TEXT OF PROPOSED ORDINANCE
PROPOSITION N


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 amending sections 16.501, 16.502, 16.503, 16.505, 16.508, 16.509 and 16.515 thereof and adding sections 16.510-1 through 16.510-6 thereto, to read as follows:

NOTE: Additions or substitutions are indicated by bold face type; deletions are indicated by single quotation marks.

ARTICLE XII A
SAN FRANCISCO CAMPAIGN FINANCE REFORM ORDINANCE
MUNICIPAL ELECTION-CAMPAIGN CONTRIBUTION CONTROL

SEC. 16.501. PURPOSE AND INTENT.
(a) Huge sums of money often are necessary to finance American election campaigns. Inherent to the high cost of election campaigning is the problem of improper influence, real or potential, exercised by campaign contributors over elected officials. In addition, fundraising distracts public officials seeking reelection from focusing upon important public matters, encourages contributions which may have a corrupting influence, and gives incumbents an unfair fundraising advantage over potential challengers. These developments undermine the integrity of the governmental process, the competitiveness of campaigns and public confidence in local officials.

(b) It is the purpose and intent of the Board of Supervisors of the City and County of San Francisco in enacting this Article to (1) place realistic and enforceable limits on the amount individuals may contribute to political campaigns in municipal elections and provide full and fair enforcement of all the provisions of this Article; (2) ensure that all individuals and interest groups in our city have a fair opportunity to participate in elective and governmental processes; (3) create an incentive to limit overall expenditures in campaigns, thereby reducing the pressure on candidates to raise large campaign war chests for defensive purposes beyond the amount necessary to communicate reasonably with voters; (4) reduce the advantage of incumbents and thus encourage competition for elective office; (5) allow candidates and officeholders to spend a smaller proportion of their time on fundraising and a greater proportion of their time dealing with issues of importance to their constituents community; (6) ensure that serious candidates are able to raise enough money to communicate their views and position adequately to the public, thereby promoting public discussion of the important issues involved in political campaigns; (7) limit contributions to eliminate or reduce the appearance or reality that large contributors may exert undue influence over elected officials; and (8) help restore public trust in governmental and electoral institutions.

(c) This Article is enacted in accordance with the terms of Sections 5 and 7 of Article XI of the Constitution of the State of California and Section 1.101 of the Charter of the City and County of San Francisco.

SEC. 16.502. CITATION. This Article may be cited as the San Francisco Campaign Finance Reform Municipal Election Campaign Contribution Control Ordinance.

SEC. 16.503. DEFINITIONS. Whenever in this Article the following words or phrases are used, they shall mean:

(a) "Candidate" shall mean any individual listed on the ballot for election to any City and County elective office or who otherwise has taken affirmative action to seek nomination or election to such office.

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

(c) "Committee" shall mean any person acting, or any combination of two or more persons acting jointly, in behalf of for in opposition to a candidate or to the qualification for the ballot or adoption of one or more measures.

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

(e) "Election" shall mean any primary, general or runoff municipal election held in the City and County of San Francisco for City elective office. With respect to the offices of Public Defender and Assessor, primary and general elections are separate elections for purposes of this ordinance. The primary election period for those offices shall extend from January 1 of the first year of an election cycle up to and including the date of the primary election, and the general election period for those offices shall extend from the day following the primary election up to and Including December 31 of the fourth year of the election cycle. With respect to the offices of Mayor, City Attorney, District Attorney, Sheriff and Treasurer, general and runoff elections are separate elections for the purposes of this ordinance. The general election period shall extend from January 1 of the first year of an election cycle up to and including the date of the general election, and the runoff election period shall extend from the date of the general election up to and Including December 31 of the fourth year of the election cycle, or in any municipal election held in the City and County of San Francisco, including an initiative-referendum or recall election.

(f) "Enforcement authority" shall mean the District Attorney of the City and County of San Francisco for criminal enforcement and the City Attorney for civil enforcement. Nothing in this Article shall be construed as limiting the authority of any law enforcement agency or prosecuting attorney to enforce the provisions of this Article under any circumstances where such law enforcement agency or prosecuting attorney otherwise has lawful authority as do so.

