

Ordinance No. 120145

The City of Seattle  
Council Bill/Ordinance

Council Bill No. 113293

AN ORDINANCE amending the Elections Code; amending, repealing, and adding various sections of and to Chapter 2.04 of the Seattle Municipal Code.

10-30-00

CF No. \_\_\_\_\_

Date Introduced:	JUL 10 2000	
Date 1st Referred:	JUL 10 2000	
Date 1st Referred:	To: (committee) Legislative Department & Intergovernmental Affairs Committee	
Date Re - Referred:	To: (committee) LDIA comm.	
Date Re - Referred:	To: (committee) \$600 contribution limit	
Date of Final Passage:	Full Council Vote:	9-0
Date Presented to Mayor:	Date Approved:	11-3-00
Date Returned to City Clerk:	Date Published:	16pp
Date Vetoes by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

passed out  
Divided  
Report  
This file is complete and ready

Yes: TC, ND, MP  
No: FS, NL

Law Department

Law Dept. Review

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: \_\_\_\_\_

*Margaret Page* **PAGELER**  
Councilmember

**Committee Action:**

*10-30-00 Passed 9-0*

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This file is complete and ready for presentation to Full Council.

Committee: \_\_\_\_\_  
(initial/date)

*Law Department*

Law Dept. Review

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ORDINANCE 120145

AN ORDINANCE amending the Elections Code; amending, repealing, and adding various sections of and to Chapter 2.04 of the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsections 8, 13, and 21 of Section 2.04.010 of the Seattle Municipal Code are amended, and a new subsection 31 is added to that section, as follows:

**2.04.010 Definitions.**

\*\*\*

8. "Candidate" means any individual who seeks election to ~~((public office in the City))~~ the office of Mayor, member of the City Council, or City Attorney of the City, whether or not successfully. An individual shall be deemed to seek election when he or she first:

a. Solicits or ~~((R))~~ receives contributions; or

b. ~~((m))~~ Makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office ~~((, or for the purposes of Subchapter IV Seattle Municipal Code Sections 2.04.350 through 2.04.375 to promote his or her public office))~~; or

~~((b-))~~ c. Announces publicly or files for office; or

~~((e-))~~ d. Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

~~((d- Gives his or her consent to another person to take on behalf of the individual any of the actions in subsections 8a or 8c of this section; or))~~

e. Makes expenditures or solicits or receives contributions to explore the possibility of seeking election to City office; or



1 contributions; however, the amount of any such contribution may be reduced for the purpose of  
2 complying with the reporting requirements of this chapter by the actual cost of consumables furnished in  
3 connection with the purchase of such tickets, and only the excess over actual cost of such consumables  
4 shall be deemed a contribution. Without limiting the foregoing, the financing by a person of the  
5 dissemination, distribution, or publication, in whole or in part, of broadcast, written, graphic, or other  
6 form of political advertising prepared or approved by a candidate, a political committee, or the  
7 authorized agent of a candidate or political committee is a contribution to the candidate or political  
8 committee.

9 \*\*\*

10 21. "Independent expenditure" means expenditure on behalf of, or opposing the election of, any  
11 candidate, or any City ballot proposition, when such expenditure is made independently of the  
12 candidate, his/her political committee, or agent, or of any ballot proposition committee or its officers or  
13 agents, and when such expenditure is made without the prior consent, or the collusion, or the  
14 cooperation, of the candidate or his/her agent or political committee, or the ballot proposition committee  
15 or its officers or agents, and when such expenditure is not a contribution as defined in the last sentence  
16 of SMC 2.04.010 (13). An independent expenditure is made by a person on the earliest of the following  
17 events: (a) the person agrees with a vendor or provider of services to make an independent expenditure;  
18 or (b) the person incurs the obligation to make an independent expenditure; or (c) the person pays for an  
19 independent expenditure.

20 \*\*\*

21 31. "Sponsor" as used in subsection 2.04.290 B means the candidate, political committee or person  
22 paying for the political advertising. If a person acts as an agent for another or is reimbursed by another  
23 for the payment, the agent's principal or the source of the reimbursement is the sponsor.

1 Section 2. Subsection H of Section 2.04.060 of the Seattle Municipal Code is amended as  
2 follows:

3 **2.04.060 Executive Director – Duties.**

4 The Executive Director of the Seattle Ethics and Elections Commission shall be responsible  
5 for the management of said office, may in the exercise of such duties consult with the Seattle Ethics  
6 and Elections Commission and in that connection is authorized to:

7 \*\*\*

8 H. By December 22 of each odd-numbered year, p((P))repare and publish ((, not less than ten (10)  
9 days before newly elected officers take office,)) a report setting forth, as to each ((candidate who filed a  
10 final report))committee promoting or opposing a candidate or ballot issue on the ballot that year, the  
11 amounts and sources of all contributions and the amounts and purposes of all expenditures ((set forth in  
12 such final report, and the names and addresses of any candidates who failed to file a final report or who  
13 filed an incomplete final report))received by or made by those committees; and prepare and publish such  
14 other reports as in his or her judgment will tend to promote the purposes of this chapter;

15 \*\*\*

16 Section 3. Section 2.04.155 of the Seattle Municipal Code is amended as follows:

17 **2.04.155 Electronic filing required -- Exemption.**

18 A. Each candidate or ballot proposition political committee that expects to receive or receives  
19 Twenty-Five Thousand Dollars (\$25,000) or more in aggregate contributions during the applicable  
20 period must file all reports required by this chapter with the City Clerk by electronic transmission of the  
21 required information. All((Each continuing)) political committees that (1) are neither ballot proposition  
22 nor candidate political committees, and (2) expect((s)) to make contributions((e or contributes)) or  
23 expect((s)) to make ((or makes independent))expenditures, including independent expenditures, of  
24 ((Twenty))Five Thousand Dollars (\$((2))5,000) or more, in the aggregate during the applicable period,

1 to or for the benefit of candidates or candidate political committees or to or for the benefit of ballot  
2 proposition political committees must file all reports required by this chapter with the City Clerk by  
3 electronic transmission of the required information. The electronic format of the filing and the method  
4 of transmission shall meet requirements designated in rules adopted by the Commission. In addition,  
5 each political committee that files electronically with the PDC must file electronically with the Seattle  
6 City Clerk.

7 ~~((B. The effective date of the electronic filing requirements in this section shall be established by rule~~  
8 ~~of the Commission, but shall in no event be sooner than May 10, 1998. The Commission may phase in~~  
9 ~~this requirement, and shall base its rule on the determination of the Executive Director as to when~~  
10 ~~compliance is practicable.))~~

11 ~~((C.))~~B. The Executive Director may exempt a candidate or a committee from the requirements of this  
12 section where the candidate or the committee has shown that the requirements constitute an undue  
13 burden.

14 Section 4. Subsection A of Section 2.04.165 of the Seattle Municipal Code is amended as  
15 follows:

16 **2.04.165 Reports of personal financial affairs.**

17 A. The following shall file statement of financial affairs:

18 1. Every candidate shall within two (2) weeks of becoming a candidate file with the City Clerk a  
19 statement of financial affairs for the preceding twelve (12) months.

20 2. Every elected official and every candidate for a future election shall after January 1st and  
21 before April 15th of each year file with the City Clerk a statement of financial affairs for the preceding  
22 calendar year, unless a statement for that same twelve (12) month period has already been filed with the  
23  
24

1 City Clerk. Any elected official whose term of office expires immediately after December 31st shall file  
2 the statement required to be filed by this section for the year that ended on that December 31st.

3 \*\*\*

4 Section 5. Subsection A of Section 2.04.180 of the Seattle Municipal Code is amended as  
5 follows:

6 **2.04.180 Contributions by written instrument or credit card – Deposit of  
7 contributions in designated account.**

8 A. No person may make a contribution of more than Fifty-Five Dollars (\$55), other than an in-kind  
9 contribution, except by a written instrument containing the name of the contributor and the name of the  
10 payee ~~((RCW 42.17.740(1)))~~, except that candidates and political committees may, consistent with  
11 rules adopted by the Commission, receive contributions by credit card, if the contributor's identity is  
12 verified as required for compliance with SMC 2.04.260. (Ref. RCW 42.17.740(1).)

13 \*\*\*

14 Section 6. Subsections C, D, E, F, and G, of Section 2.04.230 of the Seattle Municipal Code  
15 are amended as follows:

16 **2.04.230 Continuing political committee – Reports.**

17 \*\*\*

18 ~~((C. If a continuing political committee shall make a contribution in support of or in opposition to a  
19 candidate or ballot proposition within sixty (60) days prior to the date on which such candidate or ballot  
20 proposition will be voted upon, such continuing political committee shall report pursuant to Section  
21 2.04.250 as now or hereafter amended, until twenty one (21) days after the election.))~~

22 ~~((D))~~C. A continuing political committee shall file reports as required by this chapter until the earlier  
23 of: (1) the date the continuing political committee dissolves; or (2)(a) in the case of a continuing  
24 political committee that contributes to or makes independent expenditures in support of candidates, the

1 end of the latest election cycle of the candidates to whom the continuing political committee contributed  
2 or for whom it made independent expenditures, or (b) in the case of a continuing political committee that  
3 contributes to ballot proposition committees, the date of the latest of the final reports filed pursuant to  
4 Section 2.04.250 B3 by the ballot proposition committees to which the continuing political committee  
5 contributed. In addition, if the continuing political committee has debt at the end of the relevant election  
6 cycle or after the relevant final report has been filed, it shall continue to file reports as required by this  
7 chapter until such debt is paid or forgiven. When the continuing political committee's obligation to file  
8 reports ends as set forth in this subsection, it shall submit a final report. Upon submitting a final report,  
9 the duties of the campaign treasurer other than record retention shall cease and there shall be no  
10 obligation to make any further reports.

11 ~~((E))~~D. The campaign treasurer shall maintain books of account accurately reflecting all contributions  
12 and expenditures on a current basis within five (5) business days of receipt or expenditure. During the  
13 eight (8) days immediately preceding the date of any election, for which the committee has received any  
14 contributions or made any expenditures, the books of account shall be kept current within one (1)  
15 business day and shall be open for public inspection for at least two (2) consecutive hours Monday  
16 through Friday, excluding legal holidays, between eight (8) a.m. and eight (8) p.m., as specified in the  
17 committee's statement of organization filed pursuant to Section 2.04.160, as now or hereafter amended,  
18 at the principal campaign headquarters or, if there is no campaign headquarters, at the address of the  
19 campaign treasurer or other such place as may be authorized by the Administrator.

20 ~~((F))~~E. All reports filed pursuant to this section shall be certified as correct by the campaign  
21 treasurer.

1 ((G))E. The campaign treasurer shall preserve books of accounts, bills, receipts, and all other financial  
2 records of the campaign or political committee for five (5) calendar years following the year in which  
3 the transaction occurred.

4 Section 7. Subsection A of Section 2.04.265 of the Seattle Municipal Code is amended as  
5 follows:

6 **2.04.265 Special reports of late contributions totaling over Five Hundred Dollars-**  
7 **Certain late contributions prohibited.**

8 A. During the twenty-one (21) day period before the election in which the candidate or proposition  
9 will appear on the ballot, ((F))the treasurer shall file with the Commission a special report of each  
10 contribution or aggregate of contributions that: (1) exceeds Five Hundred Dollars (\$500); (2) is from a  
11 single person or entity; and (3) is received during th((e))at twenty-one (21) day((s before the election in  
12 which the candidate or proposition will appear on the ballot.)) period or was received before that period  
13 began but was not yet reported. Such report shall be filed electronically or by facsimile((s)) within  
14 twenty-four (24) hours of receipt of the contribution or of the time the aggregate contributions exceed  
15 Five Hundred Dollars (\$500) or, in the case of contributions received but not reported prior to the 21<sup>st</sup>  
16 day, such report shall be filed on the 21<sup>st</sup> day prior to the election. Contributions reported under this  
17 section shall also be reported to the City Clerk as required by other provisions of this chapter.

18 \*\*\*

19 Section 8. A new Subsection C is added to Section 2.04.270 of the Seattle Municipal Code  
20 as follows:

21 **2.04.270 Independent expenditures; contributions to out-of-state committees -**  
22 **Reports.**

23 \*\*\*

24 C. A person with the expectation of making an independent expenditure or expenditures by  
disseminating an advertising message or messages that the person reasonably expects to be received,

1 read, viewed or heard by one thousand (1,000) or more individuals in a single calendar year shall, within  
2 two business days after the initial dissemination of the advertisement, deliver a copy of each such  
3 advertisement to the offices of the Seattle Ethics and Elections Commission, along with a statement  
4 disclosing the method of dissemination of the advertisement and an estimate of the expected quantity of  
5 the advertising. This requirement applies only to all independent expenditures that are required to be  
6 reported, i.e., an individual spending one hundred dollars (\$100) or more of his or her own funds and  
7 anyone spending any amount of the funds of others. This disclosure does not substitute for the  
8 disclosure requirements of other sections of this chapter. (Ref. RCW 42.17.550.)

9 Section 9. Subsection B of Section 2.04.275 of the Seattle Municipal Code is amended as  
10 follows:

11 **2.04.275 Certification of independent expenditures --**  
12 **Special reports of late independent expenditures.**

13 \*\*\*

14 B. Each person who, within twenty-one (21) days before an election makes an independent  
15 expenditure that by itself, or when added to all other independent expenditures made previously during  
16 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500), or has made such an expenditure that  
17 has not yet been reported, shall within twenty-four (24) hours of making each such independent  
18 expenditure file by facsimile or electronically with the Commission a special report of that independent  
19 expenditure, or, in the case of expenditures made prior to the 21<sup>st</sup> day, such report will be filed on the  
20 21<sup>st</sup> day prior to the election. Expenditures reported under this section shall also be reported to the City  
21 Clerk when and as required by other provisions of this chapter.

22 Section 10. Subsection B of Section 2.04.290 of the Seattle Municipal Code is amended as  
23 follows:

24 **2.04.290 Identification of contributions and communications.**

\*\*\*

1 B. ~~((All political advertising shall identify the sponsor or sponsors thereof by name and address which~~  
2 ~~may be the name and address of the campaign treasurer or deputy campaign treasurer together with the~~  
3 ~~name of the candidate or political committee he or she is serving; provided, that any political advertising~~  
4 ~~on behalf of a candidate sponsored by any person without the prior knowledge and consent of the~~  
5 ~~candidate shall be clearly identified as such.))~~1. All radio and television political advertising, whether  
6 relating to candidates or ballot propositions, shall include the sponsor's name. All other political  
7 advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name and  
8 address. The use of an assumed name shall be unlawful.

