Ordinance amending the San Francisco Administrative Code by adding Chapter 12W, Sections 12W.1 through 12W.7, to require contractors providing insurance and insurance services, financial services, or textiles to the City to disclose any participation in the slave trade, and creating an account, to which contractors subject to this ordinance, and others, may make voluntary contributions, and requiring that monies donated to this account be used to fund economic development and educational initiatives designed to ameliorate the effects of slavery upon the residents of San Francisco.

Additions are single underline italics Times New Roman; deletions are strikethrough italics Times New Roman. Board amendment additions are double underlined. Board amendment deletions are strikethrough normal.

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

Section 1. The San Francisco Administrative Code is hereby amended by adding Chapter 12W, to read as follows:

Chapter 12W: San Francisco Slavery Disclosure Ordinance

SEC. 12W.1. FINDINGS AND PURPOSE. The Board of Supervisors of the City and County of San Francisco hereby finds and declares that:

(a) Insurance policies from the American slavery era, which have been discovered in the archives of several insurance companies, document insurance coverage to slaveholders for damage to or death of people subjected to slavery. In some cases, existing insurance firms or their predecessor firms issued these policies.

(b) Further records may exist showing that insurance companies, financial services firms, and textile companies, either directly or through their parent entities,
subsidiaries, predecessors in interest, or otherwise, bought or sold people subjected to
slavery, provided property insurance covering people subjected to slavery, provided
loans to purchase people subjected to slavery, used people subjected to slavery as
collateral for insurance policies or other transactions, profited from the trade in people
subjected to slavery, and/or provided related services to aid and abet such trade.

(c) Discovery and publication of these records is an important first step in
addressing the legacy of slavery in this country. For example, in June of 2005, the
Wachovia Corporation, in the course of complying with a Chicago law similar to this
Ordinance, discovered that some of its predecessor companies owned slaves and
used slaves as collateral for loans. Wachovia issued an apology for the actions of its
predecessor companies, and called for a "stronger dialogue about slavery and the
experience of African-Americans in our country."

(d) Insurance policies, loan documents and other documents and records
provide evidence of ill-gotten profits from slavery, which profits, in part, capitalized
insurers, financial services providers and textile companies. The successors of these
companies remain in existence today, and such profits from the uncompensated
labor of enslaved Africans represent a continuing legacy of slavery.

(e) Slavery was legal at the time that the contemptible practices outlined
above occurred, but that does not make the practices any less repugnant, abhorrent
or deplorable, nor in any way diminish the gravity of these wrongs or the importance
of rectifying and remediating these travesties.

(f) Deplorable treatment of Africans brought to this country as slaves was
not limited to the southern states. In 1852, the California Legislature passed a
California Fugitive Slave Act that gave white men the power to arrest Africans who
they claimed were slaves, and return them to southern slave states. California's first
governor, Peter Burnet, recommended during the first session of the California
Legislature that the Assembly adopt a bill to exclude "Free Negroes" from California.
In 1858, the Assembly passed House Bill 395, "an Act to Restrict and Prevent the
Immigration to and Residence in this State of Negroes and Mulattoes." These laws,
and others like them, were a major factor in the decision of several hundred African
men and women to migrate from San Francisco to Victoria, Canada.

(g) Many San Francisco residents are descendants of people subjected to
slavery, people who were defined as private property and insured as such, people who
were used as collateral for insurance policies, loans and other transactions, were
dehumanized, snatched from their families, and coerced into performing labor without
appropriate compensation or benefits.

(h) Appropriate compensation to Africans for their labor would have been
bequeathed to their descendants to assist them in developing a solid economic base
that included individual wealth and thriving African American community institutions,
thereby providing a level playing field and ensuring equal opportunity in this country.

(i) The City and County of San Francisco acknowledges the loss of assets
that rightfully should be the property of descendants of African people subjected to slavery,
and extends its apologies to their descendants who continue to suffer the legacy of
slavery.

