


**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST**

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LEGISLATIVE ANALYST REPORT

To: Supervisor Campos
From: Budget and Legislative Analyst
Date: June 5, 2012
Re: Comparison of City and County of San Francisco and City of Los Angeles Ethics Laws (Project 120152.1)



SUMMARY OF REQUESTED ACTION

Pursuant to your request, the Budget and Legislative Analyst has conducted a review to compare the City and County of San Francisco's ethics laws, policies, and enforcement with those of the City of Los Angeles. Your office specifically requested that we examine four areas of policy and enforcement: (1) campaign financing; (2) enforcement and education; (3) lobbying; and (4) transparency. We were also asked to consult the 2009 Center for Governmental Studies report *Loopholes, Tricks and End Runs: Evasions of Campaign Finance Laws, and a Model Law to Block Them*.

EXECUTIVE SUMMARY

The Budget and Legislative Analyst was asked to compare San Francisco's ethics policies and enforcement with those of the City of Los Angeles. Both jurisdictions have enacted laws that are more stringent than many State provisions on campaign finance, campaign enforcement and education, lobbying, and transparency/disclosure. Although there are differences in the cities' policies and enforcement practices, we found that neither the City and County of San Francisco nor the City of Los Angeles is uniformly more or less stringent than the other. However, comparing the cities' policies does provide an opportunity for the City and County of San Francisco to consider alternate policies and approaches to influencing campaign financing, enforcing laws, educating and informing the public, and managing lobbying practices. Specifically, the review of City of Los Angeles ethics laws reveals the following policy options that the Board of Supervisors could consider for San Francisco's ethics laws if the Board of Supervisors wishes to emulate some of the stronger provisions of the regulations in Los Angeles:

- Increasing the period during which contractors, subcontractors, principals, etc. may not contribute to political campaigns from six months to twelve months, and prohibiting contractors' subcontractors, principals, etc. from fundraising on behalf of candidates.

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- Explicitly prohibiting any political contributions from registered lobbyists.
- Increasing the frequency with which candidates must report contributions and spending, currently 12 reports are required in Los Angeles for the period leading up to and including the primary and general elections as compared to four such reports required in San Francisco for the period leading up to and including the general election.
- Increasing personal contribution limits to possibly offset the influence of unregulated independent expenditures on City elections.
- Reducing the Ethics Commission reporting requirement threshold from \$5,000 to \$1,000 for independent expenditures by committees or persons on behalf of or against a candidate or measure.
- Reducing the amount of time for which extensions of credit to a campaign are reclassified as contributions from the current six months to one month.
- Establishing a lower threshold for reporting of independent expenditures on behalf of or against a candidate or measure to \$1,000, as it is in Los Angeles, as compared to the current \$5,000 in San Francisco.

In addition, our analysis indicates that investigations into ethics improprieties result in significantly different outcomes in San Francisco and Los Angeles, with San Francisco dismissing 76% of its cases compared to 19% in Los Angeles and Los Angeles levying higher average fines of \$7,746 in the City of Los Angeles compared to \$6,088 in the City and County of San Francisco over the seven year period ending in November 2011.

The report that follows is a brief discussion of key differences between the two cities' ethics laws, policies and enforcement. The Appendix to this memorandum provides a more detailed comparison of the City and County of San Francisco's and the City of Los Angeles' pertinent ethics laws and regulations in areas about which you inquired.

Overview

City of Los Angeles (pop. 3,792,621)¹ voters created their city's Ethics Commission in 1990 to help improve the quality and integrity of the City's elective process and promote transparency in government. San Francisco (pop. 805,235) voters followed in 1993, with the creation of San Francisco's first Ethics Commission. Both cities' ethics commissions are tasked with educating the public about and enforcing ethics laws, particularly as they pertain to local elections, lobbying, and other areas where economic interests may intersect with policymaking and public administration. Both ethics commissions provide training to their respective cities' employees, and maintain whistleblowing hotlines.

The City of Los Angeles Ethics Commission's work, campaign finance and lobbying regulations are controlled, in large part, by State law, the Los Angeles Charter, the Administrative Code and the Municipal Code. San Francisco's Ethics Commission's work, campaign finance and lobbying regulations are controlled by State law, the San Francisco Charter and the Campaign and Governmental Conduct Code.

¹ Population data for Los Angeles and San Francisco is based on 2010 census figures.

Campaign Financing

There are four main components to campaign finance laws: (1) contribution restrictions; (2) fundraising and expenditure limits; (3) public financing of campaigns; and (4) transparency and disclosure requirements. Neither San Francisco nor the City of Los Angeles is uniformly more or less stringent than the other with regard to campaign financing. However, areas where the City of Los Angeles has stronger regulations in place in the area of campaign financing include:

- In Los Angeles, lobbyists are expressly prohibited from contributing to City officers whose office they are registered to lobby, or political candidates for the office that they are registered to lobby; San Francisco lobbyists are not so prohibited but must report contributions and adhere to all other contribution restrictions and requirements.
- Contractors, including their principals and subcontractors, cannot make a contribution to, or fundraise for, a candidate who sits on a City body that will be considering or approved their contract within a 12 month period in Los Angeles; San Francisco only restricts such contributions for a six month period, and does not prohibit fundraising by contractors' principals or their subcontractors.²
- Candidates in Los Angeles have up to eight filing requirements for pre-election statements for the approximately 14-month period preceding, and including, the primary election, plus four requirements for filing pre-election statements for the approximately 10-week period preceding and including the general election. In San Francisco, there are only four reporting requirements covering the approximately 11-month period preceding and including the general election.
- Contributions not made by written instrument (cash contributions) are limited to \$25 in Los Angeles; in San Francisco, cash contributions from \$10 up to \$99.99 are allowed. However, according to the Campaign and Governmental Conduct Code definition of "qualifying contribution," any cash contribution in San Francisco must be accompanied by written documentation establishing the contributor's name and address.

San Francisco law prohibits campaign contributions from corporations, while such a prohibition is not included in Los Angeles law. Some other points of difference between the two cities include:

Contribution Limits. The City of Los Angeles permits greater annual individual contribution amounts than San Francisco. These limits were further increased in March 2012 by the City of Los Angeles Ethics Commission for two reasons: (1) adjustments to contribution limits had not been made since 1985; and (2) the City of Los Angeles Ethics Commission saw increased personal contributions as a way to balance out increases in spending by Independent Expenditure (IE) Committees.³ A comparison of these limits is shown in Table 1.

