

FILE NO. 051773

ORDINANCE NO.

31-06

1 [Public Financing for Mayoral Candidates.]
2

3 **Ordinance amending the Campaign and Governmental Conduct Code by amending**
4 **sections 1.104, 1.108, 1.130, 1.134, 1.136, 1.138, 1.140, 1.142, 1.144, 1.148, 1.150, 1.152,**
5 **1.154, 1.156 and 1.170 and adding sections 1.134.5, 1.138.5, 1.140.5, 1.144.5 and 1.146**
6 **to create a public financing program for mayoral candidates, appropriate funding for**
7 **the program and make other changes to the Campaign Finance Reform Ordinance.**

8 Note: Additions are *single-underline italics Times New Roman*;
9 deletions are *strikethrough italics Times New Roman*.
10 Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

12 Section 1. The San Francisco Campaign and Governmental Conduct Code is hereby
13 amended by amending Sections 1.104, 1.108, 1.130, 1.134, 1.136, 1.138, 1.140, 1.142,
14 1.144, 1.148, 1.150, 1.152, 1.154, 1.156 and 1.170 to read as follows:
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16 **SEC. 1.104. DEFINITIONS.**

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

18 (a) "Candidate" shall mean any individual listed on the ballot for election to any City
19 elective office or who otherwise has taken affirmative action to seek nomination or election to
20 such office. The term "candidate" shall also mean the candidate's campaign committee.

21 (b) "Charitable organization" shall mean an entity exempt from taxation pursuant to
22 Title 26, Section 501 of the United State Code.

23 (c) "City elective office" shall mean the offices of Mayor, Member of the Board of
24 Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender,
25 Member of the Board of Education of the San Francisco Unified School District and Member

1 of the Governing Board of the San Francisco Community College District. The Board of
2 Supervisors shall be deemed to consist of eleven separate City elective offices, the San
3 Francisco Community College District shall be deemed to consist of seven separate City
4 elective offices, and the Board of Education of the San Francisco Unified School District shall
5 be deemed to consist of seven separate City elective offices.

6 (d) "Committee" shall be defined as set forth in the Government Code of the State
7 of California (commencing at Section 81000).

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

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

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

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

21 (i) "Executive Director" shall mean the Executive Director of the Ethics
22 Commission, or the Executive Director's designee.

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

4 (k)(f) "Matching contribution" shall mean a contribution up to \$500, that is made by an
5 individual, other than the candidate, who is a resident of San Francisco. Matching
6 contributions shall not include loans, contributions that are received more than 18 months before
7 the date of the election, contributions made by the candidate's immediate family or qualifying
8 contributions, and must comply with all requirements of this Chapter. Matching contributions
9 under \$100 that are not made by written instrument must be accompanied by written
10 documentation of the contributor's name and address.

11 (l)(e) "Measure" shall mean any City referendum, recall or ballot proposition, whether
12 or not it qualifies for the ballot.

13 (m)(f) "Person" shall mean any individual, partnership, corporation, association, firm,
14 committee, club or other organization or group of persons, however organized.

15 (n)(m) "Qualified campaign expenditure" for candidates ~~shall mean~~ includes all of the
16 following:

17 (1) Any expenditure made by a candidate, or by a committee controlled by
18 the candidate, for the purpose of influencing or attempting to influence the actions of the
19 voters for the election of the candidate to City elective office.

20 (2) A nonmonetary contribution provided to the candidate, officeholder or
21 committee controlled by the candidate.

22 (3) The total cost actually paid or incurred by the candidate or controlled
23 committee of the candidate for a slate mailing or other campaign literature produced or
24 authorized by more than one candidate.

1 (4) Expenses incurred, but for which payment has not yet been made.

2 (5) Expenses associated with complying with applicable laws, including but
3 not limited to the California Political Reform Act, Government Code Section 81000, et seq.,
4 and the provisions of this Chapter.

5 (6) "Qualified campaign expenditure" shall not include expenses incurred in
6 connection with an administrative or judicial proceeding, payments for administrative, civil or
7 criminal fines, including late filing fines, or for inaugural activities or officeholder expenses.

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

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

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

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

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

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

15 (u)(g) "Written instrument" means a check, credit card receipt, or record of electronic
16 transfer of funds.

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18 **SEC. 1.108. CANDIDATE CAMPAIGN CONTRIBUTION TRUST ACCOUNTS AND**
19 **CAMPAIGN CONTINGENCY ACCOUNTS –ESTABLISHMENT.**

20 (a) Candidate Campaign Contribution Trust Accounts.

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

3 (2) A candidate for Mayor who has been certified by the Ethics Commission as eligible to
4 receive public funds under this Chapter shall not, at any time, have an amount of funds greater than the
5 candidate's Trust Account Limit in his or her Campaign Contribution Trust Account.

6 (b) Campaign Contingency Accounts for Candidates for Mayor.

7 (1) Notwithstanding any other section of this Code, including section 1.200, a candidate for
8 Mayor who has been certified by the Ethics Commission as eligible to receive public funds under this
9 Chapter may maintain a Campaign Contingency Account separate from his or her Campaign
10 Contribution Trust Account into which he or she may deposit ~~money~~ contributions in anticipation of
11 the candidate's Individual Expenditure Ceiling being raised. All ~~money~~ contributions deposited into
12 this account shall be reported as if it were deposited into the candidate's Campaign Contribution Trust
13 Account.

14 (2) No expenditures shall be made from a Campaign Contingency Account established
15 pursuant to this section. Funds may be transferred between a candidate's Campaign Contingency
16 Account and the candidate's Campaign Contribution Trust Account, provided that the amount of funds
17 in the candidate's Campaign Contribution Trust Account does not exceed the candidate's Trust Account
18 Limit. All funds that qualify as matching contributions and are transferred from the Campaign
19 Contingency Account to the Campaign Contribution Trust Account shall be eligible to be matched with
20 public funds in accordance with the procedures set forth in this Chapter. Within 10 days after the date
21 of the election, the candidate shall turn over all funds in the Campaign Contingency Account to the
22 Mayoral Election Campaign Fund.

1 **SEC. 1.130. AMOUNT OF EXPENDITURE CEILINGS.**

2 (a) Any candidate for Assessor, Public Defender, City Attorney, District Attorney,
3 Treasurer, or Sheriff who agrees to expenditure ceilings shall not make total qualified
4 campaign expenditures exceeding \$211,000.

5 (b) Any candidate for Mayor who agrees to expenditure ceilings shall not make total
6 qualified campaign expenditures exceeding ~~\$1,375,000~~ \$724,000.

7 (c) Any candidate for the Board of Supervisors who agrees to expenditure ceilings
8 shall not make total qualified campaign expenditures exceeding \$83,000.

9 (d) Any candidate for the Board of Education of the San Francisco Unified School
10 District or the Governing Board of the San Francisco Community College District who agrees
11 to expenditure ceilings shall not make total qualified campaign expenditures exceeding
12 \$90,000.

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

16
17 **SEC. 1.134. EXPENDITURE CEILINGS LIFTED.**

18 This Section shall apply only if at least one candidate for the City elective office has
19 filed a statement with the Ethics Commission pursuant to Section 1.128 indicating acceptance
20 of the applicable expenditure limits, and the applicable expenditure limit has not already been
21 lifted.

