made, if the expenditure funds a communication that expressly advocates the

- nomination, election or defeat of a clearly identified candidate and is made under the following 20
- 21 circumstance:
- 22 (1) the expenditure is made at the request, suggestion, or direction of, or in cooperation,
- 23 consultation, concert or coordination with, the candidate on whose behalf, or for whose benefit, the
- 24 *expenditure is made; or*
- 25
- MAYOR, ETHICS COMMISSION

1	(2) the communication funded by the expenditure is created, produced or disseminated:
2	(A) after the candidate has made or participated in making any decision regarding the content,
3	timing, location, mode, intended audience, volume of distribution, or frequency of placement of the
4	communication; or
5	(B) after discussion between the creator, producer or distributor of a communication, or the
6	person paying for that communication, and the candidate or committee regarding the content, timing,
7	location, mode, intended audience, volume of distribution or frequency of placement of that
8	communication, the result of which is agreement on any of these topics.
9	(b) Rebuttable presumption of coordination. In addition to subsection (a) of this section, there
10	shall be a presumption that an expenditure funding a communication that expressly advocates the
11	nomination, election or defeat of a clearly identified candidate is not independent of the candidate on
12	whose behalf or for whose benefit the expenditure is made, when:
13	(1) it is based on information about the candidate or committee's campaign needs or plans
14	provided to the spender by the candidate;
15	(2) it is made by or through any agent of the candidate in the course of the agent's involvement
16	in the current campaign;
17	(3) the spender retains the services of a person, including a campaign consultant, who provides,
18	or has provided, the candidate with professional services related to campaign or fundrasing strategy
19	for that same election;
20	(4) the communication replicates, reproduces, republishes or disseminates, in whole or in
21	substantial part, a communication designed, produced, paid for or distributed by the candidate; or
22	(5) in the same election that the expenditure is made, the spender or spender's agent is serving
23	or served in an executive or policymaking role for the candidate's campaign or participated in strategy
24	or policy making discussions with the candidate's campaign relating to the candidate's pursuit of
25	

1	<u>election to office and the candidate is pursuing the same office as a candidate whose nomination or</u>
2	election the expenditure is intended to influence.
3	(c) Exceptions. Notwithstanding the foregoing, an expenditure shall not be considered a
4	contribution to a candidate merely because:
5	(1) the spender interviews a candidate on issues affecting the spender;
6	(2) the spender has obtained a photograph, biography, position paper, press release, or similar
7	material from the candidate;
8	(3) the spender has previously made a contribution to the candidate;
9	(4) the spender makes an expenditure in response to a general, non-specific request for support
10	by a candidate, provided that there is no discussion with the candidate prior to the expenditure relating
11	to details of the expenditures;
12	(5) the spender has invited the candidate or committee to make an appearance before the
13	spender's members, employees, shareholders, or the families thereof, provided that there is no
14	discussion with the candidate prior to the expenditure relating to details of the expenditure;
15	(6) the spender informs a candidate that the spender has made an expenditure provided that
16	there is no other exchange of information not otherwise available to the public, relating to the details of
17	the expenditure; or
18	(7) the expenditure is made at the request or suggestion of the candidate for the benefit of
19	another candidate or committee.
20	(d) Definition. For purposes of this section, the terms "candidate" includes an agent of the
21	candidate when the agent is acting within the course and scope of the agency.
22	
23	
24	
25	
	MAYOR, ETHICS COMMISSION