9 2. In addition to the materials required by paragraph 1 of this subsection B, all political  
10 advertising undertaken as an independent expenditure by a person or entity, other than a bona fide  
11 political party as defined in RCW 42.17.020(5), must include the following statement on the  
12 communication "NOTICE TO VOTERS (Required by law): This advertisement is not authorized or  
13 approved by any candidate. It is paid for by (name, address, city, state)." If the advertisement  
14 undertaken as an independent expenditure is undertaken by a nonindividual, other than a bona fide  
15 political party as defined in RCW 42.17.020(5), then the following notation must also be included: "Top  
16 Five Contributors," followed by a listing of the names of the five persons or entities who or which,  
17 during the twelve-month period before the date of the advertisement, made to the sponsor of the  
18 advertisement the largest contributions reportable under this chapter.

19 3. The statements and listings of contributors required by paragraphs 1 and 2 of this subsection  
20 B shall:

21 a. Appear on the first page or fold of the written communication in at least ten-point  
22 type, or in type at least ten percent of the largest size type used in a written communication directed at  
23 more than one voter, such as a billboard or poster, whichever is larger;  
24

1                    b. Not be subject to the half-tone or screening process;

2                    c. Be set apart from any other printed matter; and

3                    d. Be clearly spoken on any broadcast advertisement.

4                    Section 11. Section 2.04.370 of the Seattle Municipal Code is amended as follows:

5                    **2.04.370        Mandatory limitations on contributions.**

6                    A. No person shall make a contribution to any candidate for Mayor, member of the City Council,  
7 or City Attorney of the City, except in the election cycle for that candidate as defined in Section  
8 2.04.010(7).

9                    B. No person shall contribute more than ~~((Four))~~ Six Hundred Dollars ~~(((\$400)))~~ (\$600) to any  
10 candidate for Mayor, member of the City Council, or City Attorney of the City, in any election  
11 cycle.

12                    C. A candidate for Mayor, member of the City Council, or City Attorney of the City, may only  
13 accept or receive a campaign contribution during an election cycle as defined in Section  
14 2.04.010(7).

15                    D. No candidate for Mayor, member of the City Council, or City Attorney of the City shall solicit  
16 or receive campaign contributions of more than ~~((Four))~~ Six Hundred Dollars ~~(((\$400)))~~ (\$600) from  
17 any person in any election cycle; provided:

18                    1. The limitations imposed by this section shall not apply to a candidate's contributions  
19 of his or her own resources to his or her own campaign;

20                    2. The limitations imposed by this section shall not apply to independent expenditures as  
21 defined by this chapter; and

22                    3. The limitations imposed by this section shall not apply to the value of in-kind labor;  
23 and

1           4. The limitations imposed by this section shall not apply to contributions consisting of  
2 the rendering of clerical or computer services on behalf of a candidate or an authorized political  
3 committee, to the extent that the services are for the purpose of ensuring compliance with City,  
4 county, or state election or public disclosure laws(~~(; and~~

5           ~~5. Contributions to candidates for 1995, 1996, or 1997 City office campaigns received~~  
6 ~~prior to October 16, 1994, shall not be calculated in the contribution limitations imposed by this~~  
7 ~~section)).~~

8           Section 12. Section 2.04.375 of the Seattle Municipal Code is amended as follows:

9           **2.04.375       Reporting and disposition of campaign funds and debt after election.**

10          A. 1. Each candidate or supporting committee for a candidate for City office, including the offices of  
11 Mayor, City Attorney or member of the City Council, shall(~~(, on the thirtieth day of April in the year~~  
12 ~~following the date of the election for the office which the candidate seeks,)) cease receipt of campaign  
13 contributions and dispose of the funds remaining in the campaign account, in accordance with  
14 subsection B below, on or before the thirtieth day of April in the year following the date of the election  
15 for the office the candidate sought, except for special elections. ((after all obligations incurred for the  
16 campaign have been paid or forgiven,)) In the case of a special election, each candidate or supporting  
17 committee for a candidate shall cease receipt of campaign contributions and dispose of the funds  
18 remaining in the campaign account, in accordance with subsection B below, on or before the thirtieth  
19 day of the fifth month after the special election for the office the candidate sought. ((and shall,)) B((b))y  
20 the tenth day of May in the year after the election for the office ((which))the candidate ((seeks,))sought.  
21 each candidate or supporting committee for a candidate shall file a final report reflecting the disposition  
22 of the remaining funds, except for special elections. ((or i))In the case of a special election, each  
23 candidate or supporting committee for a candidate shall file that final report by the tenth day of the sixth  
24~~

1 month after the special election for the office ~~((which))~~the candidate ~~((seeks))sought~~~~((, file a report~~  
2 ~~reflecting the disposition of the remaining funds, in accordance with subsection B below))~~.

3 2. If a candidate or supporting committee for a candidate for City office has campaign debt  
4 outstanding on April 30th in the year following the date of the general election for the office ~~((which))~~  
5 ~~the candidate ((seeks,))sought, or on the thirtieth day of the fifth month after the special election for the~~  
6 ~~office the candidate sought, the debt may be transferred ((in))to a new campaign of the same candidate~~  
7 for the same office.

8 3. ~~Except for supporting committees for candidates that are governed by subsection A1 of this~~  
9 ~~section and continuing political committees, each political committee (hereafter in this subsection A3~~  
10 ~~“committee”) shall cease receipt of contributions and dispose of the funds remaining in the campaign~~  
11 ~~account, in accordance with subsection B below, on or before the thirtieth day of April in the year~~  
12 ~~following the date of the election for which the committee received contributions or made expenditures,~~  
13 ~~except for special elections. In the case of a special election, each committee shall cease receipt of~~  
14 ~~contributions and dispose of the funds remaining in the campaign account, in accordance with~~  
15 ~~subsection B below, on or before the thirtieth day of the fifth month after the special election for which~~  
16 ~~the committee received contributions or made expenditures. By the tenth day of May in the year after~~  
17 ~~the election for which the committee received contributions or made expenditures, each committee shall~~  
18 ~~file a final report reflecting the disposition of the remaining funds, except for special elections. In the~~  
19 ~~case of a special election, each committee shall file that final report by the tenth day of the sixth month~~  
20 ~~after the special election for which the committee received contributions or made expenditures.~~

21 4. ~~Except for supporting committees for candidates that are governed by subsection A2 of this~~  
22 ~~section and continuing political committees, if a political committee (hereafter in this subsection A4~~  
23 ~~“committee”) has campaign debt outstanding on April 30th in the year following the date of the general~~  
24

1 election for which the committee received contributions or made expenditures, or on the thirtieth day of  
2 the fifth month after the special election for which the committee received contributions or made  
3 expenditures, the debt may be transferred to another political committee or to a continuing political  
4 committee, which shall, until such debt has been paid or forgiven, file the reports that would have been  
5 required of the committee transferring the debt had that committee not filed its final report under  
6 subsection A3 of this section.

7 B. The surplus funds, including each capital asset for which the campaign paid Two Hundred Dollars  
8 (\$200) or more, or reported as an in-kind contribution with a value of Two Hundred Dollars (\$200) or  
9 more, of a candidate, of a political committee supporting a candidate, of a political committee  
10 supporting or opposing a ballot proposition, and of a continuing political committee may be disposed of  
11 only in one (1) or more of the following ways:

12 1. Return the surplus to contributors in respective amounts not to exceed each contributor's  
13 original contribution;

14 2. Transfer the surplus to the personal account of a candidate, or of a treasurer or other  
15 individual as reimbursement for lost earnings incurred as a result of the election campaign. Such lost  
16 earnings shall be verifiable as unpaid salary or, when the candidate, treasurer or individual is not  
17 salaried, as an amount not to exceed income received by the candidate, treasurer, or individual for  
18 services rendered during an appropriate corresponding time period. All lost earnings incurred shall be  
19 documented, and a record thereof shall be maintained by the candidate, treasurer, or individual or by the  
20 political committee as the lost earnings accrue. The Committee shall maintain such information as a  
21 part of the campaign records;

22 3. Transfer the surplus to a political party or to a caucus of the state legislature;  
23  
24

1           4. Donate the surplus to a charitable organization registered in accordance with RCW  
2 Chapter 19.09;

3           5. Transmit the surplus to the state treasurer for deposit in the general fund;

4           6. Hold the cash surplus in the campaign depository or depositories designated in accordance  
5 with RCW 42.17.050 and in the case of capital assets hold them in the custody of the candidate or  
6 officer of the campaign committee for possible use in a future election campaign for the same office last  
7 sought by the candidate or for a future election campaign for a ballot proposition on the same topic, and  
8 report the transfer of such funds or assets as a disposition in accordance with RCW 42.17.090 and SMC  
9 Section 2.04.260 . If the candidate subsequently announces or publicly files for office, or if a ballot  
10 proposition political committee is established for a future proposition on the same topic, information as  
11 appropriate shall be reported in accordance with RCW 42.17.040 through 42.17.090 and SMC Sections  
12 2.04.170 through 2.04.260 . If a subsequent office is not sought, or if a subsequent election campaign  
13 for a ballot proposition on the same topic does not occur, the surplus held shall be disposed of in  
14 accordance with the requirements of this chapter;

15           7. A candidate who was elected to the office sought, or that candidate's political committee,  
16 may hold the surplus campaign funds in a separate account for that individual's non-reimbursed  
17 expenses of that public office and report any such disposition in accordance with SMC 2.04.480(F). The  
18 separate account required under this subsection shall not be used for deposits of campaign funds that are  
19 not surplus or of office funds solicited or received under SMC 2.04.480.

20           ((7))8. A ballot proposition political committee may become a continuing political  
21 committee and use the funds to support or oppose candidates and ballot propositions and must  
22 report in accordance with SMC Sections 2.04.230 through 2.04.290; or

1 ((8))2. With the written approval of the contributor, a candidate or the candidate's political  
2 committee may use or permit the use of contributions, whether or not surplus, solicited for or received  
3 by the candidate or the candidate's political committee from that contributor to further the candidacy of  
4 the individual for an office other than the office designated on the statement of organization. If the  
5 contributor does not approve the use of his or her contribution to further the candidacy of the individual  
6 for an office other than the office designated on the statement of organization at the time of the  
7 contribution, the contribution must be considered surplus funds and disposed of in accordance with this  
8 chapter.

9 Section 13. This ordinance shall take effect and be in force thirty (30) days from and after its  
10 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
11 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

12 Passed by the City Council the 30<sup>th</sup> day of October, 2000, and signed by me in open  
13 session in authentication of its passage this 30<sup>th</sup> day of October, 2000.

14  
15 Margaret O'Leary  
16 President of the City Council

17 Approved by me this 3<sup>rd</sup> day of NOVEMBER, 2000.

18 Paul Schuff  
19 Mayor

20  
21 Filed by me this 3<sup>rd</sup> day of November, 2000.

22 Ann Donnell  
23 acting City Clerk

24 (Seal)



# City of Seattle

## Ethics and Elections Commission

Carolyn M. Van Noy, Executive Director

To: Seattle City Council  
From: Carolyn M. Van Noy, Executive Director  
Date: June 28, 2000  
Re: Summary of Recommended Elections Code Revisions

The attached draft revisions of the Seattle Elections Code are recommended to the City Council and have been reviewed by the City Attorney's Office. The recommendations are the result of the Commission's practice of reviewing the law and rules after each campaign year. In its review, the Commission surveyed the 1999 campaigns and Commission staff met with 1999 candidates and treasurers. In addition, the Commission widely distributed the resulting proposed changes to the Code and held a hearing on them. The Commission submits these recommended revisions in hopes that they can be considered and adopted before the end of 2000, so the majority of 2001 campaign committees will operate under the revised law and rules.

Many of the recommended revisions clarify and simplify provisions that already exist. Several add State Law language to achieve more uniformity with State law. Because we cannot limit independent expenditures and campaigns and the public often do not know when, or by whom they are made, we have also recommended increasing the amount of disclosure of independent expenditures. The Commission is also recommending an increase in the contribution limit. Because the Commission believes this is an important subject that should have wide public debate, it is submitting a majority report and a minority report on this recommendation.

Accordingly, attached are the following materials:

- a copy of the ordinance with the recommended revisions;
- an annotated copy of the ordinance with the recommended revisions, in which each section contains an annotation that explains the purpose of the recommended revisions;
- a memorandum regarding the recommended increase in contribution limits, which includes a majority and a minority report; and
- a chart attachment to the majority report that provides data on City, State and Congressional races in Seattle in 1996, 1997, 1998 and 1999.

Commission members will be present at the Council Committee meeting on July 6, 2000, to discuss the recommendations and to answer questions about them. Please feel free to call me or my staff at any time to clarify these provisions or other aspects of the Code and Rules. We look forward to working with you on these recommendations.

THANK YOU.

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226 Municipal Building, 600 Fourth Avenue, Seattle, WA 98104

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# City of Seattle

## Ethics and Elections Commission

Carolyn M. Van Noy, Executive Director

To: Seattle City Council  
From: Seattle Ethics and Elections Commission  
Date: June 28, 2000  
Re: Recommendation To Increase Contribution Limit From \$400 to \$800

At its May 3, 2000 meeting, the Commission voted to recommend raising the contribution limit from \$400 per four-year election cycle to \$800 per four-year election cycle. This decision was made in the course of our annual debate on changes to the Code of Ethics and the Elections Code. The vote was 3-2 in favor of the increase, with two members of the Commission absent. Because the Commission was divided on this important issue, we decided to submit our recommendation with both a majority and a minority opinion attached.

### BACKGROUND

In 1971, the Seattle City Council adopted extensive campaign public disclosure and expenditure limits in response to a scandal that resulted from the discovery that two council members had accepted contributions from the gambling industry. The scandal involved payoffs to police officers to dissuade them from enforcing gambling laws, and efforts by the council members who received the contributions to liberalize the law's restrictions on gambling activities.

The expenditure limits adopted in 1971 could not be enforced after the 1976 Supreme Court decision striking down expenditure limits without public financing. In 1977, the Council passed an ordinance establishing contribution limits of \$250 per year for individuals and \$500 for political action committees. When these limits were adopted, the Council expressed its intent that "the municipal election process and municipal government should be protected from undue influence by individuals and groups making large contributions to the election campaigns of candidates for Mayor, City Council and City Attorney." The 1977 ordinance language of intent is still contained in the Elections Code. SMC 2.04.350 provides:

#### **SMC 2.04.350 Findings of fact -- Limitations to be imposed.**

A. The City finds that, in the interest of the public health, safety and welfare, the municipal election process and municipal government should be protected from undue influence by individuals and groups making large contributions to the election campaigns of candidates for Mayor, City Council and City Attorney.

B. The City finds that, in the interest of the public health, safety and welfare, the municipal election process and municipal government should be protected from even the appearance of undue influence by individuals or groups contributing to candidates for Mayor, City Council and City Attorney.

