#54
(O-2017-36) 10-18-16

ORDINANCE NUMBER O- 20731 (NEW SERIES)

DATE OF FINAL PASSAGE NOV 01 2016

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 7, DIVISION 29 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 27.2916, 27.2930, 27.2938 AND 27.2939; BY REPEALING SECTION 27.2945; AND BY AMENDING SECTIONS 27.2960, 27.2970, 27.2974 AND 27.2975, ALL RELATING TO THE CITY OF SAN DIEGO ELECTION CAMPAIGN CONTROL ORDINANCE

WHEREAS, pursuant to San Diego Municipal Code section 26.0414, the City of San Diego Ethics Commission has the responsibility of regularly reviewing the City's Election Campaign Control Ordinance (ECCO) and proposing updates to these laws to the City Council (Council) for its approval; and

WHEREAS, the Ethics Commission recently studied local campaign laws to determine which might benefit from amendments, and held public workshops that led to the updates proposed in this ordinance; and

WHEREAS, among its proposals, the Ethics Commission seeks to eliminate a local law that requires candidates and committees to disclose contributors in alphabetical order on campaign statements, as the electronic filing system for such statements now allows users to search filings online for specific contributors; and

WHEREAS, the Ethics Commission proposes to amend a law that requires campaign debts to vendors to be paid within 180 days after a campaign receives an invoice, and instead will require such debts to be paid within 180 days after an election; and

WHEREAS, the Ethics Commission believes that this extension of time would maintain the purpose of ensuring that unpaid debts do not become in-kind contributions to a campaign; and

WHEREAS, local law currently will not allow a candidate to deposit a campaign contribution until the candidate has obtained all contributor information (including the contributor's address, occupation and employer), which differs from state law that allows contributions to be deposited but returned if the information is not obtained within 60 days; and

WHEREAS, the Ethics Commission seeks to amend local law to bring it more in line with state law, requiring campaigns to obtain all contributor information within 60 days of receiving the contribution or by the time a campaign statement is filed, whichever is earlier; and

WHEREAS, the Ethics Commission proposes extending the pre-election fundraising time period from 12 months before an election to January 1 of the odd-numbered year before an election; and

WHEREAS, the Ethics Commission reports that the 12-month fundraising period had an unintended consequence in which candidates rushed to raise funds in a short period of time before a June 30 reporting deadline, which in turn increased the risk they would not be able to comply with other campaign laws; and

WHEREAS, the Ethics Commission proposes to eliminate a requirement that contribution solicitations include a warning regarding the prohibition on reimbursing contributions (campaign money laundering), as such warnings requires significant space in campaign materials and are difficult to explain concisely; and

WHEREAS, the Ethics Commission also proposes to eliminate a third pre-election filing requirement for primarily formed committees, which the Commission found typically receive their funding prior to that reporting period, and this led many to file blank forms; and

WHEREAS, the Ethics Commission also proposes to add a 48-hour reporting requirement for non-monetary contributions valued at $1,000 or more and received during the signature-gathering phase of initiative and referendum campaigns; and

WHEREAS, the Ethics Commission also proposes to update identification disclosure requirements for mail and website advertising, to correspond to state law updates; and

WHEREAS, the Ethics Commission also proposes to amend local laws to apply identification disclosure requirements for yard signs to all publicly displayed signs, to increase consistency with state law; and

WHEREAS, the proposed amendments were heard on August 3, 2016 by the City Council's Rules Committee, which forwarded the package to Council, and explained in a July 20, 2016 memorandum from the Commission's Executive Director to the Committee; and

WHEREAS, the Council has considered the recommendations of the Ethics Commission; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 2, Article 7, Division 29 of the San Diego Municipal Code is amended by amending sections 27.2916, 27.2930, 27.2938 and 27.2939; by repealing section 27.2945; and by amending sections 27.2960, 27.2970, 27.2974 and 27.2975, all relating to the City of San Diego Election Campaign Control Ordinance, to read as follows:

§27.2916 Campaign Contribution Checking Account

(a) Every *controlled committee* that accepts *contributions* and every *primarily formed recipient committee* shall establish one campaign checking account at a bank or other financial institution with an office or branch in the state of California.

(b) Upon opening of an account, the name of the bank or other financial institution and account number thereof shall be filed with the *City Clerk* on the same forms and in the time and manner required by California Government Code sections 81000 *et seq*.

(c) All *contributions* of money or checks, or anything of value converted by such *committee* to money or a check, shall be placed in the *committee's* checking account.

(d) The *committee* shall return a *contribution* to the donor if the *committee* is not in possession of all donor information required by title 2, section 18401 of the California Code of Regulations by the earlier of:

(1) the 60th calendar day following *committee's* receipt of the *contribution*; or,

(2) the filing of the campaign statement or contribution report covering the reporting period in which the *contribution* was received.