1

SEC. 1.118. PAYMENT OF ACCRUED EXPENSES

2	(a) A candidate who accepts goods or services on credit shall pay for such accrued expenses in
3	full no later than 180 calendar days after receipt of a bill or invoice and in no event later than 180
4	calendar days after the last calendar day of the month in which the goods were delivered or the
5	services were rendered, unless it is clear from the circumstances that the failure to pay is reasonably
6	based on a good faith dispute. For purposes of this subsection, a good faith dispute shall be presumed
7	if the candidate produces the following:
8	(1) evidence that the candidate protested the payment of a bill no later than 30 calendar days
9	after the last calendar day of the month in which the goods were delivered or the services were
10	rendered; and
11	(2) evidence that the protest was based on the time of delivery, quality or quantity of goods
12	delivered or services rendered or the price of the goods delivered or the services provided.
13	(b) The provisions of subsection (a) do not apply to debt owed to a financial institution for an
14	outstanding credit card balance.
15	(c) Each and every calendar day any accrued expense remains partially or wholly unpaid after
16	the time periods set forth in subsection (a) constitutes a separate violation.
17	
18	<u>SEC. 1.162.5. DISCLOSURE REQUIREMENTS – CAMPAIGN ADVERTISEMENTS</u>
19	(a) Disclosure. Any campaign advertisement that urges support for or opposition to one or
20	more candidates for City elective office shall include a disclosure statement identifying the person who
21	paid for the advertisement. Such disclosure statement shall, at a minimum, contain the following
22	words, "paid for by (insert the name of the person who paid for the communication)" and
23	appear at least once on the advertisement.
24	
25	
	MAYOR, ETHICS COMMISSION

Page 40

7/27/2011

1	(1) Any disclosure statement required by this section to be in printed form shall be printed
2	in a type and color so as to be easily legible to the intended public. Such disclosure statement shall be
3	printed in at least 14-point type and in a color or print that contrasts with the background so as to be
4	easily legible to the intended public.
5	(2) Any disclosure statement required by this section to be in spoken form shall be spoken at
6	the same volume and speed as the rest of the communication so as to be clearly audible and understood
7	by the intended public and otherwise appropriately conveyed for the hearing impaired.
8	(b) Definitions. For the purposes of this section, the term "campaign advertisement"
9	means:
10	(1) programming received by a television or radio;
11	(2) a communication placed in a newspaper; periodical or magazine of general circulation;
12	(3) posters, door hangers, and yard signs produced in quantities of 200 or more; and
13	(4) a billboard.
14	
15	SEC. 1.163.5. DISTRIBUTION OF CAMPAIGN ADVERTISEMENTS CONTAINING
16	FALSE ENDORSEMENTS.
17	(a) Prohibition. No person may sponsor any campaign advertisement that is distributed within
18	90 days prior to an election and that contains a false endorsement, where the person acts with
19	knowledge of the falsity of the endorsement or with reckless disregard for the truth or falsity of the
20	endorsement. A false endorsement is a statement, signature, photograph, or image representing that a
21	person expressly endorses or conveys support for or opposition to a candidate or measure when in fact
22	the person does not expressly endorse or convey support for or opposition to the candidate or measure
23	as stated or implied in the campaign communication.
24	

25

MAYOR, ETHICS COMMISSION

1	(b) Definitions. Whenever in this section the following words or phrases are used, they shall
2	<u>mean:</u>
3	(1) "Campaign advertisement" is any mailing, flyer, doorhanger, pamphlet, brochure, card,
4	sign, billboard, facsimile, printed advertisement, broadcast, cable, satellite, radio, internet, or recorded
5	telephone advertisement that refers to one or more clearly identified candidates or ballot measures.
6	The term "campaign advertisement" does not include:
7	(A) bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar
8	<u>campaign memorabilia;</u>
9	(B) news stories, commentaries or editorials distributed through any newspaper, radio, station,
10	television station or other recognized news medium unless such news medium is owned or controlled by
11	any political party, political committee or candidate; or
12	(C) material distributed to all members, employees and shareholders of an organization, other
13	than a political party;
14	(2) "Internet advertisement" includes paid internet advertisements such as "banner" and "pop-
15	up" advertisements, paid emails, or emails sent to addresses purchased from another person, and
16	similar types of internet advertisements as defined by the Ethics Commission by regulation, but shall
17	not include web blogs, listserves sent to persons who have contacted the sender, discussion forums, or
18	general postings on web pages.
19	(3) "Sponsor" means to pay for, direct, supervise or authorize the production of campaign
20	advertisement.
21	(c) Enforcement and penalties. The penalties under section 1.170(a) of this Chapter do not
22	apply to violations of this section. Notwithstanding the 60-day waiting period in section 1.168 of this
23	Chapter, a voter may bring an action to enjoin a violation of this section immediately upon providing
24	
25	

