

CITY OF SEATTLE
ORDINANCE _____
COUNCIL BILL _____

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 matching campaign fund program; establishing a campaign matching fund account in the City Treasury; and adding new sections 2.04.400, 2.04.405, 2.04.410, 2.04.415, 2.04.420, 2.04.425, 2.04.430, 2.04.435, 2.04.440, and 2.04.445 to Subchapter V of chapter 2.04 of the Seattle Municipal Code; 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 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

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

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

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

7 Section 1. Findings

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

17 Section 2. Administration of the Campaign Financing Program

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

- 21 a) promulgate rules that establish a process for participation with clear deadlines;
22 b) develop and make available to the public all forms and documents necessary to
23 participate in the Program; and
24 c) establish processes and procedures for appeal of decisions of the Executive Director of
25 the Ethics and Elections Commission.

1 Section 3. A new Subchapter V is added to Chapter 2.04 of the Seattle Municipal Code,
2 which includes new Sections 2.04.400, 2.04.405, 2.04.415 2.04.420, 2.04.425, 2.04.430,
3 2.04.435, 2.04.440, and 2.04.445 as follows:

4
5 Subchapter V

6 Seattle Public Campaign Financing Program

7
8 2.04.400 Definitions. The following terms, when used and capitalized in this ordinance,
9 are defined as follows:

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

12 "Cap" means maximum allowed Total Candidate Funds;

13 "Commission" means the Seattle Ethics and Elections Commission;

14 "Director" means the Executive Director of the Commission;

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

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

19 "Program" means the Seattle Public Campaign Financing Program;

20 "Match" means the public funds made available to a Participating Candidate for an
21 election;

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

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

1 “Total Candidate Funds” means a candidates cash on hand plus expenditures, minus
2 debts and obligations.

3 2.04.405 Matching Contribution

4 A Matching Contribution for the Program must be a monetary contribution of no less
5 than \$10.00 from a human who is a resident of the City of Seattle at the time of when the
6 contribution is made. The contribution may be of any amount up to that allowed by 2.04.370;
7 however, only \$50.00 of any contributions will be matched.

8 2.04.410 Program Eligibility

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

11 (a) have filed a Statement of Intent with the Commission no earlier than January 1 and no
12 later than May 31 of the year of the election, and prior to collecting any contributions that will be
13 submitted to the Director to establish eligibility;

14 (b) have filed a Participation Agreement with the Commission by May 31 of the year of
15 the election;

16 (c) have filed with King County Elections as a candidate in a citywide election to the
17 Seattle City Council;

18 (d) be opposed by at least one person who has filed with King County Elections for the
19 same City Council seat who is still in the election after the date set for withdrawal from the
20 election, and who has raised or spent at least \$6,000 in support of his or her candidacy;

21 (e) have received at least 600 Matching Contributions between January 1 and May 31 of
22 the year of the election;

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

1 (g) have submitted all necessary documentation for qualification no later than May 31 of
2 the year of the election; and

3 (h) have made no more than \$5,000 in contributions to his or her own campaign.

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

6 A Participating Candidate may withdraw from the Program. A Participating Candidate
7 withdrawing from the Program must return all public funds to the Campaign Program Fund with
8 interest, assessed at the same rate as a US Treasury Bill issued the day the candidate entered into
9 the Participation Agreement, per day from the date of receipt of those funds.

10 2.04.415 Qualification Process

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

14 The Director must certify eligible candidates who have timely filed to participate in the
15 Program within 15 days of receipt of the last necessary and timely filed document that
16 establishes that candidate's eligibility.

17 2.04.420 Program Structure

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

20 In the event there are only two candidates for a Council seat, the Cap in the primary
21 phase of the election cycle is \$71,000 and the Cap for the entire election is \$176,000.

22 B. Matches. The maximum Match available to each Participating Candidate for the
23 primary election is \$105,000. The sum of the match in the primary and in the general must not
24 exceed \$210,000.

1 In the event there are only two candidates for a Council seat, the maximum Match for the
2 primary phase of the election cycle is \$36,000 and the maximum Match for the entire election is
3 \$141,000

4 C. Match. A Participating Candidate will be eligible for a Match equal to six times the
5 value of each Matching Contribution, provided that the resulting number may not exceed the
6 maximum Match for the entire election as set forth in 2.04.420 (B). If the sum of a candidate's
7 Total Candidate Funds and Match calculated as provided for here exceeds the applicable Cap,
8 the Match is reduced until the Cap is reached.

9 2.04.425 Lifting of a Cap

10 The Executive Director shall determine which candidates benefit from an Independent
11 Expenditure.

12 If the combined total of the Independent Expenditure and the Total Candidate Funds of
13 any candidate(s) who benefit from the Independent Expenditure exceeds the Cap, the Cap is
14 removed for all Participating Candidates who do not benefit.