If the *contribution* is not returned to the donor within the applicable timeframe identified above, the amount of the *contribution* shall be paid from campaign funds and delivered to the *City Clerk* within that timeframe. If a donor fails to

cash a returned check within 90 calendar days of the check being sent, the amount of the *contribution* shall be paid from campaign funds and delivered to the *City Clerk* within an additional 30 calendar days. Payments delivered to the *City Clerk* shall be made payable to the City Treasurer for deposit in the General Fund of the *City*.

§27.2930 Base Level of Campaign Statements and Disclosures

Each *candidate* and *committee* shall file campaign statements in the time and manner required by California Government Code sections 81000 *et seq.* and title 2 of the California Code of Regulations with the following additional requirements:

(a) Every *candidate* and *controlled committee* for *elective City office* that has pre-election filing obligations with the *City Clerk* pursuant to California Government Code section 84200.5 shall, on the Friday before the *election,* disclose on a Fair Political Practices Commission Form 497 filed with the *City Clerk* all previously undisclosed *contributions* of $100 or more received after the closing date of its most recent Fair Political Practices Commission Form 460.

(1) The Form 497 shall have a closing date of the Wednesday before the *election* and shall cover all *contributions* received through that day.

(2) The Form 497, if not filed electronically in accordance with section 27.2931, shall be filed using a shipping service with

delivery guaranteed by the Monday before the *election*, or by personal delivery.

(b) When reporting *contributions* for regularly scheduled *City candidate elections*, *candidates* and *committees* shall include the notation "(P)" for all *contributions* that the contributor has designated for a primary *election*, and shall include the notation "(G)" for all *contributions* that the contributor has designated for a general *election*. In instances where the contributor has not designated his or her *contribution* for a particular *election*, the *candidate* or *committee* shall include the notation "(P)" for all *contributions* the *candidate* or *committee* has allocated for the primary *election*, and shall include the notation "(G)" for all *contributions* the *candidate* or *committee* has allocated for the general *election*.

(c) When reporting *contributions* for specially scheduled *City candidate elections*, *candidates* and *committees* shall include the notation "(S)" for all *contributions* that the contributor has designated for a *special election*, and shall include the notation "(R)" for all *contributions* that the contributor has designated for a *special run-off election*. In instances where the contributor has not designated his or her *contribution* for a particular *election*, the *candidate* or *committee* shall include the notation "(S)" for all *contributions* the *candidate* or *committee* has allocated for the *special election*, and shall include the notation "(R)" for all *contributions* the *candidate* or *committee* has allocated for the *special run-off election*.

(d) In conjunction with making the notations required by subsections (b) and (c), *candidates* and *committees* shall disclose the cumulative amount of *contributions* received from the contributor for each *election*.

(e) *Sponsors* and *sponsored committees* participating in *City elections* are subject to the reporting obligations set forth in title 2, section 18419 of the California Code of Regulations.

(f) Every *City primarily formed recipient committee* formed to support or oppose the qualification of an initiative or referendum *measure* prior to the commencement of the *petition* drive shall, within 10 calendar days of the commencement of the *petition* drive, file a Fair Political Practices Commission Form 497 with the *City Clerk* disclosing all *contributions* of $100 or more received after the closing date of its most recent Fair Political Practices Commission Form 460, or if the *primarily formed recipient committee* has not previously filed a Form 460, the Form 497 shall instead disclose all *contributions* of $100 or more received since January 1 of that year.

(1) For purposes of subsections (f) and (g), a *petition* drive commences when the proponent of an initiative or referendum *measure* begins circulating a *petition* for signatures.

(2) The Form 497 shall have a closing date of the day immediately preceding the commencement of the *petition* drive.

(3) The Form 497, if not filed electronically in accordance with section 27.2931, shall be filed using a shipping service with

delivery guaranteed no later than 12 calendar days after the commencement of the *petition* circulation.

(g) For the period of time that begins with the commencement of a *petition* drive to qualify an initiative or referendum *measure* and concludes with the day that the *petition* is submitted to the *City Clerk*:

(1) every *City primarily formed recipient committee* formed to support or oppose the qualification of the *measure* shall file with the *City Clerk*, within 24 hours of receiving a monetary *contribution* of $1,000 or more or within 48 hours of receiving a non-monetary *contribution* of $1,000 or more, a Fair Political Practices Commission Form 497 disclosing the receipt of that *contribution*.

(2) every *City committee* that is not formed to support or oppose the qualification of the *measure* shall file with the *City Clerk,* within 24 hours of making an *independent expenditure* of $1,000 or more supporting or opposing the qualification of the *measure*, a Fair Political Practices Commission Form 496 disclosing the making of the *independent expenditure* and the *committee's* receipt of *contributions* of $100 or more received after the closing date of the *committee's* last campaign statement.

