

Ordinance No. 124206

Council Bill No. 117808

AN ORDINANCE relating to Campaign finance regulations, repealing sections 2.04.400, 2.04.410, 2.04.420, .2.04.430, 2.04.440, 2.04.450, 2.04.460, 2.04.470, and 2.04.470 of the Seattle Municipal Code relating to public financing of political campaigns, all of which were rendered void by state law.

Related Legislation File: \_\_\_\_\_

Date Introduced and Referred: <u>6.10.2013</u>	To: (committee): <u>Full Council</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>6/17/13</u>	Date Presented to Mayor: <u>6/18/13</u>
Date Signed by Mayor: <u>6/25/13</u>	Date Returned to City Clerk: <u>6/25/13</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text _____	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

# The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: [Signature]

## Committee Action:

Date	Recommendation	Vote

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

## Full Council Action:

Date	Decision	Vote
<u>June 17, 2013</u>	<u>Passed</u>	<u>8-0 (excused: Clark)</u>

**CITY OF SEATTLE**  
**ORDINANCE** 124206  
**COUNCIL BILL** 117808

AN ORDINANCE relating to Campaign finance regulations, repealing sections 2.04.400, 2.04.410, 2.04.420, 2.04.430, 2.04.440, 2.04.450, 2.04.460, and 2.04.470 of the Seattle Municipal Code relating to public financing of political campaigns, all of which were rendered void by state law.

WHEREAS, the City of Seattle established a system for partial public financing for election campaigns in 1978; and

WHEREAS, the Fair Campaign Practices Act enacted following the passage of Initiative 134 in 1992 prohibited the use of public funds to finance state and local political campaigns; and

WHEREAS, in 2008 state law was amended to allow for local public financing of political campaigns if the program is approved by the voters;

WHEREAS, the Council is contemplating putting a new public financing program before the voters and removing the obsolete provisions from the code is a necessary first step,  
NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Sections 2.04.400, 2.04.410, 2.04.420, 2.04.450, 2.04.460 and 2.04.470 of the Seattle Municipal Code, last amended by Ordinance 112005 and that currently reads as follows, are repealed:

~~((SMC 2.04.400~~

~~Findings of fact—Program for public matching funds.~~

~~The City finds it is in the public interest to encourage the widest participation of the public in the electoral process, to reduce the dependence of candidates on large contributions, and to increase public knowledge of the candidates and of election issues. The City finds that voluntary campaign expenditure limitations coupled with provisions of public funds for~~



1 ~~campaign purposes are necessary to further these public interests at a reasonable cost to the City~~  
2 ~~and that such a program should be established.~~

3 SMC 2.04.410

4 ~~Campaign contract.~~

5 ~~A. Effective with elections for City officers in 1987, a candidate for Mayor, City Council~~  
6 ~~or City Attorney may sign a contract with the City agreeing to abide by limitations on candidates'~~  
7 ~~contributions, limitations on campaign expenditures, and limitations on the use of all~~  
8 ~~contributions as specified in this chapter in exchange for public matching funds. B. The~~  
9 ~~campaign contract must be signed by the individual candidate either within thirty (30) days after~~  
10 ~~the individual becomes a candidate as defined in RCW 42.17.020, or at the time of filing for said~~  
11 ~~office, whichever is earlier.~~

12 SMC 2.04.420

13 ~~Candidates' contribution limitations.~~

14 ~~— A candidate who signs a campaign contract shall make no contribution to his/her own~~  
15 ~~campaign or political committee which in the aggregate exceeds three (3) percent of the~~  
16 ~~applicable expenditure limit in any campaign year.~~

17 ~~— SMC 2.04.450~~

18 ~~Public matching funds—Specifications.~~

19 ~~A. Effective with elections for City offices in 1987 a candidate who has met the~~  
20 ~~eligibility requirements for public matching funds and who has signed a campaign contract shall~~  
21 ~~be entitled to receive One Dollar (\$1) in public matching funds for every One Dollar (\$1) from~~  
22 ~~any individual during the year preceding the date of the applicable general election to a~~  
23 ~~maximum public match of Fifty Dollars (\$50) per individual contributor. Neither loans nor the~~  
24 ~~transfers of anything of value other than money to the candidate or his/her political committee~~  
25 ~~shall be matched with public funds. B. A candidate who signs a campaign contract is eligible to~~