C. The City therefore finds that limitations on contributions of money, services and materials by individuals or groups to municipal election campaigns should be imposed by law to protect the public health, safety and welfare. These limitations, however, should be reasonable, so as not to discourage personal expression.  
(Ord. 116368 Section 20, 1992; Ord. 110909 Section 2(part), 1982; Ord. 107772 Section 1(part), 1979; Ord. 106653 Section 13-A, 1977.)

In 1982, the Council increased the contribution limit to \$350 per year and eliminated the distinction between individual and political committee contributions.

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In 1992, the Ninth Circuit Court of Appeals held California's contribution limit was unconstitutionally discriminatory against challengers because it was calculated on an annual basis. In response to that decision, the Commission recommended that the City Council change the contribution limit from \$350 per year to \$500 in a four-year cycle. The Council adopted the four-year cycle recommendation, but changed the limit to \$400 per four-year cycle. The limit has not been changed since 1994.

**RECOMMENDATION:** The Commission recommends that the Council increase the contribution limit from \$400 to \$800 per four-year election cycle.

A majority and a minority opinion follow, for your consideration.

**MAJORITY REPORT:**

by Paul Dayton, J. Patrick Dobel, and Sharon Kim Gang

**1. Change is necessary because existing limits are outdated and do not reflect the cost of campaigning.**

The current contribution limit of \$400 in a four-year election cycle was established in 1994. We believe the contribution limit should be increased because (a) the limit set in 1994 was not equivalent to the amounts permitted in prior years, (b) the cost of campaigning has increased, and (c) inflation requires an increase.

(a) The 1994 limit was not equivalent to the amounts permitted in previous years. From 1977 to 1982, candidates could raise a maximum of \$250 per contributor, per year. Over a four-year period, the candidate could accept \$1,000 from each contributor. In practice, however, most candidates raised funds during the election year and the year after. Therefore, from 1977 to 1982, most candidates could collect a maximum of \$500 per contributor. In 1982, the limit was increased to \$350 per year. Therefore, from 1982 to 1994, candidates could accept up to \$1,400 from each contributor. In practice, most collected \$700 from each contributor who gave the maximum.

The maximum that could be accepted was decreased in 1994 from \$1,000 (in practice most candidates accepted no more than \$700, i.e., \$1,000/\$700 limit) to \$400 in four-years. This change was the result of a change in the means of calculating contribution limits from annually to over a four-year cycle, in response to a Ninth Circuit Court of Appeals decision. That decision held California's contribution limit unconstitutionally discriminatory against challengers because it was calculated on an annual basis. That decision made Seattle's annual limit vulnerable to a losing court challenge. Therefore, the Commission recommended that the Council change the contribution limit from \$350 per year to \$500 per four-year cycle. The Council adopted a limit of \$400 per four-year cycle. There is no evidence that the number was based on empirical data.

June 28, 2000

(b) The cost of campaigning has increased since 1994. In 2000, we know that the cost of campaigning has increased at least 12.45%, since 1994. We arrived at this figure by researching the cost of the most commonly used methods of campaigning for City office, the cost of postage, printing, paper, and envelopes, from 1994 to 2001. The increase in these costs alone mandates an increase in the amount of money that candidates should be able to accept from contributors.

(c) Inflation has increased. We also researched inflation from 1977 to 1999 and found that the inflation factor for that period is 3.2. This means that the buying power of \$250 in 1977 requires \$800 in 1999 ( $\$250 \times 3.2 = \$800$ ). The inflation factor in 1994 was 2.6. Therefore, if the 1994 limit had been established to reflect inflation, it would have been set at \$650 ( $\$250 \times 2.6 = \$650$ ). From 1994 to 1999, the inflation factor is .21. Therefore, the increase in 1999 would be \$786, rounding to the nearest \$50 would take it to \$800 ( $.21 \times \$650 = \$136.5 + \$650 = \$786.5$ ).

We believe that the 1994 decrease in the maximum contribution from \$1,400/\$700 to \$400 was far too great. Therefore, we suggest adjusting the limit to account for the inequity of that decrease, the increased cost of campaigning in the intervening years, and increased inflation by raising the contribution limit to \$800 per four-year election cycle.

**2. Increasing limits will increase the opportunity for candidates to disseminate their messages and to debate the issues.**

The major problem for a candidate in an open seat, or a challenger, is to let people know that this is a serious candidate with an important message. By increasing the contribution limit to \$800, candidates will be able to raise money early in the campaign. The resulting increased early funds will give candidates the opportunity to make their messages heard and debate the issues in advance of the election. Increasing the limit to \$800 will make it possible for candidates to increase campaign activity, to spend more time talking with constituents, preparing issue papers, and debating issues.

The tools candidates use to get out their messages cost money. We must provide the ability for candidates to use those tools. Direct mail is the most common method for City office candidates to reach the public. The cost of postage, printing, design, and paper has increased and will continue to increase.

Incumbents will always have an advantage in raising campaign contributions, whether the limits are low or high. Increasing the contribution limit to \$800 over a four-year election cycle will make it possible for challengers to raise a sufficient amount of money to be viable candidates in the election. Keeping the limit artificially low will only harm challengers by making it harder for them to raise sufficient funds to mount a serious campaign.

**3. Increasing the limit from \$400 to \$800 per four-year cycle will not result in undue influence of money on the conduct of government.**

The Elections Code expresses the policy of imposing contribution limits to prevent undue influence of money on the conduct of government. See SMC 2.04.350 above. Increasing the limit from \$400 to \$800 per four-year cycle will not result in undue influence of money on elected officials, because \$800 is still a very small amount of money.

In 1997 and 1999, successful City Council Candidates spent between \$50,000 and \$192,000 and the successful candidate for Mayor spent \$394,000. An \$800 contribution is a minor amount of money in the context of the total raised by those campaigns. Therefore, raising the contribution limit to \$800 over a four-year election cycle will not result in undue influence of large contributions on the conduct of government.

**4. An \$800 contribution limit compares favorably to the County and the State limits.**

Because all City office candidates are elected City-wide, candidates cannot doorbell the jurisdiction. Even in those county and state races that are by district, and include fewer than one-third of the households as City office candidate positions, the contribution limits are substantially higher than those currently for City office candidate campaigns. King County's limit is \$1,300 (\$650 for the Primary and \$650 for the General Elections). State Legislative races have a limit of \$1,200 (\$600 for Primary and \$600 for the General, increased in 2000 from \$575 for each election). U.S. Congress Position 7 covers approximately the same number of households as all City office positions, yet the contribution limit is \$2,000 (\$1,000 for the Primary and \$1,000 for the General). See the chart attached.

By increasing the contribution limit from \$400 in a four-year cycle to \$800 in a four-year cycle, we are providing the same benefit that other jurisdictions provide in separate limits for the Primary and General Elections. We are proposing an increase, however, that does not limit candidates to using half in the Primary and saving half for the General Election. We believe this will enhance political activity by enabling individuals, especially challengers, to mount campaigns more effectively.

**5. Increasing limits will enable candidates to spend more time campaigning and less time raising money.**

Candidates for City Council spend far too much of their time raising money rather than devoting time to debating the issues of the day. Raising the limit will reduce the time they need to spend calling potential contributors, planning, and holding fundraisers. By raising the contribution limit, candidates will not have to contact as many people to raise the money needed to run the campaign and can focus on participating in vigorous debate of the issues.

## MINORITY REPORT

by Timothy Burgess and Catherine L. Walker

We respectfully disagree with our colleagues on raising the contribution limit to \$800, and we present the following arguments for your consideration.

**1. We believe an increase to \$800 is not supported by the increase in inflation in the intervening years.**

The contribution limit was last increased in 1994, from \$350 per year to \$400 per four-year election cycle. Inflation from 1994 to 2000 has been approximately 15%. The Commission staff researched the increased cost of mailings (paper, printing, and postage) and found an approximately 15% increase during the same period. Based on this information, a more appropriate increase would be 15%, or from \$400 to \$460. Rounding that number to the nearest full hundred-dollar amount would result in an increase from \$400 to \$500 per four-year election cycle. We would support an increase in the contribution limit to \$500 based on this rationale.

**2. For purposes of establishing contribution limits, there is little comparability between Seattle, on the one hand, and King County, Washington State, and other jurisdictions in general, on the other hand.**

Seattle conducted campaigns with much lower contribution limits than the County and the State for many years before the County and the State adopted contribution limits. Seattle has been a pioneer in the area of campaign finance, and looking to the County or the State for guidance rarely advances Seattle's position. In Washington State and in the U.S., Seattle is a leader, not a follower.

Furthermore, many local jurisdictions with populations comparable to or larger than Seattle's impose contribution limits equal to or more restrictive than Seattle's. The following table indicates limits for jurisdictions with populations of 300,000 and more.

**Contribution Limits for Local Jurisdictions of 300,000 or More Population**  
 (Sorted by Population)

<b>Jurisdiction</b>	<b>Population</b>	<b>Contribution Limits Per Election Cycle</b>	<b>Public Financing</b>
Los Angeles, California	3,485,000	\$1,000 for Council, \$200 for Mayor & City Att	Yes
King County, Washington	1,507,000	\$1,300 from individuals, \$2,000 from PACs	
San Diego, California	1,111,000	\$500 from individuals	
Contra Costa County, CA	879,000	\$650 for individuals, \$1,000 for PACs	
San Jose, California	782,000	\$500 for Mayor, \$200 for Council	
Washington, D.C.	607,000	\$2,000 for Mayor, \$1,500 for Council chair, \$1,000 for Council-at-large	
Seattle, Washington	516,000	\$400 from individuals, businesses, PACs	
Cleveland, Ohio	506,000	\$1,000 from individuals, \$2,000 from PACs	
Austin, Texas	472,000	\$200 from individuals, \$2,000 from PACs	
Denver, Colorado	468,000	\$3,000 for Mayor, \$2,000 for Council	
Long Beach, California	429,000	\$1,000 for Mayor, \$500 for Council	Yes
Tucson, Arizona	415,000	\$500 from individuals, \$1,000 from PACs	Yes
Oakland, California	372,000	\$100 to \$500 from individuals, \$1,000 from PACs, highest if voluntary spend limits	
Cincinnati, Ohio	364,000	\$1,000 from individuals, \$2,500 from PACs	
Fresno, California	354,000	\$1,000 from individuals	

**3. We believe raising the contribution limit from \$400 to \$800 per four-year cycle will diminish the value of smaller dollar contributors.**

One of the primary arguments in favor of contribution limits is that they tend to create broad equality in the amount of influence any one contributor can exert. Nearly 62% of all 1999 contributions to City office campaigns were given in amounts less than \$400. We can expect that the majority (perhaps the overwhelming majority) of individuals who have given \$400 contributions will make \$800 contributions. We believe this will increase the influence of large donors while diminishing the value of smaller contributors. In other words, the gap between average contributors and major donors will grow wider. Moreover, without reforming other aspects of campaign finance, increasing the limit will increase the total dollars in any single election, which drives campaign expenditures up generally. That in turn raises the psychological and financial stakes for all candidates, but particularly for newcomers. We do not believe the City's election law should contribute to the upward spiral of the cost of campaigns without a demonstrable benefit to the public.

**4. We do not share the opinion that elected officials will be able to spend less time on fundraising if the contribution limit is doubled.**

As the cost of campaigning increases, candidates will be compelled to spend the same amount of time, if not much more, raising money. It is wishful thinking to believe that doubling the contribution limit will alleviate the pressure or motivation to spend time on fundraising.

**5. We believe there are alternatives to doubling the contribution limit that will contribute more to campaign finance reform and will enhance the public's confidence in Seattle's government.**

- We believe the City should vigorously seek to reinstate partial public financing of election campaigns that was taken away when state voters passed Initiative 134 in 1992. Seattle's experience with partial public funding was a positive one and resulted in a larger percentage of smaller contributions compared to recent years without public financing. Public financing of campaigns will lead to significant campaign finance reform and will certainly contribute to a more level playing field.
- We believe voluntary campaign spending caps, when linked with higher contribution limits, would encourage more people to consider running for elected office and would help slow the increase in overall campaign costs.
- We believe raising the limit on individual contributions for the first \$30,000 raised by a campaign would encourage challengers by making it easier to raise seed money to jump-start a campaign. We would support allowing contributions of \$800 per election cycle until the campaign has raised its first \$30,000. Contributions received after the first \$30,000 has been raised would be restricted to the normal level, say \$500 per election cycle.

We believe these and other creative ideas represent a more reasoned approach to reforming campaign finance and we urge you to give them serious consideration.

The Commission's and the Council's roles in election matters are not strictly limited to regulation and enforcement. Their roles include advocacy of appropriate election policy issues on campaign finance, citizen participation in elections, and other topics related to an effective and vibrant democracy.

1997	# of Reg Voters	Absentees Issued		Absentees Returned		All Ballots Cast		Campaign Expenses	Approx Cost Per Vote	Contribution Limit
		w/o 11 <sup>th</sup> & 34 <sup>th</sup>	w/ 11 <sup>th</sup> & 34 <sup>th</sup>	w/o 11 <sup>th</sup> & 34 <sup>th</sup>	w/ 11 <sup>th</sup> & 34 <sup>th</sup>	w/o 11 <sup>th</sup> & 34 <sup>th</sup>	w/ 11 <sup>th</sup> & 34 <sup>th</sup>			
City of Seattle	351,083	61,795	91,379	50,617 82%	65,311 71.4%	196,961 56%**				
Conlin						102,545	118,044	\$1.15	\$400	
Steinbr						106,656	\$49,737	\$ .47	\$400	
Drago						100,871	\$96,494	\$ .96	\$400	
Licata						77,723	\$87,274	\$1.12	\$400	
McIver						107,441	\$97,572	\$ .91	\$400	
King County										
5 <sup>th</sup> Pelz	61,262					18,944	\$71,642	\$3.78	\$650/ \$1,000 PAC P&G***	
1996										
House										
36 <sup>th</sup>	75,748					38,704	\$23,017	\$ .59	\$550 P&G	
Dickers										
37 <sup>th</sup>	54,428					24,590	\$55,026	\$2.24	\$550 P&G	
Tokuda										
43 <sup>rd</sup>	74,969					34,505	\$25,406	\$ .74	\$550 P&G	
Chopp										
7 <sup>th</sup>										
Cong										
McDer	358,743		83,516		76,674	209,753	199,674	\$ .95	\$1,000/ \$5,000 PACs P&G	

\*Ballots Cast in the General Election for the winning candidate

\*\*This is the true number of ballots cast in the City of Seattle, which includes portions of the 11<sup>th</sup> & 34<sup>th</sup>.