(3) The Forms 496 and 497, if not filed electronically in accordance with section 27.2931, shall be filed using personal delivery, facsimile transmission, or guaranteed overnight delivery. For

purposes of this subsection, the filing deadline is not extended for weekends or holidays.

(h) It is unlawful to fail to comply with the disclosure requirements of California Government Code sections 81000 *et seq.*, the disclosure requirements of title 2 of the California Code of Regulations, and the additional requirements of this section.

§27.2938 Restrictions on Time Period of Contributions

(a) It is unlawful for any *candidate* or *controlled committee* seeking *elective City office* to solicit or accept *contributions* prior to January 1 of the odd-numbered year immediately preceding the primary *election* for the office sought.

(b) It is unlawful for any *candidate* or *controlled committee* seeking *elective City Office* to solicit or accept, after the date of an *election*, a *contribution* that exceeds the net debts outstanding from the *election*.

(1) As used in this subsection, the term "*election*" means the *election* for which the *candidate* incurred bills and debts and is raising *contributions* to pay net debts outstanding.

(2) As used in this subsection, the term "net debts outstanding" has the same meaning as that set forth in title 2, section 18531.61 of the California Code of Regulations.

(3) *Contributions* received after the date of an *election* shall reduce the total amount of net debts outstanding.

(c) Notwithstanding subsection (b), it is unlawful for any *candidate* or *controlled committee* seeking *elective City office* to solicit or accept a *contribution* more than 180 days after the date of an election.

(d) The restrictions set forth in this section do not apply to:

(1) *contributions* made by a *candidate* to his or her *controlled committee*; or,

(2) *contributions* made to a *professional expense committee*, as discussed in sections 27.2965-27.2969.

(e) The restrictions on accepting *contributions* imposed by subsection (a) do not apply to *contributions* for *special elections*.

§27.2939 Pre-Primary Contributions for General Election

(a) A *candidate* for *elective City office* may raise contributions for a general election prior to a primary election for the same *elective City office* if the *candidate* sets aside these *contributions* and uses them only for the general election.

(b) If the *candidate* wins outright in the primary election, is defeated in the primary election, or otherwise withdraws from the general election, the *contributions* raised for the general election shall be refunded to the *contributors* on a pro rata basis less any expenses associated with the raising and administration of general election *contributions*. *Candidates* who are obligated to refund *contributions* raised for the general election shall be subject to the same provisions applicable to candidates for

elective state office under title 2, section 18531.2 of the California Code of Regulations.

(c) For purposes of this section, a "primary election" includes a *district primary election*, a *citywide primary election*, and a *special election*, and a "general election" includes a *district general election*, a *citywide general election*, and a *special run-off election*.

(d) The particular *election* for which *contributions* are received shall be reported in accordance with section 27.2930(b) and (c).

§27.2960 Extensions of Vendor Credit

(a) *Vendors* may extend credit to *candidates* and their *controlled committees* in the ordinary course of business in the same manner they extend it to *person*s for other than *political purposes*.

(b) A *candidate* or *controlled committee* for *elective City office* that accepts goods or services for *political purposes* on credit under subsection (a), shall pay for those goods or services in full no later than 180 calendar days after the date of the *election* for which the goods or services were provided.

(c) The provisions of subsection (b) do not apply to debt owed to a financial institution for an outstanding credit card balance.

§27.2970 Mass Campaign Literature

(a) It is unlawful for any *candidate* or *committee* to pay for *mass campaign literature* for the purpose of supporting or opposing a *City candidate* or ballot *measure* unless each item of *mass campaign literature* includes the

words "paid for by" immediately followed by the name, street address, and city of that *candidate* or *committee*.

(b) For *mass campaign literature* sent through the mail, the disclosure required by subsection (a) shall appear on the outside of each item of *mass campaign literature*.

(1) If more than one *candidate* or *committee* is paying for the mailing, the *candidate* or *committee* paying the largest portion of the costs relating to the designing, printing, and posting of the mailing shall be identified on the outside of each mailing in the disclosure required by subsection (a).

(2) If two or more *candidates* or *committees* are paying equally for the mailing, at least one of the *candidates* or *committees* shall be identified on the outside of each mailing in the disclosure required by subsection (a), and all of the *candidates* and *committees* paying for the mailing shall be identified on an insert included within each mailing in the disclosure required by subsection (a).

(c) For *candidates* and *candidate-controlled committees* supporting the *candidate's* candidacy, the disclosures required by subsections (a) and (b) shall be in a typeface that is easily legible, contrasts with the background, and is no less than 12 points in size. For all other *committees*, the disclosures required by subsections (a) and (b) shall be in a bold, sans serif typeface that is easily legible, contrasts with the background, and is no less

than 14 points in size. These disclosure requirements do not apply to signs that are subject to the provisions of subsection (d).