1 receive public matching funds until it is determined that such candidate has no opponent at the  
2 close of the filing period or after the primary election as provided by law. For purposes of this  
3 section, a write-in candidate shall not be considered an opponent. C. If following the election  
4 wherein the candidate is elected or defeated, the candidate has unexpended campaign funds, one-  
5 half (1/2) of such surplus shall be returned to the appropriate City account within ten (10) days  
6 of certification of the election. D. A candidate who has signed a campaign contract may void  
7 his/her contract within fifteen (15) days after the close of filing; provided, an opponent of that  
8 candidate does not enter into a campaign contract pursuant to this chapter and provided further,  
9 that the candidate returns all public funds received pursuant to this chapter.

10 SMC 2.04.460

11 Payment of matching funds.

12 A. There is hereby established in the City Treasury a campaign matching fund account  
13 into which shall be deposited whatever sums the City may receive or allocate from time to time  
14 or during the annual budget process for campaign matching purposes. B. Candidates entitled to  
15 public matching funds shall be paid upon the voucher of the Administrator. ( Ord. 112005 §  
16 2(part), 1984.)

17 SMC 2.04.470

18 Permitted uses of public matching funds.

19 Public matching funds may be expended only for the receiving candidate's direct  
20 campaign purposes such as, but not limited to, purchasing campaign literature or media space or  
21 time, mailings, renting campaign headquarters, or paying for campaign headquarters telephones.  
22 A candidate who signs a campaign contract may use neither contributions nor matching funds for  
23 indirect campaign purposes such as, but not limited to, providing a candidate's personal support,  
24 or for donation to another's campaign. Permissibility of an expenditure of public matching funds  
25 shall be determined by the Office of Election Administration.))



1 Section 2. Sections 2.04.430 and 2.04.440 of the Seattle Municipal Code, last amended  
2 by Ordinance 116368 and that currently reads as follows, are repealed:

3 ((SMC 2.04.430

4 ~~Expenditure limitations.~~

5 ~~A. A candidate who signs a campaign contract in accordance with Section 2.04.410,~~  
6 ~~shall not, during the campaign year, make expenditures exceeding the aggregate amount of Two~~  
7 ~~Hundred Fifty Thousand Dollars (\$250,000) for the office of Mayor or One Hundred Ten~~  
8 ~~Thousand Dollars (\$110,000) for the offices of City Councilmember or City Attorney. Provided,~~  
9 ~~that no more than seventy-five (75) percent of the applicable expenditure limitation shall be~~  
10 ~~expended through the day of the primary election. B. Independent expenditures, as defined in~~  
11 ~~this chapter, shall not be included in the computation of a candidate's expenditures.~~

12 SMC 2.04.440

13 ~~Eligibility for public matching funds.~~

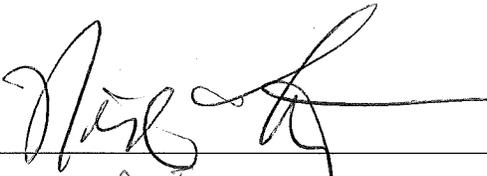
14 ~~A. To be eligible to receive public matching funds, a candidate for Mayor, City Council~~  
15 ~~or City Attorney must meet the requirements of the City Charter 1 and during the campaign year:~~  
16 ~~1. For the office of Mayor receive three hundred (300) contributions of Ten Dollars (\$10) or~~  
17 ~~more; 2. For the offices of City Council or City Attorney receive two hundred (200)~~  
18 ~~contributions of Ten Dollars (\$10) or more. B. For the purposes of establishing eligibility under~~  
19 ~~this section, only those contributions received from residents of the City shall be counted toward~~  
20 ~~the requirement. C. Candidates must submit evidence of meeting the eligibility requirements of~~  
21 ~~this section to the Office of Election Administration for verification. Upon verification of~~  
22 ~~eligibility, a candidate who has signed a campaign contract shall be eligible to receive public~~  
23 ~~matching funds; provided that no such funds shall be disbursed to any qualified candidate prior~~  
24 ~~to January 1st of the campaign year in which the election is held; and provided further, that any~~  
25 ~~candidate who received public matching funds and later fails to file for public office or~~



1 ~~withdraws his/her candidacy after filing, shall return to the appropriate City account an amount~~  
2 ~~equal to the public funds disbursed to that candidate.))~~

3 Section 3. This ordinance shall take effect and be in force 30 days after its approval by  
4 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
5 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

6 Passed by the City Council the 17<sup>th</sup> day of June, 2013, and  
7 signed by me in open session in authentication of its passage this  
8 17<sup>th</sup> day of June, 2013.