\*\*\* P&G refers to Primary and General Election. Limit is full amount for each election.

1999	Reg Voters	Absentees Issued		Absentees Returned		All Ballots Cast*		Expenditures	Per Vote	Contrib Limit
		w/o 11 <sup>th</sup> & 34 <sup>th</sup>	w 11 <sup>th</sup> & 34 <sup>th</sup>	w/o 11 <sup>th</sup> & 34 <sup>th</sup>	w 11 <sup>th</sup> & 34 <sup>th</sup>	w/o 11 <sup>th</sup> & 34 <sup>th</sup>	w 11 <sup>th</sup> & 34 <sup>th</sup>			
City of Seattle	352,090	77,315	113,746	59,101 76%	88,000 77.3%	182,729 52%**				
Nicast						79,662	\$83,600	\$1.05	\$400	
Steinbr						118,484	\$50,286	\$ .42	\$400	
Pageler						97,665	\$91,862	\$ .94	\$400	
Wills						89,662	192,007	\$2.14	\$400	
Compt						84,511	152,960	\$1.81	\$400	
K. City	88,764					33,171	\$ 2,322	\$ .07	\$650/ \$1,000 PACs P&G***	
2 <sup>nd</sup> Sulliv										
4 <sup>th</sup> Phillips	91,431					31,229	\$86,400	\$2.77	\$650/ \$1,000 PACs P&G	
1998 House										
36 <sup>th</sup> Dickers	77,091					36,771	\$26,439	\$ .72	\$575 P&G	
37 <sup>th</sup> Tokuda	56,455					27,926	\$19,855	\$ .71	\$575 P&G	
43 <sup>rd</sup> Chopp	76,124					32,539	25,104	\$ .77	\$575 P&G	
1998 Senate										
36 <sup>th</sup> Kohl-	77,091					37,512	\$42,547	\$1.13	\$575 P&G	
Wells	56,455					28,230	\$97,387	\$3.45	\$575 P&G	
37 <sup>th</sup> Kline	76,124					33,610	\$25,400	\$ .76	\$575 P&G	
43 <sup>rd</sup> Thibad										
1998 7 <sup>th</sup> Congressional										
McDer	366,728		104,410		89,321	183,076	321,594	\$1.76	\$1,000/ \$5,000 PACs P&G	

\*Ballots Cast in the General Election for the winning candidate

\*\*This is the true number of ballots cast in the City of Seattle, which includes portions of the 11<sup>th</sup> & 34<sup>th</sup>.

\*\*\* P&G refers to Primary and General Election. Limit is full amount for each election.

## **DIVIDED REPORT ON CAMPAIGN CONTRIBUTION LIMITS**

This issue was discussed at the Legislative Department and Intergovernmental Affairs Committee on September 22, 2000. The Committee voted unanimously in favor of most changes to Seattle Municipal Code, Chapter 2.04, Election Campaign Contributions. The Committee divided on one issue: the amount of allowable campaign contributions established in Section 2.04.370.

**Majority Report (Pageler, Drago, Conlin).** Increase the limit to \$600. This amount is between the current limit of \$400 and the \$800 proposed in the Seattle Ethics and Elections Commission (SEEC) majority report.

- We are aware of only two other jurisdictions in the State of Washington that impose campaign contribution limits on local officials, King and Snohomish Counties, and both have higher limits than Seattle.
- The current limit does not reflect the current cost of running a campaign.
- There is no theoretical basis for the \$400 limit. \$600 is a reasonable limit.
- Seattle's Ethics and Elections Commission has twice recommended that we increase the allowed contributions. In 1994 they recommended \$500, and this year they recommended \$800. Even the SEEC minority voted for an increase to \$500.
- An increase in permissible limits is necessary to counteract the effect of large, unlimited contributions that can be made as independent expenditures or as contributions of candidates to their own campaigns.
- The more time is spent on fund-raising, the less time is available to discuss issues.
- Incumbents get free media time; the limit should be set high enough to enable challengers to be able to counteract that.
- Upper end contributions do not buy influence. Larger contributors are often friends and relatives who vote because of the ability of the candidate to do the job, not specific issues. Ten or fifteen friends giving the maximum give a campaign its start.
- The volunteer is as likely to be remembered as the larger contributor.
- \$600 is a substantial limit; it does not create a situation where only corporations can be the big donors.

**Minority Report (Licata).** Maintain the current limit of \$400.

**(Steinbrueck).** Maintain the current limit of \$400, contingent upon legislation being prepared for later introduction, which would authorize the SEEC to adjust contribution limits in small incremental amounts to be tied to an index, for example, the Consumer Price Index. The Committee requested such legislation to be prepared, but did not act on specific amendatory language to require its preparation; Councilmember Steinbrueck proposes such language as attached.

**(Steinbrueck).** Even if the limit is raised, adopt the amendatory language to authorize SEEC to adjust contribution limits in small incremental amounts to be tied to an index.

- Money should be de-emphasized as a way to reach the public. Candidates should rely on personal contact, the free press, community service and volunteerism as means to reach voters.
- Doubling the contribution limit favors incumbents.
- The more the contribution limit is raised, the more candidates will rely upon the small group of persons able to give that amount. The raise in limit increases the gap between the candidate and the average constituent he or she hopes to represent.
- Raising the limit will increase the cost of campaigning for all candidates.
- Candidates are more likely to remember the bigger contributor; the contributor wants the attention of the candidate once in office.
- The larger the increase in the contribution limit, the more likely it will lead to a shift in the distribution of contributors. Increases should be in small increments when they occur.
- From 1995 to 1999, campaign spending for City Council races has increased nearly 50%, and the average contribution also increased. Raising the contribution limit will increase these trends, and the system will be less accessible.
- Small contributors would be of less importance with a higher limit.

**Change proposed by Council President Pageler, and Councilmembers Drago and Conlin.**

**2.04.370 Mandatory limitations on contributions.**

A. No person shall make a contribution to any candidate for Mayor, member of the City Council, or City Attorney of the City, except in the election cycle for that candidate as defined in Section 2.04.010(7).

B. No person shall contribute more than ~~((Four))~~ Six Hundred Dollars ~~(((\$400))~~ (\$600) to any candidate for Mayor, member of the City Council, or City Attorney of the City, in any election cycle.

C. A candidate for Mayor, member of the City Council, or City Attorney of the City, may only accept or receive a campaign contribution during an election cycle as defined in Section 2.04.010(7).

D. No candidate for Mayor, member of the City Council, or City Attorney of the City shall solicit or receive campaign contributions of more than ~~((Four))~~ Six Hundred Dollars ~~(((\$400))~~ (\$600) from any person in any election cycle, provided:

1. The limitations imposed by this section shall not apply to a candidate's contributions of his or her own resources to his or her own campaign;

2. The limitations imposed by this section shall not apply to independent expenditures as defined by this chapter; and

3. The limitations imposed by this section shall not apply to the value of in-kind labor; and

4. The limitations imposed by this section shall not apply to contributions consisting of the rendering of clerical or computer services on behalf of a candidate or an authorized political committee, to the extent that the services are for the purpose of ensuring compliance with City, county, or state election or public disclosure laws((; and

~~5. Contributions to candidates for 1995, 1996, or 1997 City office campaigns received prior to October 16, 1994, shall not be calculated in the contribution limitations imposed by this section)).~~

**Change Proposed by Councilmembers Licata and Steinbrueck (retaining \$400 limit).**

Section 11. Section 2.04.370 of the Seattle Municipal Code is amended as follows:

**2.04.370 Mandatory limitations on contributions.**

A. No person shall make a contribution to any candidate for Mayor, member of the City Council, or City Attorney of the City, except in the election cycle for that candidate as defined in Section 2.04.010(7).

B. No person shall contribute more than **Four Hundred Dollars (\$400)** to any candidate for Mayor, member of the City Council, or City Attorney of the City, in any election cycle.

C. A candidate for Mayor, member of the City Council, or City Attorney of the City, may only accept or receive a campaign contribution during an election cycle as defined in Section 2.04.010(7).

D. No candidate for Mayor, member of the City Council, or City Attorney of the City shall solicit or receive campaign contributions of more than **Four Hundred Dollars (\$400)** from any person in any election cycle; provided:

1. The limitations imposed by this section shall not apply to a candidate's contributions of his or her own resources to his or her own campaign;

2. The limitations imposed by this section shall not apply to independent expenditures as defined by this chapter; and

3. The limitations imposed by this section shall not apply to the value of in-kind labor; and

## Summary of Testimony Presented on October 5, 2000

**Jeff Alberston** opposes the increase.

- He contributed the maximum in the last election and helped raise two times that amount through a house party, co-hosting, among others, young people who had not donated before and had never met a candidate. This was an opportunity for engagement in the electoral process beyond casting a vote. Some of these people might not have contributed at all if they knew their small contribution was competing for impact with contributions of six or eight hundred dollars from major donors.
- We are already seeing a shrinking number of contributors making larger average donations. With a higher limit, candidates will spend more and be caught up in the chase for dollars from donors who now give the maximum, who are the only donors who would be able to give more.
- Money does not necessarily buy influence and certainly does not buy specific votes. Contribution is political speech. A system with lower limits is more democratic. A range of citizens would have a more equal voice in the process if the limit were lower.
- There is more than enough money flowing into the system to run a viable campaign. The top fundraiser in 1999, not an incumbent, raised a record \$198,000.
- A higher limit does not help to defend against the effect of large independent expenditures. Were the limit to go up, independent expenditure contributors could give more. Voters can be smart and perceptive; the most targeted candidate in the last election still won.
- There is a matter of values. Citizens willing to contribute \$400 ought to be able to say enough is enough, and give other money to philanthropic causes.

**Curt Firestone** opposes the increase.

- Limits should be decreased to \$300.
- Raising campaign limits in Seattle is going against the campaign reform movement throughout the country.
- An increase to \$600 will distance councilmembers and candidates from a large segment of the population. The higher the limits, the more exclusive candidates will be in who they talk to and who they reach out to. Lower limits force candidates to speak to as many people as possible to raise money. If we rely on mailings and television, then there are incumbents and candidates who have distanced themselves from the public they have pledged to serve. The more people we reach out to and talk to, the more effective we are in running a democracy.
- All residents should have equal opportunity to contribute equal amounts. The person with an income of \$40,000 a year should have the same opportunity to give as the one who earns \$200,000 a year.
- In some ways he sees this legislation as partisanship. The Democratic party is considered to be the party of inclusion. It includes everybody at the grassroots level. The Republican party is seen as a rich and elitist party. Raising the limits could be considered Republican-type of legislation.

- Look at maintaining the status quo and at lowering the limits so that we include more of the public.

**Roger Pence** favors the increase.

- This is a huge city. You can doorbell all summer long and not reach everyone. Mass media are necessary to get the message out. Grassroots efforts alone will not yield to a successful campaign.
- Reach a contribution limit level as a matter of policy and then adjust it for inflation every two years.. A frozen limit is no assurance that campaigns will remain affordable or less costly than they would otherwise be.
- If one adjusts the original figure for inflation, something in the range of \$800 is what you end up with, but it is not necessarily the right level.
- Quality of contact in “dialing for dollars” is not a real quality contact putting the candidate in touch with the voters.
- He would be comfortable with a figure in the \$600 range divided between primary and general elections. If there is no split, and candidates have tapped out friends, neighbors and relatives in the primary, then special interest money can pour in and make the difference. Candidates and the system would be better off if one could go back to supporters.

**Sean Rockhold, Green Party**, a grass-roots organizer, opposes the increase.

- The argument made is that candidates will have more time for Council duties if limits are raised. Campaigners believe in their message. If one can spend more money, one can put out the message. They will raise money if they can do so. The effect of higher limits will not be more time, but inflating the cost of elections to the detriment of the grass-roots community.
- The argument is made that higher limits will address soft money, independent expenditures. Higher limits would help those who can rely on large donors, but would put grass roots at further detriment in the financial “arms race.”
- The argument is made that the higher limits can provide seed money for candidates challenging incumbents. The proposal targets a specific set of challengers, those who can rely upon maximum-level contributors, and puts the grass roots community at a disadvantage.
- The proposal would create more problems than we solve. The change would handicap grass roots efforts, diminish the image of government and leave the issues of independent expenditures largely untouched. We need to find better solutions.

**Stacey Mitchell, Sierra Club**, opposes the increase.

- Sierra Club is a grass roots, citizen based organization that engages in the political process. Many do it by volunteer hours and donations, often not more than \$30.
- The higher the limit, the more the smaller contributors will be outspent and out-voiced.

- Their PAC can only give a fraction of what the timber industry and similar interests can give.
- They support turning the tide in campaign financing at the national level and believe this legislation is moving in the wrong direction.
- Thanks to those who have decided to oppose the increase and respect the power, creativity and energy that citizens have to offer. She hopes others will follow.

**Trevor Griffey, Coordinating Councilmember, Seattle Greens; Campaign Manager for Joe Swaja's campaign** opposes the increase.

- Has only been involved in electoral politics for about a year.
- Money, especially large sums of money can buy legitimacy.
- If a candidate lacks a campaign message, one can do polling. If one can't earn media, one can buy media. Money can compensate for divisions in inside coalitions that need to be mended in ways that money should not be used to mend.
- The major problem is when one group or candidate has so much more money than another, there are aspects of looking professional, being coached, working a message that play very well toward reaching out to large numbers of people.
- Large donors will increase their donations.
- Those relying on one- and two hundred-dollar donors, particularly challengers, won't get the same advantage as incumbents and those with name recognition.
- The scale will be tipped, and debate will be stifled. An open forum can't happen when there are significant disparities..
- He questions that a \$400 limit is arbitrary, but \$600 or \$800 limits are not.
- Looking at who can raise money historically may be the best source of information to see how arbitrary the system is.
- He is concerned that there is no calculus behind this, and that it is simply a jack in the rates.

**Daniel Norton, opposes the increase.**

- Ran for City Council
- Agrees that the Council should look at going back to the old system.
- He looked for those he knew who were partners who could give \$800 immediately. For some, this would be the maximum; for others, it would not be an issue. Do we want our system dependent on the people who can give the maximum, or on those who can give the \$50, \$75 or \$100 check? He thinks it is important to the system and the credibility of candidates to do the latter.
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- The Council should look at alternatives to increasing participation and people's seeing government as their government, and decreasing the influence of big money.

