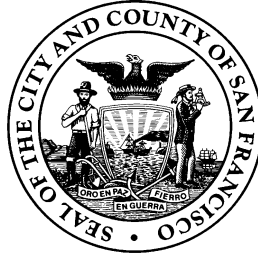


BOARD of SUPERVISORS



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June 12, 2019

Ethics Commission
Attn: LeeAnn Pelham, Executive Director
25 Van Ness Ave, Suite 220
San Francisco, CA 94102

Dear Commissioners:

On June 4, 2019, Supervisor Mar introduced the following legislation:

File No. 190660

Ordinance amending the Campaign and Governmental Conduct Code to increase the matching ratio for campaign contributions raised by candidates participating in the City's public financing program and the amount of public funds available for those candidates.

The proposed ordinance is being transmitted to the Ethics Commission pursuant to Campaign and Governmental Conduct Code, Section 1.103, for public hearing and recommendation. A four-fifths votes of the Ethics Commission is required in advance prior to consideration by the Board of Supervisors.

The ordinance is pending before the Rules Committee and will be scheduled for hearing upon receipt of your response.

Angela Calvillo, Clerk of the Board

A handwritten signature in black ink that reads "Victor Young".

By: Victor Young, Clerk
Rules Committee

Attachment

1 [Campaign and Governmental Conduct Code - Public Campaign Financing]

2

3 **Ordinance amending the Campaign and Governmental Conduct Code to increase the**
4 **matching ratio for campaign contributions raised by candidates participating in the**
5 **City’s public financing program and the amount of public funds available for those**
6 **candidates.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

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

15 Section 1. Chapter 1 of the Campaign and Governmental Conduct Code is hereby
16 amended by revising Sections 1.104, 1.140, 1.143, 1.144, and 1.152, to read as follows:

17 **SEC. 1.104. DEFINITIONS.**

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

19 * * * *

20 "Matching contribution" shall mean a contribution up to ~~\$500~~ \$150, made by an
21 individual, other than the candidate, who is a resident of San Francisco. Matching
22 contributions shall not include loans, contributions received more than 18 months before the
23 date of the election, qualifying contributions or contributions made by the candidate's spouse,
24 registered domestic partner or dependent child. Matching contributions must also comply with
25 all requirements of this Chapter. Matching contributions under \$100 that are not made by
written instrument must be accompanied by written documentation sufficient to establish the

1 contributor's name and address. The Ethics Commission shall set forth, by regulation, the
2 types of documents sufficient to establish a contributor's name and address for the purpose of
3 this subsection.

4 * * * *

5 **SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.**

6 * * * *

7 (b) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR THE BOARD OF
8 SUPERVISORS. To be eligible to receive public financing of campaign expenses under this
9 Chapter, a candidate for the Board of Supervisors must:

10 (1) Be seeking election to the Board of Supervisors and be eligible to hold the
11 office sought;

12 (2) Have a candidate committee that has received at least \$10,000 in qualifying
13 contributions from at least 100 contributors *before by* the 70th day before the election; or, if the
14 candidate is an incumbent member of the Board of Supervisors, have a candidate committee
15 that has received at least \$15,000 in qualifying contributions from at least 150 contributors
16 *before by* the 70th day before the election;

17 (3) Be opposed by another candidate who has either established eligibility to
18 receive public financing, or whose candidate committee has received contributions or made
19 expenditures which in the aggregate equal or exceed \$10,000; and

20 (4) Agree that his or her candidate committee will not make qualified campaign
21 expenditures that total more than the candidate's Individual Expenditure Ceiling of *\$250,000*
22 *\$350,000*, or as adjusted under Section 1.143 of this Chapter.

23 (c) ADDITIONAL REQUIREMENTS FOR CANDIDATES FOR MAYOR. To be eligible
24 to receive public financing of campaign expenses under this Chapter, a candidate for Mayor
25 must:

1 (1) Be seeking election to the office of Mayor and be eligible to hold the office
2 sought;

3 (2) Have a candidate committee that has received at least \$50,000 in qualifying
4 contributions from at least 500 contributors by the 70th day before the election; or, if the
5 candidate is the incumbent Mayor, have a candidate committee that has received at least
6 \$75,000 in qualifying contributions from at least 750 contributors by the 70th day before the
7 election;

8 (3) Be opposed by another candidate who has either established eligibility to
9 receive public financing, or whose candidate committee has received contributions or made
10 expenditures that in the aggregate equal or exceed \$50,000; and

11 (4) Agree that his or her candidate committee will not make qualified campaign
12 expenditures that total more than the candidate's Individual Expenditure Ceiling of ~~\$1,475,000~~
13 \$1,700,000, or as adjusted under Section 1.143 of this Chapter.