² The Budget and Legislative Analyst notes, however, that the trigger for this restriction is a contract of \$50,000 or more in San Francisco, as opposed to a contract of \$100,000 or more in the City of Los Angeles.

³ The San Francisco Ethics Commission defines an Independent Expenditure Committee as "an individual or entity that makes one or more independent expenditures totaling \$1,000 or more in a calendar year to support or oppose candidates, measures, or the qualification of measures." They are separate from candidate committees.

Table 1. Comparison of Annual Individual Contribution Limits

Candidate	San Francisco	City of Los Angeles
District elections: Board of Supervisors/City Council	\$500	\$700
Citywide elections: City Attorney, Controller, & Mayor	\$500	\$1,300

Accrued Expenses: Extensions of credit to campaigns, or accrued expenses, for 30 or more days without repayment are considered contributions in Los Angeles and are subject to contribution limits. A similar provision is in place in San Francisco, but not triggered unless the extension of credit is not repaid after 180 days, or six months.

Compliance and Related Costs: The costs of compliance with campaign regulations count as qualified expenditures in Los Angeles and count against any expenditure ceilings in place in instances of public financing of campaigns. Certain costs are not considered qualified campaign expenditures in San Francisco, including filing fees, fines, and costs incurred after the election that do not directly affect the outcome of the election.

Spending Caps. Another key difference between San Francisco and the City of Los Angeles is the spending caps for candidates in Los Angeles are higher than in San Francisco. Table 2, below, compares these spending caps. It should be noted that the City of Los Angeles increased its spending caps on April 5, 2012 after nine years without any increase in these amounts. The increases reflects adjustments for inflation as well as the Los Angeles Ethics Commission’s proposal to increase the ratio of spending caps to matching funds from 3:1 to 4:1.

Table 2. Comparison of Spending Caps

Candidate	San Francisco	City of Los Angeles (Primary/Runoff)	\$ per SF Registered Voter**	\$ per LA Registered Voter***
District elections: Board of Supervisors/ City Council	\$250,000	\$480,000/\$400,000	\$0.42	\$0.40
Controller*	\$243,000	\$1,119,000/\$840,000	\$0.41	\$0.89
City Attorney*	\$243,000	\$1,259,000/\$979,000	\$0.41	\$1.02
Mayor	\$1,475,000	\$2,798,000/\$2,237,000	\$2.46	\$2.29

* Unlike Los Angeles, candidates for City Attorney are not eligible for public campaign funding in San Francisco (the Controller is not elected), but may participate in the City’s voluntary campaign expenditure ceiling. Likewise, there are no spending caps for other City offices in San Francisco including Assessor, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education, and the Community College Governing Board.

** 2012 estimated registered voter counts = 0.6 million in San Francisco; 2.2 million in Los Angeles.

*** Calculation combines primary and runoff ceilings for a ratio comparable to San Francisco, which has an instant runoff system.

In both cities, the primary consequence for exceeding the spending caps is that those limits are no longer binding on the other candidates in that race.

Disclaimer and Disclosure Requirements. Both cities set a higher bar for disclosure than the State of California, requiring “Paid for by ...” statements in all campaign communications. Both San Francisco and Los Angeles provide explicit instructions to candidates and committees with regard to the type of elector contact that requires a disclosure, and the specificity with which a campaign entity must identify itself. One difference between the two cities’ requirements regards recorded telephone messages. In San Francisco, recorded telephone messages do not require a “Paid for by” statement if that message is sent to less than 500 recipients, while in Los Angeles, the threshold is 200 live or prerecorded calls per month.⁴

Third party expenditures: Requirements pertaining to reporting of third party expenses are more stringent in Los Angeles than in San Francisco. Independent expenditures by a committee or person of \$1,000 or more on behalf of a candidate or measure in Los Angeles must be reported to the City’s Ethics Commission within 24 hours. The reports must also disclose all contributions of \$100 or more received by reporting committees during prior months and contributions of \$100 or more made by the reporting person in the current calendar year to City candidates, their controlled committees, or committees supporting or opposing City measures. In San Francisco, the threshold for such independent expenditure reporting is \$5,000, with subsequent reports required for every incremental \$5,000. There are no supplementary retroactive reporting requirements in San Francisco, as there are in Los Angeles.

Other Areas. In other areas of campaign financing reviewed by the Budget and Legislative Analyst, the City of Los Angeles’ policies were reasonably proximate to San Francisco’s. Further research could address actual expenditures of matching funds from the respective cities’ General Funds.

Enforcement and Education

The Ethics Commissions of San Francisco and the City of Los Angeles rely heavily on their websites to publicize enforcement efforts and provide outreach and education. The bulk of this information is geared toward the regulated community—candidates, their staffs and consultants, PACs, etc.

Outreach and Education. While both cities’ Ethics Commissions provide information to potential contributors via their respective websites, only the City of Los Angeles publishes a contributor guide, which contains contributor-specific information. The guide is only available online. San Francisco only has guides for candidates and their campaign committees.

⁴ The Budget and Legislative Analyst notes that the Board of Supervisors may want to revisit the quantity that triggers disclaimers on recorded telephone messages. Currently, only messages to 500 voters or more require a disclaimer. However, in light of some recent narrow races, and in recognition of improvements in the ability to micro-target potential voters, the Board may want to consider reducing that quantity.

With regard to educating the public about enforcement issues, both Ethics Commissions make use of web pages, press releases, and links to Ethics Commission meeting information. San Francisco's Ethics Commission also makes use of RSS, Twitter, and Facebook in order to distribute information.⁵

Subpoenas and Audits, Prosecutorial Discretion, and Disclosure on Investigatory Files. The two cities' ethics commissions have similar policies and practices in these areas. Both cities' ethics commissions have subpoena power and conduct audits, and both reported infrequent use of subpoena power due to their ability to procure necessary information through the audit process or other, less formal means. Both cities' ethics commissions will share information with the City Attorney (and District Attorney in San Francisco). After investigations, the ethics commissions will retain cases that are administrative in nature and will forward cases to prosecutors where criminal offenses are believed to have occurred. The two cities' ethics commissions treat investigations as confidential. Only complaints that are found to have merit are made public. The websites for the two ethics commissions list these public cases.