9   
10 \_\_\_\_\_  
11 President Pro Tem of the City Council

12  
13 Approved by me this 25<sup>th</sup> day of June, 2013.

14   
15 \_\_\_\_\_  
16 Michael McGinn, Mayor

17  
18 Filed by me this 25<sup>th</sup> day of June, 2013.

19   
20 \_\_\_\_\_  
21 Monica Martinez Simmons, City Clerk

22 (Seal)



**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
LAW	Jeff Slayton/3-2154	n/a

**Legislation Title:**

AN ORDINANCE relating to Campaign finance regulations, repealing sections 2.04.400, 2.04.410, 2.04.420, 2.04.430, 2.04.440, 2.04.450, 2.04.460, and 2.04.470 of the Seattle Municipal Code relating to public financing of political campaigns, all of which were rendered void by state law.

**Summary of the Legislation:**

This legislation repeals sections of the SMC that were rendered void by state law.

**Background:**

Please check one of the following:

**This legislation does not have any financial implications.**

(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete the instructions provided in parentheses at the end of each question.)

**This legislation has financial implications.**

(If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Please delete the instructions provided in parentheses at the end of each title and question.)



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STATE OF WASHINGTON -- KING COUNTY

--SS.

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299796  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

**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 12<sup>th</sup> 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:31447-48,31455

ORD 124194, 124204 - 124207

was published on

07/05/13

The amount of the fee charged for the foregoing publication is the sum of \$198.00 which amount has been paid in full.



*Paula Colasby*  
\_\_\_\_\_  
Subscribed and sworn to before me on  
07/05/2013  
*[Signature]*  
\_\_\_\_\_

Notary public for the State of Washington,  
residing in Seattle

Affidavit of Publication

## State of Washington, King County

### City of Seattle

The full text of the following legislation, passed by the City Council on June 17, 2013, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

RES 31447

DTA

TI A RESOLUTION adopting the 2013 Seattle Climate Action Plan.

Committee: Energy and Environment

RES 31448

DTA

TI A RESOLUTION relating to the 2005 Transportation Strategic Plan Update, adopted by Resolution 30790, and the Seattle Transit Plan: To Get Seattle Moving, adopted by Resolution 30799; and authorizing an amendment to the Transit Classification Map.

Committee: Transportation

RES 31455

DTA

TI A RESOLUTION supporting creation of a secure, convenient medicine return program in King County to reduce the public safety and environmental impacts of unwanted medicines.

Committee: Full Council

CB 117799

ORD 124194

DTA

TI AN ORDINANCE approving the extension of a Property Use and Development Agreement and a contract rezone approved by Ordinance 121164 for Seattle Housing Authority's High Point Community Garden housing development located at 6550 -- 32nd Avenue SW.

CONTRACT-REZONES, SEATTLE-HOUSING-AUTHORITY, HIGH-POINT

Committee: Planning, Land Use, and Sustainability

CB 117793

ORD 124204

DTA Jun 25, 2013

TI AN ORDINANCE relating to the City Light Department; declaring certain real property rights surplus to utility needs; authorizing the Superintendent or his designee to grant an easement for access and parking purposes over a portion of the City's fee-owned Duwamish Transmission Corridor adjacent to South 112th Street in the City of Tukwila, Washington; and accepting payment for the true and full value of the easement from Amalfi Investments, LLC; and ratifying and confirming certain prior acts.

EASEMENTS, TUKWILA, CITY-LIGHT, SALES

Committee: Energy and Environment

CB 117797

ORD 124205

DTA Jun 25, 2013

TI AN ORDINANCE relating to the redevelopment of the Leschi House property at 1011 S. Weller St., which was developed with the proceeds of the City of Seattle's bonds issued pursuant to Ordinance 110124; approving the long-term lease by the Seattle Housing Authority of the property and authorizing a fourth amendment to the Housing Cooperation Agreement made under Ordinance 110433, all in order to enable the financing with federal tax credits of the rehabilitation of existing housing and the construction of additional housing for low income persons who are elderly or have disabilities; and ratifying and confirming prior acts.