14 * * * *

15 **SEC. 1.143. ADJUSTING INDIVIDUAL EXPENDITURE CEILINGS.**

16 This Section 1.143 shall apply only if the Ethics Commission has certified that at least
17 one candidate for Mayor or the Board of Supervisors is eligible to receive public funds under
18 this Chapter 1.

19 (a) The Executive Director shall adjust the Individual Expenditure Ceiling of a
20 candidate for Mayor by \$250,000 when the sum of the Total Opposition Spending against that
21 candidate and the highest level of the Total Supportive Funds of any other candidate for
22 Mayor is greater than ~~\$1,475,000~~ \$1,700,000 by any amount. Thereafter, the Executive Director
23 shall further adjust a candidate's Individual Expenditure Ceiling in increments of \$250,000,
24 whenever the sum of the Total Opposition Spending against that candidate and the highest
25

1 level of the Total Supportive Funds of any other candidate for Mayor is greater than the
2 candidate's current Individual Expenditure Ceiling by any amount.

3 (b) The Executive Director shall adjust the Individual Expenditure Ceiling of a
4 candidate for the Board of Supervisors by \$50,000 when the sum of the Total Opposition
5 Spending against that candidate and the highest level of the Total Supportive Funds of any
6 other candidate for the same office on the Board of Supervisors is greater than ~~\$250,000~~
7 \$350,000 by any amount. Thereafter, the Executive Director shall further adjust a candidate's
8 Individual Expenditure Ceiling in increments of \$50,000, whenever the sum of the Total
9 Opposition Spending against that candidate and the highest level of the Total Supportive
10 Funds of any other candidate for the same office is greater than the candidate's current
11 Individual Expenditure Ceiling by any amount.

12 * * * *

13 **SEC. 1.144. DISBURSEMENT OF PUBLIC FUNDS.**

14 (a) PAYMENT BY CONTROLLER. Upon certifying that a candidate is eligible to
15 receive public financing under this Chapter, the Executive Director shall forward the
16 certification to the Controller, and the Controller shall disburse payments to the candidate from
17 the Election Campaign Fund in accordance with the certification and this Section.

18 (b) TIME OF PAYMENTS. The Controller shall not make any payments under this
19 Chapter to any candidate more than 142 days before the date of the election. Payments from
20 the Controller shall be disbursed to eligible candidates within two business days of the
21 Controller receiving notification from the Ethics Commission regarding the amount of the
22 disbursement, except that within fifteen calendar days before the election, such payments
23 shall be made within one business day.

24 (c) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR MAYOR.
25 Candidates for Mayor certified as eligible to receive public financing for their election

1 campaigns will have access to funds from the Election Campaign Fund on a first-come, first-
2 served basis according to the following formula:

3 (1) Upon qualification the candidate shall receive a one-time payment of
4 ~~\$100,000~~ \$300,000 from the Election Campaign Fund.

5 (2) After the initial payment under ~~S~~subsection ~~(c)~~(1), for the first ~~\$425,000~~
6 \$150,000 in matching contributions raised by the candidate, the candidate shall receive ~~two~~ six
7 dollars from the Election Campaign Fund for each dollar raised. If the candidate is the
8 incumbent Mayor, after the initial payment under subsection (c)(1), for the first \$147,500 in matching
9 contributions raised by the candidate, the candidate shall receive six dollars from the Election
10 Campaign Fund for each dollar raised.

11 ~~(3) After the payments under Subsection (2), for the next \$25,000 in matching~~
12 ~~contributions raised by the candidate, the candidate shall receive one dollar from the Election~~
13 ~~Campaign Fund for each dollar raised. If the candidate is the incumbent Mayor, after the payments~~
14 ~~under Subsection (2), for the next \$12,500 in matching contributions raised by the candidate, the~~
15 ~~candidate shall receive one dollar from the Election Campaign Fund for each dollar raised.~~

16 ~~(4)~~ (3) The maximum amount of public funds a non-incumbent mayoral
17 candidate may receive is ~~\$975,000~~ \$1,200,000. The maximum amount of public funds an
18 incumbent mayoral candidate may receive is ~~\$962,500~~ \$1,185,000.