Investigations conducted by both ethics commissions can result in administrative enforcement actions including the issuance of administrative orders and penalties. Penalties in Los Angeles and San Francisco resulting from an Ethics Commission investigation can be up to \$5,000 or three times the amount that the investigation found exceeded the statutory threshold for contributions or expenditures, whichever is greater. However, in Los Angeles, penalties can also be imposed for civil actions brought by citizens independent of an Ethics Commission investigation. In San Francisco, penalties can only be imposed as the result of Ethics Commission or court proceedings.

Settlement Payments. The two cities' ethics commissions have different outcomes with regard to stipulated settlements and decisions. As reported by the two ethics commissions, in the period from October 18, 2004 through November 14, 2011, Los Angeles heard 354 cases, or 158% more than San Francisco's 137 cases. Furthermore, while 76% of cases in San Francisco were dismissed, only 19% were dismissed in Los Angeles. In that time period, settlement penalties in Los Angeles totaled \$2,215,492 and fines totaled \$200,903, of which \$100,000 was from a single penalty. Los Angeles issues higher fines, on average, compared to San Francisco, and the gap is larger when we look at fines of less than \$100,000. A summary of metrics related to the two cities' settlements can be found in Table 3 below.

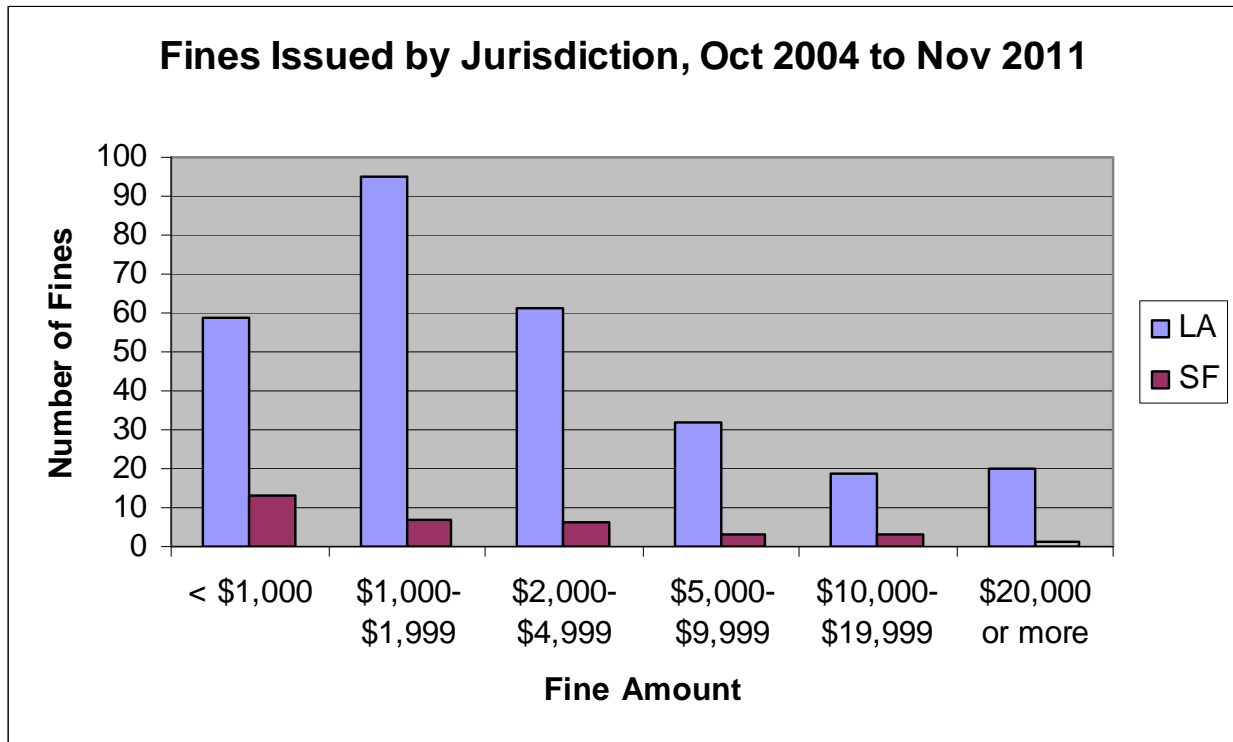
⁵ As of the writing of this report, the San Francisco Ethics Commission had 258 Facebook "Likes" and 516 Twitter followers.

**Table 3. Comparison of Stipulated Settlements and Decisions
 in San Francisco and Los Angeles**

	LA	SF
Total Cases Featured 10/18/04 - 11/14/11	354	137
Total Settlements	286	33
Total Dismissals (includes 1 dismissal with referral to appointing authority)	68	104
Dismissal Rate	19%	76%
Total Fines	\$2,215,492	\$200,903
Average	\$7,746	\$6,088
Median	\$1,500	\$1,100

Source: Calculations based on data provided on settlement summary data found at www.sfethics.org and ethics.lacity.org.

The following figure illustrates differences in the frequency of fines at different levels. The figure clearly shows that while San Francisco's settlements are most frequently less than \$1,000, settlements in Los Angeles are distributed more evenly between a range of \$0 and \$5,000. Further study could help explain the differences in outcomes between the two ethics commissions.



Source: Calculations are based on data provided on settlement summary data found at www.sfethics.org and ethics.lacity.org.

While additional research could be done to explain the differences in outcomes between Los Angeles and San Francisco, a couple key differences may include (a) the San Francisco Ethics Commission hears Sunshine Ordinance matters while the Los Angeles Ethics Commission does not; and (b) the Los Angeles Ethics Commission hears many cases, and issues many fines, involving contributors who have violated the City's elections statutes—San Francisco, by contrast, reports few cases involving contributor violations of the City's elections.

Other Issues. If a candidate is convicted of a misdemeanor that is found to have had a material impact on the election outcome, both City of Los Angeles and San Francisco laws disqualify that candidate from participating in the subject election. Only the City of Los Angeles' codes,⁶ however, explicitly prescribes the removal of that individual from office should the conviction take place after the individual has assumed office.

Lobbying

San Francisco's regulation of lobbying is at once simpler and more restrictive than that of the City of Los Angeles. San Francisco's definition of a lobbyist is more straightforward than City of Los Angeles' definition: one sentence versus two paragraphs, respectively.⁷ In San Francisco, an individual must receive or be promised \$3,000 or more for lobbying services over three consecutive months in order to require registration as a lobbyist; in the City of Los Angeles, an individual must be compensated for providing 30 or more hours of lobbying services over a consecutive three month period in order to require registration as a lobbyist. However, San Francisco's laws are more restrictive and more punitive in the case of violations, which are treated as civil actions in both cities.

