FILE NO. 190660

ORDINANCE NO. 218-19

[Campaign and Governmental Conduct Code - Public Campaign Financing]

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.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.
 Additions to Codes are in <u>single-underline italics Times New Roman font</u>.
 Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>.
 Board amendment additions are in <u>double-underlined Arial font</u>.
 Board amendment deletions are in <u>strikethrough Arial font</u>.
 Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. Chapter 1 of the Campaign and Governmental Conduct Code is hereby

amended by revising Sections 1.104, 1.140, 1.143, 1.144, and 1.152, to read as follows:

SEC. 1.104. DEFINITIONS.

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

"Matching contribution" shall mean a contribution up to *\$500 §150*, made by an individual, other than the candidate, who is a resident of San Francisco. Matching contributions shall not include loans, contributions received more than 18 months before the date of the election, qualifying contributions or contributions made by the candidate's spouse, registered domestic partner or dependent child. Matching contributions must also comply with 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 contributor's name and address. The Ethics Commission shall set forth, by regulation, the types of documents sufficient to establish a contributor's name and address for the purpose of this subsection.

SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING.

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

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

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

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

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

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

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\* \* \* \*

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

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

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

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

\* \* \* \*

## SEC. 1.143. ADJUSTING INDIVIDUAL EXPENDITURE CEILINGS.

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

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

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

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

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## SEC. 1.144. DISBURSEMENT OF PUBLIC FUNDS.

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

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

(c) PAYMENTS FOR ELECTION EXPENSES TO CANDIDATES FOR MAYOR. Candidates for Mayor certified as eligible to receive public financing for their election campaigns will have access to funds from the Election Campaign Fund on a first-come, firstserved basis according to the following formula:

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

(2) After the initial payment under <u>Ss</u>ubsection <u>(c)</u>(1), for the first <u>\$425,000</u> <u>\$150,000</u> in matching contributions raised by the candidate, the candidate shall receive <u>two six</u> dollars from the Election Campaign Fund for each dollar raised. <u>If the candidate is the</u> <u>incumbent Mayor, after the initial payment under subsection (c)(1), for the first \$147,500 in matching</u> <u>contributions raised by the candidate, the candidate shall receive six dollars from the Election</u> <u>Campaign Fund for each dollar raised.</u>

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

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

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

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

Supervisors Mar; Safaí, Fewer, Ronen, Mandelman, Haney BOARD OF SUPERVISORS

(2) After the initial payment under <u>Ss</u>ubsection <u>(d)</u>(1), for the first <u>\$50,000</u> <u>\$32,500</u> in matching contributions raised by the candidate, the candidate shall receive <u>two six</u> dollars from the Election Campaign Fund for each dollar raised. <u>If the candidate is an incumbent</u> <u>member of the Board of Supervisors after the initial payment under subsection (d)(1), for the first</u> <u>\$32,000 in matching contributions raised by the candidate, the candidate shall receive six dollars from</u> the Election Campaign Fund for each dollar raised.

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

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

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

(a) ELECTIONS FOR THE BOARD OF SUPERVISORS.

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

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

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

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Section 2. Effective and Operative Dates.

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

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

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

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

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

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

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

By:

ANDREW SHEN, Deputy City Attorney

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Supervisors Mar; Safai, Fewer, Ronen, Mandelman, Haney BOARD OF SUPERVISORS



# City and County of San Francisco Tails Ordinance

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Oruma

#### File Number: 190660

### Date Passed: September 24, 2019

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.

September 05, 2019 Government Audit and Oversight Committee - RECOMMENDED

September 17, 2019 Board of Supervisors - PASSED ON FIRST READING

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

September 24, 2019 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 190660

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/24/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo Clerk of the Board

London N. Breed Mayor

Date Approved