(g) "Measure" shall mean any City and County Charter amendment or other election, whether by initiative, referendum or recall procedure or otherwise, or circulated for purposes of submission to a popular vote at any election, whether or not the proposition qualifies for the ballot.

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

(i) "City Elective Office" shall include and be limited to the offices of Mayor, Member of the Board of Supervisors, City Attorney, District Attorney, Treasurer, Sheriff, Assessor, Public Defender, Member of the Board of Education of the San Francisco Unified School District and Member of the Governing Board of the San Francisco Community College District.

(j) "Election Cycle" shall mean a four year period preceding a term of office as defined by the San Francisco Charter, beginning on January 1, and ending on December 31 of the fourth year thereafter.

(k) "Qualified Campaign Expenditure" for candidates includes all of the following:

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

(2) A non-monetary contribution provided to the candidate, officeholder or committee controlled by the candidate or officeholder.

(3) That portion of the total cost of a slate mailing or mailing of other campaign literature produced or authorized by more than one candidate which is the cost actually paid or incurred by the candidate or controlled committee of the candidate.

SEC. 16.505. CAMPAIGN CONTRIBUTION TRUST ACCOUNT — ESTABLISHMENT.

Each campaign treasurer shall establish a campaign contribution trust account for the candidate or committee at an office of a bank located in the City and County of San Francisco, the account number and branch identification of which shall be filed with the Registrar of Voters within 10 days of the establishment thereof. All of the expenditures by the candidate or committee for the City elective office sought shall be made from that account.

SEC. 16.508. CAMPAIGN CONTRIBUTIONS — LIMITATIONS.

(a) No person other than a candidate shall make, and no campaign treasurer shall solicit or accept, (Continued on next page)
any contribution which will cause the total amount contributed by such person with respect to a single election in support of or opposition to such candidate, including contributions to political committees supporting or opposing such candidate, to exceed $150, $500, provided, however, that for elections to be held after January 1, 1983, the amount shall not exceed $750, provided, however, that for elections to be held after January 1, 1983, the amount shall not exceed $1,000.

(b) For candidates who adopt the expenditure ceilings as defined in section 16.510-3 of this Chapter, no person other than a candidate shall make, and no campaign treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person with respect to a single election in support of or opposition to such candidate, including contributions to political committees supporting or opposing such candidate, to exceed $500.

(b) (c) If any person is found guilty of violating the terms of this Section, each campaign treasurer who receives (d) part of all of the contributions which exceeds the limit imposed by this section constitute the violation shall pay promptly, from available campaign funds, if any, the amount received from such person in excess of the amount permitted by this Section to the City Treasurer for deposit in the General Fund of the City and County.

(d) No person shall make, and no campaign treasurer shall solicit or accept, any contribution in connection with a run-off election for a City elective office until the day following the date of the general election for that office.

(e) The amount a person may contribute in support of or opposition to a candidate in connection with a run-off election shall be controlled solely by the limits imposed by this section without regard to the amount said person contributed in support of or opposition to the candidate in the general election.

(f) Any candidate who qualifies for a run-off election may utilize unexpended campaign funds from the general election campaign for the run-off election, provided that the applicable expenditure ceilings shall continue to apply.

(g) A contribution shall not be considered to be received if it is not negotiated, deposited, or utilized, and in addition it is returned to the donor within 72 hours of receipt. In the case of a late contribution as defined in Government Code section 82036, it shall not be deemed received if it is returned to the contributor within 48 hours of receipt.

(h) This Section shall not apply to any in-kind contribution of television or radio airtime to any candidate or committee granted to said candidate or committee pursuant to the "Fairness Doctrine," as articulated in Colman Broadcasting, 40 FCC 576 (1963).

SEC. 16.509. MUNICIPAL RUN-OFF ELECTIONS.

All provisions of this Article, unless specified otherwise herein, shall be applicable in any municipal run-off for any City and County office, held pursuant to Section 9-103 of the Chapter. In addition, the following provisions shall be applicable in any such municipal run-off election:

(a) No person other than a candidate shall make, and no campaign treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person in the municipal run-off election in support of or opposition to such candidate, including contributions to political committee supporting or opposing such candidate, to exceed $500.