Areas in which San Francisco's lobbying laws and regulations are more stringent include: lobbyists must file disclosure reports monthly, as opposed to quarterly in Los Angeles; the threshold for reporting campaign contributions made or delivered by the lobbyist or lobbying firm is \$100 for San Francisco, as opposed to \$1,000 in Los Angeles; San Francisco lobbyists must complete a training with the San Francisco Ethics Commission; late filing fees are \$50 per day in San Francisco, versus \$25 per day in Los Angeles; the maximum penalty for code violations is the greater of \$5,000 or three times the value of an illicit gift in San Francisco, whereas in the City of Los Angeles the maximum penalty is the greater of \$2,000 or the amount equal to an illicit gift. Both cities' ethics commissions report aggregate lobbying data on their websites.

Center for Governmental Studies Report

The 2009 Center for Governmental Studies report *Loopholes, Tricks and End Runs: Evasions of Campaign Finance Laws, and a Model Law to Block Them* exposed local-level weaknesses in the State of California's campaign finance laws, and proposed legislation to close those loopholes. The report examined ways that politicians evaded campaign finance laws to pursue larger-than-otherwise-permissible contributions. The report's proposed solutions include requiring more complete disclosures from contributors and candidates alike. A number of these policy solutions have already been codified in San Francisco and the City of Los Angeles, including the requirement that donations only be used for

⁶ Section 470.p.1(C) of the City of Los Angeles Charter.

⁷ See Section 3.a in the Appendix for a direct comparison between the two definitions.

their stated political purpose; that contributions be accompanied by disclosures; and that political communications include funding disclosures.

Conclusion

Through closing State loopholes and developing local programs and practices, San Francisco's and Los Angeles' ethics commissions have taken steps to curb the influence of money in elections. Although there are differences in the cities' policies and enforcement practices, we found that neither San Francisco nor the City of Los Angeles is uniformly more or less stringent than the other. However, contrasting the cities' policies does provide an opportunity for the City of San Francisco to consider alternate approaches to influencing campaign financing, enforcing laws, educating the public, and managing lobbying practices. Examples of areas where San Francisco could strengthen its laws and policies consistent with those in place in the City of Los Angeles include:

- Increasing the period during which contractors, subcontractors, principals, etc. may not contribute to political campaigns from six months to twelve months, and prohibiting contractors' subcontractors, principals, etc. from fundraising on behalf of candidates.
- Explicitly prohibiting any political contributions from registered lobbyists.
- Increasing the frequency with which candidates must report contributions and spending, currently 12 reports are required in Los Angeles for the period leading up to and including the primary and general elections as compared to four such reports required in San Francisco for the period leading up to and including the general election.
- Increasing personal contribution limits to possibly offset the influence of unregulated independent expenditures on City elections.
- Reducing the Ethics Commission reporting requirement threshold from \$5,000 to \$1,000 for independent expenditures by committees or persons on behalf of or against a candidate or measure.
- Reducing the amount of time for which extensions of credit to a campaign are reclassified as contributions from the current six months to one month.
- Establishing a lower threshold for reporting of independent expenditures on behalf of or against a candidate or measure to \$1,000, as it is in Los Angeles, as compared to the current \$5,000 in San Francisco.

This analysis indicates that investigations into ethics improprieties result in significantly different outcomes in San Francisco and Los Angeles, with San Francisco dismissing 76% of its cases to Los Angeles' 19%, and Los Angeles levying significantly higher fines, on average, than in San Francisco.

Further research could include: policies governing loans from candidates to their own campaigns; San Francisco and City of Los Angeles's General Fund expenditures on publicly supported campaigns; and additional research into the outcomes of investigations by two cities' Ethics Commissions for election code violations.

Appendix: Comparison Matrix

1. Campaign Financing		
	Los Angeles	San Francisco
<p>a. (i) Restricted or prohibited sources (e.g., lobbyists, contractors, those applying for permits, corporations) and (ii) prohibited locations for contributions (e.g., City Hall or city offices).</p>	<p>(i) Lobbyists and lobbying firms, who are registered to lobby the pertinent City office, or the City entity in which the candidate sits, cannot contribute (Charter Sec.470(c)(11));</p> <p>Contractors responding to a contract solicitation with a value of at least \$100,000, which requires City Council approval or approval by the office of the respective candidate, subcontractors that are expected to receive \$100,000 from such a contract, or principals of contractors or subcontractors from such a contract. Such contractors, subcontractors, and principals may not fundraise for such candidates; these prohibitions last 12 months from the time the bid or proposal is submitted until it is signed, the bid or proposal is withdrawn, or all proposals are rejected, whichever is earlier (Charter Sec.470(c)(12));¹</p> <p>No cash contributions greater than \$25 (Charter Sec.470(d));</p> <p>No anonymous contributions greater than \$200 – such donations must be paid to the City Treasurer and deposited into the General Fund (Charter Sec.470(e));</p> <p>No assumed name contributions, including indirect donations or combinations or individuals (Charter Sec.470(k));.</p> <p>(ii) City Hall and buildings for which the City pays more than 50% of the rent are exempted. However, City-owned spaces that are open to the public, such as community centers are permitted (Candidate Guide, p.55).</p>	<p>(i) Corporations cannot contribute (C&GC Sec.1.114(b)); Contractors, subcontractors, and principals (contract value \$50K or more) cannot contribute to an official or candidate who approved a contract within the past 6 months, or who would be in position to approve a pending contract. (C&GC Sec.1.126(b))</p> <p>No cash contributions greater than \$99.99.</p> <p>No anonymous contributions in any amount. (C&GC Sec.1.104(w)) (ii) Existing City officials and employees may not engage in political activity during working hours or on City premises (not including City owned property that is made available to the public and can be used for political purposes). (Charter Sec.3.230(c))</p>

¹ Any contractor/subcontractor/principal found to have violated the provision is subject to contract debarment of 1 year (first violation), 2 years (2nd violation), 3 years (3rd violation), 4 years (4th violation).