1	written notice to the City Attorney. A court may enjoin a violation of this section only upon a showing
2	of clear and convincing evidence of a violation.
3	
4	SEC. 1.172 EXTENSION OF DEADLINES THAT FALL ON WEEKENDS AND
5	HOLIDAYS.
6	The Ethics Commission may, by regulation, extend any deadline imposed by this Chapter that
7	falls on a Saturday, Sunday or holiday on which the Ethics Commission is authorized by law to close.
8	
9	Section 3. The San Francisco Campaign and Governmental Code is hereby amended
10	by repealing section 1.132, Chapter 2 of Article I, Section 1.200, and Chapter 4 of Article I,
11	Sections 1.400, 1.405, 1.410, 1.415, 1.420 and 1.425, as follows:
12	
13	SEC. 1.132. TIME PERIODS FOR EXPENDITURES.
14	(a) For purposes of the expenditure ceilings for the offices of Assessor and Public Defender,
15	qualified campaign expenditures made at any time on or before the date of the primary shall be
16	considered primary election expenditures, and qualified expenditures made after the date of the
17	primary election shall be considered general election expenditures. However, in the event that
18	payments are made but the goods or services are not used during the period purchased, the payments
19	shall be considered qualified campaign expenditures for the time period in which they are used.
20	Payments for goods or services used during both time periods shall be prorated.
21	(b) For purposes of the expenditure ceilings for the offices of City Attorney, District Attorney,
22	Treasurer, Sheriff and Supervisor, qualified campaign expenditures made at any time before the
23	general election shall be considered general election expenditures, and qualified expenditures made
24	after the general election shall be considered run off election expenditures. However, in the event that
25	

 payments are made but the goods or services are not used during the period purchased, the payments shall be considered qualified campaign expenditures for the time period in which they are used.

- *Payments for goods or services used during both time periods shall be prorated.*

SEC. 1.200. PROHIBITION ON MULTIPLE CAMPAIGN ACCOUNTS.

An officer of the City and County of San Francisco, or any person or committee on behalf of an

7 officer of the City and County of San Francisco, is hereby prohibited from establishing any account,

8 other than a campaign fund, for the solicitation and expenditure of funds. Nothing in this section shall

- *prohibit an officer from spending personal funds on official or related business activities.*
- 10 (a) An account established by an officer or on behalf of an officer of the City and County of
- *San Francisco is defined as any account used to pay expenses incurred directly in connection with*
- *carrying out the usual and necessary duties of holding office, including but not limited to, travel*
- *between an officer's residence and public office, meetings with constituents which are not campaign*
- *related meetings, salary payments to staff for other than campaign activities, office promotional*

materials, advertising, mailings, postage, and paid radio or television airtime.

- 16 (b) Any and all monies or services accepted or received by an officer or on behalf of an
- *officer, except monies or services accepted or received from or as a result of the officer's personal or*
- *business activities, unrelated to his or her office, shall be deposited, credited or otherwise reported to a*
- *campaign fund established by the officer and shall be subject to the provisions contained in Section*
- *1.114 of the Campaign and Governmental Conduct Code.*
- (c) This Section shall not be applied retroactively. Funds held in officeholder accounts, or
 accounts on behalf of any officer, existing on November 2, 1993, may be expended on official or
- *business related activities notwithstanding this Section.* No further deposits, transfer, credits or other