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

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

20 The Director must consider the following factors in determining whether a candidate
21 benefited or was intended to benefit from an Independent Expenditure:

- 22 a) whether the communication clearly identifies one or more candidates;
23 b) whether the communication clearly expresses support for or opposition to one or more
24 candidates;

1 c) whether the communication clearly identifies and associates a candidate to a position
2 on an issue and urges voters to take a particular action;

3 d) whether the communication distinguishes one or more candidates from each other in
4 a campaign based on a position on an issue or in some other manner; and

5 e) any other factors deemed relevant by the Director.

6 2.04.430 Changes to the Program

7 No more than 180 days after regular City Council elections, the Commission shall
8 recommend to the City Council any changes that the Commission determines would improve the
9 Program. The City Council may, upon receipt of the Commission's recommendation, change
10 any dollar value by no more than 15%, and may change the number of Matching Contributions
11 required to participate in the Program by no more than 100.

12 2.04.435 Return of Unused Funds

13 A Participating Candidate must return unexpended funds to the City for deposit into the
14 Campaign Program Fund no later than 30 days after he or she is elected, defeated, or withdraws.
15 However, the funds returned to the City need not exceed the amount of public funds received.

16 2.04.440 Disbursement of Funds

17 One week after the closing date for filing with King County Elections for the election in
18 question, the Director must provide each Participating Candidate with half of the matching funds
19 the candidate is, at that time, eligible to receive based on the candidate's Matching Contributions
20 and other limitations set forth here.

21 The Commission determines the information needed to submit a claim for subsequent
22 payments of public funds. The Director must certify each request for payment of public funds
23 within four business days of the request, except that within 14 calendar days before the election,
24 when the certification of a request for public funds must be made within two business days of the
25 request. Any submission of a claim for public funds must include a minimum of \$1,000 of

1 matching contributions; provided that in the 14 calendar days preceding an election, a claim must
2 include a minimum of \$200 of matching contributions. All claims for public funds must be
3 submitted no later than 5:00 p.m. on the 30th day following the date of the election.

4 4.02.490 Insufficient Funds.

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

9 Section 4. Definitions. The following terms, when used and capitalized in this
10 ordinance, shall have definitions stated below:

11 A. "City" means the City of Seattle.

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

16 Section 3 . Levy of Regular Property Taxes – Submittal. The City hereby submits to the
17 qualified electors of the City a proposition as authorized by RCW 84.55.050 to exceed the levy
18 limitation on regular property taxes contained in Chapter 84.55 RCW, as it now exists or may
19 hereafter be amended, for property taxes levied in 2013 through 2018 for collection in 2014
20 through 2019, respectively. The proposition shall be limited so that the City shall not levy more
21 than \$X,XXX,XXX in the first year, in addition to the maximum amount of regular property
22 taxes it would have been limited to by RCW 84.55.010 in the absence of voter approval under
23 this ordinance, plus other authorized lid lifts. Proceeds shall be used to provide funding for the
24 Seattle Public Campaign Financing Program. Pursuant to RCW 84.55.050(4), the maximum
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1 regular property taxes that may be levied in 2019 for collection in 2020 and in later years shall be
2 computed as if the levy lid in RCW 84.55.010 had not been lifted under this ordinance.

3 Section 5. Application of Levy Proceeds.

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

10 Section 6. Election – Ballot Title. The City Council directs that the City Clerk file this
11 ordinance with the Director of Elections of King County, Washington, as ex officio supervisor of
12 elections, requesting that the Director of Elections call and conduct a special election in the City
13 in conjunction with the general election to be held on November 5, 2013, for the purpose of
14 submitting to the qualified electors of the City the proposition set forth in this ordinance. The
15 City Clerk is directed to certify to the King County Director of Elections the ballot title approved
16 by the City Attorney in accordance with his responsibilities under RCW 29A.36.071.

17 Section 7. Ratification. Certification of such proposition by the City Clerk to the King
18 County Director of Elections in accordance with law prior to the date of such election on
19 November 5, 2013, and any other act consistent with the authority and prior to the effective date
20 of this ordinance, are hereby ratified and confirmed.

21 Section 8. The Seattle Ethics and Elections Commission will submit to the City Council,
22 Mayor and citizens of Seattle annual progress reports on the Campaign Finance Program. The
23 report shall be due to the City Council and Mayor by no later than March 1 of calendar years
24 following each election.

1 Section 9. Any appeal of the City Attorney's Explanatory Statement timely filed under
2 SMC 2.14.030 shall be heard by the Office of the Hearing Examiner, not the Commission.

3 Section 10. Severability. The provisions of this ordinance are declared to be separate and
4 severable. The invalidity of any clause, sentence, paragraph, subdivision, section or portion of
5 this ordinance, or the invalidity of its application to any person or circumstance, do not affect the
6 validity of the remainder of this ordinance, or the validity of its application to other persons or
7 circumstances.

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

11 Passed by the City Council the ____ day of _____, 2013, and
12 signed by me in open session in authentication of its passage this
13 ____ day of _____, 2013.

14
15 _____
16 President _____ of the City Council

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18 Approved by me this ____ day of _____, 2013.

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20 _____
21 Michael McGinn, Mayor

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23 Filed by me this ____ day of _____, 2013.
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Monica Martinez Simmons, City Clerk

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