(d) It is unlawful for any *candidate* or *committee* to pay for *mass campaign literature* in the form of signs that are publicly displayed for the purpose of supporting or opposing a *City candidate* or ballot *measure* unless the face of each sign includes the words "paid for by" immediately followed by the name, street address, and city of that *candidate* or *committee* in a typeface that is easily legible, contrasts with the background, and has a height no less than five percent of the height of the sign. This disclosure requirement applies to yard signs, posters, placards, and similar forms of advertising that are intended to be viewed in passing by members of the public rather than individually distributed to such members.

(e) For purposes of this section, an organization's post office box may be stated in lieu of a street address if that organization's address is a matter of public record with the Secretary of State.

(f) The requirements set forth in this section do not apply to *member communications* distributed by an organization that is not a political party, email communications, Internet web pages, or slate mailers.

§27.2974 Disclosure on Advertisements in Mass Media

(a) It is unlawful for any *candidate* or *committee* to pay for advertising in a regularly published newspaper, periodical, or magazine of general circulation for the purpose of supporting or opposing one or more *City measures* or *candidates* for *elective City office* unless the advertisement

includes the words "paid for by" followed by the name of that *candidate* or *committee.*

(1) For *candidates* and *candidate-controlled committees* paying for advertising supporting the *candidate's* candidacy, the disclosure statement required by this subsection shall be in a typeface that is easily legible, contrasts with the background, and is no less than 12 points in size.

(2) For all other *committees*, the disclosure statement required by subsection (a) shall be in a bold, sans serif typeface that is easily legible, contrasts with the background, and is no less than 14 points in size.

(b) It is unlawful for any *candidate* or *committee* to pay for text or graphic advertising on an Internet web page for the purpose of supporting or opposing one or more *City measures* or *candidates* for *elective City office* unless the advertisement includes the words "paid for by" followed by the name of that *candidate* or *committee* in letters at least as large as the majority of the text in the advertisement.

(1) In the event that it is impractical to comply with the provisions of this subsection because of the limited size of the advertisement, the disclosure may be displayed via rollover display, a link to a webpage with the disclosure information, or any other technological means that readily provide the user with the disclosure information.

(2) The disclosure information required by this subsection must be legible, contrast with the background, and be visible for a period of at least four seconds.

(c) It is unlawful for any *candidate* or *committee* to pay for video advertising on an Internet web page for the purpose of supporting or opposing one or more *City measures* or *candidates* for *elective City office* unless the advertisement includes the words "paid for by" followed by the name of that *candidate* or *committee* in a contrasting typeface of sufficient size to be readily legible to an average viewer for not less than four seconds. This disclosure must also be spoken at the beginning or end of the video unless the written disclosure is shown for at least five seconds on a video lasting less than one minute or at least ten seconds on a video lasting one minute or more.

§27.2975 Major Funding of Advertisements Supporting or Opposing Candidates and Ballot Measures

(a) In addition to all other applicable disclosure requirements set forth in this Division, it is unlawful for any *primarily formed recipient committee* to pay for an advertisement supporting or opposing a *City candidate* or ballot *measure* unless each *person* who has cumulatively contributed $10,000 or more to the *committee* is identified in the advertisement as providing major funding to the *committee*.

(1) If there are more than two donors of $10,000 or more, the *committee* is only required to disclose the highest and second highest in that order.

(2) In the event that two or more donors of identical amounts meet the threshold for the top two contributors, the order of disclosure shall be made beginning with the most recent contributor of that amount.

(3) The disclosure shall be in a bold, sans serif typeface that is easily legible, contrasts with the background, and is no less than 14 points in size, except that if the advertisement is a sign subject to the disclosure requirements of section 27.2970(d), a billboard, or any other large form of advertising~~,~~ as defined in section 27.2972, the disclosure's typeface shall have a height no less than five percent of the height of the advertisement.

(4) The disclosure shall reflect information that is accurate as of the date the *committee* places the order to purchase the advertisement.

(b) through (c) [No change in text.]

Section 2. That a full reading of this ordinance is dispensed with prior to passage, a written copy having been made available to the Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on January 1, 2017, and shall be applicable only to elections occurring after that date.

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
Sharon B. Spivak
Deputy City Attorney

SBS:jdf
09/06/16
Or.Dept:Ethics Commission
Doc. No.: 1330227

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of OCT 18 2016.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: 10/31/16
(date)

_____
KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

_____
KEVIN L. FAULCONER, Mayor

(Note: The date of final passage is November 1, 2016, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.)

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 7, DIVISION 29 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 27.2916, 27.2930, 27.2938 AND 27.2939; BY REPEALING SECTION 27.2945; AND BY AMENDING SECTIONS 27.2960, 27.2970, 27.2974 AND 27.2975, ALL RELATING TO THE CITY OF SAN DIEGO ELECTION CAMPAIGN CONTROL ORDINANCE

§27.2916 Campaign Contribution Checking Account

(a) Every *controlled committee* that accepts *contributions* and every *primarily formed recipient committee* shall establish one campaign checking account at a bank or other financial institution with an office or branch in the state of California.