(j) The San Francisco Board of Supervisors pays tribute to and honors the
people subjected to slavery who toiled and sacrificed their lives in building this country's
economic foundation, and also honors descendants of those people subjected to slavery
in America who, notwithstanding the degradation of slavery and discrimination, and the
systematic efforts to deprive them of a sense of family, human dignity and prosperity, 
have developed a vibrant community, culture, and creative genius, and have made 
untold contributions to the fabric of our society, in the absence of which this nation would 
not be recognizable.

k) The effects of racism on the residents of the City and County of San 
Francisco have been well documented in the San Francisco Human Rights 
Commission's authorized study, *The Unfinished Agenda*, and in the Report of the 2004- 
2005 Civil Grand Jury for the City and County of San Francisco, *The More Things 
Change, The More They Stay The Same: The City and County of San Francisco and the 
San Francisco Unified School District Are Failing to Address the Educational Needs of 
the Bayview Hunters Point Community.*

(l) The aforesaid residents, and all of the residents of San Francisco, are 
entitled to full disclosure of the information regarding the above-described transactions that 
compensated slaveholders for damages to and death of people subjected to slavery and 
provided other compensation and profits.

(m) In 2000, the California State Legislature passed Senate Bill 2199, 
authored by then State Senator Tom Hayden, entitled "Slavery Era Insurance Policies." 
Senate Bill 2199 (California Insurance Code section 13810 et seq.), effective January 1, 
2001, requires that (1) the State Insurance Commissioner request and obtain information 
from insurers licensed and doing business in California regarding records of slaveholder 
insurance policies issued by predecessor corporations during the slavery era; (2) each 
insurer licensed and doing business in California research and report to the Insurance 
Commissioner with respect to any records in its possession or knowledge relating to 
insurance policies issued to slaveholders that provided coverage for damage to or death of 

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people subjected to slavery; (3) the State Insurance Commissioner obtain the names of
any slaveholders or people subjected to slavery described in the insurance records and
make the information available to the public and the Legislature; and (4) descendants of
people subjected to slavery, people who were defined as private property, dehumanized,
divided from their families, forced to perform labor without appropriate compensation or
benefits, and whose owners insured them as property, are entitled to full disclosure.

(n) The Board of Supervisors finds that full disclosure of the facts and
acknowledgement of the depth and scope of the shameful commerce in slavery furthers
healing in the San Francisco community, both on the part of those who have been and
are continuing to be harmed, as well as those who profited from this abhorrent practice.

(o) The Board of Supervisors finds that the establishment of a fund to which
contractors subject to this ordinance and others may make voluntary contributions will
promote healing and assist the City in rectifying and remedying some of the legacies of
the shameful commerce in slavery, thereby protecting and promoting public health, safety
and welfare of San Francisco residents and the San Francisco community.

(p) The purpose of this Ordinance is to promote full and accurate disclosure
to the public of: slavery insurance policies, including but not limited to policies issued to
slaveholders for damage to or death of persons subjected to slavery, and policies issued
to insure business transactions and operations related to the traffic in persons subjected
to slavery; evidence of purchase and sale of people subjected to slavery; provision of
loans to purchase people subjected to slavery; use of people subjected to slavery as
collateral for insurance policies, loans or other transactions; provision of any related
services to aid and abet such transactions; and profits derived from the slave trade; by (i)
any contractors providing insurance services or financial services to the City, and (ii) any
textile companies doing business with the City.

(q) The purpose of this Ordinance is also is to establish a fund to which
contractors subject to this ordinance and others may make voluntary contributions to
promote healing and assist in remedying depressed economic conditions, poverty, unequal
educational opportunity and other legacies of slavery era among the population of the City.

(r) This Ordinance promotes important policy objectives of the City, and the
City will suffer actual damages due to contractors' failure to comply with this Ordinance.
Because these actual damages will be impractical or extremely difficult to prove, the City is
justified in imposing liquidated damages for failure to comply with this Ordinance.

SEC. 12W.2. DEFINITIONS.

As used in this Chapter, the following capitalized terms shall have the following
meanings:

(a) "Contract" shall mean an agreement between the City and any person,
persons or other entity for public works or improvements to be performed, or for goods or
services to be purchased, out of the treasury of the City and County, or out of trust monies
under the control of or collected by the City and County.