	Los Angeles	San Francisco
b. Prohibitions on city commissioners, city officers, campaign “finance committee,” etc. (i) making or (ii) soliciting contributions.	(i) Ethics Commissioners cannot make contributions (interview). (ii) City Commission members may not fundraise for another candidate. Candidates may not solicit contributions from prohibited sources listed above (interview).	(i) Members of the Ethics Commission, the Elections Commission, and the Department of Elections may not contribute to local campaigns; (Interview) (ii) Elected officials cannot: solicit donations from contractors whose contracts are pending or were approved within the past 6 months (C&GC Sec.1.126(c)); knowingly solicit political contributions from other City officers or employees or from persons on employment lists of the City (other means OK) (Sec 3.230(a)); No campaigning in uniform (Sec 3.230(b)).
c. Caps on contributions: (i) individual and (ii) cumulative.	(i) \$700 per City Council candidate; \$1,300 per candidate for Mayor, City Attorney, or Controller (Candidate Guide, p.21); independent expenditures: \$500 per calendar year (interview). (ii) The greater of \$1,000 or (\$700 x # City Council Offices + \$1,300 x City-wide offices on the ballot) (Charter Sec.470(c)(6)) Add'l restrictions on candidate personal campaign contributions: \$31,100 (City Council), and \$124,500 (Mayor, City Attorney, Controller) (LAEC Press Release, April 5, 2012).	(i) \$500 per candidate, per contributor, per year (C&GC Sec.1.114(a)(1)) (ii) \$500 x # offices being elected, per contributor (C&GC Sec.1.114(a)(2)); \$3,000 to all independent expenditures per year ² Add'l restrictions on candidate personal campaign loans: \$15,000 (Supervisors, Ed Boards), \$35,000 (Citywide non-Mayor), and \$120,000 (Mayor). Any amount in excess is considered a donation and may not be refunded to candidate (C&GC Sec.1.116(a)).

² The Ethics Commission has enjoined the cap on contribution to independent expenditures following the Supreme Court decision in Citizens United v. Federal Election Commission.

	Los Angeles	San Francisco
d. (i) Caps and exemptions on voluntary spending caps; and (ii) benefits to those agreeing to spending caps.	<p>(i) Voluntary expenditure ceilings include: City Council: \$480,000 primary/\$400,000 general Controller: \$1,119,000 primary/\$840,000 general City Attorney: \$1,259,000 primary/\$979,000 general Mayor: \$2,798,000 primary/\$2,237,000 general (LAEC Press Release, April 5, 2012).</p> <p>(ii) Participants are required to participate in a set number of debates; participating candidates are eligible to receive matching funds at a rate of 4:1, up to the maximum³ (LAEC Press Release, April 5, 2012).</p>	<p>(i) For candidates agreeing to adhere to caps: \$243,000 for Assessor, Public Defender, City Attorney, District Attorney, Treasurer, or Sheriff; \$104,000 for Board of Education, SFUSD or Governing Board, SFCCD; Participants are required to participate in three debates (C&GC Sec.1.130 & 1.140); There is no voluntary spending cap for Board of Supervisors or Mayoral candidates. However, candidates for the Board of Supervisors or Mayor in which at least one candidate is eligible for public funding are automatically subject to expenditure ceilings of \$250,000 for the Board of Supervisors and \$1,475,000 for Mayor (C&GC Sec.1.143);(ii) If opponent expenditures or receipt of contributions exceeds spending limits, or an independent expenditure committee spends in excess of the applicable spending limit, those limits are no longer binding (Secs.1.134, 1.143)</p>
e. Compliance cost exemptions	<p>Only donations and matching funds that are returned to their sources are exempt from the spending limit (Interview).</p>	<p>Certain costs are not classified as "qualified campaign expenditure": filing fees, expenses incurred in connection with an administrative or judicial proceeding, payments for administrative, civil or criminal fines, including late filing fees, costs incurred after the election that do not directly affect the outcome of the election, including but not limited to utility bills, expenses associated with an audit, and expenses related to preparing post-election campaign finance disclosure reports as required by the California Political Reform Act, California Government Code Section 81000, et seq., and the provisions of this Chapter, or for inaugural activities or officeholder expenses. (C&GC Sec.1.104(v)(6)).</p> <p>If candidate has received public funds, they cannot be used for administrative or judicial proceedings, fines or officeholder expenses (C&GC Sec.1.148).</p>

³ This matching rate, proposed by the Commission on April 5, 2012, requires City Council approval.

	Los Angeles	San Francisco
f. Loans from candidates to their own campaigns.	The total balance of all personal loans from a candidate to his or her controlled committee for elective City office remaining after election to City office in excess of the following amounts shall be considered a direct contribution to that candidate's committee: \$25,000 for candidates for City Council;\$100,000 for candidates for the offices of Mayor, City Attorney, or Controller (Charter Sec.49.7.6(E)).	A candidate's loan of personal funds to the candidate's campaign may not exceed at any time more than: (1) \$15,000 for a candidate for the Board of Supervisors, Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District; (2) \$120,000 for a candidate for Mayor; or (3) \$35,000 for a candidate for Assessor or Public Defender, City Attorney, Treasurer, District Attorney or Sheriff. Candidates may not charge interest on any loan the candidate has made to the candidate's campaign.Loans made by a candidate to the candidate's campaign in excess of the established limits are deemed a contribution to the campaign and may not be repaid to the candidate (C&GC Sec. 1.116).
g. Accrued expenses.	Extensions of credit for more than 30 days are subject to contribution limits. Loans, on the other hand, from commercial lending institutions on the same terms available to the public are not considered contributions (LAMC § 49.7.6 (C)&(D).	Allows candidate committees to accept goods or services on credit but such accrued expenses must be paid off no later than 180 days after receipt of a bill or invoice or no later than 180 calendar days after last calendar day of the month in which goods were delivered or services rendered. Accrued expenses not paid after 180 days in excess of \$500 are considered a violation of contribution limits by the creditor (C&GC Sec.1.118).