22 (a) If a candidate who has filed a statement under Section 1.128 declining to accept
23 expenditure ceilings receives contributions or makes qualified campaign expenditures in
24 excess of 100 percent of the applicable expenditure ceiling, or if a person or persons make
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1 expenditures or payments, or incur expenses for the purpose of making independent
2 expenditures, electioneering communications or member communications in support of or in
3 opposition to a candidate that total more than 100 percent of the applicable expenditure
4 ceiling, the applicable expenditure limit shall no longer be binding on any candidate seeking
5 election to the same City elective office. This subsection shall not apply to a candidate for Mayor
6 who has been certified by the Ethics Commission as eligible to receive public funds under this Chapter
7 and is therefore subject to an Individual Expenditure Ceiling.

8 (b) Any candidate who has not accepted the voluntary expenditure ceiling and who
9 receives contributions, makes expenditures, incurs expenses or has funds in his campaign
10 trust account that exceed 100 percent of the applicable expenditure ceiling shall, within 24
11 hours of exceeding 100 percent of the applicable expenditure ceiling, file a statement with the
12 Ethics Commission, on forms to be provided by the Ethics Commission, stating that fact and
13 any additional information required by the Ethics Commission. Within 24 hours after receiving
14 such notice, the Ethics Commission shall inform every other candidate for that office that the
15 expenditure ceiling has been lifted.

16 (c) Any person that makes expenditures or payments, or incurs expenses for the
17 purpose of making independent expenditures, electioneering communications or member
18 communications in support of or in opposition to any candidate in an amount of \$5,000 or
19 more shall, within 24 hours of reaching this threshold, file a statement with the Ethics
20 Commission, on forms to be provided by the Ethics Commission, stating that fact and any
21 additional information required by the Ethics Commission. Thereafter, until such time as the
22 applicable expenditure ceiling is lifted, any such person shall file a supplemental statement
23 with the Ethics Commission each time the committee makes expenditures or payments or
24 incurs expenses for the purpose of making independent expenditures, electioneering
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1 communications or member communications or incurs expenses in support of or in opposition
2 to any candidate of an additional \$5,000. The supplemental statements shall be filed within
3 24 hours of reaching these spending thresholds. This subsection shall not apply to any
4 expenditures, payments, or expenses incurred for the purpose of making independent expenditures,
5 electioneering communications or member communications in support of or in opposition to any
6 candidate for Mayor if the Ethics Commission has certified that at least one candidate for Mayor is
7 eligible to receive public funds under this Chapter.

8
9 **SEC. 1.136. PUBLIC FINANCING OF ELECTION CAMPAIGNS.**

10 Candidates for the Board of Supervisors or Mayor who are certified by the Ethics
11 Commission as eligible to receive public financing of their election campaigns, and who
12 comply with the applicable conditions and restrictions specified in Section 1.140 and 1.140.5 of
13 this Chapter, may receive public funds as provided in this Chapter to defray the costs of their
14 election campaigns.

15
16 **SEC. 1.138. SUPERVISOR ELECTION CAMPAIGN FUND; APPROPRIATION OF**
17 **FUNDS.**

18 (a) ESTABLISHMENT of SUPERVISOR ELECTION CAMPAIGN fund. There is
19 hereby established a special fund of the City and County of San Francisco called the
20 Supervisor Election Campaign Fund. All money deposited in the Fund is hereby appropriated
21 for use as specified in this Chapter and the implementing regulations.

22 (b) APPROPRIATION TO SUPERVISOR ELECTION CAMPAIGN FUND. Each fiscal
23 year the City and County of San Francisco shall appropriate to the Supervisor Election
24 Campaign Fund an amount sufficient to provide funding for election campaigns as authorized
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1 by this Chapter for all candidates for the Board of Supervisors who may be eligible to receive
2 such funds. The Ethics Commission shall assist the Mayor and Board of Supervisors in
3 estimating the amount required. If at any time the amount appropriated is insufficient to fund
4 all eligible candidates, the Ethics Commission shall notify the Mayor and Board of
5 Supervisors, and the City and County shall appropriate additional funds. The Ethics
6 Commission shall assist the Mayor and Board of Supervisors in estimating any additional
7 funds required.

8 (c) APPROPRIATION TO ETHICS COMMISSION. Each fiscal year the City and
9 County of San Francisco shall appropriate to the Ethics Commission an amount sufficient to
10 pay for the costs of administration of the public financing program. This appropriation shall be
11 in addition to and separate from the regular annual appropriation made to the Ethics
12 Commission. The Ethics Commission shall assist the Mayor and Board of Supervisors in
13 estimating the amount required.

14 (d) LIMITATION ON EXPENDITURE OF FUNDS. The annual appropriation to this
15 public financing program, including the cost of administration, shall not exceed \$2.00 per
16 resident of the City and County of San Francisco. At the request of the Ethics Commission,
17 the Controller shall estimate the number of residents of the City and County of San Francisco
18 for purposes of this subsection.

19
20 **SEC. 1.140. ELIGIBILITY TO RECEIVE PUBLIC FINANCING – CANDIDATES FOR**
21 **THE BOARD OF SUPERVISORS.**

22 (a) REQUIREMENTS. To be eligible to receive public financing of campaign
23 expenses under this Chapter, a candidate for the Board of Supervisors must:
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1 (1) Be seeking election to the Board of Supervisors and be eligible to hold the office
2 sought;

3 (2) Have filed a statement indicating that he or she intends to participate in the
4 public financing program under Section 1.142(a) of this Chapter;

5 (3) Have received at least \$5,000 in qualifying contributions from at least 75
6 contributors before the 70th day before the election;

7 (4) Be opposed by another candidate who has either established eligibility to
8 receive public financing, or received contributions or made expenditures which in the
9 aggregate equal or exceed \$5,000;

10 (5) Agree to the following conditions:

11 (A) The candidate bears the burden of proving that each contribution the candidate
12 relies upon to establish eligibility is a qualifying contribution;

13 (B) The candidate bears the burden of proving that expenditures made with public
14 funds provided under this Chapter comply with Section 1.148 of this Chapter;

15 (C) The candidate shall not make qualified campaign expenditures which in the
16 aggregate exceed the expenditure limits specified in Section 1.130 of this Chapter, except as
17 provided in Section 1.134 of this Chapter; and

18 (D) The candidate shall agree to participate in at least one debate with the
19 candidate's opponents.

20 (6) Have paid any outstanding late fines or penalties, owed to the City by the
21 candidate or any of the candidate's previous campaign committees, which were imposed for
22 violations of Chapters 1 through 5 of this Article, the campaign finance provisions of the
23 California Political Reform Act (Government Code sections 84100-85704), Chapter 1 of Article
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1 Il of this Code or Chapters 1 or 2 of Article III of this Code, provided that the Ethics
2 Commission had notified the candidate of such fines or penalties by the time of certification;

3 (7) Have filed any outstanding forms, owed to the City by the candidate or any of the
4 candidate's previous campaign committees, which were required to be filed pursuant to
5 Chapters 1 through 5 of this Article, the campaign finance provisions of the Political Reform
6 Act (Government Code sections 84100-85704), or Chapter 1, Article III of this Code, provided
7 that the Ethics Commission had notified the candidate of such outstanding forms by the time
8 of certification;

9 (8) Have no finding by a court within the prior five years that the candidate knowingly,
10 willfully, or intentionally violated Chapters 1 through 4 of this Article or the campaign finance
11 provisions of the California Political Reform Act (Government Code sections 84100-85704).
12 For purposes of this section, a plea of *nolo contendere* shall be treated the same as a finding
13 by a court of a willful violation.