Committee: Housing, Human Services, Health, and Culture

CB 117808

ORD 124206

DTA Jun 25, 2013

TI AN ORDINANCE relating to Campaign finance regulations, repealing sections 2.04.400, 2.04.410, 2.04.420, 2.04.430, 2.04.440, 2.04.450, 2.04.460, and 2.04.470 of the Seattle Municipal Code relating to public financing of political campaigns, all of which were rendered void by state law.

Committee: Full Council

CB 117809

ORD 124207

DTA Jun 25, 2013

TI AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ACCOUNTING, APPROPRIATION

Committee: Full Council

Date of publication in the Seattle Daily Journal of Commerce, July 5, 2013.

7/5(299796)

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STATE OF WASHINGTON -- KING COUNTY

--ss.

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300411

No.

CITY OF SEATTLE, CLERKS OFFICE

**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 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

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CT; ORDINANCE 124206

was published on

07/22/13

The amount of the fee charged for the foregoing publication is the sum of \$841.50 which amount has been paid in full.



Affidavit of Publication

*[Handwritten Signature]*  
Subscribed and sworn to before me on  
07/22/2013  
*[Handwritten Signature]*  
Notary public for the State of Washington,  
residing in Seattle

**City of Seattle**  
Ordinance 124206

**ORDINANCE 124206**  
**COUNCIL BILL 117808**

AN ORDINANCE relating to public financing of political campaigns; providing for the submission to voters of the City, at an election to be held on November 5, 2013, of a proposition to lift the limit on regular property taxes under Chapter 84.55 RCW and authorize the City to levy additional property taxes for up to six years for the purposes of establishing a public matching funds program for financing City Council election campaigns when certain qualifying conditions are met by candidates, and limiting campaign expenditures on City election campaigns of those who voluntarily enter the Public Campaign Financing Program; establishing a campaign matching fund account in the City Treasury; amending Subchapter V of chapter 2.04 of the Seattle Municipal Code of chapter 2.04 of the Seattle Municipal Code and adding new sections to chapter 2.04; and ratifying and confirming certain prior acts.

WHEREAS, the City of Seattle established a system for partial public financing of election campaigns in 1978; and

WHEREAS, the Fair Campaign Practices Act enacted following the passage of Initiative 134 in 1992 prohibited the use of public funds to finance state and local political campaigns; and

WHEREAS, in 2008, the Washington State Legislature amended RCW 42.17.128, which was later re-codified as 42.17A.550, allowing counties, cities and towns to establish public campaign financing programs funded through local revenue sources with the approval of voters; and

WHEREAS, in 2008, the City Council created through Resolution 31061 a Campaign Public Financing Advisory Committee (CPFAC) to evaluate public financing and develop a proposed program model; and

WHEREAS, the CPFAC issued a report recommending the City Council advance a proposal to create a public financing program for local election campaigns for consideration by Seattle voters; and

WHEREAS, in December of 2012, the City Council requested the Seattle Ethics and Elections Commission (SEEC) to review the 2008 CPFAC report and provide updated recommendations for Council consideration; and

WHEREAS, in March of 2013, the SEEC submitted a report to the City Council recommending specific public financing program parameters; and

WHEREAS, the City Council is committed to systemically improving the local electoral process through measures that reduce barriers to entry for candidates and broaden public participation in the electoral process; and

WHEREAS, the City Council is concerned about the rising costs associated with local election campaigns and the potential negative impact on public participation in the democratic process; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

**Section 1. Findings**

Based on City Council and public discussions with campaign public financing researchers and practitioners on January 31 and February 13, 2013 and recommendations from the Seattle Ethics and Elections Commission in their March 28, 2013 letter to the City Council, the City finds that it is in the best interest of the public to strengthen the local electoral process by reducing the financial barriers to entry for prospective candidates, increasing the role of small donors and diversifying the pool of donors to City Council races. The City finds there is public benefit to creating a voluntary program available to candidates running for the Seattle City Council to obtain public matching funds for certain political campaign activities if specific criteria and conditions are met.

**Section 2. Administration of the Campaign Financing Program**

The Seattle Ethics and Elections Commission is charged with implementing and administering the Seattle Public Campaign Financing Program ("Program"). Within 180 days of voter approval of the Program the Commission must:

- a) promulgate rules implementing the Program;
- b) recommend or propose legislation and changes to the Seattle Municipal Code as necessary to implement the Program;
- c) develop and make available to the public all forms and documents necessary to participate in the Program; and
- d) establish processes and procedures for appeal of decisions of the Executive Director of the Ethics and Elections Commission.