(b) "Contract Amendment" shall mean an agreement entered into on or after
the effective date of this Ordinance pursuant to which a Contract entered into prior to the
effective date of this Ordinance is modified or supplemented to: (1) extend the term of the
Contract; (2) modify the total amount of money due from the City under the Contract; (3)
modify the scope of services to be performed under the Contract; or (4) increase the amount,
or change the nature of, goods to be provided under the Contract. The term "Contract
Amendment" does not include construction change orders.
(c) "Contractor" shall mean any person or persons, firm, partnership, corporation, or combination thereof, which enters into a Contract with a department head or other employee or officer empowered by law to enter into Contracts on the part of the City.

(d) "Director" shall mean the Director of Administrative Services.

(e) "Participated in the Slave Trade" shall mean: (1) issued slavery insurance policies, including but not limited to policies issued to Slaveholders for damage to or death of Persons Subjected to Slavery, and policies issued to insure business transactions and operations related to the traffic in Persons Subjected to Slavery; (2) purchased, sold or held Persons Subjected to Slavery; (3) provided loans to others to facilitate the purchase, sale, transport, or enslavement of Persons Subjected to Slavery; (4) used Persons Subjected to Slavery as collateral for insurance policies, loans or other transactions; (5) facilitated the traffic in Persons Subjected Slavery by transporting such persons by boat or rail; or (vi) provided any other services to aid and abet the traffic in Persons Subjected to Slavery.

(f) "Person Subjected to Slavery" shall mean any person who was wholly subject to the will of another, whose person and services were wholly under the control of another, who was in a state of enforced and compulsory service to another, and who was deemed by law to be the property of another during the Slavery Era.

(g) "Predecessor Company" shall mean an entity whose ownership, title and interest, including all rights, benefits, duties and liabilities, were acquired in an uninterrupted chain of succession by the Contractor.

(h) "Profits from the Slave Trade" shall mean any economic advantage or financial benefit derived from the labor of Persons Subjected to Slavery or from Participation in the Slave Trade.
(i) "Slaveholder" shall mean holders of Persons Subjected to Slavery, owners of business enterprises that used the labor of Persons Subjected to Slavery, owners of vessels or other modes of transport that transported Persons Subjected to Slavery, and merchants or financiers dealing in the purchase, sale or other business transactions related to Persons Subjected to Slavery.

(j) "Slavery Era" shall mean that period of time in the United States of America prior to the year "1865."

SEC. 12W.3. EXCEPTIONS.

This Chapter shall not be applicable to the following:

(a) Contracts for: (1) the receipt, administration, management or investment of monies held in trust by the City in the Retirement Fund or the Health Service System Trust Fund; (2) the provision of medical or dental insurance to City employees; (3) the issuance, sale, management or administration of City bonds, notes or lease financings, or other similar obligations, and related credit, liquidity, payment exchange and other agreements; (4) the safeguard, deposit and investment of City funds by the City Treasurer in accordance with Charter section 6.106; and (5) the subordination or reorganization of debt held by the City.

(b) Contracts, loans or grant agreements with a federal or state agency, if the application of this Chapter would violate, or be inconsistent with, the terms or conditions of any such grant, loan or contract, or with the instructions or directions of the applicable federal or state agency.

(c) Contracts for urgent litigation expenses, and agreements entered into pursuant to the settlement of legal proceedings.

(d) Contracts for needed goods or services where the Director finds that such goods or services are available from only one source that is (1) willing to enter into a contract with

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the City on the terms and conditions established by the City and (2) not currently disqualified from doing business with the City.

(e) Contracts entered into in emergency situations in which it is necessary to immediately procure commodities or services, or to make repairs to safeguard the lives or property of the citizens of the City, or the property of the City, or to maintain public health or welfare as a result of extraordinary conditions created by war, epidemic, natural disaster, or the breakdown of any plant, equipment, or structure in the City.

(f) Contracts for a cumulative amount of $5,000 or less per vendor in each fiscal year.

SEC. 12W.4. SLAVERY ERA DISCLOSURE

(a) Each Contractor providing: 1) insurance or insurance services; 2) financial services, or 3) textiles to the City, shall complete an affidavit verifying that the Contractor has searched through any and all records in the Contractor's possession or control, including records of any parent or subsidiary entity or Predecessor Company, and has made a good faith effort to search any relevant records that are within the Contractor's knowledge but not within its possession or control, for evidence that the Contractor, its parent or subsidiary entity, or its Predecessor Company Participated in the Slave Trade or received Profits from the Slave Trade.