14 (b) ADJUSTMENT OF EXPENDITURE LIMITS AND THRESHOLDS. Whenever the
15 Ethics Commission pursuant to Section 1.130 adjusts the voluntary expenditure ceilings to
16 reflect changes in the California Consumer Price Index, the Commission is authorized to
17 adjust the threshold limits in subsections (a)(3) and (a)(4) of this Section, and Section 1.152,
18 to reflect changes in the California Consumer Price Index.

19
20 **SEC. 1.142. PROCESS FOR ESTABLISHING ELIGIBILITY; CERTIFICATION BY**
21 **THE ETHICS COMMISSION.**

22 (a) STATEMENT OF PARTICIPATION OR NON-PARTICIPATION. Each
23 candidate for the Board of Supervisors *or Mayor* must sign and verify under penalty of perjury
24 a Statement of Participation or Non-Participation in the public financing program. The
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1 statement must be filed by the candidate with the Ethics Commission no later than the
2 deadline for filing nomination papers. On the statement, each candidate shall indicate
3 whether he or she intends to participate in the public financing program. A statement of
4 participation or non-participation may not be amended after the deadline for filing nomination
5 papers.

6 (b) DECLARATION BY CANDIDATE.

7 (1) Candidates for the Board of Supervisor. To become eligible to receive public
8 financing of campaign expenses under this Chapter, a candidate for the Board of Supervisors
9 shall declare, under penalty of perjury, that the candidate satisfies the requirements specified
10 in Section 1.140. Candidates shall submit the declaration and any supporting material
11 required by the Ethics Commission to the Ethics Commission on or after June 1 of the election
12 year, but no later than the 70th day before the election. Once the declaration and supporting
13 material are submitted, they may not be amended. The declaration and supporting material
14 may be withdrawn and refiled, provided that the refiling is made no later than the 70th day
15 before the election.

16 (2) Candidates for Mayor. To become eligible to receive public financing of campaign
17 expenses under this Chapter, a candidate for Mayor shall declare, under penalty of perjury, that the
18 candidate satisfies the requirements specified in Section 1.140.5. Candidates shall be permitted to
19 submit the declaration and any supporting material required by the Ethics Commission to the Ethics
20 Commission starting nine (9) months before the date of the election, but no later than the 70th day
21 before the election. Once the declaration and supporting material are submitted, they may not be
22 amended. The declaration and supporting material may be withdrawn and refiled, provided that the
23 refiling is made no later than the 70th day before the election.

1 (3) Extension of Deadlines. If ~~the~~ any deadline imposed by this section falls on a
2 Saturday, Sunday, or legal holiday, the deadline shall be the next business day.

3 (c) DETERMINATION OF ELIGIBILITY. The Executive Director of the Ethics
4 Commission shall review the candidate's declaration and supporting material to determine
5 whether the candidate is eligible to receive public funds under this Chapter. The Executive
6 Director may audit the candidate's records, interview contributors and take whatever steps the
7 Executive Director deems necessary to determine eligibility. At the request of the Executive
8 Director, the Controller shall assist in this review process.

9 (d) DETERMINATION OF OPPOSITION. To determine whether a candidate for the
10 Board of Supervisors is opposed as required under Section 1.140(a)(3) of this Chapter or a
11 candidate for Mayor is opposed as required under Section 1.140.5(a)(4) of this Chapter, the
12 Executive Director shall review the material filed pursuant to Section 1.152 of this Chapter,
13 and may review any other material.

14 (e) CERTIFICATION. If the Executive Director determines that a candidate for the
15 Board of Supervisors has satisfied the requirements of Section 1.140 or a candidate for Mayor
16 has satisfied the requirements of Section 1.140.5, the Executive Director shall notify the candidate
17 and certify to the Controller that the candidate is eligible to receive public financing under this
18 Chapter. The Executive Director shall not certify that a candidate is eligible to receive public
19 financing if the candidate's declaration or supporting material is incomplete or otherwise
20 inadequate to establish eligibility. The Executive Director shall determine whether to certify a
21 candidate no later than 30 days after the date the candidate submits his or her candidate
22 declaration and supporting material, provided that the Executive Director shall make all
23 determinations regarding whether to certify a candidate no later than the 60th 55th day before the
24 election.

1 (f) RESUBMISSION. If the Executive Director declines to certify that a candidate is
2 eligible to receive public financing under this Chapter, the Executive Director shall notify the
3 candidate. Notwithstanding Section 1.142(b)(4) of this Chapter, the candidate may, within five
4 business days of the date of notification, resubmit the declaration and supporting material. If
5 the candidate does not timely resubmit, the Executive Director's determination is final.

6 If, after viewing resubmitted material, the Executive Director declines to certify that a
7 candidate is eligible to receive public financing under this Chapter, the Executive Director
8 shall notify the candidate of this fact. Additional resubmissions may be permitted in the
9 Executive Director's discretion. If the candidate fails to resubmit in the time specified by the
10 Executive Director, or if no further resubmissions are permitted, the Executive Director's
11 determination is final.

12 (g) RECONSIDERATION. A candidate may request that the Executive Director
13 reconsider a final determination that the candidate is ineligible to receive public funds under
14 this Chapter. The candidate must request reconsideration in writing within five days of the
15 date of notification of ineligibility.

16 (h) APPEAL TO THE ETHICS COMMISSION. If, after reconsideration, the
17 Executive Director declines to certify that a candidate is eligible to receive public financing
18 under this Chapter, the candidate may appeal the Executive Director's final determination to
19 the Ethics Commission. The candidate must deliver the written appeal to the Ethics
20 Commission within five days of the date of notification of the Executive Director's
21 determination following reconsideration.

1 **SEC. 1.144. DISBURSEMENT OF PUBLIC FUNDS—CANDIDATES FOR THE BOARD OF**
2 **SUPERVISORS.**

3 (a) PAYMENT BY CONTROLLER. Upon certifying that a candidate for the Board of
4 Supervisors is eligible to receive public financing under this Chapter, the Executive Director
5 shall forward the certification to the Controller and the Controller shall disburse payments to
6 the candidate from the Supervisor Election Campaign Fund in accordance with the certification
7 and this Section.

8 (b) TIME OF PAYMENTS. The Controller shall not make any payments under this
9 Chapter to a candidate for the Board of Supervisors until the day following the deadline for filing
10 nomination papers with the Director of Elections.