Section 3. Subchapter V of Chapter 2.04 of the Seattle Municipal Code, which was last amended by Council Bill 117808, is amended as follows:

**Subchapter V**

**(Voluntary Expenditure Limitations)**  
**Seattle Public Campaign Financing Program**

Section 4. Added to Subchapter V of Chapter 2.04 of the Seattle Municipal Code are Sections 2.04.400, 2.04.405, 2.04.410, 2.04.415, 2.04.420, 2.04.422, 2.04.425, 2.04.430, 2.04.435, 2.04.440, 2.04.445, 2.04.400 Definitions.

The following terms, when used and capitalized in this ordinance, are defined as follows:

"Campaign Program Fund" means the fund established as the repository for the levy proceeds or other funds to support the Program;

"Cap" means maximum allowed Total Candidate Funds;

"Commission" means the Seattle Ethics and Elections Commission;

"Director" means the Executive Director of the Commission;

"Matchable Contribution" means a campaign contribution that is certified by the Director as having met the requirements of 2.04.405;

"Matching Funds" means the public funds given by the City to a Participating Candidate;

"Participating Candidate" means a person who has been certified by the Director as having met the requirements of 2.04.410;

"Participation Agreement" means a contract between a Participating Candidate and the City of Seattle detailing the responsibilities of the parties to the agreement;

"Program" means the Seattle Public Campaign Financing Program;

"Statement of Intent" means a statement by a candidate of his or her intention to participate in the Program; and

"Total Candidate Funds" means a candidate's cash on hand plus expenditures plus debts and obligations.

**2.04.405 Matchable Contribution.**

A Matchable Contribution for the Program must be a monetary contribution of no less than \$10.00 from a human who resides in the City of Seattle at the time the contribution is made. The contribution may be of any amount up to that allowed by 2.04.370.

**2.04.410 Program Eligibility.**

To qualify as a Participating Candidate and be eligible to receive public matching funds, a person must:

(a) have filed a Statement of Intent with the Commission no earlier than January 1 of the year of the election and no later than 14 days after filing a Declaration of Candidacy for a Seattle City Council position with King County Elections;

(b) have filed a Participation Agreement with the Commission no later than 14 days after filing a Declaration of Candidacy for a Seattle City Council position with King County Elections;

(c) have filed a Declaration of Candidacy for a Seattle City Council position with King County Elections;

(d) be opposed by at least one person who has filed a Declaration of Candidacy for the same Seattle City Council position with King County Elections who is still in the election after the date set for withdrawal from the election, and who has at least \$6,000 in Total Candidate Funds in support of his or her candidacy;

(e) have received at least 600 Matchable Contributions between filing a Statement of Intent with the Director and no later than 21 days after the last day to file a Declaration of Candidacy for a Seattle City Council position with King County Elections;

(f) agree to participate in a minimum of three public debates or candidate forums with at least one candidate during the course of the campaign; and

(g) have submitted all necessary documentation for qualification no later than 21 days after the last day to file a Declaration of Candidacy for a Seattle City Council position with King County Elections in the year of the election.

A candidate who qualifies for the Program is qualified for both the primary and general elections.

**2.04.415 Qualification Process.**

1. By December 1 of the year prior to an election year, the Commission must issue a schedule that sets the deadlines and process for qualification, including the form of the Statement of Intent and the Participation Agreement.

2. The Director must certify eligible candidates who have timely filed to participate in the Program within 15 days of the date on which the last of the conditions listed in SMC 2.04.410 is satisfied.

**2.04.420 Program Structure.**

A. Caps. For Participating Candidates the Cap for the primary election is \$140,000 and the Cap for the entire election is \$245,000.

B. Matching Funds. A Participating Candidate will be eligible for Matching Funds equal to the value, up to \$50,000, of each Matchable Contribution times six, provided that the resulting number may not exceed \$105,000 in the primary election and \$210,000 for the entire election. If a candidate's Total Candidate Funds, when added to the Matching Funds calculated as provided for here, would exceed the applicable Cap, the Matching Funds are reduced until the Cap is not exceeded.

affidavit

**2.04.422 Permissible Uses of Matching Funds.**

A. Matching funds provided under the provisions of this chapter may be used only for expenditures by a Participating Candidate to further the candidate's nomination for election or election, either in a special election to fill a vacancy, or during the calendar year in which the primary or general election in which the candidate is seeking nomination for election or election is held.