(b) Upon opening of an account, the name of the bank or other financial institution and account number thereof shall be filed with the *City Clerk* on the same forms and in the time and manner required by California Government Code sections 81000 *et seq*.

(c) All *contributions* of money or checks, or anything of value converted by such *committee* to money or a check, shall be placed in the *committee's* checking account ~~within forty calendar days, except that no *contribution* shall be deposited to a campaign *contribution* checking account without~~

~~the receipt by the *committee* of all information required by title 2, section 18401 of the California Code of Regulations~~.

(d) The *committee* shall return a *contribution* to the donor if the *committee* is not in possession of all donor information required by title 2, section 18401 of the California Code of Regulations by the earlier of:

(1) the 60th calendar day following *committee's* receipt of the *contribution*; or,

(2) the filing of the campaign statement or contribution report covering the reporting period in which the *contribution* was received.

If the *contribution* is not returned to the donor within the applicable timeframe identified above, the amount of the *contribution* shall be paid from campaign funds and delivered to the *City Clerk* within that timeframe. If a donor fails to cash a returned check within 90 calendar days of the check being sent, the amount of the *contribution* shall be paid from campaign funds and delivered to the *City Clerk* within an additional 30 calendar days. Payments delivered to the *City Clerk* shall be made payable to the City Treasurer for deposit in the General Fund of the *City*.

§27.2930 Base Level of Campaign Statements and Disclosures

Each *candidate* and *committee* shall file campaign statements in the time and manner required by California Government Code sections 81000 *et seq.* and title 2 of the California Code of Regulations with the following additional requirements:

~~(a) All *candidate* and *committee* campaign disclosure statements that are generated from the output of a computer software program shall be generated with the names of all contributors listed in alphabetical order by last name. *Treasurers* for any *committee* that files handwritten campaign disclosure statements shall make reasonable good faith efforts to list the names of all contributors in alphabetical order by last name.~~

~~(b)~~(a) Every *candidate*~~,~~ and *controlled committee* for *elective City office* ~~, and *primarily formed recipient committee*~~ that has pre-election filing obligations with the *City Clerk* pursuant to California Government Code section 84200.5 shall, on the Friday before the *election,* disclose on a Fair Political Practices Commission Form 497 filed with the *City Clerk* all previously undisclosed *contributions* of $100 or more received after the closing date of its most recent Fair Political Practices Commission Form 460.

(1) The Form 497 shall have a closing date of the Wednesday before the *election* and shall cover all *contributions* received through that day.

(2) The Form 497, if not filed electronically in accordance with section 27.2931, shall be filed using a shipping service with delivery guaranteed by the Monday before the *election*, or by personal delivery.

~~(c)~~(b) When reporting *contributions* for regularly scheduled *City candidate elections*, *candidates* and *committees* shall include the notation "(P)" for

all *contributions* that the contributor has designated for a primary *election*, and shall include the notation "(G)" for all *contributions* that the contributor has designated for a general *election*. In instances where the contributor has not designated his or her *contribution* for a particular *election*, the *candidate* or *committee* shall include the notation "(P)" for all *contributions* the *candidate* or *committee* has allocated for the primary *election*, and shall include the notation "(G)" for all *contributions* the *candidate* or *committee* has allocated for the general *election*.

~~(d)~~(c) When reporting *contributions* for specially scheduled *City candidate elections*, *candidates* and *committees* shall include the notation "(S)" for all *contributions* that the contributor has designated for a *special election*, and shall include the notation "(R)" for all *contributions* that the contributor has designated for a *special run-off election*. In instances where the contributor has not designated his or her *contribution* for a particular *election*, the *candidate* or *committee* shall include the notation "(S)" for all *contributions* the *candidate* or *committee* has allocated for the *special election*, and shall include the notation "(R)" for all *contributions* the *candidate* or *committee* has allocated for the *special run-off election*.

~~(e)~~(d) In conjunction with making the notations required by subsections ~~(e)~~(b) and ~~(d)~~(c), *candidates* and *committees* shall disclose the cumulative amount of *contributions* received from the contributor for each *election*.

~~(f)~~(e) *Sponsors* and *sponsored committees* participating in *City elections* are subject to the reporting obligations set forth in title 2, section 18419 of the California Code of Regulations.

~~(g)~~(f) Every *City primarily formed recipient committee* formed to support or oppose the qualification of an initiative or referendum *measure* prior to the commencement of the *petition* drive shall, within 10 calendar days of the commencement of the *petition* drive, file a Fair Political Practices Commission Form 497 with the *City Clerk* disclosing all *contributions* of $100 or more received after the closing date of its most recent Fair Political Practices Commission Form 460, or if the *primarily formed recipient committee* has not previously filed a Form 460, the Form 497 shall instead disclose all *contributions* of $100 or more received since January 1 of that year.