19 (d) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR THE BOARD
20 OF SUPERVISORS. Candidates for the Board of Supervisors certified as eligible to receive
21 public financing for their election campaigns will have access to funds from the Election
22 Campaign Fund on a first-come, first-served basis according to the following formula:

23 (1) Upon qualification the candidate shall receive a one-time payment of ~~\$20,000~~
24 \$60,000 from the Election Campaign Fund.

1 (2) After the initial payment under ~~S~~subsection (d)(1), for the first ~~\$50,000~~ \$32,500
2 in matching contributions raised by the candidate, the candidate shall receive ~~two~~ six dollars
3 from the Election Campaign Fund for each dollar raised. If the candidate is an incumbent
4 member of the Board of Supervisors after the initial payment under subsection (d)(1), for the first
5 \$32,000 in matching contributions raised by the candidate, the candidate shall receive six dollars from
6 the Election Campaign Fund for each dollar raised.

7 ~~(3) After the payments under Subsection (2), for the next \$35,000 in matching~~
8 ~~contributions raised by the candidate, the candidate shall receive one dollar from the Election~~
9 ~~Campaign Fund for each dollar raised. If the candidate is an incumbent member of the Board of~~
10 ~~Supervisors, after the payments under Subsection (2), for the next \$32,500 in matching contributions~~
11 ~~raised by the candidate, the candidate shall receive one dollar from the Election Campaign Fund for~~
12 ~~each dollar raised.~~

13 (4) ~~(3)~~ The maximum amount of public funds a non-incumbent candidate for the
14 Board of Supervisors may receive is ~~\$155,000~~ \$255,000. The maximum amount of public funds
15 an incumbent candidate for the Board of Supervisors may receive in ~~\$152,500~~ \$252,000.

16 * * * *

17 **SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF**
18 **SUPERVISORS AND MAYOR.**

19 (a) ELECTIONS FOR THE BOARD OF SUPERVISORS.

20 (1) In addition to the campaign disclosure requirements imposed by the
21 California Political Reform Act and other provisions of this Chapter, each candidate committee
22 supporting a candidate for the Board of Supervisors shall file a statement with the Ethics
23 Commission indicating when the committee has received contributions to be deposited into its
24 Campaign Contribution Trust Account or made expenditures that equal or exceed ~~\$5,000~~
25 \$10,000 within 24 hours of reaching or exceeding that amount.

1 (2) In addition to the supplemental report in §subsection (a)(1) of this Section,
2 each candidate committee supporting a candidate for the Board of Supervisors shall file a
3 statement with the Ethics Commission disclosing when the committee has received
4 contributions to be deposited into its Campaign Contribution Trust Account or made
5 expenditures that in the aggregate equal or exceed \$100,000. The candidate committee shall
6 file this report within 24 hours of reaching or exceeding the threshold. Thereafter, the
7 candidate committee shall file an additional supplemental report within 24 hours of every time
8 the candidate committee receives additional contributions to be deposited into its Campaign
9 Contribution Trust Account or makes additional expenditures that in the aggregate equal or
10 exceed \$10,000.

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

14 * * * *

15
16 Section 2. Effective and Operative Dates.

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

21 (b) Operative Date. This ordinance shall become operative on January 1, 2020.
22

23 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
24 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
25 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal

1 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
2 additions, and Board amendment deletions in accordance with the "Note" that appears under
3 the official title of the ordinance.
4

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

14 Section 5. Amendments to Campaign Finance Reform Ordinance. Under Campaign
15 and Governmental Conduct Code Section 1.103, the City may enact this ordinance without
16 voter approval only if (a) the ordinance furthers the purposes of Campaign and Governmental
17 Conduct Code Article I, Chapter 1; (b) the Ethics Commission approves the ordinance in
18 advance by at least a four-fifths vote of all its members; (c) the ordinance has been available
19 for public review at least 30 days before the ordinance is considered by the Board of
20 Supervisors or any committee of the Board of Supervisors; and (d) the Board of Supervisors
21 approves the proposed amendment by at least a two-thirds vote of all its members.
22

23 APPROVED AS TO FORM:
24 DENNIS J. HERRERA, City Attorney

25 By: 
ANDREW SHEN, Deputy City Attorney

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