	Los Angeles	San Francisco
Other	<ul style="list-style-type: none"> * No solicitations for any candidate or intended candidate can be made by anyone until a Declaration of Intent to Solicit and Receive Contributions has been filed in connection with candidacy for a specific elected City office (Charter Sec.470(c)(1)). * No person can loan or be asked to loan more than \$700 per City Council seat, or \$1,300 for Mayor, City Attorney, or Controller.⁴ Loans are counted against contributions limits unless repaid in 30 days (Charter Sec.470(c)(8)). * No more than one campaign checking account per candidate or committee (Charter Sec.470(g)). * Petty cash limit of \$50/week (Charter Sec.470(j)). * City Council appropriates \$2 million per fiscal year for public matching funds (Charter Sec.471(c)). 	<p>Loans from a candidate to their own campaign, over a set amount, are considered donations and cannot be repaid (C&GC Sec.1.116(c)).</p>

⁴ These contribution limits were raised from \$500 and \$1,000, respectfully, in March 2012

2. Enforcement and Education		
	Los Angeles	San Francisco
a. (i) Outreach to educate contributors on requirements and restrictions (e.g. contractor contributions, cumulative contribution limits, etc.). (ii) Is a Contributor Guide released by the Commission?	(i) Outreach is focused on campaign participants (candidates, campaign staff, contractors, etc) (ethics.lacity.org). (II) Produces "2011 Election Contributor Guide," available online (Commission has no printing budget) (interview, ethics.lacity.org).	(i) The Ethics Commission prepares and publishes written instructions explaining the duties of persons, candidates and committees (C&GC Sec.1.164(a)). (ii) No guide for general contributors, but online forms and manuals for candidates and officeholders, campaign committees, individuals making independent expenditures, city officers, campaign consultants, and lobbyists. Numerous other documents, letters, and memos available on Ethics Commission's website (interview, review of www.sfethics.org).
b. Enforcement record on provisions enumerated above.	Stipulated Settlements and Decisions and Orders from 1993 through 2012 are featured online (ethics.lacity.org).	Completed cases, including allegations and dispositions, and including dismissals are summarized on Ethics Commission website (10/18/04 through 11/14/11) (www.sfethics.org)
c. (i) Subpoena powers and (ii) subpoenas issued.	(i) The Ethics Commission audits disclosure statements and other relevant documents and investigates alleged violations of City or state restrictions on campaign contributions and expenditures, lobbying, governmental ethics and conflicts of interest and reports the findings to the City Attorney and other appropriate enforcement authorities. Audits are conducted on every candidate receiving public matching funds and may be conducted of other candidates and committees involved in City elections. The Commission and/or any special prosecutor may subpoena witnesses, compel their attendance and testimony, administer oaths and affirmations, take evidence and require by subpoena the production of any books, papers, records or other items material to the performance of the commission's duties or exercise of its powers (Charter Sec. 706.a.3) (ii) Audits from 2007, 2009, and 2011 are available on the Commission's website. Usually documents are able to be procured without the power of subpoena, but in instances of money laundering or interviews, subpoenas may be issued (ethics.lacity.org, interview).	(i) The Ethics Commission audits committees and may further issue subpoenas, in order to enforce the provisions of the Campaign Code (C&GC Sec.1.171); (ii) The Commission's website lists its audits and provides summary reports, dated from 1999 to as recently as March 15, 2012. Usually documents and interviews are able to be procured without the power of subpoena, but in some instances subpoenas have been issued by the Elections Commission (www.sfethics.org).

	Los Angeles	San Francisco
<p>d. Laws & enforcement .</p>	<p>City Ethics Commission responsible for enforcement of State and City campaign finance laws. For criminal enforcement, establishes violations of pertinent Charter section as misdemeanors (Charter Sec.470(n)).</p> <p>Civil proceedings to be brought by City Attorney or any City resident in a civil proceeding. Requests must be filed with City Attorney for that office to commence filing a civil action (Charter Sec.470(0)(2)).</p> <p>If no specific civil penalty provided, \$2,000 penalty per violation allowed. For contribution and expenditure violations, penalty can be up to three times the violation amount. Charter 470(o) & (n).</p>	<p>In addition to any other penalty, any contribution in excess of amounts allowed must be forfeited to the City and County of San Francisco (though Ethics Commission may waive or reduce forfeiture). (C&GC Sec.1.114(f)).</p> <p>Criminal enforcement by District Attorney. Civil enforcement by City Attorney Administrative enforcement by Ethics Commission.</p> <p>Ethics Commission to investigate any complaints and can issue administrative orders and penalties if it concludes probable cause of violation. Information on possible violations to be forwarded to City Attorney and District Attorney, who are make decisions within 10 working days on whether to pursue investigation of the matter. Regardless of their decision to take action or not, Ethics Commission can conduct an investigation and issue administrative orders and penalties.</p> <p>Penalties can include paying a monetary penalty to the General Fund of up to \$5,000 for each violation or three times the amount the person unlawfully contributed, expended or received, whichever is greater. (SF Charter C3.699-13 (c)(3))</p>

	Los Angeles	San Francisco
e. (i) Prosecutorial discretion and private right of action and (ii) history of use and function.	<p>(i) City Attorney or resident can bring civil action against anyone who intentionally or negligently violates any provision of Section 470. Civil penalty up to \$2,000 per violation, unless otherwise stated; fine for contribution violation up to 3X contribution amount; Private individual must first file a written request for the City Attorney to commence the action (City Attorney has 40 days to respond) (Charter Sec. 470(o)2). The City Attorney, on behalf of the City or any City resident, may sue for injunctive relief to enjoin violations or to compel compliance with the provisions of Section 470, and the Court may award a plaintiff or defendant who prevails his or her costs of litigation, including reasonable attorney’s fees (Charter Sec. 470(r)). Commission not required to investigate a complaint filed unless the complaint identifies the specific alleged violation which forms the basis for the complaint and contains sufficient facts to warrant an investigation (Charter Sec.706(a)). (ii) Commission has conducted some joint work with the City Attorney and the District Attorney on violations that have been elevated to criminal matters (interview).</p>	<p>(i) City Attorney and District Attorney shall investigate Campaign Code issues. The City Attorney, or any voter, may bring a civil action to enjoin violations of or compel compliance with the provisions of the Campaign Code (C&GC Sec.1.525). (ii) Where a criminal act is suspected, the Ethics Commission will forward a case to the City Attorney or District Attorney. The Ethics Commission would likely work collaboratively with the City Attorney or District Attorney. The Ethics Commission would not refer cases where only a misdemeanor has occurred (interview).</p>
f. Disclosure of investigatory files and complaint materials.	<p>The investigation into alleged violations of campaign financing, lobbying and conflicts of interest and governmental ethics are conducted in a confidential manner and investigation records are considered confidential. Disclosure is grounds for termination of employee or removal of commissioner (interview). Stipulated Settlements and Decisions and Orders from 1993 through 2012 are featured online (ethics.lacity.org).</p>	<p>Investigation and complaint materials are confidential, until such time that the Ethics Commission has determined probable cause. If there is a finding of no probable cause or there is a finding of insufficient evidence, the complaint is not made public. If the Ethics Commission determines there is probable cause, the complaint becomes a public matter (C&GC Sec.1.168).</p>
g. Public/non-regulated community education and notification about enforcement issues.	<p>After an accusation is issued and served, the commission shall cause a public evidentiary hearing to be held to determine if a violation has occurred. Generally, the Commission issues press releases, news bulletins, provides agenda and audio for past meetings, highlights upcoming meetings (interview, ethics.lacity.org)</p>	<p>Website, monthly Executive Director reports, Press releases/press release subscriptions, RSS/Twitter/Facebook Calendar of public meetings posted online, and archive of agendas, minutes, and video and audio recordings of meetings since June 2009 are also available online. Meetings prior to June 2009 are available for listening on cassette at the Commission’s Office (www.sfethics.org).</p>

