

CONTACT:

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Biggest Changes to the Ethics Commission Since its Creation in 2001

Two major changes came to the Ethics Commission (Commission) at the end of 2024. First, in November San Diego voters passed Measure D to increase the independence of the Commission. Second, the City Council voted unanimously in November to authorize the Commission to increase penalties for violations up to \$15,000 or three times the amount the Respondent failed to properly report or unlawfully contributed, expended, gave, or received.

Each of these changes represents a major step forward for the Commission's ability to uphold its mission to "preserve public confidence in our City government through education, advice, and the prompt and fair enforcement of local governmental ethics laws."

Measure D Strengthened the Independence of the Ethics Commission

San Diego's Measure D, proposed by City Attorney Mara Elliott and supported by Councilmember Joe LaCava of District 1, created a new section in the Charter specifically outlining the powers of the Ethics Commission. The newly created Charter Section 41.3:

- Requires that only voters can eliminate the Commission or diminish its authority or responsibilities.
- Describes the Commission and its responsibilities and those of the Commission's Executive Director.
- Establishes the number of Commission members (Commissioners), their qualifications, and their length of service.
- States that Commissioners will hire their own Executive Director without City Council confirmation.
- Empowers the Executive Director to initiate investigations and complaints, compel
 witness attendance, testimony, and records production, and to report evidence of
 possible unlawful conduct to other government or law enforcement agencies during
 an investigation.
- Requires the City Council to provide the Commission with sufficient resources to perform its responsibilities.

San Diegans overwhelmingly approved of the changes to the Charter; Measure D passed with over 72% of the vote in November's election. The new language of Charter Section 41.3 went into effect on December 26, 2024.

City Council Authorized Increased Penalties for Violators

Since its creation in the early 2000's, the Commission was limited to imposing a maximum fine of \$5,000 per count for violation of the governmental ethics laws. This low penalty amount did not reflect inflation and may have been considered by some as a "cost of doing business" rather than a deterrent to ensure compliance with governmental ethics laws.

In response, the Commission proposed amending the <u>Municipal Code</u> to increase the maximum amount of fines that the Commission can impose in an enforcement action. This change brings the fine structure in line with other similar Commissions throughout California. Specifically, the amendments allow the Commission to impose a fine in an enforcement matter of either: (a) up to \$15,000 per violation; or (b) up to three times the amount the person or entity failed to properly report or unlawfully contributed, expended, gave, or received. The \$15,000 amount will be adjusted every two years in accordance with the Consumer Price Index to ensure that fines continue to be set at a rate that will deter misconduct.

On October 29, 2024, the City Council voted unanimously to adopt the ordinance amending the Municipal Code, and on November 12, at a second reading, the City Council yet again voted unanimously to amend the Municipal Code to increase the fine structure. The revisions to the Municipal Code became effective on December 12, 2024. (See San Diego Municipal Code section 26.0440).

How Our Office Can Help Going Forward

If you have any questions regarding these changes, please reach out to the Ethics Commission at 619-533-3476 or ethicscommission@sandiego.gov.

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The Ethics Commission is an independent City entity dedicated to monitoring, enforcing, and reforming the City's ethics laws. The Commission has jurisdiction over City laws regarding ethics, campaign finance, and lobbying. Commission staff provide the regulated community with education and advice regarding ethics laws, conduct investigations, audit City campaign committees, and propose related legislation.

For more information, we invite you to visit our website, www.sandiego.gov/ethics, or to contact our office at ethicscommission@sandiego.gov.