(b) For candidates who adopt the expenditure ceilings as defined in section 16.510-3 of this Chapter, no person other than a candidate shall make, and no campaign treasurer shall solicit or accept, any contribution which will cause the total amount contributed by such person in the municipal run-off election in support of or opposition to such candidate, including contributions to political committee supporting or opposing such candidate, to exceed $250.

(c) If any person is found guilty of violating the terms of this Section, each campaign treasurer who receives (d) part of all the contributions which exceed the limit imposed by this section constitute the violation shall pay promptly, from available campaign funds, if any, the amount received from such person in excess of the amount permitted by this Section to the City Treasurer for deposit in the General Fund of the City and County.

(d) No person shall make, and no campaign treasurer shall solicit or accept, any contribution in connection with a run-off election for a City elective office until the day following the date of the general election for that office.

(e) The amount a person may contribute in support of or opposition to a candidate in connection with a run-off election shall be controlled solely by the limits imposed by this section without regard to the amount said person contributed in support of or opposition to the candidate in the general election.

(f) Any candidate who qualifies for a run-off election may utilize unexpended campaign funds from the general election campaign for the run-off election, provided that the applicable expenditure ceilings shall continue to apply.

(g) A contribution shall not be considered to be received if it is not negotiated, deposited, or utilized, and in addition it is returned to the donor within 72 hours of receipt. In the case of a late contribution as defined in Government Code section 82036, it shall not be deemed received if it is returned to the contributor within 48 hours of receipt.

SEC. 16.510-1. PERSONS PROHIBITED FROM MAKING CONTRIBUTIONS IN THE NAME OF ANOTHER.

(a) No contribution of one hundred dollars ($100) or more other than an in-kind contribution shall be made unless by written instrument signed by the donor in the name of the donor and the name of the payee.

(b) No contribution shall be made, directly or indirectly, by any person in a name other than the name by which such person is identified for legal purposes.

(c) Any candidate who receives a contribution made in violation of this section shall pay promptly, from available campaign funds, the amount the contribution to the City Treasurer for deposit in the General Fund of the City and County.

SEC. 16.510-2. CONTRACTORS DOING BUSINESS WITH THE CITY PROHIBITED FROM MAKING CONTRIBUTIONS.

No person who contracts with the City and County of San Francisco, for the retailing of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidate for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and either the completion of, or the termination of negotiations for such contract.

SEC. 16.510-3. EXPENDITURE CEILINGS.

All candidates for City elective office who adopt campaign expenditure ceilings as defined below are permitted the higher contribution limits as defined in sections 16.508(b) and 16.509(b). Before accepting any contributions at the higher contribution limits, candidates who adopt voluntary expenditure ceilings must first file a statement with the Registrar of Voters indicating acceptance of the expenditure ceiling. Said statement shall be filed no later than the deadline for filing nomination papers with the Registrar of Voters, and once filed may not be withdrawn. This statement is a public document.

The Registrar of Voters shall cause to be published in the Voter Information Pamphlet, on the same page as appears the candidate's statement of qualifications, a notice informing voters whether the candidate has adopted the voluntary expenditure ceiling.

SEC. 16.510-4. AMOUNT OF EXPENDITURE CEILINGS.

(a) In primary elections, any candidate for Assessor or Public Defender who agrees to expenditure ceilings shall not make total qualified campaign expenditures exceeding $175,000. In general elections, any candidate for Assessor or Public Defender who agrees to expenditure limits shall not make total qualified campaign expenditures exceeding $100,000.

(b) In general elections, any candidate for Mayor who agrees to expenditure ceilings shall not make total qualified campaign expenditures exceeding $600,000. In run-off elections, any candidate for Mayor who agrees to expenditure limits shall not make total qualified campaign expenditures exceeding $400,000.

(c) In general elections, any candidate for City Attorney, District Attorney, Treasurer or Sheriff who agrees to expenditure ceilings shall not make total qualified campaign expenditures exceeding $175,000. In run-off elections, any candidate for City Attorney, District Attorney, Treasurer or Sheriff who agrees to expenditure limits shall not make total qualified campaign expenditures exceeding $100,000.

(d) Any candidate for the Board of Supervisors who agrees to expenditure ceilings shall not make total qualified campaign expenditures exceeding $250,000.

(e) Any candidate for the Board of Education of the San Francisco Unified School District or the Governing Board of the San Francisco Community College District who agrees to expenditure ceilings shall not make total qualified campaign expenditures exceeding $75,000.