## Summary of Testimony Presented on October 5, 2000

**Jeff Alberston** opposes the increase.

- He contributed the maximum in the last election and helped raise two times that amount through a house party, co-hosting, among others, young people who had not donated before and had never met a candidate. This was an opportunity for engagement in the electoral process beyond casting a vote. Some of these people might not have contributed at all if they knew their small contribution was competing for impact with contributions of six or eight hundred dollars from major donors.
- We are already seeing a shrinking number of contributors making larger average donations. With a higher limit, candidates will spend more and be caught up in the chase for dollars from donors who now give the maximum, who are the only donors who would be able to give more.
- Money does not necessarily buy influence and certainly does not buy specific votes. Contribution is political speech. A system with lower limits is more democratic. A range of citizens would have a more equal voice in the process if the limit were lower.
- There is more than enough money flowing into the system to run a viable campaign. The top fundraiser in 1999, not an incumbent, raised a record \$198,000.
- A higher limit does not help to defend against the effect of large independent expenditures. Were the limit to go up, independent expenditure contributors could give more. Voters can be smart and perceptive; the most targeted candidate in the last election still won.
- There is a matter of values. Citizens willing to contribute \$400 ought to be able to say enough is enough, and give other money to philanthropic causes.

**Curt Firestone** opposes the increase.

- Limits should be decreased to \$300.
- Raising campaign limits in Seattle is going against the campaign reform movement throughout the country.
- An increase to \$600 will distance councilmembers and candidates from a large segment of the population. The higher the limits, the more exclusive candidates will be in who they talk to and who they reach out to. Lower limits force candidates to speak to as many people as possible to raise money. If we rely on mailings and television, then there are incumbents and candidates who have distanced themselves from the public they have pledged to serve. The more people we reach out to and talk to, the more effective we are in running a democracy.
- All residents should have equal opportunity to contribute equal amounts. The person with an income of \$40,000 a year should have the same opportunity to give as the one who earns \$200,000 a year.
- In some ways he sees this legislation as partisanship. The Democratic party is considered to be the party of inclusion. It includes everybody at the grassroots level. The Republican party is seen as a rich and elitist party. Raising the limits could be considered Republican-type of legislation.

- Look at maintaining the status quo and at lowering the limits so that we include more of the public.

**Roger Pence** favors the increase.

- This is a huge city. You can doorbell all summer long and not reach everyone. Mass media are necessary to get the message out. Grassroots efforts alone will not yield to a successful campaign.
- Reach a contribution limit level as a matter of policy and then adjust it for inflation every two years.. A frozen limit is no assurance that campaigns will remain affordable or less costly than they would otherwise be.
- If one adjusts the original figure for inflation, something in the range of \$800 is what you end up with, but it is not necessarily the right level.
- Quality of contact in “dialing for dollars” is not a real quality contact putting the candidate in touch with the voters.
- He would be comfortable with a figure in the \$600 range divided between primary and general elections. If there is no split, and candidates have tapped out friends, neighbors and relatives in the primary, then special interest money can pour in and make the difference. Candidates and the system would be better off if one could go back to supporters.

**Sean Rockhold, Green Party**, a grass-roots organizer, opposes the increase.

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ORDINANCE \_\_\_\_\_

AN ORDINANCE amending the Elections Code; amending, repealing, and adding various sections of and to Chapter 2.04 of the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsections 8, 13, and 21 of Section 2.04.010 of the Seattle Municipal Code are amended as follows:

SMC 2.04.010(8) revises the definition of "Candidate" to be more consistent with the Charter and the other subsections of this law and to further clarify the acts that constitute candidacy. The remainder are housekeeping changes.

**2.04.010 Definitions.**

\*\*\*

8. "Candidate" means any individual who seeks election to ~~((public office in the City))~~ the office of Mayor, member of the City Council, or City Attorney of the City, whether or not successfully. An individual shall be deemed to seek election when he or she first:

- a. Solicits or ~~((R))~~ receives contributions; or
- b. ~~((m))~~ Makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office ~~((, or for the purposes of Subchapter IV Seattle Municipal Code Sections 2.04.350 through 2.04.375 to promote his or her public office));~~ or
- ~~((b-))~~ c. Announces publicly or files for office; or
- ~~((e-))~~ d. Purchases commercial advertising space or broadcast time to promote his or her candidacy; or
- ~~((d- Gives his or her consent to another person to take on behalf of the individual any of the actions in subsections 8a or 8e of this section; or))~~

1 e. Makes expenditures or solicits or receives contributions to explore the possibility of seeking  
2 election to City office; or

3 f. Gives his or her consent to another person to take on behalf of the individual any of the  
4 actions in subsections 8a or 8b, 8d or 8e of this section.

5 \*\*\*

6 **SMC 2.04.010(13) and (21)** adds the State law provision, RCW 42.17.020(13)(iii), that copying and distributing  
7 a campaign's advertising is a contribution to the campaign, not an independent expenditure.

8 13. "Contribution" means a loan, loan guarantee, gift, deposit, subscription, forgiveness of  
9 indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or  
10 transfer of anything of value, including personal and professional services, for less than full  
11 consideration, but does not include (a) interest on moneys deposited in a political committee's account;  
12 (b) ordinary home hospitality; (c) the rendering of legal or accounting services on behalf of a candidate  
13 or an authorized political committee but only to the extent that the services are for the purpose of  
14 ensuring compliance with City, county or state election or public disclosure laws; (d) the rendering of  
15 personal services of the sort commonly performed by volunteer campaign workers; (e) incidental  
16 expenses personally incurred by campaign workers not in excess of Twenty-Five Dollars (\$25), in the  
17 aggregate, during the applicable period, personally paid for by a volunteer campaign worker; or (f) an  
18 internal political communication primarily limited to the members of a political party organization or  
19 political committee, or to the officers, management staff, or stockholders of a corporation or similar  
20 enterprise, or to the members of a labor organization or other membership organization. For purposes of  
21 this definition, members are those who (i) regularly pay dues in exchange for benefits from the  
22 organization, or (ii) are able to vote, directly or indirectly, for at least one (1) member of the  
23 organization's governing board, or (iii) adhere to a code of conduct, the violation of which may subject  
24 the members to sanctions that could adversely affect their livelihood, or (iv) participate in the

1 organization's policy-formulating committees. For the purposes of this chapter, contributions other than  
2 money or its equivalents shall be deemed to have a money value equivalent to the fair market value of  
3 the contribution. Sums paid for tickets to fundraising events such as dinners and parties are  
4 contributions; however, the amount of any such contribution may be reduced for the purpose of  
5 complying with the reporting requirements of this chapter by the actual cost of consumables furnished in  
6 connection with the purchase of such tickets, and only the excess over actual cost of such consumables  
7 shall be deemed a contribution. Without limiting the foregoing, the financing by a person of the  
8 dissemination, distribution, or publication, in whole or in part, of broadcast, written, graphic, or other  
9 form of political advertising prepared or approved by a candidate, a political committee, or the  
10 authorized agent of a candidate or political committee is a contribution to the candidate or political  
11 committee.

12 \*\*\*

13 21. "Independent expenditure" means expenditure on behalf of, or opposing the election of, any  
14 candidate, or any City ballot proposition, when such expenditure is made independently of the  
15 candidate, his/her political committee, or agent, or of any ballot proposition committee or its officers or  
16 agents, and when such expenditure is made without the prior consent, or the collusion, or the  
17 cooperation, of the candidate or his/her agent or political committee, or the ballot proposition committee  
18 or its officers or agents, and when such expenditure is not a contribution as defined in the last sentence  
19 of SMC 2.04.010 (13). An independent expenditure is made by a person on the earliest of the following  
20 events: (a) the person agrees with a vendor or provider of services to make an independent expenditure;  
21 or (b) the person incurs the obligation to make an independent expenditure; or (c) the person pays for an  
22 independent expenditure.

23 \*\*\*

1 Section 2. Subsection H of Section 2.04.060 of the Seattle Municipal Code is amended as  
2 follows:

3 **SMC 2.04.060(H)** reflects the practice of publishing a report by December 22 and the report is of all campaign  
4 finance information filed with the City Clerk.

5 **2.04.060 Executive Director – Duties.**

6 The Executive Director of the Seattle Ethics and Elections Commission shall be responsible  
7 for the management of said office, may in the exercise of such duties consult with the Seattle Ethics  
8 and Elections Commission and in that connection is authorized to:

9 \*\*\*

10 H. By December 22 of each odd-numbered year, p((P))repare and publish ((, not less than ten (10)  
11 days before newly elected officers take office,)) a report setting forth, as to each ((candidate who filed a  
12 final report))committee promoting or opposing a candidate or ballot issue on the ballot that year, the  
13 amounts and sources of all contributions and the amounts and purposes of all expenditures ((set forth in  
14 such final report; and the names and addresses of any candidates who failed to file a final report or who  
15 filed an incomplete final report)) received by or made by those committees; and prepare and publish such  
16 other reports as in his or her judgment will tend to promote the purposes of this chapter;

17 \*\*\*

18 Section 3. Section 2.04.155 of the Seattle Municipal Code is amended as follows:

19 **SMC 2.04.155** requires political committees, including continuing political committees, that contribute \$5,000 or  
20 more to City office or ballot issue campaigns to file electronically. In practice, this means that independent  
21 expenditure committees will file electronically and we will be able to post the information on the Web. Most  
22 continuing political committees do not contribute or spend \$5,000 or more on City campaigns. If continuing or  
23 other political committees file electronically with the State, they will also file electronically with the City.

24 **2.04.155 Electronic filing required -- Exemption.**

A. Each candidate or ballot proposition political committee that expects to receive or receives  
Twenty-Five Thousand Dollars (\$25,000) or more in aggregate contributions during the applicable

1 period must file all reports required by this chapter with the City Clerk by electronic transmission of the  
2 required information. ~~All((Each continuing))~~ political committees that ~~(1) are neither ballot proposition~~  
3 ~~nor candidate political committees, and (2) expect((s)) to make contributions((e or contributes)) or~~  
4 ~~expect((s)) to make ((or makes independent)) expenditures, including independent expenditures, of~~  
5 ~~((Twenty-))Five Thousand Dollars (\$((2))5,000) or more, in the aggregate during the applicable period,~~  
6 ~~to or for the benefit of candidates or candidate political committees or to or for the benefit of ballot~~  
7 ~~proposition political committees must file all reports required by this chapter with the City Clerk by~~  
8 ~~electronic transmission of the required information. The electronic format of the filing and the method~~  
9 ~~of transmission shall meet requirements designated in rules adopted by the Commission. In addition,~~  
10 ~~each political committee that files electronically with the PDC must file electronically with the Seattle~~  
11 ~~City Clerk.~~

12 ~~((B. The effective date of the electronic filing requirements in this section shall be established by rule~~  
13 ~~of the Commission, but shall in no event be sooner than May 10, 1998. The Commission may phase in~~  
14 ~~this requirement, and shall base its rule on the determination of the Executive Director as to when~~  
15 ~~compliance is practicable.))~~

16 ~~((C.))B.~~ The Executive Director may exempt a candidate or a committee from the requirements of this  
17 section where the candidate or the committee has shown that the requirements constitute an undue  
18 burden.

19 Section 4. Subsection A of Section 2.04.165 of the Seattle Municipal Code is amended as  
20 follows:

21 **SMC 2.04.165** ensures that if a candidate opens a campaign two years before the election, the personal  
22 financial affairs statement will be up to date in the year of the election.

23 **2.04.165 Reports of personal financial affairs.**

24 A. The following shall file statement of financial affairs:



\*\*\*

~~((C. If a continuing political committee shall make a contribution in support of or in opposition to a candidate or ballot proposition within sixty (60) days prior to the date on which such candidate or ballot proposition will be voted upon, such continuing political committee shall report pursuant to Section 2.04.250 as now or hereafter amended, until twenty one (21) days after the election.))~~

~~((D))~~C. A continuing political committee shall file reports as required by this chapter until the earlier of: (1) the date the continuing political committee dissolves; or (2)(a) in the case of a continuing political committee that contributes to or makes independent expenditures in support of candidates, the end of the latest election cycle of the candidates to whom the continuing political committee contributed or for whom it made independent expenditures, or (b) in the case of a continuing political committee that contributes to ballot proposition committees, the date of the latest of the final reports filed pursuant to Section 2.04.250 B3 by the ballot proposition committees to which the continuing political committee contributed. In addition, if the continuing political committee has debt at the end of the relevant election cycle or after the relevant final report has been filed, it shall continue to file reports as required by this chapter until such debt is paid or forgiven. When the continuing political committee's obligation to file reports ends as set forth in this subsection, it shall submit a final report. Upon submitting a final report, the duties of the campaign treasurer other than record retention shall cease and there shall be no obligation to make any further reports.

~~((E))~~D. The campaign treasurer shall maintain books of account accurately reflecting all contributions and expenditures on a current basis within five (5) business days of receipt or expenditure. During the eight (8) days immediately preceding the date of any election, for which the committee has received any contributions or made any expenditures, the books of account shall be kept current within one (1) business day and shall be open for public inspection for at least two (2) consecutive hours Monday

1 through Friday, excluding legal holidays, between eight (8) a.m. and eight (8) p.m., as specified in the  
2 committee's statement of organization filed pursuant to Section 2.04.160, as now or hereafter amended,  
3 at the principal campaign headquarters or, if there is no campaign headquarters, at the address of the  
4 campaign treasurer or other such place as may be authorized by the Administrator.

5 ((F))E. All reports filed pursuant to this section shall be certified as correct by the campaign  
6 treasurer.

7 ((G))E. The campaign treasurer shall preserve books of accounts, bills, receipts, and all other financial  
8 records of the campaign or political committee for five (5) calendar years following the year in which  
9 the transaction occurred.

10 Section 7. Subsection A of Section 2.04.265 of the Seattle Municipal Code is amended as  
11 follows:

12 **SMC 2.04.265** requires reporting of all large contributions received but not yet reported on the 21<sup>st</sup> day prior to an  
13 election. This section of the law was intended to require disclosure of large contributions within one day when  
14 received in the final 21 days before the election. However, under current law, a campaign could receive a large  
15 monetary contribution 22 days before the election and not report that contribution until 11 days before the  
election. In addition, a campaign could receive a large in-kind contribution 22 days before the election and not  
report that until 7 days before the election. This new wording will more successfully implement the original  
intent of the law.

16 **2.04.265 Special reports of late contributions totaling over Five Hundred Dollars-**  
17 **Certain late contributions prohibited.**

18 A. During the twenty-one (21) day period before the election in which the candidate or proposition  
19 will appear on the ballot, ((F))the treasurer shall file with the Commission a special report of each  
20 contribution or aggregate of contributions that: (1) exceeds Five Hundred Dollars (\$500); (2) is from a  
21 single person or entity; and (3) is received during th((e))at twenty-one (21) day((s before the election in  
22 which the candidate or proposition will appear on the ballot.)) period or was received before that period  
23 began but was not yet reported. Such report shall be filed electronically or by facsimile((:)) within  
24 twenty-four (24) hours of receipt of the contribution or of the time the aggregate contributions exceed

1 Five Hundred Dollars (\$500) or, in the case of contributions received but not reported prior to the 21<sup>st</sup>  
2 day, such report shall be filed on the 21<sup>st</sup> day prior to the election. Contributions reported under this  
3 section shall also be reported to the City Clerk as required by other provisions of this chapter.