(b) Each Contractor described above shall file an affidavit with the Director attesting to the search for relevant records, and stating whether the Contractor located any relevant records. If the Contractor located relevant records, the Contractor shall include in the affidavit: (1) the names of each Person Subjected to Slavery, each Slaveholder, and each person or entity who Participated in the Slave Trade or derived Profits from the Slave Trade, mentioned in the records, (2) a description of the type of transactions, services, or other acts
evidenced by the records; and (3) the extent and nature of any Profits from the Slave Trade evidenced by the records.

(c) information contained in the affidavits shall be subject to public disclosure. The Director, after consultation with the City Attorney, shall, to the extent consistent with local, state, and federal law: (1) provide the affidavits to the public upon request, (2) provide an initial report to the Mayor and the Board of Supervisors, at an open public meeting no later than nine months following the effective date of this Ordinance, setting forth the number of affidavits received in the initial nine-month period, and summarizing the information contained in those affidavits; and (3) continue to provide such reports annually to the Board of Supervisors.

(d) After the effective date of this Ordinance, no new Contract or new Contract Amendment shall be binding upon the City until the Director receives the affidavit described above.

SEC. 12W.5. VOLUNTARY CONTRIBUTIONS TO AMELIORATE THE EFFECTS OF SLAVERY

(a) The Controller shall establish an account for the collection of voluntary contributions from Contractors subject to this Ordinance, and from any other persons or entities, to be used to ameliorate the legacy of the Slavery Era on Persons Subjected to Slavery and their descendants.

(b) The Director shall encourage all Contractors subject to this Ordinance to make voluntary contributions to the account.

(c) The Director shall include in the report to the Board of Supervisors required by section 12W.4(c)(2), above, the amount of any contributions to the account collected during the first nine months after the effective date of this Ordinance. The Director, after consultation
with the San Francisco African American Historical & Cultural Society, shall include in this
initial report a recommendation for a method of determining how to expend monies contributed to the account.

(d) The Director shall include a report on contributions to and expenditures from the account in each subsequent annual report required by Section 12W.4(c)(3) of this Ordinance.

SEC. 12W.6. ENFORCEMENT

(a) All Contracts shall provide that in the event the Director finds that a Contractor has failed to file an affidavit as required by section 12W.4(a), or has willfully filed a false affidavit, the Contractor shall be liable for liquidated damages for each Contract in an amount equal to the Contractor's net profit on the Contract, 10 percent of the total amount of the Contract, or $1,000, whichever is greatest, as determined by the Director. All Contracts shall also contain a provision in which the Contractor acknowledges and agrees that the liquidated damages assessed shall be payable to the City upon demand and may be set off against any monies due to the Contractor from any Contract with the City.

(b) All Contracts shall require Contractors to maintain records necessary for monitoring their compliance with this Ordinance.
SEC. 12W.7. SEVERABILITY

In the event that a court or agency of competent jurisdiction holds that federal or state law, rule or regulation invalidates any clause, sentence, paragraph or section of this Chapter or the application thereof to any person or circumstances, it is the intent of the Board of Supervisors that the court or agency sever such clause, sentence, paragraph or section so that the remainder of this Chapter shall remain in effect.

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

By: Mariam M. Morley
Deputy City Attorney
Ordinance amending the San Francisco Administrative Code by adding Chapter 12W, Sections 12W.1 through 12W.7, to require contractors providing insurance and insurance services, financial services, or textiles to the City to disclose any participation in the slave trade, and creating an account, to which contractors subject to this ordinance, and others, may make voluntary contributions, and requiring that monies donated to this account be used to fund economic development and educational initiatives designed to ameliorate the effects of slavery upon the residents of San Francisco.

October 31, 2006 Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

November 7, 2006 Board of Supervisors — FINALLY PASSED
Ayes: 9 - Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Absent: 1 - Alioto-Pier
Excused: 1 - Ammiano
I hereby certify that the foregoing Ordinance was FINALLY PASSED on November 7, 2006 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young  
Clerk of the Board

Mayor Gavin Newsom