B. Such public funds may not be used for:

1. an expenditure in violation of any law;
2. payments made to the candidate, except to reimburse a candidate for loans made by the candidate to the candidate's own political committee or campaign in an amount totaling no more than the amount provided in RCW 42.17A.445(3) and WAC 390-05-400;
3. payments to the candidate's immediate family as defined in 4.16.030, or to a business entity in which the candidate or the candidate's immediate family has a ten percent or greater ownership interest;
4. payments in excess of the fair market value of services, materials, facilities or other things of value received in exchange;
5. payment of any penalty or fine imposed pursuant to federal, state or local law;
6. payments for inaugural activities; or
7. payments in cash.

**2.04.425 Lifting of a Cap.**

A. Non-participating Candidate Funds. In the event a non-participating candidate's Total Candidate Funds exceed the Cap, the Cap is removed for all Participating Candidates in the same election contest.

B. Independent Expenditures. If the combined total of the Independent Expenditure and the Total Candidate Funds of any candidate(s) who benefit(s) from the Independent Expenditure exceeds the Cap, the Cap is removed for all Participating Candidates who do not benefit in the same election contest.

1. If the candidate who benefits is a Participating Candidate, then the Cap shall remain in place for that candidate until such time another Participating Candidate exceeds the Cap in the same election contest.

2. The Director must post to the Commission website and notify all candidates in a race no later than three business days after learning of an Independent Expenditure pursuant to 2.04.270 a determination of which, if any, candidates are no longer subject to a Cap.

C. If a Participating Candidate's Cap is removed and that candidate's Total Candidate Funds exceed \$140,000 in the primary, then that candidate is required to adhere to a general election Cap of \$105,000. If a Participating Candidate's Cap is removed and that candidate's Total Candidate Funds do not exceed \$140,000 in the primary, then that candidate is required to adhere to the overall election Cap of \$245,000.

D. The Executive Director shall determine which candidates benefit from an Independent Expenditure. In making that determination the Director must consider the following factors:

1. whether the communication clearly identifies one or more candidates;
2. whether the communication clearly expresses support for or opposition to one or more candidates;
3. whether the communication clearly identifies and associates a candidate with a position on an issue and urges voters to take a particular action;
4. whether the communication distinguishes one or more candidates from each other in a campaign based on a position on an issue or in some other manner; and
5. any other factors deemed relevant by the Director.

**2.04.430 Changes to the Program.**

No more than 180 days after regular City Council elections, the Commission shall report to the City Council whether the Commission has determined that any changes would improve the Program and if so, details related to the specific recommendations. The City Council may, upon receipt of the Commission's report, change any existing dollar value by no more than 15%, the existing number of Matchable Contributions required to participate in the Program by no more than 100, any of the dates or times for taking action under this ordinance, and other technical, non-substantive changes.

**2.04.435 Disbursement of Funds.**

A. Within one week of certifying that a candidate has qualified under 2.04.410 for the election in question, the Director must provide each Participating Candidate with the matching funds the candidate is, at that time, eligible to receive based on the candidate's Matchable Contributions and other limitations set forth here. This initial disbursement shall not exceed 50 percent of the Matching Funds available to the Candidate in the primary.

B. The Commission determines the information needed to submit a claim for subsequent payments of public funds. The Director must certify each request for payment of public funds within four business days of the request, except that within 14 calendar days before the election, when the certification of a request for public funds must be made within two business days of the request. Any submission of a claim for public funds must include a minimum of \$1,000 of Matchable Contributions; provided that in the 14 calendar days preceding an election, a claim must include a minimum of \$200 of Matchable Contributions. All claims for public funds must be submitted no later than 5:00 p.m. on the 30th day following the date of the election.

**2.04.440 Return of Funds.**

A Participating Candidate may withdraw from the Program. A Participating Candidate withdrawing from the Program must return all Matching Funds to the Campaign Program Fund with interest, assessed at the same rate as a 26-week US Treasury Bill issued the day the candidate entered into the Participation Agreement, per day from the date of receipt of those funds. A Participating Candidate must return unexpended Matching Funds to the City for deposit into the Campaign Program Fund no later than 30 days after he or she is elected, defeated, or withdraws.