(1) For purposes of subsections ~~(g)~~(f) and ~~(h)~~(g), a *petition* drive commences when the proponent of an initiative or referendum *measure* begins circulating a *petition* for signatures.

(2) The Form 497 shall have a closing date of the day immediately preceding the commencement of the *petition* drive.

(3) The Form 497, if not filed electronically in accordance with section 27.2931, shall be filed using a shipping service with delivery guaranteed no later than 12 calendar days after the commencement of the *petition* circulation.

~~(h)~~(g) For the period of time that begins with the commencement of a *petition* drive to qualify an initiative or referendum *measure* and concludes with the day that the *petition* is submitted to the *City Clerk*:

(1) every *City primarily formed recipient committee* formed to support or oppose the qualification of the *measure* shall file with the *City Clerk*, within 24 hours of receiving a monetary *contribution* of $1,000 or more or within 48 hours of receiving a non-monetary *contribution* of $1,000 or more, a Fair Political Practices Commission Form 497 disclosing the receipt of that *contribution*.

(2) every *City committee* that is not formed to support or oppose the qualification of the *measure* shall file with the *City Clerk,* within 24 hours of making an *independent expenditure* of $1,000 or more supporting or opposing the qualification of the *measure*, a Fair Political Practices Commission Form 496 disclosing the making of the *independent expenditure* and the *committee's* receipt of *contributions* of $100 or more received after the closing date of the *committee's* last campaign statement.

(3) The Forms 496 and 497, if not filed electronically in accordance with section 27.2931, shall be filed using personal delivery, facsimile transmission, or guaranteed overnight delivery. For purposes of this subsection, the filing deadline is not extended for weekends or holidays.

~~(i)~~(h) It is unlawful to fail to comply with the disclosure requirements of California Government Code sections 81000 *et seq.*, the disclosure requirements of title 2 of the California Code of Regulations, and the additional requirements of this section.

§27.2938 Restrictions on Time Period of Contributions

(a) It is unlawful for any *candidate* or *controlled committee* seeking *elective City office* to solicit or accept *contributions* prior to ~~the twelve months~~ January 1 of the odd-numbered year immediately preceding the primary *election* for the office sought.

(b) It is unlawful for any *candidate* or *controlled committee* seeking *elective City Office* to solicit or accept, after the date of an *election*, a *contribution* that exceeds the net debts outstanding from the *election*.

(1) As used in this subsection, the term "*election*" means the *election* for which the *candidate* incurred bills and debts and is raising *contributions* to pay net debts outstanding.

(2) As used in this subsection, the term "net debts outstanding" has the same meaning as that set forth in title 2, section 18531.61 of the California Code of Regulations.

(3) *Contributions* received after the date of an *election* shall reduce the total amount of net debts outstanding.

(c) Notwithstanding subsection (b), it is unlawful for any *candidate* or *controlled committee* seeking *elective City office* to solicit or accept a *contribution* more than 180 days after the date of an election.

(d) The restrictions set forth in this section do not apply to:

(1) *contributions* made by a *candidate* to his or her *controlled committee*; or,

(2) *contributions* made to a *professional expense committee*, as discussed in sections 27.2965-27.2969.

(e) The restrictions on accepting *contributions* imposed by subsection (a) do not apply to *contributions* for ~~recall~~ *special elections*.

§27.2939 Pre-Primary Contributions for General Election

(a) A *candidate* for *elective City office* may raise contributions for a general election prior to a primary election for the same *elective City office* if the *candidate* sets aside these *contributions* and uses them only for the general election.

(b) If the *candidate* wins outright in the primary election, is defeated in the primary election, or otherwise withdraws from the general election, the *contributions* raised for the general election shall be refunded to the *contributors* on a pro rata basis less any expenses associated with the raising and administration of general election *contributions*. *Candidates* who are obligated to refund *contributions* raised for the general election shall be subject to the same provisions applicable to candidates for elective state office under title 2, section 18531.2 of the California Code of Regulations.

(c) For purposes of this section, a "primary election" includes a *district primary election*, a *citywide primary election*, and a *special election*, and a

"general election" includes a *district general election*, a *citywide general election*, and a *special run-off election*.

(d) The particular *election* for which *contributions* are received shall be reported in accordance with section 27.2930~~(c)~~(b) and ~~(d)~~(c).