4 \*\*\*

5 Section 8. A new Subsection C is added to Section 2.04.270 of the Seattle Municipal Code  
6 as follows:

7 **SMC 2.04.270(C)** requires an independent expenditure maker to promptly file a copy of advertising material  
8 distributed when there is an expectation that 1,000 people will read, view, or hear the advertising in a single  
9 calendar year. This provision would approximate State law, RCW 42.17.550. Unlike the State law, the City  
would not only require filing of material that has been mailed, but also material that has been distributed by other  
media, such as e-mail, fax, or broadcast. No filing would be required when the expenditure for the advertising  
was under \$100.

10 **2.04.270 Independent expenditures; contributions to out-of-state committees -**  
11 **Reports.**

12 \*\*\*

13 C. A person with the expectation of making an independent expenditure or expenditures by  
14 disseminating an advertising message or messages that the person reasonably expects to be received,  
15 read, viewed or heard by one thousand (1,000) or more individuals in a single calendar year shall, within  
16 two business days after the initial dissemination of the advertisement, deliver a copy of each such  
17 advertisement to the offices of the Seattle Ethics and Elections Commission, along with a statement  
18 disclosing the method of dissemination of the advertisement and an estimate of the expected quantity of  
19 the advertising. This requirement applies only to all independent expenditures that are required to be  
20 reported, i.e., an individual spending one hundred dollars (\$100) or more of his or her own funds and  
21 anyone spending any amount of the funds of others. This disclosure does not substitute for the  
22 disclosure requirements of other sections of this chapter. (Ref. RCW 42.17.550.)

1 Section 9. Subsection B of Section 2.04.275 of the Seattle Municipal Code is amended as

2 follows:

3 **SMC 2.04.275** requires reporting of large independent expenditures made but not yet reported on the 21<sup>st</sup> day  
4 prior to an election. This section of the law was intended to require disclosure of large independent expenditures  
5 within one day of being made in the final 21 days before the election. However, under current law, a large  
independent expenditure can be made 22 days before the election and not be reported until the next C-4 is due, 7  
days before the election. This new wording will more successfully implement the original intent of the law.

6 **2.04.275 Certification of independent expenditures**

7 **Special reports of late independent expenditures.**

8 \*\*\*

9 B. Each person who, within twenty-one (21) days before an election makes an independent  
10 expenditure that by itself, or when added to all other independent expenditures made previously during  
11 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500), or has made such an expenditure that  
12 has not yet been reported, shall within twenty-four (24) hours of making each such independent  
13 expenditure file by facsimile or electronically with the Commission a special report of that independent  
14 expenditure, or, in the case of expenditures made prior to the 21<sup>st</sup> day, such report will be filed on the  
15 21<sup>st</sup> day prior to the election. Expenditures reported under this section shall also be reported to the City  
16 Clerk when and as required by other provisions of this chapter.

17 Section 10. Subsection B of Section 2.04.290 of the Seattle Municipal Code is amended as

18 follows:

19 **SMC 2.04.290** has been rewritten to include all of the State's language regarding sponsor ID on political  
20 advertising, RCW 42.17.510. This provision will add more disclosure for independent expenditures. In  
21 addition, adding this language will make the City law the same as the State law, which makes it easier to  
explain and easier for campaigns to comply. The only difference between this proposal and the State law is  
that yard signs are not exempt from sponsor ID in the City.

22 **2.04.290 Identification of contributions and communications.**

23 \*\*\*

1 ~~B. ((All political advertising shall identify the sponsor or sponsors thereof by name and address which~~  
2 ~~may be the name and address of the campaign treasurer or deputy campaign treasurer together with the~~  
3 ~~name of the candidate or political committee he or she is serving; provided, that any political advertising~~  
4 ~~on behalf of a candidate sponsored by any person without the prior knowledge and consent of the~~  
5 ~~candidate shall be clearly identified as such.))~~1. All radio and television political advertising, whether  
6 relating to candidates or ballot propositions, shall include the sponsor's name. All other political  
7 advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name and  
8 address. The use of an assumed name shall be unlawful.

9 2. In addition to the materials required by paragraph 1 of this subsection B, all political  
10 advertising undertaken as an independent expenditure by a person or entity, other than a bona fide  
11 political party as defined in RCW 42.17.020(5), must include the following statement on the  
12 communication "NOTICE TO VOTERS (Required by law): This advertisement is not authorized or  
13 approved by any candidate. It is paid for by (name, address, city, state)." If the advertisement  
14 undertaken as an independent expenditure is undertaken by a nonindividual, other than a bona fide  
15 political party as defined in RCW 42.17.020(5), then the following notation must also be included: "Top  
16 Five Contributors." followed by a listing of the names of the five persons or entities who or which,  
17 during the twelve-month period before the date of the advertisement, made to the sponsor of the  
18 advertisement the largest contributions reportable under this chapter.

19 3. The statements and listings of contributors required by paragraphs 1 and 2 of this subsection

20 B shall:

21 a. Appear on the first page or fold of the written communication in at least ten-point  
22 type, or in type at least ten percent of the largest size type used in a written communication directed at  
23 more than one voter, such as a billboard or poster, whichever is larger;

1                    b. Not be subject to the half-tone or screening process;

2                    c. Be set apart from any other printed matter; and

3                    d. Be clearly spoken on any broadcast advertisement.

4                    Section 11. Section 2.04.370 of the Seattle Municipal Code is amended as follows:

5                    **SMC 2.04.370** changes the contribution limit from \$400 per contributor in a single election cycle to \$800 per  
6 contributor in a single election cycle. The Commission has submitted a majority and a minority report on this  
7 subject in a separate memo. This revision also changes the references to candidate for City offices to reflect the  
8 proposed change in SMC 2.04.010(8); and eliminates the obsolete transitional language re a phase-in during  
9 1995-1997 of using the election cycle (rather than calendar year) for calculating contribution limits.

8                    **2.04.370    Mandatory limitations on contributions.**

9                    A. No person shall make a contribution to any candidate for Mayor, member of the City Council,  
10 or City Attorney of the City, except in the election cycle for that candidate as defined in Section  
11 2.04.010(7).

12                    B. No person shall contribute more than ~~((Four))~~Eight Hundred Dollars ~~(((\$400)))~~(\$800) to any  
13 candidate for Mayor, member of the City Council, or City Attorney of the City, in any election  
14 cycle.

15                    C. A candidate for Mayor, member of the City Council, or City Attorney of the City, may only  
16 accept or receive a campaign contribution during an election cycle as defined in Section  
17 2.04.010(7).

18                    D. No candidate for Mayor, member of the City Council, or City Attorney of the City shall solicit  
19 or receive campaign contributions of more than ~~((Four))~~Eight Hundred Dollars ~~(((\$400)))~~(\$800)  
20 from any person in any election cycle; provided:

21                    1. The limitations imposed by this section shall not apply to a candidate's contributions  
22 of his or her own resources to his or her own campaign;

1           2. The limitations imposed by this section shall not apply to independent expenditures as  
2 defined by this chapter; and

3           3. The limitations imposed by this section shall not apply to the value of in-kind labor;  
4 and

5           4. The limitations imposed by this section shall not apply to contributions consisting of  
6 the rendering of clerical or computer services on behalf of a candidate or an authorized political  
7 committee, to the extent that the services are for the purpose of ensuring compliance with City,  
8 county, or state election or public disclosure laws(~~;~~ and

9           5. ~~Contributions to candidates for 1995, 1996, or 1997 City office campaigns received~~  
10 ~~prior to October 16, 1994, shall not be calculated in the contribution limitations imposed by this~~  
11 ~~section).~~

12           Section 12. Section 2.04.375 of the Seattle Municipal Code is amended as follows:

13 **SMC 2.04.375** adds new subsections (A)(3) and (A)(4) to clarify that all political committees, except continuing  
14 political committees, are expected to file final reports and to permit them to carryover debt or assets to new  
15 committees. Also adds a new subsection (B)(7) which mirrors the State law provision, RCW 42.17.095(7), that  
permits successful candidate campaigns to hold surplus funds in a separate accounts to be used for non-  
reimbursed public office expenses.

16           **2.04.375       Reporting and disposition of campaign funds and debt after election.**

17           A. 1. Each candidate or supporting committee for a candidate for City office, including the offices of  
18 Mayor, City Attorney or member of the City Council, shall(~~;~~ ~~on the thirtieth day of April in the year~~  
19 ~~following the date of the election for the office which the candidate seeks;~~) cease receipt of campaign  
20 contributions and dispose of the funds remaining in the campaign account, in accordance with  
21 subsection B below, on or before the thirtieth day of April in the year following the date of the election  
22 for the office the candidate sought, except for special elections. (~~after all obligations incurred for the~~  
23 ~~campaign have been paid or forgiven;~~) In the case of a special election, each candidate or supporting  
24

1 committee for a candidate shall cease receipt of campaign contributions and dispose of the funds  
2 remaining in the campaign account, in accordance with subsection B below, on or before the thirtieth  
3 day of the fifth month after the special election for the office the candidate sought. ~~((and shall,))~~ B((b))y  
4 the tenth day of May in the year after the election for the office ~~((which))~~the candidate ~~((seeks,))~~sought,  
5 each candidate or supporting committee for a candidate shall file a final report reflecting the disposition  
6 of the remaining funds, except for special elections. ~~((or i))~~In the case of a special election, each  
7 candidate or supporting committee for a candidate shall file that final report by the tenth day of the sixth  
8 month after the special election for the office ~~((which))~~the candidate ~~((seeks))~~sought~~((, file a report~~  
9 ~~reflecting the disposition of the remaining funds, in accordance with subsection B below)).~~

10 2. If a candidate or supporting committee for a candidate for City office has campaign debt  
11 outstanding on April 30th in the year following the date of the general election for the office ~~((which))~~  
12 the candidate ~~((seeks,))~~sought, or on the thirtieth day of the fifth month after the special election for the  
13 office the candidate sought, the debt may be transferred ~~((in))~~to a new campaign of the same candidate  
14 for the same office.

15 3. Except for supporting committees for candidates that are governed by subsection A1 of this  
16 section and continuing political committees, each political committee (hereafter in this subsection A3  
17 “committee”) shall cease receipt of contributions and dispose of the funds remaining in the campaign  
18 account, in accordance with subsection B below, on or before the thirtieth day of April in the year  
19 following the date of the election for which the committee received contributions or made expenditures,  
20 except for special elections. In the case of a special election, each committee shall cease receipt of  
21 contributions and dispose of the funds remaining in the campaign account, in accordance with  
22 subsection B below, on or before the thirtieth day of the fifth month after the special election for which  
23 the committee received contributions or made expenditures. By the tenth day of May in the year after  
24

1 the election for which the committee received contributions or made expenditures, each committee shall  
2 file a final report reflecting the disposition of the remaining funds, except for special elections. In the  
3 case of a special election, each committee shall file that final report by the tenth day of the sixth month  
4 after the special election for which the committee received contributions or made expenditures.

5 4. Except for supporting committees for candidates that are governed by subsection A2 of this  
6 section and continuing political committees, if a political committee (hereafter in this subsection A4  
7 “committee”) has campaign debt outstanding on April 30th in the year following the date of the general  
8 election for which the committee received contributions or made expenditures, or on the thirtieth day of  
9 the fifth month after the special election for which the committee received contributions or made  
10 expenditures, the debt may be transferred to another political committee or to a continuing political  
11 committee, which shall, until such debt has been paid or forgiven, file the reports that would have been  
12 required of the committee transferring the debt had that committee not filed its final report under  
13 subsection A3 of this section.

14 B. The surplus funds, including each capital asset for which the campaign paid Two Hundred Dollars  
15 (\$200) or more, or reported as an in-kind contribution with a value of Two Hundred Dollars (\$200) or  
16 more, of a candidate, of a political committee supporting a candidate, of a political committee  
17 supporting or opposing a ballot proposition, and of a continuing political committee may be disposed of  
18 only in one (1) or more of the following ways:

19 1. Return the surplus to contributors in respective amounts not to exceed each contributor's  
20 original contribution;

21 2. Transfer the surplus to the personal account of a candidate, or of a treasurer or other  
22 individual as reimbursement for lost earnings incurred as a result of the election campaign. Such lost  
23 earnings shall be verifiable as unpaid salary or, when the candidate, treasurer or individual is not  
24

1 salaried, as an amount not to exceed income received by the candidate, treasurer, or individual for  
2 services rendered during an appropriate corresponding time period. All lost earnings incurred shall be  
3 documented, and a record thereof shall be maintained by the candidate, treasurer, or individual or by the  
4 political committee as the lost earnings accrue. The Committee shall maintain such information as a  
5 part of the campaign records;

6 3. Transfer the surplus to a political party or to a caucus of the state legislature;

7 4. Donate the surplus to a charitable organization registered in accordance with RCW  
8 Chapter 19.09;

9 5. Transmit the surplus to the state treasurer for deposit in the general fund;

10 6. Hold the cash surplus in the campaign depository or depositories designated in accordance  
11 with RCW 42.17.050 and in the case of capital assets hold them in the custody of the candidate or  
12 officer of the campaign committee for possible use in a future election campaign for the same office last  
13 sought by the candidate or for a future election campaign for a ballot proposition on the same topic, and  
14 report the transfer of such funds or assets as a disposition in accordance with RCW 42.17.090 and SMC  
15 Section 2.04.260 . If the candidate subsequently announces or publicly files for office, or if a ballot  
16 proposition political committee is established for a future proposition on the same topic, information as  
17 appropriate shall be reported in accordance with RCW 42.17.040 through 42.17.090 and SMC Sections  
18 2.04.170 through 2.04.260 . If a subsequent office is not sought, or if a subsequent election campaign  
19 for a ballot proposition on the same topic does not occur, the surplus held shall be disposed of in  
20 accordance with the requirements of this chapter;

21 7. A candidate who was elected to the office sought, or that candidate's political committee,  
22 may hold the surplus campaign funds in a separate account for that individual's non-reimbursed  
23 expenses of that public office and report any such disposition in accordance with SMC 2.04.480(F). The  
24

1 separate account required under this subsection shall not be used for deposits of campaign funds that are  
2 not surplus or of office funds solicited or received under SMC 2.04.480.