11 (c) PAYMENTS FOR ELECTION EXPENSES. Upon certification of
12 eligibility, and in accordance with subsection (b) of this Section, the candidate shall receive a
13 payment of \$5,000 from the Supervisor Election Campaign Fund. Thereafter, for each of the
14 first \$5,000 dollars of matching contributions raised by the candidate, the candidate shall
15 receive four dollars from the Supervisor Election Campaign Fund. Thereafter, for each
16 additional dollar of matching contributions raised by the candidate, the candidate shall receive
17 one dollar from the Supervisor Election Campaign Fund. The maximum amount of public
18 funds a candidate for the Board of Supervisors may receive to defray election expenses under
19 this Chapter is \$43,750. The amount of public funds paid to a candidate for the Board of
20 Supervisors under this Section shall not be affected by the lifting of expenditure limits under
21 Section 1.134.

22 (d) PRORATION OF FUNDS. Notwithstanding Subsections (c) and (d) of this
23 Section, if the Executive Director makes an initial or the Ethics Commission makes a final
24 determination, pursuant to Section 1.154(b) of this Chapter, that funds in the Supervisor
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1 Election Campaign Fund are insufficient, the Executive Director or the Commission shall
2 distribute the money in the Fund on a pro rata basis to all candidates who are certified as
3 eligible to receive public funds.

4 (e) DEPOSIT IN CAMPAIGN CONTRIBUTION TRUST ACCOUNT. Candidates
5 must deposit all payments received from the Supervisor Election Campaign Fund in the
6 candidate's Campaign Contribution Trust Account.

7 ~~(f) — TERMINATION OF PAYMENTS. The Controller shall terminate all payments to a~~
8 ~~candidate who is otherwise eligible to receive public financing if the candidate:~~

9 ~~(1) — withdraws or fails to qualify to have his or her name printed on the ballot for the~~
10 ~~election for which the candidate applied for public financing;~~

11 ~~(2) — fails to comply with the conditions specified in Section 1.140 of this Chapter; or~~

12 ~~(3) — fails to comply with any of the reporting requirements imposed by this Chapter~~
13 ~~or the Political Reform Act, California Government Code Section 81000, et seq.~~

14
15 **SEC. 1.148. RESTRICTIONS ON USE OF PUBLIC FUNDS; UNEXPENDED PUBLIC**
16 **FUNDS.**

17 (a) USE FOR QUALIFIED CAMPAIGN EXPENDITURES ONLY. Candidates who
18 receive public financing may use the public funds solely to pay for qualified campaign
19 expenditures, as defined by Section 1.104 of this Chapter, and to repay loans used to pay for
20 qualified campaign expenditures. Candidates may not use public funds to pay for expenses
21 incurred in connection with an administrative or judicial proceeding. Candidates may not use
22 public funds to pay administrative, civil or criminal fines, including late filing fines, or to pay for
23 inaugural activities or officeholder expenses.

1 (b) PURCHASE OF EQUIPMENT. Any equipment purchased by a candidate with
2 public funds provided under this Chapter that has a useful life beyond the election campaign
3 for which the funds were provided, and a fair market value exceeding \$100, becomes City and
4 County property on the day following the date the candidate is elected or not elected to office.

5 (c) WITHDRAWAL OR FAILURE TO QUALIFY. Any candidate who receives public
6 financing but who withdraws or fails to qualify to have his or her name printed on the ballot in
7 the election for which the public funds were provided shall repay the Supervisor Election
8 Campaign Fund if the candidate was a candidate for the Board of Supervisors or to the Mayoral
9 Election Campaign Fund if the candidate was a candidate for Mayor the full sum received from the
10 Fund.

11 (d) UNEXPENDED PUBLIC FUNDS.

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

19 (ii) Definition. For purposes of this section, unexpended public funds shall mean all
20 funds remaining in the candidate's account on the 30th day after the candidate is elected or
21 not elected to office, regardless of the source of the funds, but shall not exceed the amount of
22 public funds provided to the candidate. Funds raised after this date do not constitute
23 unexpended funds and may be used for any lawful purpose.

1 **SEC. 1.150. AUDIT; REPAYMENT; AND TERMINATION OF COMMITTEES.**

2 (a) AUDIT. The Ethics Commission shall audit all candidates who receive public
3 financing under this Chapter. ~~The audit~~ Audits of candidates for Mayor conducted under this
4 subsection shall begin within 30 60 days after the date the candidates' first post-election campaign
5 disclosure report is required to be filed pursuant to Section 1.106 of this Chapter. At the request of
6 the Executive Director, the Controller shall assist in conducting these audits.

7 (b) REPAYMENT.

8 (1) If the Ethics Commission determines that any portion of the payments made to a
9 candidate from the Supervisor Election Campaign Fund or the Mayoral Election Campaign Fund
10 exceeded the aggregate amount of payments to which the candidate was entitled under this
11 Chapter, the Commission shall notify the Controller and the candidate. In addition to any
12 other penalties, the candidate shall pay to the City and County of San Francisco, and deliver
13 to the Ethics Commission an amount equal to the amount of the excess payments, and if the
14 Commission determines that any amount of any payment made to a candidate from the
15 Supervisor Election Campaign Fund or the Mayoral Election Campaign Fund was used for
16 something other than qualified campaign expenditures, the candidate shall pay to the Ethics
17 Commission an amount equal to the improper expenditure.

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

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

1 ~~(c) TERMINATION OF COMMITTEES. All candidates for Mayor who receive public~~
2 ~~funds under this Chapter shall terminate their campaign committees within 30 days of the date~~
3 ~~the Ethics Commission completes an audit of the committee as required by this Section.~~

4
5 **SEC. 1.152. SUPPLEMENTAL REPORTING IN ELECTIONS FOR BOARD OF**
6 **SUPERVISORS AND MAYOR.**

7 ~~(a) Candidates for the Board of Supervisors. In addition to the campaign disclosure~~
8 ~~requirements imposed by the California Political Reform Act and other provisions of this~~
9 ~~Chapter, each candidate for the Board of Supervisors who has filed a statement indicating that~~
10 ~~he or she does not intend to participate in the public financing program under Section 1.142(a)~~
11 ~~of this Chapter or who has received notice under Section 1.142 that the candidate is ineligible~~
12 ~~to receive public funds under this Chapter shall, no later than the deadline for filing nomination~~
13 ~~papers, file a statement with the Ethics Commission indicating whether the nonparticipating~~
14 ~~candidate has received contributions, made expenditures or has funds in his or her campaign~~
15 ~~trust account that in the aggregate equal or exceed \$5,000. If the nonparticipating candidate~~
16 ~~first reaches or exceeds the \$5,000 threshold after the deadline for filing nomination papers,~~
17 ~~or receives notice of ineligibility to receive public funds after that date, the nonparticipating~~
18 ~~candidate shall, within 24 hours of reaching or exceeding the threshold or receiving notice of~~
19 ~~ineligibility, file a statement indicating this fact with the Ethics Commission. The supplemental~~
20 ~~reports are not required if no candidate in a race seeks public financing or if the Executive~~
21 ~~Director of the Ethics Commission has determined that at least two candidates in a race have~~
22 ~~received contributions or have funds in their campaign trust account that equal or exceed~~
23 ~~\$5,000.~~

1 (b) Candidates for Mayor.