~~§27.2945~~ ~~**Notification Regarding Reimbursement Prohibition**~~

~~(a)~~ ~~It is unlawful for any *candidate* or *controlled committee* to solicit *contributions* for a *City candidate election* from potential contributors by distributing printed materials or using an Internet website unless such materials or site contain at least one instance of the following statement in a prominent place printed in typeface that is easily legible, contrasts with the background, and is not smaller than the typeface used in a majority of the text in the materials or on the site: "It is unlawful to reimburse an individual's contribution to a City candidate unless the reimbursement is made by another individual and the names of both individuals are provided to the candidate."~~

~~(b)~~ ~~Upon the discovery by the *candidate* or *controlled committee* that a violation of subsection (a) has occurred, such violation may be remedied by the *candidate* or *controlled committee* submitting written notice reciting the statement required by subsection (a) to all individuals who were sent the materials constituting the violation and to all individuals who made a *contribution* through the web site during the period of violation, and thereafter reporting in writing the nature of the violation and remedial action to the *Enforcement Authority*, provided that the remedial~~

~~action takes place before the date of the *election* for which the solicitation was made, and no later than fourteen calendar days after the discovery of the violation.~~

§27.2960 Extensions of Vendor Credit

(a) *Vendors* may extend credit to *candidates* and their *controlled committees* in the ordinary course of business in the same manner they extend it to *person*s for other than *political purposes*.

(b) A *candidate* or *controlled committee* for *elective City office* that accepts goods or services for *political purposes* on credit under subsection (a), shall pay for those goods or services in full no later than 180 calendar days after ~~receipt of a bill or invoice and in no event later than 180 calendar days after the last calendar day of the month in which the goods were delivered or the services were rendered, unless it is clear from the circumstances that the failure to pay is reasonably based on a good faith dispute. For purposes of this subsection, a good faith dispute shall be presumed if the *candidate* or *controlled committee* produces the following:~~ the date of the *election* for which the goods or services were provided.

~~(1) evidence that the *candidate* or *controlled committee* protested the *payment* of a bill no later than 30 calendar days after the last calendar day of the month in which the goods were delivered or the services were rendered; and~~

~~(2) evidence that the protest was based on the quality or quantity of goods delivered or services rendered.~~

(c) The provisions of subsection (b) do not apply to debt owed to a financial institution for an outstanding credit card balance.

§27.2970 Mass Campaign Literature

(a) It is unlawful for any *candidate* or *committee* to pay for *mass campaign literature* for the purpose of supporting or opposing a *City candidate* or ballot *measure* unless each item of *mass campaign literature* includes the words "paid for by" immediately followed by the name, street address, and city of that *candidate* or *committee*.

~~(b) In addition to the requirements set forth in subsection (a) it is unlawful for any *candidate* or *committee* to send *mass campaign literature* through the mail for the purpose of supporting or opposing a *City candidate* or *City measure* unless the name, street address, and city of the *candidate* or *committee* are shown on the outside of each item of *mass campaign literature*, and on at least one of the inserts included within each piece of mail.~~

~~(1) If the sender of the *mass campaign literature* is a single *candidate* or *committee*, the name, street address, and city of the *candidate* or *committee* need only be shown on the outside of each item being mailed.~~

~~(2) If more than one *committee* pays to mail the *mass campaign literature*, only the name, address, and city of the *committee* paying the largest portion of the costs of designing, printing, and mailing the mailer need be shown on the outside of the mailer, and~~

~~the names of all of the *committees* paying for the mailer shall be shown on at least one of the inserts included within the mailer.~~

(b) For *mass campaign literature* sent through the mail, the disclosure required by subsection (a) shall appear on the outside of each item of *mass campaign literature*.

(1) If more than one *candidate* or *committee* is paying for the mailing, the *candidate* or *committee* paying the largest portion of the costs relating to the designing, printing, and posting of the mailing shall be identified on the outside of each mailing in the disclosure required by subsection (a).

(2) If two or more *candidates* or *committees* are paying equally for the mailing, at least one of the *candidates* or *committees* shall be identified on the outside of each mailing in the disclosure required by subsection (a), and all of the *candidates* and *committees* paying for the mailing shall be identified on an insert included within each mailing in the disclosure required by subsection (a).

(c) For *candidates* and *candidate-controlled committees* supporting the *candidate's* candidacy, the disclosures required by subsections (a) and (b)~~, other than for yard signs,~~ shall be in a typeface that is easily legible, contrasts with the background, and is no less than 12 points in size. For all other *committees*, the disclosures required by subsections (a) and (b)~~, other than for yard signs,~~ shall be in a bold, sans serif typeface that is easily legible, contrasts with the background, and is no less than 14 points in

size. These disclosure requirements do not apply to signs that are subject to the provisions of subsection (d).