3 ((7))8. A ballot proposition political committee may become a continuing political  
4 committee and use the funds to support or oppose candidates and ballot propositions and must  
5 report in accordance with SMC Sections 2.04.230 through 2.04.290; or

6 ((8))9. With the written approval of the contributor, a candidate or the candidate's political  
7 committee may use or permit the use of contributions, whether or not surplus, solicited for or received  
8 by the candidate or the candidate's political committee from that contributor to further the candidacy of  
9 the individual for an office other than the office designated on the statement of organization. If the  
10 contributor does not approve the use of his or her contribution to further the candidacy of the individual  
11 for an office other than the office designated on the statement of organization at the time of the  
12 contribution, the contribution must be considered surplus funds and disposed of in accordance with this  
13 chapter.

14 Section 13. This ordinance shall take effect and be in force thirty (30) days from and after its  
15 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
16 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

17 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2000, and signed by me in open session in  
18 authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2000.

19 \_\_\_\_\_  
President \_\_\_\_\_ of the City Council

20 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2000.

21 \_\_\_\_\_  
Mayor

22 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2000.

23 \_\_\_\_\_  
City Clerk

ORDINANCE \_\_\_\_\_

AN ORDINANCE amending the Elections Code; amending, repealing, and adding various sections of and to Chapter 2.04 of the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsections 8, 13, and 21 of Section 2.04.010 of the Seattle Municipal Code are amended, and a new subsection 31 is added to that section, as follows:

**2.04.010 Definitions.**

\*\*\*

8. "Candidate" means any individual who seeks election to ~~((public office in the City))~~ the office of Mayor, member of the City Council, or City Attorney of the City, whether or not successfully. An individual shall be deemed to seek election when he or she first:

a. Solicits or ((R)) receives contributions; or

b. ((m)) Makes expenditures or reserves space or facilities with intent to promote his or her candidacy for office ~~((, or for the purposes of Subchapter IV Seattle Municipal Code Sections 2.04.350 through 2.04.375 to promote his or her public office))~~; or

~~((b-))~~ c. Announces publicly or files for office; or

~~((e-))~~ d. Purchases commercial advertising space or broadcast time to promote his or her candidacy; or

~~((d- Gives his or her consent to another person to take on behalf of the individual any of the actions in subsections 8a or 8c of this section; or))~~

e. Makes expenditures or solicits or receives contributions to explore the possibility of seeking election to City office; or



1 contributions; however, the amount of any such contribution may be reduced for the purpose of  
2 complying with the reporting requirements of this chapter by the actual cost of consumables furnished in  
3 connection with the purchase of such tickets, and only the excess over actual cost of such consumables  
4 shall be deemed a contribution. Without limiting the foregoing, the financing by a person of the  
5 dissemination, distribution, or publication, in whole or in part, of broadcast, written, graphic, or other  
6 form of political advertising prepared or approved by a candidate, a political committee, or the  
7 authorized agent of a candidate or political committee is a contribution to the candidate or political  
8 committee.

9 \*\*\*

10 21. "Independent expenditure" means expenditure on behalf of, or opposing the election of, any  
11 candidate, or any City ballot proposition, when such expenditure is made independently of the  
12 candidate, his/her political committee, or agent, or of any ballot proposition committee or its officers or  
13 agents, and when such expenditure is made without the prior consent, or the collusion, or the  
14 cooperation, of the candidate or his/her agent or political committee, or the ballot proposition committee  
15 or its officers or agents, and when such expenditure is not a contribution as defined in the last sentence  
16 of SMC 2.04.010 (13). An independent expenditure is made by a person on the earliest of the following  
17 events: (a) the person agrees with a vendor or provider of services to make an independent expenditure;  
18 or (b) the person incurs the obligation to make an independent expenditure; or (c) the person pays for an  
19 independent expenditure.

20 \*\*\*

21 31. "Sponsor" as used in subsection 2.04.290 B means the candidate, political committee or person  
22 paying for the political advertising. If a person acts as an agent for another or is reimbursed by another  
23 for the payment, the agent's principal or the source of the reimbursement is the sponsor.

1 Section 2. Subsection H of Section 2.04.060 of the Seattle Municipal Code is amended as  
2 follows:

3 **2.04.060 Executive Director – Duties.**

4 The Executive Director of the Seattle Ethics and Elections Commission shall be responsible  
5 for the management of said office, may in the exercise of such duties consult with the Seattle Ethics  
6 and Elections Commission and in that connection is authorized to:

7 \*\*\*

8 H. By December 22 of each odd-numbered year, p((P))repare and publish ((, not less than ten (10)  
9 days before newly elected officers take office,)) a report setting forth, as to each ((candidate who filed a  
10 final report))committee promoting or opposing a candidate or ballot issue on the ballot that year, the  
11 amounts and sources of all contributions and the amounts and purposes of all expenditures ((set forth in  
12 such final report; and the names and addresses of any candidates who failed to file a final report or who  
13 filed an incomplete final report))received by or made by those committees; and prepare and publish such  
14 other reports as in his or her judgment will tend to promote the purposes of this chapter;

15 \*\*\*

16 Section 3. Section 2.04.155 of the Seattle Municipal Code is amended as follows:

17 **2.04.155 Electronic filing required -- Exemption.**

18 A. Each candidate or ballot proposition political committee that expects to receive or receives  
19 Twenty-Five Thousand Dollars (\$25,000) or more in aggregate contributions during the applicable  
20 period must file all reports required by this chapter with the City Clerk by electronic transmission of the  
21 required information. All((Each continuing)) political committees that (1) are neither ballot proposition  
22 nor candidate political committees, and (2) expect((s)) to make contributions((e or contributes)) or  
23 expect((s)) to make ((or makes independent))expenditures, including independent expenditures, of  
24 ((Twenty))Five Thousand Dollars (\$((2))5,000) or more, in the aggregate during the applicable period,

1 to or for the benefit of candidates or candidate political committees or to or for the benefit of ballot  
2 proposition political committees must file all reports required by this chapter with the City Clerk by  
3 electronic transmission of the required information. The electronic format of the filing and the method  
4 of transmission shall meet requirements designated in rules adopted by the Commission. In addition,  
5 each political committee that files electronically with the PDC must file electronically with the Seattle  
6 City Clerk.

7 ~~((B. The effective date of the electronic filing requirements in this section shall be established by rule~~  
8 ~~of the Commission, but shall in no event be sooner than May 10, 1998. The Commission may phase in~~  
9 ~~this requirement, and shall base its rule on the determination of the Executive Director as to when~~  
10 ~~compliance is practicable.))~~

11 ~~((C.))~~B. The Executive Director may exempt a candidate or a committee from the requirements of this  
12 section where the candidate or the committee has shown that the requirements constitute an undue  
13 burden.

14 Section 4. Subsection A of Section 2.04.165 of the Seattle Municipal Code is amended as  
15 follows:

16 **2.04.165 Reports of personal financial affairs.**

17 A. The following shall file statement of financial affairs:

18 1. Every candidate shall within two (2) weeks of becoming a candidate file with the City Clerk a  
19 statement of financial affairs for the preceding twelve (12) months.

20 2. Every elected official and every candidate for a future election shall after January 1st and  
21 before April 15th of each year file with the City Clerk a statement of financial affairs for the preceding  
22 calendar year, unless a statement for that same twelve (12) month period has already been filed with the  
23

1 City Clerk. Any elected official whose term of office expires immediately after December 31st shall file  
2 the statement required to be filed by this section for the year that ended on that December 31st.

3 \*\*\*

4 Section 5. Subsection A of Section 2.04.180 of the Seattle Municipal Code is amended as  
5 follows:

6 **2.04.180 Contributions by written instrument or credit card – Deposit of  
7 contributions in designated account.**

8 A. No person may make a contribution of more than Fifty-Five Dollars (\$55), other than an in-kind  
9 contribution, except by a written instrument containing the name of the contributor and the name of the  
10 payee ~~((RCW 42.17.740(1).))~~, except that candidates and political committees may, consistent with  
11 rules adopted by the Commission, receive contributions by credit card, if the contributor's identity is  
12 verified as required for compliance with SMC 2.04.260. (Ref. RCW 42.17.740(1).)

13 \*\*\*

14 Section 6. Subsections C, D, E, F, and G, of Section 2.04.230 of the Seattle Municipal Code  
15 are amended as follows:

16 **2.04.230 Continuing political committee – Reports.**

17 \*\*\*

18 ~~((C. If a continuing political committee shall make a contribution in support of or in opposition to a  
19 candidate or ballot proposition within sixty (60) days prior to the date on which such candidate or ballot  
20 proposition will be voted upon, such continuing political committee shall report pursuant to Section  
21 2.04.250 as now or hereafter amended, until twenty one (21) days after the election.))~~

22 ~~((D))~~C. A continuing political committee shall file reports as required by this chapter until the earlier  
23 of: (1) the date the continuing political committee dissolves; or (2)(a) in the case of a continuing  
24 political committee that contributes to or makes independent expenditures in support of candidates, the

1 end of the latest election cycle of the candidates to whom the continuing political committee contributed  
2 or for whom it made independent expenditures, or (b) in the case of a continuing political committee that  
3 contributes to ballot proposition committees, the date of the latest of the final reports filed pursuant to  
4 Section 2.04.250 B3 by the ballot proposition committees to which the continuing political committee  
5 contributed. In addition, if the continuing political committee has debt at the end of the relevant election  
6 cycle or after the relevant final report has been filed, it shall continue to file reports as required by this  
7 chapter until such debt is paid or forgiven. When the continuing political committee's obligation to file  
8 reports ends as set forth in this subsection, it shall submit a final report. Upon submitting a final report,  
9 the duties of the campaign treasurer other than record retention shall cease and there shall be no  
10 obligation to make any further reports.

11 ~~((E))~~D. The campaign treasurer shall maintain books of account accurately reflecting all contributions  
12 and expenditures on a current basis within five (5) business days of receipt or expenditure. During the  
13 eight (8) days immediately preceding the date of any election, for which the committee has received any  
14 contributions or made any expenditures, the books of account shall be kept current within one (1)  
15 business day and shall be open for public inspection for at least two (2) consecutive hours Monday  
16 through Friday, excluding legal holidays, between eight (8) a.m. and eight (8) p.m., as specified in the  
17 committee's statement of organization filed pursuant to Section 2.04.160, as now or hereafter amended,  
18 at the principal campaign headquarters or, if there is no campaign headquarters, at the address of the  
19 campaign treasurer or other such place as may be authorized by the Administrator.

20 ~~((F))~~E. All reports filed pursuant to this section shall be certified as correct by the campaign  
21 treasurer.

1 ((G))E. The campaign treasurer shall preserve books of accounts, bills, receipts, and all other financial  
2 records of the campaign or political committee for five (5) calendar years following the year in which  
3 the transaction occurred.

4 Section 7. Subsection A of Section 2.04.265 of the Seattle Municipal Code is amended as  
5 follows:

6 **2.04.265 Special reports of late contributions totaling over Five Hundred Dollars-  
7 Certain late contributions prohibited.**

8 A. During the twenty-one (21) day period before the election in which the candidate or proposition  
9 will appear on the ballot, ((F))the treasurer shall file with the Commission a special report of each  
10 contribution or aggregate of contributions that: (1) exceeds Five Hundred Dollars (\$500); (2) is from a  
11 single person or entity; and (3) is received during th((e))at twenty-one (21) day((s before the election in  
12 which the candidate or proposition will appear on the ballot.)) period or was received before that period  
13 began but was not yet reported. Such report shall be filed electronically or by facsimile((-)) within  
14 twenty-four (24) hours of receipt of the contribution or of the time the aggregate contributions exceed  
15 Five Hundred Dollars (\$500) or, in the case of contributions received but not reported prior to the 21<sup>st</sup>  
16 day, such report shall be filed on the 21<sup>st</sup> day prior to the election. Contributions reported under this  
17 section shall also be reported to the City Clerk as required by other provisions of this chapter.

18 \*\*\*

19 Section 8. A new Subsection C is added to Section 2.04.270 of the Seattle Municipal Code  
20 as follows:

21 **2.04.270 Independent expenditures; contributions to out-of-state committees -  
22 Reports.**

23 \*\*\*

24 C. A person with the expectation of making an independent expenditure or expenditures by  
disseminating an advertising message or messages that the person reasonably expects to be received.

1 read, viewed or heard by one thousand (1,000) or more individuals in a single calendar year shall, within  
2 two business days after the initial dissemination of the advertisement, deliver a copy of each such  
3 advertisement to the offices of the Seattle Ethics and Elections Commission, along with a statement  
4 disclosing the method of dissemination of the advertisement and an estimate of the expected quantity of  
5 the advertising. This requirement applies only to all independent expenditures that are required to be  
6 reported, i.e., an individual spending one hundred dollars (\$100) or more of his or her own funds and  
7 anyone spending any amount of the funds of others. This disclosure does not substitute for the  
8 disclosure requirements of other sections of this chapter. (Ref. RCW 42.17.550.)

9 Section 9. Subsection B of Section 2.04.275 of the Seattle Municipal Code is amended as  
10 follows:

11 **2.04.275 Certification of independent expenditures --**  
12 **Special reports of late independent expenditures.**

\*\*\*

13 B. Each person who, within twenty-one (21) days before an election makes an independent  
14 expenditure that by itself, or when added to all other independent expenditures made previously during  
15 those twenty-one (21) days, exceeds Five Hundred Dollars (\$500), or has made such an expenditure that  
16 has not yet been reported, shall within twenty-four (24) hours of making each such independent  
17 expenditure file by facsimile or electronically with the Commission a special report of that independent  
18 expenditure, or, in the case of expenditures made prior to the 21<sup>st</sup> day, such report will be filed on the  
19 21<sup>st</sup> day prior to the election. Expenditures reported under this section shall also be reported to the City  
20 Clerk when and as required by other provisions of this chapter.

21 Section 10. Subsection B of Section 2.04.290 of the Seattle Municipal Code is amended as  
22 follows:

23 **2.04.290 Identification of contributions and communications.**

\*\*\*

1 B. (~~All political advertising shall identify the sponsor or sponsors thereof by name and address which~~  
2 ~~may be the name and address of the campaign treasurer or deputy campaign treasurer together with the~~  
3 ~~name of the candidate or political committee he or she is serving; provided, that any political advertising~~  
4 ~~on behalf of a candidate sponsored by any person without the prior knowledge and consent of the~~  
5 ~~candidate shall be clearly identified as such.))1. All radio and television political advertising, whether  
6 relating to candidates or ballot propositions, shall include the sponsor's name. All other political  
7 advertising, whether relating to candidates or ballot propositions, shall include the sponsor's name and  
8 address. The use of an assumed name shall be unlawful.~~

9 2. In addition to the materials required by paragraph 1 of this subsection B, all political  
10 advertising undertaken as an independent expenditure by a person or entity, other than a bona fide  
11 political party as defined in RCW 42.17.020(5), must include the following statement on the  
12 communication "NOTICE TO VOTERS (Required by law): This advertisement is not authorized or  
13 approved by any candidate. It is paid for by (name, address, city, state)." If the advertisement  
14 undertaken as an independent expenditure is undertaken by a nonindividual, other than a bona fide  
15 political party as defined in RCW 42.17.020(5), then the following notation must also be included: "Top  
16 Five Contributors," followed by a listing of the names of the five persons or entities who or which,  
17 during the twelve-month period before the date of the advertisement, made to the sponsor of the  
18 advertisement the largest contributions reportable under this chapter.