2 (1) In addition to the campaign disclosure requirements imposed by the California Political
3 Reform Act and other provisions of this Chapter, each candidate for Mayor shall file a statement with
4 the Ethics Commission indicating when the candidate has received contributions, made expenditures or
5 has funds in his or her Campaign Contribution Trust Account that in the aggregate equal or exceed
6 \$50,000 within 24 hours of reaching or exceeding that amount.

7 (2) In addition to the supplemental report in subsection (b)(1) of this Section, each
8 candidate for Mayor who has not been certified as eligible to receive public funds under this
9 Chapter shall file a statement with the Ethics Commission disclosing when the candidate has received
10 contributions, made expenditures or has funds in his or her Campaign Contribution Trust Account that
11 in the aggregate equal or exceed \$1,000,000. The candidate shall file this report within 24 hours of
12 reaching or exceeding the threshold. Thereafter, the candidate shall file an additional supplemental
13 report within 24 hours of every time the candidate receives additional contributions, makes additional
14 expenditures or has additional funds in his or her campaign trust account that in the aggregate equal
15 or exceed \$50,000.

16 (3) Any person that makes independent expenditures, electioneering communications, or
17 member communications in support of or in opposition to that clearly identify any candidate for
18 Mayor in an amount that in the aggregate equals or exceeds \$5,000, shall, within 24 hours of reaching
19 or exceeding the spending threshold, provide an original copy of the communication to the Ethics
20 Commission and file a statement with the Ethics Commission disclosing the cost of each
21 communication. Every person who is required to file a statement with the Ethics Commission pursuant
22 to this subsection shall indicate on the statement which candidate or candidates for Mayor the
23 independent expenditures, electioneering communications, or member communications disclosed on the
24 statement are intended to support or oppose, or whether they are intended to be neutral, provided that
25

1 an independent expenditure may not be neutral. For the purposes of this subsection, the costs of a
2 communication that supports or opposes more than one candidate or ballot measure shall be
3 apportioned among each candidate and measure in the communication.

4 Thereafter, any such person shall file a supplemental statement with the Ethics Commission
5 each time the person makes independent expenditures, electioneering communications or member
6 communications in support of or in opposition to any candidate for Mayor in an amount that in the
7 aggregate equals or exceeds an additional \$5,000. The supplemental statements shall be filed within
8 24 hours of reaching or exceeding the spending threshold.

9 The Executive Director shall post the information disclosed on statements required by this
10 subsection on the web page of the Ethics Commission within ~~one~~ two business days of the statement
11 being filed.

12 (4) The supplemental statements required by subsections (b)(2) and (b)(3) are not required
13 until the Ethics Commission has certified that at least one candidate for Mayor is eligible to receive
14 public funds under this Chapter, provided that within ~~48 hours~~ two days of the date that of the
15 Ethics Commission's provides notice under this subsection that it has certified certification that a
16 candidate for Mayor is eligible to receive public funds under this Chapter any report that would be
17 required under (b)(2) or (b)(3) must be filed. Within ~~24 hours~~ two business days of certifying that at
18 least one candidate for Mayor is eligible to receive public financing under this Chapter, the Ethics
19 Commission shall post a notice on its web page, send out a press release and send written notice by
20 regular or electronic mail to any person who has requested such notice.

1 **SEC. 1.154. INSUFFICIENT FUNDS IN SUPERVISOR ELECTION CAMPAIGN**

2 **FUND.**

3 (a) REPORT BY CONTROLLER. At the request of the Ethics Commission,
4 the Controller shall provide a statement of the total amount of funds in the Supervisor Election
5 Campaign Fund.

6 (b) DETERMINATION. Within 24 hours of the deadline for filing nomination
7 papers, the Executive Director shall notify the Controller whether the amount in the Supervisor
8 Election Campaign Fund is sufficient to fund all candidates who have filed a notice of intent to
9 participate in the public financing program and who may be eligible to receive public financing.
10 No later than 60 days before the election, the Ethics Commission shall make a final
11 determination whether the amount in the Supervisor Election Campaign Fund is sufficient to
12 fund all candidates for the Board of Supervisors who may be eligible to receive public
13 financing for their election campaigns under this Chapter. If the Executive Director's initial or
14 the Commission's final determination is that the amount in the Fund is insufficient, the
15 Executive Director or the Commission shall distribute the money in the Fund on a pro rata
16 basis to all candidates who are certified as eligible to receive public funds. Notwithstanding
17 an initial determination that the funds are insufficient and the distribution of some funds on a
18 pro rata basis, if the Commission makes a final determination that there are sufficient funds
19 for all eligible candidates, the Commission may distribute the full amount of funds to eligible
20 candidates.

21
22 **SEC. 1.156. REPORT TO THE MAYOR AND BOARD OF SUPERVISORS.**

23 (a) Following each election at which the Mayor or members of the Board of
24 Supervisors are elected, the Ethics Commission shall submit a report to the Mayor and Board
25

1 of Supervisors. The report shall state the amount of public funds used to pay for election
2 campaigns in that election and such other information as the Ethics Commission deems
3 useful, including the number of candidates who received public funds; the number of
4 nonparticipating candidates; the amount of qualified campaign expenditures made by all
5 candidates in that election; and the amount of independent expenditures made in connection
6 with the election.

7 (b) Following the November 2007 municipal election, the Ethics Commission shall
8 conduct a study and submit a report to the Mayor and Board of Supervisors regarding the
9 feasibility and costs of converting the partial public financing program for Mayoral candidates
10 into a full public financing program.

11
12 **SEC. 1.170. PENALTIES.**

13 (a) CRIMINAL.

14 Any person who knowingly or willfully violates any provision of this Chapter shall be
15 guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more
16 than \$5,000 for each violation or by imprisonment in the County jail for a period of not more
17 than six months or by both such fine and imprisonment; provided, however, that any willful or
18 knowing failure to report contributions or expenditures done with intent to mislead or deceive
19 or any willful or knowing violation of the provisions of Section 1.114 of this Chapter shall be
20 punishable by a fine of not less than \$5,000 for each violation or three times the amount not
21 reported or the amount received in excess of the amount allowable pursuant to Section 1.114
22 of this Chapter, or three times the amount expended in excess of the amount allowable
23 pursuant to Section 1.130 or 1.140.5, whichever is greater.

1 (b) CIVIL.

2 Any person who intentionally or negligently violates any of the provisions of this
3 Chapter shall be liable in a civil action brought by the civil prosecutor for an amount up to
4 \$5,000 for each violation or three times the amount not reported or the amount received in
5 excess of the amount allowable pursuant to Section 1.114 or three times the amount
6 expended in excess of the amount allowable pursuant to Section 1.130 or 1.140.5, whichever
7 is greater.

8 (c) ADMINISTRATIVE.

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

15 (d) PENALTIES FOR LATE ELECTRONIC FILINGS.

16 Any person who files an electronic copy of a statement or report required by this
17 Chapter after the deadline imposed by the California Political Reform Act (Government Code
18 Section 81000 et seq.) for filing the written copy of the statement or report shall be liable in the
19 amount of twenty-five dollars (\$25) per day after the deadline until the electronic copy is filed.

20 (e) MISUSE OF PUBLIC FUNDS.