MAYOR, ETHICS COMMISSION

1	additions to the balance of the account shall be made. Upon depletion of all available funds in the
2	officer's account, the account shall be closed.
3	
4	<u>SEC. 1.400. PURPOSE.</u>
5	Campaign literature that falsely represents the endorsement of current and former public
6	officials, candidates, political clubs, and organizations has been distributed in recent local elections.
7	These false representations undermine the integrity of the electoral process by misleading and
8	confusing voters about the actual support for or opposition to candidates or ballot measures. It is too
9	burdensome for individual voters, inundated with campaign messages, to verify the accuracy of such
10	claims and for persons whose positions are misrepresented to correct the misrepresentations.
11	Prohibiting knowingly false representations in campaign literature during the limited period when
12	effectively responding to them is most difficult will serve the City's paramount interest in ensuring the
13	integrity of the electoral process.
14	
15	SEC. 1.405. DEFINITIONS.
16	For purposes of this Chapter, the following definitions apply:
17	(a) Campaign literature. The term "campaign literature" includes but is not limited to any
18	flyer, doorhanger, pamphlet, brochure, card, billboard, or advertisement urging support for or
19	opposition to one or more candidates or ballot measures. The term "campaign literature" does not
20	include bumper stickers, pins, stickers, hat bands, badges, ribbons and other similar campaign
21	memorabilia.
22	(b) Candidate. The term "candidate" has the same meaning as in section 1.104(a) of this
23	Code.
24	
25	
	MAYOR, ETHICS COMMISSION

(c) Civil enforcement authority. The term "civil enforcement authority" shall have the 1 2 same meaning as in section 1.104(f) of this Code. 3 (d) Measure. The term "measure" has the same meaning as in section 1.104(g) of this 4 Code. 5 Person. The term "person" has the same meaning as in section 1.104(k) of this Code. (e)Sponsor. The term "sponsor" means to pay for, direct, supervise or authorize the 6 (f)7 production of campaign literature. (g) Voter. The term "voter" means a voter registered to vote in San Francisco. 8 9 SEC. 1.410. DISTRIBUTION OF CAMPAIGN LITERATURE CONTAINING FALSE 10 11 **ENDORSEMENT PROHIBITED.** 12 No person may sponsor any campaign literature that is distributed within 90 days prior to an 13 election and that contains a false endorsement, where the person acts with knowledge of the falsity of 14 the endorsement or with reckless disregard for the truth or falsity of the endorsement. A false 15 endorsement is a statement, signature, photograph, or image representing that a person endorses 16 support of or opposition to a candidate or measure when in fact the person does not endorse support of 17 or opposition to the candidate or measure as stated or implied in the campaign literature 18 19 SEC. 1.415. RESTRAINING ORDER OR INJUNCTION. The civil enforcement authority, or any voter, may bring a civil action for injunctive relief 20 21 against the publication, printing, circulation, or posting of campaign literature that violates Section 22 1.410. No voter may commence an action under this Section without first providing written notice to 23 the civil enforcement authority of intent to commence an action. A Court may award reasonable 24 attorney's fees and costs to any voter who obtains injunctive relief under this Section. If the Court finds 25

MAYOR, ETHICS COMMISSION

1	that an action brought by a voter under this section is frivolous, the Court may award the defendant
2	reasonable attorney's fees and costs.
3	
4	SEC. 1.420. PENALTIES.
5	Any person who violates Section 1.410 shall be liable in a civil action brought by the civil
6	enforcement authority for an amount up to \$5,000.
7	
8	SEC. 1.425. SEVERABILITY.
9	The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this
10	Chapter, or the invalidity of the application thereof to any person or circumstances, shall not affect the
11	validity of the remainder of this Chapter or the validity of its application to other persons or
12	<i>circumstances</i>
13	APPROVED AS TO FORM:
14	DENNIS J. HERRERA, City Attorney
15	B <i>u</i> :
By: 16 CHAD A. JACOBS Deputy City Attorney	CHAD A. JACOBS Deputy City Attorney
17	Deputy only Automoty
18	
19	
20	
21	
22	
23	
24	
25	