19 3. The statements and listings of contributors required by paragraphs 1 and 2 of this subsection  
20 B shall:

21 a. Appear on the first page or fold of the written communication in at least ten-point  
22 type, or in type at least ten percent of the largest size type used in a written communication directed at  
23 more than one voter, such as a billboard or poster, whichever is larger;  
24

1                    b. Not be subject to the half-tone or screening process;

2                    c. Be set apart from any other printed matter; and

3                    d. Be clearly spoken on any broadcast advertisement.

4                    Section 11. Section 2.04.370 of the Seattle Municipal Code is amended as follows:

5                    **2.04.370            Mandatory limitations on contributions.**

6                    A. No person shall make a contribution to any candidate for Mayor, member of the City Council,  
7                    or City Attorney of the City, except in the election cycle for that candidate as defined in Section  
8                    2.04.010(7).

9                    B. No person shall contribute more than ~~((Four))~~Eight Hundred Dollars ~~(((\$400)))~~(\$800) to any  
10                    candidate for Mayor, member of the City Council, or City Attorney of the City, in any election  
11                    cycle.

12                    C. A candidate for Mayor, member of the City Council, or City Attorney of the City, may only  
13                    accept or receive a campaign contribution during an election cycle as defined in Section  
14                    2.04.010(7).

15                    D. No candidate for Mayor, member of the City Council, or City Attorney of the City shall solicit  
16                    or receive campaign contributions of more than ~~((Four))~~Eight Hundred Dollars ~~(((\$400)))~~(\$800)  
17                    from any person in any election cycle; provided:

18                    1. The limitations imposed by this section shall not apply to a candidate's contributions  
19                    of his or her own resources to his or her own campaign;

20                    2. The limitations imposed by this section shall not apply to independent expenditures as  
21                    defined by this chapter; and

22                    3. The limitations imposed by this section shall not apply to the value of in-kind labor;  
23                    and

1           4. The limitations imposed by this section shall not apply to contributions consisting of  
2 the rendering of clerical or computer services on behalf of a candidate or an authorized political  
3 committee, to the extent that the services are for the purpose of ensuring compliance with City,  
4 county, or state election or public disclosure laws(~~(; and~~

5           ~~5. Contributions to candidates for 1995, 1996, or 1997 City office campaigns received~~  
6 ~~prior to October 16, 1994, shall not be calculated in the contribution limitations imposed by this~~  
7 ~~section)).~~

8           Section 12. Section 2.04.375 of the Seattle Municipal Code is amended as follows:

9           **2.04.375       Reporting and disposition of campaign funds and debt after election.**

10          A. 1. Each candidate or supporting committee for a candidate for City office, including the offices of  
11 Mayor, City Attorney or member of the City Council, shall(~~(, on the thirtieth day of April in the year~~  
12 ~~following the date of the election for the office which the candidate seeks,)) cease receipt of campaign  
13 contributions and dispose of the funds remaining in the campaign account, in accordance with  
14 subsection B below, on or before the thirtieth day of April in the year following the date of the election  
15 for the office the candidate sought, except for special elections. ((after all obligations incurred for the  
16 campaign have been paid or forgiven,)) In the case of a special election, each candidate or supporting  
17 committee for a candidate shall cease receipt of campaign contributions and dispose of the funds  
18 remaining in the campaign account, in accordance with subsection B below, on or before the thirtieth  
19 day of the fifth month after the special election for the office the candidate sought. ((and shall,)) B((b))y  
20 the tenth day of May in the year after the election for the office ((which))the candidate ((seeks,))sought,  
21 each candidate or supporting committee for a candidate shall file a final report reflecting the disposition  
22 of the remaining funds, except for special elections. ((or i))In the case of a special election, each  
23 candidate or supporting committee for a candidate shall file that final report by the tenth day of the sixth  
24~~

1 month after the special election for the office (~~((which))~~)the candidate (~~((seeks))~~)sought(~~(, file a report~~  
2 ~~reflecting the disposition of the remaining funds, in accordance with subsection B below)~~).

3 2. If a candidate or supporting committee for a candidate for City office has campaign debt  
4 outstanding on April 30th in the year following the date of the general election for the office (~~((which))~~)  
5 the candidate (~~((seeks,))~~)sought, or on the thirtieth day of the fifth month after the special election for the  
6 office the candidate sought, the debt may be transferred (~~((to))~~)to a new campaign of the same candidate  
7 for the same office.

8 3. Except for supporting committees for candidates that are governed by subsection A1 of this  
9 section and continuing political committees, each political committee (hereafter in this subsection A3  
10 “committee”) shall cease receipt of contributions and dispose of the funds remaining in the campaign  
11 account, in accordance with subsection B below, on or before the thirtieth day of April in the year  
12 following the date of the election for which the committee received contributions or made expenditures,  
13 except for special elections. In the case of a special election, each committee shall cease receipt of  
14 contributions and dispose of the funds remaining in the campaign account, in accordance with  
15 subsection B below, on or before the thirtieth day of the fifth month after the special election for which  
16 the committee received contributions or made expenditures. By the tenth day of May in the year after  
17 the election for which the committee received contributions or made expenditures, each committee shall  
18 file a final report reflecting the disposition of the remaining funds, except for special elections. In the  
19 case of a special election, each committee shall file that final report by the tenth day of the sixth month  
20 after the special election for which the committee received contributions or made expenditures.

21 4. Except for supporting committees for candidates that are governed by subsection A2 of this  
22 section and continuing political committees, if a political committee (hereafter in this subsection A4  
23 “committee”) has campaign debt outstanding on April 30th in the year following the date of the general  
24

1 election for which the committee received contributions or made expenditures, or on the thirtieth day of  
2 the fifth month after the special election for which the committee received contributions or made  
3 expenditures, the debt may be transferred to another political committee or to a continuing political  
4 committee, which shall, until such debt has been paid or forgiven, file the reports that would have been  
5 required of the committee transferring the debt had that committee not filed its final report under  
6 subsection A3 of this section.

7 B. The surplus funds, including each capital asset for which the campaign paid Two Hundred Dollars  
8 (\$200) or more, or reported as an in-kind contribution with a value of Two Hundred Dollars (\$200) or  
9 more, of a candidate, of a political committee supporting a candidate, of a political committee  
10 supporting or opposing a ballot proposition, and of a continuing political committee may be disposed of  
11 only in one (1) or more of the following ways:

12 1. Return the surplus to contributors in respective amounts not to exceed each contributor's  
13 original contribution;

14 2. Transfer the surplus to the personal account of a candidate, or of a treasurer or other  
15 individual as reimbursement for lost earnings incurred as a result of the election campaign. Such lost  
16 earnings shall be verifiable as unpaid salary or, when the candidate, treasurer or individual is not  
17 salaried, as an amount not to exceed income received by the candidate, treasurer, or individual for  
18 services rendered during an appropriate corresponding time period. All lost earnings incurred shall be  
19 documented, and a record thereof shall be maintained by the candidate, treasurer, or individual or by the  
20 political committee as the lost earnings accrue. The Committee shall maintain such information as a  
21 part of the campaign records;

22 3. Transfer the surplus to a political party or to a caucus of the state legislature;

23  
24

1 4. Donate the surplus to a charitable organization registered in accordance with RCW  
2 Chapter 19.09;

3 5. Transmit the surplus to the state treasurer for deposit in the general fund;

4 6. Hold the cash surplus in the campaign depository or depositories designated in accordance  
5 with RCW 42.17.050 and in the case of capital assets hold them in the custody of the candidate or  
6 officer of the campaign committee for possible use in a future election campaign for the same office last  
7 sought by the candidate or for a future election campaign for a ballot proposition on the same topic, and  
8 report the transfer of such funds or assets as a disposition in accordance with RCW 42.17.090 and SMC  
9 Section 2.04.260 . If the candidate subsequently announces or publicly files for office, or if a ballot  
10 proposition political committee is established for a future proposition on the same topic, information as  
11 appropriate shall be reported in accordance with RCW 42.17.040 through 42.17.090 and SMC Sections  
12 2.04.170 through 2.04.260 . If a subsequent office is not sought, or if a subsequent election campaign  
13 for a ballot proposition on the same topic does not occur, the surplus held shall be disposed of in  
14 accordance with the requirements of this chapter;

15 7. A candidate who was elected to the office sought, or that candidate's political committee,  
16 may hold the surplus campaign funds in a separate account for that individual's non-reimbursed  
17 expenses of that public office and report any such disposition in accordance with SMC 2.04.480(F). The  
18 separate account required under this subsection shall not be used for deposits of campaign funds that are  
19 not surplus or of office funds solicited or received under SMC 2.04.480.

20 ((7))§. A ballot proposition political committee may become a continuing political  
21 committee and use the funds to support or oppose candidates and ballot propositions and must  
22 report in accordance with SMC Sections 2.04.230 through 2.04.290; or  
23  
24

1 ((8))9. With the written approval of the contributor, a candidate or the candidate's political  
2 committee may use or permit the use of contributions, whether or not surplus, solicited for or received  
3 by the candidate or the candidate's political committee from that contributor to further the candidacy of  
4 the individual for an office other than the office designated on the statement of organization. If the  
5 contributor does not approve the use of his or her contribution to further the candidacy of the individual  
6 for an office other than the office designated on the statement of organization at the time of the  
7 contribution, the contribution must be considered surplus funds and disposed of in accordance with this  
8 chapter.

9 Section 13. This ordinance shall take effect and be in force thirty (30) days from and after its  
10 approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after  
11 presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

12 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2000, and signed by me in open  
13 session in authentication of its passage this \_\_\_\_ day of \_\_\_\_\_, 2000.

14  
15 \_\_\_\_\_  
16 President \_\_\_\_\_ of the City Council

17 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2000.

18  
19 \_\_\_\_\_  
20 Mayor

21 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2000.

22  
23 \_\_\_\_\_  
24 City Clerk

(Seal)

**From:** Sandra Cohen  
**To:** Kling, Joyce  
**Date:** Friday, July 07, 2000 2:53:37 PM  
**Subject:** Elections code ordinance - CB 113293

Joyce,

Attached please find a few little edits (in track changes) that I have made (in consultation with Carol) on the version Carol sent us Wednesday. Unless you have any problem with these changes, Carol will turn off the highlighting of changes, accept all my changes, and save and print a clean copy with nice pagination. She'll then deliver the electronic and hard copies to Margaret Carter, per your instructions, with a note telling Margaret this is CB 113293 for introduction on July 10, and that it should **replace** the version currently in the blue jacket (and that the old version should just be discarded if it is still in the jacket, since it has not yet been introduced).

If I have gotten something wrong about the process we should be following, please let Carol and me know.

Thanks!  
- Sandy

**CC:** Carter, Margaret; Pippin, Judith; Van Noy, Carol

STATE OF WASHINGTON - KING COUNTY

124735

-ss.

City of Seattle, Clerk's Office

No.

ORDINANCE IN

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:120145 ORD IN FUL

was published on

11/17/00

The amount of the fee charged for the foregoing publication is the sum of \$ , which amount has been paid in full.

*H. Patterson*

Subscribed and sworn to before me on

*[Signature]*

Notary Public for the State of Washington, residing in Seattle

# City of Seattle

ORDINANCE 120145

AN ORDINANCE amending the Elections Code; amending, repealing, and adding to Chapter 2.04 of the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Subsections 8, 13, and 21 of Section 2.04.010 of the Seattle Municipal Code are amended, and a new subsection 31 is added to that section, as follows:

## 2.04.010 Definitions.

8. "Candidate" means any individual who seeks election to ((public office), Mayor, member of the City Council, or City Attorney of the City, whether individual shall be deemed to seek election when he or she first

a. Solicits or ((R))receives contributions; or  
b. ((M))Makes expenditures or reserves space or facilities with intent to become a candidate for office((, or for the purposes of Subchapter IV Seattle Municipal Code through 2.04.375 to promote his or her public office)); or

((b-))c. Announces publicly or files for office; or  
((e-))d. Purchases commercial advertising space or broadcast time to promote candidacy; or

((e-))f. Gives his or her consent to another person to take on behalf of the candidate actions in subsections 8a or 8b of this section; or

e. Makes expenditures or solicits or receives contributions to explore the possibility of seeking election to City office; or

f. Gives his or her consent to another person to take on behalf of the candidate actions in subsections 8a or 8b, 8d or 8e of this section.

13. "Contribution" means a loan, loan guarantee, gift, deposit, subscription, indebtedness, donation, advance, pledge, payment, transfer of funds between persons, or transfer of anything of value, including personal and professional services, for consideration, but does not include (a) interest on moneys deposited in a political campaign; (b) ordinary home hospitality; (c) the rendering of legal or accounting services or other services by or an authorized political committee but only to the extent that the services are necessary for ensuring compliance with City, county or state election or public disclosure laws; (d) personal services of the sort commonly performed by volunteer campaign workers; (e) expenses personally incurred by campaign workers not in excess of Twenty-Five Dollars (\$25) aggregate, during the applicable period, personally paid for by a volunteer campaign worker; (f) internal political communication primarily limited to the members of a political committee, or to the officers, management staff, or stockholders of a corporation, enterprise, or to the members of a labor organization or other membership organization; (g) this definition, members are those who (i) regularly pay dues in exchange for membership in an organization, or (ii) are able to vote, directly or indirectly, for at least one member of the organization's governing board, or (iii) adhere to a code of conduct, the violation of which subjects the members to sanctions that could adversely affect their livelihood, or (iv) are members of the organization's policy-formulating committees. For the purposes of this chapter, contributions in money or its equivalents shall be deemed to have a money value equivalent to the actual cost of the contribution. Sums paid for tickets to fundraising events such as dinners, auctions, or other events shall be deemed contributions; however, the amount of any such contribution may be reduced to the actual cost of the contribution if the contribution is used for the purpose of complying with the reporting requirements of this chapter by the actual cost of the contribution in connection with the purchase of such tickets, and only the excess over actual cost shall be deemed a contribution. Without limiting the foregoing, the financing, production, dissemination, distribution, or publication in whole or in part of broadcast, print, or other form of political advertising prepared or approved by a candidate, a political

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