	Los Angeles	San Francisco
Other	If a candidate is convicted of a misdemeanor violation of any provision of Section 470, and the court finds the violation had a material effect on the election outcome, the candidate is either disqualified from the contest, disallowed from assuming office, or removed from office, AND the person convicted is ineligible to hold elected City office for a five years after the date of the conviction (Charter Sec.470(p)).	

3. Lobbying		
	Los Angeles	San Francisco
a. Definition of lobbyist.	<p>"Lobbyist" means any individual who is compensated for 30 or more hours in any consecutive three-month period engaged in lobbying activities, including at least one direct communication with a City official or employee, conducted either personally or through agents, for the purpose of attempting to influence municipal legislation on behalf of any other person (Charter Sec.48.02).</p> <p>Compensation does not include reimbursement of or payment for reasonable travel expenses. A person receives compensation within the meaning of this definition whether or not the compensation is received solely for activities regulated by this Article or is received for both lobbying activities and other activities as well. Only the compensation for the lobbying activities to be calculated to determine whether an individual qualifies as a lobbyist. An individual "becomes entitled to receive compensation" when the individual or the entity in which the individual is an employee, partner, owner, shareholder or officer, agrees to provide services regulated by this Article, or performs those services, regardless of whether payment is contingent on the accomplishment of the client's purposes. A lobbyist includes a person who owns an investment in a business entity if that person attempts to influence municipal legislation on behalf of the business entity and if the person acquires the investment as compensation for his or her lobbying services or in contemplation of performing those services (Charter Sec.48.02). City Lobbying Ordinance also defines "lobbying activities," "lobbying entity," "lobbying firm," and "lobbyist employer" (Charter Sec. 48.02)</p>	<p>Any individual who: (1) receives or is promised economic consideration of \$3,000 or more within three consecutive calendar months for lobbyist services; and (2) on behalf of the persons providing the economic consideration, makes any contact with an officer of the City and County. (C&GC Sec.2.105.g)</p>
b. Restrictions on lobbyists.	<p>Lobbyists must file documentation with the Ethics Commission to be registered with the City; Lobbyists may not contribute to candidates in offices for which they are registered to lobby (Charter Sec.48.07).</p>	<p>Registration and disclosure requirements (Sec 2.110); prohibited from offering gifts greater than \$25 (except as exempted); influence legislation that leads to employment; make contact as a fictitious person; evade obligations (Sec 2.115); must complete training w/ Ethics Commission (Sec 2.116); campaign consultants can't lobby current or former clients (except as exempted) (C&GC Sec. 2.117).</p>

	Los Angeles	San Francisco
c. Penalties for lobbyists and who enforces those penalties.	Penalties enforced by Ethics Commission and/or City Attorney, consistent with other Ethics Code violations. Failure to properly report any receipt or expenditure may result in civil actions not to exceed the amount not properly reported, or \$2,000, whichever is greater. Any other violation may result in civil actions no greater than \$2,000 (Charter Sec.4809(C)). Late filing penalties are \$25 per day, up to \$500 (Charter Sec.48.09 (F)).	Late filing fee of \$50 per day, imposed by Ethics Commission; Administrative proceedings for code violations, held by Ethics Commission; up to \$5,000 civil action (or three times the amount not properly reported, or three times the amount given or received in excess of the gift limit, whichever is greater) for Code violations, by City Attorney; license revocation for knowingly violating Code, by City Attorney (C&GC Sec.2.145).
d. Ongoing reporting of lobbyists contacts by city officers.	Every lobbyist, lobbying firm, lobbyist employer and major filer shall file the quarterly disclosure reports required by this section on or before the last day of the month following each calendar quarter. (Charter Sec.48.08(A)). 13 categories of report contents listed in Section 48.08.B of the Lobbying Ordinance.	Monthly reports including contacts of city officers and applicable dates, relevant legislation/administrative action, client, amount of economic considerations, all activity expenses, details on all political contributions of \$100 or more; other information (C&GC Sec. 2.110(c)). Ethics Commission summarizes these reports and makes them available on its website (www.sfethics.org).

4. Disclosure/Transparency		
	Los Angeles	San Francisco
a. (i) Timetable for disclosures of contributions and spending and (ii) years candidates are required to maintain records.	(i) Eight reporting deadlines, increasing in frequency, for the approximately 14 month period leading up to and including to March Primary; Four reporting deadlines for the 10 weeks leading up to the May General Election (ethics.lacity.org) (ii) 4 years (Candidate Guide, p.57).	(i) Four reporting deadlines, increasing in frequency, for the approximately 11 month period leading up to and including the November General Election. and within 10 business days of any request from the Ethics Commission. (www.sfethics.org). (ii) 4 years (statute of limitations) (C&GC Sec.1.109)
b. Supplemental reporting of 3rd party expenses.	If a person or committee incurs independent expenditures of \$1,000 or more in support of or in opposition to a City measure or candidate for elective City office, or makes one or more payments for member communications, a disclosure must be filed with the City Ethics Commission within 24 hours each time payment threshold is met. The disclosure must include contributions of \$100 or more received by the committee since the day after the last disclosure filed, or since the first day of the calendar year, whichever is later. The notification to include disclosure of contributions of \$100 or more made in current calendar year to City candidates, their controlled committees, committees primarily formed to support or oppose City measures, and City general purpose recipient committees (Candidate Guide, p. 7).	If at least one candidate for a City elective office has accepted the applicable voluntary expenditure ceiling, any person other than a candidate committee that has made \$5,000 or more in expenditures for the purpose of distributing independent expenditures or electioneering communications or member communications must file a disclosure statement with the Ethics Commission. Further reporting is required for every \$5,000 increment. These reports must be filed within 24 hours of reaching or exceeding the threshold (C&GC Sec.1.134(c)).
c. Reporting and prohibitions on contributions made by intermediaries/bundlers ⁵ .	A candidate may not accept contributions from independent expenditure entities which combined exceed: (i) City Council: \$150,000; (ii) City Attorney or Controller: \$400,000; (iii) Mayor: \$900,000. If a candidate declines matching funds and receives contributions or spends an amount exceeding these ceilings, these ceilings no longer apply to that candidate's opponents (Charter Sec.470(c)(7)).	Campaign consultants must report contributions, for which the consultant acted as an intermediary, at the time of registration and quarterly (C&GC Sec.1.515(e)(4)).