(f) The Ethics Commission is authorized to adjust annually the expenditure ceilings im-
posed by this section to reflect the change in the California Consumer Price Index for that year.

SEC. 16.510-5. TIME PERIODS FOR EXPENDITURES.

(a) For purposes of the expenditure ceilings for or committee of the county Assessor and Public Defender, qualified campaign expenditures made at any time on or before the date of the primary shall be considered primary election expenditures, and qualified expenditures made after date of the primary election shall be considered general election expenditures. However, in the event that payments are made but the goods or services are not used during the period purchased, the payments shall be considered qualified campaign expenditures for the time period in which they are used. Payments for goods or services used during both time periods shall be prorated.

(b) For purposes of the expenditure ceilings for the offices of City Attorney, District Attorney, Treasurer and Sheriff, qualified campaign expenditures made at any time before the general election shall be considered general election expenditures, and qualified expenditures made after the general election shall be considered run-off election expenditures. However, in the event that payments are made but the goods or services are not used during the period purchased, the payments shall be considered qualified campaign expenditures for the time period in which they are used. Payments for goods or services used during both time periods shall be prorated.

SEC. 16.510-6. EXPENDITURE CEILINGS LIFTED.

(a) If a candidate declines to accept expenditure ceilings and receives contributions or makes qualified campaign expenditures in excess of 50% of the applicable expenditure ceiling, or if an independent expenditure committee or committees in the aggregate spend in support of or in opposition to a candidate more than 25% of the applicable expenditure ceiling, the applicable expenditure limit shall no longer be binding on any candidate seeking election to the same office, and any candidate running for the same office who accepted expenditure limits shall be permitted to continue to receive contributions at the amount set for such candidates in section 16.508(b) or 16.509(b).

(b) Any candidate who declines to adopt the voluntary expenditure ceiling and who receives contributions, makes expenditures or has funds in his campaign trust account that exceed 50% of the applicable expenditure ceiling shall, within 24 hours of exceeding 50% of the applicable expenditure ceiling, file a statement with the Ethics Commission, on forms to be provided by the Ethics Commission, stating that fact and any additional information required by the Ethics Commission. Within 24 hours after receiving such notice, the Ethics Commission shall inform every other candidate for that office by registered mail, return receipt requested, that the campaign ceiling has been lifted.

(c) Any independent expenditure committee that spends in support of or in opposition to a candidate more than 25% of the applicable expenditure ceiling shall, within 24 hours of reaching this threshold, file a statement with the Ethics Commission, on forms to be provided by the Ethics Commission, stating that fact and any additional information required by the Ethics Commission. Thereafter, any such committee shall file a supplemental statement with the Ethics Commission each time the independent expenditure committee spends in support of or in opposition to such candidate an additional 5% of the applicable expenditure ceiling. The supplemental statements shall be filed with 24 hours of reaching these spending thresholds.

SEC. 16.510-7. INDEPENDENT EXPENDITURES FOR MASS MAILINGS, SLATE MAILINGS OR OTHER CAMPAIGN LITERATURE.

Any person other than a candidate who makes independent expenditures for a mass mailing, slate mailing or other campaign materials which support or oppose any candidate for City elective office shall place the following statement on the mailing or materials in typeface no smaller than 14 points:

Notice to Voters
(Required by City and County of San Francisco)
This mailing is not authorized or approved by any candidate for City and County office or by any election official.
It is paid for by
(name and committee identification number).
(address, city, state).
Total cost of this mailing is (amount) SEC. 16.515. PENALTIES.

(a) Any person who knowingly or willfully violates any provision of this Article shall be liable to a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $500 or by imprisonment in the county jail for a period of not more than six months or by both such fine and imprisonment; provided, however, that any willful or knowing failure to report contributions or expenditures done with intent to mislead or deceive or any willful or knowing violation of the provisions of Section 16.508 or Section 16.509 of this Article, or three times the amount expended in excess of the amount allowable pursuant to Section 16.510-4, whichever is greater.