21 Any person who willfully or knowingly uses public funds, paid pursuant to this Chapter,
22 for any purpose other than the purposes authorized by this Chapter shall be subject to the
23 penalties provided in this section.
24
25

1 (f) PROVISION OF FALSE OR MISLEADING INFORMATION TO THE ETHICS
2 COMMISSION; WITHHOLDING OF INFORMATION.

3 Any person who knowingly or willfully furnishes false or fraudulent evidence,
4 documents, or information to the Ethics Commission under this Chapter, or misrepresents any
5 material fact, or conceals any evidence, documents, or information, or fails to furnish to the
6 Ethics Commission any records, documents, or other information required to be provided
7 under this Chapter shall be subject to the penalties provided in this section.

8 (g) PERSONAL LIABILITY.

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

11 (h) JOINT AND SEVERAL LIABILITY.

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

14 (i) EFFECT OF VIOLATION ON OUTCOME OF ELECTION.

15 (1) If a candidate is convicted of a violation of this Chapter at any time prior to his or
16 her election, his or her candidacy shall be terminated immediately and he or she shall be no
17 longer eligible for election, unless the court at the time of sentencing specifically determines
18 that this provision shall not be applicable. No person convicted of a misdemeanor under this
19 Chapter after his or her election shall be a candidate for any other City elective office for a
20 period of five years following the date of the conviction unless the court shall at the time of
21 sentencing specifically determine that this provision shall not be applicable. *A plea of nolo*
22 *contendere shall be deemed a conviction for purposes of this Section.*

23 (2) *If a candidate for Mayor is found by a court to have exceeded the Individual*
24 *Expenditure Ceiling in this Chapter by ten percent or more at any time prior to his or her election, he*

1 or she is ineligible for election, unless the court specifically determines that this provision shall not be
2 applicable. If feasible, the candidate's name shall be removed from the ballot. No candidate for
3 Mayor who is found by a court to have exceeded the Individual Expenditure Ceiling in this Chapter by
4 ten percent or more after his or her election shall be a candidate for any City elective office for a
5 period of 5 years following the court's determination unless the court specifically determines that this
6 provision shall not be applicable. The Ethics Commission may make a recommendation to the Board of
7 Supervisors that a candidate found by a court to have exceeded the Individual Expenditure Ceiling in
8 this Chapter by ten percent or more should be removed from office.

9 (3) A plea of nolo contendere shall be deemed a conviction for purposes of this Section.

10
11 Section 2. The San Francisco Campaign and Governmental Conduct Code is hereby
12 amended by adding Sections 1.134.5, 1.138.5, 1.140.5, 1.144.5, and 1.146 to read as follows:

13
14 **SEC. 1.134.5. LIFTING OF INDIVIDUAL EXPENDITURE CEILINGS.**

15 This Section shall apply only if the Ethics Commission has certified that at least one candidate
16 for Mayor is eligible to receive public funds under this Chapter.

17 (a) The Executive Director shall lift the Individual Expenditure Ceiling of a candidate for
18 Mayor to an amount equal to the highest level of the Total Supportive Funds of any other candidate
19 seeking election to the same office if such amount is greater than \$1,375,000, provided that the
20 Executive Director may lift a candidate's Individual Expenditure Ceilings only in increments of
21 \$100,000.

22 (b) The Executive Director shall lift the Individual Expenditure Ceiling of a candidate for
23 Mayor by an amount equal to the candidate's Total Opposition Spending, provided that the Executive
24 Director may lift a candidate's Individual Expenditure Ceiling only in increments of \$100,000.

1 (c) On the fourth third business day after a statement is filed pursuant to Section
2 1.152(b)(3) of this Chapter, the Executive Director shall determine whether to lift the Individual
3 Expenditure Ceilings of each candidate for Mayor pursuant to subsections (a) and (b) of this Section
4 based on the information in the statement unless pursuant to subsection (d) a candidate for Mayor
5 requests that the Executive Director make a determination regarding which candidate or
6 candidates the communication filed with the statement supports or opposes or whether the
7 Communication is neutral. Ethics Commission review the statement pursuant to subsection
8 (d) of this Section.

9 (d) Any candidate for Mayor may request that the Executive Director Ethics Commission
10 review a statement the original or copy of a communication filed pursuant to Section 1.152(b)(3)
11 of this Chapter to make an independent determination regarding which candidate or candidates for
12 Mayor the communication independent expenditures, electioneering communications, or
13 member communications disclosed on the statement actually supports or opposes or whether
14 they are the communication is neutral. Such requests must be filed with the Executive Director
15 Ethics Commission within three two (2) business days from the date the original or copy of the
16 communication statement is filed. Factors the Executive Director Commission shall use to
17 determine whether the independent expenditure, electioneering communication or membership
18 communication supports or opposes one or more candidates include the following:

- 19 (1) the communication clearly identifies one or more mayoral candidates;
20 (2) the timing of the communication coincides with the mayoral campaign;
21 (3) the communication targets voters in a particular election;
22 (4) the communication identifies one or more candidate's position on a public policy issue
23 and urges the reader or viewer to take action, including calling the candidate to support or oppose the
24 candidate's position;
25

1 (5) the position of one or more candidates on the public policy issue has been raised as
2 distinguishing these candidates from others in the campaign, either in the communication itself or in
3 other public communications;

4 (6) the communication is not part of an ongoing series of substantially similar advocacy
5 communications by the organization on the same issue; and

6 (7) any other factors the Executive Director Ethics Commission deems relevant.

7 ~~The Ethics Commission~~ Within three business days of the date the request for a
8 determination is received, the Executive Director shall make a his or her initial final
9 determination ~~requested by this subsection within 96 hours of the date the request for a~~
10 ~~determination is received. If for any reason the Commission does not make a final~~
11 ~~determination within this timeframe, the Executive Director shall do so within 120 hours of the~~
12 ~~date the request for a determination is received.~~

13 Within one business day of the date that the Executive Director makes an initial
14 determination, any candidate for Mayor may submit to the Executive Director a request that
15 the Ethics Commission review the Executive Director's initial determination.

16 Within one business day of receiving the request, the Executive Director shall notify
17 each Commissioner of the candidate's request.

18 If within one business day of the Executive Director's notice, two or more members of
19 the Commission inform the Executive Director that they would like to review the initial
20 determination, the Executive Director shall schedule a meeting of the Commission on a date
21 that occurs within one week of the Commissioners' requests. If three members of the
22 Commission vote to overrule the Executive Director's initial determination, the Commission
23 shall make a final determination based on the factors set forth above.

1 ~~Within 24 hours of a final determination and based on that determination, the~~ If no
2 candidate requests review of the Executive Director's initial determination, if a request is
3 made and two or more members of the Commission do not request to review the initial
4 determination, or within one week of two members of the Commission requesting to review
5 the initial determination, at least three members of the Commission do not vote to overrule the
6 Executive Director's initial determination, the Executive Director's determination shall become
7 final.

8 The Executive Director shall determine whether to lift the Individual Expenditure Ceilings of
9 each candidate for Mayor pursuant to subsections (a) and (b) of this Section within one business day
10 of a final determination.