⁵ Individuals who or entities that aggregate and deliver contributions and donations to campaigns.

	Los Angeles	San Francisco
d. Public disclaimer requirements (advertisements, robocalls, mailings).	<p>Independent Expenditure and other non-candidate spending must clearly state “Paid for by ...” Over a certain threshold, a copy of the script or literature must be provided to the Ethics Commission.</p> <p>Candidates and committees that pay for communications must clearly identify “Paid for by ...” on all posters, signs, and similar items; broadcasts; and print or web advertisements. Additionally, live or recorded telephone calls (>200/month) or more than 200 “substantially similar” pieces of campaign literature must note “Paid for by ...”</p> <p>Additional reporting requirements are provided to candidates and committees (LAMC § 49.7.28).</p>	<p>A persuasion poll must clearly identify candidate and caller (C&GC Sec.1.160.5(b); Mailings must include "paid for by (candidate Committee’s name and street address)" as applicable (C&GC Sec.1.161(a)) or a disclosure that the source was an independent expenditure (C&GC Sec.1.161(b)).; Electioneering Communications (C&GC Sec.1.161.5), Advertisements (C&GC Sec.1.162), Recorded Telephone Messages (C&GC Sec.1.163) (to 500 or more) must clearly indicate who paid for the communication.</p>
e. (i) Benefits offered to candidates who accept voluntary ceilings, and (ii) deadlines for accepting voluntary ceilings.	<p>(i) Candidates for Mayor, City Council, City Attorney, or Controller who participate in the City’s matching funds program are required to abide by the City’s expenditure ceiling (Charter Sec.471(b)).</p> <p>(ii) At the time a candidate for Mayor, City Council, City Attorney, or Controller files their “Declaration of Intention to Become a Candidate” with the City Clerk during candidate filing week, they must file a “Statement of Acceptance or Rejection of Matching Funds” with the Commission, effectively setting the acceptance of spending ceilings in motion (Charter Sec.470(c)(2)).</p>	<p>(i) A candidate for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District may accept the applicable voluntary expenditure ceiling. The Ethics Commission will post on its website a list of candidates who have accepted the voluntary expenditure ceiling (C&GC Sec.1.128). All candidates for Mayor or the Board of Supervisors who participate in the public financing program are subject to individual ceilings (C&GC Sec.1.140).</p> <p>(ii) A candidate for Assessor, City Attorney, District Attorney, Public Defender, Sheriff, Treasurer, the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District shall file a statement accepting the voluntary ceiling no later than the deadline for filing nomination papers with the Department of Elections (C&GC Sec.1.128(b)).</p>

	Los Angeles	San Francisco
f. Disclosure and restriction provisions for lobbyists that fundraise for campaigns.	<p>Quarterly reports by lobbyists contain the following information: [...] The name of any elective City officer, candidate for elective City office, or any City controlled committee of the officer or candidate for which the lobbyist engaged in any fundraising activity during the reporting period, the date(s) of the activity and the amount of funds the lobbyist knows or has reason to know were raised as a result of the activity. (Charter Sec. 48.08(c)(7)) The date and amount of one or more contributions aggregating more than \$1,000 made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any and all controlled committees of any other elective City officer or candidate for elective City office, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest (Charter Sec.48.08(c)(8)). The date, amount and description of one or more donations aggregating \$1,000 or more made by the lobbyist at the behest of an elective City officer or candidate for elective City office during the reporting period to any religious, charitable or other nonprofit organization, the name and address of the payee, the name of the elective City officer or candidate for elective City office who made the behest and the date of the behest. (Charter Sec.48.08(c)(9)).</p>	<p>For each calendar month, each lobbyist shall submit the following information no later than the fifteenth calendar day following the end of the month: (8) All political contributions of \$100 or more made or delivered by the lobbyist or the lobbyist's employer, or made by a client at the behest of the lobbyist or the lobbyist's employer during the reporting period to an officer of the City and County, a candidate for such office, a committee controlled by such officer or candidate, or a committee primarily formed to support or oppose such officer or candidate, or any committee primarily formed to support or oppose a ballot measure to be voted on only in San Francisco. This report shall include such political contributions arranged by the lobbyist, or for which the lobbyist acted as an agent or intermediary. The following information regarding each political contribution shall be submitted to the Ethics Commission: (A) The amount of the contribution; (B) The name of the contributor; (C) The date on which the contribution was made; (D) The contributor's occupation; (E) The contributor's employer, or if self-employed, the name of the contributor's business; and (F) The committee to which the contribution was made. (C&GC Sec.2.110(c)) San Francisco does not require the reporting of contributions made by the lobbyist, at the behest of an elective city officer or candidate, to any religious, charitable, or religious nonprofit organization.</p>
g. Disclosure requirements and prohibitions applicable to non-local committees that spend money on local elections.	No different than local committees (interview).	No different than local committees (interview).

Sources:

- Unless otherwise stated, San Francisco citations refer to the San Francisco Campaign and Governmental Conduct Code.
- Unless otherwise stated, Los Angeles citations refer to the Los Angeles Charter and Administrative Code.
- “Candidate Guide” refers to the Los Angeles City Ethics Commission authored “Candidate Guide Running for City Office” (2013 Election Cycle).
“Interview” refers to interviews conducted with staff from the San Francisco Ethics Commission and Los Angeles City Ethics Commission.