(d) It is unlawful for any *candidate* or *committee* to pay for *mass campaign literature* in the form of ~~yard~~ signs that are publicly displayed for the purpose of supporting or opposing a *City candidate* or ballot *measure* unless the face of each ~~yard~~ sign includes the words "paid for by" immediately followed by the name, street address, and city of that *candidate* or *committee* in a typeface that is easily legible, contrasts with the background, and has a height no less than five percent of the height of the ~~yard~~ sign. This disclosure requirement applies to yard signs, posters, placards, and similar forms of advertising that are intended to be viewed in passing by members of the public rather than individually distributed to such members.

(e) For purposes of this section, an organization's post office box may be stated in lieu of a street address if that organization's address is a matter of public record with the Secretary of State.

~~(f) If a *controlled committee* pays for *mass campaign literature*, the name of the *candidate* controlling the *committee* shall be included in addition to the information required by this section.~~

~~(g)~~(f) The requirements set forth in this section do not apply to *member communications* distributed by an organization that is not a political party, email communications, Internet web pages, or slate mailers.

§27.2974 Disclosure on Advertisements in Mass Media

(a) It is unlawful for any *candidate* or *committee* to pay for advertising in a regularly published newspaper, periodical, or magazine of general circulation~~, or on any Internet web page,~~ for the purpose of supporting or opposing one or more ~~City~~ *City measures* or *candidates* for *elective City office* unless the advertisement includes the words "paid for by" followed by the name of that *candidate* or *committee.*

~~(b)~~(1) For *candidates* and *candidate-controlled committees* paying for advertising supporting the *candidate's* candidacy, the disclosure statement required by this subsection ~~(a)~~ shall be in a typeface that is easily legible, contrasts with the background, and is no less than 12 points in size.

(2) For all other *committees*, the disclosure statement required by subsection (a) shall be in a bold, sans serif typeface that is easily legible, contrasts with the background, and is no less than 14 points in size.

(b) It is unlawful for any *candidate* or *committee* to pay for text or graphic advertising on an Internet web page for the purpose of supporting or opposing one or more *City measures* or *candidates* for *elective City office* unless the advertisement includes the words "paid for by" followed by the name of that *candidate* or *committee* in letters at least as large as the majority of the text in the advertisement.

(1) In the event that it is impractical to comply with the provisions of this subsection because of the limited size of the advertisement, the disclosure may be displayed via rollover display, a link to a webpage with the disclosure information, or any other technological means that readily provide the user with the disclosure information.

(2) The disclosure information required by this subsection must be legible, contrast with the background, and be visible for a period of at least four seconds.

(c) It is unlawful for any *candidate* or *committee* to pay for video advertising on an Internet web page for the purpose of supporting or opposing one or more *City measures* or *candidates* for *elective City office* unless the advertisement includes the words "paid for by" followed by the name of that *candidate* or *committee* in a contrasting typeface of sufficient size to be readily legible to an average viewer for not less than four seconds. This disclosure must also be spoken at the beginning or end of the video unless the written disclosure is shown for at least five seconds on a video lasting less than one minute or at least ten seconds on a video lasting one minute or more.

§27.2975 Major Funding of Advertisements Supporting or Opposing Candidates and Ballot Measures

(a) In addition to all other applicable disclosure requirements set forth in this Division, it is unlawful for any *primarily formed recipient committee* to

pay for an advertisement supporting or opposing a *City candidate* or ballot *measure* unless each *person* who has cumulatively contributed $10,000 or more to the *committee* is identified in the advertisement as providing major funding to the *committee*.

(1) If there are more than two donors of $10,000 or more, the *committee* is only required to disclose the highest and second highest in that order.

(2) In the event that two or more donors of identical amounts meet the threshold for the top two contributors, the order of disclosure shall be made beginning with the most recent contributor of that amount.

(3) The disclosure shall be in a bold, sans serif typeface that is easily legible, contrasts with the background, and is no less than 14 points in size, except that if the advertisement is ~~on~~ a ~~yard~~ sign subject to the disclosure requirements of section 27.2970(d), a billboard, or any other large form of advertising~~,~~ as defined in section 27.2972, the disclosure's typeface shall have a height no less than five percent of the height of the advertisement.

(4) The disclosure shall reflect information that is accurate as of the date the *committee* places the order to purchase the advertisement.

(b) through (c) [No change in text.]

SBS:jdf
09/06/16
Or.Dept: Ethics Commission
Doc. No.: 1330229

Passed by the Council of The City of San Diego on OCT 18 2016, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	☑	☐	☐	☐
Lorie Zapf	☑	☐	☐	☐
Todd Gloria	☑	☐	☐	☐
Myrtle Cole	☑	☐	☐	☐
Mark Kersey	☑	☐	☐	☐
Chris Cate	☑	☐	☐	☐
Scott Sherman	☑	☐	☐	☐
David Alvarez	☑	☐	☐	☐
Marti Emerald	☑	☐	☐	☐

Date of final passage NOV 01 2016.

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By _____, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on SEP 27 2016, and on NOV 01 2016.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By _____, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O-20731