11
12 **SEC. 1.138.5 MAYORAL ELECTION CAMPAIGN FUND; APPROPRIATION OF FUNDS.**

13 (a) ESTABLISHMENT OF MAYORAL ELECTION CAMPAIGN FUND. There is
14 established a special fund of the City and County of San Francisco called the Mayoral Election
15 Campaign Fund. All money deposited in the Fund is appropriated for use as specified in this Chapter
16 and the implementing regulations. This special fund is separate from the Election Campaign Fund
17 established in Section 1.138(a) of this Chapter.

18 (b) APPROPRIATION TO MAYORAL ELECTION CAMPAIGN FUND. Except as provided
19 in subsections (b)(3) and (b)(4), each fiscal year the City and County of San Francisco shall
20 appropriate \$2.00 per resident of the City and County of San Francisco to the Mayoral Election
21 Campaign Fund to provide funding for election campaigns as authorized by this Chapter for all
22 candidates for Mayor who may be eligible to receive such funds. At the request of the Ethics
23 Commission, the Controller shall estimate the number of residents of the City and County of San
24 Francisco for purposes of this subsection.

1 (1) Any funds in the Mayoral Election Campaign Fund not used in one election shall be
2 carried over for use in the following election, provided that at no time shall the total amount in the
3 Mayoral Election Campaign Fund exceed \$12 million. Any funds in the Mayoral Election Campaign
4 Fund in excess of \$12 million shall be returned to the General Fund.

5 (2) Funds necessary for the Ethics Commission to administer ~~administration of the~~
6 public financing program for candidates for Mayor authorized under section 1.136 of this Chapter
7 shall be taken from the Mayoral Election Campaign Fund. The Commission's ~~A~~ administrative
8 expenses for such public financing program for any election shall not exceed ~~40%~~ 15% of the total
9 amount of funds in the Mayoral Election Campaign Fund for that election.

10 (3) In order to ensure that four years worth of appropriations under this subsection are
11 available to provide public financing to candidates seeking election at the next mayoral election, the
12 City and County of San Francisco shall appropriate \$8.00 per resident of the City and County of San
13 Francisco to the Mayoral Election Campaign Fund by July 1, 2006~~January 1, 2007.~~

14 (4) If the Office of Mayor becomes vacant and an election is held to fill the vacancy for the
15 remainder of the term, the City and County of San Francisco shall appropriate additional funds to the
16 Mayoral Election Campaign Fund in an amount that ensures that at least \$8.00 per resident is
17 available in the Mayoral Election Campaign Fund for that election and the next regularly scheduled
18 mayoral election.

19
20 **SEC. 1.140.5. ELIGIBILITY TO RECEIVE PUBLIC FINANCING – CANDIDATES FOR**
21 **MAYOR.**

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

24 (1) Be seeking election to the office of Mayor and be eligible to hold the office sought;
25

1 (2) Have submitted a declaration under Section 1.142(b) of this Chapter indicating that the
2 candidate meets the eligibility criteria of this section;

3 (3) Have received at least \$25,000 in qualifying contributions from at least 250 contributors
4 by the 70th day before the election.

5 (4) Be opposed by another candidate who has either established eligibility to receive public
6 financing, or received contributions or made expenditures that in the aggregate equal or exceed
7 \$50,000;

8 (5) Agree to the following conditions.

9 (i) The candidate shall not spend on the candidate's campaign more than the candidate's
10 Individual Expenditure Ceiling of \$1,375,000, or as adjusted under Section 1.134.5 of this Chapter;

11 (ii) The candidate bears the burden of proving that each contribution the candidate relies
12 upon to establish eligibility is a qualifying contribution and that all contributions comply with the
13 requirements set forth in this Chapter;

14 (iii) The candidate bears the burden of proving that expenditures made with public funds
15 provided under this Chapter comply with Section 1.148 of this Chapter;

16 (iv) The candidate will not make any payments to a contractor or vendor in return for the
17 contractor or vendor making a campaign contribution to the candidate or make more than a total of 50
18 payments, other than the return of a contribution, to contractors or vendors that have made
19 contributions to the candidate;

20 (v) Notwithstanding Sections 1.114 and 1.116, the candidate shall not loan or donate more
21 than \$5,000 of his or her own money to the campaign;

22 (vi) The candidate shall not accept any loans to his or her campaign with the exception of a
23 candidate's loan to his or her own campaign as permitted by this section; and

1 (vii) The candidate shall agree to participate in at least three (3) debates with the candidate's
2 opponents.

3 (6) Have paid any outstanding late fines or penalties, owed to the City by the candidate or any
4 of the candidate's previous campaign committees, which were imposed for violations of Chapters 1
5 through 5 of this Article, the campaign finance provisions of the California Political Reform Act
6 (Government Code sections 84100-85704), Chapter 1 of Article II of this Code or Chapters 1 or 2 of
7 Article III of this Code, provided that the Ethics Commission had notified the candidate of such fines or
8 penalties by the time of certification;

9 (7) Have filed any outstanding forms, owed to the City by the candidate or any of the
10 candidate's previous campaign committees, which were required to be filed pursuant to Chapters 1
11 through 5 of this Article, the campaign finance provisions of the Political Reform Act (Government
12 Code sections 84100-85704), or Chapter 1, Article III of this Code, provided that the Ethics
13 Commission had notified the candidate of such outstanding forms by the time of certification;

14 (8) Have no finding by a court within the prior five years that the candidate knowingly,
15 willfully, or intentionally violated Chapters 1 through 4 of this Article or the campaign finance
16 provisions of the California Political Reform Act (Government Code sections 84100-85704). For
17 purposes of this section, a plea of nolo contendere shall be treated the same as a finding by a court of a
18 willful violation.

19 (b) ADJUSTMENT OF EXPENDITURE LIMITS AND THRESHOLDS

20 The Ethics Commission shall adjust:

21 (1) the figures in subsections (a)(3), (a)(4), and (a)(5) of this Section to reflect changes in
22 the California Consumer Price Index, provided that such adjustments shall be rounded off to the
23 nearest \$5,000; and

1 (2) the maximum amount of a contribution that constitutes a qualifying contribution for
2 mayoral candidates pursuant to section 1.104 to reflect changes in the California Consumer Price
3 Index, provided that such adjustments shall be rounded off to the nearest \$10.

4
5 **SEC. 1.144.5. DISBURSEMENT OF PUBLIC FUNDS – CANDIDATES FOR MAYOR.**

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

10 (b) TIME OF PAYMENTS. The Controller shall not make any payments under this Chapter
11 to any candidate for Mayor more than nine (9) months before the date of the election. Payments from
12 the Controller shall be disbursed to eligible candidates within 48 hours of the Controller receiving
13 notification from the Ethics Commission regarding the amount of the disbursement, except that within
14 60 calendar days before the election, such payments shall be made within 24 hours.

15 (c) PAYMENTS FOR ELECTION EXPENSES.

16 (1) Until the Per Candidate Available Disbursement Limit has been determined, candidates
17 for Mayor who have been certified by the Ethics Commission as eligible to receive public financing for
18 their election campaigns will have access to up to \$850,000 in funds from the Mayoral Election
19 Campaign Fund on a first come, first served basis according to the formula set forth in subsection
20 (c)(3) of this Section.