**2.04.445 Insufficient Funds.**

In the event that the funds available in the Campaign Program Fund are insufficient to provide every Participating Candidate with the funds he or she would be eligible to receive, the apportionment to each candidate is reduced proportionally until the total disbursement equals the amount of funds available.

**2.04.450 Applicability**

This program is available only to candidates in Citywide Council elections.

**2.04.455 Penalties**

In addition to the penalties and remedies provided for in 2.04.500, Participating Candidates are subject to the following additional penalties:

A. Participating Candidates who violate applicable Caps will be subject to a penalty up to the amount of the Matching Funds made available to the Candidate;

B. Participating Candidates who make expenditures in violation of section 2.04.422 are subject to a fine of up to twice the amount of the expenditure.

Section 5. Definitions. The following terms, when used and capitalized in this ordinance, shall have definitions stated below:

A. "City" means the City of Seattle.

B. "Proceeds" means that portion of regular property taxes levied and collected as authorized by voter approval pursuant to this ordinance that are above the limits on levies provided for in RCW 84.55.010, and all interest and other earnings derived from that portion of the levy.

Section 6. Levy of Regular Property Taxes - Submittal. The City hereby submits to the qualified electors of the City a proposition as authorized by RCW 84.55.050 to exceed the levy limitation on regular property taxes contained in Chapter 84.55 RCW, as it now exists or may hereafter be amended, for property taxes levied in 2013 through 2018 for collection in 2014 through 2019, respectively. The proposition shall be limited so that the City shall not levy more than \$2,000,000 in the first year, in addition to the maximum amount of regular property taxes it would have been limited to by RCW 84.55.010 in the absence of voter approval under this ordinance, plus other authorized lid lifts. Proceeds shall be used to provide funding for the Seattle Public Campaign Financing Program. Pursuant to RCW 84.55.050(4), the maximum regular property taxes that may be levied in 2019 for collection in 2020 and in later years shall be computed as if the levy lid in RCW 84.55.010 had not been lifted under this ordinance.

Section 7. A new Campaign Program Fund is created in the City Treasury, to which revenues may be deposited, and from which associated expenditures may be paid including, but not limited to, operating and City administration costs for the Seattle Public Campaign Financing Program.

Section 8. Application of Levy Proceeds. Unless otherwise directed by ordinance, Proceeds shall be deposited in the Campaign Program Fund. The Director of Finance and Administrative Services, or the Director's designee, is authorized to create subfunds or accounts within the Campaign Program Fund as may be needed or appropriate to implement the purposes of this ordinance. Proceeds may be temporarily deposited or invested in such manner as may be lawful for the investment of City money, and interest and other earnings shall be used for the same purposes as the Proceeds.

Section 9. Election - Ballot Title. The City Council directs that the City Clerk file this ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of elections, requesting that the Director of Elections call and conduct a special election in the City in conjunction with the general election to be held on November 5, 2013, for the purpose of submitting to the qualified electors of the City the proposition set forth in this ordinance. The City Clerk is directed to certify to the King County Director of Elections the ballot title approved by the City Attorney in accordance with his responsibilities under RCW 29A.36.071.

Section 10. Ratification. Certification of such proposition by the City Clerk to the King County Director of Elections in accordance with law prior to the date of such election on November 5, 2013, and any other act consistent with the authority and prior to the effective date of this ordinance, are hereby ratified and confirmed.

Section 11. The Seattle Ethics and Elections Commission will submit to the City Council, Mayor and citizens of Seattle annual progress reports on the Campaign Finance Program. The report shall be due to the City Council and Mayor by no later than March 1 of calendar years following each election.

Section 12. Any appeal of the City Attorney's Explanatory Statement for this proposition timely filed under SMC 2.14.030 shall be heard by the Office of the Hearing Examiner, not the Commission.

Section 13. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of this ordinance, or the invalidity of its application to any person or circumstance, do not affect the validity of the remainder of this ordinance, or the validity of its application to other persons or circumstances.

Section 14. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 17th day of June, 2013, and signed by me in open session in authentication of its passage this

17th day of June, 2013.

President of the City Council

Approved by me this 25th day of June, 2013.

Michael McGinn, Mayor

Filed by me this 25th day of June, 2013.

Monica Martinez Simmons, City Clerk

(Seal)

Date of publication in the Seattle Daily Journal of Commerce, July 22, 2013.