(b) Any person who intentionally or negligently violates any of the reporting requirements or contribution or expenditure limitations set forth in this Article shall be liable in a civil action brought by the city prosecutor for an amount up to $500 or three times the amount not reported or the amount received in excess of the amount allowable pursuant to Section 16.508 or Section 16.509 of this Article, or three times the amount expended in excess of the amount allowable pursuant to Section 16.510-4, whichever is greater.

Section 2.
NOTE: This entire section is new.
It is the intent of the Board of Supervisors that this ordinance, including the penalty provisions, apply to the General Municipal Election to be held in the City and County in November 1995. This section provides the transition provisions necessary to realize that intent.

(a) Notwithstanding any other provision of this ordinance, any candidate for the office of Mayor, Sheriff or District Attorney who files a Declaration of Intention To Become A Candidate pursuant to section 16.510 before the effective date of this ordinance and who seeks to adopt the voluntary expenditure ceilings for the November 1995 election shall file the statement required by section 16.510-3 no later than 10 days after the effective date of this ordinance. Any candidate who files a Declaration of Intention To Become A Candidate pursuant to section 16.510 after the effective date of this ordinance and who seeks to adopt the voluntary expenditure ceilings for the November 1995 election shall file the statement required by section 16.510-3 no later than 10 days after the filing of the Notice of Intention to Solicit Contributions.

(b) Notwithstanding any other provision of this ordinance, any candidate for the office of Mayor, Sheriff or District Attorney at the November 1995 election who does not adopt the voluntary expenditure ceiling set forth in this ordinance shall return to any contributor who contributed more than $150 to said candidate on or after February 6, 1995, that amount contributed in excess of $150. The candidate shall return the excess contribution to the contributor no later than 90 days after the effective date of this ordinance. However, candidates who decline to adopt the voluntary expenditure ceiling need not return, and may continue to accept, contributions at the higher contribution limits imposed by section 16.508(b) until such candidates have received contributions in an amount equal to the amount of contributions received by the candidate who had received the largest total amount of contributions as of February 6, 1995.

(c) Notwithstanding any other provision of this ordinance, the expenditure ceiling for the November 1995 general municipal election for Mayor shall be $600,000 plus the amount of contributions that have been received by the candidate who has received the highest total amount of contributions as of February 6, 1995. Each candidate for Mayor at the November 1995 general municipal election who received contributions shall provide to the Registrar of Voters a statement executed under penalty of perjury stating the amount of contributions the candidate received on or before February 6, 1995. This statement shall be filed no later than ten days after the effective date of this ordinance. Thereafter, no later than twenty days after the effective date of this ordinance, the Registrar shall inform each candidate who has filed a Declaration of Intention To Become A Candidate for that office by certified mail of the applicable expenditure limit.

(d) Notwithstanding any other provision of this ordinance, (Continued on next page)
ordinance, the expenditure ceiling for the November 1995 general municipal election for Sheriff shall be $175,000 plus the amount of contributions that have been received by the candidate who has received the highest total amount of contributions as of February 6, 1995. Each candidate for Sheriff at the November 1995 general municipal election who received contributions on or before February 6, 1995 shall provide to the Registrar of Voters a statement executed under penalty of perjury stating the amount of contributions the candidate received on or before February 6, 1995. This statement shall be filed no later than ten days after the effective date of this ordinance. Thereafter, no later than twenty days after the effective date of this ordinance, the Registrar shall inform each candidate who has filed a Declaration of Intention To Become A Candidate for that office by certified mail of the applicable expenditure limit.

(c) Notwithstanding any other provision of this ordinance, the expenditure ceiling for the November 1995 general municipal election for District Attorney shall be $175,000 plus the amount of contributions that have been received by the candidate who has received the highest total amount of contributions as of February 6, 1995. Each candidate for District Attorney at the November 1995 general municipal election who received contributions on or before February 6, 1995 shall provide to the Registrar of Voters a statement executed under penalty of perjury stating the amount of contributions the candidate received on or before February 6, 1995. This statement shall be filed no later than ten days after the effective date of this ordinance. Thereafter, no later than twenty days after the effective date of this ordinance, the Registrar shall inform each candidate who has filed a Declaration of Intention To Become A Candidate for that office by certified mail of the applicable expenditure limit.

(f) With respect elections held in calendar year 1995, the Registrar of Voters shall perform the duties of the Ethics Commission specified in Administrative Code section 16.310-6.