21 (2) Once the Per Candidate Available Disbursement Limit has been determined, candidates
22 for Mayor who have been certified by the Ethics Commission as eligible to receive public financing for
23 their election campaigns shall have access to funds from the Mayoral Election Campaign Fund as
24 follows:

1 (A) If the Executive Director determines that the Per Candidate Available Disbursement
2 Limit is greater than \$850,000, each participating candidate shall have access to the amount of the Per
3 Candidate Disbursement, subject to the limitations set forth under subsection (c)(3)(D) and (c)(3)(E) of
4 this Section.

5 (B) If the Executive Director determines the Per Candidate Available Disbursement Limit is
6 less than or equal to \$850,000, participating candidates shall have access to funds from the Mayoral
7 Election Campaign Fund on a first come, first served basis up to a maximum per candidate of
8 \$850,000.

9 (3) A candidate for Mayor who is certified as eligible to receive public financing under this
10 Chapter shall receive payments for eligible matching contributions according to the following formula:

11 (A) Upon qualification the candidate shall receive a one-time payment of \$50,000 from the
12 Mayoral Election Campaign Fund.

13 (B) After the initial payment under subsection (c)(3)(A), for the first \$100,000 in matching
14 contributions raised by the candidate, the candidate shall receive four dollars from the Mayoral
15 Election Campaign Fund for each dollar raised.

16 (C) After the payments under subsection (c)(3)(B), for the next \$400,000 in matching
17 contributions raised by the candidate, the candidate shall receive one dollar from the Mayoral Election
18 Campaign Fund for each dollar raised.

19 (D) The maximum amount of public funds a mayoral candidate may receive is \$850,000,
20 unless the candidate's Individual Expenditure Ceiling is lifted according to the rules set forth under
21 Section 1.134.5. The amount of public funds paid under this Section shall not be affected by the lifting
22 of expenditure limits under Section 1.134.

23 (E) If the Per Candidate Available Disbursement Limit has been determined to be an
24 amount greater than \$850,000, a candidate who has already received at least \$850,000 in
25

1 disbursements from the City shall continue to be eligible to receive public funds from the City at the
2 rate of one dollar for each dollar of a matching contribution raised up to the Per Candidate
3 Disbursement Limit, provided that no funds shall be disbursed if disbursement of the funds would result
4 in the candidate exceeding his or her Trust Account Limit.

5 (d) PER CANDIDATE AVAILABLE DISBURSEMENT LIMIT. On the 59th day before the
6 election, the Executive Director shall divide the total amount of non-administrative funds in the
7 Mayoral Election Campaign Fund by the number of qualified candidates. This number shall be
8 deemed the Per Candidate Available Disbursement Limit. For the purposes of this section, the total
9 amount of non-administrative funds in the Mayoral Election Campaign Fund shall be the total amount
10 of funds that existed in the Fund nine months before the date of election plus any funds deposited into
11 the Fund between that date and the 59th day before the election minus any funds necessary to cover the
12 administrative costs associated with implementing the mayoral public financing program.

13 If there are candidates who have submitted a Declaration of Qualification but whose eligibility
14 has not been determined as of the 59th day before the election, the Executive Director shall assume that
15 they are qualified for the purposes of determining the Per Candidate Available Disbursement Limit.
16 The Per Candidate Available Disbursement Limit shall be revised upward according to the formula
17 above if and when it is determined that the candidate or candidates in question did not qualify to
18 receive public financing.

19 Immediately upon calculating the Per Candidate Available Disbursement Limit, the Executive
20 Director shall inform the Controller of the initial determination of the Per Candidate Available
21 Disbursement Limit. Thereafter, the Executive Director shall immediately inform the Controller of any
22 subsequent changes in the Per Candidate Available Disbursement Limit due to a determination that a
23 candidate has not qualified to receive public financing.

1 (e) SUBMISSION OF CLAIMS FOR PUBLIC FUNDS. *The Ethics Commission shall*
2 *determine the information needed to submit a claim for payment of public funds. The Executive*
3 *Director shall certify each request for payment of public funds within four business calendar days of*
4 *the request, except that within 14 calendar days before the election, when the certification of a request*
5 *for public funds shall be made within two business days ~~48 hours~~ of the request. Any submission of*
6 *a claim for public funds must include a minimum of \$5,000 of matching contributions; provided that in*
7 *the 14 calendar days preceding an election, a claim must include a minimum of \$1,000 of matching*
8 *contributions. All claims for public funds must be submitted no later than 5:00 P.M. on the 30th day*
9 *following the date of the election.*

10 (f) DEPOSIT IN CAMPAIGN CONTRIBUTION TRUST ACCOUNT. *Candidates must*
11 *deposit all payments received from the Mayoral Election Campaign Fund in the candidate's Campaign*
12 *Contribution Trust Account.*

13
14 **SEC. 1.146 – TERMINATION OF PAYMENTS.**

15 *The Controller shall terminate all payments to a candidate who is otherwise eligible to receive*
16 *public financing if the candidate:*

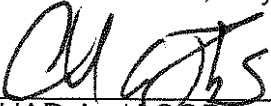
17 (a) withdraws or fails to qualify to have his or her name printed on the ballot for the
18 election for which the candidate applied for public financing;

19 (b) fails to comply with the conditions specified in Section 1.140 of this Chapter if a
20 candidate for the Board of Supervisors or Section 1.140.5 if a candidate for Mayor; or

21 (c) knowingly or willfully fails to comply with any of the reporting requirements imposed by
22 this Chapter or the Political Reform Act, California Government Code Section 81000, et seq.

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

By: 
CHAD A. JACOBS
Deputy City Attorney



City and County of San Francisco

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

Tails Ordinance

File Number: 051773

Date Passed:

Ordinance amending the Campaign and Governmental Conduct Code by amending sections 1.104, 1.108, 1.130, 1.134, 1.136, 1.138, 1.140, 1.142, 1.144, 1.148, 1.150, 1.152, 1.154, 1.156 and 1.170 and adding sections 1.134.5, 1.138.5, 1.140.5, 1.144.5 and 1.146 to create a public financing program for mayoral candidates, appropriate funding for the program and make other changes to the Campaign Finance Reform Ordinance.

February 7, 2006 Board of Supervisors — PASSED ON FIRST READING

Ayes: 9 - Ammiano, Daly, Dufty, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin,
Sandoval

Noes: 2 - Alioto-Pier, Elsbernd

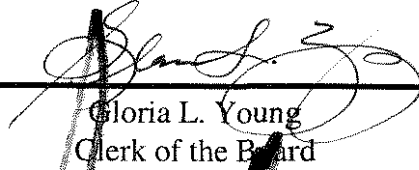
February 14, 2006 Board of Supervisors — FINALLY PASSED

Ayes: 9 - Ammiano, Daly, Dufty, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin,
Sandoval

Noes: 2 - Alioto-Pier, Elsbernd

File No. 051773

I hereby certify that the foregoing Ordinance
was **FINALLY PASSED** on February 14,
2006 by the Board of Supervisors of the City
and County of San Francisco.



Gloria L. Young
Clerk of the Board

2-23-06

Date Approved



Mayor Gavin Newsom